Prospectus for Jahez International Company for Information Systems Technology

A Saudi joint stock company incorporated under Ministerial Resolution No. 138 dated 05/05/1442H (corresponding to 12/20/2020G), registered under Commercial Registration No. 1010895874 dated 01/01/1439H (corresponding to 09/21/2017G)

Offering of one million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) ordinary shares representing around 13% of the Company's share capital after the Offering (which represents 14.2% of the Company's capital before the increase), and allocation of up to two hundred four thousand, five hundred ninety (204,590) shares (equivalent to up to 15% of the Offer Shares) as an over-allotment to implement the price stabilization mechanism, by offering them on the Parallel Market to Qualified Investors at a price of [•] ([•]) Saudi riyals per share.

Offering Period: The Offering Period will commence on Thursday, 19/05/1443H (corresponding to 12/23/2021G) and end on Sunday, 22/05/1443H (corresponding to 12/26/2021G)

Jahez International Company for Information Systems Technology (the "**Company**" or the "**Issuer**") is a Saudi closed joint stock company incorporated under Ministerial Resolution No. 138 dated 05/05/1442H (corresponding to 12/20/2020G) and registered under Commercial Registration No. 1010895874 dated 01/01/1439H (corresponding to 09/21/2017G). Its registered address is P.O. Box: 2065, Riyadh 12444, Kingdom of Saudi Arabia (the "**Kingdom**" or "**Saudi Arabia**").

The Company was originally incorporated on 01/01/1439H (corresponding to 09/21/2017G) as a limited liability company with a paid-up share capital of one million Saudi riyals (SAR 1,000,000), divided into one hundred (100) ordinary cash shares with a nominal value of ten thousand Saudi riyals (SAR 10,000) each and registered under Commercial Registration No. 1010895874 on 01/01/1439H (corresponding to 09/21/2017G). On 10/03/1442H (corresponding to 10/27/2020G), the Company's share capital was increased from one million Saudi riyals (SAR 1,000,000) to five million Saudi riyals (SAR 5,000,000), through capitalization of four million Saudi riyals (SAR 4,000,000) of the Shareholders' current accounts. On 05/05/1442H (corresponding to 12/20/2020G), the Company was converted from a limited liability company to a closed joint stock company with a paid-up share capital of five million Saudi riyals (SAR 5,000,000), divided into five-hundred thousand (500,000) ordinary shares with a nominal value of ten Saudi riyals (SAR 10) each. On 15/10/1442H (corresponding to 05/27/2021G), the Company's Extraordinary General Assembly agreed to increase the capital from five million Saudi riyals (SAR 5,000,000) to ninety-six million Saudi riyals (SAR 96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid-up nominal value of ten Saudi riyals (SAR 10) each. This increase of ninety-one million Saudi riyals (SAR 91,000,000) was made by capitalizing one million, five hundred thousand Saudi riyals (SAR 1,500,000) from the Company's statutory reserve, sixty-three million, five hundred thousand Saudi riyals (SAR 63,500,000) from the balance of retained earnings, and twenty-six million Saudi riyals (SAR 26,000,000) from the Shareholders' accounts payable. On 28/10/1442H (corresponding to 06/09/2021G), the Company's Extraordinary General Assembly agreed to increase the share capital from ninety-six million Saudi riyals (SAR 96,000,000) to one hundred four million, nine hundred eighteen thousand, thirty Saudi riyals (SAR 104,918,030), divided into ten million, four hundred ninety-one thousand, eight hundred three (10,491,803) ordinary shares (collectively, the "**Shares**") with a nominal value of ten Saudi riyals (SAR 10) per share, and offer eight hundred ninety-one thousand, eight hundred three (891,803) new shares (the "**New Shares**") to be subscribed for by Qualified Investors on the Parallel Market (for more information about the Company's history, see Section 4-3 "**Corporate History and Evolution of the Company's Share Capital**" of this Prospectus).

Prior to the Offering, the Company had a fully paid-up capital of ninety-six million Saudi riyals (SAR 96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid-up nominal value of ten Saudi riyals (SAR 10) per share. After the Offering, the Company's capital will be one hundred four million, nine hundred eighteen thousand, thirty Saudi riyals (SAR 104,918,030), divided into ten million, four hundred ninety-one thousand, eight hundred three (10,491,803) ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per share.

The initial public offering (the "**Offering**") consists of one million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) ordinary shares as follows: (i) the sale of four hundred seventy-two thousand, one hundred thirty-one (472,131) existing shares of the Company (the "**Sale Shares**"); and (ii) the issuance of eight hundred ninety-one thousand, eight hundred three (891,803) New Shares (collectively, the "**Offer Shares**" and each an "**Offer Share**") at an offer price of ([•]) [•] Saudi riyals per share, with a nominal value of ten Saudi riyals (SAR 10) per share (the "**Offer Price**"). The Sale Shares and New Shares represent 4.5% and 8.5% of the Company's total capital after the Offering, respectively, together accounting for 13% of the Company's capital after the Offering.

The Company has one class of ordinary shares. Each share entitles its holder to one vote, and each shareholder (the "**Shareholder**") has the right to attend and vote at the Shareholders' general assemblies (the "**General Assembly**"). No Shareholder benefits from any preferential voting rights. The Offer Shares will be entitled to receive dividends declared by the Company as of the date of this Prospectus (the "**Prospectus**") and subsequent financial years (for further details about the dividend distribution policy, see Section 7 "**Dividend Distribution Policy**" of this Prospectus).

The Company has two Major Shareholders who directly own 5% or more of its shares. They are Alamat International Limited Company and Osool Impact for Communication and Technology (a company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund), upon offering, the shares outstanding by that Company will be recorded in the name of the fund) (the "**Major Shareholders**" or "**Selling Shareholders**"), who own 60% and 40%, respectively, of the Company's Shares as at the date of this Prospectus (for more information about the Major Shareholders, see Table 0 2 "**Direct Major Shareholders, Number of Shares and Shareholding Before and After the Offering**" of this Prospectus). After completion of the Offering, the Major Shareholders will own 85.1% of the Company's Shares. Accordingly, they will retain a controlling interest and be subject to a Lock-up Period of twelve (12) months during which they may not dispose of their shares as of the date the Company's shares are listed on the Parallel Market.

Subscription to the Offer Shares is restricted to qualified investors (the "**Qualified Investors**") in the following two tranches:

Tranche A: (Institutional) Qualified Investors:

a. Capital Market Institutions acting on their own behalf;

b. customers of a Capital Market Institution authorized to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make decisions to accept participation in the Offering and to invest in the Parallel Market on behalf of the customer without the need for his prior approval;

c. the Kingdom's government, any governmental entity, or any international body recognized by the Capital Market Authority in the Kingdom (the "**CMA**"), the Saudi Exchange (the "**Exchange**"), or any other stock exchange recognized by the CMA, or the Securities Depository Center in the Kingdom (the "**Depository Center**");

d. Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities;

e. companies and funds established in GCC countries;

f. investment funds;

g. non-resident foreign investors who may invest in the Parallel Market and meet the requirements set out in the Guidance Note for the Investment of Non-Resident Foreigners in the Parallel Market (for more information, see Section 1 "**Definitions and Abbreviations**" of this Prospectus);

h. qualified foreign financial institutions;

i. any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center; and

j. any other persons defined by the CMA

(collectively, the "**(Institutional) Qualified Investors**").

(Institutional) Qualified Investors will participate in the Offering through the book-building process (for more information on the book-building process, see Section 12 "**Details on Shares and Subscription Terms and Conditions**" of this Prospectus). The number of Offer Shares that will be initially allocated to (Institutional) Qualified Investors is one million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) Offer Shares, representing 100% of the total number of Offer Shares. The final allocation of Offer Shares will be made after the end of the subscription period for (Individual) Qualified Investors. In the event that (Individual) Qualified Investors (defined as Tranche B below) subscribe for the Offer Shares allocated thereto, the Lead Bookrunner shall have the right to reduce the number of Offer Shares allocated to (Institutional) Qualified Investors to one million, ninety-one thousand, one hundred forty-eight (1,091,148) shares, representing eighty percent (80%) of the total number of Offer Shares.

Tranche B: (Individual) Qualified Investors: Natural persons who may open an investment account in the Kingdom and an account with the Depository Center and meet any of the following criteria: (a) have made transactions in the securities market with a total value of not less than forty million Saudi riyals (SAR 40,000,000) and not less than ten (10) transactions per quarter during the past 12 months; (b) the value of their net assets is not less than five million Saudi riyals (SAR 5,000,000); (c) is working or has worked in the financial sector for at least three (3) years; (d) has a CME-1 approved by the CMA; or (e) holds a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity collectively "**(Individual) Qualified Investors**"). In the event of subscribing twice, the second subscription will be considered null and only the first subscription will be taken into account, and the second subscription will be considered void. A maximum of two hundred seventy-two thousand, seven hundred eighty-six (272,786) Offer Shares representing 20% of the total Offer Shares will be allocated to (Individual) Qualified Investors provided that (Individual) Qualified Investors subscribe to all the Offer Shares allocated to them. If (Individual) Qualified Investors do not subscribe for all the Shares allocated to them, the Lead Bookrunner may reduce the number of Shares allotted to them in proportion to the number of Shares to which they subscribed.

The Offering Period for (Individual) Qualified Investors begins on Thursday 19/05/1443H (corresponding to 12/23/2021G), and will remain open for a period of four (4) days up to and including the subscription closing date at the end of Sunday 22/05/1443H (corresponding to 12/26/2021G) (the "**Offering Period**"). Subscription to the Offer Shares can be made by (Individual) Qualified Investors through the electronic channels of the Receiving Entities during the Offering Period (for more information, see Section 12-2-2 "**Subscription by (Individual) Qualified Investors**" of this Prospectus). (Institutional) Qualified Investors can register their applications for the Offer Shares through the Joint Bookrunners, during the book-building period, which takes place before the Shares are offered to (Individual) Qualified Investors (for more information, see Section 12-2-1 "**Book-Building Process for (Institutional) Qualified Investors**" of this Prospectus).

Each (Individual) Qualified Investor who subscribes for the Offer Shares must apply for a minimum of ten (10) Offer Shares and a maximum of sixty-five thousand (65,000) Offer Shares. The minimum allocation per (Individual) Qualified Investor is ten (10) Shares. The balance of the Offer Shares, if any, will be allocated on a pro-rata basis based on the number of Offer Shares applied for by each (Individual) Qualified Investor. In the event that the number of (Individual) Qualified Investors exceeds twenty-seven thousand, two hundred seventy-eight (27,278) subscribers, the Company will not guarantee the minimum allocation and the allocation of Offer Shares will be determined at the discretion of the Lead Bookrunner. Excess subscription amounts, if any, will be refunded to Qualified Investors without any charge or commission being withheld by the Receving Entities. Announcement of the final allotment will be made no later than Monday 30/05/1443H (corresponding to 01/03/2022G) and refund of excess subscription amounts, if any, will be made no later than Monday 30/05/1443H (corresponding to 01/03/2022G) (please see "**Key Dates and Subscription Procedures**" on page (V) and Section 12 "**Details on Shares and Subscription Terms and Conditions**" of this Prospectus).

After the Offering expenses are deducted, the Offering (the "**Net Offering Proceeds**") will be distributed as follows: (i) [•] ([•]) Saudi riyals will be paid to the Selling Shareholders pro-rata to the number of Sale Shares that will be sold by each of them in the Offering; and (ii) [•] ([•]) Saudi riyals obtained from the sale of the New Shares resulting from the capital increase for the purpose of the Offering (the "IPO Proceeds") will be paid to the Company. This amount will be applied to expand the Group's activities locally and regionally (for more information, see Section 8 "Use of Offering Proceeds" of this Prospectus).

HSBC Saudi Arabia, in its capacity as stabilizing manager (the "**Stabilizing Manager**"), may, but is not obligated to, allocate a number of additional shares and effect transactions to the extent permitted by the CMA's Instructions on the Price Stabilization Mechanism for Initial Public Offerings to stabilize the market price of the Shares in order to support their market price so that they have a price level equal to or higher than the Offer Price. The Stabilizing Manager is not required to undertake any such transactions. Such transactions will be effected on the Exchange during trading and auction times from the date on which trading of the Offer Shares commences on the Exchange for no longer than thirty (30) calendar days (the "**Stabilization Period**"). However, the Stabilizing Manager is under no obligation to undertake any stabilizing transactions and there can be no assurance that such stabilization will be undertaken. Any stabilization, if commenced, may be discontinued at any time without prior notice. Except as otherwise provided in the applicable laws and regulations, the Stabilizing Manager will disclose any allocation of over-allotments and/or price stabilization processes undertaken in connection with the Offering to the extent required by the Instructions on the Price Stabilization Mechanism in Initial Public Offerings issued by the Capital Market Authority.

In order to allow the Stabilizing Manager to cover short positions resulting from any over-allotments, the relevant Shareholders will grant the Stabilizing Manager an over-allotment option (the "**Over-Allotment Option**") pursuant to which the Stabilizing Manager may purchase up to two hundred four thousand, five hundred ninety (204,590) shares (equivalent to up to 15% of the Offer Shares) (the "**Over-Allotment Shares**") at the Offer Price. The Over-Allotment Option will be exercisable in whole or in part, upon notice by the Stabilizing Manager at any time on or before the 30th calendar day after the commencement of trading of the Shares on the Exchange. The Over-Allotment Shares will be equal to the Shares in all respects, including with regard to all dividends and other distributions declared, provided or paid upon the Shares, and will be purchased on the same terms and conditions as the Offer Shares and have one class with other Shares.

Prior to the Offering, there has been no public market for the Shares in the Kingdom or elsewhere. An application has been made by the Company to the CMA for registration and offer of shares in accordance with the OSCOs. The Company also submitted an application to the Exchange for admission to listing on the Parallel Market in accordance with the Listing Rules. This Prospectus has been approved and all supporting documents required by the CMA have been submitted, and all relevant approvals pertaining to the Offering have been granted. It is expected that trading in the Shares will commence on the Exchange shortly after the final allocation of the Offer Shares, refund of excess subscription amounts and satisfaction of all relevant regulatory requirements (see "**Key Dates and Subscription Procedures**" on page (V) of this Prospectus). After the Shares are registered on the Parallel Market, Qualified Investors who meet the conditions, whether inside or outside the Kingdom, will be allowed to trade in the Company's Shares.

Those who wish to subscribe for the Offer Shares must read and consider the "**Important Notice**" on page (E) and Section 2 "**Risk Factors**" of this Prospectus prior to making a decision to invest in the Offer Shares.

This Prospectus is dated 22/02/1443H (corresponding to 09/29/2021G)

Financial Advisor, Lead Manager, the Lead Bookrunner and Stabilizing Manager

HSBC

Joint Bookrunners

Al Rajhi Capital — derayah — Saudi Fransi Capital

Receving Entities

alrajhi bank — derayah — SABB — Saudi Fransi Capital

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Important Notice

This Prospectus contains complete detailed information about the Company and its Subsidiaries (the "**Group**") as well as the Offer Shares. Investors who apply to subscribe for the Offer Shares will be treated on the understanding that their applications are based solely on the information contained in this Prospectus, copies of which can be obtained from the Company or the Financial Advisor or through the websites of the Company (www.jahezgroup.com), the Financial Advisor, Lead Manager, the Lead Bookrunner and Stabilizing Manager, HSBC Saudi Arabia, (www.hsbcsaudi.com) or the CMA (www.cma.org.sa).

With respect to the Offer Shares described in this Prospectus, HSBC Saudi Arabia has been appointed by the Company as the Financial Advisor for the Offering (the "**Financial Advisor**"), Lead Manager (the "**Lead Manager**"), Lead Bookrunner (the "**Lead Bookrunner**") and Stabilizing Manager (the "**Stabilizing Manager**").

This Prospectus includes information provided in accordance with the OSCOs issued by the CMA. The Directors, whose names appear on page (B), collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading. The CMA and the Exchange do not take any responsibility for the contents of this Prospectus, do not make any representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus.

The information contained herein is believed to be accurate as at the date hereof and is subject to change. In particular, the financial position of the Group and the value of the Shares may be negatively affected by future developments related to inflation, interest rates, taxation, or other economic, political and other factors over which the Group has no control (for further details, see Section 2 "**Risk Factors**" of this Prospectus). Neither the preparation of this Prospectus nor any verbal, written or printed communication in relation to the Offer Shares is intended to be or should be construed as or relied upon in any way as a promise or representation as to future earnings, results or events.

This Prospectus may not be regarded as a recommendation on the part of the Company, the Directors, or the Advisors to participate in the Offering. Moreover, the information provided in this Prospectus is of a general nature and has been prepared without taking into account individual investment objectives or the financial situation or particular investment needs of persons who intend to invest in the Offer Shares. Prior to making an investment decision, each recipient of this Prospectus is responsible for obtaining professional advice from a CMA-licensed financial advisor in relation to the Offering and the appropriateness of both the investment opportunity and the information herein with regard to the recipient's individual objectives, financial situation and needs.

Prospective investors should not rely on another party's decision whether to invest or such party's circumstances as a basis for their own examination of the investment opportunity. The Offering is limited to Qualified Investors in the following two tranches:

Tranche A: (Institutional) Qualified Investors:

a) Capital Market Institutions acting on their own behalf;

b) customers of a Capital Market Institution authorized to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make decisions to accept participation in the Offering and to invest in the Parallel Market on behalf of the customer without the need for his prior approval;

c) the Kingdom's government, any government agency, or any international body recognized by the CMA, the Exchange or any other stock exchange recognized by the CMA or the Depository Center;

d) Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities;

e) companies and funds established in GCC countries;

f) investment funds;

g) non-resident foreign investors who may invest in the Parallel Market and meet the requirements set out in the Guidance Note for the Investment of Non-Resident Foreigners in the Parallel Market (for more information, see Section 1 "**Definitions and Abbreviations**" of this Prospectus);

h) qualified foreign financial institutions;

i) any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center; and

j) any other persons defined by the CMA.

Tranche B: (Individual) Qualified Investors:

Natural persons who may open an investment account in the Kingdom and an account with the Depository Center and meet any of the following criteria: (a) have made transactions in the securities market with a total value of not less than forty million Saudi riyals (SAR 40,000,000) and not less than ten (10) transactions per quarter during the past 12 months; (b) the value of their net assets is not less than five million Saudi riyals (SAR 5,000,000); (c) is working or has worked in the financial sector for at least three (3) years; (d) has a CME-1 approved by the CMA; or (e) holds a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity collectively.

The Offering Period for (Individual) Qualified Investors begins on Thursday 19/05/1443H (corresponding to 12/23/2021G), and will remain open for a period of four (4) days up to and including the subscription closing date on Sunday 22/05/1443H (corresponding to 12/26/2021G). Subscription to the Offer Shares can be made by (Individual) Qualified Investors who have an active investment account to invest in the parallel market with the Financial Advisor or one of the Joint Bookrunners through the electronic channels of the Receiving Entities during the Offering Period (for more information, see Section 12-2-2 "**Subscription by (Individual) Qualified Investors**" of this Prospectus). (Institutional) Qualified Investors can register their applications for the Offer Shares through the Joint Bookrunners during the book-building period, which takes place before the shares are offered to (Individual) Qualified Investors (for more information, see Section 12-2-1 "**Book-Building Process for (Institutional) Qualified Investors**" of this Prospectus).

Financial Information

The Company's audited financial statements and their accompanying notes for the financial year ended December 31, 2020G and the Company's reviewed financial statements of the first quarter of 2021G have been prepared in accordance with the International Accounting Standards (IAS) endorsed in the Kingdom and other standards and pronouncements issued by SOCPA in the Kingdom. The mentioned financial statements have been reviewed/audited by KPMG Professional Consulting. The Company publishes its financial statements in Saudi riyals.

Some financial and statistical information contained in this Prospectus has been rounded off to the nearest integer; therefore, if figures contained in the tables are added up, the total may not match those mentioned in the Prospectus.

Forecasts and Forward-Looking Statements

The forecasts set forth in this Prospectus have been prepared on the basis of certain stated assumptions. The Group's future conditions may differ from the assumptions used and, consequently, no affirmation or guarantee is made with respect to the accuracy or completeness of any of these forecasts.

Certain forecasts in this Prospectus constitute or can constitute "forward-looking statements." Such statements can generally be identified by their use of forward-looking words such as "plans," "determines," "intends," "estimates," "expects," "is expected," "may," "possibly," "will," "would be" or the negative thereof or other variation of such terms or comparable terminology. These forward-looking statements reflect the current views of the Group with respect to future events but are not a guarantee of future performance. Many factors could cause the actual results, performance, or achievements of the Group to be significantly different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements. Some of the risks and factors that could have such an effect are described in more detail in other sections of this Prospectus (see Section 2 "**Risk Factors**" of this Prospectus). Should any one or more of these factors materialize or any underlying forecasts prove to be inaccurate or incorrect, the Group's actual results may vary materially from those described in this Prospectus.

In accordance with Article 79 of the OSCOs, the Company will submit a supplementary prospectus to the CMA if, at any time after this Prospectus has been published and before the Offering is completed, the Company becomes aware that: (a) there has been a significant change in material matters contained in this Prospectus, or (b) additional significant matters that should have been included in this Prospectus have become known. Except for these two cases, the Company does not intend to update or revise any information regarding the industry and market information included in the Prospectus, whether as a result of new information, future events or otherwise. Based on the foregoing risks, assumptions and other uncertainties, forward-looking events and conditions described in this Prospectus may not occur as expected by the Company or at all. Consequently, prospective investors should review all forward-looking statements based on these explanations and should not rely solely on forward-looking statements.

Corporate Directory

Board of Directors

Table (1-1): Company's Board of Directors

No.	Name	Position	Appointed by	Nationality	Age	Status***	Direct Ownership (%)		Indirect Ownership (%)**		Date of Appointment*
							Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1	Mishaal Sultan Abdulaziz Al Saud	Chairman	Alamat International Limited Company	Saudi	33 years	Non-Independent/ Non-Executive	-	-	35.64%	30.35%	02/05/1442H (corresponding to 12/17/2020G)
2	Abdulaziz Abdulrahman Muhammad Al-Omran	Vice Chairman	Osool Impact for Communication and Technology	Saudi	42 years	Non-Independent/ Non-Executive	-	-	5.15%	4.38%	02/05/1442H (corresponding to 12/17/2020G)
3	Ghassab Salman Ghassab bin Mandeel	Director	Alamat International Limited Company	Saudi	51 years	Non-Independent/ Executive	-	-	12%	10.22%	02/05/1442H (corresponding to 12/17/2020G)
4	Hamad Abdullah Fahad Al-Bakr	Director	Alamat International Limited Company	Saudi	53 years	Non-Independent/ Executive	-	-	12%	10.22%	02/05/1442H (corresponding to 12/17/2020G)
5	Abdulwahab Abdulkarim Abdulrahman Al-Butairi	Director	Osool Impact for Communication and Technology	Saudi	42 years	Non-Independent/ Non-Executive	-	-	0.64%	0.54%	02/05/1442H (corresponding to 12/17/2020G)
6	Loulwa Muhammad Abdulkarim Bakr	Director	-	Saudi	45 years	Independent/ Non-Executive	-	-	-	-	09/09/1442H (corresponding to 04/21/2021G)

* Dates listed in this table are the dates of appointment to the current positions on the Board of Directors. The respective biographies of the Directors describe the dates of their appointment, whether to the Board of Directors or any other previous position. (For further information, see Section 5-3-3 "**Summary Biographies of the Directors and the Secretary**" of this Prospectus).

** The indirect ownership of Directors resulted from the following:

- Mishaal Sultan Abdulaziz Al Saud owns 100% of the shares of Makashef Contracting Establishment, which owns 99% of the shares of Tharwa Holding Company, which in turn owns 60% of Alamat International Limited Company, one of the Major Shareholders of the Company.
- Abdulaziz Abdulrahman Muhammad Al-Omran holds 12.87% of the units of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector, where the fund is the actual owner of all the shares owned by (Osool Impact for Communication and Technology), a Major Shareholder of the Company pre - Offering, and he will be the direct owner of those shares after the Offering
- Ghassab Salman Ghassab bin Mandeel owns 20% of the shares of Alamat International Limited Company, a Major Shareholder of the Company.
- Hamad Abdullah Fahad Al-Bakr owns 20% of the shares of Alamat International Limited Company, a Major Shareholder of the Company.
- Abdulwahab Abdulkarim Abdulrahman Al-Butairi holds 1.61% of the units of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector, where the fund is the actual owner of all the shares owned by Osool Impact for Communication and Technology, a Major Shareholder of the Company pre - Offering, and he will be the direct owner of those shares after the Offering.

*** The standard adopted in assessing independence is that an independent director is a non-executive member of the Board of Directors who enjoys complete independence in his/her position and decisions, and none of the following issues affecting independence apply to him/her: (1) if he/she holds five percent or more of the shares of the Company or any other company within its group or is a relative of who owns such percentage; (2) if he/she is a representative of a legal person that holds five percent or more of the shares of the Company or any company within its group; (3) if he/she is a relative of any member of the Board of the Company, or any other company within the Company's group; (4) if he/she is a relative of any senior executive of the Company, or of any other company within the Company's group; (5) if he/she is a board member of any company within the group of the Company for which he/she is nominated to be a Board member; (6) if he/she is an employee or used to be an employee, during the preceding two years, of the Company, of any party dealing with the Company or any company within its group, such as external auditors or main suppliers; or if he/she, during the preceding two years, held a controlling interest in any such parties; (7) if he/she has a direct or indirect interest in the businesses and contracts executed for the Company's account; (8) if the member of the Board receives financial consideration from the Company in addition to the remuneration for his/her membership of the Board or any of its committees exceeding an amount of (SAR 200,000) or 50% of his/her remuneration of the last year for the membership of the board or any of its committees, whichever is less; (9) if he/she engages in a business where he competes with the Company, or conducting businesses in any of the company's activities; (10) if he/she served for more than nine years, consecutive or inconsecutive, as a Board member of the Company.

Source: The Company

Company Address

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Advisors

Financial Advisor, Lead Manager, the Lead Bookrunner and Stabilizing Manager

HSBC Saudi Arabia
HSBC Building
7267 Al Olaya Road, AlMurooj
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Kingdom of Saudi Arabia
Tel: +966 920005920
Fax: +966 11 2992385
Website: www.hsbcsaudi.com
Email: JahezIPO@hsbcsa.com

Joint Bookrunners

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P.O.BOX 5561
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Kingdom of Saudi Arabia
Tel: +966 11 920005856
Fax: +966 11 4600625
Website: www.alrajhi-capital.com
Email: PR@alrajhi-capital.com

Derayah Financial
Al-Olaya Main Road – Al-Olaya Center, Second Floor
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Kingdom of Saudi Arabia
Tel: +966 11 2998000
Fax: +966 11 2998071
Website: www.derayah.com
Email: operations@derayah.com

Saudi Fransi Capital
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P.O.BOX 23454
Riyadh 12313-3735
Kingdom of Saudi Arabia
Tel: +966 11 2826666
Fax: +966 11 2826823
Website: www.sfc.com
Email: Jahez.IPO@Fransicapital.com.sa

Receiving Entities

Saudi Fransi Capital
King Fahad Road 8092
P.O. Box 23454
Riyadh 12313-3735
Kingdom of Saudi Arabia
Tel: +966 11 2826666
Fax: +966 11 2826823
Website: www.sfc.sa
Email: Jahez.IPO@Fransicapital.com.sa

Saudi British Bank (SABB)
Al-Murabaa – Prince Abdulaziz bin Musaad bin Julwie
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Fax: +966 11 2764356
Website: www.sabb.com
Email: sabb@sabb.com

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Tel: +966 11 2998000
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AlRajhi Bank
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Kingdom of Saudi of Arabia
Tel: +966 11 211600
Fax: +966 11 2119368
Website: www.alrajhi.com
Email: contactcenter1@alrajhibank.com.sa

Legal Advisor

Law Office of Salman M. Al-Sudairi
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Tatweer Towers – Tower 1 – 7th Floor
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Kingdom of Saudi Arabia
Tel: +966 11 2072500
Fax: +966 11 2072577
Website: www.alsudairilaw.com.sa
E-mail: info@alsudairilaw.com.sa

مكتب سلمان متعب السديري للمحاماة
THE LAW OFFICE OF SALMAN M.AL-SUDAIRI

Financial Due Diligence Advisor

PricewaterhouseCoopers – Public Accountants (PwC)
Kingdom Tower, 21st Floor, Al Olaya
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Kingdom of Saudi Arabia
Tel: +966 11 2110400
Fax: +966 11 2110401
Website: www.pwc.com/middle-east
Email: mer_project_crave@pwc.com

Auditor

KPMG Professional Consulting
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P.O. Box 92876, Riyadh 11663
Kingdom of Saudi Arabia
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Website: www.kpmg.com.sa
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Market Consultant

Arthur D. Little Saudi Arabia
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Riyadh 11361
Kingdom of Saudi Arabia
Tel: +966 11 2930023
Fax: +966 11 2930490
Website: www.adl.com.sa
Email: gm_ksa@adlittle.com

Note:

Each of the Advisors has given and, as at the date of this Prospectus, not withdrawn its written consent to the publication of its name, logo and the statements attributed to it in the context in which they appear in this Prospectus and they do not, nor do their employees (from the engagement team serving the Company), or any of their relatives have any shareholding or interest of any kind in the Company as at the date of this Prospectus which would impair their independence.

Offering Summary

This Offering Summary is intended to provide a brief overview of the information on the Offering contained in this Prospectus. As such, it does not contain all the information that may be important to prospective investors in making a decision to invest in the Offer Shares. Accordingly, prospective investors should read this entire Prospectus in full, and any decision to invest in the Offer Shares should be based on a consideration of this Prospectus as a whole. In particular, it is important to carefully consider the "**Important Notice**" on page (i) and Section 2 "**Risk Factors**" prior to making an investment decision with respect to the Offer Shares. Subscribers should not rely solely on this Summary.

Company Name, Description and Incorporation	Jahez International Company for Information Systems Technology is a Saudi closed joint stock company incorporated under Ministerial Resolution No. 138 dated 05/05/1442H (corresponding to 12/20/2020G) and registered under Commercial Registration No. 1010895874 dated 01/01/1439H (corresponding to 09/21/2017G). Its registered address is P.O. Box 2065, Riyadh, 12444, Kingdom of Saudi Arabia. The Company was originally incorporated in 2017G as a limited liability company with a paid-up share capital of one million Saudi riyals (SAR 1,000,000) divided into one hundred (100) ordinary cash shares with a nominal value of ten thousand Saudi riyals (SAR 10,000) each and registered under Commercial Registration No. 1010895874 on 01/01/1439H (corresponding to 09/21/2017G). On 10/03/1442H (corresponding to 10/27/2020G), the Company's share capital was increased from one million Saudi riyals (SAR 1,000,000) to five million Saudi riyals (SAR 5,000,000), through capitalization of four million Saudi riyals (SAR 4,000,000) of the Shareholders' current accounts. On 05/05/1442H (corresponding to 12/20/2020G), the Company was converted from a limited liability company to a closed joint stock company with a paid-up share capital of five million Saudi riyals (SAR 5,000,000), divided into five-hundred thousand (500,000) ordinary shares with a nominal value of ten Saudi riyals (SAR 10) each. On 15/10/1442H (corresponding to 05/27/2021G), the Company's Extraordinary General Assembly agreed to increase the capital from five million Saudi riyals (SAR 5,000,000) to ninety-six million Saudi riyals (SAR 96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid-up nominal value of ten Saudi riyals (SAR 10) each. This increase of ninety-one million Saudi riyals (SAR 91,000,000) was made by capitalizing one million, five hundred thousand Saudi riyals (SAR 1,500,000) from the Company's statutory reserve, sixty-three million, five hundred thousand Saudi riyals (SAR 63,500,000) from the balance of retained earnings, and twenty-six million Saudi riyals (SAR 26,000,000) from the Shareholders' accounts payable. On 28/10/1442H (corresponding to 06/09/2021G), the Company's Extraordinary General Assembly agreed to increase the share capital from ninety-six million Saudi riyals (SAR 96,000,000) to one hundred four million, nine hundred eighteen thousand, thirty Saudi riyals (SAR 104,918,030), divided into ten million, four hundred ninety-one thousand, eight hundred three (10,491,803) ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per share, and offer eight hundred ninety-one thousand, eight hundred three (891,803) New Shares to be subscribed for by Qualified Investors in the Parallel Market (for more information about the Company's history, see Section 4-3 "**Corporate History and Evolution of the Company's Share Capital**" of this Prospectus).
Company Activities	In accordance with the Company's Articles of Association, the Company's activities consist of the following: 1. wholesale and retail trade and repair of motor vehicles and motorcycles; 2. transport and storage; 3. provision of accommodation and food services; 4. information and communication; and 5. administrative and support services. According to its Commercial Registration, the Company's activities are to provide wireless data services, systems analysis, design and program special software, and provide online delivery services.

Subsidiaries	The Company has four (4) subsidiaries and (1) subsidiary under incorporation, namely: 1. **PIK Option Trading Company**, a limited liability company established in Riyadh and registered under Commercial Registration No. 1010666280 dated 19/03/1442H (corresponding to 11/05/2020G) ("**PIK**"); 2. **Co Kitchens Company**, a limited liability company established in Riyadh and registered under Commercial Registration No. 1010617274 dated 18/04/1441H (corresponding to 12/15/2019G) ("**Co Kitchens**"); 3. **Supportive Solutions Company for Logistic Services**, a limited liability company established in Riyadh and registered under Commercial Registration No. 1010686125 dated 26/06/1442H (corresponding to 02/08/2021G) ("**Logi**"), and 4. **The Red Color Company**, a limited liability company established in Riyadh and registered under Commercial Registration No. 1010686134 dated 26/06/1442H (corresponding to 02/08/2021G) ("**Red Color**"). 5. **Jahez International Company W.L.L**: Jahez International Company W.L.L, a limited liability Company under incorporation in Bahrain ("**Jahez Company (Bahrain)**").
Major Shareholders (owning 5% or more of the Company's Shares)	The Major Shareholders of the Company, each of whom directly owns 5% or more of the Company's Shares, are Alamat International Limited Company and Osool Impact for Communication and Technology (a company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector, and upon Offering, the shares owned by that company will be registered directly in the name of the fund). for the purpose of holding and registering the assets of the fund). The following table shows the Company Shares of the direct Major Shareholders and their ownership percentages in the Company before and after the Offering (for more information about the indirect Major Shareholders, see Section 4-2 "**Shareholding Structure Pre- and Post- Offering**" of this Prospectus):

Table (1-2): Direct Major Shareholders, Number of Shares and Shareholding Before and After the Offering

Shareholder	Pre-Offering			Post-Offering*		
	No. of Shares	Nominal Value (SAR)	Percentage	No. of Shares	Nominal Value (SAR)	Percentage
Alamat International Limited Company	5,760,000	57,600,000	60%	5,361,521	53,615,210	51.10%
Osool Impact for Communication and Technology**	3,840,000	38,400,000	40%	-	-	-
Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector**	-	-	-	3,574,348	35,743,480	34.07%
Total	**9,600,000**	**96,000,000**	**100%**	**8,935,869**	**89,358,690**	**85.17%**

* In conjunction with the completion of the Offering, the Selling Shareholders will sell one hundred ninety-two thousand (192,000) Shares with a nominal value of ten Saudi riyals (SAR 10), to be used for the Company's employee share program (for more information, see Section 5-8 "**Employee Shares**" of this Prospectus).

** A company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund.

Source: The Company

The Company's Capital	Ninety-six million Saudi riyals (SAR 96,000,000) paid in full before the Offering. After the Offering, the Company's capital will be one hundred four million, nine hundred eighteen thousand, thirty Saudi riyals (SAR 104,918,030).

Total Number of the Company's Shares	Nine million, six hundred thousand (9,600,000) fully paid-up ordinary shares before the Offering. After the Offering, the number of the Company's Shares will be ten million, four hundred ninety-one thousand, eight hundred three (10,491,803) ordinary shares.
Nominal Value per Share	Ten Saudi riyals (SAR 10) per share.
Offering	An offering of one million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) ordinary shares as follows: (i) the sale of four hundred seventy-two thousand, one hundred thirty-one (472,131) existing Shares of the Company; and (ii) the issuance of eight hundred, ninety-one thousand, eight hundred three (891,803) New Shares at an Offer Price of [•] ([•]) Saudi riyals per Share. The Sale Shares and the New Shares represent 4.5% and 8.5% of the Company's total capital after the Offering, respectively, together accounting for 13% of the Company's capital after the Offering.
Total Number of Offer Shares	One million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) ordinary shares.
Percentage of Offer Shares to the Company's Capital	The Offer Shares represent 14.2% of the Company's Shares before the increase, and 13% of the Company's Shares after the Offering.
Offer Price	[•] Saudi riyals (SAR [•]).
Total Offering Amount	[•] Saudi riyals (SAR [•]).
Use of Offering Proceeds	After the Offering expenses are deducted, the Offering Proceeds will be distributed as follows: (i) [•] ([•]) Saudi riyals will be paid to the Selling Shareholders pro-rata to the number of Sale Shares that will be sold by each of them in the Offering; and (ii) [•] ([•]) Saudi riyals obtained from the sale of the New Shares due to the capital increase for the purpose of the Offering (the IPO Proceeds) will be paid to the Company. This amount will be applied to expand the Group's activities locally and regionally (for more information on the Offering Proceeds, see Section 8 "**Use of Offering Proceeds**" of this Prospectus).

Categories of Targeted Investors	The Offering is limited to Qualified Investors in the following two tranches: **Tranche A: (Institutional) Qualified Investors:** a. Capital Market Institutions acting on their own behalf; b. customers of a Capital Market Institution authorized to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make decisions to accept participation in the Offering and to invest in the Parallel Market on behalf of the customer without the need for his prior approval; c. the Kingdom's government, any government agency, or any international body recognized by the CMA, the Exchange or any other stock exchange recognized by the CMA or the Depository Center; d. Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities; e. companies and funds established in GCC countries; f. investment funds; g. non-resident foreign investors who may invest in the Parallel Market and meet the requirements set out in the Guidance Note for the Investment of Non-Resident Foreigners in the Parallel Market (for more information, see Section 1 "**Definitions and Abbreviations**" of this Prospectus); h. qualified foreign financial institutions; i. any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center; and j. any other persons defined by the CMA. **Tranche B: (Individual) Qualified Investors:** Natural persons who may open an investment account in the Kingdom and an account with the Depository Center and meet any of the following criteria: (a) have made transactions in the securities market with a total value of not less than forty million Saudi riyals (SAR 40,000,000) and not less than ten (10) transactions per quarter during the past 12 months; (b) the value of their net assets is not less than five million Saudi riyals (SAR 5,000,000); (c) is working or has worked in the financial sector for at least three (3) years; (d) has a CME-1 approved by the CMA; or (e) holds a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity collectively.
Total Number of Offer Shares for Each Targeted Investor Category	
Number of Offer Shares for (Institutional) Qualified Investors	One million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) Offer Shares, representing 100% of the total Offer Shares. In the event that (Individual) Qualified Investors subscribe for the Offer Shares allocated thereto, the Lead Bookrunner shall have the right to reduce the number of Offer Shares allocated to (Institutional) Qualified Investors to a minimum of one million, ninety-one thousand, one hundred forty-eight (1,091,148) Offer Shares, representing 80% of the total Offer Shares.
Number of Offer Shares for (Individual) Qualified Investors	A maximum of two hundred seventy-two thousand, seven hundred eighty-six (272,786) Offer Shares, representing 20% of the total Offer Shares.
Subscription Method for Each Targeted Investor Category	
Subscription Method for (Institutional) Qualified Investors	(Institutional) Qualified Investors may submit an application to participate in the book-building process. The Joint Bookrunner will provide the Subscription Application Forms to (Institutional) Qualified Investors during the Book-Building Period. After initial allocation, (Institutional) Qualified Investors will complete Subscription Application Forms, which will be made available to them by the Joint Bookrunners.
Subscription Method for (Individual) Qualified Investors	Subscription to the Offer Shares can be made by (Individual) Qualified Investors who have an active investment account to invest in the parallel market with the Financial Advisor or one of the Joint Bookrunners through the electronic channels of the Receiving Entities during the Offering Period.

Minimum Number of Offer Shares to be Applied for by Each Targeted Investor Category	
Minimum Number of Offer Shares to be Applied for by (Institutional) Qualified Investors	Seven thousand, five hundred (7,500) Offer Shares.
Minimum Number of Offer Shares to be Applied for by (Individual) Qualified Investors	Ten (10) Offer Shares.
Minimum Subscription Amount for each Targeted Investor Category	
Minimum Subscription Amount for (Institutional) Qualified Investors	[•] ([•])
Minimum Subscription Amount for (Individual) Qualified Investors	[•] ([•])
Maximum Number of Offer Shares to be Applied for by each Targeted Investor Category	
Maximum Number of Offer Shares to be Applied for by (Institutional) Qualified Investors	Five hundred twenty four thousand, and five hundred and ninety (524,590) Offer Shares.
Maximum Number of Offer Shares to be Applied for by (Individual) Qualified Investors	Sixty-five thousand (65,000) Offer Shares.
Maximum Subscription Amount for Each Targeted Investor Category	
Maximum Subscription Amount for (Institutional) Qualified Investors	[•] ([•])
Maximum Subscription Amount for (Individual) Qualified Investors	[•] ([•])
Allocation and Refund of Excess Subscription Amounts for Each Targeted Investor Category	
Allocation of Offer Shares to (Institutional) Qualified Investors	The initial allocation of the Offer Shares will be made as the Lead Bookrunner deems appropriate, using the optional shares allocation mechanism. The final allocation of the Offer Shares to (Institutional) Qualified Investors shall be made through the Lead Bookrunner after the completion of subscription process for (Individual) Qualified Investors. The number of Offer Shares to be initially allocated to (Institutional) Qualified Investors will be one million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) Offer Shares, representing one hundred percent (100%) of the total number of Offer Shares. In the event that there is sufficient demand from (Individual) Qualified Investors for the Offer Shares, the Lead Bookrunner shall have the right to reduce the number of Offer Shares allocated to (Institutional) Qualified Investors to one million, ninety-one thousand, one hundred forty-eight (1,091,148) Offer Shares, representing eighty percent (80%) of the Offer Shares after completion of the subscription process for (Individual) Qualified Investors.
Allocation of Offer Shares to (Individual) Qualified Investors	Allocation of the Offer Shares is expected to be completed no later than Monday, 30/05/1443H (corresponding to 01/03/2022G). The minimum number of Offer Shares that can be subscribed for by each (Individual) Qualified Investor is ten (10) shares. The balance of the Offer Shares, if any, will be allocated on a pro rata basis based on the number of Offer Shares applied for by each (Individual) Qualified Investor. In the event that the number of (Individual) Qualified Investors exceeds twenty-seven thousand, two hundred seventy-eight (27,278) subscribers, the Company will not guarantee the minimum allocation and the allocation of Offer Shares will be determined at the discretion of the Lead Bookrunner (for more information, see Section 12 "**Details on Shares and Subscription Terms and Conditions**" of this Prospectus).

Offering Expenses	The Offering expenses represent all expenses and costs pertaining to the Offering, which are estimated at about thirty million Saudi riyals (SAR 30,000,000). These expenses include the fees of the Financial Advisor, Lead Manager, Joint Bookrunners, Stabilizing Manager, Legal Advisor, Legal Advisor to the Financial Advisor, Financial Due Diligence Advisor, Market Consultant, and Auditor as well as marketing, printing and other expenses related to the Offering. All these expenses will be deducted from the total Offering Proceeds in proportion to the sold or issued Offer Shares.
Refund of Excess Subscription Amounts	Excess subscription amounts, if any, will be refunded to Qualified Investors without the deduction of any charge or commission being withheld and will be deposited in the Qualified Investor's account specified in the Subscription Application Form. Announcement of the final allotment will be made no later than Monday 30/05/1443H (corresponding to 01/03/2022G) and refund of excess subscription amounts, if any, will be made no later than Monday 30/05/1443H (corresponding to 01/03/2022G) (for more information, please see "Key Dates and Subscription Procedures" on page (V) and Section 12 "**Details on Shares and Subscription Terms and Conditions**" of this Prospectus).
Offering Period	The Offering Period begins on Thursday, 19/05/1443H (corresponding to 12/23/2021G) and ends on Sunday, 22/05/1443H (corresponding to 12/26/2021G).
Entitlement to Dividends	The Offer Shares will be entitled to their portion of any dividends declared and paid by the Company as of the date of this Prospectus and for subsequent financial years (for further information, see Section 7 "**Dividend Distribution Policy**" of this Prospectus).
Voting Rights	The Company has one class of ordinary shares only. None of the Shares carry any preferential voting rights. Each Share entitles its holder to one vote. Each Shareholder has the right to attend and vote at the meetings of the General Assembly and each Shareholder has the right to delegate any other Shareholder, who is not a Director or employee of the Company, to appear on his/her behalf at the Company's General Assembly and to vote on resolutions passed therein.
Restrictions on Shares (Lock-up Period)	The current Major Shareholders, who own 5% or more of the Company's Shares (whose names appear on page (P) of this Prospectus), must not dispose of their shares for a period of twelve (12) months from the date trading of the Company's Shares commences on the Parallel Market (the "**Lock-up Period**"). The Depository Center shall immediately lift the restrictions on these Shares after the Lock-up Period ends.
Shares Previously Listed by the Company	Prior to the Offering, there has been no public market for the Shares in the Kingdom or elsewhere. The Company has submitted an application to the CMA for registration and offer of the shares in accordance with the OSCOs. The Company also submitted an application to the Exchange for admission to listing on the Parallel Market in accordance with the Listing Rules. All relevant approvals pertaining to the Offering have been granted, and all supporting documents required by the CMA have been obtained.

Key Dates and Subscription Procedures

Key Dates

Table (1-3): Expected Offering Timetable

Event	Date
Bidding and book-building period for (Institutional) Qualified Investors	A period of five (5) days starting from Thursday on 05/05/1443H (corresponding to 12/09/2021G), until the end of Monday on 09/05/1443H (corresponding to 12/13/2021G).
Subscription period for (Individual) Qualified Investors	A period of four (4) days starting from Thursday on 19/05/1443H (corresponding to 12/23/2021G), until the end of Sunday on 22/05/1443H (corresponding to 12/26/2021G).
Deadline for submission of Subscription Application Forms based on the number of Offer Shares provisionally allocated to (Institutional) Qualified Investors	Tuesday 17/05/1443H (corresponding to 12/21/2021G).
Deadline for payment of subscription amounts for (Institutional) Qualified Investors based on the number of provisionally allocated Offer Shares	Thursday 19/05/1443H (corresponding to 12/23/2021G).
Deadline for submission of Subscription Application Forms and payment of subscription amounts for (Individual) Qualified Investors	Sunday 22/05/1443H (corresponding to 12/26/2021G).
Announcement of final allotment of Offer Shares	No later than Monday 30/05/1443H (corresponding to 01/03/2022G).
Refund of excess subscription amounts (if any)	No later than Monday 30/05/1443H (corresponding to 01/03/2022G).
Expected date of commencement of trading in the Exchange	Trading of the Company's Shares on the Exchange is expected to commence after the fulfillment of all relevant statutory requirements. Trading will be announced on the Saudi Exchange's website (www.saudiexchange.sa).

Note: The above timetable and dates therein are approximate. Actual dates will be communicated through announcements appearing in local daily newspapers and on the Saudi Exchange's website (www.saudiexchange.sa), the Financial Advisor's website (www.hsbcsaudi.com), and the Company's website (www.jahezgroup.com).

Subscription Method

Subscription to the Offer Shares in the Offering is restricted to investors in the following two tranches:

A. (Institutional) Qualified Investors:

a) Capital Market Institutions acting on their own behalf;

b) customers of a Capital Market Institution authorized to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make decisions to accept participation in the Offering and to invest in the Parallel Market on behalf of the customer without the need for his prior approval;

c) the Kingdom's government, any government agency, or any international body recognized by the CMA, the Exchange or any other stock exchange recognized by the CMA or the Depository Center;

d) Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities;

e) companies and funds established in GCC countries;

f) investment funds;

g) non-resident foreign investors who may invest in the Parallel Market and meet the requirements set out in the Guidance Note for the Investment of Non-Resident Foreigners in the Parallel Market (for more information, see Section 1 "**Definitions and Abbreviations**" of this Prospectus);

h) qualified foreign financial institutions;

i) any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center; and

j) any other persons defined by the CMA.

B. (Individual) Qualified Investors:

Natural persons who may open an investment account in the Kingdom and an account with the Depository Center and meet any of the following criteria: (a) have made transactions in the securities market with a total value of not less than forty million Saudi riyals (SAR 40,000,000) and not less than ten (10) transactions per quarter during the past 12 months; (b) the value of their net assets is not less than five million Saudi riyals (SAR 5,000,000); (c) is working or has worked in the financial sector for at least three (3) years; (d) has a CME-1 approved by the CMA; or (e) holds a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity collectively.

Following is a brief overview of the subscription method for (Institutional) Qualified Investors and (Individual) Qualified Investors:

A. (Institutional) Qualified Investors:

(Institutional) Qualified Investors can obtain Book-Building Application Forms from the Joint Bookrunners during the Book-Building Period and Subscription Application Forms from the Joint Bookrunners after the provisional allocation. The Joint Bookrunners shall, after the approval of the CMA is obtained, offer the Offer Shares to the (Institutional) Qualified Investors only during the Book-Building Period. The Book-Building Period will commence during the Offering Period, which also includes (Individual) Qualified Investors, in accordance with the terms and conditions detailed in the Subscription Application Forms. A signed Subscription Application Form must be submitted to the Joint Bookrunners, which shall represent a legally binding agreement between the Selling Shareholders, the Company and the Qualified Investor submitting the application.

B. (Individual) Qualified Investors:

Subscription to the Offer Shares can be made by (Individual) Qualified Investors who have an active investment account to invest in the parallel market with the Financial Advisor or one of the Joint Bookrunners through the electronic channels of the Receiving Entities during the Offering Period.

Subscription Application Forms shall be completed in accordance with the instructions mentioned in Section 12 "**Details on Shares and Subscription Terms and Conditions**" of this Prospectus. Applicants must complete all relevant items of the Subscription Form. The Company reserves the right to decline any Subscription Application, in part or in whole, in the event that any of the subscription terms and conditions are not met. Amendments to and withdrawal of the Subscription Application shall not be permitted once the Subscription Application is submitted. The submission of the Subscription Application Form is considered a binding agreement between the relevant subscriber, the Selling Shareholder and the Company (for further information, see Section 12 "**Details on Shares and Subscription Terms and Conditions**" of this Prospectus).

It cannot be guaranteed that applications will be accepted from (Individual) Qualified Investors whose investment account has not been activated with the Financial Advisor or one of the Joint Bookrunners for investment in the parallel market before Tuesday 17/05/1443H. (corresponding to 12/21/2021G).

Excess subscription amounts, if any, will be refunded to the Qualified Investor's account specified in the Subscription Application Form without any charge or commission being withheld by the Lead Manager or Receiving Entities. Excess subscription amounts shall not be refunded in cash or to third-party accounts.

For more information on the subscription of (Institutional) Qualified Investors and (Individual) Qualified Investors, please see Section 12 "**Details on Shares and Subscription Terms and Conditions**" of this Prospectus.

Summary of Key Information

This Summary of Key Information is intended to provide a brief overview of the information detailed in this Prospectus; however, this summary does not include all information that is important to prospective investors and that must be taken into consideration before making a decision to invest in the Offer Shares. Therefore, investors who wish to subscribe to the Offer Shares must read and review this Prospectus in full. Any decision to invest in the Offer Shares should be based on consideration of this Prospectus as a whole. In particular, it is important to carefully consider the "**Important Notice**" on page (i) and Section 2 "**Risk Factors**" prior to making an investment decision with respect to the Offer Shares. Subscribers should not rely solely on this summary.

Overview of the Group

Operating under the "Jahez" and "PIK" brands, the Group provides on-demand services, q-commerce and last mile delivery through its technology platforms. Jahez the Group's main platform, connects customers, merchants and delivery partners in forty-seven (47) cities in the Kingdom, which have a population of 26 million people, representing about 74% of the Kingdom's population as of first quarter of 2021G. Launched in 2016G, Jahez platform ("**Jahez Platform**") was one of the leading forces behind the shift to online food delivery in the Kingdom. This shift was bolstered as a result of the value added by this service and due to the proliferation of mobile devices and delivery culture over the past few years, which allows customers to have their favorite dining options in the convenience of their homes. In addition, the Company, as at the date of this Prospectus, owns four (4) subsidiaries and one (1) subsidiary under incorporation, namely (i) Co Kitchens; (ii) PIK; (iii) Logi; (iv) Red Color; and (v) Jahez Company (Bahrain) (company under incorporation).

As of March 31, 2021G, Jahez has a network of twelve thousand, one hundred six (12,106) merchants branch, one million, three hundred sixteen thousand, three hundred forty-three (1,316,343) users and thirty-four thousand, eight hundred ten (34,810) delivery partners. In pursuing its goal to reach as many customers and merchants as possible, and to continue being a key force in the online delivery sector in the Kingdom, the Group has developed its service offerings and currently provides a wide array of delivery and logistical services through its five main business streams:

- **Jahez platform:** Jahez platform is the heart of the Group's operations in terms of revenue, and its cutting edge technology functions as a source of orders for merchants, providing complete logistical support and payment collection processes. Jahez platform aims to connect merchants, customers, and delivery partners via an easy to use mobile application, by providing a quick, seamless and an almost entirely automated end-to-end delivery experience.
- **PIK platform ("PIK Platform"):** PIK platform is a quick commerce (q-commerce) platform, which is a new generation of e-commerce. It aims to connect customers with an array of brands and allow them to obtain requested products directly from the merchant within two to three hours through delivery partners. In 2020G, the Group established PIK Company and started the soft launch of the platform in the first quarter of 2021G to expand its reach beyond food delivery; it is now able to provide customers with various retail goods, ranging from fashion and cosmetics to computer hardware and Electronics.
- **Co Kitchens:** the Company acquired a 60% stake in Co Kitchens in 2020G, which is a cloud kitchens platform that aims to provide restaurants with commercial kitchen spaces to prepare their meals and, in turn, sell them to their customers via a delivery-only model. Cloud kitchens represent a hallmark of modern dining trends, with restaurants increasingly relying on online food delivery as a way to increase their reach without the additional costs of high rent and staff.
- **Logi:** the Company established Logi in 2021G, as a market enabler for the e-commerce and delivery industry in general by providing logistical solutions. Logi aims to be a leading force behind last mile delivery in the Kingdom. Logi will also serve as a centralized platform to support the Group in its logistical and operational needs.
- **Red Color:** the Group established Red Color as its investment arm in order to pursue its investment objectives. The Group targets investments in technology-related industries that utilize the Group's existing assets of customers, merchants and delivery partners, and which rely on technology.

Company's Vision, Mission and Strategy

Vision

To be the most loved lifestyle platform by providing the best stakeholder experience.

Mission

To exceed our stakeholder expectations by providing a seamless user-centric experience enabled by continuous technology innovation.

Strategy

In order to implement its vision, mission and the strategic themes above, the Group has adopted its strategy as follows:

1) Developing operations and strategic alliances.

2) Refining customer experience.

3) Improving and implementing marketing and business development operations.

4) Vitalizing sustainability.

5) Enabling a culture of organizational excellence.

The Group has established comprehensive initiatives under each pillar and has designed a clear plan of action to achieve its objectives. The pillars of the Group's strategy are outlined below.

a) Developing operations and strategic alliances

This part of the strategy is primarily focused on building on the Group's existing coverage and providing full support to its recent expansions, with a view to strengthening its presence in the existing geographies, launching services and streamlining operations to enable a world-class customer experience. This is expected to be done both internally – by refining operations continuously, and also externally – by bringing in new partners that can add significant value to the network.

b) Refining customer experience

This pillar is focused on providing a superior stakeholder experience and exceeding their expectations to strengthen the Group's competitive advantage. The stakeholder includes merchants, customers and delivery partners. This pillar will ensure that while the Group scales up rapidly, customer experience, which is key to the Company's success, also improves on a continuous basis.

c) Improving and implementing marketing and business development operations

This pillar is focused on improving awareness of the Group's brands and ensuring the brands are associated with all positive attributes. This pillar will ensure that the Group's brands are on customers' top minds and will serve the Group well as it embarks on its growth journey.

d) Vitalizing sustainability

This pillar is focused on ensuring that the Group's business operations and future strategy are aligned with the three pillars of sustainability, i.e. economic viability, environmental protection and social service. This further positions the Group as a socially responsible company with world class sustainability standards. The Company carries out many initiatives under this pillar by supporting government charitable platforms such as Ehsan, Joud El Eskan, Shifaa and Donations, and including them in Jahez platform through Jahez Al Khair platform. Examples include Jahez Eidia, Iftar Sa'em etc.

e) Enabling a culture of organizational excellence

This pillar is focused on enhancing human resources, technology and financial function capabilities within the Group to support its future growth. This will ensure that the Group has the necessary capabilities and capacity as it looks to execute its growth strategy and continues to scale up rapidly in the verticals within these five strategic pillars: (i) Development; (ii) Refinement; (iii) Improvement; (iv) Vitalization; and (v) Excellence, the Group is looking to implement a total of 36 initiatives.

Strengths and Competitive Advantages of the Group

a) Differentiated online food delivery model

According to market study reports, the Company is one of the most successful online food delivery companies in the GCC region and its winning formula is built upon a unique focus on three (3) key principles described below:

- **Customers:** the Group aims to be the most loved lifestyle platform which provides the best experience possible for its stakeholders, by consistently exceeding their expectations. Through this ambition and bolstered by its core values, the Group has developed a balanced offering with an expansive cuisine selection which caters to a wide range of customers, with over 1.3 million active users across 47 cities across the Kingdom as of March 31, 2021. The Group ensures the best possible customer experience from the moment a customer opens Jahez application all the way through to delivery of their order; and there is a proactive approach to customer support with a highly responsive and innovative technology-equipped customer support to monitor operations. Its users are notably sticky in nature, with customers from all cohorts across 2017G-Q1 2021G consistently increasing both their order frequency and order value on a yearly basis.
  - The average number of customers increased by 135% from FY19G to FY20G, and by an average of 243% during Q1 2021G as compared to Q1 2020G.
  - The average order count per customer increased to 4.8 orders per month during Q1 2021G with an average order value of SAR 67.9. The average order count per customer was 4.2 per month with an average order value of SAR 73.5 during Q1 2020G. The average order increased to 4.5 orders per month, with an average order value of SAR 72.6 in FY20G, whereas the average order count per customer was 3.8 orders per month with an average order value of SAR 71.1 during FY19G.
  - Orders from customers with average monthly orders exceeding ten orders account for 44% of total orders during Q1 2021G compared to 38.5% of total orders during Q1 2020G.
- **Merchants:** the Group has long-term, established relationships with some of the most popular merchants in the Kingdom of Saudi Arabia. The Group has a wide offering of global brands (including McDonalds, Subway, and Burger King), home-grown restaurants (including Herfy, Shawarmer, and Kudu), and cloud kitchens, which are able to cater to a wide target customer base. As at March 31, 2021G, the Group serves more than 12,106 merchant branches. Moreover, the Group's reliance on merchants is limited. The top 10 restaurants accounted for only around 18% and 16% of GMV and commission revenue in 2020G and Q1 2021G respectively, demonstrating the Group's strength in the breadth and diversity of its merchant selection. According to the market study, the Group has some of the lowest and most competitive commission rates in the market, which is an important advantage for merchants given that such rates directly affect their profitability and enhance the Group's partnership with them. The Group's unique delivery model continues to attract additional merchants, due to the easy and efficient offering. Merchants have access to a quick onboarding process with simple menu integration, and insightful analytics which provide key data insights and drive highly efficient marketing and logistics, as well as increased brand awareness for such merchants through an affordable advertising platform. In addition to the low commission rates, the Group supports merchants by making regular payments every 15 days, thereby ensuring that they have sufficient liquidity to manage their operations as required.
- **Delivery partners:** in less than five years, the Group has delivered around 42 million orders, with 19.5 million and 10.5 million orders in 2020G and Q1 2021G respectively, due to its reliable base of delivery partners. As at March 31, 2021G, the Group has 34,810 delivery partners working under its operations, through logistics providers or as independent delivery partners. The Group has a keen focus on investing in its delivery partners and ensuring that they value the Group in return. Certain outstanding aspects that Jahez provides to attract delivery partners include:
  - An efficient and seamless onboarding process, which takes less than two days and is supported by a reliable training program to ensure that high standards are upheld, alongside the provision of appropriate equipment, such as the Group's food delivery bags.
  - Several incentive programs providing delivery partners with additional revenue and diverse earnings, which are designed to retain and incentivize delivery partners to increase their loyalty and productivity.

- Enhanced by its cutting edge technology offering, the Group has an integrated logistics application for delivery partners, which enables automation and order submission across the Group's several platforms, enhancing efficacy for delivery partners. The Group's relentless focus on providing user-centric experiences enabled by technology innovation leads to short delivery times. Jahez platform had average delivery times of less than 35 minutes in Q1 2021G, enhancing the productivity of delivery partners.
- With 22 cash collection centers across the Kingdom, the Group has an efficient payment process, with live income tracking and instant cash settlements through digital wallets.

The Group's three-sided strategy, which is based on customers, merchants and delivery partners, maximizes order efficiency, merchant revenues and customer experience, leading to growth rates and customer, merchant and delivery partner retention.

b) The fastest growing player by market share

According to the market study, the Group is the fastest growing food delivery player in the Kingdom by market share capture. With its leading market share and brand awareness, the Group is well positioned to benefit from a very attractive food delivery market in the Kingdom, as outlined in further detail below:

- **Market share:** The Group spent its early years working on its technology and initial penetration into the market following the launch of Jahez platform in 2016G. Once satisfied with its exceptional product offering and its dominant position in Riyadh, the Group embarked on a rapid expansion program. This has clearly been a success, with the Group increasing its presence from 22 cities in 2019G to 47 cities at the end of Q1 2021G and has captured a market share in each of the regions in the Kingdom. According to the market study, the Group's market share in terms of GMV increased from 13% in 2019G to 28% in February 2021G.
- **Brand awareness:** a key driver for the increase in the market share is the Jahez app's unique online food delivery model. It has features such as an in-application game that keeps customers entertained while waiting for their order to be delivered, and the ability to track their order and speak to delivery partners throughout. Such features provide a differentiated proposition for customers, which ensures their continued use of Jahez app. Underpinning the attractive and innovative features of Jahez application is its high reliability, which promotes high levels of trust and, consequently, customer retention.
- **Kingdom of Saudi Arabia food delivery market:** according to market studies, the Kingdom had a mobile phone penetration of 86% in 2019G, which is among the highest in the world, compared to 79% and 82% in the United Kingdom and the United States, respectively (for more information, please see Section 3-3-3 "**Demographics**" of this Prospectus). However, the adoption of online delivery lags behind developed countries (for more information, please refer to Table 3-8 "**Smartphone and Online Food Delivery Penetration by Country, 2019G**" of this Prospectus). Hence, there are great opportunities for growth in this field and a large untapped customer base, along with the unprecedented boom of the online food delivery market. Market research suggests that a CAGR of 33% in total addressable market is likely to be seen from 2020G–2023G.
- **Vision 2030 initiatives:** The Group is expected to benefit from ongoing government-led economic development and diversification programs, which aim to stimulate private sector growth and improve the Kingdom's digital infrastructure.

When considering this growth in line with the trends of the global market, the Group is exceptionally well-positioned and is one of the main players which is witnessing market share growth. Furthermore, the market in Saudi Arabia is experiencing strong network effects similar to the global market, where a small group of players dominates the online food delivery market in the Kingdom. In addition, strong infrastructure and demographics, combined with government support and smartphone penetration will be significant enablers of growth going forward.

c) Well established and cutting-edge technology capabilities

The development of Jahez platform 's technology predates the advent of the Company's food delivery operations, with work on the core technology platform starting in 2015G, encompassing years of iterative technological development and innovation. The development of PIK platform was initiated in 2019G. Today, the Group has world-class differentiated proprietary technology platforms with high efficiency that support its expansion and help ensure that its market leading position is maintained through a centralized business model based primarily on automation. Its scalability is clearly demonstrated by orders increasing from around 7 million in 2019G to around 19.5 million in 2020G, a 2.8x increase, while headcount increased by only 1.3x over the same period. The technology aided the Group's rapid expansion to 25 new cities in 2020G.

Having spent SAR 37 million on technology between 2016G–Q1 2021G, robust and reliable applications and platforms have been created for merchants, customers and delivery partners. The key facets behind the Group's differentiated technology platforms are outlined below:

- **Robust IT architecture:** through its system design, the Group is able to integrate new products with ease, and this has enabled its rapid rollout over recent months. Its central architecture is based on reliable technologies including Java, PostgreSQL, and Swift. It utilizes data processing methodologies such as artificial intelligence and machine learning to improve algorithms and innovations such as the 'recommendation engine' and 'delivery partner incentives' modules, further optimizing and enhancing the Group's offering.
- **Attractive technology-enabled proposition for merchants, delivery partners and customers:** the Group's technology systems provide the ability to display data analytics for merchants, including analysis of basic data for merchants and the evolution of their performance in addition to providing them with key information to improve their products and offering. Delivery partners can be on-boarded to the Group and paid efficiently by a simple and effective mobile application. These key differentiators would not be possible without the clear dedication to providing a user-centric experience. Customers are connected to merchants and delivery partners through a seamless and distinctive platform enabled by continuous technology innovation and investment.
- **Data and cybersecurity:** the Group's core values of trust, innovation and excellence are central to its approach to privacy and security. Its platform is simple and accessible, yet extremely secure, and thus provides effective data privacy and system security compliant with the latest industry standards. As a result, safety and reliability are enhanced for both itself and its customers as well as all success partners to ensure its operations are not hindered by any data issues or cybersecurity breaches.

d) Ongoing diversification of product offerings through expansion into new and supporting verticals

The Group has several future alternative growth enablers in addition to its core business, with areas of expansion into new verticals offering significant growth and further augmentation of the proposition for the Group's partners. These will provide the Group with further opportunities to serve customers across a broader range of socioeconomic groups.

- **Quick commerce (PIK platform):** in November 2020G, the Company established PIK, and the platform's soft launch started in Q1 2021G. PIK platform is a quick commerce platform which aims to connect customers to their favorite brands through fast delivery from supermarkets, grocery stores, pharmacies and local retail stores. Quick commerce is expected to grow rapidly in the Kingdom of Saudi Arabia with its share of the overall e-commerce sector growing from 4.7% in 2020G to 13.7% in 2023G. This growth is mainly driven by increased consumer preference for quick delivery which saves time and effort as well as the expansion of the existing online food delivery players into the quick commerce space. The Group already has the logistics model covered from its experience in food delivery, including order placement, online payment options, and securing the delivery of products to the customer's location. Therefore, it is a natural progression for the Group in an area which appears to be set to thrive. Following its soft launch in 2021G, the Group received positive feedback on PIK platform, and thus expects to take advantage of its growth, with market reports suggesting the market is set to see a GMV increase of 3.4x between 2020G and 2023G. PIK platform is a natural extension of the core Jahez platform, as it leverages the same tried and tested technology, lowering the development costs for PIK platform.
- **Cloud kitchens (Co Kitchens):** in 2020G, the Company acquired a 60% ownership interest in Co Kitchens, a company focused on establishing cloud kitchens across the Kingdom. These are commercial kitchens for food businesses that prepare food for delivery or takeout only, with no dine-in facilities. Globally, this trend has begun to gain popularity especially as consumer preferences shift to food delivery as opposed to dine-in. The Kingdom of Saudi Arabia's cloud kitchen market size is expected to grow almost eight-fold to reach around SAR 1.3 billion by 2023G according to market reports. This is a largely untapped yet growing market, with the share of cloud kitchens in online food delivery expected to increase from 2.5% in 2020G to 7.9% in 2023G as more restaurants adopt the cloud kitchen model. This business model is a natural fit for the Group, which will be able to extend its expertise in online food delivery through increased addressable market, further increasing their business proposition, and adding a new dimension which directly contributes to the Group's aim to be the most loved lifestyle app. Co Kitchens enables the Group's restaurant partners to lower costs and accelerate food preparation times, improving outcomes for merchants (through higher profitability), delivery partners (through shorter waiting times and higher utilization) and customers (through faster delivery times).

- **Logistics (Logi):** in 2021G, the Company established Logi, a last mile delivery platform that provides logistical solutions to the Group's companies and to e-commerce and postal logistics companies. It is set to benefit from the uplift anticipated in the e-commerce market in the Kingdom of Saudi Arabia, which has increased at a CAGR of 23.2% from 2018G to 2020G and reached SAR 23.7 billion, according to the market study reports. Furthermore, the market is expected to grow with a CAGR of 7.8% between 2020G and 2023G to SAR 29.7 billion, providing a sizable growth opportunity, according to the market study reports. Fulfilling food delivery orders using the Logi platform will reduce costs for Jahez and PIK platforms.
- **Red Color:** this is an investment arm established to acquire skills, know-how, and new verticals with synergistic value. The Group aims to make investments in an industry that utilizes customers, merchants and delivery partners, thus offering another avenue of growth for the Group. Moreover, it aligns with the Group's mission to provide the best experience for the Group's partners, including customers, merchants and delivery partners, through the contribution of new consumers, increased cost and time savings, and the adoption of additional market data, providing further insights into consumer behavior and industry trends.

The Group's management strongly believes that expansion into different verticals will help them capture growth across various sectors and help diversify the business even further, giving them a cutting-edge over competitors while striving further towards the goal of being the platform of choice for its partners.

e) Applying global industry innovation to all aspects of the Group's business model

Apart from being at the forefront of the latest trends in the market and its experience and know-how in the local market, the Group brings innovation to its platforms, such as the launch of cloud kitchens and PIK platform supporting the quick commerce model. The Group is constantly looking for ways to improve customer experience, with one standout area being its mobile app, which incorporates innovation in several different ways:

- A simple, seamless user experience, with a guaranteed order confirmation and instant delivery partner assignment.
- When placing an order, customers have access to an innovative suggestion feature to aid them in selecting a restaurant.
- There are flexible payment options, and an Apple Pay feature which enables the customer to pay anytime up to delivery.
- Live order tracking until the delivery partner reaches the customer's door is available, and the Group has introduced an in-application game on Jahez platform to keep customers entertained while they wait for their order to be delivered; this is unique amongst food delivery companies both in the Kingdom and globally.
- To ensure maximum enjoyment and coordination, customers can communicate with delivery partners or assign someone else to receive the order. Further, there is proactive live customer support with prompt resolution to issues that may arise, even before complaints are raised by customers.

The Group has maintained continuous innovation in its technology, by relying on its internal resources. Some of the main areas of continued innovative research and development include the automation of customer support and the automation of delivery (leveraging artificial intelligence (AI) in logistics) by investing in an integrated R&D unit.

f) Superior financial track record and profitability in 2020G

Management has a strong track record of delivering consistent growth across the financial level and operating performance indicators with GMV having grown from SAR 497 million for the year ended December 2019G to SAR 1,418 million for the year ended December 2020G and further to SAR 711 million in Q1 2021G. The total GMV has increased 20x since 2017G, out pacing many competitors in the market. Average order numbers per user increased from 3.8 to 4.5 and further to 4.8 in the financial years 2019G and 2020G and Q1 2021G. Revenue increased by 2.9x over the same period, from SAR 159 million in financial year 2019G to SAR 459 million in financial year 2020G, and further to 243 million in Q1 2021G.

In addition to the significant increase in revenues, the Group was able to achieve profits during FY20G, with EBITDA of SAR 44 million and SAR 28 million in 2020G and Q1 2021G, respectively. This is due to an increase in the average commission rates from 9.5% in FY19G to 10.6% as at the end of FY20G and further to 11.3% in Q1 2021G, which are lower than the rates of the Group's competitors. In addition, customer acquisition costs decreased by 24.1% between FY19G and 2020G from SAR 95.9 per customer to SAR 72.8, respectively. The Group's strong cash flow helps support continued investment in innovation and expansion into new territories and verticals.

g) **Entrepreneurial spirit underpinned by industry veterans and backed by committed Shareholders**

The Group is managed by a team that is highly experienced in information technology (IT) management and development and business administration, supported by committed Directors and Shareholders. The Group is proud to have around 100 years combined c-suite management experience in its ranks. The management team has high technical and management skills and strong knowledge of the local and regional online delivery and logistics sector. Their deep knowledge and understanding of the key market trends and competitive environment mean that the Group is well-equipped for its plans for future growth and expansion in both new and existing markets and verticals.

The Group's management team is further supported by its strong corporate governance structure, Directors and key Shareholders who provide valuable insight on the Kingdom of Saudi Arabia and surrounding markets in the future. Key backers that also share the same vision for the Group include:

- Alamat International Limited Company, a company specialized in information technology and the founder of Jahez.
- Impact46, a venture capital firm, which led an investment round (Series A) in 2020G to acquire 40% of the Group.

The Group maintains relationships with important partners, supporting the Group in its growth and upholding social responsibilities and sustainable development. First and foremost, it is in the Group's interest to adequately reward its business partners and enhance their ability to increase their presence in a sustainable and profitable manner. The Group supports its delivery partners by setting policies aimed at motivating and rewarding delivery partners, as well as investing in payment infrastructure to ensure that they receive their dues as quickly as possible. Furthermore, the Group has participated in many Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) initiatives. The Group spends a part of its budget on CSR, and has a long term plan to measure and increase the social impact of existing initiatives, establish environmental management systems and green practices, and create an appropriate governance system, which further bolsters the Company's ESG proposition.

Market and Industry Summary

Saudi Arabia's macroeconomic and demographic assessment suggests large growth opportunities for online food delivery, quick commerce and cloud kitchens. The major macroeconomic and demographic drivers include:

1) The improving health of the Kingdom's economy and the resulting rise in employment and disposable income, which is expected to result in higher spending on F&B and e-commerce.

2) Vision 2030 programs (such as National Transformation Program ("**NTP**"), the Quality of Life Program ("**QOL**") and National Companies Promotion Program ("**NCPP**")), which provide support to local food service and e-commerce sectors.

3) The large population of the Kingdom of Saudi Arabia is young and receptive to digital channels, which provides a large untapped opportunity. The adoption of digital channels is further accelerated by the novel coronavirus ("**COVID-19**") pandemic.

4) An increasing number of Saudi women are joining the workforce, which results in higher household income and less time for household chores. This is expected to further increase household expenditure on food services.

The Saudi online food Aggregator market has experienced rapid growth at a CAGR of 53% during 2018G-2020G to an estimated SAR 6.8 billion in GMV. The COVID-19 pandemic has helped the online food Aggregator market grow significantly as people are ordering increasingly from the comfort of their homes while maintaining social distancing guidelines. After the recent surge, the growth is expected to stabilize at a CAGR of 33% during 2020G–2023G as the impact of COVID-19 pandemic begins to moderate. The market is expected to reach an estimated SAR 16.2 billion GMV by 2023G. The growth is supported by changing consumer habits, rising women's employment and growth in the food service sector. Key players in the online food Aggregator market include Hunger Station, Jahez and Mrsool, which together held around 85%–90% of the total online food Aggregator market in the Kingdom as of February 2021G.

Quick commerce is the next generation of e-commerce where consumers can order a wide range of products online that are delivered under 1-2 hours. Quick commerce is still a nascent business in the Kingdom that has recently begun to gain traction. The quick commerce market has recently begun to gain momentum, growing by about 5 times in value between 2019G and 2020G and is expected to reach SAR 3.7 billion by 2023G, with changing consumer habits, mainly driven by the measures taken as a result of the COVID-19 pandemic. In 2020G, grocery had the highest share of the quick commerce market followed by pharma and other (e.g., gifts, fashion, electronics etc.) categories. However, the other category is expected to witness the highest growth, with a CAGR of 84% from 2020G–2023G. Key players in the Kingdom's quick commerce market include: Mrsool, Hunger Station, Nana and PIK (a Group Subsidiary).

The cloud kitchen business model is gaining popularity amongst restaurants as consumer preferences are shifting from dine-in towards food delivery. In addition, cloud kitchens require a lower investment compared to setting up a restaurant with a dine-in facility, thus attracting more entrepreneurs as well as existing restaurants to adopt this business model. The Saudi cloud kitchen market size in 2020G reached around SAR 169 million in GMV and is expected to grow almost eight-fold, reaching around SAR 1.3 billion by 2023G. Key players in the Kingdom's cloud kitchen market include: Kitopi, Food to Go, Co Kitchens (a Group Subsidiary), Kitchen Park and Kitch.

Table (1-4): Market Sizes in GMV, Kingdom of Saudi Arabia

	2019G	2020G	2021G (Expected)	2022G (Expected)	2023G (Expected)	CAGR (2020G–2023G)
Online food Aggregator market size (SAR billion)	3.9	6.8	10.9	13.4	16.2	33%
Q-commerce market size (SAR billion)	0.2	1.1	1.8	2.7	3.8	51%
Cloud kitchen market size (SAR billion)	0.07	0.17	0.39	0.74	1.29	97%

Source: Market Consultant

Summary of Risk Factors

Below is a summary of the risk factors involved in investing in the Offer Shares; however, this summary does not contain all the information that may be important to investors. Therefore, investors who wish to subscribe to the Offer Shares must read and review this Prospectus in full. Any decision to invest in the Offer Shares should be based on consideration of this Prospectus as a whole. In particular, it is important to carefully consider the "**Important Notice**" on page (i) and Section 2 "**Risk Factors**" prior to making an investment decision with respect to the Offer Shares. Subscribers should not rely solely on this Summary.

Risks Related to the Group's Activity and Operations

- Risks related to the Group's limited operational history in an evolving industry subject to continuous development, and its ability to achieve its strategy objectives in the future.
- Risks related to the Group's inability to grow in the future at historical rates and manage growth effectively.
- Risks related to the reliance of the Group's business on attracting and retaining merchants, delivery partners and customers.
- Risks related to merchants.
- Risks related to delivery partners.
- Risks related to customers.
- Risks related to the reliance of the Group's revenue on merchants and logistics companies.
- Risks related to maintaining the service levels of merchants.
- Risks related to the pricing method of the Group's services.
- Risks related to the availability of the Group's platforms and failures in electronic systems.
- Risks related to reliance on third party providers and smartphone operating systems.
- Risks related to innovation and technology developments.
- Risks related to cyberattacks and data protection.
- Risks related to online payment and payment processing by third party providers.
- Risks related to the Group's reputation and brands.
- Risks related to negative coverage in the media and social media.
- Risks related to the protection of the Group's intellectual property rights.
- Risks related to third party intellectual property rights.
- Risks related to the Group's growth and expansion strategy.
- Risks Related to Expansion Outside the Kingdom.
- Risks related to future acquisitions and investments.
- Risks related to the Group's marketing activities.

- Risks related to the quality of the Group's customer service and technical support.
- Risks related to managing logistics operations.
- Risks related to misconduct and errors of employees and users of the Jahez and PIK platforms.
- Risks related to the management of monetary funds and theft by delivery partners.
- Risks related to the Company's reliance on third party providers.
- Risks related to the reliance on Senior Management and key personnel.
- Risks Related to the newly appointed internal audit department manager.
- Risks related to lack of experience managing a joint stock company listed on the Saudi Exchange.
- Risks related to corporate governance
- Risks related to transactions with Related Parties.
- Risks related to the participation of certain Directors in business competing with the Group's business.
- Risks related to internal control systems and accounting errors.
- Risks related to the transition from Saudi GAAP to IFRS endorsed in the Kingdom.
- Risks related to the reliance of the Group's operations on leased locations.
- Risks related to potential litigation.
- Risks related to future financing.
- Risks related to the aging of receivables.
- Risks related to the inadequacy of insurance coverage.
- Risks related to the increase in the Group's operating expenses and the ability to estimate fixed costs.
- Risks related to Zakat and taxation.

Risks Related to the Market and Industry in which the Group Operates

- Risks related to the regulatory environment.
- Risks related to licenses, certificates, permits, and approvals.
- Risks related to data protection and cybersecurity systems.
- Risks related to access to the internet.
- Risks related to competition.
- Risks related to seasonal factors.
- Risks related to compliance with Saudization requirements.
- Risks related to the application of value added tax and electronic billing.
- Risks related to changes in the calculation mechanism for Zakat and income tax.
- Risks related to the Saudi economy and the global economy.
- Risks related to political instability and security concerns in the Middle East region.
- Risks related to the outbreak of COVID-19 or any other infectious disease.
- Risks related to lower consumer spending and consumer behavior.
- Risks related to higher food, labor and fuel costs.
- Risks related to floods, earthquakes and other natural disasters or disruptive acts.

Risks Related to the Offer Shares

- Risks related to effective control post-Offering by the Major Shareholders.
- Risks related to the absence of a prior market for the Shares.
- Risks related to fluctuations in the market price of the Shares.
- Risks related to the Company's ability to distribute dividends.
- Risks related to the sale of a large number of Shares on the exchange.

- Risks related to the use of the IPO proceeds.
- Risks related to research published about the Group.

Risks Related to the Transition to the Main Market

- Risks related to the Company's failure to meet the requirements for the transition to the main market.
- Risks related to the Company's desire to remain in the Parallel Market.

Summary of Financial Information

The financial information and KPIs set forth below should be read in conjunction with the Company's audited financial statements for the financial year ended December 31, 2020G and the three-month period ended March 31, 2021G, and the accompanying notes thereto, which are included in Section 16 "**Financial Statements and Auditor's Report**" of this Prospectus.

Table (1-5): Summary of Financial Information and KPIs for the Financial Years Ended December 31, 2019G and 2020G and the Three-Month Period Ended March 31, 2020G and 2021G

SAR'000	FY19G (Non-Consolidated & Audited)	FY20G (Consolidated & Audited)	Three-Month Period Ended March 31, 2020G (Consolidated & Reviewed)	Three-Month Period Ended March 31, 2021G (Consolidated & Reviewed)
Statement of Income				
Revenue	158,529	459,306	64,748	243,288
Cost of revenue	(133,035)	(350,779)	(51,270)	(183,859)
Gross profit	25,494	108,527	13,478	59,429
General and administrative expenses	(6,317)	(11,408)	(2,101)	(5,238)
Marketing and Advertising expenses	(20,647)	(49,425)	(6,807)	(25,210)
Research and Development expenses	(2,566)	(4,924)	(891)	(1,855)
Impairment loss in trade receivables	(66)	(464)	(555)	(86)
Impairment loss in amounts due from Related Parties	(1,969)	(1,855)	(731)	-
Other income	20	486	144	-
Operating profit/(loss)	(6,051)	40,937	2,537	27,038
Finance costs	(245)	(305)	(66)	(100)
Profit/(loss) for the year before Zakat, net	(6,296)	40,632	2,470	26,938
Zakat	(128)	(1,135)	(64)	(711)
Profit/(loss) for the year/period, net	(6,424)	39,496	2,406	26,227
Statement of Financial Position				
Total current assets	46,859	214,792	42,187	276,579
Total non-current assets	12,936	17,175	13,106	20,506
Total assets	59,795	231,967	55,293	297,085
Total current liabilities	53,618	178,037	48,233	214,528
Total non-current liabilities	6,106	8,473	4,583	10,874
Total liabilities	59,724	186,510	52,816	225,402

SAR'000	FY19G (Non-Consolidated & Audited)	FY20G (Consolidated & Audited)	Three-Month Period Ended March 31, 2020G (Consolidated & Reviewed)	Three-Month Period Ended March 31, 2021G (Consolidated & Reviewed)
Total equity	70	45,457	2,477	71,683
Total equity and liabilities	59,795	231,967	55,293	297,085
Statement of Cash Flows				
Net cash flows from operating activities	19,415	174,800	1,573	63,537
Net cash flows used in investing activities	(3,156)	(5,432)	(853)	(1,671)
Net cash flows (used in)/from operating activities	1,901	(2,636)	(3,117)	(621)
Closing cash and cash equivalents	38,992	205,724	36,596	266,969
KPIs				
GMV (SAR'000)	497,477	1,418,096	198,744	711,130
Number of Orders	6,996,719	19,540,417	2,705,029	10,477,219
Average total GMV per order (SAR)	71.1	72.6	73.5	67.9
Average monthly orders per customer	3.8	4.5	4.1	4.8
Average number of merchants	1,475	2,336	1,835	4,243
Average number of branches	4,506	7,181	5,607	11,235
Average delivery fees per order (SAR)	14.9	14.6	15.5	13.6
Average commission per order (SAR)	6.7	7.7	7.4	7.6
Average commission (%)	9.5%	10.6%	10.0%	11.3%
Gross profit margin	16.1%	23.6%	20.8%	24.4%
Earnings/(loss) margin before interest, tax, depreciation and amortization	(2.4%)	9.6%	5.0%	11.6%
Net profit/(loss) margin for the year	(4.1%)	8.6%	3.7%	10.8%
Trade payable turnover (day)	25	20	12	17
Return on equity	(9,177.1%)	86.9%	97.1%	36.6%
Return on total assets	(10.7%)	17.0%	4.4%	8.8%

Source: The Company's audited financial statements for the financial year ended December 31, 2020G and the Three-Month Period ended March 31, 2021G

Table of Contents

Table Index

Figure Index

1- Definitions and Abbreviations

Stock Lending Agreement	The Stock Lending Agreement entered into between the Lending Shareholders and the Stabilizing Manager with regard to the Offering.
Non-resident Foreign Investors who May Invest in the Parallel Market	1. A foreign investor qualified in accordance with the QFI Rules to invest in listed securities. 2. An ultimate beneficiary in a swap agreement with an authorized person. 3. A legal person allowed to open an investment account in the Kingdom and an account with the Depository Center, provided that it is licensed or established in a country that applies regulatory and control standards similar to those applied by or acceptable to the CMA under the country list issued by the CMA in accordance with the requirements of Article 6, paragraph (a/1&3) of the QFI Rules. 4. A natural person holding the nationality of a country that applies regulatory and control standards similar to those applied by or acceptable to the CMA, according to the list of countries issued by the CMA, in accordance with the requirements of Article 6 paragraph (a/1&3) of the QFI Rules, who resides in one of these countries and fulfills any of the following criteria: a. has made transactions in securities exchanges with a total value of not less than forty million Saudi riyals (SAR 40,000,000) and not less than ten (10) transactions per quarter during the past 12 months; b. the value of their net assets is not less than five million Saudi riyals (SAR 5,000,000); c. is working or has worked in the financial sector for at least three (3) years; d. has a CME-1 approved by the CMA; or e. holds a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity collectively.
GMV	The gross merchandise value of products sold in a certain market in a specific period, excluding value added tax for: a. value added tax on the value of the order. b. The delivery value paid by the customer. c. value added tax on delivery value.
Adjusted GMV	The gross merchandise value of products sold in a certain market in a specific period, excluding the following: a. value added tax on the value of the order. b. The delivery value paid by the customer. c. value added tax on delivery value.
Management or Senior Management	The management of Jahez International Company for Information Systems Technology.
Listing	Listing of the Company's Shares in the list of companies which are listed on the Parallel Market and approval of their trading.
Sale Shares	Four hundred seventy-two thousand, one hundred thirty-one (472,131) existing shares of the Company to be sold by the Selling Shareholders in the Offering.
Over-Allotment Shares	Over-allotment shares amounting to up to two hundred four thousand, five hundred ninety (204,590) shares (equal to up to 15% of the total number of Offer Shares), which the Selling Shareholders lend to the Stabilizing Manager for the over-allotment option in order to implement the price stabilization mechanism.
New Shares	Eight hundred ninety-one thousand, eight hundred three (891,803) new shares to be allocated and issued by the Company with regard to the Offering.
Offer Shares	One million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) ordinary shares, which include the New Shares and Sale Shares.
Goods	Products that are offered on Jahez and PIK platforms by merchants.
Closing Date	The closing date of the Offering Period, which ends on 22/05/1443H (corresponding to 12/26/2021G).

Quick Commerce	A new generation of e-commerce where consumers can order a wide range of products online which are delivered in under 1-2 hours directly by merchants or through dark stores.
Over-Allotment	A process by which a number of additional shares is allocated to the Offer Shares and borrowed from the Lending Shareholders to be sold to Qualified Investors during the Offering Period at the Offer Price pursuant to the Over-Allotment Agreement.
Stabilization Instructions	The Instructions on the Price Stabilization Mechanism for Initial Public Offerings issued by CMA Board Decision No. 4-87-2018 dated 24/11/1439H (corresponding to 08/06/2018G) as amended by CMA Board Decision No. 1-7-2021 dated 01/06/1442H (corresponding to 01/14/2021G).
Online Food Delivery	This includes online food delivery segment excluding food delivery through restaurant applications.
Last Mile Delivery	The last stage in the supply chain that involves the transportation of products or packages from the dispatch point to the final destination.
New Customer Acquisition Costs	Selling and marketing expenses plus loss on deliveries, divided by the number of new customers during the period.
Official Gazette	Um Al Qura, the Official Gazette of the Kingdom of Saudi Arabia
General Assembly	An Extraordinary General Assembly or Ordinary General Assembly. "General Assembly" shall mean any general assembly of the Company.
Ordinary General Assembly	An ordinary general assembly of the Shareholders convened in accordance with the Articles of Association.
Extraordinary General Assembly	An extraordinary general assembly of the Shareholders convened in accordance with the Articles of Association.
Government	The Government of the Kingdom of Saudi Arabia.
On-Demand Services	Services that allow end-users to order and obtain through the use of technology (cloud computing, storage, software, and other resources) a product instantly or when and where needed.
Guidance Note for the Investment of Non-Resident Foreigners in the Parallel Market	The Guidance Note for the Investment of Non-Resident Foreigners in the Parallel Market issued by CMA Board Decision No. 4-95-2017 dated 26/01/1439H (corresponding to 10/16/2017G) as amended by CMA Board Decision No. 1-45-2018 dated 07/08/1439H (corresponding to 04/23/2018G).
SAR or Saudi riyal	The Saudi Arabian Riyal, the official currency of the Kingdom of Saudi Arabia.
Offering	The initial public offering of one million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) ordinary shares, representing around 13% of the Company's capital after the Offering (which represents 14.2% of the Company's capital before its increase), to be listed on the Parallel Market.
Offer Price	SAR ([•]) [•] per share.
Financial Year	The financial year ended on December 31 of every calendar year.
Share	An ordinary share in the Company's capital, with a nominal value of ten Saudi riyals (SAR 10).
Exchange	The Saudi Exchange.
Parallel Market	The market in which shares that have been registered and admitted are traded in accordance with the OSCOs.
Control	Pursuant to the Glossary of Defined Terms Used in the Regulations and Rules of the Capital Market Authority, control represents the ability to influence the actions or decisions of another person, whether directly or indirectly, individually or with a relative or affiliate, through the following: 1. holding 30 % or more of the voting rights in a company, or 2. having the right to appoint 30 % or more of the administrative staff.
Company or Issuer	Jahez International Company for Information Systems Technology.
Subsidiaries	The Company's subsidiaries, namely: PIK, Co Kitchens, Red Color, Logi and Jahez Company (Bahrain) (company under incorporation).

Jahez Company (Bahrain)	Jahez International Company W.L.L, a limited liability company under incorporation in Bahrain.
Logistics Companies	Companies that provide logistics services to the Group.
PIK	PIK Option Trading Company, a limited liability company established in Riyadh and registered under Commercial Registration No. 1010666280 dated 19/03/1442H (corresponding to 11/05/2020G).
Co Kitchens	Co Kitchens Company, a limited liability company established in Riyadh and registered under Commercial Registration No. 1010617274 dated 18/04/1441H (corresponding to 12/15/2019G).
Red Color	Red Color Company, a limited liability company established in Riyadh and registered under Commercial Registration No. 1010686134 dated 26/06/1442H (corresponding to 02/08/2021G).
Logi	Supportive Solutions Company for Logistic, a limited liability company established in Riyadh and registered under Commercial Registration No. 1010686125 dated 26/06/1442H (corresponding to 02/08/2021G).
Net Offering Proceeds	The net offering proceeds, after the deduction of the Offering expenses.
Related Party	In this Prospectus, in accordance with the Glossary of Defined Terms Used in the Regulations and Rules of the Authority issued by the CMA Board under Resolution No. 4-11-2004 dated 20/08/1425H (corresponding to 10/04/2004G), as amended by CMA Board Resolution No. 2-22-2021 dated 12/07/1442H (corresponding to 02/24/2021G), a "Related Party" or "Related Parties" includes any of the following: 1. affiliates of the issuer; 2. major shareholders of the issuer; 3. directors and senior executives of the issuer; 4. directors and senior executives of the affiliates of the issuer; 5. directors and senior executives of the issuer's major shareholders; 6. any relatives of persons described in (1), (2), (3), (4) or (5) above; and 7. any company controlled by any person described in paragraphs (1), (2), (3), (4), (5) or (6). For the purposes of Paragraph 7, "control" shall mean the ability to influence the actions or decisions of another person, whether directly or indirectly, individually or with a relative or affiliate, through any of the following: (a) holding 30% or more of the voting rights in a company, and (b) having the right to appoint 30% or more of the administrative staff. The word "controlling" shall be construed accordingly.
Advertisement Placement	Marketing services that are billed to merchants in return for displaying advertisements on Jahez platform, such as promotions and listing certain merchants at the top of the list in a specific delivery area.
Customers	Active users for a period of one hundred eighty (180) days from the date of the last order on Jahez platform.
Stabilization Period	A period starting from the date on which the trading of the Shares commences on the Exchange and not exceeding thirty (30) calendar days.
Lock-up Period	The period during which the Major Shareholders shall be subject to lock-up period of twelve (12) months from the date on which trading of the Shares commences on the Parallel Market. During such period, the Major Shareholders may not dispose of any of their shares.
Offering Period	The period which will commence on Thursday 19/05/1443H (corresponding to 12/23/2021G) until Sunday 22/05/1443H (corresponding to 12/26/2021G).
Merchant Branch	Merchant branches that are displayed on Jahez and PIK platforms, such as branches of restaurants, home businesses, supermarkets, retail stores, etc.
Financial Statements	The Company's audited financial statements for the financial year ended December 31, 2020G and the first quarter of 2021G.
Listing Rules	The Listing Rules approved by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 12/27/2017G), as amended by CMA Board Resolution No. 1-22-2021 dated 12/07/1442H (corresponding to 02/24/2021G).

OSCOs	The Rules on the Offer of Securities and Continuing Obligations issued by the CMA Board pursuant to Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 12/27/2017G) based on the Capital Market Law passed by Royal Decree No. M/30 dated 02/06/1424H, as amended by CMA Board Resolution No. 1-7-2021 dated 01/06/1442H (corresponding to 01/14/2021G).
QFI Rules	The Rules for Qualified Foreign Financial Institutions Investment in Listed Securities passed under CMA Board Resolution No. 1-42-2015 dated 15/07/1437H (corresponding to 05/04/2015G), as amended by CMA Board Resolution No. 3-65-2019 dated 14/10/1440G (corresponding to 06/17/2019G).
COVID-19	The novel coronavirus pandemic.
CGRs	The Corporate Governance Regulations issued by the CMA Board, pursuant to the Companies Law, by virtue of Resolution No. 8-16-2017 dated 16/05/1438H (corresponding to 02/13/2017G)، as amended by CMA Board Resolution No. 3-57- 2019G dated 15/09/1440H (corresponding to 05/20/2019G).
G	The Gregorian calendar.
Merchant	Merchants that are displayed on Jahez and PIK platforms, such as restaurants, home businesses, supermarkets, retail stores, etc.
Offering Proceeds	The total value of the shares subscribed for.
IPO Proceeds	An amount of SAR [•] ([•]) obtained from the sale of the New Shares resulting from the capital increase for the purpose of the Company's Offering.
Group	The Company and its Subsidiaries.
Dark Stores	Retail stores for sales through online platforms only.
Delivery Partners	Drivers who deliver orders via online delivery, including through Jahez and PIK platforms, and who may be drivers of logistics companies, independent drivers, or employees of online delivery companies.
PIK Platform	PIK platform of the PIK Limited Company.
Jahez Platform	The Company's Jahez platform.
Board or Board of Directors	The Company's Board of Directors, which includes the members whose names appear on page (iii) of this Prospectus.
Customer Cohort	A group of customers who make their first order on Jahez platform in a given year.
Average Number of Customers	The total number of customers in each month during the year divided by the number of months in such year.
Average Number of Merchants	The total number of merchants in each month during the year divided by the number of months in such year.
Stabilizing Manager	HSBC Saudi Arabia.
Lead Manager	HSBC Saudi Arabia.
Lead Bookrunner	HSBC Saudi Arabia.
Joint Bookrunners	AlRajhi Capital, Derayah Financial and Saudi Fransi Capital.
Depository Center	The Securities Depository Center of Saudi Arabia.
Shareholder or Shareholders	A shareholder or shareholders of the Company at any time.
Selling Shareholders	Alamat International Limited Company and Osool Impact for Communication and Technology (a company established by Osool & Bakheet Investment Company as custodian on behalf of Impact Finance Private Equity Fund - – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund).

Major Shareholders	The Shareholders who own 5% or more of the Company's Shares, and whose names appear on page (P) of this Prospectus.
Lending Shareholders	Alamat International Limited Company and Osool Impact for Communication and Technology (a company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund).
Investor	Each person investing in the Offer Shares.
(Institutional) Qualified Investors	1. Capital Market Institutions acting on their own behalf; 2. customers of a Capital Market Institution authorized to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make decisions to accept participation in the Offering and to invest in the Parallel Market on behalf of the customer without the need for his prior approval; 3. the Kingdom's government, any government agency, or any international body recognized by the CMA, the Exchange or any other stock exchange recognized by the CMA or the Depository Center; 4. Government-owned companies, whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities; 5. companies and funds established in GCC countries; 6. investment funds; 7. non-resident foreign investors who may invest in the Parallel Market and meet the requirements set out in the Guidance Note for the Investment of Non-Resident Foreigners in the Parallel Market (for more information, see Section 1 "**Definitions and Abbreviations**" of this Prospectus); 8. qualified foreign financial institutions; 9. any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center; and 10. any other persons defined by the CMA.
(Individual) Qualified Investors	Natural persons who may open an investment account in the Kingdom and an account with the Depository Center and meet any of the following criteria: (a) have made transactions in the securities market with a total value of not less than forty million Saudi riyals (SAR 40,000,000) and not less than ten (10) transactions per quarter during the past 12 months; (b) the value of their net assets is not less than five million Saudi riyals (SAR 5,000,000); (c) is working or has worked in the financial sector for at least three (3) years; (d) has a CME-1 approved by the CMA; or (e) holds a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity collectively.
Financial Advisor	HSBC Saudi Arabia.
Legal Advisor	Law Office of Salman M. Al-Sudairi.
Advisors or the Company's Advisors	The Company's advisors in relation to the Offering, whose names appear on page (v) of this Prospectus.
Cloud Kitchens	Kitchens dedicated to delivery-only restaurants which provide online delivery-only meals without dine-out options, allowing a number of different restaurants to share one common kitchen.
Subscriber	Each Qualified Investor applying for subscription in accordance with the Subscription Terms and Conditions.
The Kingdom	The Kingdom of Saudi Arabia.
Capital Market Institution	A Capital Market Institution authorized by the CMA to engage in securities business.
Prospectus	This prospectus prepared by the Company in relation to the Offering.

Nitaqat/Saudization Program	The employment regulations of the Kingdom, which require companies operating in the Kingdom to employ a specific percentage of Saudi nationals. The Saudization Program "Nitaqat" was approved pursuant to Minister of Labor Resolution No. 4040 dated 12/10/1422H (corresponding to 09/10/2011G), based on Council of Ministers Resolution No. 50 dated 12/05/1415H (corresponding to 10/27/1994G). The Ministry of Human Resources and Social Development initiated the "Nitaqat" Program to provide incentives to institutions to employ Saudi citizens. This program assesses the performance of any institution based on certain categories, i.e. platinum, green, yellow, and red.
Bylaws	The Company's bylaws approved by the General Assembly.
Bankruptcy Law	The Bankruptcy Law promulgated by Royal Decree No. M/50 dated 28/05/1439H (corresponding to 02/14/2018G) as amended by Royal Decree No. M/89 dated 17/08/1441H (corresponding to 04/10/2020G).
CML	The Capital Market Law issued under Royal Decree No M/30 dated 02/06/1424H (corresponding to 07/31/2003G), as amended.
Companies Law	The Companies Law issued under Royal Decree No. M/3 dated 28/01/1437H (corresponding to 11/10/2015G), as amended.
Labor Law	The Saudi Labor Law issued under Royal Decree No. M/51 dated 23/8/1426H (corresponding to 09/27/2005G), as amended.
Subscription Application Form	The subscription application form that (Institutional) Qualified Investors and (Individual) Qualified Investors, as the case may be, must fill in and submit to subscribe to the Offer Shares.
H	The Hijri calendar.
Capital Market Authority or CMA	The Capital Market Authority of Saudi Arabia.
Ministry of Commerce	The Ministry of Commerce of Saudi Arabia.
Business Day	Business days in the Kingdom (Sundays to Thursdays, excluding official holidays).
SOCPA	The Saudi Organization for Certified Public Accountants

2- Risk Factors

An investment in the Offer Shares under this Prospectus involves high risks and may be appropriate only for those investors who are able to evaluate the benefits and risks of such investment, and who can bear any loss that may result therefrom.

Prospective investors should carefully consider all information provided in this Prospectus, particularly the following risks prior to deciding to invest in the Offer Shares. The risk factors described below are those that the Group currently believes could affect the Group and any investment in the Offer Shares. The risks described below do not necessarily comprise all the risks affecting the Group or associated with an investment in the Offer Shares. There may be additional risks that the Group is currently not aware of, or that the Group currently believes are immaterial. The occurrence of any such risks may materially and negatively affect the Group's business, financial position, results of operations, and prospects, the trading price of the Shares and the Company's ability to pay dividends, which may cause investors to lose all or portion of their investment in the Offer Shares.

The Directors confirm that, to the best of their knowledge and belief, there are no material risks besides those mentioned in this section that may affect investors' decisions to invest in the Shares as at the date of this Prospectus.

All prospective investors who wish to subscribe to the Offer Shares should conduct an assessment of the risks and benefits of such investment and the Offer Shares in general as well as the economic, regulatory and market environment in which the Group operates in particular. An investment in the Offer Shares is appropriate only for those investors who are able to evaluate the risks of such investment and who have sufficient resources to bear any loss resulting from such investment. Prospective investors who have doubts about which actions to take should refer to a financial advisor duly licensed by the CMA for advice about investing in the Offer Shares.

The risks described below are not presented in order of priority based on their importance or expected effect on the Group. There may be additional risks that the Group is currently not aware of, or that the Group currently believes are immaterial, which may in the future have the same effects or consequences stated in this Prospectus. Accordingly, the risks described in this section or in any other section of this Prospectus may not include all risks that may affect the Group or its operations, activities, assets or the markets in which it operates and/or does not indicate all risks involved in investing in the Offer Shares.

2-1 Risks Related to the Group's Activity and Operations

2-1-1 Risks Related to the Group's Limited Operational history in an Evolving Industry Subject to Continuous Developments, and its Ability to Achieve its Strategy Objectives in the Future

The Group's Jahez platform was launched in 2016G, whereas the soft launch of PIK Company's PIK platform was performed in the first quarter of 2021G, and the operations of Co Kitchens' cloud kitchens were launched in 2020G. Since then, the Group has experienced rapid growth over a few years in terms of the level of services provided, the prices and the features it offered through Jahez and PIK platforms and Co Kitchens. Therefore, the Group has a short operating history in the online food delivery sector, the q-commerce sector, and the cloud kitchens sector, which are emerging sectors that are subject to continuous developments. As a result, the Group faces risks and challenges that limit its ability to accurately evaluate its business and future progress, particularly in light of the risks and challenges it faces, which include, but are not limited to, the following:

- Being unable to accurately predict the Group's revenues or plan future operating expenses.
- Increasing or retaining the number of merchants, customers or delivery partners on Jahez and PIK platforms.
- Successfully competing with current or future competitors.
- Successfully growing and expanding in the existing markets in which the Group operates or entering new markets.
- Anticipating economic changes and changes in the markets in which the Group operates and responding to them directly in an appropriate manner.
- Developing a high-performance and scalable technology infrastructure that can efficiently and reliably deal with increased usage and implement new features and services.
- Having the ability to be up to date with the new technologies and techniques used to interact with merchants, customers and delivery partners and applying them to Jahez and PIK platforms.
- Managing the rapid growth and development of the employees and operations, and recruiting and retaining talent.

If the Group is unable to properly manage the challenges and risks it faces, including the challenges described above, this will have a material negative effect on the Group's business, financial condition, results of operations and future prospects. In addition, given the limited historical financial data and the Group's limited business in a continuously growing and evolving market and sector, any forecasts regarding the Group's future revenues or expenses may not be as accurate as if the Group had a longer operating history or was operating in another sector or market. If the Group's estimates about any of the risks or challenges it faces, upon which it builds its plans and operations, are found to be wrong or if the Group does not address those risks and challenges successfully, the results of operations may significantly differ from those expected by the Group, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-2 Risks Related to the Group's Inability to Grow in the Future at Historical Rates and Manage Growth Effectively

The Group witnessed rapid growth over the past few years. The Group's revenues increased from SAR 158,528,753 in 2019G to SAR 459,306,082 in 2020G, at a growth rate of 189.7% during the same period. The Group's revenues were SAR 243,287,662 in Q1 2021G, as compared to SAR 64,747,656 in Q1 2020G, with a growth rate of 275.7%. However, the growth rate of revenue and financial performance may not be indicative of the Group's future performance. The Group's revenues are impacted based on its delivery revenues, which form an average of 64.0% of the total revenues for FY19G and FY20G, and 61.6% during the three month period ended 31 March 2020G and 2021G. It is also worth noting that the delivery revenues do not contribute to the overall revenue margin; however, delivery revenues are not analyzed in isolation whereby they represent a part of rendering the overall services to the customers, and must be viewed in conjunction with commission revenues. There can be no assurance that the Group's revenues and profits will continue to grow at historical rates. The Group's growth rate may decrease in the future due to several factors, including, but not limited to, the slowing demand for Jahez platform or the Group's other business, its inability to charge higher commission rates to merchants, the inability to sufficiently increase the number of merchants, customers or delivery partners to use Jahez and PIK platforms, higher competition in the market resulting in a decline in the Group's market share, overall market growth with the Group being unable to take advantage of growth opportunities, higher costs of the Group's business, the increase in investments made by the Group, which may not result in higher revenues or growth, or the overall decline in the growth of the online delivery sector and the transition from electronic order methods to traditional order methods. In addition, due to the COVID-19 pandemic, the Group witnessed strong and rapid growth in revenues and total orders on Jahez platform. The Group also obtained a government subsidy of SAR 409,630 from the SME Fund to offset the impact of the COVID-19 pandemic. The accelerated growth drivers of the Group's business resulting from the effects of the COVID-19 pandemic, including higher customer demand through electronic applications during curfew periods which commenced on 20/07/1441H (corresponding to 03/15/2020G) and lasted until 06/09/1441H (corresponding to 04/29/2020G), and again on 30/09/1441H. (corresponding to 05/23/2020G) until 04/10/1441H (corresponding to 05/27/2020G) for restaurants, may not continue in the same way in the future, which could result in lower growth rates or fluctuations in revenues and total orders in future periods. If the Group's growth rate decreases, this will have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, the Group has witnessed a growth in the number of employees, users of Jahez and geographical markets in which it operates since its establishment. The number of employees increased from 152 employees in 2019G to 316 employees as at Q1 2021G. The number of cities in which the Group operates also increased from 22 cities in 2019G to 47 cities as at Q1 2021. Consequently, the Group's operations witnessed a significant expansion. This growth results in severe pressure on the Group's management to properly manage such growth, including in terms of the operational and financial infrastructure. The Group's ability to manage rapid growth depends on its success in integrating business, recruiting new employees, expanding its operational and financial infrastructure, improving internal control systems, and training and developing employees. If the Group is unable to manage its growth properly, this will affect its operational activities, the quality of Jahez platform and the efficiency of operations, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-3 Risks Related to the Reliance of the Group's Business on Attracting and Retaining Merchants, Delivery Partners and Customers

Being a link between merchants, delivery partners and customers, Jahez and PIK platforms depend on third party businesses. Therefore, the growth of the Group's business and revenues depends on its ability to continue to attract and retain merchants, delivery partners and customers at favorable costs and fees. When the Group is able to increase the number of merchants on Jahez and PIK platforms, it will be able to attract more customers, and vice versa. A sufficient number of delivery partners to enable the Group to fulfill orders made on Jahez and PIK platforms is crucial to attracting merchants and customers to Jahez and

PIK platforms. Therefore, it takes a long time to build a network of merchants, customers and delivery partners. This network may not grow as quickly as it did in the past. The growth of merchants in the sectors in which the Group operates is key to the Group's growth and ability to attract more merchants to its platforms, which is beyond the Group's control. If the Group is unable to attract or retain merchants, delivery partners and customers, this will impair Jahez and PIK platforms and their ability to grow in the future. The Group may also have to incur significant costs in order to attract merchants, delivery partners and customers, particularly when entering into new geographical markets, due to intense competition (for more information on the risks related to competition, see Section 2-2-5 "**Risks Related to Competition**" of this Prospectus). This would have a material negative effect on the Group's business, financial condition, results of operations and future prospects. The Group's ability to attract and maintain merchants, delivery partners and customers is crucial to the Group's business and revenue growth. If the Group is unable to do so for any reason, this will have a material negative effect on its business, financial condition, results of operations and future prospects.

2-1-4 Risks Related to Merchants

Jahez and PIK platforms mainly depend on merchants that offer their products to customers and use delivery services. The GMV of the good sold through Jahez platform increased from SAR 497 million in FY19G to SAR 1,418 million in FY20G and further increased from SAR 199 million in the three-month period ended March 31, 2020 to SAR 711 million in the three-month period ended March 31, 2021G. Merchants use Jahez and PIK platforms to increase their sales volume. If the merchants are not satisfied with the sales volume and margins achieved through Jahez and PIK platforms or the commission rates they pay to the Group, if the Group fails to pay the merchants' dues or there is a discrepancy in the registered balances between the merchants and the Group, or if the merchants do not want to associate their name with the Group's brands, this may lead to merchants ceasing to deal with the Group or working mainly or exclusively with the Group's competitors or seeking to establish their own delivery platforms. In such event, the Group will not be able to provide many suitable merchant options to customers through Jahez and PIK platforms and, therefore, the Group's revenues may be materially and negatively affected. It is also worth noting that the overall GMV through Jahez as viewed as a percentage of the overall GMV for the Group, decreased from 8.5% for FY19G to 4.8% for FY20G and 1.1% for Q1 2021G.

In addition, if merchants on Jahez and PIK platforms are subject to any operational risks that lead to the temporary or permanent suspension of their business, if they experience financial distress or additional operating expenses, or if they wish to negotiate the commercial terms of their dealings with Group, this will affect the Group's relationship with such merchants. Consequently, the Group may have to provide fewer options to customers on Jahez and PIK platforms, which may materially and negatively affect the Group's revenues. In addition, if the Group is unable to attract merchants with high customer demand for any reason such as competitive factors, exclusive arrangements with other competing platforms, or the inability to negotiate favorable commercial terms, the Group may not be able to attract or retain such merchants, which in turn would lead to the inability to attract and retain customers. Any of these risks would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

Co Kitchens also depends on merchants leasing its cloud kitchens to offer their products to customers via a delivery-only model. As a result, Co Kitchens' business is affected by the extent this business model is attractive to such merchants. If merchants do not lease cloud kitchens, this will negatively affect Co Kitchens' business, revenues and profitability. Merchants located in cloud kitchens have inherent risks such as the inability to build brands and reach customers due to their presence only on online platforms as well as their reliance on technology. If merchants that lease kitchens from Co Kitchens are unsuccessful or subject to operational risks that lead to a temporary or permanent suspension of their business or financial distress, this will result in such merchants terminating their contract with Co Kitchens or renegotiating the commercial terms. This will affect the occupancy rates of Co Kitchens' locations and profitability, which in turn would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-5 Risks Related to Delivery Partners

Orders from merchants are delivered to customers through delivery partners registered in Jahez and PIK platforms, which mainly depend on two categories of delivery partners. Such delivery partners include freelance delivery partners who account for 28% of the total orders as at Q1 2021G, and delivery partners employed by logistics companies that the Group contracts with, who account for 72% of the total orders as at Q1 2021G. The Group also had twenty-one (21) delivery partners employed by the Company as at Q1 2021G, which have, as of the date of the Prospectus, been transferred to Logi. The total number of the Group's delivery partners was 6,301 as at FY19G. The total number of the Group's delivery partners increased to 29,569 and 34,810 as at FY20G and Q1 2021G, respectively. A portion of the Group's revenues is based on delivery partners of all kinds. The Group generates revenue through the delivery fees customers pay for each order made via the Group's platforms (for more information, see Section

4-6 "**Overview of the Group's Operations**" of this Prospectus). The delivery revenues represent an average of 64.0% of the overall revenue for FY19G and FY20G, and 61.1% for Q1 2020G and Q1 2021G. Logi's operations depend on attracting a sufficient number of delivery partners to enable it to fulfill its customers' orders. Therefore, the Group will have to attract and retain delivery partners at reasonable costs, taking into account that they meet the conditions set by the Group, government entities, and the relevant laws and regulations. The Group's ability to attract delivery partners is affected by several factors, including applicable laws and regulations governing the Group's contracts with delivery partners, benefits provided to delivery partners in order to attract and recruit them to Jahez and PIK platforms, logistics companies' ability to provide delivery partners to the Group at reasonable prices, fuel prices and other factors that are beyond the Group's control. It should be noted that freelance delivery partners and delivery partners employed by logistics companies do not provide their services exclusively to the Jahez or PIK platforms. They may provide their services to other delivery applications and activities or carry out other independent delivery activities, which may include entering into employment contracts with public and private entities. Consequently, the Group is exposed to competitive factors to attract and retain its platforms' delivery partners. In addition, the Ministry of Human Resources and Social Development (MHRSD) issued a ministerial resolution on 07/06/1442H (corresponding to 01/20/2021G) requiring delivery platforms to limit direct dealing (i.e., dealing with freelance delivery partners) to Saudi delivery partners only. Non-Saudi delivery partners can be dealt with by the Group's platforms only through logistics companies or Logi, and as of the date of the Prospectus, the Company is in compliance with the requirements of this ministerial resolution. This ministerial resolution was intended to come into effect on 10/12/1442H (corresponding to 07/20/2021G). However, pursuant to a directive issued by MHRSD, the corrective period was extended to 12/02/1443H (corresponding to 09/19/2021G), it is worth noting that a joint commission has been formed between the Ministry of Human Resources and Social Development (MHRSD) and the Communications and Information Technology Commission (CITC) to assess the effects of this ministerial resolution on the companies operating in the relevant sector, including assessing the possibility of extending the aforementioned corrective period. Moreover, MHRSD has issued a ministerial resolution dated 07/02/1443H (corresponding to 09/14/2021G) implementing a number of fines and penalties applicable to online platforms, which include, for example, a fine SAR 20,000 applicable to online platforms directly employing non-Saudi workers via the online platform, and the Group may be subject to such fines where it does not comply with the requirements set by MHRSD (for more information on the risks related to Saudization requirements, see Section 2-2-7 "**Risks Related to Compliance with Saudization Requirements**" of this Prospectus). If the Group is unable to attract and retain delivery partners for Jahez and PIK platforms or Logi, the Group's business will be negatively affected. This could result in the Group being unable to fulfill delivery orders made via Jahez and PIK platforms or carry out logistics services provided by Logi. If the Group is unable to fulfill orders due to lack of delivery partners, this will result in merchants and customers using other delivery applications that compete with Jahez and PIK platforms or other logistics companies that compete with Logi, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

The Group is also exposed to risks related to collection from freelance delivery partners of logistics companies which are used by the Company, who collect amounts from customers and then provide them to the Group (in cases where electronic payment methods are not used), whereby the total debt write-offs reached SAR 432,159 and SAR 444,095 as of FY19G and FY20G, respectively, and SAR 75,834 as of Q1 2021G. For example, the Group had previously contracted with the Watania Distribution Company (a logistics company providing the Group with delivery partners), from which the Group was not able to obtain dues of SAR 4.1 million as at March 31, 2021G. As of the date of the Prospectus, the Group is in the process of negotiating an amicable settlement with Watania Distribution Company, If the Group is unable to reach an amicable settlement, the Company may raise a claim against Watania Distribution Company in the competent courts in accordance with the terms of the relevant agreement. If the Group is unable to collect its dues from delivery partners for any reason, which may include delivery partners trying to steal or manipulate amounts collected from customers, this may have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, delivery partners of all kinds must meet the relevant regulatory requirements, and they must be registered with the Communications and Information Technology Commission (CITC) in accordance with the relevant regulations. If any of the delivery partners registered with Jahez and PIK platforms violates any applicable laws, regulations or other regulatory rules, the Group may be held liable for such violations, which could expose the Group to such regulatory penalties as may be determined by the relevant authorities. This would have a material negative effect on the Group's business, financial condition, results of operations and future prospects. In addition, if any of the logistics companies dealing with the Group do not meet the regulatory requirements to which they are subject, restrictions may be imposed on them by the relevant regulatory authorities or their licenses may be canceled, which could impair the Group's ability to use their delivery partners. Consequently, the Group may be exposed to the risk of not being able to fulfill orders due to the lack of delivery partners, which would affect the Group's business continuity, and thus would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

Meanwhile, the Group needs effective operations to manage delivery partners and maintain a balance between supply and demand for delivery partners in all areas served by Jahez and PIK platforms at all times. The number of delivery partners used by Jahez and PIK platforms may fluctuate within a short period for several reasons such as weather conditions, seasonal factors or events. For example, the Group may face a lack of delivery partners at peak times including Eid al-Fitr, Eid al-Adha and weekends, or due to unfavorable weather conditions such as floods and sandstorms. The Jahez and PIK platforms may also witness fluctuations in order volume due to an unexpected increase or decrease in demand. The Group's ability to provide reliable, high-quality service depends on factors that are beyond the Group's control. The occurrence of any interruption or suspension of the algorithms used by Jahez and PIK platforms to anticipate demand and dispatch delivery partners could affect the Group's ability to provide its services in an appropriate manner, which would have a material negative effect on the Group's business, financial position, results of operations and future prospects.

2-1-6 Risks Related to Customers

Customers use Jahez and PIK platforms to order and obtain food and other products they want at an appropriate price. Customers may not continue to use Jahez and PIK platforms or may decrease their use if they are not satisfied with the services, prices, variety of options or quality of service provided. Customers may also use Jahez and PIK platforms only for the purpose of benefiting from promotions offered through the platforms, and stop using them at the end of such promotions. In addition, new customers may not use Jahez and PIK platforms on an ongoing basis. The Group had orders numbering 7.0 million, 19.5 million and 10.4 million orders as at FY19G, FY20G, and Q1 2021G, respectively, as compared to 2.7 million orders as of Q1 2020G. Moreover, customer compensation costs increased from SAR 4.5 million in FY19G to SAR 13.0 million in FY20G. Customer compensation costs accounted for 0.9% of the GMV during the financial years 2019G and 2020G. In the three-month periods ended March 31, 2020G and 2021G, customer compensation costs increased from SAR 1.7 million to SAR 2.8 million. Customer compensation costs accounted for 0.8% and 0.4% of the GMV during the two periods, respectively.

The Group's ability to attract and maintain customers to use Jahez and PIK platforms depends on the extent to which customers desire to continue or increase their use of electronic platforms to place their orders for food and other products instead of using traditional methods such as mobile ordering, takeout from restaurants, or direct ordering through merchant websites and online platforms. Customers' desire depends on several factors including ease of use, reliability of online platforms, availability of various product options, availability of various payment methods, speed of delivery and other benefits. Customers of Jahez and PIK platforms numbered 472,947, 1,038,668, and 1,316,343 customers as at the financial years 2019G and 2020G, and Q1 2021G. The Company's new customer acquisition costs were SAR 95.9, 72.8, and 111.5 in 2019G, 2020G, and Q1 2021G for each new customer, respectively. New customer acquisition costs may be affected by several factors, including, but not limited to, the success of some of the Company's adopted marketing campaigns. If the Group does not provide the features and benefits that attract customers to use Jahez and PIK platforms, the Group may not be able to attract new customers or maintain its existing customers, or it may incur additional costs to attract customers, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-7 Risks Related to the Reliance of the Group's Revenue on Merchants and Logistics Companies

The Group's revenues depend on the top ten (10) major merchants on Jahez platform in terms of the value of goods sold, which represented 17.0%, 18.3% and 14.6% of the GMV through them in the financial years ended December 31, 2019G and 2020G, and in Q1 2021G, respectively. The value of goods sold through one of the top ten merchants in terms of the value of sold goods represented 5% of the GMV during the financial year ended December 31, 2020. The top ten (10) merchants represented about 18.5% and 16.2% of commission revenue in 2020G and Q1 2021G (for more information, see Section 6-6-1(a) "**Revenues**" of this Prospectus). Commission revenue is concentrated on restaurants, which accounted for 99% of commission revenue and delivery fees in the financial years 2019G and 2020G and the period ended March 31, 2021. Other merchants such as supermarkets, pharmacies, toy stores and fashion stores represented only about 1% of the Group's total commission revenue and delivery fees during the same period. As its revenues depend on merchants and logistics companies that it deals with, the Group considers them strategic partners in providing services. The Group is expected to continue to depend on continuing relationships with merchants and logistics companies. However, at any time, the merchants and logistics companies may decide to transfer all or part of their business with the Group to one or more of its competitors, or require the Group to provide additional benefits or services that increase the Group's costs. The merchants and logistics companies may face financial difficulties, may have to restructure their businesses or change their strategies, or may be affected by factors related to their sectors or general economic circumstances. Any of these factors will negatively affect the ability or desire of the merchants and logistics companies to continue to deal with the Group. The loss of any of the merchants or logistics companies may also result in a decrease in the Group's revenues or a decrease in users of the Jahez or PIK platforms and negatively affect customers' demand for and satisfaction with the Group's services, which could also lead to the loss of such customers. Therefore, the loss of any merchants or logistics companies will have a material negative effect on the Group's business, financial condition, results of operations and future prospects. For example, two of the merchants withdrew from Jahez platform. The impact of this withdrawal on the Group's average monthly GMV during 2020G was about SAR 3,200,000. In addition, the Company withdrew from its dealings with AlWatania Distribution Company, one of the logistics companies, given that the Company was unable to collect its dues from AlWatania Distribution Company, which amounted to nearly 4.1 million Saudi riyals as at Q1 2021G (for more information, please see Section 2-1-5 "**Risks Related to Delivery Partners**" of this Prospectus).

2-1-8 Risks Related to Maintaining the Service Levels of Merchants

In providing its services, the Group depends on the quality of merchants that are displayed in Jahez and PIK platforms, including supermarkets, which include global chains of merchants, and small and independent emerging local merchants. The Group is responsible for the delivery of orders and products prepared by the merchants and provided by Jahez and PIK platforms. If such merchants are unable to respond to customer orders, maintain the quality of services and products provided, or meet the requirements and standards of the Group, this will affect the Group's reputation and the footfall of Jahez and PIK platforms. For example, merchants may not prepare orders in a timely manner, which would delay the delivery of orders to customers. Merchants may also make errors when reading orders and, consequently, incorrect or incomplete orders may be delivered to customers. In addition, the Group cannot guarantee the continuity of the quality of orders prepared by merchants. Customers may experience fluctuations in the quality of products provided by merchants, or products may not meet customer expectations. Pursuant to the agreements concluded by the Group and the merchants, the Group shall provide the necessary technical support to customers to ensure that their orders are delivered. Customers may not be satisfied with the technical support services provided by the Group, which will lead to lower customer satisfaction levels and lower demand for Jahez and PIK platforms. This would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

Furthermore, in response to the outbreak of COVID-19, the Ministry of Health implemented several protocols that merchants must comply with when preparing home delivery orders, which include, but are not limited to, tightly packing the order and placing an adhesive seal on it. Merchants may not observe these health procedures when processing orders of customers of Jahez and PIK platforms, which may lead to the Ministry of Health imposing penalties on merchants and lower customer satisfaction with Jahez and PIK platforms. This would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-9 Risks Related to the Pricing Method of the Group's Services

The demand for Jahez and PIK platforms is largely dependent on some factors, including product prices, the value of the products delivered, delivery fees, and commissions incurred by merchants and customers. The services of Logi and are dependent on the prices of their products and services. The Group prices its services according to competitive conditions in the market. The Group's pricing strategy is subject to several factors, including operational costs, regulatory requirements, competitor pricing, marketing strategies, and other factors. If regulatory authorities impose any future restrictions such as a limit on fees and commissions withheld by the Group or if a minimum wage for Saudi delivery partners is imposed, this will negatively affect the Group's results of operations and profitability. In addition, if the Group's competitors offer lower prices than those offered by the Group or pursue marketing strategies that enable them to attract and retain merchants and customers at a lower cost, this may cause the Group to lower its prices in response to such competitive pressures. Moreover, the Group may not be able to effectively compete in some geographical markets in which it operates due to customer sensitivity towards prices. The Group's pricing method may not be suitable for such geographical markets, which may cause the Group to change its pricing strategy. The Group's estimates of prices that suit merchants, customers and delivery partners based on its operational history may not be correct, or the Group may underestimate or overestimate prices, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-10 Risks Related to the Availability of the Group's Platforms and Failures of Electronic Systems

The success of the Group's business is dependent on the ability of merchants, customers and delivery partners to have access to Jahez and PIK platforms at all times. The Group also relies on the availability of its technology systems to manage its operations. The Jahez and PIK platforms and the electronic systems on which the Group relies may be subject to failures or performance issues due to various external causes that the Group does not guarantee will not occur. The Group's systems and Jahez and

PIK platforms may be subject to hardware, software, or infrastructure issues, human or software errors, update issues, service downtime or slowness due to the failure to accommodate a large number of users or orders at the same time, interruption in communications services, or suspension due to regulatory requirements. For example, due to the imposition of additional regulatory requirements in response to the COVID-19 pandemic, Jahez platform witnessed a disruption during the curfew period. These requirements included obtaining a roaming permit so that delivery partners can deliver customer orders. This disruption lasted until the necessary permits were obtained, which took 1-2 days in the cities where the Group operates. The Group's business may also be disrupted due to scams, cyberattacks, viruses, and other forms of sabotage. In many cases, the Group may not be able to identify the cause of such performance issues and resolve them within an acceptable timeframe, which may make it difficult for the Group to ensure the sustainability, effectiveness, speed, availability and maintenance of Jahez and PIK platforms and its electronic systems, particularly during peak times. The unavailability of Jahez and PIK platforms or the Group's electronic systems or services at the expected speed may require the Company to compensate customers affected by any failure in the electronic systems of Jahez and PIK platforms. This may also lead to customers downloading other applications that compete with Jahez and PIK platforms and leading such customers not to re-use Jahez and PIK platforms in the future at all. This will affect the Group's ability to attract and maintain new and existing merchants and may lead to fewer customers and weak footfall. The Group's operations that depend on electronic systems may also be affected, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

If the Group fails to identify the causes of the issues in Jahez and PIK platforms and address them effectively and within an acceptable timeframe, or if it does not respond appropriately to service interruptions, or fails to carry out the necessary maintenance to improve the systems according to the developed and expected needs and fails to rapidly respond to unexpected needs, this would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, the software on which Jahez and PIK platforms rely are very complex and may include undetected errors or weaknesses that may affect the performance and availability of Jahez and PIK platforms and cause the Group to perform continuous application updates resulting in temporary service interruptions. Such errors or consequent interruptions may cause the Group to incur additional losses and costs, expose the Group to negative publicity about the reliability of the performance of Jahez and PIK platforms, or lead to the Group being targeted by cyberattacks, any of which could have a material negative effect on the Group's business, financial position, results of operations and future prospects.

2-1-11 Risks Related to Reliance on Third Party Providers and Smartphone Operating Systems

The Group's Jahez and PIK platforms depend on third-party providers such as third party software providers and online payment service providers. For example, in its map features, the Group relies on maps provided by a third-party provider. This is an integral feature of Jahez and PIK platforms. The Group also depends on servers of a third-party provider outside the Kingdom. Consequently, the Group may not have full control over the features offered by the Jahez and PIK applications due to its reliance on third-party providers' software. The Group may be involved in future disputes with third-party information technology (IT) service providers and terminate the services provided to the Group, which may affect the Group's ability to find an alternative on appropriate terms and at the right time or to maintain the continuity of its business through Jahez and PIK platforms temporarily, with the same quality, or at all. This would have a material negative effect on the Group's business, financial position, results of operations and future prospects.

In addition, Jahez and PIK platforms depend on the integration of some programs and products that represent the infrastructure of Jahez and PIK platforms and which are offered by more than one third-party provider. These programs and products are subject to continuous development. The Group cannot guarantee the integration of such programs and products and their ability to work effectively in the future due to the lack of compatibility and interoperability, which may cause the Group to replace any of these programs or products to ensure the operation continuity of Jahez and PIK platforms. This could lead to additional costs or temporary suspension, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

The Jahez and PIK platforms depend on smartphone operating systems such as Android and iOS, and the online stores of such operating systems that enable the Group to provide the Jahez and PIK applications to merchants, customers and delivery partners. Any change in such systems or their online stores that limit the performance of the Jahez and PIK applications or give preferential treatment to the applications of the Group's competitors will negatively affect the use of the Jahez and PIK applications. If the operating systems and their online stores limit the availability of the Jahez and PIK applications, raise the costs of use, impose any terms or conditions of use unfavorable for the Group, modify the evaluation of the Jahez and PIK application or its appearance in the search engine to the detriment of the Group, this would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, new versions of mobile operating systems may be released in the future that may not be compatible with the Jahez and PIK application and require the Group to perform major upgrades and incur significant costs to be compatible with such versions. If the Group does not manage to do so, this may limit its ability to offer its application on such systems, or its customers, merchants and delivery agents may have difficulty accessing and using the Jahez and PIK applications on their mobile phones, which would limit the number of users of Jahez and PIK platforms. This would have a material negative effect on the Group's business, financial position, results of operations and future prospects.

2-1-12 Risks Related to Innovation and Technology Developments

The Group's success partly depends on its ability to continue to innovate and develop Jahez and PIK platforms and its other business operations. The Group needs to continue to improve Jahez and PIK platforms and their features and properties in order to continue to compete effectively in the market at the right time and at competitive prices. This requires the Group to anticipate and respond to rapid and continuous technology changes, keep pace with developments in the online delivery sector, services and features offered by competitors, and fund research and development (R&D) initiatives to support innovation efforts to attract customers, merchants and delivery partners, which could lead to higher costs to the Group. If the Group does not adapt, expand and develop its services based on technology changes or the requests and needs of users through continuous development and improvement of Jahez and PIK platforms, then the Group's ability to develop and maintain a competitive advantage and continue to grow may be negatively affected, and the Group may also not be able to retain merchants, customers and delivery partners. If competitors introduce new technologies or features to their platforms that the Group may not be able to provide, the Group may lose its base of merchants, customers and delivery partners to those competitors, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, the improvement and innovation of new services and features across Jahez and PIK platforms may impose new operational challenges for the Group in terms of implementing them as required or lead to high technology risks. Large financial investments may be required to apply such innovations, features and new services or investment may be required to acquire technologies and software that allow the Group to maintain and develop its services. The Group may also develop Jahez and PIK platforms and improve its user experience with the aim of supporting its long-term goals, which may not necessarily enhance short-term financial results. The Group may not be able to achieve its long-term goals. Any of the above risks would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

It should be noted that the online food delivery sector is subject to technological developments that may affect the sector as a whole, such as the application of automated delivery technologies using drones. If such advanced technologies are applied in the online food delivery sector by the Group's competitors, the Group will have to develop such capabilities to keep pace with the market and sector, which may require it to incur high costs. This may affect and require changes to the Group's current business model. Therefore, any of these technology developments would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-13 Risks Related to Cyberattacks and Data Protection

The Group's business includes the collection, storage, processing and transfer of a large amount of data, including personal and sensitive data of merchants, customers, delivery partners and employees of the Group. Therefore, the Group, like other companies operating in the sector, is vulnerable to electronic attacks that target its systems and data, such as computer viruses, hacking attacks, data theft, etc. Such attacks may result in outages, delays, or shutdowns of the Group's systems and networks including Jahez and PIK platforms, which may lead to loss of critical data, unauthorized disclosure, leakage, or use of users' personal data or other confidential information. If such attacks result in the disclosure of personal data of users of the Group's electronic systems, including Jahez and PIK platforms, then the users of the Group's electronic systems, including Jahez and PIK platforms, may lose their confidence in the Group and may reduce or stop their use of the Group's systems, including Jahez and PIK platforms. In addition, it may impact the Group's ability to attract or maintain new or existing merchants to Jahez and PIK platforms. The Group may not be able to implement adequate preventive measures against such attacks or proactively manage the technologies used to access the personal data of users or disable or degrade the services of its electronic systems, including Jahez and PIK platforms, or may incur additional costs for the implementation of such preventive measures. It can often be difficult to take preventive measures or quickly manage such attacks because these technologies change regularly, and they often cannot be detected until they are launched against a specific target. If the Group is subject to cyberattacks and the leakage of users' data from the Group's platform, this may harm the Group's reputation and users' trust in it, and lead to the Group being subject to litigation or regulatory penalties and fines, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, the Group stores data using data hosting services outside the Kingdom, which results in additional costs to the Group. Furthermore, the Group may face disruptions to its business continuity if data hosting providers are subject to bankruptcy or cyberattacks. However, the Group is currently in the process of transferring that data to servers inside the Kingdom to comply with the relevant regulatory requirements issued by the CITC, during the corrective period granted by the CITC until 24/02/1443H (corresponding to 10/01/2021G). This period was extended to 28/08/1443H (corresponding to 03/31/2022G). If the Group is unable to complete the transfer of data to servers inside the Kingdom at all or at an appropriate cost and in a timely manner, the Group may be subject to regulatory penalties and may incur additional costs to complete them, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-14 Risks Related to Online Payment and Payment Processing by Third Party Providers

The Group accepts payments through its platform using various methods, including cash on delivery or electronic payment via credit cards, Mada cards or Apple Pay. In addition, each customer has a wallet in Jahez and PIK platforms through which the Group compensates its customers if there is a defect or disruption in their orders. The Group's customers, in particular corporate and institutional customers, can also deposit amounts in their wallets and the wallets of their employees using Jahez and PIK platforms. Customers may have problems using their wallets in Jahez and PIK platforms. Amounts deposited in their wallets may be suspended and the customers will not be able to use such amounts to make their orders, which if not swiftly resolved, may have a negative effect on customer satisfaction rates, the Group's reputation, and demand levels. Cash payments accounted for 59.7% and 20.7% of the GMV via Jahez platform for FY 2019 and FY20G. Electronic payments accounted for 40.2% and 79.3% of the total orders via Jahez platform for the same periods. As at Q1 2021G, cash payments accounted for 19.3% of the GMV via Jahez platform, as compared to 39.1% as at Q1 2020G. Electronic payments accounted for 80.7% of the total orders via Jahez platform, as compared to 60.9% as at Q1 2021G and Q1 2020G (for more information on the electronic payments via method of payment as at 31 December 2019G, 2020G and 2021G, see Section 4-6-1 "**Jahez Platform**" of this Prospectus). The Group also uses electronic payment methods to pay delivery partners, which includes the digital wallet service. When the Group accepts payments by electronic methods, the Group pays certain fees for each transaction to a third-party provider, which may increase such fees in the future, which will affect the Group's operating expenses and profit margins. In processing electronic payments, the Group also depends on third-party providers and therefore its business is closely dependent on them. The Group also relies on third-party licensed encryption and authentication technologies, which ensure that personal data is securely transferred. If a service provider cannot provide services reliably and securely, if the relationship between third-party providers and the Group is terminated, or if a third-party provider refuses to renew its services on terms favorable to the Group, the Group may have difficulties in finding an alternative service provider on similar terms and within an acceptable time frame. Consequently, the Group may not be able to process electronic payments. During July 2021G, the electronic payment servers provided by third-party service providers were subject to a malfunction in relation to payments made via Apple Pay for a period of 30 minutes, during which the Company was not able to accept payments made via Apply Pay. As a result, any such disruption in electronic payments may harm the appeal of Jahez and PIK platforms to customers, merchants and delivery partners, and lead to a weak footfall on Jahez and PIK platforms, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, the Group collects payments made by customers for orders they make through Jahez and PIK platforms on behalf of merchants. The Group collects such amounts within 1-4 days from the date of the order, and then pays them to the merchant after deducting the related commissions and fees on a semi-monthly basis. Until the amounts due to merchants are paid, the Group is responsible for such amounts and is exposed to the risk of theft for cash collected at collection points, and although such theft has never occurred, the Group does not currently have an insurance policy in place covering the occurrence of such risks, which may result in the Group incurring financial losses. Therefore, any loss of such amounts for any reason, including those beyond the control of the Group, will lead to adverse effects on the profitability of the Group, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-15 Risks Related to the Group's Reputation and Brands

The reputation of the Group and its brands is key to its ability to attract and maintain its large base of merchants, customers and delivery partners (for more information on the Group's brands, see Section 4-10 "**Intellectual Property**" of this Prospectus). Therefore, in maintaining, protecting and improving its reputation and brands, the Group relies on the success of its marketing activities, ability to provide consistently high quality services, and ability to protect its brands from any legal violations. The Group's future marketing activities may not be successful or cost-effective, and the Group's reputation and brands may be affected by customer complaints and negative publicity about Jahez and PIK platforms or the Group's other business, merchants displayed on them, or the delivery partners with whom the Group deals, even if such negative publicity is based on misinformation or out-of-the-ordinary incidents. Any negative perception of the Group may affect its reputation and brands, including any negative perception resulting from, among other things:

- Complaints or negative publicity about the Group, Jahez and PIK platforms, delivery partners, merchants, customers, or the policies and procedures of the Group.
- Incomplete, wrong or canceled orders.
- Scams.
- Legal errors, negligence or other inappropriate behavior of any of the Group's employees, management, merchants, delivery partners or other parties with whom the Group deals.
- Tampering with food or food preparation, packaging or delivery methods in an improper or unclean manner.
- An outbreak of COVID-19 or any other contagious disease among merchants, delivery partners, customers of Jahez and PIK platforms, delivery partners of Logi, or employees of Co Kitchens.
- Failure to offer customers competitive prices or various payment options, or delays in the delivery of orders.
- Any disruptions to the Jahez or PIK platforms, leakage of confidential information and data, cyber incidents or other incidents affecting the reliability of the Group's services, whether actual or perceived.
- Any lawsuits or regulatory investigations by the relevant regulatory authorities that affect the Group's business.
- Failure to comply with any legal, regulatory or tax requirements issued by the relevant authorities in the Kingdom.
- Failure to apply the Group's policies in a manner that the parties dealing with the Group see as fair or transparent, or their lack of understanding of the adopted policies.
- Inappropriate or unsatisfactory customer experiences in relation to customer support and service.
- Failure to provide adequate legal protection for the Group's brands or other intellectual property rights.
- Any perception of mistreatment of employees, merchants, customers or delivery partners, and the way the Group responds to such.
- The occurrence of any of the above factors in the Group's competitors and the existence of a general perception that these factors apply to all companies operating in the sector.

If the Group is unable to maintain and protect its reputation and brands for any reason including due to any of the above factors, the Group may not be able to develop its business or compete effectively in the market. In addition, if merchants, customers, and delivery partners have a perception that the Group's services are unreliable, unsafe or expensive, or that Jahez platform or PIK platform does not have new and innovative features and properties, this may affect the Group's ability to attract them to use the Jahez or PIK platforms or the other businesses of the Group, and the Group may lose business or be unable to retain its employees. If the Group suffers damage to its reputation and brands, this will have a material negative effect on its business, financial condition, results of operations and future prospects.

2-1-16 Risks Related to Negative Coverage in the Media and Social Media

The Group is subject to media coverage from time to time, whether in traditional or social media. Any negative publicity about the Group's business model, payment model, customer support, merchants, delivery partners, technologies used in Jahez platform or PIK platform or their quality, delivery issues, or information security and privacy issues may negatively affect the Group's reputation, the footfall of Jahez and PIK platforms, and the size of its base of merchants, customers and delivery partners. The Group may not be able to control coverage about its business in the media and social media. For example, if a user of the Group's platforms (whether a merchant, customer or delivery partner) publicly displays a complaint on a social media channel, or reports a negative experience due to the Group's services, this may affect the opinions of customers and may harm the level of footfall, especially if that person is influential and has a fan base on social media. The Group's presence on social media is also important for direct communication with customers to promote the Group's services, communicate clarifications to customers, or effectively address any problem or complaint that may arise. Where the Group finds a complaint displayed via social media, it aims to reach the individual raising such compliant via its customer support team to rectify any error which may have occurred. On the other hand, where the Group finds a false complaint displayed on social media, the Group reserves its right to raise a claim before the relevant authority with regards to such false complaint. On 23/07/1442H (corresponding to 03/07/2021G), the Group had raised a complaint before the Al-Olaya police department against a group of Twitter users who had released a number of false claims regarding Jahez platform via social media platforms. Therefore, the Group's approach and the manner of dealing with problems through social media either encourages others to deal with the Group or discourages them from using the Group's services at all. This could lead to the Group being unable to effectively contain all complaints and problems through social media. Consequently, the negative experiences of merchants, customers or delivery partners and complaints and problems that may be raised on social media may result in negative publicity about the Group that harms its reputation, especially if the Group does not deal with it positively. This would affect the volume of demand for its services and the results of its operations, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-17 Risks Related to the Protection of the Group's Intellectual Property Rights

The Group's business and success depend on its intellectual property rights. The protection of such rights is crucial to the success of the Group's business. With the exception of the brands "Jahez" and "PIK" which are registered in the name of the Group in the Kingdom, the Group has not registered any intellectual property rights inside or outside the Kingdom yet, including Jahez platform application, which has not been registered with the relevant authorities in the Kingdom in accordance with the Regulations for the Optional Registration of Copyright Works issued by the Board of Directors of the Saudi Authority for Intellectual Property under Decision No. 3/7/2019 dated 07/06/1440H (corresponding to 02/12/2019G). However, it is worth noting that the Company has submitted applications to register the trademark "Jahez" in both Kuwait and Bahrain, and these applications are still under process by the respective authorities.

The non-registration of intellectual property rights may lead to violations against the unregistered intellectual property rights, which include Jahez application. If third parties misuse the intellectual property of the Group, this may pose a risk to the value of the Group's brand, and any damage to the Company's reputation will lead to lowered demand for its services, which would negatively affect its business, results of operations, financial condition and future prospects. It should be noted that the Company's previous brand "Jahez", pertaining to the old logo (which is not currently used by the Group) is registered in the name of Alamat International Limited Company. However, the rights to such brand were transferred to the Group under an asset purchase and sale agreement concluded between Alamat International Limited Company and the Company on 14/04/1439H (corresponding to 01/01/2018G) (for more information, see Section 4-10 "**Intellectual Property**" of this Prospectus). The Group also contracts with third-party software developers under a contractual agreement that all intellectual property rights in the software they develop shall be transferred to the Group, which may not provide sufficient protection for the Group's intellectual property rights. Competitors may also use names or brands similar to the Group's brand names and trademarks, which impede the Group's ability to build a distinct brand identity for its own brands and may lead to users' confusion over the Group's brands. In addition, the Group may have to be involved in lawsuits to protect its intellectual property rights, which could lead to the Group incurring significant costs to protect its intellectual rights, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-18 Risks Related to Third Party Intellectual Property Rights

The Group may infringe the intellectual property rights of third parties with whom the Group deals when it integrates the services and software of third parties into Jahez and PIK platforms and the services that it provides to users. Third parties may file claims against the Group in the future for alleged infringement, misuse or violation of patents, copyrights, trademarks or other intellectual property rights. Such claims could harm the Group's reputation, result in liability for the Group or prevent the Group from providing certain services or programs. Any claims against the Group that its services or software infringe the intellectual property rights of third parties, regardless of the merit or resolution of such claims, may result in the Group incurring heavy costs to defend itself and settle these claims, and may divert the efforts and attention of the Group's management and technical team from the Group's business. In addition, the Group may have to stop using certain services, software, technologies, or processes that are the subject of infringement claims, or it may have to cease licensing or offering them or develop other technology that is not subject to infringement claims, which may be costly or infeasible. The Group may have to enter into contracts to obtain rights to use intellectual property rights or enter into settlement negotiations with third parties who bring infringement claims against the Group. The occurrence of any of the above risks may lead to an unexpected increase in expenses or negatively affect the Group's revenues, which would have a material negative effect on its business, financial condition, results of operations and future prospects.

In the future, the Group may have to obtain new licenses for existing or new applications or other products and services. Such required licenses may not be available to the Group on favorable commercial terms or at all. The Group's licenses may also be terminated by third parties for several reasons, including any actual or apparent breach of information security and privacy or any reputational concerns. The licenses may also not be renewed for any reason. If licenses are terminated or cannot be obtained from the owners at all or on favorable terms, or if there is a need to be involved in judicial proceedings regarding these issues, this may result in the suspension of the Group's products or the delay of their launch until another similar technology is obtained, licensed or developed and then integrated with the Group's services or platform, which would have a material negative effect on its business, financial condition, results of operations and future prospects.

Any infringement of such licenses by the Group or its customers, for example by not obtaining the correct number of licenses or by exceeding the scope of such licenses, could lead to substantial costs to the Group and have a material negative effect on the Group's business, results of operations, financial position, and future prospects.

2-1-19 Risks Related to the Group's Growth and Expansion Strategy

Having started its operations in 2016G, the Group is one of the emerging companies in the Kingdom. The Group intends to continue investing to support its business growth. This depends on its ability to implement growth plans and strategies that include developing new features and services, improving its existing services, developing its operational infrastructure or acquiring complementary businesses and technologies. The Group may need additional funds to respond to business challenges, as well as the necessary talent and competencies for innovation and development. These activities depend on the Group's ability to continue implementing and improving its operational and management information systems efficiently and in a timely manner, as well as obtaining any required approvals of regulatory authorities. The Group's personnel or its existing systems may not be sufficient to support future expansion and growth or the Group may not be able to obtain the necessary approvals for any future growth plans in a timely manner or at all. In addition, the Group's expansion plans are subject to specific timelines and may require additional funding to cover the additional costs. Failure to meet such timetables or obtain additional funding may result in the failure to achieve the desired economic results of such growth and expansion plans. The failure of the Group to implement its business plans and growth strategies for any reason in a timely manner would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

The Group's ability to expand into new geographic markets also depends on the Group's ability to expand its operations and successfully compete in such local markets. The Group may not be able to properly understand and anticipate user preferences and consumer behavior in such markets. Consequently, to expand its business and operations to other markets, the Group is required to understand the dynamics of such markets and plan for them properly, which may require it to invest money and time to understand such markets, comply with their regulatory requirements, and employ the necessary talent to expand the Group's operations to them. The Group may not be able to manage the associated risks in a proper way. In addition, the Group's expansions to new markets may not be as successful as expected, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

Furthermore, the Group may expand into additional areas and businesses complementary to its main business. The success of its expansion strategy in such areas will depend on its ability to expand at the right time and at the right cost. The Group's new expansion projects, such as PIK platform or cloud kitchens (through Co Kitchens), which were launched in 2020G, or other future projects, may not be as successful as desired and may not achieve the required profitability. Given the large investments made by the Group for such expansion businesses, including large capital expenditures, which limit the Group's resources that can be used in other business, the failure of the Group's expansion plans and growth projects to achieve the required goals would have a material negative effect on the Group's business, financial position, results of operations and future prospects.

2-1-20 Risks Related to Expansion Outside the Kingdom

The Group is currently operating in the Kingdom. If the Group wishes to expand its services to international markets outside the Kingdom, the Group may face some challenges which it may not be able to overcome or may not succeed in its business abroad as required and at the appropriate costs. The challenges that the Group may face when expanding to international markets outside the Kingdom include, but are not limited to:

- Failure to understand foreign markets and trends in the technology and online delivery sector in such markets, including the availability of delivery partners.
- Failure to understand customer preferences in international markets.
- An increase in the Group's operating expenses due to the change in the foreign exchange rate which may result in the inability to execute expansion plans in accordance with the anticipated timeline and estimated costs.
- Change in tax policies or their application.
- Restrictions on transferring profits from the Group's business outside the Kingdom to its accounts in the Kingdom.

- Regulatory requirements in markets outside the Kingdom, including licensing and industry requirements.
- Different laws and regulations that may be difficult for the Group to understand and use in the event of litigation.
- Security stability in countries where the Group may expand, and their exposure to political or civil unrest, terrorism, or the outbreak of conditions or circumstances such as epidemics or the like.
- The stability of the Kingdom's international relations with countries to which the Group desires to expand.

If the Group is unable to adequately manage the market and operational risks associated with the Group's operations outside the Kingdom, this will lead to a reduction in the future growth of the Group's business, which would materially and negatively affect the Group's business, financial condition, results of operations and future prospects.

2-1-21 Risks Related to Future Acquisitions and Investments

As part of the Group's business growth strategy, the Group will continue to explore selective opportunities for the strategic acquisition of companies, new technologies, services and assets to enhance its presence in the market, directly or through its investment arm, Red Color. However, considering and identifying suitable candidates for acquisition is difficult, costly and time-consuming. Acquisitions also involve many risks that may harm or negatively affect the Group's business, including, but not limited to:

- Intense competition for acquisition targets, which may raise prices and affect the Group's ability to complete acquisitions on favorable terms.
- Inability to complete or a delay in acquisition processes.
- Lawsuits related to acquisitions.
- Difficult integration of the businesses, technology, operations, contracts, and employees of acquired companies.
- Difficulty in retaining key employees and business partners of acquired companies.
- Difficulty in integrating the identity and trademarks of acquired companies with the Group's.
- Distraction of Management from the day-to-day operations due to acquisition opportunities.
- Inability to achieve desired results from acquisitions or business integration.
- Inability to identify problems, obligations, challenges, and risks of the acquired companies, including matters relating to intellectual property, compliance with regulatory requirements, litigation, revenue recognition, and other accounting, personnel or user matters.
- Risks of the introduction of new laws and regulations that harm the acquired companies' business.
- Risks of the failure to obtain, or delay in obtaining, approvals of the regulatory authorities on acquisitions or mergers.
- Theft of business information that is shared with candidates for acquisitions.
- Risks of the business of the acquired companies harming the Group's business due to cannibalization.
- Negative market reaction to acquisitions.

If the Group does not properly manage the above risks, or if the Group is unable to achieve the required integration or the desired results of its acquisitions, this will have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, the Group currently has investments through strategic partnerships and may make such investments and strategic partnerships in the future (for more information, see Section 4-6-5 "**Red Color**" of this Prospectus). The Group may not have a controlling interest in the investments and strategic partnerships that it enters into, which does not give the Group any guarantees as to achieving its investment objectives. The Group's objectives may not be compatible with its partners', and such partners may breach their obligations under the agreements concluded with the Group, which will have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-22 Risks Related to the Group's Marketing Activities

The Group believes that the high awareness of the Jahez, PIK, Co Kitchens and Logi brands is key to developing its business and attracting and maintaining merchants, customers and delivery partners to use Jahez and PIK platforms, and to do business with Co Kitchens and Logi. The Group's marketing initiatives are necessary to increase and spread awareness and use of its brands, services and products. The Group's current marketing activities include several initiatives such as promotions, discounts, marketing partnerships, sports sponsorships and other social media marketing campaigns. The Group may have to pay large amounts of money for marketing campaigns and recruit a highly qualified marketing team, which may lead to higher operating expenses for the Group. None of these campaigns and marketing activities may have the desired results, or may not be as successful as the marketing campaigns of the Group's competitors. If the Group is not able to effectively market Jahez platform at reasonable costs, this will have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-23 Risks Related to the Quality of the Group's Customer Services and Technical Support

In maintaining its users and attracting more users, the Group depends on the provision of high quality support services when needed. Users of Jahez and PIK platforms, including merchants, customers and delivery partners, may have some problems such as slow service, order delay or cancellation, errors in the order or in the amount paid, or the inability to reach or locate delivery partners. The occurrence of such problems leads to concerned customers who turn to the Group for support services and solutions. Costs of free meals or orders that the Company must bear in lieu of a customer, merchant, or delivery partner as a result of a technical application error or for any other reason (such as a delivery partner being late or a customer not being in the specified delivery location, etc.) increased from SAR 4.5 million in FY19G to SAR 13.0 million FY20G, in line with the increase in total orders. Such costs were SAR 2.8 million as at Q1 2021G, compared to SAR 1.7 million for the same period in 2020G. Costs of free meals or orders represented, on average, 2.8% of revenues during the financial years 2019G and 2020G. Such costs represented 1.1% of revenues during Q1 2021G, compared to 2.6% of revenues during the same period in 2020G. Costs of free meals or orders are classified under the Group's cost of revenue. The Group's ability to provide effective solutions and support services depends on the availability of specialized customer-facing staff and professional technicians for providing support services. The dedicated talent to provide the Group's support services may not be available, or the Group may not be able to contract with third parties to undertake customer service and support tasks efficiently and at an appropriate price. If the Group is unable to respond to users' orders or provide solutions to them, or if it loses key employees who provide support services or third-party providers who perform such tasks at an appropriate price, the Group may lose its credibility and users' trust, which affects the appetite of current and future users for the Group's services, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-24 Risks Related to Managing Logistics Operations

Logi provides logistics services to the Group's Jahez and PIK platforms and to other third-party platforms. Logi's success will depend on its ability to successfully manage and expand its operations in a way that supports the Group's business, including managing delivery and warehousing operations, and the reliability of the electronic systems that support Logi's logistics operations. Logistics operations are typically complex and require expertise, knowledge and a robust electronic infrastructure. Therefore, any failure or interruption in Logi's logistics operations, including those that are due to technological reasons or the inability of Logi to properly manage its operations and procedures, will affect its ability to provide services to third parties and thus affect the Group's business and profitability. Logi may not be able to successfully and effectively manage and expand its operations. Moreover, the costs of logistics solutions provided by Logi are affected by several risks, some of which may be beyond the control of the Group, such as the prices of fuel, labor and rent, which Logi may not be able to pass on to customers, which will affect its profitability. Logi may not be able to verify the contents of all packages that it delivers. Therefore, Logi may be exposed to risks of delivering product packages that are in violation of laws and, consequently, may be subject to legal liabilities. Any of these risks would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-25 Risks Related to Misconduct and Errors of Employees and Users of Jahez and PIK Platforms

The Group's employees may commit acts or mistakes that may negatively affect the Group's business and result in a violation of laws, which could lead the competent authorities to impose regulatory penalties on the Group. Such penalties may vary according to misconduct or error, which may lead to the Group incurring financial liabilities and/or damage to its reputation. Employees' errors include misuse of the Group's information or systems, the disclosure of confidential information, the dissemination of misleading information, or the failure to comply with applicable laws or internal controls and procedures. In addition, the Group may not always be able to prevent its employees from committing acts that lead to serious errors or ensure that they comply with the Group's internal regulations. The Group's employees may also commit serious errors including fraud or theft of the resources of the Group or users of Jahez and PIK platforms. The Group does not guarantee that its corporate governance and compliance policies will protect it from its employees' misconduct. Any of these acts may cause the Group to incur losses, fines or financial liabilities, or may result in damage to the Group's reputation. These acts may also lead to merchants lodging financial claims or seeking to terminate their subscription to the Group's platform on the grounds that the Group's reputation may affect their reputation. If users' trust in Jahez and PIK platforms is affected, this will lead to a significant decrease in footfall. Any such fines, losses or claims could negatively affect the Group's profitability. In addition, the negative publicity resulting from the misconduct of the Group's employees may negatively affect the Group's reputation and revenues, and the number of merchants, customers and delivery partners. This would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, if merchants, delivery partners, and customers using Jahez and PIK platforms commit any errors or illegal or inappropriate misconduct, this may negatively affect the reputation of the Group and Jahez and PIK platforms. This includes any behavior related to tampering with food or food preparation, packaging or delivery methods in an improper or unclean manner, disputes and offenses on the part of any such parties, manipulation in the use of payment data, and other misconduct that may lead to material losses, injuries or damage to the Group's reputation, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-26 Risks Related to the Management of Monetary Funds and Theft by Delivery Partners

Given that the Group's operations rely on freelance delivery partners and delivery partners employed by logistics companies, the Group may be subject to risks related to the management and theft of monetary funds by such delivery partners, particularly in relation to the collection of cash payments. Given that the Group's platforms offer cash and electronic payment options to its customers, the collection and monitoring of cash payments may be more challenging than the collection and monitoring of electronic payments, given that delivery partners collect cash payments directly from the customers and then report them back to the Company, which may result in delays and deductions in the delivery of the cash payments, or the lack of delivery of cash payments at all. The Group had previously contracted with AlWatania Distribution Company (one of the logistics companies which provide the Group with delivery partners) and was unable to collect its dues therefrom (for more information, see Section 2-1-5 "**Risks Related to Delivery Partners**" of this Prospectus). As a result, the Group's inability to manage and collect monetary funds in full and without delay may have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-27 Risks Related to the Company's Reliance on Third Party Providers

In its operations, the Group depends on third-party providers such as merchants and maintenance service providers for the Group's applications. The level of services provided by third-party providers may not always be consistent with the expected standards of the Group, which may have a negative effect on the Group's reputation and business. In addition, the Group may be indirectly liable if third-party providers are not able to perform their obligations under the contracts concluded with them and deliver services within the specified timeframe and to the agreed standards. If the Group is unable to pass through any losses (in whole or in part) resulting from the default of a third-party provider, the Group will have to incur such losses. Accordingly, this would have a material negative effect on the Group's business, results of operations, financial position and future prospects.

2-1-28 Risks Related to the Reliance on Senior Management and Key Personnel

The Group's success depends on the continued service and performance of its senior management and other key personnel, as well as its ability to identify, hire, develop, motivate and retain qualified personnel in the future. Particularly in information technology, the Group relies on some key individuals who have extensive experience in information technology, development and marketing, and who have made significant contributions to the development of its operations. Such sectors have intense competition for senior management and key personnel, and the Group may not have the ability to retain its existing employees or recruit new qualified employees. In addition, information technology is an evolving and rapidly changing field. To keep pace with the developments in the information technology market, the Group needs to recruit new talent, which requires the Group to spend resources and time to train and motivate them to be creative and innovative. The Group may need to invest large financial and human resources in order to find and then recruit and retain qualified and new talented employees, and it may not achieve returns on such investments. The loss of the services of the Group's senior management or key employees could prevent or delay the implementation and completion of its strategic objectives, divert management's attention to seeking certain qualified replacements or negatively affect its ability to manage its business effectively. If the Group is unable to recruit and retain senior executives and key employees who have high skills in the appropriate areas, this will have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-29 Risks Related to the Newly Appointed Internal Audit Department Manager

In managing its internal audit department, the Company relies on the agreement entered into with Protivity Saudi Member Firm for Management Consultancy as a third-party service provider for the establishment of the Company's internal audit framework, risk assessment, and the undertaking of internal audit functions in line with the Company's adopted audit plan (for more information, see Section 5-6 "**Internal Audit**" of this Prospectus). The availability of an internal audit management position provides a higher degree of accuracy in the Group's operations given that the internal audit manager would be more closely familiar with the Company's operations and management, and would therefore possess more awareness with regards to the relevant information and events, and would be more closely connected with the Company's Board of Directors and Audit Committee by raising reports and providing recommendations to the other departments in the Company.

The Company has appointed a manager for its internal audit department, who commenced her functions as of 26/02/1443H (corresponding to 10/03/2021G). Given the novelty of such appointment, this may result in the inability of the internal audit department manager to perform her duties in accordance with the expected levels of accuracy and efficiency, which may in turn have an effect on the functions of the Audit Committee and the Board of Directors given that reports are provided to each of the Audit Committee and the Board of Directors in relation to matters relating to the Company's internal audit and the degree of compliance of the Company's other departments in implementing the recommendations made by the Audit Committee. The inability to perform internal audit functions within the expected level of accuracy and efficiency as a result of the novelty of appointment of the internal audit department manager may have a negative impact on the functions of the Audit Committee and the other departments in the Company, which may in turn have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-30 Risks Related to Lack of Experience Managing a Joint Stock Company Listed on the Saudi Exchange

Since its incorporation, the Company operated as a limited liability company until it was converted into a closed joint stock company at the end of 2020G. Most of the Group's Senior Management have limited or no experience managing joint stock companies listed on the Exchange in Saudi Arabia and complying with the laws and regulations pertaining to such companies, in particular, the Companies Law and the regulatory rules and procedures issued pursuant to the Companies Law relating to listed joint stock companies. In particular, the internal or external training that the Senior Management will receive in managing a Saudi Arabian publicly listed company, coupled with the obligations imposed on public companies, including regulatory oversight and reporting obligations, will require substantial attention from the Senior Management, which may divert their attention away from the day-to-day management of the Group. If the Group does not comply with the regulations and disclosure requirements imposed on listed companies in a timely manner, it will be exposed to regulatory sanctions and fines. The imposition of fines on the Group will materially and negatively affect the Group's business, financial condition, results of operations and future prospects.

The Audit Committee was formed in 2021G under a decision of the General Assembly on 09/09/1442H (corresponding to 04/21/2021G). The charter of this committee was approved by the same decision forming the committee, in accordance with the Company's Internal Governance Regulations (for more information, see Section 5-4 "Board Committees" of this Prospectus). The failure of the members of this Committee to perform their duties and adopt a work methodology that ensures the protection of the interests of the Company and its Shareholders will affect the Company's compliance with the governance rules and continuous disclosure requirements issued by the CMA and the Board's ability to effectively monitor the Company's business through this Committee, which would have a material negative effect on the Company's business, financial condition, results of operations and future prospects. Given the recent formation of this Committee, the inability of its members and the independent members to carry out the duties assigned to them and adopt a work methodology that ensures the protection of the interests of the Company and its Shareholders may affect the ability of the Company's Board to effectively monitor its business through this Committee. This may lead to the Company's failure to comply with the continuous disclosure requirements after it is listed on the one hand, and may expose the Company to operational, management and financial risks on the other hand. Consequently, this would have a material negative effect on the Company's business, results of operations, financial position and future prospects.

2-1-31 Risks Related to Corporate Governance

Although the Corporate Governance Regulations issued by the CMA are indicative and not mandatory for companies listed on the parallel market (Nomu) as of the date of this Prospectus, the Group adopted internal corporate governance regulations on 09/09/1442H (corresponding to 04/21/2021G), which include some rules derived from the CGRs. The Group also appointed the members of the Audit Committee on 09/09/1442H (corresponding to 04/21/2021G). The Group's success in properly implementing the corporate governance rules and procedures will depend on the extent to which the Board, its committees and Senior Management comprehend and understand these rules and properly execute such rules and procedures, especially with regard to rules related to conflicts of interest and disclosure requirements. If the Corporate Governance Regulations become applicable to the Group in the future, the Group will have to update its internal regulations to comply with the mandatory provisions contained in the Corporate Governance Regulations. Otherwise, the Group may be subject to regulatory penalties that may have a material negative effect on the Group's business, financial condition, results of operations and future prospects. The failure of members of the Board's committees to perform their duties and adopt a work methodology that ensures the protection of the interests of the Company and its Shareholders may affect the Group's corporate governance compliance, the continuous disclosure requirements and the Board's ability to monitor the Company's business through these committees, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-32 Risks Related to Transactions with Related Parties

The Group has entered into transactions with Related Parties, which include, but are not limited to, lease agreements for the Company's headquarters and service agreements such as decor design services and electronic payments, and it may enter into transactions with Related Parties in the future (for more information on Related Party transactions, see Section 4-12 "**Transactions with Related Parties**" of this Prospectus). The total value of the Group's transactions with Related Parties was SAR 265,074,289 and 201,661,914 in the financial years ended December 31, 2019G and 2020G. The total value of the Group's transactions with Related Parties was SAR 8,356,048 in Q1 2021G. If future transactions with Related Parties are concluded on a non-commercial basis, this may have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, in accordance with the provisions of the Companies Law, transactions with Related Parties must be authorized by the Group's Ordinary General Assembly. The existing or future Related Party transactions may not be duly authorized by the Ordinary General Assembly, in which case the Group may be exposed to the risk of such transactions being challenged or invalidated. This would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-33 Risks Related to the Participation of Certain Directors in Business Competing with the Group's Business

Some of the Company's Directors have businesses that compete with one of the Group's activities. Such businesses are similar to or compete with the Group's business, directly or indirectly. In particular, the Directors Abdulaziz Abdulrahman Al-Omran and Abdulwahab Abdulkarim Al-Butairi, have shares in several funds through Impact46, which in turn invests in delivery applications competing with the Group's business such as The Chefz application and the Nana application. The Director, Abdulwahab Abdulkarim Al-Butairi, has shares in the Watar Partners, which in turn invests directly in the Nana application. The General Assembly of the Company issued its approval for the participation of the Directors in this competing business on 15/10/1442H (corresponding to 05/27/2021G) (for more information on Directors' business that competes with the Group's business, see Section 4-13 "**Business Competing with the Group**" of this Prospectus). This may lead to existing or arising direct or indirect conflicts of interest as a result of the joint interests of the Directors in applications competing with the Group. The Directors' participation in competing business must be authorized by the Ordinary General Assembly under Article 72 of the Companies Law. Any Director involved in business competing with the Company may not participate in voting on the relevant resolutions. Potential risks include the possibility that the Board of Directors or the General Assembly may not agree to the Directors' participation in a business competing with the Company. In this case, a Director who has an interest in such transaction must resign or take measures to ensure that he/she no longer has any interest therein, including through the termination of the relevant transaction or assignment of rights arising from the said interest. Some Directors have access to the Group's inside information, and they may use such information for their own interests or to the detriment of the Group's interests and objectives. If Directors whose interests are in conflict with the Group's negatively influence the Group's decisions, or if they use the available information about the Group to the detriment of its interests, this will have a material negative effect on the Group's business, financial condition, results of operations and future prospects. The Directors and the current Shareholders have an influence on the Group's decisions and sometimes their interests are in conflict with the interests of the Group's other Shareholders. There are no contractual arrangements between the current Shareholders and the Company to ensure that the current Shareholders do not perform any activity that may result in a conflict of interest, or that competes with the Company's business. As at the date of this Prospectus, none of the Directors, Senior Management or current Shareholders is party to any agreement, arrangement or understanding under which he/she is subject to any obligation to prevent him from competing with the Company's business or any other similar obligation in relation to the Company's business. If such Shareholders or Directors do not comply with the continuous disclosure requirements, this will have a material negative effect on the Group's business, results of operations, financial position and future prospects.

2-1-34 Risks Related to Internal Control Systems and Accounting Errors

The Group's business has expanded rapidly over the past few years since its incorporation. The accounting and internal control systems of the Group may not be able to accommodate such rapid expansion in a timely manner and ensure the Group's compliance with legal, financial and administrative requirements. For example, the Company cannot provide details on trade payable aging due to restrictions on their current accounting systems. The Group should improve the accounting and internal control systems and their internal procedures to ensure that no accounting errors occur and that it complies with financial reporting requirements, especially after completion of the Offering. The Group will be subject to the financial information disclosure requirements followed by listed companies. Once listed on the Exchange, the Company will be required to issue its annual financial statements within a period not exceeding three (3) months from the end of the annual financial period and its semi-annual statements within thirty (30) days from the end of the period, in accordance with Article 63 of the OSCOs. If the Group is unable to maintain strong internal control systems and clear financial reporting standards, this may lead to errors in the Group's financial reporting, which has previously happened when the Group prepared its opening balance sheet in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board (IFRS) on 1 January 2019G, where the Company amended the figures previously recorded in accordance with the IFRS for Small and Medium-Sized Entities adopted in the Kingdom (the previous accounting standards), in addition to correcting accounting errors including errors relating to agent and principal revenue recognition policies, whereby the Group previously recognized revenue relating to delivery and the costs related thereto as a principal rather than recognizing the amount of compensation due from the commission in exchange of performance obligations, resulting in a decrease of 341.5 million Saudi riyals in both costs and revenues. In addition, the Group re-categorized and disaggregated a number of lines in its financial statements (for more information, see Section 6-6-5 "**Prior-Year Adjustments and First Time Adoption of IFRS**" of this Prospectus). The occurrence of such accounting errors would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-35 Risks Related to the Transition from Saudi GAAP to IFRS Endorsed in the Kingdom

The Group prepared its financial statements for the financial year ended December 31, 2020G and the first quarter ended March 31, 2021G in accordance with IFRS and other standards and pronouncements endorsed by the Saudi Organization for Certified Public Accountants (SOCPA) included in this Prospectus. It should be noted that there are fundamental differences between the International Financial Reporting Standards for Small and Medium-sized Enterprises issued by SCOPA, other standards and IFRS. Due to the recent application of IFRS and the complications related to their application, errors and inaccuracies in the application of IFRS may occur, which results in inaccurate consolidated financial statements. In addition, the regulatory authorities may require the application of a new or amended standard as a result of the development of IFRS approved in the Kingdom in the coming years. This may result in material changes to the Group's consolidated financial statements, which could have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-36 Risks Related to the Reliance of the Group's Operations on Leased Locations

As at the date of this Prospectus, the Group does not own any real estate properties. The headquarters of the Group and all its branches are leased properties (for more information about the Group's locations, see Section 4-4-3 "**Real Estate**" of this Prospectus). Since the Group's leases have a fixed term and are renewed at the request of the parties to the contract or automatically, any rental increase imposed by lessors on the Group upon renewal will cause the Group to incur additional unforeseen liabilities, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects. It should be noted that as of the date of this Prospectus, the lease contract for the Group's branch in the Majmaah Governorate has not been authenticated. Additionally, the lease contracts concluded for the Group's branches in Hafar Al-Batin and Madinah are not consistent with the standard lease form and have not been registered with Ejar. It is worth noting that the lease agreements for the Company's offices in Al-Kharj, Hafr Al-Batin, Jazan, Sakaka, Makkah, Dawadmi and Hail has expired. The Group may not be able to renew all lease contracts, or such contracts may be renewed under different terms and conditions that may not be in line with the Group's plan and strategic objectives. If the Group decides to vacate any of its leased locations due to the termination or non-renewal of such contracts or because the renewal terms do not align with the

Group's plan, the Group will incur additional costs to select suitable new locations for lease, which could have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-37 Risks Related to Potential Litigation

As at the date of this Prospectus, the Group is party to labor, commercial, and intellectual property lawsuits. The Company filed three (3) commercial lawsuits against a number of parties with a potential financial impact of about SAR 257 thousand for claims raised in relation to accounts receivable. The Company is a defendant in one intellectual property lawsuit with a potential financial impact of about SAR 50 thousand and one labor lawsuit with a potential financial impact of about SAR 94 thousand (for more information, see Section 4-4-10 "**Litigation and Claims**" of this Prospectus). In addition, the Group is in the process of filing a lawsuit against Bank AlJazira with a potential financial impact of SAR 5 million, due to a dispute over financial sums under the Online Payment Gateway Service Agreement concluded between the Group and Bank AlJazira. In the future, the Group may be subject to lawsuits, claims and other judicial proceedings related to its business operations, including those related to merchants, customers, delivery partners and employees, in addition to judicial proceedings related to the products delivered by the Group. For example, lawsuits may be brought against the Group in relation to any food poisoning related injuries, food tampering, any issues related to the safety of food and products delivered via Jahez and PIK platforms, the safety of delivery partners who deliver orders through Jahez and PIK platforms, food prepared in Co Kitchens' kitchens or services provided by Logi. Litigation proceedings are inherently uncertain and their outcome may not be in the interest of the Group. They may divert Management's attention, resulting in significant costs and diversion of resources. The Group may not be able to counter any litigation proceedings in the future. Any unfavorable outcome in any future legal and regulatory actions or high costs of litigation incurred by the Group in defending such claims would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-38 Risks Related to Future Financing

As at March 31, 2021, the Group has no financing from commercial banks, government lenders or other financiers. In the future, the Group may need to obtain financing from commercial banks, government lenders or other financiers to cover working capital requirements or to implement future growth plans. The Group's ability to obtain loans and facilities from lenders at lower costs or under acceptable terms depends on its future financial position, global economic conditions, financial market conditions, interest rates, credit available from banks or third-party lenders, and lenders' trust in the Group. The Group may not be able to obtain such financing at all or on reasonable terms for any reason, such as restrictions on financing, lenders' perception of the Group, or the Group's future results of operations, financial position and cash flows. Variable rate loans may also make the Group vulnerable to increases in interest and/or commission rates (which may be significantly affected by factors beyond the Group's control, such as monetary and tax policies and global economic and political conditions). The Group may not be able to guarantee that it will be able to obtain such financing at reasonable terms or at all when necessary. Any increase in interest and commission rates, whether fixed or variable, applied by banks will lead to higher financing costs incurred by the Group, which would negatively affect its future profitability and ability to pay and fulfill its obligations to lenders. As a result, it may not be able to take advantage of business opportunities, such as acquisition opportunities, or respond to changes in market or industry conditions. The occurrence of any of the above events would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-39 Risks Related to the Aging of Receivables

The Group's trade receivables were SAR 6.8 million, SAR 4.5 million and SAR 4.2 million as at December 31, 2019G, December 31, 2020G, and March 31, 2021G, respectively. The provision for impairment of trade receivables was SAR 2.3 million and 2.4 million as at December 31, 2020G and March 31, 2021G. The provision is calculated based on the expected credit loss method. If the Group does not obtain these receivables, it may write them off, which will result in a decrease in the Group's revenues. This will reduce the Group's profitability, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects. For more information on the aging of accounts receivable, see Section 6-6-2 "**Consolidated Balance Sheets**" of this Prospectus).

The delay in the Company's collection of its financial claims, in whole or in part, may limit the Group's cash availability and thus lead to difficulty in financing the Group's working capital or future projects. This may result in the Group being unable to fulfill its financial obligations to third parties, including obligations to employees, delivery partners and contractors. This may also limit the Group's ability to complete its future expansion plans or distribute dividends to Shareholders. The occurrence of any of the above events would have a material negative effect on the Group's business, financial condition, results of operations and future prospects (for more information of the Group's insurance coverage, see Section 4-4-9 "**Insurance**" of this Prospectus).

2-1-40 Risks Related to the Inadequacy of Insurance Coverage

As at the date of this Prospectus, the Group holds one insurance policy to cover its operations, which is medical insurance for employees, and the Group is seeking to secure other insurance policies. The insurance coverage may not be sufficient to cover all cases or risks to which the Group may be exposed. Uninsured losses may occur or their amount may exceed the insurance coverage. The Group's insurance policies may also include exceptions or limits that exclude certain types of loss, damage and liability from coverage. In these cases, the Group would incur losses that could have an adverse effect on its business and results of operations. In addition, if the insurance policies are not renewed within the current scope of coverage and under commercially acceptable terms, if they are not renewed at all, or if there is no insurance or insufficient insurance for the different fields of the Group's business, this would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-1-41 Risks Related to the Increase in the Group's Operating Expenses and the Ability to Estimate Fixed Costs

The Group's operating expenses may increase due to a range of factors including, but not limited to, an increase in labor costs, which may result from higher labor wages, the Group incurring expenses related to visas for non-Saudi employees, or an increase in delivery costs due to higher prices of services provided by the logistics companies that the Group deals with, all of which are beyond the Group's control. The Group may not be able to pass such increases to merchants, customers or delivery partners. If the Group's operating expenses increase, this will affect the Group's cash flows, profit margins and future developments, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, due to its recent operating history, the Group may not be able to estimate fixed costs accurately. The Group's fixed costs include employee salaries, insurance, leases and other constant costs which are not affected by the Group's results of operations. To achieve profits, the Group must generate sufficient revenue to cover such costs. However, due to its recent operating history in an emerging sector, the Group may not be able to accurately determine such fixed costs and the revenues it needs to achieve profitability, which will affect the Group's ability to follow up on development and expansion, which in turn would have a material negative effect on the Group's business, financial condition and results of operations and future prospects.

2-1-42 Risks Related to Zakat and Taxation

The Group is subject to Zakat and tax requirements in the Kingdom. An increase in Zakat entitlements or tax requirements applicable to the Group will negatively affect its profitability. The Group has submitted Zakat and value added tax returns and obtained final Zakat assessments from the Zakat, Tax and Customs Authority ("**ZATCA**") for all financial years up to 2019G and has paid Zakat and tax entitlements on their due date. The Company has also obtained Zakat and value added tax certificates valid until 29/09/1443H (corresponding to 04/30/2022G). On 17/07/1442H (corresponding to 03/01/2021G), the Group received a letter from ZATCA amending the Zakat return for 2019G, and the Group paid all Zakat liabilities through such period, amounting to nearly 1,303 Saudi riyals. The Group has also obtained a letter from ZATCA on 17/07/1442H (corresponding to 03/01/2021G) for the amendment of the returns relating to withholding taxes for the month of June 2019G amounting to 112,718 Saudi riyals. Following the payment of the foregoing amount by the Company, the Company raised a complaint in relation to such payment before ZATCA and such complaint was approved in full by ZATCA on 11/11/1442H (corresponding to 06/21/2021G) (for more information, see Section 4-4-11 "**Zakat and Tax Position**" of this Prospectus). On 20/05/1441H (corresponding to 01/15/2020G), the Company received a letter from ZATCA regarding how the Group submits its tax return. ZATCA stated that the Company is considered a delivery agent for merchants. Accordingly, the taxable value is the value of the commission to be paid by such merchants, in addition to delivery fees imposed on customers. The Company declares that it is in compliance with the requirements contained in the letter received from ZATCA. ZATCA may reassess the Group's returns for any of the previous years and may request the payment of additional Zakat or tax amounts. Any difference in ZATCA's assessment of the Zakat and tax amounts due from the Group could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

2-2 Risks Related to the Market and Industry in which the Group Operates

2-2-1 Risks Related to the Regulatory Environment

The online food delivery sector has a relatively new regulatory environment in the Kingdom and is subject to continuous change. The Group is currently subject to a range of applicable laws and regulations in the Kingdom. Their application is managed by various regulatory authorities in the Kingdom in accordance with government policies and directions. Such laws and regulations include the regulations of the CITC, the Public Transport Authority and the Ministry of Transport, the Competition Law, the value added tax Law, the Companies Law, the Labor Law and other regulations. In addition, the regulatory environment of the online food delivery sector entails a lack of clarity as to the relevant regulatory authorities. The CITC and the Public Transport Authority have adopted a set of regulations governing the Group's business, which include several requirements imposed by each of these two entities on the Group's business, which leads to an overlap in the powers of the regulatory authorities. The Group's business depends on its ability to comply with the requirements of these laws and regulations imposed by the regulatory authorities. The Group may not be able to comply with the regulatory requirements in the event that they lack clarity or are contradictory, or if the Group is unable to comply with the regulatory requirements due to a lack of administrative and legal capacity or competence to comply with such requirements, which would affect the continuity of the Group's business. It should be noted that the Public Transport Authority issued the Regulations on Directing Vehicles for the Transport of Goods by virtue of HE Minister of Transport Decision No. 15/01 dated 10/02/1442H (corresponding to 09/27/2020G), which may be interpreted as applicable to the Group's business. The Group has not obtained licenses under this Regulation, which could expose the Group to regulatory penalties and fines. The regulatory requirements of the Public Transport Authority may overlap with the CITC's regulatory requirements, which may require the Group to obtain a number of licenses from different regulatory authorities to carry out the same activity. Regulatory penalties may also be imposed on the Group if it violates any of the laws and regulations to which it is subject, any of which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

The Group cannot anticipate changes in the regulatory environment, which may be subject to several changes, including changes in licensing requirements, new and stricter requirements for e-commerce and electronic payments, the imposition of Saudization or data localization requirements, data protection, cybersecurity controls, imposition of maximum commissions to be charged by the Group or minimum wage requirements for delivery partners, introduction of other technology regulations and controls, changes in tax systems, adoption of stricter antitrust, pricing and corporate governance regulations, and other changes. The Group's failure to comply with all the requirements and provisions of the laws to which it is subject may cause the Group to incur fines or penalties, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects. The Group may also have to change its business practices to comply with such regulations and, therefore, incur additional costs and fees. The Group does not guarantee that such future regulatory changes will not materially or negatively affect its business, financial condition, results of operations and future prospects.

In addition, changes in the regulatory environment may affect the Group's operations where there are restrictions that may limit the development of the Group or its customers or their operations or services, or may increase the level of competition. Such regulatory changes may entail high costs in order to bring the Group into compliance with them or may negatively affect the Group's financial performance. For example, there may be restrictions in Saudization requirements and data protection regulations in the Kingdom; a requirement that the Group employ the Jahez and PIK platform delivery partners in accordance with the labor laws; a limit on the percentage of commissions and fees that can be deducted from merchants, customers or delivery partners; or strict regulatory requirements to deal with the effects of the COVID-19 pandemic. MHRSD issued a ministerial resolution on 07/06/1442H (corresponding to 01/20/2021G) requiring delivery platforms to limit direct dealing to Saudi delivery partners only. The Group can only deal with Non-Saudi delivery partners through logistics companies, and the Company is currently in compliance with the requirements of such resolution, noting that such ministerial resolution was intended to come into effect on 10/12/1442H (corresponding to 07/20/2021G). However, pursuant to a directive issued by MHRSD, the corrective period was extended to 12/02/1443H (corresponding to 09/19/2021G), and a joint committee was formed between MHRSD and CITC to study the impact of the implementation of the ministerial resolution on the sector in which the Company operates, including looking into the possibility of extending the foregoing corrective period. Moreover, MHRSD has issued a ministerial resolution dated 07/02/1443H (corresponding to 09/14/2021G) implementing a number of fines and penalties applicable to online platforms, which include, for example, a fine SAR 20,000 applicable to online platforms directly employing non-Saudi workers via the online platform, and the Group may be subject to such fines where it does not comply with the requirements set by MHRSD.

In addition, the Group is subject to several data protection laws, particularly the General Principles for Personal Data Protection in the Telecommunications, Information Technology and Postal Sectors issued by CITC Resolution No. 415 dated 23/08/1441H (corresponding to 04/16/2020G), whereby the Group is required to process customers' personal data inside the Kingdom. The

Group may not process such data outside the Kingdom without the written approval of the CITC. It should be noted that the Group is not in compliance with this requirement and is currently transferring customer data located outside the Kingdom to servers inside the Kingdom to comply with the relevant regulatory requirements issued by the CITC, during the corrective period granted by the CITC until 24/02/1443H (corresponding to 10/01/2021G). This period was extended to 28/08/1443H (corresponding to 03/31/2022G). In addition, the Saudi Authority for Data and Artificial Intelligence (SDAIA) has developed the Personal Data Protection Law which was promulgated by Royal Decree No. M/19 dated 09/02/1443H (corresponding to 09/16/2021G), which is applicable to the Group's business, and which shall come into effect on 20/08/1443H (corresponding to 03/23/2022G).

Moreover, on 22/10/1443H (corresponding to 08/30/2021G), CITC issued a requirement that all online delivery platforms registered by CITC observe a host of sanitary requirements when delivering goods to their customers, including barring the transport of foods and beverages which are not adequately wrapped or sealed, and barring delivery platforms from dealing with restaurants which are not in compliance with the sanitary requirements adopted by the relevant authorities. In addition, CITC implemented the foregoing sanitary requirements on 08/02/1443H (corresponding to 09/15/2021G), provided that it shall cancel the registration of all delivery platforms which are not in compliance with the relevant sanitary requirements. The Group's non-compliance with the relevant regulations, and its inability to rapidly respond to regulatory changes or respond to such changes at all, may limit the Group's business development or result in additional costs to the Group would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-2 Risks Related to Licenses, Certificates, Permits, and Approvals

The Group is subject to several laws and regulations that require it to obtain the necessary licenses and permits from the competent legal and regulatory authorities in the Kingdom in order to conduct its business. The Group obtained the majority of valid licenses, certificates, permits and approvals related to its business as of the date of this Prospectus, including, but not limited to, CITC registration in relation to the Group's operations, commercial registration certificates obtained by the Group from the Ministry of Commerce, and a membership certificate from the Chamber of Commerce. It worth noting that the Transport General Authority has issued a number of regulations which may be interpreted as applying to the Company's business, the most notable of which is the Regulations Governing Directing Vehicles for the Transportation of Goods issued pursuant to a resolution of His Excellency the Minister of Transport number (01/15) dated 10/02/1442H (corresponding 09/27/2020G) and the Regulations Governing the Light Road Transport of Goods issued pursuant to a resolution of His Excellency the Minister of Transport number (1693) dated 03/12/1442H (corresponding to 07/13/2021G). Logi has obtained the license for light road transportation from the Transport General Authority on 21/01/1443H (corresponding to 08/29/2021G), which is a temporary license pending the issuance of a final license. Where the Group is not able to obtain any of the licenses required for its business operations, that may subject to it to a number of regulatory penalties and fines. Moreover, the Company maintains three valid municipality licenses and civil defense permits for its offices in Riyadh. However, the Company does not maintain valid municipality licenses and civil defense permits for its remaining offices, amounting to 21 locations, based on the lease agreements entered into by the Company (for more information, see Section 4-4-8 "**Real Estate**" of this Prospectus).

If the Group desires to renew or amend the scope of such licenses, certificates, or permits, the competent authority may not renew or amend such documents and, if renewed or amended, the competent authority may impose additional conditions that may negatively impact the Group's performance. The Group may believe that it has fulfilled all the necessary requirements and obtained the necessary licenses to operate. However, the government entity may require the Group to obtain additional licenses or fulfill other requirements in the future, or may change the current requirements. For example, the Group is currently required to register with the CITC, and this registration is renewed annually. The CITC may impose requirements other than the current requirements, which may require the Group to expend time, effort and costs to comply with them, which could hinder the registration renewal process. The CITC may change the type of registration and licenses required by the Group or may impose registration or licensing requirements for each feature provided by the Group separately. The Group may be required to cease certain operations if it is unable to renew a license, if a license is suspended, canceled, revoked, or renewed under unfavorable terms, or if the Group fails to obtain additional licenses that may be required in the future, which may cause interruptions and/or result in the Group sustaining additional costs, which may have a negative effect on the Group's business, financial condition, results of operations and future prospects.

The Group may also be subject to regulatory action violating the terms of its key licenses and permits. Violations of applicable laws and regulations in the Kingdom may expose the Group to administrative lawsuits, civil cases or criminal prosecution, or prevent the Group from participating in certain types of business or providing certain products or services, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-3 Risks Related to Data Protection and Cybersecurity Systems

The Group collects and processes the personal and other data of its existing and potential users, including merchants, customers and delivery partners. The Group uses this information to provide services to users of Jahez and PIK platforms, verify user identity, expand and improve its business, and deliver and recommend products and services through its marketing and advertising channels. As a result, the Group must comply with local laws and regulations, including data protection, data localization and cybersecurity requirements in the Kingdom and other countries where the Group may operate in the future.

New and evolving regulations regarding data protection, data localization, cybersecurity and other standards governing the collection, processing, storage, transfer, export, disclosure and use of personal data may impose additional burdens on the Group due to increased compliance standards that could restrict the use and adoption of the Group's solutions and applications. For example, the CITC has imposed requirements related to the Group storing data inside the Kingdom. The CITC issued the General Principles for Personal Data Protection in the Telecommunications, Information Technology and Postal Sectors under CITC Resolution No. 415 dated 23/08/1441H (corresponding to 04/16/2020G), whereby the Group is required to process customers' personal data inside the Kingdom. The Group is currently transferring customer data located outside the Kingdom to servers inside the Kingdom to comply with the relevant regulatory requirements issued by the CITC, during the corrective period granted by the CITC until 24/02/1443H (corresponding to 10/01/2021G). This period was extended to 24/02/1443H (corresponding to 10/01/2022G). If the Group is unable to comply with the requirements of the CITC within the given period, the CITC may impose fines and penalties to be set by the relevant CITC committee which has the discretion to impose a fine not exceeding 25 million Saudi riyals. In addition, CITC may withhold any monetary compensation obtained as a result of the incompliance with the CITC requirements, all of which could lead to the Group incurring additional expenses or experiencing disruptions in its business continuity. Future laws, regulations, standards and other obligations and changes in the interpretation of existing laws, regulations, standards and obligations may impair the Group's ability to collect, process, store, transfer, export, use or disclose personal data, increase the Group's costs, and impair its ability to maintain and expand its user base and increase its revenues. New laws, amendments to or re-interpretations of existing laws and regulations, industry standards, and contractual and other obligations may lead to the Group incurring additional costs and restrict its business operations. Such laws and regulations may also require companies to implement privacy and cybersecurity policies, permit users to access, correct and delete personal data stored or maintained by such companies, inform individuals and regulators of security breaches or breaches affecting individuals' personal data and, in some cases, obtain the express consent of individuals to use, process, store, transfer, export and disclose personal data for certain purposes. If the Group or third parties on which it relies fail to comply with applicable data privacy laws and regulations and cybersecurity standards and controls, the Group's ability to successfully conduct its business and achieve its business objectives may be impaired.

The Group's inability to comply with applicable laws and regulations or protect such data may result in regulatory action against the Group, including fines, penalties and claims for damages by users and other affected individuals, which could harm the Group's reputation. The Group may also have to incur high costs to comply with such laws and regulations or bear significant liabilities for non-compliance, which in turn would materially and negatively affect the Group's business, financial condition, results of operations and future prospects.

2-2-4 Risks Related to Access to the Internet

The Group operates in the online delivery sector in the Kingdom. Therefore, the Group's business relies heavily on the ability of users to access Jahez and PIK platforms via the internet and smartphones. Internet services for smartphones are provided by licensed communications companies in the Kingdom that operate the infrastructure of the communications network and internet services in the Kingdom and link them to the global internet. If the infrastructure of the communications network and internet services in the Kingdom is affected by any negative factors that lead to the interruption, outage or slowness of internet service, albeit temporarily, this will lead to Jahez and PIK platforms being inaccessible. Consequently, the Group's business will be interrupted, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-5 Risks Related to Competition

The Group operates in the online delivery sector in the Kingdom, which is a highly competitive sector that is subject to changing user preferences and the introduction of new services and products. The Group competes with other delivery applications operating in the Kingdom, in addition to merchants that have their own delivery services, whether through their own websites and applications or traditional methods such as phone ordering services. The Group expects that competition will increase in the markets in which it operates due to the rapid and continuing entry of new competitors, including international competitors. The

Group's current and future competitors may have competitive advantages such as market reputation, longer operating history, greater market share in some of the markets in which the Group operates, greater marketing capabilities and relationships with merchants, bigger customer base, and greater financial or technical resources. In particular, the availability of competitors' financial resources and product development capabilities may result in their ability to respond more quickly to new or emerging technologies or changes in the preferences of merchants, customers or delivery partners that may affect the appetite for Jahez and PIK platforms. If any of the Group's merchants desire to enter into partnerships with any of the Group's competitors in a specific geographic market or enter into exclusive arrangements with any of the Group's competitors, the Group may not be able to diversify the options offered through Jahez and PIK platforms or display options required by customers, which reduces the appetite for Jahez and PIK platforms. In addition, the Group's competitors may make acquisitions, mergers, enter into strategic partnerships among themselves or with merchants, or obtain significant funding from investors, which enables them to expand and obtain a higher market share. The Group's competitors may also offer new features, provide competitive offers, launch massive marketing campaigns, reduce commissions to attract more merchants, or diversify payment options, which may be more attractive than those offered by the Group. These competitive pressures may result in the Group having to reduce commission rates or fees charged to merchants, customers or delivery partners, or increase marketing offers to remain competitive in the market. The strong competition the Group faces may also increase costs and expenses due to spending on advertising, marketing and future sales, research and development costs, product discounts and marketing support. Any of these factors would have a negative effect on the Group's business, financial condition, results of operations and future prospects.

The Group has recently expanded into other fields that support its business in the online food delivery sector such as quick commerce platforms, cloud kitchens, logistics services, etc. Through its expansion in other areas, whether current or future, the Group will face competition from companies and entities operating in such fields, such as leading e-commerce companies that have huge resources and a great reputation, or companies with a better reputation and longer operational history in such fields, granting them competitive advantages over the Group. Consequently, the Group may not be able to compete effectively in the fields into which it is expanding, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

Due to all of the above factors, the Group may not be able to compete effectively in the market or attract or maintain merchants, customers and delivery partners for the Jahez or PIK platform, it may not be able to maintain the current applicable commission rates and fees, or it may reduce prices due to intense competition, which would materially and negatively affect the Group's business, financial condition, results of operations and future prospects.

2-2-6 Risks Related to Seasonal Factors

The Group's profits and revenues mainly depend on customer footfall, demand for Jahez and PIK platforms, and consumer behavior. Historically, the percentage of customer footfall has increased or decreased depending on periods and seasonal factors. The Group expects that the results of its operations will continue to fluctuate due to seasonal factors that are beyond the control of the Group. For example, many of the Group's customers spend their vacations outside the Kingdom in the summer season, and therefore the footfall of Jahez and PIK platforms may decrease. Orders via Jahez platform may decrease in some seasons such as during Eid holidays and Ramadan. During Ramadan, the majority of customers fast and people rely heavily on cooking and preparing food at home or dining out. In addition, there is a short period available for orders during Ramadan. Orders via Jahez and PIK platforms may also decrease during touristic and entertainment events as customers prefer hanging out, eating out and shopping. Accordingly, the Group's revenues are affected by seasonal factors that impact customer orders through Jahez and PIK platforms. The Group may not be able to anticipate and respond to seasonal factors, especially factors resulting from the COVID-19 pandemic, which materially affected consumer behavior. Therefore, it is difficult for the Group to anticipate its future performance (including the Group's performance after the end of the COVID-19 pandemic), which could have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-7 Risks Related to Compliance with Saudization Requirements

Compliance with Saudization requirements is a regulatory requirement in the Kingdom, necessitating that all companies operating in the Kingdom, including the Group, employ and maintain a certain number of Saudi nationals amongst their workforce. The percentage of Saudi employees varies on the basis of a company's activities as described in the Nitaqat program. The Ministry of Human Resources and Social Development (MHRSD) approved an amendment to the Nitaqat program called "Nitaqat Mawzon" (Balanced Nitaqat) in order to improve market performance and develop and eliminate non-productive Saudization. It was intended to come into effect on 12/03/1438H (corresponding to 12/11/2016G). However, in response to private sector demands for additional time to achieve the Saudization rate, MHRSD postponed the program until further notice and, as at the date of this Prospectus, no new implementation date has been set. Under the Nitaqat Mawzon program, points would be calculated based on five factors, namely: (i) Saudization rate; (ii) average wage for Saudi employees; (iii) percentage of female Saudization; (iv) job sustainability for Saudi employees; and (v) percentage of Saudi employees with high wages. As at the date of this Prospectus, the existing framework under Nitaqat remains in place, and entities continue to be ranked on the basis of a system of rolling averages that calculates average weekly Saudization over a 26-week period.

The Group is currently in compliance with the Saudization requirements as at the date of this Prospectus (for more information on the Group's Saudization percentage, see Section 4-14-2 "**Saudization and Nitaqat**" of this Prospectus). However, the Group may not be able to continue to comply with the Saudization and Nitaqat requirements. In such case, the Group would be subject to penalties by governmental agencies, such as suspending labor visa requests and sponsorship transfer requests for non-Saudi employees. The Group may not be able to recruit Saudi employees under favorable conditions, if at all, or retain its current Saudi employees, which would affect its ability to meet the required Saudization percentage. There may be a significant increase in costs of salaries if the Group employs a larger number of Saudi employees. The occurrence of any of the above risks would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, the Kingdom has implemented a number of reforms aimed at increasing Saudi employees' participation in the labor market, including imposing fees on non-Saudi employees employed at Saudi institutions as well as fees on residency permits for family members of non-Saudi employees. The non-Saudi employee fee came into effect on 14/04/1439H (corresponding to 01/01/2018G) while the residency permit fees came into effect on 07/10/1438H (corresponding to 07/01/2017G), noting that such fees increased gradually to SAR 9,600 annually per employee in 2020G. As at March 31, 2021, non-Saudi employees constituted 14.6% of the Group's total employees. The application and increase of such fees led to an increase in government fees paid by the Group for its non-Saudi employees. Government fees were SAR 373,265 and SAR 318,659 in 2019G and 2020G, respectively. These fees were SAR 55,020 as at Q1 2021G, compared to SAR 96,844 in Q1 2020G. In addition, an increase in fees payable by non-Saudi employees for their family members resulted in higher living expenses, which may affect the attractiveness of the Kingdom for such employees, who may seek to relocate to other countries with lower living expenses. Consequently, high government fees and difficulty retaining non-Saudi employees would have a negative effect on the Group's business, results of operations, financial condition and future prospects.

The Ministry of Human Resources and Social Development (MHRSD) issued a ministerial resolution on 07/06/1442H (corresponding to 01/20/2021G) requiring delivery platforms to limit direct dealing (i.e., dealing with freelance delivery partners) to Saudi delivery partners only. Non-Saudi delivery partners can be dealt with by the Group's platforms only through logistics companies or Logi. This ministerial resolution was intended to come into effect on 10/12/1442H (corresponding to 07/20/2021G). However, pursuant to a directive issued by MHRSD, the corrective period was extended to 12/02/1443H (corresponding to 09/19/2021G). Moreover, MHRSD has issued a ministerial resolution dated 07/02/1443H (corresponding to 09/14/2021G) implementing a number of fines and penalties applicable to online platforms, which include, for example, a fine SAR 20,000 applicable to online platforms directly employing non-Saudi workers via the online platform, and the Group may be subject to such fines where it does not comply with the requirements set by MHRSD. The relevant authorities may apply additional Saudization requirements for online delivery partners, which may include the Group's delivery partners. In this case, the Group may not be able to find a sufficient number of Saudi delivery partners to deliver orders through the Jahez or PIK platforms or, if it finds them, may not be able to contract with them on appropriate terms. In addition, the Group may not be able to retain existing Saudi delivery partners due to intense competition from other delivery applications for Saudi delivery partners, which could negatively affect the Group's operations. There may be a significant increase in costs if the Group deals with a larger number of Saudi delivery partners. The occurrence of any of the above risks would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-8 Risks Related to the Application of value added tax and Electronic Billing

The government imposed a value-added tax of 5% starting from 14/04/1439H (corresponding to 01/01/2018G). In response to the economic impact of the COVID-19, the Kingdom announced an additional increase in value added tax to 15% as of 10/11/1441H (corresponding to 07/01/2020G). Typically, value added tax is borne by the end consumer and, therefore, the Group witnessed an increase in the selling price of products. Such increase or any future increase may affect customer spending, which could lead to a decrease in demand for Jahez and PIK platforms, and merchants that use Co Kitchen's cloud kitchens, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

In addition, given the relatively recent application of the value added tax Law and the announced increase in the value added tax rate, it is possible that mistakes in its application could be made by the Group. This may lead to penalties imposed by the Zakat, Tax and Customs Authority in accordance with the value added tax Law, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

The ZATCA also issued the Electronic Billing Regulations, which will enter into force on 29/04/1443H (corresponding to 12/04/2021G), requiring the Group to issue and maintain electronic invoices. The Group will have to take some measures to comply with the provisions of these Regulations, which may require time and effort. Given the recent application of these Regulations, it is possible that mistakes in its application could be made by the Group. This may lead to penalties imposed by ZATCA in accordance with the value added tax Law, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-9 Risks Related to Changes in the Calculation Mechanism for Zakat and Income Tax

ZATCA issued Circular No. 6768/16/1438 dated 05/03/1438H (corresponding to 12/05/2016G), which requires Saudi companies listed on the Exchange to calculate income and Zakat on the basis of shareholder nationality and the actual ownership of Saudi, GCC and other citizens as listed in the Tadawulaty system at the end of the year. Prior to the Circular, companies listed on the Exchange were generally subject to paying Zakat or tax on the basis of the ownership of a company's founders in accordance with their articles of association. The fact that shares were listed was not a consideration in determining the Zakat base. This Circular was to be applied in the financial year ended 12/31/2016G and subsequent years. However, ZATCA issued Letter No. 12097/16/1438 dated 19/04/1438H (corresponding to 01/17/2017G) postponing the implementation of this Circular for the financial year ended 12/31/2017G and subsequent years. Until ZATCA issues its directives regarding the mechanisms and procedures for implementing this Circular, the implementation of this Circular, including the final requirements to be met, are still under consideration, as well as the rules that impose income tax on all non-GCC residents who have shares in Saudi listed companies that apply withholding tax on dividends of non-resident shareholders irrespective of their nationalities. The Group has not assessed the financial impact of this Circular or taken adequate steps to ensure compliance therewith. If the financial impact of this Circular is significant when applied or if the Company incurs additional costs to take the necessary steps to ensure compliance therewith, this will have a negative effect on the Group's business, results of operations, financial condition and future prospects.

2-2-10 Risks Related to the Saudi Economy and the Global Economy

The Group's operations are located in the Kingdom, including merchants, customers and delivery partners of Jahez and PIK platforms, Co Kitchens and Logi. Therefore, the Group's performance, results of operations and growth expectations are affected by the general economic conditions in the Kingdom in addition to the global economic conditions that affect the Saudi economy. The Group may be affected by an economic slowdown in the Kingdom, particularly the oil and gas sector, which could affect the rate of consumer spending and thus lead to a decrease in customer orders through Jahez and PIK platforms. This would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

Furthermore, the Kingdom's economy is highly dependent on oil-based revenues, which play a significant role in the Kingdom's economic plan and GDP. A decrease in oil prices will lead to an economic slowdown and/or a slowdown in government spending plans, which would affect all sectors of the Kingdom's economy and consumer spending per capita. This would have a negative effect on the Group's business, financial condition, results of operations and future prospects. The Kingdom's economy, as is the case with many other economies, is currently experiencing major disruptions due to the outbreak of COVID-19 (for more information on the risks related to COVID-19, see Section 2-2-12 "**Risks Related to the Outbreak of COVID-19 or any Other Infectious Disease**" of this Prospectus). Such disruptions include the sharp decline in oil prices during 2020G. There can be no assurance that the Kingdom's economic conditions will not worsen in the future as a result of a decrease in oil prices or otherwise, which would have a material negative effect on the Company's business, results of operations, financial condition and future prospects.

An investment in securities in emerging markets, such as the Kingdom, generally involves a higher degree of risk than investments in issuers' securities in more developed countries. Generally, investments in emerging markets are only suitable for sophisticated investors who fully appreciate, and are familiar with, the significance of the risks involved in investing in emerging markets. The Saudi economy may be susceptible to future adverse effects similar to those suffered by other emerging market countries. The Kingdom could be negatively affected by negative economic or financial developments in other emerging market countries.

2-2-11 Risks Related to Political Instability and Security Concerns in the Middle East Region

The Group's operations, including merchants, customers and delivery partners of Jahez and PIK platforms and the operations of the Co Kitchens and Logi, are located in the Kingdom and the Middle East. The wider MENA region is subject to a number of geopolitical and security risks that impact the GCC countries and the Middle East, including the Kingdom. As the political, economic and social environments in the MENA region are still subject to continuing developments, investments in the MENA region involve a high degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in countries within the MENA region may have a material negative effect on the markets in which the Group operates, its ability to retain and attract merchants and delivery partners in such regions and investments that the Group has made or may make in the future, which in turn would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-12 Risks Related to the Outbreak of COVID-19 or any Other Infectious Disease

In March 2020G, the World Health Organization declared a global pandemic related to the rapidly growing outbreak of COVID-19. As at the date of this Prospectus, the COVID-19 pandemic is still present and has resulted in the loss of life, business disruptions, travel bans, barring gatherings, curfews, social distancing and other preventive measures that have been imposed by governments, including the Kingdom's government. The COVID-19 pandemic has also negatively affected global economies, capital markets, global oil demand and prices, and particularly the Kingdom's economy and the general environment in which the Group operates. The extent of its impact on the Group's future results of operations and general financial performance remains uncertain due to several unpredictable factors, such as new information that may appear about the severity of the disease, the duration of the spread and outbreak of the disease, additional restrictions and measures that the government may impose, and their impact on the Group's business and employees and the economic environment in general. There is no assurance as to how long and the manner in which any preventive measures will remain in place, including any additional application of such measures, the introduction of further measures and the extent of any such measures. Any of the above risks may result in a prolonged or further decline in oil prices, or a prolonged negative effect on the Kingdom's economy, which would have a negative effect on the Group's business, results of operations, financial condition and future prospects.

In particular, the Group must comply with some preventive measures and health and safety standards in response to the COVID-19 pandemic, including imposing the use of masks and gloves on delivery partners and instructions for no-contact delivery, and it must work closely with merchants to ensure that they comply with the preventive measures. The Group's efforts in these respects may not be sufficient or successful as they may not provide adequate protection. Its recovery plans may not be sufficient to address the COVID-19 pandemic or other threats to public health such as outbreaks of other infectious diseases. The Group may have to close its offices and direct its employees to work remotely. The footfall of Jahez and PIK platforms may decrease due to customers' concerns about contacting delivery partners or merchants and the spread of COVID-19 or any other infectious diseases. Merchants may be forced to close their activities or reduce working hours, which would affect demand for Jahez and PIK platforms. Any of the above factors may disrupt the Group's business or lead to additional costs related to complying with any preventative measures, which would have a negative effect on the Group's business, financial condition, results of operations and future prospects.

Additionally, as a result of the COVID-19 pandemic, the Group witnessed an increase in demand for Jahez and PIK platforms. Consequently, it witnessed an increase in revenues and the total number of orders through Jahez and PIK platforms due to high customer demand for delivery, the increased number of merchants offering their products on Jahez and PIK platforms, and the higher logistics efficiency of Jahez and PIK platforms. These circumstances accelerated the growth of the Group's business and revenues. However, the consequences of the COVID-19 pandemic may not continue in the future and the Group's revenues and the total number of orders through Jahez and PIK platforms may decrease, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-13 Risks Related to Lower Consumer Spending and Consumer Behavior

The Group's performance depends on the level of consumer spending, which is affected by economic factors, unemployment rates, debt per capita, taxes, energy prices, interest rates and other macroeconomic factors and natural disasters that may affect the economy (for more information on economic risks, see Section 2-2-10 "**Risks Related to the Saudi Economy and the Global Economy**" of this Prospectus). Consumer spending usually declines during economic downturn periods when disposable income is affected. In this case, consumer behavior is affected by eliminating unnecessary consumption including orders from restaurants in order to save money, and this includes the Group's services. If consumer spending generally declines in response to economic conditions, the Group may not be able to maintain demand levels through Jahez and PIK platforms, which will lead to a decline in the Group's revenues. This would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-14 Risks Related to Higher Food, Labor and Fuel Costs

As part of the Kingdom's policies for rationalizing the government subsidy program, the Saudi Council of Ministers issued Resolution No. 95 dated 17/03/1437H (corresponding to 12/28/2015G), increasing energy prices (including fuel) and electricity, water and sewage tariffs for the residential, commercial and industrial sectors in 2016G. The Ministry of Energy and Industry issued a directive on 24/03/1439H (corresponding to 12/12/2017G) on the plan for the Fiscal Balance Program to reform the prices of energy products. This led to an increase in the prices of gasoline (91), gasoline (95), diesel fuel for industrial and utility purposes, diesel fuel for transportation, and kerosene, as of 14/04/1439H (corresponding to 01/01/2018G). On 30/11/1442H (corresponding to 07/10/2021G), the Executive Committee for the Governance of the Price Adjustment of Energy and Water Products announced the issuance of a royal decree approving maintaining the prices of gasoline (91) and gasoline (95) for June 2021G as the local ceiling price for gasoline as of 30/11/1442H (corresponding to 07/10/2021G), and that the State shall bear amounts that may exceed the June prices during the periodic monthly review of prices.

Inflation factors, higher food costs, higher labor costs, and higher rent, water and electricity costs may increase the operating costs of merchants, which may cause them to stop operating temporarily or permanently, and thus cancel their subscriptions to Jahez and PIK platforms or Co Kitchens' kitchens or raise the prices of their products. This will lead to a decrease in customer orders, which would negatively affect the Group's operations. In addition, the Group's business is greatly affected by the increase in fuel prices. Delivery partners may feel less inclined to receive and deliver orders to customers due to the increase in vehicle fuel prices. If a large number of delivery partners decide to stop working for Jahez and PIK platforms, this will limit the number of orders that the Group is able to receive and thus affect its revenues. The Group may not be able to pass any increase in fuel expenses to the user of Jahez and PIK platforms by raising delivery prices. Raising delivery prices may provide the Group's competitors with an opportunity to attract the Group's platform users with more competitive prices and the Group eventually may lose its customers' loyalty. In addition, the price increases described above, along with any other potential increases, could lead to a decrease in consumers' disposable income in general. Accordingly, the number of users of Jahez and PIK platforms and orders made through them may be affected, which would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-2-15 Risks Related to Floods, Earthquakes and Other Natural Disasters or Disruptive Acts

The occurrence of natural disasters or acts of sabotage falling beyond the control of the Group may negatively affect the Group's facilities and/or employees, the facilities of the merchants that the Group deals with through Jahez and PIK platforms and/or their employees, or delivery partners of Jahez and PIK platforms, Logi, or Co Kitchens' Kitchens. In the event of any damage to the facilities of the Group or merchants, delivery partners of Jahez and PIK platforms, Logi or Co Kitchens' kitchens as a result of floods, earthquakes, storms or other natural disasters, or due to acts of sabotage such as terrorist attacks or acts of vandalism, there may be a disruption of the Group's business and the productivity of merchants, and delivery partners involved with the Group may not be able to deliver orders to customers, which may lead to the Group incurring significant costs and losses. The occurrence of any natural disasters or acts of sabotage would have a material negative effect on the Group's business, financial condition, results of operations and future prospects.

2-3 Risks Related to the Offer Shares

2-3-1 Risks Related to Effective Control Post-Offering by the Major Shareholders

After completion of the Offering, the Major Shareholders will hold 85.1% of the Company's Shares. As a result, the Major Shareholders will be able to control matters requiring the approval of the Shareholders and significantly influence the Group's business, including significant matters such as the election of Directors, material corporate transactions, dividend distributions and capital amendments. If the interests of the Major Shareholders are in conflict with those of the Group's minority Shareholders, the minority Shareholders will be at a disadvantage. The Major Shareholders can exercise their control over the Group in a way that may have a negative effect on the Group, which would have a negative effect on the expected returns of subscribers and/or result in the loss of all or part of their investment in the Group.

2-3-2 Risks Related to the Absence of a Prior Market for the Shares

There is currently no public market for trading the Shares, and there may not be an active and sustainable market for the Shares after the Offering. This market, if any, may not continue to exist. As at the date of this Prospectus, trading in the Parallel Market

(Nomu) is subject to regulatory restrictions related to eligible categories for trading in the shares listed thereon. If an active and liquid market is not developed or maintained, the price of the Shares may be negatively affected. The Offer Price has been determined based on several factors that have impacted and may in the future impact the Group and the value of the Shares. Various factors, including the Group's financial results and future business prospects, general conditions in the industry in which the Group operates and the markets in which it competes, economic factors, the regulatory environment and other factors that are beyond the Group's control, may lead to the market price of the Shares being significantly lower than the Offer Price.

2-3-3 Risks Related to Fluctuations in the Market Price of the Shares

The Offer Price may not be indicative of the price at which the Shares will be traded following completion of the Offering. Subscribers may not be able to resell the Offer Shares at or above the Offer Price or may not be able to sell them at all. The trading price of the Shares can be significantly volatile due to several factors, most of which are beyond the control of the Group, including:

- Negative fluctuations in the Group's operating performance and improvement in the performance of its competitors.
- Actual or anticipated fluctuations in the Group's quarterly or annual results of operations.
- Downgrades or changes in research reports of securities research analysts in relation to the Group, its competitors, or the industry in which the Group operates.
- The public's reaction to the Group's announcements and press releases.
- The failure of the Group or its competitors to meet analyst expectations.
- Additions and departures of key personnel.
- Changes in the Group's business strategy.
- Changes in the regulatory environment.
- Changes in the applicable accounting rules and policies.
- Political or military developments or terrorist attacks in the Middle East or elsewhere.
- Political, economic or other developments in or affecting the Kingdom.
- Termination or expiry of the Lock-up Period or other transfer restrictions on the Shares.
- Natural disasters and other calamities.
- Changes in general market and economic conditions.

Any of these factors may lead to significant and sudden changes in the trading volume and market price of the Shares, which would have a negative effect on the anticipated returns of the subscribers or result in the loss of all or portion of their investment in the Group.

2-3-4 Risks Related to the Company's Ability to Distribute Dividends

The Group may not be able to pay dividends, and the Board of Directors may not recommend, and the Shareholders may not approve, the payment of dividends. Future distribution of dividends will depend on several factors, including, among other things, the Group's future earnings, financial condition, cash flow, working capital requirements, capital expenditures and distributable reserves (for further information on the Group's dividend distribution policy, see Section 7 "**Dividend Distribution Policy**" of this Prospectus). In addition, the Group may be subject to the terms of future financing agreements, which may include restrictions on making any dividend payments. The Group may incur expenses or liabilities that would lead to limited or no cash available for dividend distribution. If the Group does not pay dividends to the Shareholders, the Shareholders may not receive any return on their investment in the Shares unless they sell the Shares at a price higher than the price at the time of their purchase. There is no assurance that the Group will be able to pay dividends to the Shareholders, or that dividend distribution will be recommended by the Board or approved by the Shareholders, which may have a negative effect on the investors' anticipated returns on investment in the Offer Shares.

2-3-5 Risks Related to Selling a Large Number of Shares on the Market

The sale of a large number of the Shares on the market after the completion of the Offering, or the perception that such sale will occur, could negatively affect the market price of the Shares. Upon the successful completion of the Offering, the Major Shareholders will be subject to a Lock-up Period of twelve (12) months following the Offering during which they may not dispose of any Shares they own. The sale of a substantial number of Shares by the Major Shareholder following the end of the Lock-Up Period, or the perception that such sale may occur, would have a negative effect on the market for the Shares and may result in a lower market price.

Furthermore, if and when the Company decides to raise additional capital by issuing new Shares, the newly issued shares may negatively affect the price of the Shares in the market and dilute the Shareholders' ownership percentage in the Company if they do not subscribe to the New Shares at that time. The occurrence of any of the above factors would have an adverse effect on investors' anticipated returns or may result in the loss of all or portion of their investment in the Company.

2-3-6 Risks Related to the Use of the IPO Proceeds

The Group will use the IPO Proceeds, obtained from the sale of the New Shares resulting from the capital increase for the purpose of the Offering, to expand the Group's activity locally and regionally (for more information, see Section 8 "**Use of Offering Proceeds**" of this Prospectus). The Group's Management will have great discretion in using the IPO Proceeds, and the Subscribers may see the Group's use of the Offering Proceeds as inappropriate. The IPO Proceeds may be invested to achieve long-term benefits for the Group, which may not result in increasing the Group's results of operations or market value, and the Group's objectives may not be achieved. In addition, if the Group decides to invest the IPO Proceeds in certain investments, such investments may not generate significant income or may lose their value. The occurrence of any of the above factors would have an adverse effect on investors' anticipated returns or may result in the loss of all or portion of their investment in the Company.

2-3-7 Risks Related to Research Published about the Group

The trading price and volume of the Shares will depend in part on the research that securities or industry analysts publish about the Group and its business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover the Group downgrades their recommendations on the Shares or publishes inaccurate or unfavorable research about the Group's business, the market price for the Shares could decline. In addition, if one or more research analysts cease to cover the Group or fails to publish reports on it regularly, it could lose its position and visibility in the financial markets, which, in turn, could cause the market price of the Shares to decline significantly.

2-4 Risks Related to the Transition to the Main Market

2-4-1 Risks Related to the Company's Failure to Meet the Requirements for the Transition to the Main Market

The requirements for offering and listing on the Parallel Market are more flexible. If, after the lapse of the statutory period under the Listing Rules, the Company desires to move to the Main Market, it must fulfill the requirements for the transition to the Main Market. If the Company is unable to meet such requirements or any additional future regulatory requirements that the regulatory authorities may impose on the Company or the Exchange, it will not be able to move to the Main Market. As trading in the Parallel Market is restricted to qualified investors only as at the date of this Prospectus, the daily trading volume and liquidity will be less than the Main Market, which would affect the Company's Shares, market value and liquidity.

2-4-2 Risks Related to the Company's Desire to Remain in the Parallel Market

After two years of listing the Company's Shares on the Parallel Market under the Listing Rules, the Company may be compliant with the regulatory requirements for the transition to the Main Market. However, the Company may desire to continue as a listed company in the Parallel Market instead of moving to the Main Market. As trading in the Parallel Market is restricted to qualified investors only as at the date of this Prospectus, the daily trading volume and liquidity will be less than the Main Market, which would affect the Company's Shares, market value and liquidity.

3- Market and Industry Information

3-1 Introduction

The information shown below is based on an independent market study developed by Arthur D. Little Saudi Arabia exclusively for the company in April 2021. The company has contracted Arthur D. Little Saudi Arabia to develop a market study covering the Online Food Aggregator (does not include restaurant specific applications, e.g. Domino's Pizza application), Quick Commerce and Cloud Kitchen sectors in the Kingdom of Saudi Arabia. Arthur D. Little Saudi Arabia is an independent company based in Riyadh that provides strategic services, business advisory and market analysis. Arthur D. Little was founded in 1886 and started its operations in the Kingdom in the 1950s (for further information about the market study consultant, please go to www.adlittle.com).

It shall be noted that neither Arthur D. Little Saudi Arabia nor any of its affiliates or sister companies, partners, shareholders, members of its board of directors, directors or their relatives, own any kind of share or interest in the company or its affiliate companies. The market study consultant has given his written approval on the use of his name, logo, the market information and data provided by him to the company as shown in this Prospectus, and such approval has not been withdrawn to the date of this Prospectus.

The members of the board of directors believe that the information and data shown in this Prospectus and received from other sources, including those provided by the market study consultants, are credible data and information. However, neither the company nor the members of the board of directors or its directors or other consultants have checked or verified the accuracy or completion of the information shown in this section, and none of them shall assume any responsibility as to such information. As well, such information shall not constitute the sole basis for taking or refraining to take any investment-related decisions.

Conclusions shown in this section are the results of the exercise of the best professional judgement at Arthur D. Little, based in part upon materials and information provided to them by third party research agencies, government agencies and others. Prospective investors should be aware that the statistics, data, lists and other information related to markets, market size, market shares, market position and other sectoral data included in this Prospectus (and expectations, assumptions and estimates based on this information) may not be accurate indicators of the company's future performance in the sector in which it operates. The projections and expectations contained in this section do not guarantee the future performance of the company.

3-2 Research methodology

All analysis outlined in this section is a product of comprehensive research conducted in February - March 2021: (i) secondary research of publicly available sources such as government entities, academic reports, industry reports (ii) analysis of materials provided by the Group (iii) data from multiple sources was cross-checked and triangulated to arrive at an accurate consensus. Key sources utilized for developing the report include General Authority for Statistics (GASTAT), Saudi Arabia's Ministry of Finance, World Bank, Fitch, RedSeer and Statista.

3-3 Macroeconomic situation

3-3-1 General macroeconomic landscape

The Kingdom of Saudi Arabia is the largest economy in the GCC with a GDP of SAR 2.53 trillion as of 2020 (in 2010 constant prices), which represents a 28% increase from SAR 1.98 trillion in 2010. The Saudi economy grew at 0.7% CAGR from 2016 to 2019 before the COVID-19 pandemic began. In 2020, real GDP contracted by ~4.1% as sectors such as retail and tourism (70% – 80% drop in number of inbound arrivals in 2020) have declined and oil prices have dropped due to global economic slowdown. Other economies have suffered similar contractions in 2020 with U.S. real GDP declining by 4.3% and U.K by 9.8% in 2020 according to the IMF.

Table (3-1): Gross Domestic Product by Institutional Sectors, Kingdom of Saudi Arabia, constant prices

	2016	2017	2018	2019	2020	CAGR (2016-2020)
Oil GDP (SAR billion)	1,138	1,103	1,138	1,096	1,023	-2.6%
Non-Oil GDP (SAR billion)	1,429	1,447	1,478	1,527	1,492	1.1%
Private Sector Consumption (SAR billion)	1,000	1,015	1,035	1,074	1,040	1.0%
Government Consumption (SAR billion)	428	431	444	454	451	1.3%
Import Duties	21	19	15	16	16	-5.8%
Real GDP (SAR billion) at 2010 constant prices	2,588	2,569	2,631	2,640	2,531	-0.5%

Source: GASTAT

Oil prices have recovered to ~USD 66 per barrel (Brent Oil as of April 14, 2021) as the global economy recovers through an international vaccination drive. According to local and international sources such as Saudi Arabia's Ministry of Finance, IMF, and the World Bank, the Kingdom's economy is expected to recover in 2021 and 2022, with economic growth forecasts ranging 2.0%-3.2% for 2021 and 2.2%-3.4% in 2022.

While the disposable income per capita in Kingdom of Saudi Arabia grew at a healthy CAGR of 5.5% from 2017 to 2019 supported by government led transformations, it declined by 10.8% during 2019-2020 due to the COVID-19 pandemic. However, the disposable income per capita is expected to increase at a CAGR of 4.8% during 2020-2023 due to economic recovery and rising employment among Saudi nationals. This in turn is expected to positively impact the spending on the consumer foodservice sector.

Table (3-2): Disposable income per capita, Kingdom of Saudi Arabia

	2017	2018	2019	2020	2021(f)	2022(f)	2023(f)	CAGR (2020-2023)
Disposable income/capita (SAR Thousands)	26.6	29.8	29.6	26.4	28.3	29.4	30.4	4.8%

Source: Fitch

3-3-2 Vision 2030 Programs

As a result of the Kingdom's high dependency on oil, volatility in the global oil prices and inefficiencies in the economy, the government has been focusing on reducing the reliance of its economy on the Oil and Gas sector. The envisioned transition and growth are underpinned by various initiatives of the Vision 2030 and the 13 Vision Realization programs. Three of these programs either directly or indirectly impact the Online Food Aggregator, Quick Commerce, and Cloud Kitchen businesses.

The Kingdom is expected to spend over SAR 260 billion starting from 2016 to support the National Transformation program ("NTP") initiatives. The program focuses on developing the digital economy through initiatives aimed at supporting the leadership of local digital companies, promoting e-commerce, raising digital awareness among citizens and expatriates as well as enhancing the spread and speed of the internet across the Kingdom of Saudi Arabia. The digital focus also aims to create an incubator environment to attract digital investment, establish digital businesses, and promote innovation and digital security. The NTP program includes special attention to facilitating doing business (e.g. enhancing business flows and policies) and developing the retail sector (e.g. applying technological solutions to help transform the sector). The development of the digital economy will provide support to the growth of local technology companies like the Group, especially since they are also helping the digitalization of other SMEs. Moreover, the NTP is focused on increasing women's participation in the labor market, resulting in less time for the domestic chores, which will support increased spending in the foodservice market and subsequently on online food delivery.

The Quality of Life Program (QoL) aims to establish the Kingdom of Saudi Arabia as global leader in Food and Beverages ("F&B") sector with a total planned expenditure of SAR 130 billion. The program focuses on maintaining expenditure levels on F&B once additional lifestyle options are introduced, transforming the Kingdom of Saudi Arabia into a global F&B reference, in addition to reaching regional champion level by increasing retail space, and availability of top international brands. The outcomes of this program will further strengthen the Kingdom of Saudi Arabia's F&B sector, which forms one of the key foundational pillars of the Online Food Aggregator and Cloud Kitchen businesses.

The National Companies Promotion Program's (NCPP) mission is to help major as well as smaller, yet promising Saudi companies expand their business internationally. The program aims to achieve its objectives by providing special attention to material and government facilitation, capability building, funding support, as well as policy and legislation. The NCPP will put into action governmental resources to support the international success of promising local SMEs such as Jahez.

The Kingdom has also recently launched a program called "Shareek" to strengthen collaboration between the government and private sector and enable SAR 5 trillion private sector investments by 2030. Through offering regulatory, financial, operational affairs, asset investment, and cooperation support, the program is aimed at boosting the private sector contribution to GDP to 65% by 2030 and creating several hundred thousand jobs.

These transformation programs are expected to develop the Saudi digital economy and enable the private sector across the F&B and e-commerce industries.

3-3-3 Demographics

The Kingdom of Saudi Arabia is the largest country in the Gulf Cooperation Council (GCC) with a population of 34.7 million in 2020. The number of inhabitants had grown at a 2.4% CAGR during 2017-2019 and is expected to reach ~35.7 million by 2023. Analysis of the Kingdom of Saudi Arabia's demographics in 2019 indicates that the population is fairly young, with ~70% below the age of 40. A growing population, coupled with young demographics, presents a significant potential for target customers for the Online Food Aggregator and Quick Commerce sectors.

Table (3-3): Population by age group, Kingdom of Saudi Arabia

	2017	2018	2019	2020	2021(f)	2022(f)	CAGR (2017-2019)
The Kingdom population (million people)	32.6	33.4	34.2	34.7	35.2	35.7	2.4%
Age group 0-19	10.3	10.5	10.7	-	-	-	2.1%
Age group 20-39	12.3	12.6	12.9	-	-	-	2.5%
Age group 40-59	8.2	8.4	8.7	-	-	-	2.8%
Age group 60-79	1.6	1.6	1.7	-	-	-	2.4%
Age group 80+	0.2	0.2	0.2	-	-	-	2.1%

Source: General Authority of Statistics

Saudi Arabia's urbanization rate, mainly driven by higher employment opportunities, has reached 84.1% in 2019 and is expected to reach nearly 88% by 2025. Urbanization clusters target customers into smaller areas with well-connected infrastructure. This has a positive impact on the Online Food Aggregator and Quick Commerce sectors as it allows them to run more efficient logistics operations that provide access to a large customer base by covering a smaller area.

Table (3-4): Urbanization rate, Kingdom of Saudi Arabia

	2014	2015	2016	2017	2018	2019	2025(f)
Urban population (%)	83.0	83.2	83.4	83.6	83.8	84.1	88

Source: World bank, MoMRAH

Labor participation in the Kingdom of Saudi Arabia has been steadily improving since 2016, especially that of Saudi women where it has increased from 19.3% in 2016 to ~33% in 2020 Q3. The increased labor participation of women is expected to result in rising demand for food delivery and e-commerce because of lesser time for household chores like cooking, and increase in household income.

Table (3-5): Labor participation by gender, Kingdom of Saudi Arabia

	2016	2017	2018	2019	2020
Saudi Men (%)	64.6	63.4	63.0	66.6	68.5
Saudi Women (%)	19.3	19.4	20.2	26.0	33.2

Source: GASTAT

Labor participation rate is the percentage of the workforce (the employed and the unemployed) to the population of each gender (Aged 15 and over). The remaining percentage represents Saudis of each gender who are neither working nor seeking work, unable to work, or unwilling to work at the time of the survey.

Unemployment rate in Saudi Arabia improved from 12.7% in 2018 to 12.0% in 2019. However, due to the global and local impact of COVID-19, the unemployment rate increased to 12.6% in 2020. However, as economy recovers, a COVID-19 vaccination program is implemented, and unemployment reduction initiatives (for example, TAQAT program and "Improving Contractual Relationship" initiative) are launched, the unemployment rate is expected to decline to pre-COVID-19 levels by 2023. Improved employment is likely to boost disposable income and increase spending in the food sector.

Table (3-6): Unemployment rate, Kingdom of Saudi Arabia

	2018	2019	2020
Unemployment level among Saudis	12.7%	12.0%	12.6%
Total	**6.0%**	**5.6%**	**6.5%**

Source: Oxford Economics (Feb 2021), GASTAT

Saudi Arabia has world class ICT infrastructure. Infrastructure access coupled with younger population has led to rapid technology adoption in Saudi Arabia, with internet penetration growing from ~65% in 2014 to ~96% in 2019. Smartphone penetration in Saudi Arabia has also grown from ~58% in 2014 to more than 86% in 2019.

Table (3-7): Internet and smartphone penetration, Kingdom of Saudi Arabia

	2014	2015	2016	2017	2018	2019
Individuals using the internet (% of pop.)	64.7	69.6	74.9	82.1	93.3	95.7
Individuals using smartphones (% of pop.)	57.5	66.2	73.6	78.9	82.6	85.6

Source: World Bank, Arthur D. Little analysis

Smartphone penetration in Saudi is higher than that of several leading western countries (e.g. United Kingdom at 79%, United States of America at 82%). However, it is important to note that while smartphone penetration is high, the Online Food Aggregator penetration in 2019 for Saudi was only 18%, while United Kingdom and United States of America were 30% and 29% respectively.

Table (3-8): Smartphone and Online Food Aggregator penetration by country, 2019

	Egypt	Italy	Bahrain	The Kingdom	Spain	France	Germany	United Arab Emirates	Kuwait	United States of America	United Kingdom
Online Food Aggregator penetration	2.6%	15.1%	16.5%	18.0%	18.5%	19.1%	19.4%	27.4%	27.6%	29.1%	30.4%
Smartphone penetration	28%	74%	93%	86%	81%	78%	78%	91%	79%	82%	79%

Source: Statista Digital Market Outlook, Newzoo, Emarketer, Arthur D. Little analysis

In summary, the increased health of the Saudi economy combined with governmental support and favorable demographics suggests a huge untapped potential of the Online Food Aggregator and e-commerce sectors in the Saudi market.

3-4 Kingdom of Saudi Arabia's foodservice and e-commerce markets

3-4-1 Foodservice market

The Saudi foodservice market experienced a drop of 35% from 2019 to 2020 and was estimated at SAR 56.3 billion in Gross Merchandize Value (GMV). The decline was mainly driven by COVID-19 pandemic that has led to:

a) Restrictions in movement to prevent spread of the infection

b) Preference for home-cooked food especially when the infection first began

c) Regulations limiting operating hours of the restaurants

d) Price increase due to increase in value added tax from 5% to 15%

e) Travel bans causing a significant decrease in number of inbound travelers

f) Drop in disposable income due to the economic slowdown pushing consumers to prioritize their spending on essential purchases

While the COVID-19 pandemic has led to a drop in the foodservice market, it has had a positive impact on the Online Food Aggregator market that nearly doubled during 2020. Owing to the COVID-19 restrictions, several restaurants have partnered with food aggregators in order to strengthen their online sales even as the dine-in sales declined.

The foodservice market is expected to recover and grow strongly at 26% CAGR during 2020-2023. The growth will be mainly driven by:

a) Increased penetration of the Online Food Aggregator service thus allowing restaurants to operate while maintaining social distancing norms as well as reach a larger customer base. Share of the Online Food Aggregator business of the total foodservice market has already expanded from 4.5% in 2019 to 12.1% in 2020. It is expected to maintain its growth momentum reaching 14.4% of the total foodservice market in 2023.

b) Government's focus on COVID-19 vaccination where, as of April 2021, ~17.5% of the population has received at least one vaccine dose.

c) Rising disposable income per capita, which is projected to grow at 4.8% CAGR until 2023.

d) Increase in Saudi employment, especially of women, is expected to decrease home cooking due to limited time availability, thus driving the growth in foodservice market.

e) Increase in urbanization rate, which is expected to reach 88% by 2025 from 84.1% in 2019. Urbanization enables higher foodservice demand due to busier lifestyles and more efficient logistics operations for the Online Food Aggregator business as large number of customers can be targeted by covering smaller areas.

f) ~70% of the population is under 40 years old and is likely to adopt to Online Food Aggregator technology faster.

g) Government's commitment to growing the tourism sector in the Kingdom of Saudi Arabia with an aim of attracting 100 million tourists by 2030

Table (3-9): Foodservice and Online Food Aggregator market sizes in GMV, Kingdom of Saudi Arabia

	2018	2019	2020	2021(f)	2022(f)	2023(f)	CAGR (2020-2023)
Foodservice market (SAR billion)	82.5	86.3	56.3	72.0	97.5	112.5	26%
Online Food Aggregator (SAR billion)	2.8	3.9	6.8	10.9	13.4	16.2	33%
Online Food Aggregator as % of total foodservice market (%)	3.5%	4.5%	12.1%	15.1%	13.7%	14.4%	-

Source: RedSeer

3-4-2 E-commerce market

The Saudi e-commerce market has increased at a CAGR of 23.2% from 2018 to 2020 and reached SAR 23.7 billion. It is expected to grow further with a CAGR of 7.8% between 2020-2023 to reach SAR 29.7 billion.

Fashion, and Electronics and Media (e.g. magazines, music, videos) categories constituted 65% of the total e-commerce market in Saudi Arabia in 2020 and are expected to maintain their healthy growth at a CAGR of 7.4% and 9.2% respectively during 2020-2023. Although Furniture and Appliances is the smallest category, it is expected to grow at 9.4% CAGR during 2020-2023, which is higher growth than the other categories.

Table (3-10): E-commerce market size in GMV, Kingdom of Saudi Arabia

	2018	2019	2020	2021(f)	2022(f)	2023(f)
E-commerce (SAR billion)	15.6	18.5	23.7	26.4	28.3	29.7
Fashion (SAR billion)	5.2	6.1	7.7	8.6	9.2	9.6
Electronics and Media (SAR billion)	5.0	5.9	7.5	8.4	9.1	9.7
Food and Personal Care (SAR billion)	3.1	3.7	5.0	5.5	5.8	6.1
Toys, Hobby and DIY (SAR billion)	1.6	1.9	2.5	2.7	2.9	3.0
Furniture and Appliances (SAR billion)	0.7	0.9	1.1	1.2	1.3	1.4

Source: Statista

The COVID-19 pandemic has led to a decline in consumer preference for in-person shopping. This has in turn accelerated the adoption of e-commerce by consumers across the Kingdom of Saudi Arabia and in the benchmarking countries. The number of e-commerce customers has grown at a CAGR of ~7.2% from 2018 to 2020 reaching ~25.6 million. Number of customers is expected to continue to grow at a CAGR of 8.5% till 2023. Compared to its peers, the Kingdom of Saudi Arabia has seen high e-commerce adoption during the COVID-19 pandemic with a special focus on grocery and pharmacy. This step-change in online usage is expected to have long lasting effect on consumer purchasing habits.

Table (3-11): Consumer e-commerce adoption in selected countries during COVID-19

	The Kingdom	United Arab Emirates	Russia	Ukraine	South Africa
Grocery	66%	68%	38%	52%	64%
Fashion	34%	46%	23%	31%	27%
Food delivery	46%	42%	23%	45%	37%
Pharmacy	59%	70%	21%	35%	53%
Luxury	40%	46%	25%	36%	32%

Source: Visa – The United Arab Emirates (UAE) eCommerce Landscape 2020

The above refers to what % of e-commerce customers have started shopping online for a particular category during COVID-19 pandemic

COVID-19 pandemic has also pushed businesses to set up their e-commerce platforms to adapt to the new circumstances. In a recent survey conducted by VISA, almost 38% of the businesses confirmed adoption of e-commerce platforms due to the COVID-19 pandemic.

Table (3-12): Merchant e-commerce adoption in selected countries during COVID-19

	The King-dom	United Arab Emirates	Russia	Ukraine	South Africa
Acquired due to COVID-19 pandemic	38%	5%	30%	7%	5%
Was planned and just got implemented now	5%	5%	25%	0%	23%
Already available pre COVID-19 pandemic	57%	91%	45%	93%	71%

Source: Visa – The United Arab Emirates (UAE) eCommerce Landscape 2020

The table indicates the % of merchants who setup an e-commerce platform during the COVID-19 pandemic

3-5 Online Food Aggregators

3-5-1 Online Food Aggregator market size in the Kingdom of Saudi Arabia

The Saudi Online Food Aggregator market has experienced rapid growth increasing at a CAGR of 53% during 2018-2020 and reached an estimated SAR 6.8 billion in Gross Merchandise Value. The COVID-19 pandemic has helped the Online Food Aggregator market grow significantly as people are ordering increasingly from the comfort of their homes while maintaining social distancing guidelines. After the recent surge, the growth is expected to stabilize at a CAGR of 33% during 2020-2023 as the impact of the pandemic begins to moderate. The market is expected to reach an estimated SAR 16.2 billion GMV by 2023.

Although the Central Region's share of population is ~32%, it has the largest share of the market with 55% of total GMV in 2020. The market leadership of Central region is due to higher Online Food Aggregator penetration driven by high urbanization, tech savvy population and an abundance of food delivery platforms. While the Central Region is expected to retain its leading position, its market share is expected to reduce to 47% with other regions expected to grow at a faster rate due to their relatively lower penetration.

Table (3-13): Online Food Aggregator market size in GMV, Kingdom of Saudi Arabia

	2018	2019	2020	2021(f)	2022(f)	2023(f)	CAGR (2020-2023)
Online Food Aggregator (SAR billion)	2.8	3.9	6.8	10.9	13.4	16.2	33%
Central	1.9	2.4	3.8	5.7	6.6	7.6	27%
Western	0.5	0.7	1.4	2.3	2.9	3.7	40%
Eastern	0.3	0.5	1.0	1.6	2.1	2.6	39%
North	0.1	0.1	0.3	0.5	0.7	1.0	42%
South	0.1	0.2	0.4	0.8	1.0	1.3	47%

Source: RedSeer

The Kingdom of Saudi Arabia witnessed a 25% increase in active Online Food Aggregator customers from 2019 to 2020 reaching ~7.2 million. The increase is largely due to the COVID-19 pandemic and resulting social distancing and other governmental guidelines pertaining to the dine-in experience. The number of Online Food Aggregator customers is expected to continue to grow at a CAGR of 18% to reach ~11.9 million by 2023. The growth is supported by changing consumer habits, rising women employment and growth in foodservice sector. It is also important to note that the Online Food Aggregator market in GMV is expected to grow at a faster rate than the number of active customers (33% vs 18%) as the order frequency of the consumers is expected to increase.

Table (3-14): Number of active customers in Online Food Aggregator, Kingdom of Saudi Arabia

	2019	2020	2021(f)	2022(f)	2023(f)	CAGR (2020-2023)
Number of customers (million)	5.7	7.2	8.6	10.2	11.9	18%

Source: RedSeer

3-5-2 Online Food Aggregator competition in the Kingdom of Saudi Arabia

As of February 2021, the top three players including Jahez (the other two companies referred to as "**Competitor A**" and "**Competitor B**") held around 85%-90% of the Online Food Aggregator market in Saudi.

The company is currently the second largest player of the market, having captured the most market share from the leader, and witnessing the largest market share growth between 2019 and Feb 2021. The company has been growing across all regions, with special emphasis on the Central region, where the company has captured ~13% market share between December 2019 and December 2020. The company's growth was driven by high quality service, low merchant take-rates and ambitious expansion plans to 47 cities and unique marketing campaigns. The company's customers typically spend higher compared to its top competitors with almost SAR 73 average order value. The company's take-rate, ~12%, is one of the lowest among its main competitors. The Saudi market is formed of several key players that include Hungerstation, Mrsool, TheChefz, ToYou and Careem.

Competitor A is the leader in the Online Food Aggregator market and one of the first online food ordering platforms in the region. It is currently the largest player in the Kingdom of Saudi Arabia, leveraging its market pioneering position, with the largest geographical presence that covers one hundred six (106) cities.

Competitor B is currently the 3rd in the Online Food Aggregator market in terms of market share, having presence in more than forty (40) cities in the Kingdom of Saudi Arabia. It holds the largest base of drivers in the Kingdom of Saudi Arabia, thanks to its on-demand business model.

Table (3-15): Competition overview of the Kingdom of Saudi Arabia's Online Food Aggregator market

		Jahez	Competitor A	Competitor B
Market share (GMV)	Year 2019 Snapshot	13%	65% – 75%	5% – 8%
	Month February 2021 Snapshot	28%	44% – 49%	10% - 15%
Average order size (SAR)		73	55 – 65	45 – 55
Average take rates with merchants (%)		12%	21%	18%

Source: RedSeer

3-5-3 Online Food Aggregator in selected MENA countries

As discussed elsewhere in this Prospectus (see Section 4-5-5 "**Strategy**" of this Prospectus), the company is considering expanding its operations to neighboring regional countries. In 2020, United Arab Emirates and Kuwait were the largest Online Food Aggregator markets among the selected countries with SAR ~2.9 billion and SAR ~1.8 billion GMV respectively. The drivers for these large market sizes include higher Online Food Aggregator penetration, ordering frequency and average order value.

In Egypt, the Online Food Aggregator market size was SAR 0.21 billion GMV in 2020. Although it is a high potential country with ~100 million population, the market is relatively small and driven by significantly lower average order value and customer penetration compared to other countries. Only 3.5% of its population used Online Food Aggregator services while this ratio is above 20% in other selected countries. On the other hand, due to current low penetration, the market is expected to grow at a higher CAGR of 17%, reaching SAR 0.34 billion in 2023.

Bahrain has the smallest market size with SAR 0.12 billion in 2020 due to its low population size of ~1.7 million. Bahrain's active customer base witnessed a fast growth of 33% CAGR from 2018-2020. Overall Online Food Aggregator market size is expected to grow from SAR 0.12 billion in 2020 to SAR 0.19 billion in 2023.

Table (3-16): Online Food Aggregator market size in GMV and number of active customers, in selected MENA countries

		2018	2019	2020	2021(f)	2022(f)	2023(f)
UAE	GMV (SAR billion)	1.7	2.2	2.9	3.2	3.4	3.6
	Adoption of online food delivery (%)	24.8%	27.4%	32.4%	33.6%	34.5%	35.1%
Kuwait	GMV (SAR billion)	0.9	1.3	1.8	2.0	2.0	2.1
	Adoption of online food delivery (%)	22.7%	27.6%	33.5%	35.0%	35.5%	35.7%
Egypt	GMV (SAR billion)	0.11	0.15	0.21	0.26	0.31	0.34
	Adoption of online food delivery (%)	2.1%	2.6%	3.5%	4.0%	4.5%	4.9%
Bahrain	GMV (AR billion)	0.06	0.08	0.12	0.14	0.16	0.19
	Adoption of online food delivery (%)	13.4%	16.5%	20.6%	22.9%	24.1%	25.4%

Source: Statista, Arthur D. Little analysis

3-6 Quick Commerce in the Kingdom of Saudi Arabia

3-6-1 Quick Commerce market size in the Kingdom of Saudi Arabia

Quick Commerce is the next generation of e-commerce where consumers can order a wide range of products online, which are delivered under 1-2 hours directly from the store or through dark stores. Globally there are several Online Food Aggregator players that have entered the business including Delivery Hero and Glovo. Quick Commerce is still a nascent business in the Kingdom of Saudi Arabia that has recently began to gain traction. Quick Commerce market grew almost five (5) times in value between 2019 and 2020, reaching SAR ~1.1 billion in GMV, mainly driven by COVID-19 measures. Quick Commerce is expected to grow rapidly with its share of the overall e-commerce sector growing from 5% in 2020 to 13% in 2023. This growth is mainly driven by increased consumer preference for convenience driven quick delivery as well as the expansion of the existing Online Food Aggregator players into the Quick Commerce space. Depending on how customers in Saudi Arabia adopt this service, there is a potential for further upside to the quick commerce market size estimates outlined in the table above. This is similar to what has been observed in other technology sectors, where introduction of supply/technology has resulted in demand creation, which in turn results in the market segment growing exponentially with network effects coming into play.

Table (3-17): E-commerce and q-commerce market sizes in GMV, Kingdom of Saudi Arabia

	2018	2019	2020	2021(f)	2022(f)	2023(f)
E-commerce (SAR billion)	15.6	18.5	23.7	26.4	28.3	29.7
Q-commerce (SAR billion)	Almost negligible	0.2	1.1	1.8	2.7	3.8

Source: Statista, Redseer, Arthur D. Little analysis

The grocery category constitutes the majority of the Quick Commerce market with 72% share in GMV in 2020. However, its share is expected to decrease to 60% by 2023 as other categories are expected to grow at a faster rate. Pharmacy category is expected to grow at a CAGR of 47% and reach SAR 380 million in GMV by 2023. Others category (e.g. gifts, fashion, electronics, appliances) is expected to witness significantly higher growth, at a CAGR of 84% from 2020-2023.

Table (3-18): Quick Commerce market size in GMV, Kingdom of Saudi Arabia

	2019	2020	2021(f)	2022(f)	2023(f)	CAGR (2020-2023)
Q-commerce market size (SAR million)	194	1,084	1,826	2,661	3,830	52%
Grocery (SAR million)	142	780	1,227	1,687	2,308	44%
Pharmacy (SAR million)	14	119	178	263	380	47%
Others (SAR million)	39	184	421	711	1,141	84%

Source: RedSeer, Arthur D. Little analysis. Others category includes gifts, fashion, electronics, appliances etc.

Grocery has the highest share in GMV mainly due to higher number of orders and average order value. Average order values in grocery are significantly higher than pharmacy and others as customers tend to order a higher number of products in one delivery. Pharmacy is the second largest individual category with personal care items, hygiene products and health supplements being the top selling pharmacy products, owing to the Saudi Food and Drug Authority regulation prohibiting the online sales of prescription drugs. Gifts (e.g. chocolates, flowers) comprise the majority of the others category. The Kingdom of Saudi Arabia's Quick Commerce market is currently dominated by three players: Mrsool, Hunger Station, and Nana those together constitute 80%-90% of the market. PIK (a subsidiary of the Group) is a recently soft-launched Quick Commerce platform that offers customers access to buy products from a wide range of local merchants. It will cover categories including fashion, electronics and pharmacy.

3-7 Cloud Kitchens in the Kingdom of Saudi Arabia

3-7-1 Cloud Kitchens market size in the Kingdom of Saudi Arabia

Cloud Kitchens are commercial kitchen spaces for food businesses in order to prepare food for delivery or takeout only, with no dine-in facilities. Cloud Kitchens offer restaurants low-risk and low-investment solutions for expanding their businesses or trying new concepts. Globally, this trend has begun to gain popularity especially as consumers' preference shift to food delivery as opposed to dine-in due to COVID-19 measures. The Saudi Cloud Kitchen market size in 2020 reached SAR ~169 million in GMV and is expected to grow almost eight-fold reaching SAR ~1.3 billion by 2023. Changing consumer behavior and preferences towards aggregator online food delivery in a largely untapped yet growing market is resulting in significant influx of regional cloud kitchen players, driving the growth in the Saudi market. The share of the Cloud Kitchen business in Online Food Aggregator market is expected to increase from 2.5% in 2020 to 7.9% in 2023 as more restaurants adopt the Cloud Kitchen model.

Table (3-19): Online Food Aggregator and Cloud Kitchens market sizes in GMV, Kingdom of Saudi Arabia

	2019	2020	2021(f)	2022(f)	2023(f)
Online Food Aggregator (SAR billion)	3.9	6.8	10.9	13.4	16.2
Cloud Kitchens (SAR million)	68	169	390	743	1,285
Cloud Kitchens' market share in Online Food Aggregator	1.7%	2.5%	3.6%	5.5%	7.9%

Source: RedSeer

There are three different Cloud Kitchen business models currently being deployed by various market players: Satellite Kitchens, Kitchens as a Service and Restaurant owned Cloud Kitchens.

In the Satellite Kitchens business model, the Cloud Kitchen service provider offers restaurants a wide set of services including space, equipment, supporting services (e.g. maintenance and cleaning), procurement and staff. This business segment has an estimated market size in GMV of SAR ~155 million in 2020 and is expected to grow at a CAGR of 54% reaching SAR ~565 million by 2023. Currently it constitutes the majority of the market with 92% share in 2020, but it is expected to decrease to 44% in 2023 as other Cloud Kitchen business models grow at a faster rate. Key players that use this business model are Kitopi and Food to Go.

Kitchen as a Service players provide space, part of the equipment and supporting services (e.g. maintenance and cleaning). This business segment is expected to witness the fastest growth among three models at CAGR of 309% and reach SAR ~462 million by 2023. Key players that use this business model in the Kingdom include CoKitchens (a subsidiary of the Company), Kitchen Park and Kitch.

Lastly, in Restaurant owned Cloud Kitchens business model, businesses open their own Cloud Kitchen locations without partnering with Cloud Kitchen service providers. Its market size was an estimated SAR ~7 million in 2020 in GMV and is expected to reach ~SAR 257 million in 2023 growing at a CAGR of 236%.

Internationally, it has been observed that several online food aggregators (e.g. Deliveroo Editions and Swiggy) have been expanding their operations into cloud kitchens where they leverage their established network of restaurants and customers.

The Kingdom of Saudi Arabia's Cloud Kitchen space contains several United Arab Emirates based companies including Kitopi, Kitchen Park and Food to Go as well as local players including CoKitchens (a subsidiary of the company) and Kitch.

Table (3-20): Cloud Kitchen market size in GMV, Kingdom of Saudi Arabia

	2019	2020	2021(f)	2022(f)	2023(f)
Cloud Kitchen market size (SAR million)	68	169	390	743	1,285
Satellite kitchen (SAR million)	68	155	242	372	565
Kitchen as a service (KaaS) (SAR million)	-	7	97	253	462
Restaurant owned (SAR million)	-	7	51	119	257

Source: RedSeer

3-8 Market regulatory environment in the Kingdom of Saudi Arabia

For Online Food Aggregator and Quick Commerce businesses, the regulations are set by entities such as the CITC. There are two key regulatory considerations:

- Communications and Information Technology Commission (CITC) has set regulations pertaining to data storage requiring companies to gather and store customer data on local data centers for security purpose. Players are thus required to store their data locally.
- CITC has increased regulatory requirements for employing expat drivers (e.g. validity of sponsorships, work permit adherence). Therefore, players need to in turn apply stricter criteria when hiring new drivers.

For Cloud Kitchens business there are two key regulations related to employment and kitchen infrastructure set-up:

- Until recently, one of the key challenges that restaurants faced when trying to expand their businesses was limited availability of qualified kitchen staff. This led to higher preference for the Satellite Kitchen business model, which provided kitchen staff operations as part of its service offering. However, in November 2020, the Ministry of Human Resources and Social Development launched a Labor Reform Initiative easing the process of restaurants acquiring employees and lowering the attractiveness of the value proposition of Satellite Kitchens that depends on offering kitchen staff.
- Kitchen infrastructure regulations related to Cloud Kitchens are still nascent and vary among different regions in the Kingdom of Saudi Arabia. Cloud Kitchen players will have to take into consideration the different regulatory requirements when setting up their operations across different regions in the Kingdom of Saudi Arabia.

4- Background of the Group and Nature of its Business

4-1 Introduction

Jahez International for Information Systems Technology is a Saudi closed joint stock company incorporated under Ministerial Resolution No. 138 dated 05/05/1442H (corresponding to 12/20/2020G) and registered under Commercial Registration No. 1010895874 dated 01/01/1439H (corresponding to 09/21/2017G). Its registered address is P.O. Box: 2065, Riyadh, 12444, Kingdom of Saudi Arabia.

The Group operates under the brand name "Jahez" as an online food delivery platform, connecting users, merchants and delivery partners across the Kingdom. Jahez platform started its operations in 2016G under the umbrella of Alamat International Limited Company. It was later transferred to the Group pursuant to a purchase and sale of assets agreement between Alamat International Limited Company and the Company dated 14/04/1439H (corresponding to 01/01/2018G). In addition, the Company, as at the date of this Prospectus, owns four (4) subsidiaries and one (1) susbsidiary under incorporation, namely (i) Co Kitchens; (ii) PIK; (iii) Logi; (iv) Red Color; and (v) Jahez Company (Bahrain) (company under incorporation).

The Company was originally incorporated in 2017G as a limited liability company with a paid-up share capital of one million Saudi riyals (SAR 1,000,000), divided into one hundred (100) ordinary shares with a nominal value of ten thousand Saudi riyals (SAR 10,000) each and registered under Commercial Registration No. 1010895874 on 01/01/1439H (corresponding to 09/21/2017G). On 10/03/1442H (corresponding to 10/27/2020G), the Company's share capital was increased from one million Saudi riyals (SAR 1,000,000) to five million Saudi riyals (SAR 5,000,000), through capitalization of four million Saudi riyals (SAR 4,000,000) of the Shareholders' current accounts. On 05/05/1442H (corresponding to 12/20/2020G), the Company was converted from a limited liability company to a closed joint stock company with a paid-up share capital of five million Saudi riyals (SAR 5,000,000), divided into five-hundred thousand (500,000) ordinary shares with a nominal value of ten Saudi riyals (SAR 10) each. On 15/10/1442H (corresponding to 05/27/2021G), the Company's Extraordinary General Assembly agreed to increase the capital from five million Saudi riyals (SAR 5,000,000) to ninety-six million Saudi riyals (SAR 96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid-up nominal value of ten Saudi riyals (SAR 10) each. This increase of ninety-one million Saudi riyals (SAR 91,000,000) was made by capitalizing one million, five hundred thousand Saudi riyals (SAR 1,500,000) from the Company's statutory reserve, sixty-three million, five hundred thousand Saudi riyals (SAR 63,500,000) from the balance of retained earnings, and twenty-six million Saudi riyals (SAR 26,000,000) from the Shareholders' accounts payable. On 28/10/1442H (corresponding to 06/09/2021G), the Company's Extraordinary General Assembly agreed to increase the share capital from ninety-six million Saudi riyals (SAR 96,000,000) to one hundred four million, nine hundred eighteen thousand, thirty Saudi riyals (SAR 104,918,030), divided into ten million, four hundred ninety-one thousand, eight hundred three (10,491,803) ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per Share, and to offer eight hundred ninety-one thousand, eight hundred three (891,803) New Shares to be subscribed for by Qualified Investors in the Parallel Market.

The Directors declare that there is no contemplated material change to the nature of the Group's business.

4-2 Shareholding Structure Pre- and Post-Offering

Prior to the Offering, the Company has a fully paid-up capital of ninety-six million Saudi riyals (SAR 96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid-up nominal value of ten Saudi riyals (SAR 10) per Share. After the Offering, the Company's capital will be one hundred four million, nine hundred eighteen thousand, thirty Saudi riyals (SAR 104,918,030), divided into ten million, four hundred ninety-one thousand, eight hundred three (10,491,803) ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per Share. The following table shows the Company's shareholding structure pre-and post-Offering:

Table (4-1): The Company's Shareholding Structure Pre- and Post-Offering

#	Shareholder	Pre-Offering			Post-Offering		
		No. of Shares	Total Nominal Value (SAR)	Ownership Percentage	No. of Shares	Total Nominal Value (SAR)	Ownership Percentage
1.	Alamat International Limited Company	5,760,000	57,600,000	60%	5,361,521	53,615,210	51.10%
2.	Osool Impact for Communication and Technology**	3,840,000	38,400,000	40%	-	-	
3.	Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector**	-	-	-	3,574,348	35,743,480	34.07%
4.	Treasury Stocks*	-	-	-	192,000	1,920,000	1.83%
5.	Public	-	-	-	1,363,934	13,639,340	13.00%
Total		**9,600,000**	**96,000,000**	**100%**	**10,491,803**	**104,918,030**	**100%**

*In conjunction with the completion of the Offering, the Selling Shareholders will sell one hundred ninety-two thousand (192,000) Shares with a nominal value of ten Saudi riyals (SAR 10), to be used for the Company's employee share program (for more information, see Section 5-8 "**Employee Shares**" of this Prospectus).

** A company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund.

Source: The Company

The table below sets out the details of the Major Shareholders based on their indirect ownership in the Company:

Table (4-2): The Company's Major Shareholders by Indirect Ownership as of the Date of this Prospectus*

#	Shareholder	Pre-Offering			Post-Offering		
		No. of Shares	Total Nominal Value (SAR)	Ownership Percentage	No. of Shares	Total Nominal Value (SAR)	Ownership Percentage
1.	Mishaal Sultan Abdulaziz Al Saud**	3,421,440	34,214,400	35.64%	3,184,744	31,847,440	30.35%
2.	Ghassab Salman Ghassab bin Mandeel***	1,152,000	11,520,000	12%	1,072,304	10,723,040	10.22%
3.	Hamad Abdullah Fahad Al-Bakr****	1,152,000	11,520,000	12%	1,072,304	10,723,040	10.22%
4.	Abdulaziz Abdulrahman Muhammad Al-Omran*****	494,400	4,944,000	5.15%	459,541	4,595,410	4.38%
Total		**6,219,840**	**62,198,400**	**64.79%**	**5,788,893**	**57,888,930**	**55.17%**

* The number of shares has been rounded off to the nearest integer.

** Mishaal Sultan Abdulaziz Al Saud owns 100% of the shares of Makashef Contracting Establishment, which owns 99% of the shares of Tharwa Holding Company, which in turn owns 60% of Alamat International Limited Company, one of the Major Shareholders of the Company.

*** Ghassab Salman Ghassab bin Mandeel owns 20% of the shares of Alamat International Limited Company, a Major Shareholder of the Company.

**** Hamad Abdullah Fahad Al-Bakr owns 20% of the shares of Alamat International Limited Company, a Major Shareholder of the Company.

***** Abdulaziz Abdulrahman Muhammad Al-Omran holds 12.87% of the units of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector, where the fund is the actual owner of all the shares owned by Osool Impact for Communication and Technology, a Major Shareholder of the Company pre - Offering, and he will be the direct owner of those shares after the Offering.

Source: The Company

4-3 Corporate History and Evolution of the Company's Share Capital

4-3-1 Incorporation (2017G)

The Company was incorporated as a limited liability company on 06/01/1439H (corresponding to 09/26/2017G) with a paid-up share capital of one million Saudi riyals (SAR 1,000,000), divided into one hundred (100) ordinary shares with a nominal value of ten thousand Saudi riyals (SAR 10,000) each. The table below sets out the shareholding structure at incorporation:

Table (4-3): The Company's Shareholding Structure at Incorporation

#	Shareholder	No. of Shares	Nominal Value per Share (SAR)	Total Nominal Value of Shares (SAR)	Ownership Percentage
1.	Alamat International Limited Company	99	10,000	990,000	99%
2.	Mishaal Salman Ghassab bin Mandeel	1	10,000	10,000	1%
Total		**100**	**10,000**	**1,000,000**	**100%**

Source: The Company

4-3-2 Transfer of Jahez Operations (2018G)

Jahez platform launched its operations in 2016G under the umbrella of Alamat International Limited Company and was later transferred to the Company pursuant to a purchase and sale of assets agreement between Alamat International Limited Company and the Company dated 14/04/1439H (corresponding to 01/01/2018G). This included, among other things, the transfer of all tangible and intangible assets and properties, contracts, intellectual property, employees, government consents and insurance benefits to the Company.

4-3-3 Change of Ownership (2020G)

On 19/01/1442H (corresponding to 09/07/2020G), Mishaal bin Salman bin Ghassab bin Mandeel agreed to sell all of his shares in the Company amounting to one (1) share, with a total nominal value of ten thousand Saudi riyals (SAR 10,000), representing 1% of the Company's share capital to Osool Impact for Communication and Technology (a company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund). In addition, Alamat International Company agreed to sell part of its Shares amounting to thirty-six and a half (36.5) Shares, with a total nominal value of three-hundred sixty-five thousand Saudi riyals (SAR 365,000) representing 36.5% of the Company's share capital to the Company. In addition, the Shareholders agreed to decrease the nominal value of the shares from ten thousand Saudi riyals (SAR 10,000) to ten Saudi riyals (SAR 10) per share and to increase the number of shares from one hundred (100) shares to one hundred thousand (100,000) shares. The table below sets out the shareholding structure following this change in ownership and capital structure:

Table (4-4): The Company's Shareholding Structure on 19/01/1442H (corresponding to 09/07/2020G)

#	Shareholder	No. of Shares	Nominal Value per Share (SAR)	Total Nominal Value of Shares (SAR)	Ownership Percentage
1.	Alamat International Limited Company	62,500	10	625,000	62.5%
2.	Osool Impact for Communication and Technology*	37,500	10	375,000	37.5%
Total		**100,000**	**10**	**1,000,000**	**100%**

* A company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund.

Source: The Company

4-3-4 Conversion, Capital Increase and Change in Ownership (2020G)

On 05/05/1442H (corresponding to 12/20/2020G), the Company was converted from a limited liability company to a closed joint stock company under the name "Jahez International Company for Information Systems Technology." As part of the conversion process, the Company's share capital was increased from one million Saudi riyals (SAR 1,000,000) to five million Saudi riyals (SAR 5,000,000). The increase of four million (4,000,000) Saudi riyals was made through the capitalization of part of the Shareholders' current accounts. In addition, as part of the conversion process, Alamat International Limited Company agreed to transfer two thousand, five hundred (2,500) of its Shares representing 2.5% of the Company's share capital to Osool Impact for Communication and Technology (a company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund). The table below sets out the shareholding structure following the conversion, capital increase and change in shareholding:

Table (4-5): The Company's Shareholding Structure on 05/05/1442H (corresponding to 12/20/2020G)

#	Shareholder	No. of Shares	Nominal Value per Share (SAR)	Total Nominal Value of Shares (SAR)	Ownership Percentage
1.	Alamat International Limited Company	300,000	10	3,000,000	60%
2.	Osool Impact for Communication and Technology*	200,000	10	2,000,000	40%
Total		**500,000**	**10**	**5,000,000**	**100%**

* A company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund.

Source: The Company

4-3-5 Increase of Share Capital (2021G)

On 15/10/1442H (corresponding to 05/27/2021G), the Company's Extraordinary General Assembly agreed to increase the capital from five million Saudi riyals (SAR 5,000,000) to ninety-six million Saudi riyals (SAR 96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid-up nominal value of ten Saudi riyals (SAR 10) each. This increase of ninety-one million Saudi riyals (SAR 91,000,000) was made by capitalizing one million, five hundred thousand Saudi riyals (SAR 1,500,000) from the Company's statutory reserve, sixty-three million, five hundred thousand Saudi riyals (SAR 63,500,000) from the balance of retained earnings, and twenty-six million Saudi riyals (SAR 26,000,000) from the accounts payable to the Shareholders. The table below sets out the Company's shareholding structure following the capital increase:

Table (4-6): The Company's Shareholding Structure on 15/10/1442H (corresponding to 05/27/2021G)

#	Shareholder	No. of Shares	Nominal Value per Share (SAR)	Total Nominal Value of Shares (SAR)	Ownership Percentage
1.	Alamat International Limited Company	5,760,000	10	57,600,000	60%
2.	Osool Impact for Communication and Technology*	3,840,000	10	38,400,000	40%
Total		**9,600,000**	**-**	**96,000,000**	**100%**

* A company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund.

Source: The Company

4-3-6 Increase of Share Capital for the Offering (2021G)

On 28/10/1442H (corresponding to 06/09/2021G), the Company's Extraordinary General Assembly agreed to increase the share capital from ninety-six million Saudi riyals (SAR 96,000,000) to one hundred four million, nine hundred eighteen thousand, thirty Saudi riyals (SAR 104,918,030), divided into ten million, four hundred ninety-one thousand, eight hundred three (10,491,803) ordinary shares with a nominal value of ten Saudi riyals (SAR 10) per Share, and to offer eight hundred ninety-one thousand, eight hundred three (891,803) new Shares to be subscribed for by Qualified Investors in the Parallel Market. The table below shows the Company's Shareholding Structure Pre-and Post-Offering:

Table (4-7): Ownership Structure of the Company Pre-and Post-Offering

#	Shareholder	Pre-Offering			Post-Offering		
		No. of Shares	Total Nominal Value (SAR)	Ownership Percentage	No. of Shares	Total Nominal Value (SAR)	Ownership Percentage
1.	Alamat International Limited Company	5,760,000	57,600,000	60%	5,361,521	53,615,210	51.10%
2.	Osool Impact for Communication and Technology**	3,840,000	38,400,000	40%	-	-	-
3.	Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector**	-	-	-	3,574,348	35,743,480	34.07%
4.	Treasury Stocks*	-	-	-	192,000	1,920,000	1.83%
5.	Public	-	-	-	1,363,934	13,639,340	13%
Total		**9,600,000**	**96,000,000**	**100%**	**10,491,803**	**104,918,030**	**100%**

* In conjunction with the completion of the Offering, the Selling Shareholders will sell one hundred ninety-two thousand (192,000) Shares with a nominal value of ten Saudi riyals (SAR 10) to be used for the Company's employee share program (for more information, see Section 5-8 "**Employee Shares**" of this Prospectus).

** A company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund.

Source: The Company

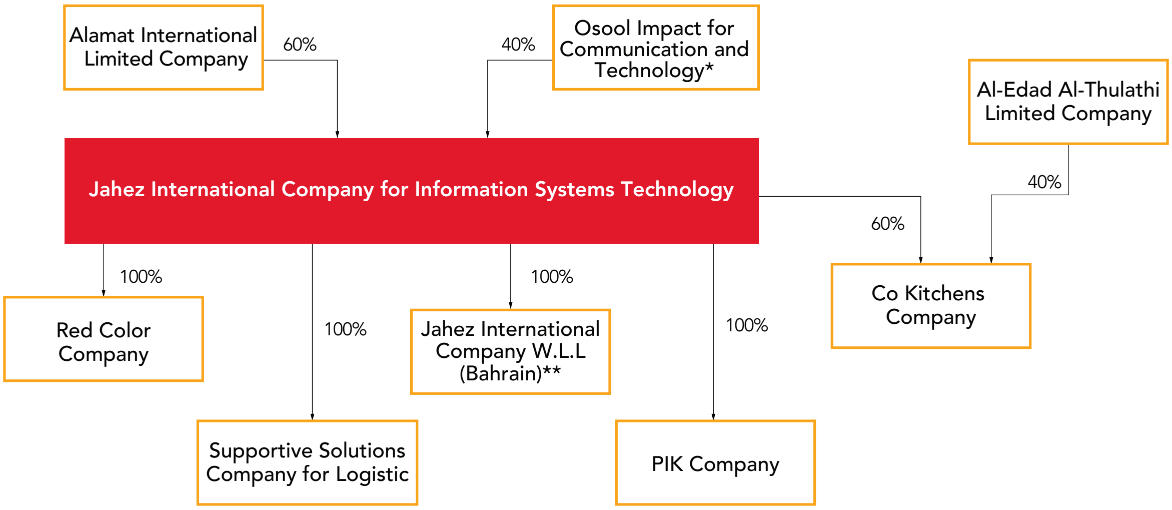
4-4 Overview of the Group

4-4-1 Organizational Structure

The Group conducts its activities through its headquarters in Riyadh, and its branches across the Kingdom which are used as sales and logistics offices (for more information, see Section 4-6-1(b) "Geographic Footprint" of this Prospectus). In addition, the Company, as at the date of this Prospectus, owns four (4) subsidiaries and one (1) subsidiary under incorporation, namely (i) Co Kitchens; (ii) PIK; (iii) Logi; (iv) Red Color; and (v) Jahez Company (Bahrain) (company under incorporation).

The chart below sets out the Group's Organizational Structure as of the date of this Prospectus:

Figure (4-1): The Group's Organizational Structure as at the date of this Prospectus



* As custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector

** Company under incorporation.

Source: The Company

4-4-2 Overview of Alamat International Limited Company (a Major Shareholder of the Company)

Alamat International Limited Company is a limited liability company incorporated on 20/03/1435H (corresponding to 01/21/2014G) in Riyadh under Commercial Registration No. 1010402101. The table below shows the shareholding structure of Alamat International Limited Company as at the date of this Prospectus:

Table (4-8): Shareholding Structure of Alamat International Limited Company as at the date of this Prospectus

#	Shareholder	No. of Shares	Nominal Value per Share (SAR)	Total Nominal Value of Shares (SAR)	Ownership Percentage
1.	Tharwa Holding Company	600	1,000	600,000	60%
2.	Hamad Abdullah Fahad Al-Bakr	200	1,000	200,000	20%
3.	Ghassab Salman Ghassab bin Mandeel	200	1,000	200,000	20%
Total		**1,000**	**1,000**	**1,000,000**	**100%**

Source: The Company

4-4-3 Overview of Osool Impact for Communication and Technology (a Major Shareholder of the Company)

Osool Impact for Communication and Technology is a single person limited liability company incorporated on 08/06/1441H (corresponding to 02/02/2020G) in Riyadh under Commercial Registration No. 1010625011 and is fully owned by Osool & Bakheet Investment Company, a closed joint stock company incorporated on 02/05/1427H (corresponding to 05/29/2006G) in Riyadh under Commercial Registration No. 1010219805 and licensed by the CMA under license number (08126-07) to provide – among other matters – custody services. Osool Impact for Communication and Technology was established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the Impact Finance Private Equity Fund –

Information Technology and E-Commerce Sector (which include the Shares representing 40% of the Company's share capital), in accordance with the Investment Funds Regulations issued by the CMA board pursuant to its resolution number 1-219-2006 dated 03/12/1427H (corresponding to 12/24/2006G), as amended, which requires the custodian to segregate each investment fund's assets from its own assets and from the assets of its other clients, and to register its ownership in unlisted companies that are not deposited in the depository center in the name of a company fully owned by the custodian.

In addition, the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector is Impact Capital Company (Impact46), a closed joint stock company incorporated on 25/05/1440H (corresponding to 01/30/2019G) in Riyadh under Commercial Registration No. 1010519508, and licensed by the CMA under license number (18196-32) to manage private non-real-estate investment funds and to manage sophisticated investor portfolios.

4-4-4 Company Branches

The Company has twenty-one (21) branches in the Kingdom, representing the Company's sales and logistics offices. The table below sets out the details of the Company's registered branches as at the date of this Prospectus:

Table (4-9): Company Branches

#	Location	Commercial Registration No.	Commercial Registration Date	Commercial Registration Expiry Date	Description
1.	Abha	5850122780	13/06/1440H (corresponding to 02/18/2019G)	13/06/1445H (corresponding to 12/26/2023G)	Sales and logistics offices
2.	Hail	3350142538	06/06/1440H (corresponding to 02/11/2019G)	06/06/1445H (corresponding to 12/19/2023G)	Sales and logistics offices
3.	Jeddah	4030323208	06/06/1440H (corresponding to 02/11/2019G)	06/06/1444H (corresponding to 12/30/2022G)	Sales and logistics offices
4.	Madinah	4650207633	19/06/1440H (corresponding to 02/24/2019G)	19/06/1445H (corresponding to 01/01/2024G)	Sales and logistics offices
5.	Buraidah	1131297057	19/06/1440H (corresponding to 02/24/2019G)	19/06/1444H (corresponding to 01/12/2023G)	Sales and logistics offices
6.	Dammam	2050122490	14/06/1440H (corresponding to 02/19/2019G)	14/06/1445H (corresponding to 12/27/2023G)	Sales and logistics offices
7.	Hofuf	2251497695	10/03/1442H (corresponding to 12/17/2020G)	10/03/1444H (corresponding to 10/06/2022G)	Sales and logistics offices
8.	Taif	4032245135	10/03/1442H (corresponding to 10/27/2020G)	10/03/1444H (corresponding to 10/06/2022G)	Sales and logistics offices
9.	Yanbu	4700112396	11/03/1442H (corresponding to 10/28/2020G)	10/03/1444H (corresponding to 10/07/2022G)	Sales and logistics offices
10.	Bahah	5800106200	09/05/1442H (corresponding to 12/24/2020G)	09/05/1444H (corresponding to 12/03/2022G)	Sales and logistics offices
11.	Tabuk	3550135159	29/03/1442H (corresponding to 11/15/2020G)	29/03/1444H (corresponding to 10/25/2022G)	Sales and logistics offices

#	Location	Commercial Registration No.	Commercial Registration Date	Commercial Registration Expiry Date	Description
12.	Sakaka	3400120435	09/04/1442H (corresponding to 11/24/2020G)	09/04/1444H (corresponding to 11/03/2022G)	Sales and logistics offices
13.	Makkah	4031249230	30/08/1442H (corresponding to 04/12/2021G)	29/08/1443H (corresponding to 04/01/2022G)	Sales and logistics offices
14.	Hafar Al-Batin	2511120829	30/08/1442H (corresponding to 04/12/2021G)	29/08/1443H (corresponding to 04/01/2022G)	Sales and logistics offices
15.	Bisha	5851876969	30/08/1442H (corresponding to 04/12/2021G)	29/08/1443H (corresponding to 04/01/2022G)	Sales and logistics offices
16.	Jazan	5900127812	30/08/1442H (corresponding to 04/12/2021G)	29/08/1443H (corresponding to 04/01/2022G)	Sales and logistics offices
17.	Najran	5950123043	21/09/1442H (05/03/2021G)	21/09/1443H (corresponding to 04/22/2022G)	Sales and logistics offices
18	Majmaah	1122103468	21/09/1442H (05/03/2021G)	21/09/1443H (corresponding to 04/22/2022G)	Sales and logistics offices
19.	Dawadmi	1116625257	21/09/1442H (05/03/2021G)	21/09/1443H (corresponding to 04/22/2022G)	Sales and logistics offices
20.	Wadi Al-Dawasir	1185103225	21/09/1442H (05/03/2021G)	21/09/1443H (corresponding to 04/22/2022G)	Sales and logistics offices
21.	Al-Kharj	1011146000	21/09/1442H (05/03/2021G)	21/09/1443H (corresponding to 04/22/2022G)	Sales and logistics offices

Source: The Company

4-4-5 Business Outside the Kingdom

As at the date of this Prospectus, the Group does not conduct any activities outside of the Kingdom, noting that the Company is in the process of incorporating Jahez Company (Bahrain) in Bahrain, as part of the Group's plans to expand its operational capabilities in a number of countries in the region within the countries of the GCC. None of the Company's assets or properties are located outside of the Kingdom, with the exception of the Group's investment in Halalah Company Limited (for more information in respect of the Group's investments, please see Section 4-6-5 "**Red Color**" of this Prospectus).

4-4-6 Material Licenses

The Company has obtained all the necessary material licenses from the competent authorities that enable it to conduct its business. Below is a summary of the Company's material licenses in the Kingdom:

Table (4-10): Material Licenses as at the Date of this Prospectus

#	License Type	Issuing Authority	Purpose	License No.	Issue Date	Expiry Date
1.	Electronic Registration	CITC	Providing delivery services via electronic platforms	CITC Del app 07	01/01/1439H (corresponding to 09/21/2017G)	01/01/1446H (corresponding to 07/07/2024G)
2.	Business License	Riyadh Municipality	Public service activities	40102414656	28/06/1440H (corresponding to 03/05/2019G)	28/06/1443H (corresponding to 01/31/2022G)

Source: The Company

4-4-7 Material Agreements

The Company has entered into several material agreements and contracts with a number of parties. This section provides a summary of the agreements and contracts that the Directors believe are material in relation to the Group's business or that may affect the investors' decision to subscribe to the Offer Shares. The summary of agreements and contracts referred to below does not cover all terms and conditions and cannot be considered a substitute for the terms and conditions of these agreements.

a) Subscription Contract for Jahez Application Services

The Company enters into subscription contracts for Jahez application services according to a standardized form of terms and conditions with most merchants. The total value of revenue from contracts concluded with all merchants for subscribing to Jahez application services is about SAR 161.3 million as at FY20G and SAR 92 million as at Q1 2021G. This amount represents total commission revenue and fees generated from electronic payments made by customers. As of Q1 2021G, the Company has entered into around three thousand nine hundred (3,900) subscription contracts for Jahez application services.

Under the standardized form of the subscription contract for Jahez application services, the Company, as the owner of Jahez system and application, facilitates subscribing merchants in offering their products to customers through Jahez application, which in turn can provide, track and receive the order through an integrated business system. Based on the standardized form of the subscription contract for Jahez application, the Company delivers to its customers the orders placed for the merchant through Jahez platform to customers as soon as possible and makes efforts online to verify the credibility of issued orders and reduce and track missing and fake orders. The Company also provides training to merchants on how to use Jahez application and provides the necessary technical support for the continued operation of Jahez application to complete the process of receiving customer orders. In addition, the Company enables the merchant to access reports and review the merchant's daily, weekly and monthly order reports and revenue through Jahez application.

The merchant receives and processes orders coming through Jahez application, and delivers the order to the authorized delivery partners after verifying the validity of the data shown in Jahez application. If the customer does not accept the order when it is delivered due to an error in order preparation, delay in preparation, or poor quality of the order, the merchant, at its own expense, compensates the customer and bears the entire value of the order.

The Company earns a commission of a certain percentage of the value of the orders completed for the merchant through Jahez application. The Company deducts such commission from the value of the orders made through the application. The Company's commission rate, which may vary from one merchant to another, is agreed upon between the Company and the merchant. As at the date of this Prospectus, the Company had increased the commission rate to 12% for 98% of the merchants as of August 2021G.

The term of the contract is one (1) Gregorian year, starting from the date the contract is concluded. The term is automatically renewed for a similar period unless either party notifies the other in writing of its intent not to renew it. The contract may be terminated before the end of its term at the request of either party, provided that the party wishing to terminate it provides notice of termination 15 days prior to the date it wishes to terminate it, and both parties shall settle the sums due up to the date of termination.

In the event of a dispute between the two parties in relation to the performance or interpretation of this contract, the two parties shall attempt to amicably resolve it within 15 days from the date of the dispute. If such dispute is not resolved amicably during this period, the competent courts in Riyadh have the exclusive jurisdiction to consider the dispute.

b) Subscription Contract for Delivery through Jahez App

The Company enters into subscription contracts for orders delivery through Jahez App according to a standardized form of terms and conditions with most logistics companies in relation to subscribing for delivery services via Jahez app, and the value of such agreements reached SAR 38.9 million, SAR 171.5 million, SAR 9.6 million, and SAR 114.3 million for the financial years ended 31 December 2019G and 2020G, and for the periods ended 31 March 2020G and 2021G, respectively, and revenues from all such contracts account for 37.5%, 59.0%, 42.2% and 72.8% of the total revenues of delivery fees as at the financial years ended December 31, 2019G and 2020G and the financial periods ended March 31, 2020G and 2021G, respectively. As of Q1 2021G, the Company has entered into more than two hundred (200) subscription contracts for delivery through Jahez App. Under the standardized form of the subscription contract delivery through Jahez App, the Company appoints a logistics service company to provide delivery partners to deliver orders from restaurants and merchants to customers who use Jahez application.

Under the subscription contract for delivery through Jahez App, the logistics company are entitled to a full delivery fees for each order successfully delivered through Jahez application to the end customer.

The term of the contract is one (1) Gregorian year, starting from the date the contract is concluded. The term is automatically renewed for a similar period unless either party notifies the other in writing of its intent not to renew it. The contract may be terminated before the end of its term at the request of either party, provided that the party wishing to terminate it provides notice of termination 30 days prior to the date it wishes to terminate it, and both parties shall settle the sums due up to the date of termination.

The contract is governed by the applicable laws of the Kingdom. In the event of a dispute between the two parties in relation to the performance or interpretation of this contract. The two parties shall attempt to resolve it amicably within a period of up to 30 days from the date of the dispute. If such dispute is not resolved amicably during this period, the competent courts in Riyadh have the exclusive jurisdiction to consider the dispute.

c) Freelance Delivery Partner Subscription Agreement

The Company enters into freelance delivery partner subscription agreements in accordance with a standardized form of terms and conditions. Revenues from such agreements account for 62.5%, 41.0%, 57.8% and 27.2% of the total revenues of delivery fees as at the financial years ended December 31, 2019G and 2020G and the financial periods ended March 31, 2020G and 2021G, respectively. Under the standardized form of a freelance delivery partner subscription agreements, the subscribing freelancer works with Jahez application to deliver orders from merchants to customers for the delivery fees agreed upon by the two parties.

In accordance with the freelance delivery partner subscription agreement, the delivery partner pays subscription fees and for supplies provided by Jahez. The delivery partner commits to, among other obligations, observing courtesy and proper dealings with customers, keeping food safe and clean in the container given to them until it is delivered to the customer, and communicating with technical support when they face an issue. The delivery partner shall be held liable for any damage to the food or the customer due to mishandling of the food.

d) License Agreement for the Company to Use the Commercial Rights as a Main Sponsor of All Al Hilal Saudi Club Football Teams

On 14/11/1440H (corresponding to 07/18/2019G), the Company entered into a license agreement to use the commercial rights as the main sponsor of all Al Hilal Saudi Club football teams, whereby the Company will use a package of commercial rights as a main sponsor in the "food delivery" category for Al Hilal Saudi Club football teams.

The value of the agreement is one hundred three million, four hundred eighty-one thousand, four hundred forty-five (103,481,445) Saudi riyals, which covers the total term of the agreement.

The term of the agreement is five (5) sports seasons, until the end of the 2023–2024 sports season unless either party uses its right to early termination. The two parties agreed that the first three sports seasons of this agreement will be binding upon both parties, namely the 2019G-2020G, 2020G–2021G and 2021G–2022G seasons. Either party to this agreement shall have the right to terminate it or request that articles thereof be amended in the fourth season (2022G–2023G) or the fifth season (2023G–2024G) of this agreement, provided that the other party is notified in writing twelve (12) months prior to the desired date of termination or the target date of the entry into force of the amendment which is to occur before 08/01/2021G or 08/01/2022G, as applicable. This agreement shall terminate at the end of its term unless the parties decide in writing to extend it based upon a written agreement signed by both parties.

The agreement shall be governed by the applicable laws of the Kingdom. In the event of a dispute between the parties in relation to this agreement, the parties shall seek to settle it amicably. If no settlement can be reached, the dispute shall be resolved by way of arbitration, wherein each party shall appoint one arbitrator, and the two arbitrators shall appoint the third arbitrator. The arbitration shall be held in accordance with the Saudi Arbitration Law.

e) Car Lease Master Agreement with Theeb Rent a Car Company

On 21/11/1442H (corresponding to 07/01/2021G), the Company entered into a master car lease agreement with Theeb Rent a Car Company ("Theeb"). This agreement sets out the terms and conditions that govern the rights and obligations of both parties in relation to the cars leased by the Company. The Lessor shall provide several services with respect to each car leased by the Company. Such services shall include: (i) delivery and collection; (ii) insurance; (iii) preventative maintenance; (iv) mechanical repairs and maintenance; (v) car tires; (vi) breakdown and replacement, and (vii) accident repair.

On 21/11/1442H (corresponding to 07/01/2021G), the Company issued a purchase order to rent cars for forty-eight (48) months for a total value of SAR 48.7 million. The agreement shall end upon the expiry of all lease agreements and the return of all cars leased under the agreement, contained herein, to Theeb.

In the event of a dispute between the parties regarding this agreement that cannot be resolved amicably, the dispute shall be referred to the competent court in the Kingdom.

f) Contract for the Provision of Labor Services with Saudi Manpower Solutions Company (SMASCO)

On 17/11/1442H (corresponding to 06/27/2021G), the Company entered into a contract for the supply of labor services with the Saudi Manpower Solutions Company (SMASCO), whereby SMASCO provides laborers to the Company in accordance with the applicable laws and regulations of the Kingdom.

The contract has no specific value as the value is determined based on manpower supply orders issued by the Company. The Company has issued manpower supply order on 24/11/1442H (corresponding to 07/04/2021G), for a period of twenty-four (24) months and the Company has issued a bank guarantee amounting to 10% of the value of the order issued for the supply of manpower payable to SMASCO upon the termination of the service for amounts owed by the Company to SMASCO or the workers. This contract applies to manpower supply orders that have been approved. If the parties wish to extend the service related to manpower orders for a similar period or other periods, the Company must inform SMASCO of its desire to renew the vacant positions in the manpower supply order within a period of at least 20% of the contract term prior to the end of the term, with a minimum of at least two months.

In the event of a dispute between the parties regarding this contract that cannot be resolved amicably, the dispute shall be referred to the competent court in Riyadh.

g) Subscription Contract to the Tawseel Platform

The Company enters into a subscription contract for a delivery platform called Tawseel Platform ("Tawseel Platform") with Elm Company. Elm Company provides subscription services to the Company, which consists in verifying the data used in the activity of delivering orders and applying the necessary requirements for the practice of the activity, including the data that is requested from the Communications and Information Technology Commission (CITC) such as data related to the driver, vehicle, order, trip, sender, and recipient's information. Such provided services include the possibility of technical connecting Tawseel Platform with the rest of the applications.

The cost of the service provided by Elm Company is calculated for each delivery request made through the application, excluding canceled orders from which the application did not receive money. Elm Company issues monthly invoices subject to value added tax to be paid by the Company within thirty (30) days from the date of issue.

The validity period of the contract is one (1) Gregorian year, and is valid and effective from the activation of the subscription, and it is automatically renewed for a similar period unless one of the parties notifies the other of its refusal to renew in writing one month before the end of the original or renewed period. The contract may be terminated by Elm Company after notifying the Company of such termination thirty (30) days prior to the termination. Elm Company also has the right to terminate the contract immediately after obtaining the prior written approval of the Communications and Information Technology Commission (CITC) in the event that (1) the Company misuses the service or the information contained therein or uses it for a purpose other than its intended purpose, (2) the Company breaches the subscription terms, (3) The Company's fails to pay the issued invoices within the specified period, (4) Inaccuracy of the provided or updated Company's information or the documents and licenses submitted by it, (5) the request of the relevant authorities to stop or suspend the service, or (6) when the Company fails to comply with the instructions received by the competent authorities. In addition, the Company may terminate the subscription at any time upon written notice.

The Subscription Contract to the Tawseel Platform is subject to the applicable regulations in the Kingdom. In the event of a dispute between the two parties regarding the implementation or interpretation of this subscription, it shall be settled according to the laws of the Kingdom at the competent courts in the city of Riyadh if it cannot be resolved amicably.

4-4-8 Real Estate

a) Real Estate Owned by the Group

The Directors confirm that the Group does not own any properties as at the date of this Prospectus.

b) Real Estate Leased by the Group

The Group has twenty-nine (29) lease agreements with several lessors for the Group's offices. The Directors declare that all lease agreements are effective. The following table sets out the details of the real estate leased by the Group:

Table (4-11): Real Estate Leased by the Group

#	Lessee	Lessor	Location	Effective Date of Lease	Annual Rent (SAR)	Lease Term
1.	The Company	Tharwa Holding Company (up until 27/05/1443H (corresponding to 12/31/2021G)	Office property of 700m², 1st Floor, Tharwa Holding Building, Al-Waha District, Riyadh	17/05/1442H (corresponding to 01/01/2021G)	616,000 annually plus value added tax	Until 27/05/1443H (corresponding to 12/31/2021G)
		Prince Mishaal Sultan Abdulaziz Al Saud* (as of 28/05/1443H (corresponding to 01/01/2022G)		28/05/1443H (corresponding to 01/01/2022G)	616,000 annually plus value added tax	Two (2) years, automatically renewable
2.	The Company	Tharwa Holding Company (up until 27/05/1443H (corresponding to 12/31/2021G)	Office property of 700m², 2nd Floor, Tharwa Holding Building, Al-Waha District, Riyadh	17/05/1442H (corresponding to 01/01/2021G)	616,000 annually plus value added tax	Until 27/05/1443H (corresponding to 12/31/2021G)
		Prince Mishaal Sultan Abdulaziz Al Saud* (as of 28/05/1443H (corresponding to 01/01/2022G)		28/05/1443H (corresponding to 01/01/2022G)	616,000 annually plus value added tax	Two (2) years, automatically renewable
3.	The Company	Tharwa Holding Company (up until 27/05/1443H (corresponding to 12/31/2021G)	Office property of 600m², 2nd Floor, Tharwa Holding Building, Al-Waha District, Riyadh	17/05/1442H (corresponding to 01/01/2021G)	528,000 annually plus value added tax	Five (5) years, automatically renewable
		Prince Mishaal Sultan Abdulaziz Al Saud* (as of 28/05/1443H (corresponding to 01/01/2022G)		28/05/1443H (corresponding to 01/01/2022G)	528,000 annually plus value added tax	Two (2) years, automatically renewable

jahez

#	Lessee	Lessor	Location	Effective Date of Lease	Annual Rent (SAR)	Lease Term
4.	The Company	Abdullah bin Turki bin Ismail Mullah	Office property of 60m², Unit No. 1, Al Souq, Al Bahah	17/05/1442H (corresponding to 01/01/2021G)	15,000 annually inclusive of value added tax	One (1) year
5.	The Company	Sarah Abdullah Abdulaziz Al-Zaaqqi	Office property of 100m², Unit No. 1, Al-Salam District, Al-Kharj	10/04/1442H (corresponding to 11/25/2020G)	17,000 annually inclusive of value added tax	One (1) year
6.	The Company	Talal Abdulqader Asaad Daqal	Office property of 75m², Unit No. 1, Al-Raya District, Al Madinah	29/05/1442H (corresponding to 01/13/2021G)	30,015 annually inclusive of value added tax	One (1) year
7.	The Company	Itqan Property Management Company	Office property of 90m², Unit No. 7, Al Matar District, Jazan	26/04/1443H. (corresponding to 12/01/2021G)	40,000 annually inclusive of value added tax	Five (5) years
8.	The Company	Maryam bint Ibrahim Salman Abu Mazeed	Office property of 85m², Unit No. 6, Prince Sultan, Jazan	19/02/1443H (corresponding to 06/29/2021G)	31,000 annually inclusive of value added tax	One (1) year
9.	The Company	Falah Sultan Al-Mutairi	Office property, Dana Complex, Hafar Al-Batin	03/03/1442H (corresponding to 10/20/2020G)	10,800 annually inclusive of value added tax	One (1) year
10.	The Company	Khaled Abdulhadi Abdulmohsen	Office property of 150m², Unit No. 2275759, Al Rahmaniyah District, Sakaka	15/03/1442H (corresponding to 11/01/2020G)	16,000 annually inclusive of value added tax	One (1) year
11.	The Company	Matar Ahmed Misfer Al-Zahrani	Office property of 100m², Unit No. 1, Makkah	12/03/1443H (corresponding to 10/18/2020G)	34,500 annually inclusive of value added tax	One (1) year
12.	The Company	Charity Committee for Orphans Care	Office property of 24m², 2nd Floor, Unit No. 9, South Lidam District, Wadi Al Dawasir	17/05/1442H (corresponding to 01/01/2021G)	20,000 annually inclusive of value added tax	One (1) year
13.	The Company	Fahad bin Omar Muhammad Al-Ghamdi	Office property of 60m², Unit No. 001, Yanbu	24/02/1443H (corresponding to 10/01/2021G)	85.700 annually inclusive of value added tax	One (1) year
14.	The Company	Muhammad bin Ibrahim bin Ahmed Al-Jaafari	Office property of 75m², Unit No. 2, Umm Khreisan District, Hofuf	23/07/1442H (corresponding to 03/07/2021G)	27,000 annually inclusive of value added tax	One (1) year
15.	The Company	Nezal Sultan Awad Al-Otaibi	Office property of 45m2, Unit No. 2, Prince Saudi bin Abdulaziz Road, Dawadmi	26/03/1443H (corresponding to 11/01/2021G)	20,700 annually inclusive of value added tax	One (1) year

#	Lessee	Lessor	Location	Effective Date of Lease	Annual Rent (SAR)	Lease Term
16.	The Company	Gibran Marei Gibran Al-Qahtani	Office property of 136m², 1st Floor, Unit No. 101, Abu Huraira, Abha	12/01/1443H (corresponding to 08/20/2021G)	32,200 annually inclusive of value added tax	One (1) year
17.	The Company	Abdulaziz Munir Abdullah Al-Baqmi	Office property of 80m², 3rd Floor, Unit No. 28, Airport Road, Taif	22/12/1442H (corresponding to 08/01/2021G)	19,000 annually inclusive of value added tax	One (1) year
18.	The Company	Maher Muhammad Hammad Al-Balawi	Office property of 60m², 3rd Floor, Unit No. 303, Prince Mamdouh, Tabuk	24/01/1443H (corresponding to 09/01/2021G)	30,000 annually inclusive of value added tax	One (1) year
19.	The Company	Haza' Ayesh Eid Aba-Alros	Office property of 100m², 3rd Floor, Unit No. 6, King Abdulaziz Road, Buraidah	03/02/1443H (corresponding to 09/10/2021G)	36,000 annually inclusive of value added tax	One (1) year
20.	The Company	Hamed Tarek Hamed AlSadoun	Office property of 156m² , unit number (203), Khalid bin Waleed Road, Dammam	24/02/1443H (corresponding to 10/01/2021G)	73,554 annually, inclusive of value added tax	One (1) year
21.	The Company	Ali Suleiman AlAli AlGhaslan	Office property of 150m² , unit number (2369483), Al-Naqrah District, Hail	01/12/1441H (corresponding to 07/22/2020G)	18,000 annually, inclusive of value added tax	One (1) year, renewable for three (3) months
22.	The Company	Ayman Mohammed Suleiman AlYousef	Office property of 40m² , unit number (1499535), King Abdulaziz Road, Al-Majma'ah	13/03/1443H (corresponding to 10/19/2021G)	12,500 annually, inclusive of value added tax	One (1) year
23.	The Company	Ibrahim Obaid Nasser AlMa'awi	Office property of 95m² , unit number (305), Al-Rabwah, Jeddah	31/03/1442H (corresponding to 11/07/2020G)	15,000 annually, inclusive of value added tax	One (1) year, automatically renewable
24.	The Company	Ahmed Saeed Al Ghamdi	Office property of 90m² , unit number (7), AlRiyadh Road, Bisha, Aseer	01/04/1443H (corresponding to 11/06/2021G)	20,200 annually, inclusive of value added tax	One (1) year, automatically renewable
25.	The Company	Jabal Adasas Company	Office property of 237m² , unit number (707), Jeddah	26/04/1443H. (corresponding to 12/01/2021G)	179,883 annually, inclusive of value added tax	One (1) year
26.	Co Kitchens	Abdullah Manae Ibraheem Al Tuwaim	Office property of 128m2 , unit number (3), Prince Nasser bn Saud bn Farhan Al Saud Street, Riyadh	15/09/1441H. (corresponding to 05/08/2020G)	259,875 annually, inclusive of value added tax	Three (3) years
27.	Co Kitchens	Abdulrahman Abdullatif Muhammad Al Alshaikh	Office property of 294m2 , unit number (1), Prince Mamdouh Street, Riyadh	28/05/1443H. (corresponding to 01/01/2022G)	300,000 annually, inclusive of value added tax	Three (3) years

Source: The Company

*These contracts all subject to the approval of the General Assembly of the Company given the Director Mishaal Sultan Abdulaziz Al Saud has a direct interest in these contracts

4-4-9 Insurance

The Company has an insurance policy that covers certain risks related to its business. The table below sets out the main details of the Company's insurance policy:

Table (4-12): The Company's Insurance Policies

#	Type of Coverage	Insurer	Insured	Policy No.	Coverage Expiry Date	Insured Value/Coverage Limit
1.	Compulsory Co-operative Health Insurance	Malath Cooperative Insurance Co.	Group	9002984	15/05/1443H (corresponding to 12/19/2021G)	SAR 500,000 per employee annually

Source: The Company

4-4-10 Litigation and Claims

The table below sets out a summary of the litigation and claims filed by or against the Company as at the date of this Prospectus.

Table (4-13): Summary of Litigation and Claims Filed by or Against the Company as at the Date of this Prospectus.

#	Plaintiff	Defendant	Dispute Summary	Date of Dispute	Status	Expected Financial Impact Estimated by the Company
Claims Filed by the Company*						
1.	The Company	Defendant 1	A claim for amounts payable of SAR 127,641.93, filed by the Plaintiff before the Enforcement Court in Riyadh.	06/07/1442H (corresponding to 02/18/2021G)	Pending	SAR 127,641.93
2.	The Company	Defendant 2	A claim for amounts payable of SAR 68,466.78, filed by the Plaintiff before the Enforcement Court in Riyadh.	10/07/1442H (corresponding to 02/22/2021G)	Pending	SAR 68,466.78
3.	The Company	Defendant 3	A claim for amounts payable of SAR 61,482.6, filed by the Plaintiff before the Enforcement Court in Riyadh.	10/07/1442H (corresponding to 02/22/2021G)	Pending	SAR 61,482.6
Expected total financial impact of claims filed by the Company						**SAR 257,591.31**
Claims Filed Against the Company*						
1.	Plaintiff 1	The Company	A compensation claim for SAR 50,000 and a pledge to not repeat the violation and to remove the image and issue a public apology for the violation of intellectual property rights (image), filed before Riyadh Commercial Court.	18/07/1442H (corresponding to 03/02/2021G)	A judgment has been rendered against the Company to pay an amount of SAR 25,000 to the Plaintiff	SAR 25,000
2.	Plaintiff 2	The Company	A claim for amounts payable of SAR 94,000, filed by the Plaintiff before Riyadh Labor Court.	09/09/1442H (corresponding to 04/21/2021G)	Pending; a judgment has been rendered against the Company, and upheld by the appeals court on 06/02/1443H (corresponding to 09/13/2021G)	SAR 94,000
Expected total financial impact of claims filed against the Company						**SAR 119,000**

* The nature and extent of information disclosed in relation to the claims have been made in light of the relevant confidentiality obligations undertaken by the Company, as such, the identity of the parties to the claims have not been disclosed.

Source: The Company

4-4-11 Zakat and Tax Position

The Group has submitted Zakat and value added tax returns to ZATCA and has obtained final Zakat assessment from ZATCA for all financial years up to 2019G, and has paid all Zakat and value added tax amounts due on their due dates and obtained Zakat and value added tax certificates valid until 29/09/1443H (corresponding to 04/30/2022G). The Group submits its Zakat returns on a consolidated basis for the entire Group, which includes Logi and PIK, except for Co Kitchens, which submits its Zakat and value added tax returns independently. Prior to 2021G, the Group submitted its Zakat and value added tax returns on an independent basis. On 17/07/1442H (corresponding to 03/01/2021G), the Group received a letter from ZATCA amending the Zakat return for 2019G, and the Group paid all Zakat dues through such period amounting to around 1,303 Saudi riyals. On 20/05/1441H (corresponding to 01/15/2020G), the Company received a letter from ZATCA regarding how the Group submits its tax return. ZATCA stated that the Company is considered an agent for merchants with regards to the delivery. Accordingly, the taxable value is the value of the commission to be paid by such merchants, in addition to delivery fees imposed on customers. The Company declares that it is in compliance with the requirements contained in the letter received from ZATCA. All returns for Q1 2018G have been amended pursuant to ZATCA's initiative to exempt penalties for December 2020G following the discussions with ZATCA in relation to the methods of calculating value added tax.

On 17/07/1442H (corresponding to 03/01/2021G), the Group obtained a letter from ZATCA for the amendment of the returns relating to withholding taxes for the month of June 2019G amounting to 112,718 Saudi riyals. Following the payment of the foregoing amount by the Company, the Company raised a complaint in relation to such payment before ZATCA and such complaint was accepted in full by ZATCA on 11/11/1442H (corresponding to 06/21/2021G) and ZATCA have reimbursed in full the amount paid by the Company.

4-5 Overview of the Group's Business

Operating under "Jahez" and "PIK" brands, the Group provides on-demand services, q-commerce and last mile delivery through its technology platforms. Jahez platform, the Group's main platform, connects customers, merchants and delivery partners in forty-seven (47) cities in the Kingdom, which have a population of 26 million people, representing about 74% of the Kingdom's population as of the first quarter of 2021G. Launched in 2016G, Jahez platform was one of the leading forces behind the shift to online food delivery in the Kingdom. This shift was bolstered as a result of the value added by this service, and due to the proliferation of mobile devices and delivery culture over the past few years, which allows customers to have their favorite dining options in the convenience of their homes. In addition, the Company, as at the date of this Prospectus, owns four (4) subsidiaries and one (1) susbsidiary under incorporation, namely (i) Co Kitchens; (ii) PIK; (iii) Logi; (iv) Red Color; and (v) Jahez Company (Bahrain) (company under incorporation).

As at March 31, 2021G, Jahez has a network of twelve thousand, one hundred six (12,106) merchants branch, one million, three hundred sixteen thousand, three hundred forty-three (1,316,343) customers and thirty-four thousand, eight hundred ten (34,810) delivery partners. In pursuing its goal to reach as many customers and merchants as possible, and to continue being a key force in the online delivery sector in the Kingdom, the Group has developed its service offerings and currently provides a wide array of delivery and logistical services through its five main business streams:

- **Jahez platform :** Jahez platform is the heart of the Group's operations in terms of revenue, and its cutting edge technology functions as a source of orders for merchants, providing complete logistical support and payment collection processes. Jahez platform aims to connect merchants, customers, and delivery partners via an easy to use mobile application, by providing a quick, seamless and almost entirely automated end-to-end delivery experience.
- **PIK Platform:** PIK is a quick commerce (q-commerce) platform, which is a new generation of e-commerce. It aims to connect customers with an array of brands and allow them to obtain requested products directly from the merchant within two to three hours through delivery partners. In 2020G, the Group established PIK Company and started the soft launch of the platform in the first quarter of 2021G to expand its reach beyond food delivery; it is now able to provide customers with various retail goods, ranging from fashion and cosmetics to computer hardware and Electronics.
- **Co Kitchens:** the Company acquired a 60% stake in Co Kitchens in 2020G, which is a cloud kitchens platform that aims to provide restaurants with commercial kitchen spaces to prepare their meals and, in turn, sell them to their customers via a delivery-only model. Cloud kitchens represent a hallmark of modern dining trends, with restaurants increasingly relying on online food delivery as a way to increase their reach without the additional costs of high rent and staff.

- **Logi:** the Company established Logi in 2021G, as a market enabler for the e-commerce and delivery industry by providing logistical solutions. Logi aims to be a leading force behind last mile delivery in the Kingdom. Logi will also serve as a centralized platform to support the Group in its logistical and operational needs.
- **Red Color:** the Group established Red Color as its investment arm in order to pursue its investment objectives. The Group targets investments in technology-related industries that utilize the Group's existing assets of customers, merchants and delivery partners.

The Group has essentially aimed to be the most loved lifestyle platform that provides the best stakeholders experience possible by consistently exceeding their expectations. With its mission that supports its core values, the Group has evolved into a set of companies that are integrated with each other. The Group's acquisition of a controlling interest in Co Kitchens, which will enable it to advance its online food delivery expertise by increasing its target market and offerings, is a natural extension of Jahez platform in an area in which it can thrive. To further its great success in the food delivery market, the Group developed PIK Limited Company, which will be the Group's arm in the quick commerce market. PIK will mainly benefit from the experience and technical infrastructure acquired by the Group during the past years. Due to the Group's increasing reliance on the logistics sector and the economy in general, the Group established Logi, which will support all of the Group's platforms, including placing orders, online payment options, and securing the delivery of products to customer locations. Logi adds a new dimension that directly contributes to the Group's aim to be the most loved lifestyle app. Finally, in line with the Group's mission to deliver the best value for its stakeholders, it established Red Color in 2021G to fulfill the Group's investment objectives. Red Color targets investments in sectors that benefit from the Group's partners, (including the Group's customers, merchants and delivery partners) and use technology to leverage their position.

4-5-1 Key Developments

Table (4-14): The Group's Key Milestones

Year	Milestone
2016G	Jahez platform launched its operations in Riyadh under Alamat International Limited Company
2017G	Jahez platform expanded its operations outside of Riyadh, including to Jeddah and Dammam
2017G	One million orders delivered through Jahez platform
2017G	The Company was established as a limited liability company
2018G	Alamat International Limited Company transferred Jahez platform to the Company
2019G	10 million orders delivered through Jahez platform
2019G	The Company signed a sponsorship agreement with Al-Hilal Sports Club
2020G	20 million orders delivered through Jahez platform
2020G	The Group established PIK as a fully-owned subsidiary to be its q-commerce platform
2020G	The Company acquired 60% of Co Kitchens to invest in cloud kitchens
2020G	Jahez platform expanded to forty-seven (47) cities
2020G	Co Kitchens opened its first location
2021G	Soft launch of PIK platform in the first quarter of 2021G to expand its business reach beyond food delivery
2021G	The Group established Logi as a fully-owned subsidiary to be its logistics arm
2021G	The Group established Red Color as a fully-owned subsidiary to be its investment arm
2021G	Over 42 million orders were delivered through Jahez platform

Source: The Company

4-5-2 Vision and Mission

a) Vision

To be the most loved lifestyle platform by providing the best stakeholder experience.

b) Mission

To exceed our stakeholder expectations by providing a seamless user-centric experience enabled by continuous technology innovation.

c) Values

The Group's core values include:

- **Trust:** to ensure its partners always get their products and payments on time, every time.
- **Innovation:** to nurture an entrepreneurial spirit in the organization with a results-oriented mindset.
- **Passion:** to commit to exceeding partner expectations by pursuing their happiness and achieving their ambitions.
- **Respect:** to treat its employees, customers and partners with courtesy, consideration and dignity.
- **Sustainability:** to create long-term partner value by taking into consideration social, economic and environmental aspects.
- **Excellence:** to exceed what it achieved yesterday, and to deliver a world-class user experience across its services.

4-5-3 Strengths and Competitive Advantages of the Group

a) Differentiated online food delivery model

According to market study report, the Company is one of the most successful online food delivery companies in the GCC region and its winning formula is built upon a unique focus on three key principles described below:

- **Customers:** the Group aims to be the most loved lifestyle platform that provides the best experience possible for its stakeholders by consistently exceeding their expectations. Through this ambition, bolstered by its core values, the Group has developed a balanced offering with an expansive cuisine selection, which caters to a wide range of customers, with over 1.3 million customers across 47 cities across the Kingdom as of March 31, 2021G. The Group ensures the best possible customer experience from the moment they open Jahez application all the way through to delivery of their order; there is a proactive approach to customer support with a highly responsive and innovative technology-equipped technical support team to monitor operations. Its users are notably sticky in nature, with customers from all cohorts across 2017G–Q1 2021G consistently increasing both their order frequency and order value on a yearly basis:
  - The average number of customers increased by 135% from FY19G to FY20G, and by an average of 243% during Q1 2021G as compared to Q1 2020G.
  - The average order count per customer increased to 4.8 orders per month during Q1 2021G with an average order value of SAR 67.9. The average order count per customer was 4.2 per month with an average order value of SAR 73.5 during Q1 2020G. The average order increased to 4.5 orders per month, with an average order value of SAR 72.6 in FY20G, whereas the average order count per customer was 3.8 orders per month with an average order value of SAR 71.1 during FY19G.
  - Orders from customers with average monthly orders exceeding ten orders account for 44% of total orders during Q1 2021G compared to 38.5% of total orders during Q1 2020G.
  - Customer cohorts have increased their Gross Merchandise Value (GMV) consistently every year; GMV for 2017G customers grew 5.2x to 2020G, GMV for 2018G customers grew 2.5x to 2020G, GMV for 2019G customers grew 2.6x to 2020G.

- **Merchants:** the Group has long-term, established relationships with some of the most popular merchants in the Kingdom of Saudi Arabia. The Group has a wide offering of global brands (including McDonalds, Subway and Burger King), home-grown restaurants (including Herfy, Shawarmer, and Kudu), and cloud kitchens, which are able to cater to the wide target customer base. As at March 31, 2021G, the Group serves more than 12,106 merchant branches. Moreover, the Group's reliance on merchants is limited. The top 10 restaurants accounted for only around 18% and 16% of GMV and commission revenue in 2020G and Q1 2021G respectively, demonstrating the Group's strength in the breadth and diversity of its merchant selection. According to the market study, the Group has one of the lowest and most competitive commission rates in the market, which are an important advantage for merchants given that such rates directly affect their profitability and enhance the Group's partnership with them. The Group's unique delivery model continues to attract additional merchants, due to the easy and efficient offering. Merchants have access to a quick onboarding process with simple menu integration, and insightful analytics which provide key data insights and drive highly efficient marketing and logistics, as well as increased brand awareness for such merchants through an affordable advertising platform. In addition to the low commission rates, the Group supports merchants by making regular payments every 15 days, thereby ensuring that merchants have sufficient liquidity to manage their operations as required.
- **Delivery partners:** in less than five (5) years, the Group has delivered around 42 million orders, with 19.5 million and 10.5 million orders in 2020G and Q1 2021G respectively, due to its reliable base of delivery partners. As at March 31, 2021G, the Group has 34,810 delivery partners working under its operations, through logistics providers or independent delivery partners. The Group has a keen focus on investing in its delivery partners and ensuring that they value the Group in return. Certain outstanding aspects that Jahez provides to attract delivery partners include:
  - An efficient and seamless onboarding process, which takes less than two days and is supported by a reliable training program to ensure that high standards are upheld, alongside the supply of appropriate equipment, such as the Group's food delivery bags.
  - Several incentive programs providing delivery partners with additional revenue and diverse earnings, which are designed to both retain and incentivize delivery partners to increase their loyalty and productivity.
  - Enhanced by its cutting edge technology offering, the Group has an integrated logistics application for delivery partners, which enables automation and order submission across the Group's several platforms, enhancing efficacy for delivery partners. The Group's relentless focus on providing user-centric experiences enabled by technology innovation leads to short delivery times. Jahez platform had average delivery times of less than 35 minutes in Q1 2021G, enhancing the productivity of Jahez platform 's delivery partners.
  - With 22 cash collection centers across the Kingdom, the Group has an efficient payment process, with live income tracking and instant cash settlements through digital wallets.

The Group's three sided strategy, which is based on customers, merchants and delivery partners, maximizes order efficiency, merchant revenues and customer experience, leading to growth rates and customer, merchant and delivery partner retention.

b) The fastest growing player by market share

According to the market study, the Group is the fastest growing food delivery player in the Kingdom by market share capture. With its leading market share and brand awareness, the Group is well positioned to benefit from a very attractive food delivery market in the Kingdom, as outlined in further detail below:

- **Market share:** the Group spent its early years working on its technology and initial penetration into the market following the launch of Jahez platform in 2016G. Once satisfied with its exceptional product offering and its dominant position in Riyadh, the Group embarked on a rapid expansion program. This has clearly been a success, with the Group increasing its presence from 22 cities in 2019G to 47 cities as at the end of Q1 2021G and has captured market share in each of the regions in the Kingdom. According to the market study, the Group's market share in terms of the GMV increased from 13% in 2019G to 28% in February 2021G.

- **Brand awareness:** a key driver for the increase in market share is Jahez application's intuitive user experience and unique online food delivery model. It has features such as an in-application game that keeps customers entertained while waiting for their order to be delivered, and the ability to track their order and speak to delivery partners throughout. Such features provide a differentiated proposition for customers, which ensures their continued use of Jahez app. Underpinning the attractive and innovative features of Jahez application is its high reliability, which promotes high levels of trust and consequently customer retention.
- **Kingdom of Saudi Arabia food delivery market:** according to market study, the Kingdom had a mobile phone penetration of 86% in 2019G, which is among the highest in the world, compared to 79% and 82% in the United Kingdom and the United States, respectively (for more information, please see Section 3-3-3 "**Demographics**" of this Prospectus). However, the adoption of online delivery lags behind developed countries (for more information, please refer to Table 3-8 "**Smartphone and Online Food Delivery Penetration by Country, 2019G**" of this Prospectus). Hence, there are great opportunities for growth in this field and a large untapped customer base, along with the unprecedented boom of the online food delivery market. Market research suggests that a CAGR of 33% in total addressable market is likely to be seen from 2020G–2023G.
- **Vision 2030 initiatives:** the Group is expected to benefit from ongoing government-led economic development and diversification programs, which aim to stimulate private sector growth and improve the Kingdom's digital infrastructure.

When considering this growth in line with the trends of the global market, the Group is exceptionally well-positioned and is one of the main players which is witnessing market share growth. Furthermore, the market in the Kingdom is experiencing strong network effects similar to the global market, where a small group of players dominates the online food delivery market in the Kingdom. In addition, strong infrastructure and demographics, combined with government support and smartphone penetration will be significant enablers of growth going forward.

c) Well-established and cutting-edge technological capabilities

The development of Jahez platform 's technology predates the advent of the Company's food delivery operations, with work on the core technology platform starting in 2015G, encompassing years of iterative technological development and innovation. The development of PIK platform was initiated in 2019G. Today, the Group has highly-efficient, world-class differentiated proprietary technology platforms that drive its constant development and help to ensure that its leading market position is maintained through a centralized business model based primarily on automation. Its scalability is clearly demonstrated by orders increasing from around 7 million in 2019G to around 19.5 million in 2020G, a 2.8x increase, while headcount increased by only 1.3x over the same period. The technology aided the Group's rapid expansion to 25 new cities in 2020G.

Having spent SAR 37 million on technology between 2016G–Q1 2021G, robust and reliable applications and platforms have been created for merchants, customers and delivery partners. The key facets behind the Group's differentiated technology platforms are outlined below:

- **Robust IT architecture:** through its system design, the Group is able to integrate new products with ease, and this has enabled its rapid rollout over recent months. Its central architecture is based on reliable technologies including Java, PostgreSQL, and Swift. It utilizes data processing methodologies such as artificial intelligence and machine learning to improve algorithms and innovations such as the 'recommendation engine' and 'delivery partner incentives modules, further optimizing and enhancing the Group's offering.'
- **Attractive technology-enabled proposition for merchants, delivery partners and customers:** the Group's technology systems provide the ability to display data analytics for merchants, including the analysis of basic data for merchants and the evolution of their performance, in addition to providing them with key information to improve their products and offering. Delivery partners are able to be on-boarded to the Group and paid efficiently by a simple and effective mobile application. These key differentiators would not be possible without the clear dedication to providing a user-centric experience. Customers are connected to merchants and delivery partners through a seamless and distinctive platform enabled by continuous technology innovation and investment.

- **Data and cybersecurity:** the Group's core values of trust, innovation and excellence are central to its approach to privacy and security. Its platform is simple and accessible, yet extremely secure, and thus provides effective data privacy and system security compliant with the latest industry standards. As a result, safety and reliability are enhanced for both itself and its customers as well as all success partners to ensure its operations are not hindered by any data issues or cybersecurity breaches.

d) Ongoing diversification of product offerings through expansion into new and supporting verticals

The Group has several future alternative growth enablers in addition to its core business, with areas of expansion into new verticals offering significant growth and further augmentation of the proposition for the Group's partners. These will provide the Group with further opportunities to serve customers across a broader range of socioeconomic groups.

- **Quick commerce (PIK platform):** in November 2020G, the Company established PIK, and its soft launch started in the first quarter of 2021G. PIK platform is a quick commerce platform which aims to connect customers to their favorite brands through fast delivery from supermarkets, grocery stores, pharmacies and local retail stores. Quick commerce is expected to grow rapidly in the Kingdom of Saudi Arabia with its share of the overall e-commerce sector growing from 4.7% in 2020G to 13.7% in 2023G. This growth is mainly driven by increased consumer preference for quick delivery which saves time and effort as well as the expansion of the existing online food delivery players into the quick commerce space. The Group already has the logistics model covered from its experience in food delivery, including order placement, online payment options, and securing the delivery of products to the customer's location. Therefore, it is a natural progression for the Group in an area in which appears to be set to thrive. Following its soft launch in 2021G, the Group received positive feedback on PIK platform, and thus expects to take advantage of its growth, with market reports suggesting the market is set to see a GMV increase of 3.4x between 2020G and 2023G. PIK platform is a natural extension of the core Jahez platform, as it leverages the same tried and tested technology, lowering the development costs for PIK platform.
- **Cloud Kitchens (Co Kitchens):** in 2020G, the Company acquired a 60% ownership interest in Co Kitchens, a company focused on establishing cloud kitchens across the Kingdom. These are commercial kitchens for food businesses that prepare food for delivery or takeout only, with no dine-in facilities. Globally, this trend has begun to gain popularity especially as consumer preferences shift to food delivery as opposed to dine-in. The Kingdom's cloud kitchen market size is expected to grow almost eight-fold to reach around SAR 1.3 billion by 2023G according to market reports. This is a largely untapped yet growing market, with the share of cloud kitchens in online food delivery expected to increase from 2.5% in 2020G to 7.9% in 2023G as more restaurants adopt the cloud kitchen model. This business model is a natural fit for the Group, which will be able to extend its expertise in online food delivery through increased addressable market, further increasing their business proposition, and adding a new dimension which directly contributes to the Group's aim to be the most loved lifestyle app. Co Kitchens enables the Group's restaurant partners to lower costs and accelerate food preparation times, improving outcomes for merchants (through higher profitability), delivery partners (through shorter waiting times and higher utilization) and customers (through faster delivery times).
- **Logistics (Logi):** in 2021G, the Company established Logi, a last mile delivery platform that provides logistical solutions to the Group's companies and e-commerce and postal logistics companies. It is set to benefit from the uplift anticipated from the e-commerce market in the Kingdom of Saudi Arabia, which has increased at a CAGR of 23.2% from 2018G to 2020G and reached SAR 23.7 billion, according to the market study report. Furthermore, the market is expected to grow with a CAGR of 7.8% between 2020G and 2023G to SAR 29.7 billion, providing a sizable growth opportunity, according to the market study reports. Fulfilling food delivery orders using the Logi platform will reduce costs for Jahez and PIK platforms.
- **Red Color:** this is an investment arm established to acquire skills, know-how, and new verticals with synergistic value. The Group aims to make investments in an industry that utilizes customers, merchants and delivery partners, thus offering another avenue of growth for the Group. Moreover, it aligns with the Group's mission to provide the best experience for the Group's partners, including customers, merchants and delivery partners, through the contribution of new consumers, increased cost and time savings, and the adoption of additional market data, providing further insights into consumer behavior and industry trends.

The Group's management strongly believes that expansion into different verticals will help them capture growth across various sectors and help diversify the business even further, giving them a cutting-edge over competitors while striving further towards the goal of being the most loved platform for its partners.

e) Applying global industry innovation to all aspects of the Group's business model

Apart from being at the forefront of the latest trends in the market and its experience and know-how in the local market, the Group brings innovation to its platforms, such as the launch of cloud kitchens and PIK platform supporting the quick commerce model. The Group is constantly looking for ways to improve customer experience, with one standout area being its mobile application, which incorporates innovation in several different ways:

- A simple, seamless user experience, with a guaranteed order confirmation and instant delivery partner assignment.
- When placing an order, customers have access to an innovative suggestion feature to aid them in selecting a restaurant.
- There are flexible payment options, and an Apple Pay feature which enables the customer to pay anytime up to delivery.
- Live order tracking until the delivery partner reaches the customer's door is available, and the Group has introduced an in-application game on Jahez platform to keep customers entertained while they wait for their order to be delivered; this is unique amongst food delivery companies both in the Kingdom and globally.
- To ensure maximum enjoyment and coordination, customers can communicate with delivery partners or assign someone else to receive the order. Further, there is proactive customer support with prompt resolution to issues that may arise, even before complaints are raised by customers.

The Group has maintained continuous innovation in its technology, by relying on its internal resources. Some of the main areas of continued innovative research and development include the automation of customer support and the automation of delivery (leveraging artificial intelligence (AI) in logistics) by investing in an integrated R&D unit.

f) Superior financial track record and profitability in 2020G

Management has a strong track record of delivering consistent growth financially and in terms of operating performance indicators with GMV having grown from SAR 497 million for the year ended December 2019G to SAR 1,418 million for the year ended December 2020G and further to SAR 711 million in Q1 2021G. The total GMV has increased 20x since 2017G, out pacing many competitors in the market. Average order numbers per user increased from 3.8 to 4.5 and further to 4.8 in the financial years 2019G and 2020G and Q1 2021G. Revenue increased by 2.9x over the same period from SAR 159 million in the financial year 2019G to SAR 459 million in the financial year 2020G, and further to 243 million in Q1 2021G.

In addition to the significant increase in revenues, the Group was able to achieve profits during FY20G, with EBITDA of SAR 44 million and SAR 28 million in 2020G and Q1 2021G, respectively. This is due to an increase in the average commission rates from 9.5% in FY19G to 10.6% as at the end of FY20G and further to 11.3% in Q1 2021G, which are lower than the rates of the Group's competitors. In addition, customer acquisition costs decreased by 24.1% between FY19G and 2020G from SAR 95.9 per customer to SAR 72.8, respectively). The Group's strong cash flow helps support continued investment in innovation and expansion into new territories and verticals.

g) Entrepreneurial spirit underpinned by industry veterans and backed by committed Shareholders

The Group is managed by a team that is highly experienced in information technology (IT) management and development and business administration, supported by committed Directors and Shareholders. The Group is proud to have around 100 years combined C-suite management experience in its ranks. The management team has high technical and management skills and strong knowledge of the local and regional online delivery and logistics sector. Their deep knowledge and understanding of the key market trends and competitive environment mean that the Group is well-equipped for its plans for future growth and expansion in both new and existing markets and verticals.

The Group's management team is further supported by its strong corporate governance structure, Directors and key Shareholders who provide valuable insight on the Kingdom of Saudi Arabia and surrounding markets going forward. Key backers that also share the same vision for the Group include:

- Alamat International Limited Company, a company specialized in information technology and the founder of Jahez.
- Impact46, a venture capital firm, which led an investment round (Series A) in 2020G to acquire 40% of the Group.

The Group maintains relationships with important partners, supporting the Group in its growth and upholding social responsibilities and sustainable development. First and foremost, it is in the Group's interest to adequately reward its business partners and enhance their ability to increase their presence in a sustainable and profitable manner. The Group supports its delivery partners by setting policies aimed at protecting and rewarding delivery partners, as well as investing in payment infrastructure to ensure that they receive their dues as quickly as possible. Furthermore, the Group has participated in many Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG) initiatives. The Group spends a part of its budget on CSR, and has a long term plan to measure and increase the social impact of existing initiatives, establish environmental management systems and green practices, and create an appropriate governance system, which further bolsters the Company's ESG proposition.

4-5-4 Strategic Themes and Objectives

The Group expanded rapidly during 2019G –2020G and has identified a set of strategic themes to outline its future growth ambitions:

- **Strengthen** the Group's operations in existing geographies by winning market share and new customers and partners.
- **Expand** the business into supporting verticals and enter new geographies for future growth.
- **Differentiate** Group's services and offerings through continuous innovation.

The strategic themes have been cascaded into strategic objectives across the Group's four main business verticals.

a) Online Food Delivery – Jahez Platform

The Group has witnessed rapid growth since 2019G and is looking to further expand its operations both locally and internationally. The Group's strategic objectives include:

- Strengthen the Group's presence across the Kingdom of Saudi Arabia by gaining market share in the existing cities.
- Expand into new cities to improve the Kingdom of Saudi Arabia's coverage.
- Expand regional footprint by utilizing the Group's competitive value proposition.
- Drive operational excellence and customer experience through continuous investment in training, processes and technology.

b) Quick commerce – PIK Platform

The Group recently launched its quick commerce business vertical, PIK leveraging its logistics and technology infrastructure to meet the demands of this rapidly expanding segment. The strategic objectives of PIK platform include:

- Create an innovative shopping experience through a business model and an easy and quick application with a wide variety of products fulfilling customer needs.
- Launch quick commerce operations through a standalone app, initially in Riyadh then expanding operations across the Kingdom.

c) Cloud Kitchens – Co Kitchens

The Group entered the cloud kitchen business by acquiring 60% of Co Kitchens. Co Kitchens launched its first cloud kitchen in 2020G, and is planning to expand by rapidly leveraging its online food delivery business and its restaurant partner ecosystem. Co Kitchens' strategic objectives include:

- Develop a profitable and sustainable model.
- Partner with strategic partners to support operations.
- Expand operations across major cities in the Kingdom of Saudi Arabia.

d) Logistics – Logi

The Group recently launched its subsidiary, Logi, as a last-mile logistics enabler for its own e-commerce and delivery platforms and eventually to provide last-mile logistics services to other third party players. Logi's strategic objectives include:

- Provide centralized logistics services to the Group's companies.
- Diversify revenue sources and provide services to external parties such as e-commerce service providers.
- Develop and invest in innovative logistics technologies.

4-5-5 Strategy

In order to implement its vision, mission and the strategic themes above, the Group has adopted its strategy as follows:

1) Developing operations and strategic alliances.
2) Refining customer experience continuously.
3) Improving and implementing marketing and business development operations.
4) Vitalizing sustainability.
5) Enabling a culture of organizational excellence.

The Group has established comprehensive initiatives under each pillar and has designed a clear plan of action to achieve its objectives. The pillars of the Group's strategy are outlined below.

a) Developing operations and strategic alliances

This part of the strategy is primarily focused on building on the Group's existing coverage and providing full support to its recent expansions, with a view to strengthening its presence in the existing geographies, launching services and streamlining operations to enable a world-class customer experience. This is expected to be done both internally – by refining operations continuously, and also externally – by bringing in new partners that can add significant value to the network.

Multiple initiatives are planned under this pillar including continuous efforts to optimize logistics and ongoing training. All these initiatives are focused on providing customers with improved services and creating distinct and clear differentiation for the Group.

The initiatives also include the development of strategic alliances with third party providers as well as active delivery partner recruitment to ensure optimal supply of delivery partners as the Group expands its presence in more cities and enters into supporting verticals. In addition, the Group is launching several technological solutions aimed at merchants and delivery partners to enhance the quality of logistics and payments services (e.g. instant payment services through digital wallets).

PIK platform is also being further developed, taking into account international best practices (e.g. enhancing the functionality of how products are presented in PIK application, implementing a seamless product return process, and developing supply chains). Lastly, the Group is also planning to build and operationalize several branches of Co Kitchens across major cities by 2023G.

The main impact of the above is expected to create a more differentiated brand, by focusing on delivering world-class customer experience

b) Refining customer experience

This pillar is focused on providing a superior stakeholder experience and exceeding their expectations to strengthen the Group's competitive advantage. The stakeholder includes merchants, customers and delivery partners. This pillar will ensure that while the Group scales up rapidly, customer experience, which is key to the Company's success, also improves on a continuous basis.

Several initiatives are planned under this pillar including enhancement of delivery times to ensure deliveries are made at or before the set time to provide a positive customer experience. In addition, the Group is also looking to launch upgrades to Jahez and PIK platforms to improve customer experience and engagement. For example, the Group recently launched an in-application game in Jahez application to engage customers while their order is delivered. This feature has been appreciated and well received by customers. This pillar also doubles down on the Group's commitment to launch innovative services such as scheduled deliveries and investment in a customer relationship management system in order to streamline complaint management to ensure minimal complaint resolution time.

The main impact of the above initiative is to create positive experiences for partners through increased engagement and improved delivery and complaint resolution time thus fortifying the Group's competitive edge.

c) Improving and implementing marketing and business development operations

This pillar is focused on improving awareness of the Group's brands and ensuring the brands are associated with all positive attributes. This pillar will ensure that the Group's brands are on consumers' top minds and will serve the Group well as it embarks on its growth journey. In its marketing strategies, the Group depends on global marketing theories with an appropriate local framework interacting with society and customers directly.

Multiple initiatives are planned under this pillar including the plan to launch several novel national and city specific marketing activities (e.g. a "Who's the Restaurant Owner" initiative and a cooking contest in Jeddah) to improve its brand recognition as the Group strengthens its presence in existing cities and plans to enter new ones. There are also initiatives focusing on creating special and directed promotional offers keeping in mind local consumer preferences. Another initiative under this pillar includes a plan to launch loyalty and reward programs to reward loyal high value customers that order frequently, in a sustainable manner. The Group is also committed to increasing the variety of products and other services on its platform by partnering with more merchants and restaurants to strengthen its position across different cities. In addition, the Group is also undertaking initiatives to launch new services to generate additional revenues.

The main impact of this pillar is to create strong brands with positive attributes that are well recognized. This will in turn help the Group retain its existing customers and attract new customers as it strengthens its current operations and expands into new cities and adjacent business verticals.

d) Vitalizing sustainability

This pillar is focused on ensuring that the Group's business operations and future strategy are aligned with the three pillars of sustainability, i.e. economic viability, environmental protection and social service. This further positions the Group as a socially responsible company with world class sustainability standards. The Company carries out many initiatives under this pillar by supporting government charitable platforms such as Ehsan, Jood El Eskan, Shifaa and Donations, and including them in Jahez platform through the Jahez Al Khair platform. Examples include Jahez Eidia, Iftar Saem, etc. This pillar also focuses on initiatives to establish systems that promote environmental management and green practices (e.g. using recyclable and ecofriendly food containers) as well as promoting organic agriculture and local supply chains. The Group also periodically reviews its governance model to ensure transparency and fairness, as well as to identify and launch investment opportunities that can produce impactful and sustainable results for the Group and its partners (restaurants, merchants and delivery partners). Through this pillar, the Group plans to be a world class company that seeks to grow and expand in a responsible and sustainable manner that brings positive change to society while setting new benchmarks in corporate governance.

e) Enabling a culture of organizational excellence

This pillar is focused on enhancing human resources, technology and financial function capabilities within the Group to support its future growth. This will ensure that the Group has the necessary capabilities and capacity as it looks to execute its growth strategy and continues to scale up rapidly in the existing as well as future business verticals.

There are several initiatives under this pillar including expanding organizational capacity by attracting and retaining highly qualified talent, as well as partnering with leading local organizations to source trainees. This will help the Group build a high performance organization. The initiatives also include developing and implementing specialized training programs across the organization to ensure skill development in line with evolving business requirements (e.g. online training and certification). In addition, the Group is also upgrading its information technology (IT) systems to improve financial and operational reporting to streamline decision making in response to business challenges. Lastly, the Group plans to implement several technological infrastructure upgrades to enhance its service offering, upgrade its security, and support future expansion plans.

Through this pillar, the Group is looking to instill a culture of organizational excellence and develop a future-ready organization. This will help the Group become an employer of choice attracting top tier talent as well as establishing financial reporting and information technology (IT) systems that will enable the growth ambitions of the Group.

Within these five strategic pillars: (i) Development; (ii) Refinement; (iii) Improvement; (iv) Vitalization; and (v) Excellence; the Group is looking to implement a total of 36 initiatives. The Group is committed to executing its strategy within the next three years starting in 2021G, with monthly and quarterly monitoring. This will help the Group achieve its strategic objectives and realize its key themes – Strengthen, Expand and Differentiate.

4-6 Overview of the Group's Operations

4-6-1 Jahez Platform

Jahez platform is the primary platform through which the Group operates its business, connecting merchants, customers and delivery partners. The Group offers quick end-to-end delivery on-demand services from merchants to customers through its mobile application. Jahez platform provides all the logistical requirements to satisfy the needs of the three key success partners: merchants, customers and delivery partners, as follows:

- **Merchants:** as at March 31, 2021G, the Group serves 12,106 merchant branches, ranging from restaurants and home businesses to supermarkets and retail stores. Jahez platform offers attractive opportunities for merchants to grow their businesses at a relatively lower cost than the traditional ways, as well as other marketing opportunities.
- **Customers:** through Jahez platform, the Group serves customers across all regions in the Kingdom (for further information about the Group's geographic footprint, please refer to Section 4-6-1(b) "**Geographic Footprint**" of this Prospectus) who are able to reach a wide variety of merchants, and discover more diverse dining options with ease and convenience based on their location and preferences. Jahez platform covers forty-seven (47) cities in the Kingdom, which have a population of 26 million people, representing about 74% of the Kingdom's population in the first quarter of 2021G. The proliferation of mobile devices and delivery culture over the past few years has significantly increased the Group's reach, and the value of its platform. Over 1.3 customers are part of Jahez platform and are purchasing goods from the network of merchants that the Group offers on its platform. Jahez platform is one of the best delivery platform for customers around the Kingdom, with over forty-two million orders having been completed on Jahez platform since its launch in 2016G to March 31, 2021G.
- **Delivery partners:** as at March 31, 2021G, the Group supports over 34,000 delivery partners by providing them with opportunities to earn via Jahez platform. The fleet of delivery partners is linked with merchants on Jahez where orders are dispatched by each merchant's location to the customer's doorstep in an efficient manner and time.

Through Jahez customers can choose from the available merchant branches, or use the Group's innovative suggestion feature to select a merchant. Once an order is placed and accepted by the merchant, customers can pay at their convenience through a variety of digital payment options or pay cash on delivery. A delivery partner is then assigned to each order to pick up the order from the merchant's location and heads to the customer's location. Jahez platform provides features allowing customers to track their orders with live location updates and order status. While their orders are prepared and delivered, customers can play an in-application game as they wait for their order before enjoying their meal.

The Group aims to be the most loved platform for all three success partners (customers, merchants and delivery partners), and strives to provide an enriching and rewarding environment and a great customer experience in order to continue attracting and retaining loyal customers and local merchants. Therefore, the Group strives to make Jahez platform as efficient and reliable as possible. The Jahez logistical platform is powered by advanced technology that provides a seamless and enjoyable end-to-end experience for the Group's three key success partners (for further information about the Group's technology, see Section 4-9 "**Information Technology**" of this Prospectus). In developing Jahez the Group focused on elevating the level of automation. This not only increases order efficiency but also allows for centralized operations management with minimal resources. This enables the Group to expand quickly and efficiently.

The table below sets out the number of merchants, merchant branches, customers, delivery partners and cities covered by Jahez application as at December 31, 2019G and 2020G and March 31, 2021G.

Table (4-15): Number of Merchants, Merchant Branches, Customers and Delivery Partners and Cities Covered by Jahez Application as at December 31, 2019G and 2020G and March 31, 2021G

#	Type	December 31, 2019G	December 31, 2020G	March 31, 2021G
1.	Merchants	1,780	3,424	4,801
2.	Merchant Branches	5,399	9,788	12,106
3.	Customers	472,947	1,038,668	1,316,343
4.	Delivery Partners	6,301	29,569	34,810
5.	Cities Covered by Jahez Application	22	47	47

Source: The Company

a) Business Model

Jahez platform provides end-to-end delivery services from merchants to customers through its online order management capabilities. The contractual relationship between the Group and the merchants is a relationship between an intermediary (the Group) and a service provider (the merchant). The contract concluded by the Group and the merchant stipulates that the merchant subscribe for the services of Jahez platform that connect the merchant with Jahez platform ‹s customers, with an average term of such agreements being one (1) year, automatically renewable for a similar period (for more information, see Section 4-4-7 "**Material Agreements**" of this Prospectus). The partnership process is undertaken in accordance with steps articulated Group's policies and procedures, and can be summarized as follows:

- **Partnership:** After negotiation with merchants about the terms and conditions, the agreement is approved by the Company's executive management.
- **Activation:** entry and review of merchant data, including photos and designs, followed by the activation of the merchant profile and training to commence operations.
- **Support:** ensuring the execution of a seamless and successful partnership by ensuring all orders are in line with the expected standards.

The Group relies on complementing the merchants' core business with its logistical and delivery services. Jahez platform serves as a marketplace connecting the supply side (merchants' products) to the demand side (customers) and facilitates logistical and payment collection processes.

The Group's revenue is primarily generated from merchants and customers. The main revenue streams consist of the following:

- Merchants:
  - **Commissions:** the Group generates revenue through commissions charged to merchants every time a customer places an order with such merchant through Jahez platform. The commissions are based on a contractually agreed percentage of the order amount, determined by the Company in accordance with market conditions and business goals. Such commissions are calculated on the basis of the order amount before any tax and delivery fees.
  - **Advertisement placement:** the Group generates revenue through fees charged in connection with advertisement placements such as promotions and premium listings on Jahez platform.
  - **E-payment fees:** the Group generates other revenues through e-payment fees which are charged for payment by credit card or debit card.
- Customers:
  - **Order delivery fees:** the Group generates revenue through order delivery fees paid by customers for each order placed through Jahez platform. Delivery fees are calculated according to the distance between the customer's location and the merchant branch that prepares the order.

The table below sets out a hypothetical example of an order invoice customerfor goods with a price of of SAR 75 before value added tax and delivery fees).

Table (4-16): Example of Invoice for Order via Jahez platform

Order Details	Amount
Price of Goods	SAR 75.00
Value Added Tax (15%)	SAR 11.25
Delivery Fee	SAR 14.78
Value Added Tax (15%)	SAR 2.22
Total Order Amount	**SAR 103.25**

Description	Amount
Price of Goods	SAR 75.00
Commission Rate	12%
Commission	SAR 9.00
Delivery Fee	SAR 14.78
Other Revenues	SAR 2.15
Jahez Revenues	**SAR 25.93**
Delivery Cost	SAR 14.50
Other Costs	SAR 4.24
Total Costs	**SAR 18.74**

Commission Revenue: commission revenue relates to the Group's revenues charged to the restaurants by applying the percentage (commission rate) to the total value of goods (SAR 75 in the example shown in the above table) generated from the orders placed through Jahez application. The commission rate may differ from one merchant to another, depending on the agreement between the Group and the merchant. Assuming that the commission rate is 12%, as shown in the example in the above table, the Group's commission revenue would be SAR 9.

Delivery Revenue: the Group calculates delivery fees based on the distance between the merchant and the customer. The Group depends on several factors in determining delivery fees, including the city in which the delivery takes place, fuel costs and competitive market factors (SAR 14.78 in the example shown in the above table). The Group recognizes these fees as delivery revenue. Then, the Company pays the delivery costs to the delivery partners (which are recognized as delivery costs under revenue cost in the statement of income).

The following table shows delivery revenues by category of delivery partner as at December 31, 2019G and 2020G and March 31, 2020G and 2021G.

Table (4-17): Breakdown of Delivery Revenue in SAR '000 by Category of Delivery Partner as at December 31, 2019G and 2020G and March 31, 2020G and 2021G

#	Delivery Partner Category	December 31, 2019G	December 31, 2020G	March 31, 2020G	March 31, 2021G
1.	Freelance Delivery Partners*	65,204	116,991	24,157	38,729
2.	Delivery Partners employed by logistics companies	39,093	168,466	17,670	103,787
Total		**104,297**	**285,457**	**41,827**	**142,516**
Percentage of Delivery Revenues Based on Delivery Partner Category from Total Delivery Revenues					
1.	Freelance Delivery Partners*	62.5%	41.0%	57.8%	27.2%
2.	Delivery Partners employed by logistics companies	37.5%	59.0%	42.2%	72.8%
Total		**100%**	**100%**	**100%**	**100%**

Source: The Company

*This category also includes delivery partners previously employed by the Company and which have been transferred to Logi

The following table shows a breakdown of delivery revenue from delivery partners of the top five logistics companies in terms of revenue as at December 31, 2019G and 2020G and March 31, 2020G and 2021G.

Table (4-18): Breakdown of Delivery Revenue in SAR '000 from Delivery Partners of the Top Five Logistics Companies in Terms of Revenue as at December 31, 2019G and 2020G and March 31, 2020G and 2021G

#	Delivery Partner Category*	December 31, 2019G	December 31, 2020G	March 31, 2020G	March 31, 2021G
1.	Company 1	598,586	4,752,244	1,687,751	6,594,758
2.	Company 2	571,628	4,734,517	1,581,564	4,562,485
3.	Company 3	534,642	4,238,804	1,273,435	4,474,768
4.	Company 4	517,367	4,135,913	1,270,950	3,807,024
5.	Company 5	335,199	2,785,337	1,117,632	2,762,087
Total		**2,557,422**	**20,646,815**	**6,931,332**	**22,201,122**
Percentage of Delivery Revenues for the Top Five Logistics Companies in Terms of Revenue					
1.	Company 1	0.6%	1.7%	4.0%	4.6%
2.	Company 2	0.5%	1.7%	3.8%	3.2%
3.	Company 3	0.5%	1.5%	3.0%	3.1%
4.	Company 4	0.5%	1.4%	3.0%	2.7%
5.	Company 5	0.3%	1.0%	2.7%	1.9%
Total		**2.4%**	**7.3%**	**16.5%**	**15.5%**

Source: The Company

* The names of logistics companies have been anonymized given the commercial sensitivity of such information

Other revenues: other income revenues online payment fees. It relates to the percentage of the total value of goods received by the Group when the customer makes an electronic payment (by credit card, mada and Apple Pay). Agreements are concluded between the Group and e-payment service providers to provide its customers with e-payment options across its platforms. Such agreements set out the agreed-upon fees, which are a certain percentage to be agreed upon on each transaction.

The following table shows a breakdown of electronic payments by payment method as a percentage of the total orders executed through Jahez platform as at December 31, 2019G and 2020G and March 31, 2020G and 2021G.

Table (4-19): Breakdown of Electronic Payments by Payment Method as at December 31, 2019G and 2020G and March 31, 2020G and 2021G

#	Payment Method	December 31, 2019G	December 31, 2020G	March 31, 2020G	March 31, 2021G
As a percentage of the total orders made through Jahez platform					
1.	Apple Pay	4.7%	55.5%	30.2%	62.8%
2.	Credit card	35.3%	14.8%	29.1%	8.5%
3.	Mada card	0.2%	9.0%	1.5%	9.4%
4.	Cash payment	59.7%	20.7%	39.1%	19.3%

Source: The Company

Delivery costs: the direct delivery cost paid to the delivery partner for the order. Delivery costs are affected by several factors, including fuel costs, the distance between the merchant and the customer, the city in which the delivery is made and competitive market factors.

Other costs: indirect costs related to the order, including the cost of the platforms, operations team salaries, and bank fees.

The following table shows a breakdown of the Group's revenue by source and type in the financial years ended 2019G and 2020G and Q1 2021G.

Table (4-20): Breakdown of the Group's Revenue in the Financial Years ended 2019G and 2020G and Q1 2021G

#	Type of Revenue	Revenue (SAR'000)				Percentage of Total Revenue			
		December 31, 2019G	December 31, 2020G	March 31, 2020G	March 31, 2021G	December 31, 2019G	December 31, 2020G	March 31, 2020G	March 31, 2021G
1.	Commissions	47,210	150,201	19,914	80,166	29.8%	32.7%	30.8%	33%
	Advertisement Placement	825	8,193	226	7,275	0.5%	1.8%	0.3%	3%
	E-payment fees and other revenues	6,198	15,455	2,781	13,332	3.9%	3.3%	4.3%	5.5%
2.	Delivery fee revenue	104,297	285,457	41,827	142,516	65.8%	62.1%	64.6%	58.6%
Total		**158,529**	**459,306**	**64,748**	**243,288**	**100%**	**100%**	**100%**	**100%**

Source: The Company

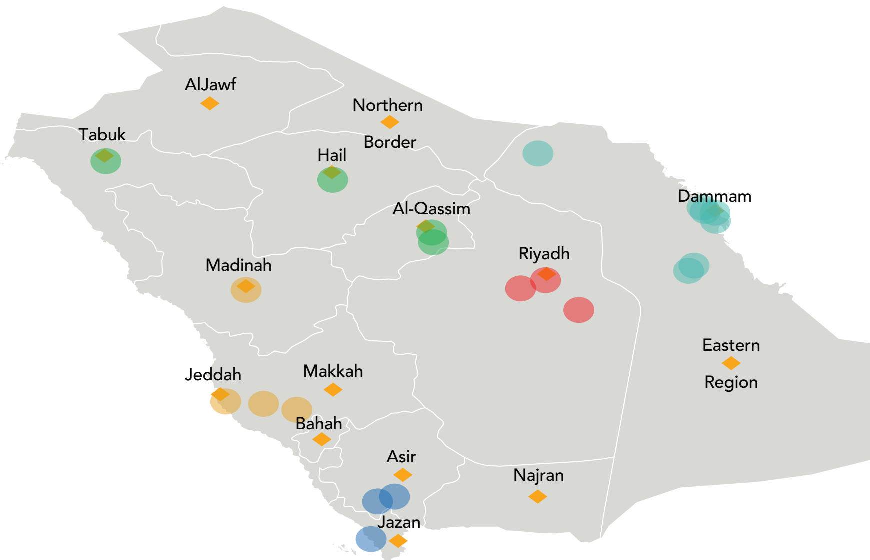
Furthermore, business growth is based on:

- **The network effects:** as more customers join Jahez platform and their engagement increases, order volume increases, which attracts the favored brands from restaurants and merchants. In addition, the higher order volume and number of merchants provide more opportunities for delivery partners who frequently work with the Group. This, in turn, allows more efficient logistical services with high performance. As a result, customers have a higher level of service, more options and greater availability in terms of food, products and price range, as well as faster and more reliable service. Due to wider choices and a more efficient and reliable delivery network, customers order more frequently and on a wider range of occasions and circumstances, which leads to creating a dynamic expansion circle that is constantly being enhanced for the benefit of all partners.
- **Increasing brand affinity:** by improving the value provided to each of its three success partners, merchants, customers and delivery partners, the Group's network continues to grow and it benefits from increased brand awareness and positive brand affinity. With increased brand affinity, the Group expects that it will enjoy lower acquisition costs for all three success partners in the long term.

b) Geographic Footprint

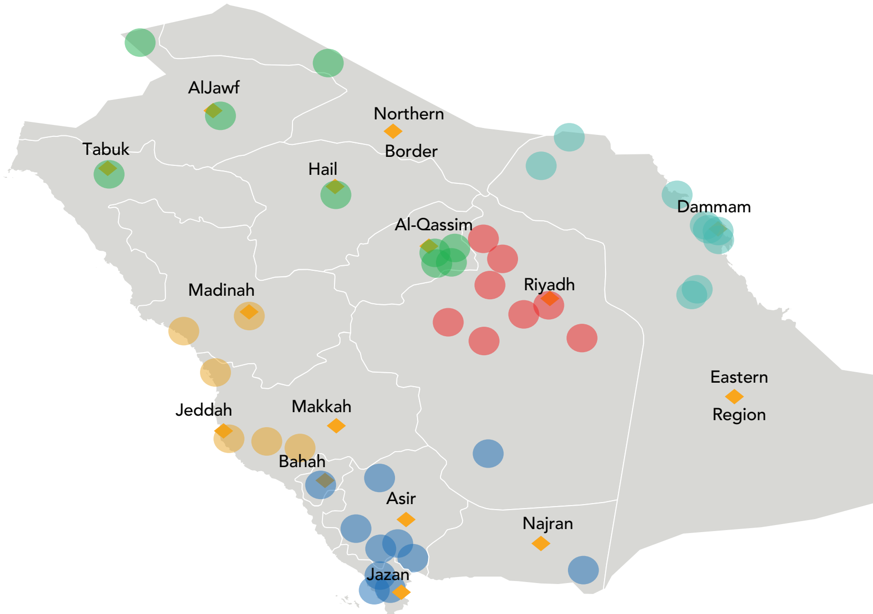
Through Jahez the Group provides fast, reliable and diverse delivery options for customers all around the Kingdom. As at the date of this Prospectus, the Group currently operates Jahez platform in forty-seven (47) cities in the Kingdom. The chart below sets out the geographic footprint of the Group's merchants as at December 31, 2019G and 2020G and March 31, 2021G.

Figure (4-2): The Group's Geographic Footprint as at December 31, 2019G



Source: The Company

Figure (4-3): The Company's Geographic Footprint as at December 31, 2020G and March 31, 2021G



Source: The Company

The table below sets out the regions in which the Group operates including GMV achieved by each region and merchant distribution by region as at December 31, 2019G and 2020G and March 31, 2021G.

Table (4-21): Regions in which the Group Operates and GMV Achieved by Each Region and the Merchant Distribution by Region for the Financial Years 2019G and 2020G and March 31, 2021G.

#	Region	GMV as at December 31, 2019G (SAR'000)	GMV as at December 31, 2020G (SAR'000)	GMV as at March 31, 2020G (SAR'000)	GMV as at March 31, 2021G (SAR'000)
1.	Central Region	470,147	1,228,071	183,872	550,333
2.	Western and Southern Region	18,592	116,167	8,767	102,056
3.	Northern and Western Region	8,738	73,858	6,105	58,741
Total		**497,477**	**1,418,096**	**198,744**	**711,130**
Merchant Distribution by Region					
#	**Region**	**Number of Merchant Branches as at December 31, 2019G**	**Number of Merchant Branches as at December 31, 2020G**	**Number of Merchant Branches as at March 31, 2020G**	**Number of Merchant Branches as at March 31, 2021G**
1.	Central Region	3,427	5,600	3,779	6,437
2.	Western and Southern Region	1,438	2,701	1,477	3,570
3.	Northern and Eastern Region	534	1,487	621	2,099
Total		**5,399**	**9,788**	**5,877**	**12,106**

Source: The Company

With such a large and diverse geographic footprint, the Group is able to reach a diverse customer base and draw upon a wide network of merchants. In addition, the Group plans to expand its geographic footprint and is currently pursuing plans for regional expansion (for further information on the Group's future expansion strategy, see Section 4-5-5 "**Strategy**" of this Prospectus).

c) Merchants

The Group supports and empowers over 12,106 merchant branches in running and growing their business by utilizing its Jahez platform. Merchants utilizing Jahez platform include restaurants, home businesses, supermarkets and retail stores. Historically, merchants depended on distributing flyers and menus to market their products and services, which provided limited reach. Today, the introduction of mobile delivery applications represents a convenient alternative when offering delivery services to customers. Through Jahez the Group offers end-to-end delivery support, payment collection, and access to new markets. This enables merchants to reach a wider customer base and allows them to grow their businesses regardless of their scale, business model or location, and without the need to develop in-house delivery capabilities. This effectively eliminates capital and operational expenditure for merchants. While profitability per order may be higher for in-house delivery services (i.e. through the restaurant itself), the volume of orders processed through Jahez platform results in merchants being willing to pay commission fees to receive better exposure and make higher sales, especially since the Group's commission fees are highly competitive compared to other players in the market. The Group's average take rate fee increased from 9.5% in 2019G to 10.6% in 2020G and further to 11.3% in Q1 2021G.

Furthermore, Jahez platform serves as an attractive venue for merchants for a number of other reasons, including, among other things, the following:

- Merchants can utilize Jahez platform 's automated process for order management, which in turn creates efficiencies for merchants compared to phone orders by reducing the number of staff taking orders, reducing communication errors, and limiting busy telephone lines. This includes providing merchants real time information on order fulfillment efficiency from order to delivery and branch performance.
- The Group does not require merchants to enter into exclusive arrangements with it through Jahez thereby allowing them to pursue other sales avenues, which is highly attractive to merchants.
- Jahez platform provides merchants with improved customer access without significant expenditures, where they are able to access new customers who may not be located in their immediate coverage area.
- Jahez platform provides marketing support to its merchants by offering competitive marketing opportunities where participating merchants are able to get more orders, gain more visibility and optimize their brand awareness. For example, merchants can become more discoverable on Jahez platform through advertisement placement which allows them to appear at the top of the list, for marginal fees paid to the Group. In addition, merchants are able to direct marketing to repeat customers and offer customer loyalty programs.
- Jahez platform provides business enablement services to merchants, such as market data and specific demand and consumption patterns to support both their operational efficiency and growth plans. For example, Jahez platform provides merchants with data insights into locations with high value customers and on high velocity products, as well as customer reviews. These services are provided to merchants free of charge. The Group coordinates with merchants to provide them with such services to support its strategic relationship with them.
- offers multiple solutions to integrate with merchants' POS systems, which eliminates the need for merchants to track orders via a tablet and improves the delivery experience. In general, delivery times are shorter and the number of missing or incorrect items on orders is lower for merchants that have integrated their systems with Jahez platform.

Over 42 million orders have been placed through Jahez platform since inception in 2016G to March 31, 2021G. These orders helped the Group build a database of valuable information and provide unique market data. For example, the Group can provide merchants with recommendations on menu and product options, hours of operation, and where to build their branches, based on the desires and trends of customers in Jahez while maintaining the confidentiality of merchant and customer data. Moreover, insights on the preparation time of different product items help the Group increase the efficiency of its delivery partners through the waiting time at merchants and, consequently, delivery time.

d) Customers

The Group operates its business in the Kingdom, which includes a diverse customer base from various backgrounds and with varied preferences. Therefore, the Group focuses on providing a wide selection of merchants, which ranges from fast food chains to independent local merchants, in order to meet diverse customer needs and help retain the customer base. The Group believes that a key driver of its success is its wide offering of merchants, which enables its customers to discover local restaurants and other merchants from the Jahez network through a user-friendly ordering system and a simple interface, as well as its operational excellence, including its fast order fulfillment, delivery and real-time performance indicators that lead to proactively avoiding problems, which leads to higher customer satisfaction rates. An order that is not delivered by a merchant within thirty (30) minutes is automatically escalated to the customer service team who contacts the delivery partner, the merchant and the customer and ensures that the problem is resolved immediately.

Using Jahez mobile application, customers can navigate through the growing range of choices from merchants or utilize the user-friendly search functionality. Once they have made their selections, customers can place their orders and track delivery through the mobile application, ensuring higher customer satisfaction. Jahez mobile application provides customers with live updates through notifications and an on-the-map tracking feature. Consequently, customers expect fast and reliable service from Jahez platform. Therefore, the Group invests in developing and improving its efficiency by advancing its technology and utilizing data generated through Jahez platform (for further information, please refer to Section 4-9-1 "**Overview of the Group's Technology**" of this Prospectus).

Other attractive features of Jahez platform include, among other things:

- A wide variety of payment options which facilitate the ordering process, including cash or electronic payment at delivery, bank card payment or payment through Apple Pay, or by depositing funds in customer wallets on Jahez for example, when the Group compensates its customers due to a defect or disruption in their orders.
- An easy-to-use interface that allows customers to view merchants based on distance (with a wide coverage reaching 25 kilometers throughout the city).
- A search feature that allows customers to filter results by merchant, product type, cuisine and dishes.
- Merchant listings that include photos and descriptions of dishes and other goods offered through Jahez platform.
- Filters and tools that allow customers to navigate through merchants and promotions and receive tailored suggestions.
- An artificial intelligence system and algorithms used to assist customers in choosing a merchant, through the quick selection feature, which selects the best available merchant for the customer.
- An order tracking system allowing customers to view live updates on the map and receive push notifications when their orders are dispatched or delivered, including estimated arrival time. Customers receive immediate notifications when their order is accepted by the merchant, when the delivery partner receives their order, when the order arrives at their location, and when they receive the order.
- A customer support team which serves as a main connection point with customers, with a focus on service levels and maximizing customer loyalty. The Group believes that customer support is a key element of its business in order to provide a unique customer experience and to help retain customers. Therefore, the Group has a dedicated customer service team focusing on serving customers through telephone hotlines, social media channels and an instant online support system.

e) Delivery Partners

Jahez platform uses a network of delivery partners that have been contracted to perform delivery activities according to set operating and quality conditions, which improves control and reliability by providing a comprehensive order display that supports the ability to track orders, control the quality and solve issues that may arise. As at March 31, 2021G, Jahez platform utilizes a network of over 34,000 delivery partners, available to dispatch orders in the various locations in which the Company operates. The Group primarily depends on delivery partners who are either: (i) employed by third-party logistics operators with whom the Group has contractual agreements (for further information on such agreements, see Section 4-4-7 "**Material Agreements**" of this Prospectus); or (ii) freelancers.

The Group adopts specific procedures when appointing freelance delivery partners. The delivery partner submits a subscription request through the Group's electronic channels. Then, the dedicated team communicates with the delivery partner and directs them to the nearest Group branch to complete the procedures related to their subscription request. As part of such procedures, the delivery partner provides the Group's employee with a copy of their national identity or residency, driving license, vehicle registration, and subscription form and the signed Group's operational terms. Logistics companies provide an executed promissory note representing a credit limit for the Company, in addition to paying a deposit amount, or issuing a letter of guarantee in exchange of the cash that it shall collect from Jahez customers in exchange of the orders delivered, logistics companies then settle the amounts due to the Company by virtue of monthly reports issued by the Company or when the credit limit is reached, and the promissory note is periodically renewed to ensure it covers not less than 100% of the Company's weekly sales (for more information, see Section 4-4-7 "**Material Agreements**" of this Prospectus).

The Group values its delivery partners as a pillar of its success and believes that the satisfaction of its delivery partners is a key factor in attracting and retaining highly trained delivery partners. The Group aims to achieve high satisfaction rates among delivery partners by implementing well-designed policies to protect and reward delivery partners and adopting incentive programs to improve their productivity. For example, if a delivery partner completes more than ten orders during peak times such as holidays, the delivery partner will receive a financial incentive. In addition, during peak months, the Group sets daily performance indicators measured by average completed orders, on the basis of which delivery partners have an opportunity to win for various prizes such as mobile phones and cars. In addition, the Group offers special discounts for delivery partners at many merchants. All delivery partners collaborating with by Jahez platform must meet certain conditions such as having a valid ID, driver's license and car registration, and they must be enrolled in the Communication and Information Technology Commission (CITC) database. Delivery partners are automatically registered with CITC when their information is registered with Jahez platform. The onboarding process for delivery partners takes less than two (2) days and includes a training program specifically designed to support delivery partners on various aspects including training them on handling any issues they may face with both merchants and customers. The Group ensures that the delivery partners deliver customers' orders to the highest standards as quickly as possible. To this end, a delivery partner bears the order value if the order is delivered to the customer after the specified time, if the food container provided by the Group is not used, or if the order is delivered in an inappropriate manner leading to the damage of the order.

Furthermore, Jahez platform aims to achieve efficiency in utilizing delivery partners and organizing their locations. In this regard, it pursues a highly analytical approach in defining delivery areas with fully automated technology allowing it to make accurate estimates as to pick up and arrival times, and provides general oversight of the dispatch and delivery process with live tracking. In addition, the Group uses data collected through its operations to improve Jahez platform 's delivery efficiency and arrival time estimates.

4-6-2 Quick commerce (PIK Platform)

Over the years, customer demand for online delivery services has grown exponentially and has expanded beyond food delivery. With such demand having been exacerbated as a result of customers' changing behavior, and in order to meet the customers' ever-growing needs and demands, the Group has expanded its delivery services beyond restaurants, and utilized Jahez platform to provide customers with fast and convenient delivery from supermarkets and grocery stores, pharmacies, and local retail stores. Therefore, in November 2020G, the Company established PIK Limited Company and started the soft launch of PIK platform in Q1 2021G in order to meet its customers' needs. Its full launch will take place in Q4 2021G.

PIK Company operates a q-commerce platform, under the name of PIK, that serves as a platform for local merchants. Launched in Q1 2021G, the platform aims to connect customers with an array of their favorite brands and deliver their orders within two to three hours directly from the merchant.

PIK platform aims to provide merchants with an online presence without incurring high expenditure, and, in turn, provide its customers with a variety of retail goods quickly and conveniently via a mobile application focusing on fashion, cosmetics, computer hardware and Electronics. PIK platform offers a digital shopping platform to cater to the needs of customers who prefer ordering through electronic platforms while providing accelerated product delivery.

PIK platform connects customers to retail merchants within a 100-kilometer radius zone covering suburban areas of big cities. Similar to Jahez, it covers all the logistics, including order selection and offering, online payment options and the delivery of products to customer locations. Key features of PIK platform include an easy-to-use mobile application that includes a catalog of products allowing for easy filtering and categorization of products and merchants, e-payment services, live-tracking, direct customer support and the ability to provide return policies through PIK platform. Merchants on PIK platform can utilize it to reach a wider customer base, identify customer trends and behavior, participate in several marketing opportunities and enhance their brand awareness. Furthermore, PIK platform utilizes the network of delivery partners available to Jahez platform, where non-food orders can be scheduled and delivered outside of food rush hours. It should be noted that there is no conflict between the peak periods of orders placed through Jahez and PIK platforms. The average delivery time for orders through PIK platform ranges from two to three hours, compared to thirty minutes for customer orders on Jahez platform.

PIK platform generates revenues through various streams including: (i) per-order commissions charged to merchants every time a customer places an order with the merchant through PIK platform ; (ii) fees charged in connection with advertisement placements such as promotions and premium listings on PIK platform ; (iii) e-payment fees charged to merchants in case of payment by credit card or digital cards, and (iv) delivery fees paid by customers.

4-6-3 Cloud Kitchens (Co Kitchens)

Cloud kitchens are commercial kitchens dedicated to serving food via delivery only platforms. The business model for an end-to-end cloud kitchen involves leasing and equipping a commercial kitchen space and sub-leasing such kitchen spaces to restaurants that will sell their meals to customers via delivery only platforms. Cloud kitchens provide turn-key solutions for restaurants, providing them with all the food preparation and cooking facilities required for them to prepare their meals. This model allows the flexibility for multiple brands to share the same infrastructure at the same time.

The growth of the demand for online food delivery allows restaurants to increase their customer base and their footprint without providing dine-in facilities to their customers, thus making saving in high cost of rent and turning it into a variable cost in proportion to the volume of orders. Consequently, according to market reports, many restaurants are switching to the cloud kitchen model because it is a cost-effective option. Focusing on orders from delivery platforms only leads to shorter delivery times and a better customer experience.

In 2020G, the Company acquired a 60% ownership interest in Co Kitchens Limited Company, a limited liability company focused on establishing cloud kitchens in the Kingdom, based on the business model of end-to-end cloud kitchens. Co Kitchens Limited Company opened its first cloud kitchen in Riyadh in December 2020G, hosting four (4) restaurants. As at the date of this Prospectus, it hosts seven (7) restaurants, and it is the first of its kind in the Kingdom that relies on the model of end-to-end kitchens.

Co Kitchens' revenues are commissions calculated by applying a percentage agreed upon with each restaurant on the value of orders completed through Jahez platform. Co Kitchens enters into agreements with restaurants, in which a variable commission rate is set to be paid by each restaurant. Such rate is affected by the volume of monthly orders and transactions.

The Group's strategy regarding the development of new cloud kitchens is to lease locations under long-term lease agreements entered into with various parties at an agreed value. As at the date of this Prospectus, Co Kitchens has entered into two lease agreement with each of Abdullah Manae Ibraheem Al Tuwaim and Abdulrahman Abdullatif Muhammad Al Alshaikh, respectively (for more information on lease agreements, please see Section 4-4-8 "Real Estate" of this Prospectus). Then Co Kitchens prepares these locations for operation. This process is as follows:

a) Cloud Kitchen Location Selection Process

The process of selecting cloud kitchen locations is as follows:

- Area identification: Co Kitchens' Management identifies potential locations based upon the study of areas with high demand for food and the targeted restaurants, according to the data available through Jahez platform.
- Location identification and preliminary survey: locations in the selected area are determined based on several criteria including the accessibility and space of the location.
- Management review and profitability analysis: the final list of potential locations is reviewed by the Senior Management with a detailed analysis of forecasted profitability.
- Board approval: the Board of Directors reviews the study submitted by the Management after reviewing and analyzing profitability, and provides its comments thereon. Once it is completed and approved, Co Kitchens will start implementing the cloud kitchen development process according to the approved study and hold discussions with the location owners to negotiate and sign a lease agreement.

Co Kitchens seeks to conclude lease agreements with terms ranging from three (3) to ten (10) years or more, as required.

b) Kitchen Development and Expansion

Co Kitchens has an in-house project team that acts as a supervision and coordination team with the main contractors who are appointed to implement new cloud kitchens projects. Co Kitchens has developed a set of initial plans and specifications as a model for these projects, which can be easily changed according to the specific location. This allows Co Kitchens to have a more flexible design process and control the costs and timing of projects. Cloud kitchen development takes three to five months. The development process includes designing kitchen spaces, preparing gas, ventilation and electricity connections, and installing the necessary furniture and equipment.

4-6-4 Logistics (Logi)

In 2021G, the Company established Logi as a market enabler for the e-commerce and delivery industry in general in the Kingdom. Logi's vision is to help businesses overcome the logistical challenges they face, and to be the market leader in urban last mile delivery. The Group launched Logi's services during Q3 2021G. Logi will provide convenient service to the Group's companies first and then to e-commerce and postal logistics companies, by providing a large fleet of Saudi and non-Saudi delivery partners, hence allowing them to scale their operations while managing costs.

Logi will also help set up a centralized platform to support the Group with all of its logistical and operational needs, therefore synergizing the Group's operations. Logi aims to facilitate bridging the gap between customers and merchants, and providing the Group with constant logistical support by employing the logistical staff, including delivery partners, required for the Group's operations (through Jahez platform as well as third party platforms).

Key features of Logi include its availability throughout the day with instant delivery within a short time, its ability to schedule multiple pick-ups and its tracking features. It not only targets food delivery applications but also business-to-business deliveries in e-commerce by offering fast delivery, low operational costs, scalability and live tracking capabilities, all while maintaining quality.

Logi will generate revenues through various streams including (i) delivery fees; (ii) pre-paid distance-based pricing for e-commerce merchants; and (iii) annual and monthly subscription fees for Logi's dark store warehouses as well as commission based pricing.

4-6-5 Red Color

In line with its mission to deliver the best value for its stakeholders, the Group established Red Color in 2021G to fulfill the Group's investment objectives. Red Color began its operations during Q1 2021G. Red Color targets investments that maximize its corporate value through three (3) main objectives:

- Strategic partnerships that add value and align with the existing solutions offered by the Group.
- Financial returns generating future gains or minimizing costs.
- Acceleration of entry into new verticals targeted by the Group in line with its growth prospects.

Red Color aims to invest in opportunities that employ technology and industries that use the Group's current assets of customers, merchants and delivery partners, in order to leverage its position. Industries in which Red Color mainly invests include, but are not limited to, automated marketing solutions, supply chain solutions, fintech solutions, direct to consumer services and lifestyle improvement services.

Red Color targets investments that result in an increase in returns for the Group through:

- **Contributing to growth:** through the acquisition of new customers, providing entry into new markets and/or offering increased access to community engagement.
- **Reducing costs:** by providing cost savings in operations, time saving, or accelerating expansion with less capital.
- **Providing data gains:** by providing further data about customers' behavior, technology trends or market trends and anomalies.

a) **The Group's Investment Policy**

Objectives

The Group aims to invest in technology companies in line with the investment policy approved by the Board of Directors to achieve the following objectives:

- Establish strategic alliances that enable it to benefit from new technologies and ideas that integrate with the services currently provided by the Group to its customers and contribute to achieving high returns for the Group.
- Enhance the Group's competitive capabilities.

Target markets:

The Group aims to invest in and enter into strategic alliances with select companies operating in the following sectors:

- Sectors with data driven efficiencies including, but not limited to, cloud kitchens, loyalty programs, and automated marketing.
- The fintech sector, including payments, digital wallets, points of sale, and other related sectors.
- The food delivery market sector via q-commerce applications in order to increase the Group's market share at the local and regional levels.
- The on-demand services sector.
- Other sectors that integrate with the Company's activities.

Investment selection criteria and methodology:

The table below sets out a summary of the key investment selection criteria that the Group adopts in selecting technology companies for investment and acquisition:

Table (4-22): The Group's Criteria for Selecting Companies for Investment and Acquisition

Type of Investment	Maximum Investment	Region	Management and Founding Partners	Target Company Growth Stage	Strategic Alignment with the Group
Minority interest	Ten million Saudi riyals (SAR 10,000,000) or 25% of the target company	MENA region with a focus on the Middle East	Companies with management having a clear vision for growth and sustainability	Early stages (angel and early-stage VC)	Strategic synergies with the Group's operations in addition to other related benefits
Controlling interest	10% of the equity for the Group	MENA region with a focus on the Middle East	Companies with leaders having a clear vision for growth and sustainability	Advanced stages (expansion capital & late-stage capital)	Online food delivery platforms and direct commerce

Source: The Company

The Group applies a methodology to select new investments in order to identify investment opportunities for the Group in the Kingdom in particular and the MENA region in general, in line with the Group's growth plan. This methodology includes the following main stages:

- Initial review of the target company in line with the investment conditions and the Group's special investment criteria, in addition to the initial valuation of the target company.
  - If the investment meets the Group's criteria, it is presented to the Investment Committee for review and initial approval.
  - If it does not meet the Group's criteria, the investment is not made.
  - If the investment is initially approved by the investment committee, the Group exercises due diligence by using consulting firms. This stage includes, but is not limited to, professional financial, legal and logistical diligence. Upon completion, the Group reviews the professional due diligence reports and prepares the final evaluation of the target company.
  - If the outcomes of due diligence confirm the initial investment decision of the Investment Committee and are consistent with the Group's investment criteria and strategic directions, the final recommendation is submitted to the Investment Committee for review and approval before being submitted to the Board of Directors.
  - If the outcomes of the due diligence include points that are substantially inconsistent with the initial investment decision of the Investment Committee, the investment is not made.
- Upon the approval of the Investment Committee and the completion of internal procedures, the final investment recommendation is submitted to the Board of Directors for final approval.
- Upon the approval of the Board of Directors, the Group will complete the necessary legal procedures and close the transaction.

The Group's added value to target companies:

The Group enables companies, whether those being invested in or acquired, to obtain the following advantages:

- An integrated logistics platform that is one of the biggest platforms in the Kingdom.
- Integration of businesses into the Group's operations, along with benefiting from a growing network of customers, merchants and delivery partners.
- The ability to understand customer behaviors according to data analysis.

The Group's current investments:

The table below shows a summary of the Group's investments through Red Color, in addition to the objectives of investing in these companies:

Table (4-23): Criteria for the Selection of Companies for Investment and Acquisition

Investments	Investment Value (SAR million)	Investee's Activity	Investment Objectives	Red Color's Ownership Percentage
Halalah Company Limited	3.75	A company established in Abu Dhabi Global Market and invests through a speculative agreement in a Saudi company licensed by the Saudi Central Bank to administer a platform that provides unique digital payment solutions for SMEs.	Take advantage of digital payment solutions to facilitate delivery partner and merchant payments, in addition to benefiting as a partner as a result of the development of Halalah's business in the future.	1.4%

Investments	Investment Value (SAR million)	Investee's Activity	Investment Objectives	Red Color's Ownership Percentage
Bonat Holding Company*	0.37	A company specialized in the loyalty system sector by developing digital tools that enhance customer interaction and loyalty.	Benefit from easy systems for a fully automated customer loyalty program and link it to the Group's systems, in addition to benefiting as a partner as a result of the development of the Bonat Holding Company's business.	-
Nana Direct Company*	7.50	A company that operates a platform to deliver purchases from supermarkets, pharmacies, and meat stores through dedicated retail stores through electronic platforms to customers.	Benefiting from the partnership as a result of the development of Nana Direct Company's business in the future, in addition to benefiting from the stores designated for retail sale through electronic platforms only.	-

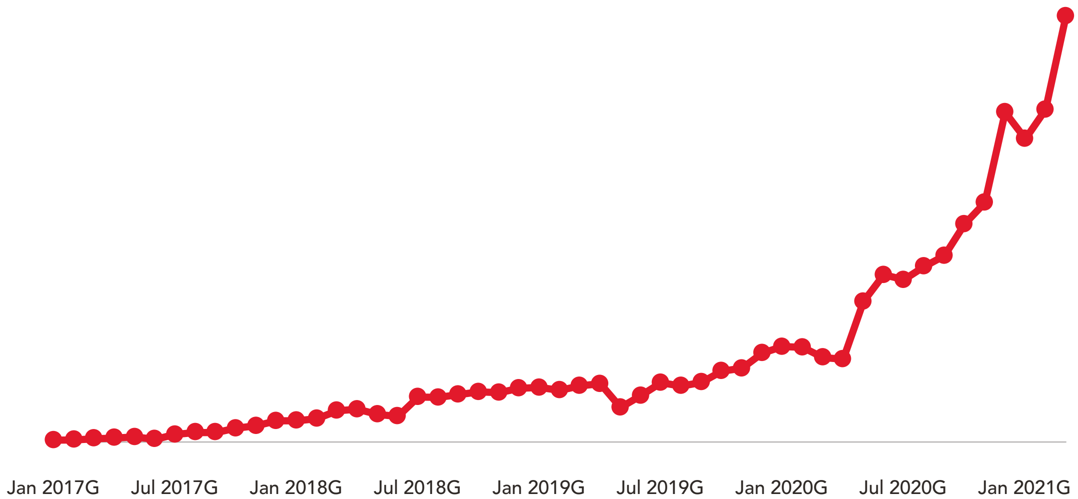
Source: The Company

* Convertible debt instrument.

4-7 Growth

The Group's journey started in the Central Region which was, and still is, the Group's largest market. The Group did not rush growth and expansion to other areas, and decided to strengthen its grip on its core market before expanding to new areas. In Q1 2021G, gross merchandise value (GMV) generated from outside of the Central Region was 24% up from a mere 4% in 2017G. The Group managed to grow the number of orders from about one million to 19.5 million and its GMV from SAR 70.5 million to SAR 1,418 million from 2017G to 2020G, respectively (i.e. by 20x). In Q1 2021G only, orders and GMV were over 10.4 million and SAR 711 million respectively. The Group has been able to attract more merchants to its Jahez platform, with the number of merchants growing from 185 at the beginning of 2017G to 12,106 by the end of Q1 2021G. The following chart shows the monthly growth in the number of orders during the period between 2016G and 2021G.

Figure (4-4): Growth in the Number of the Company's Orders over the Years



Source: The Company

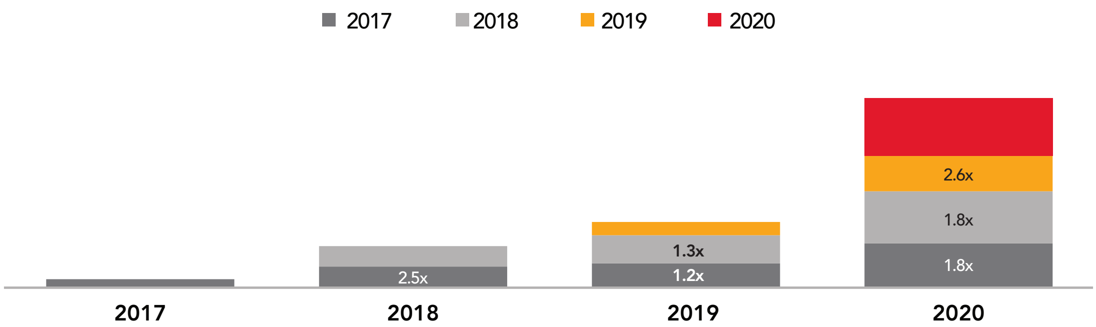
At the same time, the Group increased its commission rate from a starting point of 5% to an average of 10.6% by 2020G. The Company had increased the commission rate to 12% of majority of the merchants as of Q1 2021G. It should be noted that 98% of the Group's merchants pay 12% as at August 2021G. The number of customers increased from 12.7 thousand in early 2017G to more than 1.3 million as at Q1 2021G. The average number of monthly orders per customer increased from 2.3 to 4.8 orders during same period. It should be noted that over 45% of the orders were made by customers who used Jahez platform more than 10 times a month in 2019G and 2020G. The gross merchandise value of products sold to customer cohorts constantly increased every year. The GMV of products sold to customer cohorts increased by about 5.2 times from 2017G to 2020G, about 2.5 times from 2018G to 2020G, and about 2.6 times from 2019G to 2020G. The table below shows the average commission rate, the number of customers and the average number of monthly orders during the period from FY19G to Q1 2021G.

Table (4-24): Average Commission Rate, Number of Customers and Average Number of Monthly Orders During the Period from FY19G to Q1 2021G

	Financial Year 2019G (Management Information)	Financial Year 2020G (Management Information)	Three-Month Period Ended March 31, 2021G (Management Information)
Average commission rate	9.5%	10.6%	11.3%
Number of customers	472,947	1,038,668	1,316,343
Average monthly orders per customer	3.8	4.5	4.8

Source: Management information

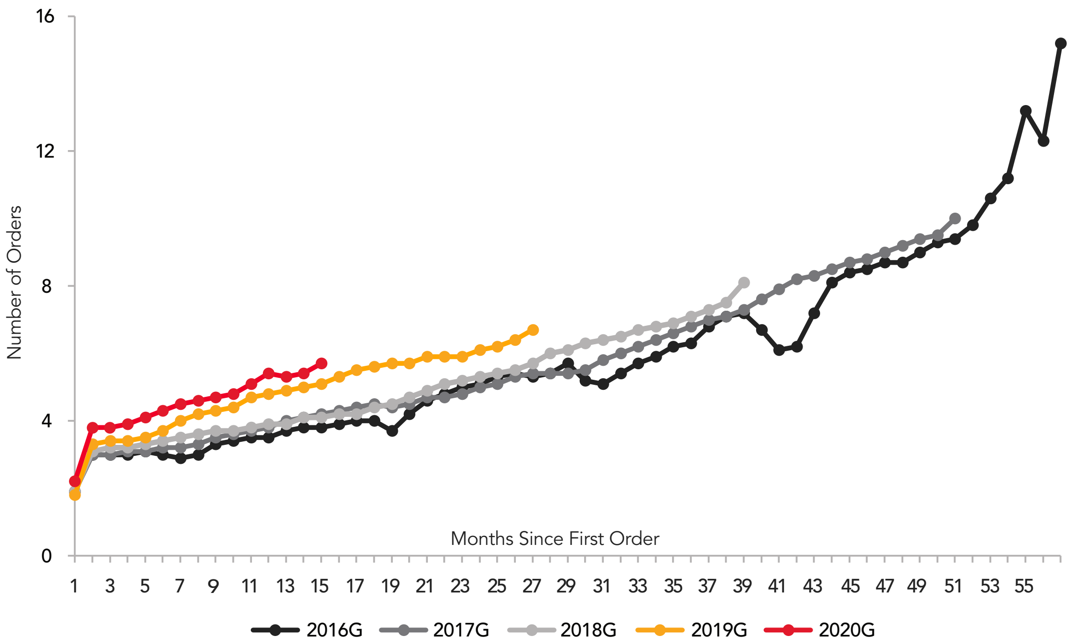
Figure (4-5): Growth of GMV by Customer Cohort as of 2017G



Source: The Company

The Group believes that the reliability of Jahez platform, the wide array of choices, and the superb customer service provide a convenient experience that promotes customer engagement and repeat orders. This is demonstrated by its high customer retention rate. More than 80%, 66% and 88% of orders in 2019G, 2020G and Q1 2021G, respectively, came from returning customers who made orders during 2016G to 2019G. The remaining orders were made by new customers. As the Group expands its network of merchants, the level of customer engagement will follow, which translates into more sales for its merchants and more opportunities for delivery partners to increase their earnings. While this creates an appeal for Jahez platform among freelancers, it also gives it more negotiating power with logistics companies. The following chart shows the average monthly orders by cohort since 2016G.

Figure (4-6): Average Monthly Orders by Customer Cohort since 2016G



Source: The Company

As the Company scales, it will continue to invest in improving its platform for all users. The Company will continue onboarding new restaurants as well as merchants outside of the food vertical, which should increase the amount customers spend on its platform. Adding more verticals means better utilization and increased efficiency of its delivery partners. Orders from non-food verticals can be scheduled and delivered outside of food rush hours.

Table (4-25): The number of orders and the adjusted total value of goods during the period between the fiscal year 2019G and the three-month period ending on 31 March 2021

	Financial Year 2019G	Financial Year 2020G	Three-Month Period Ended March 31, 2020G (Management Information)	Three-Month Period Ended March 31, 2021G (Management Information)
Number of Orders				
Number of Orders	6,996,719	19,540,417	2,705,029	10,477,219
GMV (Thousands of Saudi Riyals)				
GMV	497,477	1,417,096	198,744	711,130
Value added tax on the Value of the Order	24,874	161,957	9,937	106,669
Delivery Value Paid by Customers	104,297	276,345	41,827	122,021
Value added tax on Delivery Value Paid by Customers	5,215	31,308	2,091	18,303
Adjusted GMV	**631,862**	**1,887,706**	**252,600**	**958,123**

Source: the Company

Geographically, the Group intends to cover all highly populated areas within the Kingdom and regionally expand to GCC countries.

4-8 Sales and Marketing

To maximize the benefits from the rapidly growing market opportunities locally and regionally, the Group seeks to keep pace with the renewed expectations of the target audience (customers, merchants and delivery partners) and constantly align with the Group's vision, mission and values by developing approaches and methods of dealing with platform users and providing integrated and differentiated services. This is to attract and engage new customers in its existing base and expand the scope of its platform, along with ensuring the retention of its existing customers. Under the commercial division, the sales and marketing departments are operating within an integrated marketing strategy that the Group began implementing at its inception in 2017G. A clear framework and strategic objectives were established for the administration and the monitoring of promotional activities of the Group's services, which can be summarized as follows:

- Be a step ahead of competitors in providing and developing the services offered.
- Not compete with prices as a criterion for the value of services provided to customers.
- Seek to attract as many merchants and restaurants as possible to provide the required variety for customers.
- The acquisition of a market share to ensure continuity in this sector.
- Effectively update internal operational procedures and policies for using the respective applications and platform and finding solutions to users' problems.
- Attract new customers and ensure the satisfaction and loyalty of existing customers on an ongoing basis and monitor results and indicators on a daily basis to make proper commercial decisions.
- Build mutual confidence between all parties by respecting the promises and agreements in terms of providing flexibility in dealing, the highest standards of quality and quick response to emergency problems, and avoiding lengthy boring routine.
- Streamline the setup procedures for any service provided, whether related to merchants, delivery partners, delivery companies, or customers.
- Foster continuous innovation to improve the experience of customers, merchants and delivery partners on Jahez and PIK platforms through easy up-to-date technologies at all stages of service.
- Increase public awareness of services that exceed the market level, as well as the Group's value-added services. Therefore, the customers can be used to promote any service by satisfying their aspirations and expectations. This customer will participate for free in promoting the service that fulfilled their desires and ambitions.

In addition, advertising and promotional media have been very effective in improving the performance of the marketing process. Service companies are competing in employing advertising media to promote their services and products. For this purpose, they allocate huge budgets that can reach 10% of the total sales value in the early stages of the project life, which gradually decreases but never ceases so the Group is always in the customer's mind.

Advertising media includes posters, commercial advertising, and media, as well as social influencers and internet applications used in social media, influential content, competitions and public relations, as well as the use of public events as an occasion to promote the services offered. Accordingly, the Group has been able to sponsor some public events to display its name and presence. In addition, the Group's marketing channels and campaign include sports sponsorships, partnerships with government entities, social responsibility, and marketing through traditional media such as television and radio advertisements, billboards and online marketing. Total advertising expenses were about SAR 20 million and SAR 49 million for the financial years ended December 31, 2019G and 2020G and SAR 6.8 million and SAR 25.2 million for Q1 2020G and Q1 2021G, respectively, which constituted 13%, 10.8%, 10.5% and 10.4% of the Group's total revenues, respectively.

The Group capitalize on its experience and positive outcomes related to positive results over the past years, to move forward by providing all marketing and commercial capabilities and capacities to reach a level that achieves the following results:

- **Strong online presence:** the Group aims to have a strong online presence and has engaged in several effective marketing campaigns expanding its footprint in the online delivery industry. The Group is active online through marketing campaigns that increase its visibility to its existing and potential customer base through various channels such as social media and search engine optimization. For example, the Group launched several marketing campaigns to support home businesses and local businesses affected by the COVID-19 pandemic, donation campaigns as well as some other promotional campaigns.

- **Enhance brand awareness:** the Group believes that the Jahez brand is one of its most important assets, and therefore focuses on enhancing its brand awareness, which it believes is essential for attracting customers as well as merchants to maintain a leading market position. Through brand awareness, the Group aims to be on top of customers' minds to increase orders and order frequencies. Brand awareness goals are determined by the Company's Management based on specific awareness and presence criteria. The Group has invested in brand awareness initiatives through campaigns targeting the markets in which it operates to increase the number of orders and reduce associated costs through social media and influencers as well as marketing materials through TV and radio advertisements, billboards and sponsorships. For example, the Group signed a sponsorship agreement with Al-Hilal Sports Club in 2019G for a term of five years with a value of SAR 103.5 million, where the "Jahez" logo appears on the Al-Hilal Sports Club's shirts starting in the 2019G–2020G sports season. The Company also invests in billboards in most of the markets and cities to which it is expanding in order to increase awareness of the brand and offers to residents in such cities.
- **Attract new users to Jahez platform :** the Group conducts marketing campaigns via social media to encourage new users to use Jahez platform and gain them as customers in addition to recovering old users. These campaigns are focused on specific times of the year according to cities and seasons. The campaigns are carried out through social media such as Twitter, Instagram, Facebook, YouTube and other social media platforms, based on their prevalence in the cities and target groups.
- **Retain existing customers:** customers may not be affected by the above marketing initiatives. Therefore, they are contacted directly by push notifications via Jahez platform, inviting them to reuse Jahez platform 's services and providing them with offers through their wallets on Jahez platform application. The Group is currently developing a database to utilize artificial intelligence to identify customer segments and consumption behavior to anticipate results and business decisions to be made in order to maintain the success of the customer's experience and their journey with the services provided.

Furthermore, the Group's sales activities serve to attract new merchants to its platforms in various categories. The Group has a main sales team in Riyadh supported by sales teams in each main area in which it operates to grow its merchant base by conducting research on the geographic market in order to create a targeted sales plan. This sales team liaises directly with merchants throughout the onboarding process while at the same time working closely with the Group's customer service team to monitor offers and services provided.

The Group's sales department has developed clear policies from the beginning by adopting professional systematic strategies in conformity with the following directions:

- Attracting reputable merchants and restaurants that have a popularity base in each target city.
- Diversifying target merchants to fulfill all customer tastes and requests.
- Giving priority to merchants with multiple branches in cities where the Group's platforms operate.
- Providing full support including training and operations to merchants to ensure they comply with the service level agreement according to the Group's terms and conditions.
- Securing the necessary content for each merchant (list of products and images) and matching them with data and prices on the Group's platforms, while always keeping customers up to date.
- Ensuring the professionalism and quality of products and merchants' ability to continue providing service to their customers in the related geographical area.
- Ensuring the follow-up and supervision over the activation merchants accounts and data since the contracts signature with the Group's, in order to allow the future use by the operating, accounting and marketing departments.
- Monitoring the renewal of contracts and terms agreed upon with merchants annually.

Comprehensive supervision and control over the commercial integration of merchants is performed centrally for all branches across the cities of the Kingdom. Periodic reports are submitted to the relevant department to review the progress to keep pace with the number of customers and delivery partners to be attracted and secured on an ongoing basis. Consequently, targets are set for the sales team on a monthly basis in terms of the number of new contracts and branches for each city and region within the cities and the number of branches fulfilling customer orders per month.

The Commercial Division has a dedicated team managing relations with partners (merchants) and is operating from the head office in Riyadh. This team communicates and coordinates with all the Group's departments, provides appropriate solutions, and instant responses to facilitate all daily routine procedures ensuring successful work and achieving business goals for all parties. In addition, the team provides ongoing suggestions and constructive guidance to the relevant merchants and departments to monitor the required product sales promotions and the proposed discounts for the end customer on a periodic basis according to the monthly results. One of the team's main goals is to continuously monitor the applications of the required service level while dealing with the customers in terms of the immediate response of merchants and merchant branches in the Kingdom and their commitment to provide their products according to the customer's expectations and in a way that achieves customer satisfaction.

On the other hand, the Group's operations are subject to seasonal fluctuations. The number of orders increases during the first and last quarter of each financial year, during which time customers make orders due to weather conditions. Orders increase at times when customers do not go out to eat outside the home or due to short daylight hours. The number of orders may also decrease during certain seasons such as Ramadan, Hajj, back-to-school, summer, or in the dry or hot months of the year when customers prefer to eat out. The Group reduces the effect of seasonal factors by increasing demand growth and keeping pace with changes in the current consumption behavior during the COVID-19 pandemic.

4-9 Information Technology

4-9-1 Overview of the Group's Technology

a) Technology Systems

The Group makes vigorous efforts to anticipate the needs of success partners (customers, merchants, and delivery partners) and their goals and aspirations, to have a clear understanding of the optimal solution to serve them. This is crucial to developing new updates and features of technology platforms that are eventually transformed into effective collaboration tools for the Group's partners. Technologies developed by the Group provide robust, flexible and automated technology platforms. The Jahez and PIK platforms rely on three (3) main components that interact with merchants, customers and delivery partners. These components are built on top of a mini-service architecture, described as follows:

- **Customer mobile application:** inspired by one of the Group's values which is "simplicity," the Group offers its Jahez and PIK platforms to customers through its user-friendly mobile applications providing customers with a simple and seamless interface through which they can easily navigate merchants and offers, place orders, make payments and directly track delivery. Direct access to customer support using the built-in chatbot helps speed up customer inquiries with just a few clicks. Jahez platform provides small details such as an in-application game that keeps customers entertained as they wait for their order to arrive. This increases user engagement, which in turn helps retain customer loyalty to Jahez application.
- **Merchant web-based portal:** the Group offers its Jahez and PIK platforms to merchants through its web-based comprehensive portals that enable merchants to streamline operations and focus on preparing delicious food for their customers. The web-based portals provide merchants with different users' orders and allows them to manage their branches, menus and items. These portals include a number of features and configurations that the merchant's administrator can utilize, such as viewing products sales, with they also allow a fast and secure integration between merchants systems and both Jahez and PIK platforms. This contributes to enhancing digital effectiveness, providing flexibility and the ability to manage their business planning and financial reporting processes. At the same time, the merchant's page is simple where each user can manage orders and view order details. The portal also includes other features such as a dashboard and reports that help merchants measure and improve their performance on the brand and branch levels.
- **Delivery partner mobile application:** the Group offers a platform for delivery partners for orders via Jahez and PIK platforms through its user-friendly mobile application "Saned", which covers all logistical aspects throughout the delivery process, from the dispatch of the order to delivery until settlement with delivery partners. Key features of this application include the following:
  - The application includes tools that optimize order distribution to delivery partners, taking into account many factors including distance from merchants to the point of delivery, number of ongoing orders, delivery partner category, etc. Such factors allow Jahez and PIK platforms to select the most suitable delivery partner to deliver the order within an acceptable period.
  - It enables easy tracking and monitoring of the order journey, with an escalation engine that alerts the Group's operations team to proactively take action and support delivery partners in the event of any issues, where they can communicate with them through the application.

- It allows delivery partners to use a map, which shows demand by region and residential districts in their city, helping them benefit more from each delivery and deliver more orders.
- Saned allows the settlement of balances between the delivery partners and the Group with a few clicks, and the amount is transferred to the delivery partners' digital wallets or vice versa without any intervention from the operations team. With this automation and e-wallet integration, the Group saves delivery partners from having to take the time to drive all the way to one of the logistic offices and wait in line to settle their accounts.
- Saned confirms that all delivery partners are authorized by the CITC according to the regulatory requirements.

- **Administrative System:** the Group has a comprehensive administrative system that includes various dashboards that provide it with real time performance monitoring which is linked to the Group's various platforms and applications. It covers the entire journey, including onboarding of merchants, customer support, reporting and dashboards. Through this system, the Group's operations team can manage and support merchants, customers and delivery partners in one place. By utilizing the built-in escalation engine, this team can proactively avoid order delays and easily spot and resolve the cause of such delays. Automated actions have been introduced to help the team smooth the order journey.

The Group believes that its technology systems are robust, offering and scalable, with high availability and reliability. The Group has managed, over the years, to develop and enhance its system to include reliable components that are able to continue to provide services even with high demand or third-party failure. The Group also implements application and data back-ups which facilitate recovery in the event of any unplanned outages. Furthermore, the approach the Group has taken in developing its technology system allows it to mitigate the risk of operating in a different environment. In addition, all of its platforms and systems are supported by cloud computing technologies through Amazon Web Services and Google, which provide high reliability and flexibility that enables the Group to achieve rapid expansion within the ever-changing delivery and logistics sector. This also enables the Group to innovate and update its services to keep pace with expected growth in the sector, which enhances the Group's vision to be the most popular platform and supports its expansion plans in the delivery sector via electronic platforms and its supporting sectors.

b) Data

The Group generates and collects a massive amount of data in its day-to-day operations and strives to utilize such data to optimize its services and processes as well as those of its partners. The Group, through its data-driven teams, analyzes its data regularly, using artificial intelligence and machine learning, to improve its algorithms and find innovative ways to enhance its business, including, predicting high demand on Jahez and PIK platforms, which leads to better recommendation for delivery partners.

The Group also uses the data to improve recommendations for its customers, calibrate its operations and marketing activities, and help merchants understand customers' needs and preferences. For example, the Group uses artificial intelligence and machine learning to generate insight reports for internal use and provides such reports and insights to merchants, in order to assist them in enhancing their processes.

The Group Data Platform is built to deliver data-driven products that help in many areas including the following:

- **Delivery partner incentives:** a product that directs delivery partners to delivery zones using machine learning.
- **Merchant insights:** helps merchants understand their customers and improve their services with products demand prediction.
- **Recommendation engine:** customized offers for customers and targeted campaigns built by artificial intelligence technologies.

Overall, the Group frequently analyzes the data it gathers from different perspectives. When it comes to customers, the Group is able to analyze customer preferences with regard to their order experience, including their restaurant and payment method preferences. With regard to merchants, the Group's reports can identify the highest selling items provided by the most popular merchants and branches. As for the delivery partners, the Group's data helped generate key performance indicators, which allows for better utilization of the delivery partners' time, which in turn allows them to generate more income.

c) Cybersecurity

The Group considers cybersecurity one of the cornerstones of its technology. This reflects its commitment to protecting the privacy, resiliency and security of corporate and individual data. The Group is gradually complying with cybersecurity regulations in different areas. When it comes to its systems, the Group applies critical security measures to authenticate Jahez and PIK users, including both customers, merchants,delivery partners, and administrative users. In addition, encryption and masking are implemented to secure all transmitted data via a secure network. Moreover, utilizing security managed services helps protect the Group from cyberattacks and risks of minimized security. With regard to cybersecurity policies, the Group ensures that they are followed from development to delivery across all its departments.

4-9-2 Data Privacy and Security

The Group's data and information technology systems are the major assets to ensuring that its operations run smoothly and without any interruptions. Therefore, the Group gives high priority to ensuring that data privacy and system security are maintained at high levels in order to maintain reliability at all times. It has procedures and technologies in place to prevent and manage disasters at any level of the Group's platforms, including penetration testing, multi-factor authentication, code-security standards and environment segregation. In fact, the Group has a dedicated team that is responsible for the Group's platforms, ensuring that it is available around the clock. The Group has also developed high security standards and data management policies, which are put in place to mitigate any security breach.

As the Group manages a large portfolio of customer data, the protection of personal data is a top priority. The Company seeks to ensure that all customer data is adequately protected from the risks of piracy. The Company regularly invests in the development of systems, infrastructure, and employees. It is also developing a plan to facilitate compliance with the requirements of the CITC and the applicable laws and regulations.

4-10 Intellectual Property

The Group has registered several trademarks with the Ministry of Commerce in the Kingdom, and it relies on its trademarks in its business operations and in marketing its services. The Group submitted application No. 279847 dated 14/10/1442H (corresponding to 05/26/2021G) to register the Logi trademark, which is still being considered as at the date of this Prospectus. The Company also submitted an application to register the Company's trademark in Class 9 with application No. 132087, in Class 35 with No. 132066, in Class 39 with No. 132067 on 01/04/1443 H (corresponding to 11/06/2021G) in Kuwait, and in Class 9 with No. 33375, in Class 35 with No. 33378, and in Class 39 with the number 33379 in Bahrain. The table below sets out the key information related to the trademarks that the Group has registered in the Kingdom:

Table (4-26): The Group's Registered Trademarks

#	Trademark	Owner	Registration No.	Date of Protection	Protection Expiry Date	Category
1.	jahez جاهز	The Company	1442001897	14/01/1442H (corresponding to 09/02/2020G)	13/01/1452H (corresponding to 05/16/2030G)	39
2.	jahez	Alamat International Limited Company*	1438004930	28/02/1438H (corresponding to 11/28/2016G)	27/02/1448H (corresponding to 08/10/2026G)	39
3.	PIK	The Company	1441032781	29/12/1441H (corresponding to 08/19/2020G)	28/12/1451H (corresponding to 05/01/2030G)	39
4.	CO KITCHENS	Co Kitchens	1441207153	20/10/1442H (corresponding to 06/01/2021G)	19/10/1452H (corresponding to 02/11/2031G)	43

* While Alamat International Limited Company is the registered owner of this trademark, the rights relating thereto have been transferred to the Group pursuant to a purchase and sale of assets agreement between Alamat International Limited Company and the Company dated 14/04/1439H (corresponding to 01/01/2018G). It should be noted that this logo is not currently used by the Group, as it was replaced by the new logo shown above.

Source: The Company

4-11 Research and Development

a) R&D Department

The Group is aware of the importance of research and development in providing the best services and improving quality. This is why the R&D Department was established. This department examines products and services in the local market and monitors global developments in ideas and technologies in the field. The research and development process consists of several stages, from ideas to analysis then implementation. The role of the Company's R&D Department is to collect ideas from all stakeholders such as customers, employees, partners, etc., in addition to the ideas generated internally by the R&D Department.

In addition to systems and projects, the R&D Department focused on improving the environment and cultures, creating a culture that cares about employee and management development, which results in the development of the Group. This leads to attracting talented specialists and retaining employees. The R&D Department contributed to improving and developing many service areas that helped raise the level of service and add more features, such as the game played by customers while waiting for orders. This demonstrated the effectiveness of research and development and led to improving the framework of innovation and ideas, resulting in empowering the team and tools.

b) Software Development Methodology

The Group is developing services using the scrum methodology, which is an agile method for managing software development. It is a fast and flexible methodology that is in line with the nature of the Group's systems and projects. As a result, it contributes to accelerating development and improvement while maintaining the basics of the programming life cycle, which improves the output quality at all stages, as follows:

- **Planning stage:** the main objectives of each product and expected outcomes and impact are set and mitigation plans are developed for each solution in order to avoid potential risks at each stage.
- **Requirement gathering and analysis stage:** after identifying sources, including from departments such as operations, logistics management, sales, and other departments, the requirements are collected from such departments in addition to the R&D Department and customer suggestions. The final output is the requirements document, which will be the main reference in the system testing phase.
- **Design stage:** the requirements are analyzed and the best ways to develop them are considered, taking into account many factors, including ease of use, security, and privacy, while maintaining the main orientation of the project. After the analysis is conducted, the system is designed in such a way as to ensure that the requirements are fully delivered in the final output.
- **Development stage:** the requirement is developed by writing code, developing databases, and designing interfaces that match the system identity, in line with the guidelines of programming in the Development Department in order to ensure system quality and security. Also, the integration with other systems, whether internally or with third parties, is developed at this stage, as indicated in the requirements document.
- **System testing stage:** at this stage, the system tested manually and run by the automated quality control, to ensure the changes are compatible with the requirements and aligned with security controls and authority matrix.
- **Launch and running stage:** at this stage, the system is launched after its quality has been fully verified. In addition, departments coordinate with each other to ensure the readiness of users, train them if necessary, and launch appropriate marketing campaigns at the same time. After the launch process, the Operations Team monitors the system and makes sure that all services are easily available.

This development methodology is characterized by ease of communication between analysts, programmers and quality specialists, in addition to the short duration of each development cycle, which results in high flexibility in making changes and improvements. Services and features are carefully analyzed to ensure their quality and speed of deployment to synchronize updates.

4-12 Transactions with Related Parties

In the course of its normal business, the Group deals with its Shareholders, sister companies owned by the Shareholders and Senior Management. The Group concludes contracts to obtain services and pay expenses on behalf of sister companies. Such transactions are carried out in accordance with specific conditions with Related Parties. Following is a breakdown of the value of transactions made during the financial year ended December 31, 2020G and Q1 2021G:

Table (4-27): Transactions with Related Parties During the Financial Year Ended December 31, 2020G and Q1 2021G

Related Party	Nature of Relationship	Nature of Transaction	Transaction Value in 2020G (SAR)	Transaction Value in Q1 2021G (SAR)
Local Quality Company Ltd.	A sister company, of which Talal Al-Arifi is the General Manager. He is a board member and owner of a Subsidiary.	Collections	987,050	659,577
		Commission revenue*	148,086	226,986
Wondereight Agency for Advertising	A sister company, of which Talal Al-Arifi is the General Manager. He is a board member and owner of a Subsidiary.	Advertising services*	5,950,806	611,800
Osool Impact for Communication and Technology	Shareholder	Financing the Company's activities*	30,000,000	-
		Expenses paid on behalf of the Shareholder	225,000	-
Abdulaziz Al-Omran	Director	Financing the activities of the Subsidiary	300,000	-
Talal Al-Arifi	Shareholder in a Subsidiary	Expenses paid on behalf of the Subsidiary	777	266
Al-Edad Al-Thulathi Limited Company	A sister company, which owns a direct stake in a Subsidiary	Receivable contributions to the capital	434,000	-
Tharwa Holding Company	A sister company, in which the Director, Mishaal Sultan Abdulaziz Al Saud, has an indirect interest	Lease agreements and maintenance services*	974,144	714,198

Related Party	Nature of Relationship	Nature of Transaction	Transaction Value in 2020G (SAR)	Transaction Value in Q1 2021G (SAR)
Alamat International Limited Company	Shareholder	Collection on behalf of the Group*	119,642,516	517
		Financing the Group's activities	15,600,000	-
		Purchases	3,647,551	81,277
		Expenses paid on behalf of the Group	1,233,705	2,760
		Expenses paid on behalf of the Shareholder	137,160	-
Bonat Holding Company	A sister company, in which the Directors, Abdulaziz Al-Omran and Abdulwahab Al-Butairi, have an indirect interest	Customer loyalty system*	180,000	-
Dar Al-Fikrah Al Mumayazah Company	A sister company, in which the Director, Mishaal Sultan Abdulaziz Al Saud, has an indirect interest	Construction and building services*	1,019,092	942,370
Halalah International Company	A company owned by the Chief Executive Officer	Logistics services*	10,272,163	2,780,863
		Collection on behalf of the Group	10,909,864	2,335,435
Total			**201,661,914**	**8,356,048**

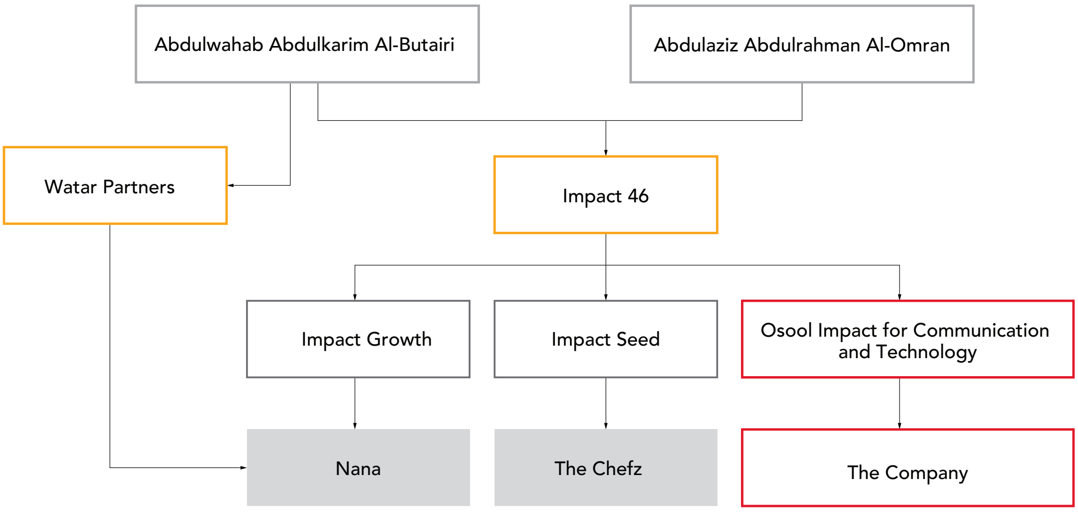
Source: The Company or the consolidated financial statements for the financial year ending 31 December 2020G and for the period ended 31 March 2021G

* These transactions have been approved by the Company's General Assembly given that they fall within the scope of Article (71) of the Companies Law due to some of Directors having direct and indirect interests in such transactions. All other transactions do not fall within the scope of Article (71) of the Companies Law given that no Director has a direct or indirect interest therein given that they not cover contracts for the Company and are rather related party transactions by virtue of International Accounting Standards (IAS) 24.

4-13 Business Competing with the Group

The Directors Abdulaziz Abdulrahman Al-Omran and Abdulwahab Abdulkarim Al-Butairi have shares in several funds through Impact46, which in turn invests in delivery applications competing with the Group's business such as The Chefz and Nana applications. The Director Abdulwahab Abdulkarim Al-Butairi, has shares in Watar Partners, which in turn invests directly in the Nana application. The Chefz application delivers food options and gifts to customers while the Nana application delivers purchases from supermarkets, pharmacies, meat merchants, etc. to customers. The Company's General Assembly issued its approval for the Directors to participate in this competitive business on 15/10/1442H (corresponding to 05/27/2021G). The following chart shows the details of the Directors' businesses that compete with the Group's activity.

Figure (4-7): Competitive Businesses in which the Directors Participate



Source: The Company

a) Overview of The Chefz App

The Chefz application operates in the food, flower and perfume delivery business and serves several cities in the Kingdom. The Chefz application provides delivery service through a network of delivery partners during scheduled times or express delivery according to the ability of restaurants, in cooperation with the delivery partners of The Chefs app.

b) Overview of the Nana App

The Nana application delivers food and products from several sources such as pharmacies, groceries, wholesale markets and various supermarkets. The Nana application's service is focused on collecting products from different sources and delivering them to the customer's home during specific periods of time, and enabling the customer to pay different parties for the purchases through the application.

4-14 Employees

4-14-1 The Company

The table below sets out a detailed summary of the Company's employees by main activity and Saudization percentage in the financial years ended December 31, 2019G and 2020G and the three-month period ended March 31, 2021G:

Table (4-28): The Company's Employees in the Financial Years Ended 2019G and 2020G and the Three-Month Period Ended March 31, 2021G

#	Division	FY19G			FY20G			Q1 2021G		
		Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
1.	Senior Management	3	-	3	4	1	5	6	1	7
2.	Operations	76	27	103	183	19	202	189	26	215
3.	Commercial	21	4	25	52	4	56	55	4	59
4.	Information Technology	6	6	12	6	7	13	7	7	14
5.	Human Resources, Administrative and Financial Affairs	4	5	9	9	6	15	13	8	21
Total		**110**	**42**	**152**	**254**	**37**	**291**	**270**	**46**	**316**

* Note: The number of employees stated in this table include the Company's employees who work for both PIK and Logi, as they are registered in the name of the Company until the full launch of PIK and Logi operations.

Source: The Company

4-14-2 Saudization and Nitaqat

The Saudization program was adopted by virtue of HE Minister of Human Resources and Social Development Resolution No. 4040 dated 12/10/1432H (corresponding to 09/10/2011G), pursuant to Council of Ministers Resolution No. 50 dated 21/05/1415H (corresponding to 10/27/1994G). The "Nitaqat" program was implemented on 12/10/1432H (corresponding to 09/10/2011G), with the Ministry of Human Resources and Social Development commencing implementation of the "Nitaqat" program to encourage institutions to employ Saudi citizens. Through the "Nitaqat" program, the performance of any company is evaluated based on specific categories (classifications), namely platinum, green (subdivided into: low, middle and high) and red. Companies in the platinum or green categories are deemed to have met Saudization requirements and are therefore entitled to a number of benefits, such as obtaining and renewing work visas or otherwise changing the occupations of its foreign workers (except for professions exclusively reserved for Saudi nationals). Companies in the red category (due to their non-compliance with specific requirements) are deemed to have violated Saudization requirements and may be subject to certain punitive measures, such as limiting their ability to renew foreign employees' work visas or completely prohibiting foreign employees from obtaining or renewing work visas.

The Company complies with Saudization requirements in accordance with the "Nitaqat" program where its status is "platinum" as at 19/08/1442H (corresponding to 04/01/2021G).

4-14-3 Talent Acquisition and Retention

Over the years, there has been a fast-paced growth in the number of information technology companies and tech startups in the Kingdom. The Group believes that its people are one of its most valuable assets and therefore it invests time, money and effort to attract talent that it believes would add considerable value to the Group and its culture. The percentage of job succession in the Group was 18.7% and 16.7% during 2019G and 2020G, respectively.

In addition, the Group invests in ensuring that its current employees have the necessary processes, support and benefits that will help motivate and retain them. As such, the Group has adopted the following initiatives and programs to help attract and retain talent:

- Providing a supportive and encouraging environment for creativity and adopting new ideas, even with a certain degree of risk.
- Providing a highly flexible environment that generates a homogeneous, highly interconnected team and provides a space to accept all attitudes while maintaining the highest values in communication.
- Adopting a remote work mechanism and flexible working hours:
  - The Group's Management offers the option to work remotely at the employee's request if necessary, provided that remote work does not affect work processes or cause delays in certain outputs.
  - The Group offers the option to work flexible hours in terms of when employees arrive and leave the office, for those whose work and productivity are not affected by the adherence to a specific time.
- Rewards:
  - The Group's Management is committed to motivating employees through an evaluation and reward system.
  - The Group's Management enhances the exceptional efforts of its employees by allocating exceptional rewards for certain business projects and tasks.
- Employee stock ownership plan.

4-15 Social Responsibility

The Group recognizes the impact of its business operations on its employees, its Shareholders, the local community and the environment, and understands the importance of the responsibility it has towards the various success partners which make up the geography of the local economy. Therefore, the Group prioritizes compliance with the applicable laws and regulations, while ensuring the continued prosperity of the local economy and community. In doing so, the Group has adopted a corporate social responsibility manual (the "CSR Manual") setting out its responsibilities and strategies towards all stakeholders. The CSR Manual sets out guidelines for the Group to satisfy its responsibility towards its employees and local community, such as investing in development projects, indirectly and directly providing support to charitable organizations, and providing employment opportunities for all members of the community regardless of their race or socio-economic status.

Moreover, in 2020G, the Group recognized the importance of incorporating sustainability principles into its long-term business plan and accordingly adopted a sustainability strategy for the years 2020G to 2023G, taking into consideration three (3) pillars of sustainability: the environment, society and governance. As part of its sustainability strategy, the Group developed an action plan broken down into two phases. The first phase is dedicated to analyzing and enhancing its social and environmental impacts, and the second phase is dedicated to implementation.

Examples of the measures undertaken by the Group as part of its social responsibility and sustainability strategy include:

- Utilizing the widespread use of Jahez platform to promote local charities and causes by allowing customers to make donations to local charities and causes using Jahez platform, including its Ramadan and Eid social and charitable initiatives through the "Jahez Al Khair" campaign.
- Initiatives aimed at supporting local businesses and home businesses including:
  - The inclusion of productive families within the Nine-Tenths Program in Jahez platform at a lower commission rate. The GMV through Jahez platform exceeded SAR 3.4 million during 2020G.
  - The "Who's the Restaurant Owner" initiative that supports local merchants.
  - The recent initiative announced to support local restaurant owners in response to the COVID-19 pandemic.
- An initiative that aims to establish a recycling system for used plastic and paper products, and to replace food containers and delivery partners' equipment with eco-friendly products.
- Collaborating with the Ministry of Environment, Water and Agriculture to promote organic agriculture in the Kingdom, and to produce a local supply chain.
- Enhancing the representation of women in the Group's leadership positions.

In addition, the COVID-19 pandemic posed challenges to all of the Group's success partners, and the Group recognized its vital place in supporting the local economy and community on the path to recovery. In March 2020G, a full lockdown was enforced throughout the Kingdom for twenty-one (21) days in order to combat the effects of COVID-19. This was partially lifted in April 2020G and a curfew was imposed. Local dine-in restaurants and cafés were shut down in March 2020G and partially reopened in May 2020G until the shut-down was fully lifted in June 2020G. In addition, in February 2021G, dining services were suspended until March 2021G. As a result, the viability of local businesses, particularly local restaurants and cafés, was at stake with a large portion of their revenue stream being affected by the effects of the efforts taken to limit the spread of COVID-19. During such challenging times, the Group provided a lifeline for such restaurants, whose revenue streams became heavily dependent on take-out and delivery, and for customers sheltering in place to protect their health and safety. The Group reduced 2% of the commission deducted from restaurants for a month to support the restaurant sector in the Kingdom. As part of its efforts to support the community during the curfew period by providing basic needs services, the Group did not deduct its commission for orders for supplies from certain supermarkets through Jahez platform The Group provided its services through Jahez platform free of charge for a month for specific categories of merchants that provide basic needs. The Group was able to issue permits from CITC allowing it to continue serving the local community during the challenging times faced during the COVID-19 pandemic.

4-16 Business Continuity

The Directors declare that there has been no material business interruption that may have a significant effect on the Group's financial position in the last 12 months.

5- Organizational Structure of the Company

5-1 Ownership Structure of the Company

The following table sets out the ownership structure of the Company pre- and post-Offering:

Table (5-1): Ownership Structure of the Company Pre-and Post-Offering

#	Shareholder	Pre-Offering			Post-Offering		
		No. of Shares	Total Nominal Value of Shares (SAR)	Percentage	No. of Shares	Total Nominal Value of Shares (SAR)	Percentage
1.	Alamat International Limited Company	5,760,000	57,600,000	60%	5,361,521	53,615,210	51.10%
2.	Osool Impact for Communication and Technology*	3,840,000	38,400,000	40%	-	-	
3.	Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector**	-	-	-	3,574,348	35,743,480	34.07%
4.	Treasury Stocks*	-	-	-	192,000	1,920,000	1.83%
5.	Public	-	-	-	1,363,934	13,639,340	13.00%
Total		**9,600,000**	**96,000,000**	**100%**	**10,491,803**	**104,918,030**	**100%**

* In conjunction with the completion of the Offering, the Selling Shareholders will sell one hundred ninety-two thousand (192,000) Shares with a nominal value of ten Saudi riyals (SAR 10), to be used for the Company's employee share program (for more information, see Section 5-8 "**Employee Shares**" of this Prospectus).

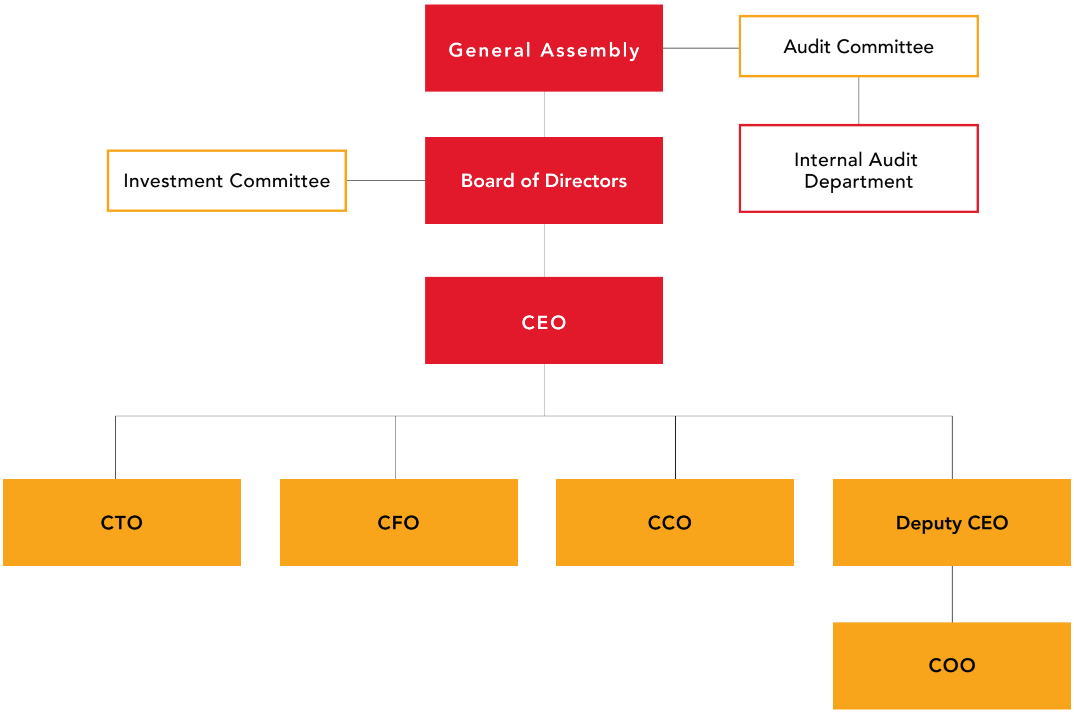
** A company established by Osool & Bakheet Investment Company as custodian on behalf of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector for the purpose of holding and registering the assets of the fund, and upon Offering, the shares owned by that company will be registered directly in the name of the fund.

Source: The Company

5-2 Management Structure

The following chart shows the Company's management structure, including the Board of Directors, supervisory committees and the Executive Management:

Figure (5-1): The Company's Management Structure



Source: The Company

5-3 Board of Directors

5-3-1 Formation of the Board

The Company is managed by a board of directors consisting of six (6) members elected by the Shareholders' Ordinary General Assembly. The membership term of the Directors, including the Chairman, shall not exceed three (3) years for each term. Directors may be reelected unless otherwise is provided in the Company's Articles of Association. As an exception, the Conversion General Assembly appoints the first Board of Directors for a period of five (5) years. Three (3) Directors were appointed by Alamat International Limited Company, and two (2) Directors were appointed by Osool Impact for Communication and Technology. The current five-year term of the Board of Directors started on 02/05/1442H (corresponding to 12/17/2020G).

The following table shows the Directors as at the date of this Prospectus:

Table (5-2): The Company's Board of Directors

No.	Name	Title	Appointed by	Nationality	Age	Status	Direct Ownership (%)		Indirect Ownership (%)**		Date of Appointment*
							Pre-Offering	Post-Offering	Pre-Offering	Post-Offering	
1	Mishaal Sultan Abdulaziz Al Saud	Chairman	Alamat International Limited Company	Saudi	33 years	Non-Independent/ Non-Executive	-	-	35.64%	30.35%	02/05/1442H (corresponding to 12/17/2020G)
2	Abdulaziz Abdulrahman Muhammad Al-Omran	Vice Chairman	Osool Impact for Communication and Technology	Saudi	42 years	Non-Independent/ Non-Executive	-	-	5.15%	4.38%	02/05/1442H (corresponding to 12/17/2020G)
3	Ghassab Salman Ghassab bin Mandeel	Director	Alamat International Limited Company	Saudi	51 years	Non-Independent/ Executive	-	-	12%	10.22%	02/05/1442H (corresponding to 12/17/2020G)
4	Hamad Abdullah Fahad Al-Bakr	Director	Alamat International Limited Company	Saudi	53 years	Non-Independent/ Executive	-	-	12%	10.22%	02/05/1442H (corresponding to 12/17/2020G)
5	Abdulwahab Abdulkarim Abdulrahman Al-Butairi	Director	Osool Impact for Communication and Technology	Saudi	42 years	Non-Independent/ Non-Executive	-	-	0.64%	0.54%	02/05/1442H (corresponding to 12/17/2020G)
6	Loulwa Muhammad Abdulkarim Bakr	Director	-	Saudi	45 years	Independent/ Non-Executive	-	-	-	-	09/09/1442H (corresponding to 04/21/2021G)

*Dates listed in this table are the dates the Directors were appointed for the current session. The biographies of the Directors state the dates the Directors were appointed to the Board or to any other position (for further details, see Section 5-3-3 "Summary Biographies of the Directors and the Secretary" of this Prospectus).

** The indirect ownership of the Directors resulted from the following:

- Mishaal Sultan Abdulaziz Al Saud owns 100% of the shares of Makashef Contracting Establishment, which owns 99% of the shares of Tharwa Holding Company, which in turn owns 60% of Alamat International Limited Company, one of the Major Shareholders of the Company.

- Abdulaziz Abdulrahman Muhammad Al-Omran holds 12.87% of the units of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector, where the fund is the actual owner of all the shares owned by Osool Impact for Communication and Technology, a Major Shareholder of the Company pre - Offering, and he will be the direct owner of those shares after the Offering

- Ghassab Salman Ghassab bin Mandeel owns 20% of the shares of Alamat International Limited Company, a Major Shareholder of the Company.

- Hamad Abdullah Fahad Al-Bakr owns 20% of the shares of Alamat International Limited Company, a Major Shareholder of the Company.

- Abdulwahab Abdulkarim Abdulrahman Al-Butairi holds 1.61% of the units of the Impact Finance Private Equity Fund – Information Technology and E-Commerce Sector, where the funds the actual owner of all the shares owned by Osool Impact for Communication and Technology, a Major Shareholder of the Company pre - Offering, and he will be the direct owner of those shares after the Offering.

Source: The Company

The Secretary of the Board of Directors is Marwan Saeed Al-Muhaisen, who was appointed to this position on 27/10/1442H (corresponding to 06/08/2021G) (for a summary of his biography, see Section 5-3-3 "**Summary Biographies of the Directors and Secretary**" of this Prospectus).

5-3-2 Responsibilities of the Board of Directors

Without prejudice to the powers of the General Assembly, the Board of Directors shall have the broadest powers to manage the Company and conduct its business to achieve its objectives. In particular, the tasks and responsibilities of the Board of Directors include those tasks and responsibilities provided under the applicable laws, regulations, instructions and the Company's Articles of Association.

The Board of Directors shall represent all Shareholders and exert due care and loyalty in managing the Company and all matters to protect its interests and develop and maximize its value. Each Director shall abide by the principles of truth, honesty, loyalty, care and concern for the interests of the Company and Shareholders, and prioritize them over their personal interest in accordance with the applicable laws, regulations and instructions.

The Board of Directors shall be responsible for the Company's business, even if it delegates committees, bodies, or individuals to exercise some of its powers. In any event, the Board of Directors may not issue a general or indefinite delegation.

5-3-3 Summary Biographies of the Directors and Secretary

Following is a summary of the biographies of the Directors and the Secretary:

Table (5-3): Summary Biography of Mishaal Sultan Abdulaziz Al Saud

Name	Mishaal Sultan Abdulaziz Al Saud
Age	33 years
Nationality	Saudi
Title	Chairman
Academic Qualifications	• Master of Public Policy and Administration, London School of Economics and Political Science, UK, 2020G. • Bachelor of Financial Management, Prince Sultan University, Kingdom of Saudi Arabia, 2010G.
Current Positions	• Chairman of the Company's Board of Directors, 2020G to present. • Chairman of the Company's Investment Committee, 2021G to present. • Manager and Director of Tharwa Holding Company, a Saudi limited liability company, general contracting, import, export and investment, 2013G to present. • Director and Partner, Al Mada Al-Ola Holding Company, a Saudi limited liability company, general contracting, import, export and investment, 2013G to present. • Partner in Track Saudi Holding Company, a Saudi limited liability company, information technology, 2013G to present. • Vice-Chairman of the Investment Committee, Bathel Al Khair Establishment for Trading & Real Estate, a Saudi sole proprietorship, real estate development, 2012G to present. • Partner in Marasel Limited Company, a Saudi limited liability company, contracting and mechanical works, 2011G to present. • Partner in Darahim Company, a Saudi limited liability company, information technology, 2010G to present. • Director of the Prince Sultan bin Abdul Aziz Foundation, a Saudi charitable institution, health and social care for the elderly and comprehensive rehabilitation for people with special needs, 2008G to present. • Owner and Manager of Makashef Contracting Est., a sole proprietorship, general contracting, 2012G to present. • Director of Ayadi Al-Shifa International Company, a Saudi limited liability company, general contracting, import, export and investment, 2013G to present. • Chairman of the Board of Directors, Ayadi Al-Shifa International Company, a Saudi limited liability company, general contracting, import, export and investment, 2011G to present. • Director and partner, Makashef Cleaning Services Company, a Saudi limited liability company, maintenance and operation, 2013G to present. • Partner in Sixth Dimension Company (dissolved), a Saudi limited liability company, communications, 2005G to present.
Significant Prior Professional Experience	• Trainee as a portfolio manager for international relations, Ministry of Investment, a Saudi government entity, investment sector supervision, 2010G to 2011G.

Source: The Company

Table (5-4): Summary Biography of Abdulaziz Abdulrahman Muhammad Al-Omran

Name	Abdulaziz Abdulrahman Muhammad Al-Omran
Age	42 years
Nationality	Saudi
Title	Vice Chairman
Academic Qualifications	• Executive Masters of Business Administration, London Business School, UK, 2010G. • Bachelor of Finance and Economics, King Fahad University of Petroleum and Minerals (KFUPM), Kingdom of Saudi Arabia, 2001G.
Current Positions	• Director, Halalah Company Limited, a limited liability company established in Abu Dhabi Global Market, financial technology, 2021G to present. • Vice Chairman of the Company, 2020G to present. • CEO and Managing Director, Impact46, a Saudi closed joint stock company, management of private non-real estate investment funds and experienced investor portfolios, and securities business arrangement, 2019G to present. • Founding Partner and Director, Impact46, a Saudi closed joint stock company, management of private non-real estate investment funds and experienced investor portfolios, and securities business arrangement, 2019G to present. • Founding Partner and Director, Zawya Al-Maathar Real Estate Company, a Saudi limited liability company, real estate management and leasing, 2015G to present. • Founding Partner and Director, Dar Wa Emaar for Investment and Real Estate Development, a Saudi limited liability company, real estate development, 2007G to present. • Founding Partner, Zeejprint, a single-person Saudi limited liability company, digital and electronic printing, 2004 to present. • General Manager, Zeejprint, a Saudi single-member LLC, digital and electronic printing, 2004 to present. • Manager of Baitak Al-Hafiz Real Estate Company, a Saudi single-member LLC, holding and registering the assets of the Al-Ma'athar REIT Fund, 2017G to present. • Director and Partner, Khalid & Abdulaziz Abdulrahman Al-Omran Company, a Saudi joint venture, general contracting for buildings, 1997G to present. • Director and Partner, Delta Engineering & Contracting Co., a Saudi limited liability company, general construction of residential buildings, 2016G to present. • Manager of the Early Impact Finance Fund Company, a Saudi single-member LLC, holding and registering the assets of the Impact Finance Fund to invest in start-ups, 2019G to present. • Manager of Osool Impact for Communication and Technology, a Saudi single-member LLC, holding and registering the assets of the ownership of the Impact Finance Private Equity Fund, information technology (IT) and e-commerce sector, 2020G to present. • Manager of Osool Impact Nomu for Communication and Technology, a Saudi single-member LLC, holding and recording the assets of the Nomu Impact Fund, 2020G to present. • Director and Partner, Creative Future for Digital Brokerage Company, a Saudi single-member LLC, digital brokerage, 2020G to present.

	• General Manager, Sanad Medical Trading Company, a Saudi limited liability company, medical operation of medical complexes, 2008G to present. • General Manager, Sanad Medical Maintenance Company, a mixed limited liability company, providing maintenance services for various medical equipment and devices, 2009G to present. • General Manager, Office Square branch (under liquidation), a limited liability company with GCC capital, wholesale and retail trade in office tools, furniture, electrical appliances, computers and accessories, 2010G to present. • General Manager, Shining Minds Limited, a Saudi limited liability company, buying and selling land and properties, 2014G to present.
Significant Prior Professional Experience	• Director, GIB Capital, a Saudi closed joint stock company, financial and banking services, 2014G to 2018G. • Chairman, Oqal Group – Riyadh, a Saudi endowment institution, start-up projects, 2011G to 2017G. • Senior Manager, Investment Consulting, Samba Financial Group, a Saudi joint stock company, financial and banking services, 2000 to 2004G.

Source: The Company

Table (5-5): Summary Biography of Ghassab Salman Ghassab bin Mandeel

Name	Ghassab Salman Ghassab bin Mandeel
Age	51 years
Nationality	Saudi
Title	CEO and Director
Academic Qualifications	• Bachelor of Computer Science, King Saud University, Kingdom of Saudi Arabia, 1995G.
Current Positions	• Director, the Company, 2020G to present. • CEO, the Company, 2017G to present. • Manager of Logi Limited Company (Logi), a Saudi single-member LLC, logistics services, 2021G to present. • Manager of Red Color, a Saudi single-member LLC, investment, 2021G to present. • Member of the Online Delivery Companies Council of the Ministry of Communications and Information Technology, supporting delivery companies, 2021G to present. • CEO, PIK Limited Company, a Saudi single-member LLC, quick e-commerce, 2020G to present. • Member of the Online Delivery Companies Committee, a committee of the Riyadh Chamber, supporting online delivery, 2020G to present. • Director and Partner, Alamat International Limited Company, a Saudi limited liability company, information technology, 2014G to present. • Director and Partner, Sixth Dimension Company (dissolved), a Saudi limited liability company, communications, 2012G to present. • Director and Owner, Ghassab Salman bin Mandeel Fast Food Corporation, a Saudi sole proprietorship, fast food, 2020G to present.
Significant Prior Professional Experience	• CEO, Red Crescent Authority, a Saudi government entity, emergency medical services, 2012G to 2014G. • Manager of Planning and Development, EMS, a Saudi limited liability company, express transfer, 2011G to 2012G. • Manager of the Emergency Call Center and Operations, Ministry of Interior, a Saudi government entity, security sector supervision, 2008G to 2011G. • Manager of the Integration Project, Saudi Telecom Company, a Saudi listed joint stock company, communications and information technology, 2004 to 2008G. • Senior Engineer, the Peace Shield Project, Command Operations Center, a Saudi government entity, military affairs, 2002G to 2004G.

Source: The Company

Table (5-6): Summary Biography of Hamad Abdullah Fahad Al-Bakr

Name	Hamad Abdullah Fahad Al-Bakr
Age	53 years
Nationality	Saudi
Title	Chief Commercial Officer and Director
Academic Qualifications	• Advanced Management Leadership Course, University of Oxford, UK, 2010G. • A course in Entrepreneurship and New Management, Massachusetts Institute of Technology, USA, 2008G. • Bachelor's degree, KFUPM, Industrial Engineering, Kingdom of Saudi Arabia, 1991G.
Current Positions	• Director at the Company, 2020G to present. • Chief Commercial Officer, the Company, 2020G to present. • Director, Logi Limited Company, a single-member LLC, logistics, 2021G to present. • Partner and Director, Al-Jazirah Company for Payments and Electronic Commerce, a limited liability company, online wholesale, 2020G to present. • Partner, Alamat International Limited Company, a limited liability company, information technology sector, 2014G to present.
Significant Prior Professional Experience	• Adviser to HE Minister of Communications, Ministry of Communications, a government entity, supervising the telecommunications sector, 2018G to 2020G. • Director, Saudi Post, a Saudi institution, postal services, 2018G to 2020G. • Chairman of the Executive Committee, Saudi Post, a Saudi institution, postal services, 2018G to 2020G. • CEO, Watania Distribution Company, a Saudi limited liability company, distribution sector, 2014G to 2018G. • General Manager, Express Mail Service of the Saudi Post, a unit of the Saudi Post Corporation, postal services, 2006G to 2014G. • Member of the International General Association of Postal Services, an international association, postal services, 2012G to 2014G • Manager of the Committees Department, Hail Chamber of Commerce and Industry, a Saudi governmental entity, commercial and industrial services, 2004 to 2006G. • General Manager, Paid Communications, Zajoul Telecom Company, a Saudi limited liability company, telecommunications, 2000G to 2004G. • Regional Manager, Al Jabr Company, a Saudi limited liability company, contracting, trading, etc. , 1997G to 2000G. • Assistant Manager, Al-Fayraq Company, a Saudi sole proprietorship, real estate marketing, 1995G to 1997G. • Marketing Manager at SISMO, a Saudi limited liability company, contracting, 1993G to 1995G.

Source: The Company

Table (5-7): Summary Biography of Abdulwahab Abdulkarim Abdulrahman Al-Butairi

Name	Abdulwahab Abdulkarim Abdulrahman Al-Butairi
Age	42 years
Nationality	Saudi
Title	Director
Academic Qualifications	• Master of Business Administration, London Business School, UK, 2010G. • Bachelor of Finance, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1999G.
Current Positions	• Director at the Company, 2020G to present. • Member of the Company's Audit Committee, 2021G to present. • Member, Risk Committee, Bank AlJazira, a Saudi closed joint stock company, financial and banking services, 2020G to present. • Vice Chairman, National Petrochemical Industry Company, a Saudi joint stock company, polypropylene resin production in Yanbu Industrial City, 2020G to present. • Director, Riyadh Cables Group Company, a Saudi closed joint stock company, cable industry, 2019G to present. • Vice Chairman, Alujain, a Saudi listed joint stock company, manufacturing/industrial investment, 2017G to present. • Director, Food & Fine Pastries Al Sunbulah Manufacturing Co. (Al Sunbulah), a closed Saudi joint stock company, food industry, 2017G to present. • Managing Director, Experts Academy Schools, a Saudi limited liability company, education and training, 2016G to present. • Chairman, Osool & Bakheet Investment Company, a Saudi closed joint stock company, managing investment funds, client portfolios and custody, 2015G to present. • Founding Partner, Water Business Company, a Saudi limited liability company, manufacturing industries and healthcare, 2014G to present. • Founding Partner, Watar Partners Business Company, a Saudi limited liability company, providing consultancy services to senior management, 2014G to present. • Director, Al Himmah Tadamun, a Saudi limited liability company, real estate development specializing in project development, 2013G to present. • Director, Game Legend Entertainment Company, a Saudi limited liability company, games and software, 2021G to present. • Director, Knowledge Masarat Information Technology Company, a Saudi limited liability company, selling software services and artificial intelligence technologies, 2020G to present. • Director, Amlak Al Diriyah Holding Company, a Saudi limited liability company, investment in real estate and other companies, 2021G to present. • Director, Manafeth Ambulance & Handicap Vehicles, a mixed limited liability company, manufacturing ambulances and handicap vehicles, 2014G to present. • Honorary member, Young Presidents' Organization in Bahrain and the Kingdom, a global platform for CEOs, entrepreneurship, 2013G to present.
Significant Prior Professional Experience	• Vice Chairman, Advisory Committee, CMA, a Saudi government entity, securities regulation in the Kingdom, 2018G to 2020G. • Member, Executive Committee, Family Office Company, a Saudi closed joint stock company, wealth management, 2004 to 2014G. • Member, East Chamber Youth Business Council, a Saudi governmental body, commercial and industrial interests in public authorities, 2007G to 2009G. • Co-Director, Alternative Investment Portfolio Department, Saudi American Bank (Samba), a Saudi joint stock company, financial and banking services, 1999G to 2004.

Source: The Company

Table (5-8): Summary Biography of Loulwa Muhammad Abdulkarim Bakr

Name	Loulwa Muhammad Abdulkarim Bakr
Age	45 years
Nationality	Saudi
Title	Director
Academic Qualifications	• Master of Business Administration, Finance and Economics, Columbia University, United States of America, 2004G. • Bachelor of Management Sciences, Accounting, King Saud University, Kingdom of Saudi Arabia, 1997G. • General Securities Qualification Certificate (CME-1), CMA, Kingdom of Saudi Arabia, 2009G.
Current Positions	• Director, the Company 2021G to present. • Member, Investment Committee, the Company, 2021G to present. • Director, ZID-Holdings, an Emirati limited liability company, Abu Dhabi Global Market, e-commerce, 2021G to present. • Partner, Global Ventures, a venture capital fund (an Emirati limited liability company), Abu Dhabi Global Market, managing venture capital funds regionally, 2019G to present. • Member, Audit Committee, United International Transportation Company (Budget Saudi), a Saudi listed joint stock company, car rental, 2018G to present. • Founder and Principal Partner, Chrome Advisory, a Saudi limited liability company, venture investment advisory, 2015G to present. • Director, REYL Finance MEA, a subsidiary of REYL & Cie, a Swiss limited liability company registered in the Dubai International Financial Centre, wealth and asset management and corporate advisory services, 2015G to present. • Member, Advisory Board of Columbia Global Centers (Amman), a center of the university in Jordan, research and education, 2015G to present.
Significant Prior Professional Experience	• Member, Advisory Board of the Forum of Young Global Leaders, a global economic forum in Geneva, development of young leaders, 2011G to 2017G. • Member, Advisory Board of Capital Aid Company, a Danish company, Fintech sector, 2015G until 2017G. • Head of Investment Banking, Credit Suisse Saudi Arabia, a Saudi closed joint stock company, financial services, 2010G to 2011G. • Deputy Head of Investment Banking, Credit Suisse Saudi Arabia, a Saudi closed joint stock company, financial services, 2007G to 2010G. • Vice President and Head of Joint Stock Capital Markets and the Western Region, EFG Hermes, a Saudi joint stock company, financial services, during 2007G. • Chief Corporate Finance Officer and Head of Equity Advisory Services, National Commercial Bank (merged with the Saudi American Bank (Samba) and currently known as the Saudi National Bank), a Saudi listed joint stock company, banking services, 2004 to 2006G. • Developer and Product Manager, Structured Finance, Saudi American Bank (Samba) (merged with the National Commercial Bank and currently known as the Saudi National Bank), a Saudi listed joint stock company, banking services, 1999G to 2001G. • Financial Analysis Expert, Financial Control, Saudi American Bank (Samba) (merged with the National Commercial Bank and currently known as the Saudi National Bank), a Saudi listed joint stock company, banking services, 1997G to 1999G. • Trainee, Banque Saudi Fransi, a Saudi listed joint stock company, banking services, 1996G to 1997G.

Source: The Company

Table (5-9): Summary Biography of Marwan Saeed Abdulfattah Al-Muhaisen

Name	Marwan Saeed Abdulfattah Al-Muhaisen
Age	54 years
Nationality	Jordanian
Title	Secretary of the Board of Directors and Head of Marketing Growth
Academic Qualifications	• Master of Business Administration, International Trade, University of Pennsylvania, USA, 2000G. • Bachelor of Corporate Organization and Management, University of Berea, Greece, 1989.
Current Positions	• Secretary of the Board of Directors, the Company, 2021G to present. • Head of Marketing Growth, the Company, 2021G to present.
Significant Prior Professional Experience	• Strategic Advisor, the Company, 2017G to 2021G. • Business Development Manager, Zajoul Telecom Company, a Saudi limited liability company, telecommunications sector, 2012G to 2017G. • Senior Marketing Manager, Mobile Communications Company, a Saudi joint stock company, telecommunications sector, 2012G to 2013G. • Chief Commercial Officer, Wataniya Telecom, a public company listed on the Kuwait Stock Exchange, telecommunications sector, 2009G to 2011G. • Chief Strategy Officer and Business Development, Integrated Telecom Company, a closed joint stock company, telecommunications sector, 2006G to 2009G. • Marketing Manager, Orange, a French joint stock company, communications sector, 2004 to 2006G.

Source: The Company

5-4 Board Committees

The Board of Directors has a number of committees that were formed according to the Company's needs, circumstances and conditions to enable the Board to effectively perform its tasks and fulfill the relevant statutory requirements. These committees are the Audit Committee and the Investment Committee.

Following is a summary of the structure, responsibilities and members of each Committee:

5-4-1 Audit Committee

a) Formation of the Audit Committee

The Audit Committee consists of three (3) members who were appointed in accordance with a resolution of the Ordinary General Assembly on 09/09/1442H (corresponding to 04/21/2021G). The Audit Committee was formed in accordance with a resolution of the Ordinary General Assembly on 09/09/1442H (corresponding to 04/21/2021G). The following table sets out the members of the Audit Committee:

Table (5-10): Members of the Audit Committee

#	Name	Title	Status
1.	Abdulwahab Abdulkarim Al-Butairi	Chairman of the Audit Committee	Non-independent
2.	Mishaal Salman Ghassab bin Mandeel	Member of the Audit committee	Non-independent
3.	Amin Abdulraouf Hariz	Member of the Audit Committee	Independent

Source: The Company

b) Responsibilities of the Audit Committee

The Audit Committee monitors the Company's business and verifies the integrity and reliability of its reports, financial statements and internal control systems. The tasks and scope of work of the Audit Committee are as follows:

1) Financial reporting:

- Review, express an opinion on, and make recommendations to the Board of Directors regarding the interim and annual financial statements of the Company, prior to their presentation to the Board of Directors, to ensure their integrity, fairness and transparency
- At the request of the Board of Directors, express a technical opinion with respect to fairness, balance and comprehensibility of the Board of Directors report and the Company's financial statements, and whether they include the information necessary to enable Shareholders and investors to assess the Company's financial position, performance, business model and strategy.
- Carefully review and consider any significant or unusual issues or matters included in the Company's financial statements and reports,
- Review any matters raised by the Chief Financial Officer (or his delegate), compliance officer, internal auditor or external auditor
- Examine the accounting estimates in respect of significant matters contained in the Company's financial statements and reports;
- Review the accounting policies in force and advise the Board of Directors of its opinion and any recommendations regarding the same.

2) Supervision of internal audit and internal controls:

- Review and consider the effectiveness of the Company's internal control, financial, and risk management system.
- Review the internal audit reports and pursue the implementation of corrective measures in respect of the comments included therein;.
- Oversee and supervise the performance and the activities of the internal auditor and the Company's Internal Audit Department to ensure they have access to the necessary resources and ensure their effectiveness in performing the tasks and duties assigned to them;.
- Recommend to the Board of Directors decisions regarding the appointment, dismissal and remuneration of the Company's internal auditor; an Hold meetings with the internal auditor on a regular basis at least twice a year.

3) Supervision of the external audit process:

- Make recommendations to the Board of Directors on the appointment, dismissal and fees of the External Auditors and evaluate their performance after checking their independence and reviewing their scope work as well as the terms of their engagement.
- Verify the independence, objectivity and fairness of the External Auditor and the effectiveness of the audits, taking into account the relevant rules and standards.
- Review the Auditor's plan and works, ensure that he/she does not perform technical or management services that fall outside the scope the audit, and submit its opinions thereon.
- Address any inquiries raised by the Company's External Auditor.
- Review the reports, qualifications and comments of the external auditor in relation to the Company's financial statements and follow up on the actions taken in relation to the same, and Meet on a periodic basis with the Company's External Auditor at least twice a year.

4) Risk Management:

- Develop and verify the implementation of a comprehensive risk management strategy and policies according to the nature and size of activities and review and update the same based on the Company's internal and external variables.
- Determine and maintain an acceptable level of risk for the Company and ensure that the Company does not exceed such level.
- Verify the feasibility of the Company's continuity and the successful continuation of its activities, along with identifying risks that threaten its continuity during the next twelve months.
- Oversee the Company's risk management system and evaluate the effectiveness of the systems and mechanisms for identifying, measuring and following up on risks to which the Company may be exposed in order to identify shortcomings.
- Periodically reassess the Company's risk appetite and the risks to which it is exposed, for example, by conducting stress tests.
- Ensure the availability of adequate resources and systems to manage risks.
- Review the organizational structure of the Risk Department and make recommendations in this regard prior to its approval by the Board of Directors.
- Verify the independence of the Risk Department's personnel from activities that may expose the Company to risks.

5) Compliance:

- Review the findings of reports by supervisory bodies and confirm that the Company has undertaken the necessary actions in this regard.
- Verify the Company's compliance with the relevant laws, regulations, policies and instructions.
- Review the contracts and transactions to be concluded by the Company with Related Parties and provide its opinion thereon to the Board of Directors.
- Report its views as to the need for action to be taken by the Board of Directors and recommend the necessary actions to be taken.

6) Other Functions:

- Meet with the Chief Executive Officer, Chief Financial Officer, internal and external auditors in separate sessions to discuss any matters the Committee or the other parties deem necessary.
- Invite the Company's specialized employees to attend the Committee's meetings in order to discuss matters with them whenever necessary.

c) Summary Biographies of Audit Committee Members

Following are summary biographies of the members of the Audit Committee:

Table (5-11): Summary Biography of Abdulwahab Abdulkarim Abdulrahman Al-Butairi

Name	Abdulwahab Abdulkarim Abdulrahman Al-Butairi
Title	Head of the Audit Committee
Biography	See Section 5-3-3 "**Summary Biographies of the Directors and Secretary**" of this Prospectus.

Source: The Company

Table (5-12): Summary Biography of Mishaal Salman Ghassab bin Mandeel

Name	Mishaal Salman Ghassab bin Mandeel
Age	52 years
Nationality	Saudi
Title	Member of the Audit Committee
Academic Qualifications	• Bachelor of Industrial Management, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1997G.
Current Positions	• Member of the Company's Audit Committee, 2021G to present. • Privatization Advisor, Ministry of Transport, a government entity, supervising the transport sector, 2017G to present.
Significant Prior Professional Experience	• Head of Investment Banking, Albilad Capital, a Saudi limited liability company, investment sector, 2009G to 2016G. • Manager of Capital Markets, Albilad Capital, a Saudi limited liability company, investment sector, 2007G to 2009G. • Manager of Market Consulting, Bank Albilad, a Saudi joint stock company, financial services, 2004G to 2007G. • Manager of Corporate Marketing, Zajoul Company, a Saudi limited liability company, communications sector, 2001G to 2004G. • Administrative Officer, BAE Systems, a Saudi limited liability company, operating in various sectors, 1997G to 2001G.

Source: The Company

Table (5-13): Summary Biography of Amin Abdulraouf Hariz

Name	Amin Abdulraouf Hariz
Age	41 years
Nationality	Tunisian
Title	Member of the Audit Committee
Academic Qualifications	• Master of Corporate Finance and Markets, University of Carthage, Tunisia, 2006G. • Master of Auditing, Accounting and Taxation, University of Manouba, Tunisia, 2003G. • Bachelor of Commerce, Accounting, University of Carthage, Tunisia, 2002G.
Current Positions	• Member of the Company's Audit Committee, 2021G to present. • CFO, Miswak Dental Group, a Saudi closed joint stock company, medical care with a focus on dental and dermatology specialists, 2018G to present. • Director, Iso Etanche, a Tunisian closed joint stock company, insulation contracting, 2010G to present.
Significant Prior Professional Experience	• CFO, Theeb Rent a Car Company, a Saudi listed joint stock company, car rental, 2014G to 2018G. • Chief of Arrangement, Mergers, Acquisitions and Corporate Finance, TeamOne Consulting, a Saudi limited liability company, financial consulting, deal arrangement and financing, 2011G to 2014G. • Manager of Transaction Consulting, Ernst & Young & Co (Certified Public Accountants), a Saudi joint venture, auditing, consulting and taxation, 2007G to 2011G. • Acting Manager of Auditing, MTPF PricewaterhouseCoopers, a Tunisian limited liability company, auditing, consulting and taxation, 2003G to 2007G.

Source: The Company

5-4-2 Investment Committee

a) Formation of the Investment Committee

The Investment Committee consists of three (3) members who were appointed pursuant to a Board resolution dated 27/10/1442H (corresponding to 06/08/2021G). The Investment Committee was formed pursuant to a Board Resolution dated 27/10/1442H (corresponding to 06/08/2021G). The following table sets out the members of the Investment Committee:

Table (5-14): Members of the Investment Committee

#	Name	Title
1.	Mishaal Sultan Abdulaziz Al Saud	Chairman of the Investment Committee
2.	Abdulaziz Abdulrahman Muhammad Al-Omran	Member of the Investment Committee
3.	Loulwa Muhammad Abdulkarim Bakr	Member of the Investment Committee

Source: The Company

b) Responsibilities of the Investment Committee

The tasks and responsibilities of the Investment Committee include the following:

1) Work with the executive management to develop the Company's investment strategy and policy in line with the nature of its business, activities and risks to which it is exposed, and make recommendations in this regard.
2) Review the investment strategy on a periodic basis to ensure that it is in line with changes that may occur in the external environment in which the Company operates, the legislation regulating its business or its strategic or other objectives, and make recommendations the Board of Directors regarding the proposed changes to this policy.
3) Generally supervise the Company's investment activities and develop appropriate procedures for measuring and evaluating investment performance.
4) Consider, evaluate and provide recommendations on investment opportunities proposed by the Company's management in relation to the following transactions:
   - Mergers or acquisitions of companies, businesses or assets.
   - Any termination, sale, transfer of ownership, or exit from or disposal of an existing investment.
   - Joint ventures under a partners agreement or JV companies.
   - An investment in new, existing or expansion projects and the expansion of projects in which the Company has an interest.
   - An investment opportunity that the Company's management desires to enter into.
5) Study the likelihood of obtaining financing for the above transactions.
6) Ensure that the proposed investment opportunities comply with the applicable laws, regulations and instructions.
7) Define and prioritize the proposed investment offers.
8) Study the periodic reports of the executive management on the progress of approved investment opportunities.
9) Seek assistance from any experts, specialists or other persons as it deems appropriate to study issues that fall within its duties and responsibilities, after obtaining the approval of the Board of Directors.
10) Approve investment opportunities proposed by the Company's Management.

c) Summary Biographies of the Members of the Investment Committee

Following are summary biographies of the members of the Investment Committee:

Table (5-15): Summary Biography of Mishaal Sultan Abdulaziz Al Saud

Name	Mishaal Sultan Abdulaziz Al Saud
Title	Chairman of the Investment Committee
Biography	See Section 5-3-3 "**Summary Biographies of the Directors and Secretary**" of this Prospectus.

Source: The Company

Table (5-16): Summary Biography of Abdulaziz Abdulrahman Muhammad Al-Omran

Name	Abdulaziz Abdulrahman Muhammad Al-Omran
Title	Member of the Investment Committee
Biography	See Section 5-3-3 "**Summary Biographies of the Directors and Secretary**" of this Prospectus.

Source: The Company

Table (5-17): Summary Biography of Loulwa Muhammad Abdulkarim Bakr

Name	Loulwa Muhammad Abdulkarim Bakr
Title	Member of the Investment Committee
Biography	See Section 5-3-3 "**Summary Biographies of the Directors and Secretary**" of this Prospectus.

Source: The Company

5-5 Executive Management

The Company's Executive Management consists of a team having the necessary expertise and skills to manage the Company under the direction of the Board of Directors. The Chief Executive Officer conducts the Company's day-to-day business in accordance with the Board's directions and policies to ensure that the Company achieves the objectives set by the Board of Directors.

5-5-1 Members of Executive Management

The following table sets out the details of the members of the Company's Executive Management:

Table (5-18): Executive Management of the Company

#	Name	Title	Nationality	Age	Date of Appointment	Share Ownership Pre-Offering	Share Ownership Post-Offering
1.	Ghassab Salman Ghassab bin Mandeel	CEO	Saudi	51 years	01/01/1439H (corresponding to 09/21/2017G)	12%	10.22%
2.	Mishaal Ibrahim Salem Al-Mashari	Deputy CEO	Saudi	36 years	01/01/1439H (corresponding to 09/21/2017G)	-	-
3.	Hamad Abdullah Fahad Al-Bakr	Chief Commercial Officer	Saudi	53 years	11/12/1441H (corresponding to 08/01/2020G)	12%	10.22%
4.	Heni Abdulhakim Muhammad Jallouli	Chief Financial Officer	Tunisian	41 years	29/03/1442H (corresponding to 11/15/2020G)	-	-
5.	Muhammad Abdulaziz Muhammad Al-Barrak	Chief Technology Officer	Saudi	31 years	19/05/1442H (corresponding to 01/03/2021G)	-	-

#	Name	Title	Nationality	Age	Date of Appointment	Share Ownership Pre-Offering	Share Ownership Post-Offering
6.	Abdulaziz Muhammad Saleh Al-Faris	Chief Operating Officer	Saudi	40 years	04/11/1440H (corresponding to 07/07/2019G)	-	-
7.	Heba Mohammed Hassan Al-Zeer	Internal Audit Manager	Saudi	36 years	26/02/1443H (corresponding to 10/03/2021G)	-	-

Source: The Company

5-5-2 Summary Biographies of the Members of Executive Management

Following are summary biographies of the members of the Executive Management:

Table (5-19): Summary Biography of Ghassab Salman Ghassab bin Mandeel

Name	Ghassab Salman Ghassab bin Mandeel
Title	CEO
Biography	See Section 5-3-3 "**Summary Biographies of the Directors and Secretary**" of this Prospectus.

Source: The Company

Table (5-20): Summary Biography of Mishaal Ibrahim Salem Al-Mashari

Name	Mishaal Ibrahim Salem Al-Mashari
Age	36 years
Nationality	Saudi
Title	Deputy CEO
Academic Qualifications	• Graduate Course in Business Administration, Babson University, USA, 2018G. • Graduate Course in International Business Administration, University of California Irvine, USA, 2010G. • Bachelor of Business Administration, King Saud University, Kingdom of Saudi Arabia, 2007G.
Current Positions	• Deputy CEO, the Company, 2017G to present. • Director, Leejam Sports Company, a Saudi public joint stock company, establishment, management and operation of sports centers, 2021G to present. • Director, Logi Limited Company, a single-member LLC, logistics services, 2021G to present. • Committee Member, Riyadh Chamber of Commerce, a Saudi governmental entity, commercial and industrial services, 2020G to present.
Significant Prior Professional Experience	• Business Development Manager, Alamat International Limited Company, a Saudi limited liability company, information technology, 2014G to 2016G. • Project Manager, FedEx, a limited liability company, express transfer sector, 2010G to 2012G.

Source: The Company

Table (5-21): Summary Biography of Hamad Abdullah Fahad Al-Bakr

Name	Hamad Abdullah Fahad Al-Bakr
Title	Chief Commercial Officer
Biography	See Section 5-3-3 "**Summary Biographies of the Directors and Secretary**" of this Prospectus.

Source: The Company

Table (5-22): Summary Biography of Heni Abdulhakim Muhammad Jallouli

Name	Heni Abdulhakim Muhammad Jallouli
Age	41 years
Nationality	Tunisian
Title	Chief Financial Officer
Academic Qualifications	• Fellowship Certificate, Certified Public Accountant, accounting expertise, the Higher Institute of Accounting and Business Administration, University of Manouba, Republic of Tunisia, 2012G. • Master of Auditing, Accounting, Higher Institute of Accounting and Business Administration, University of Manouba, Republic of Tunisia, 2003G. • Bachelor of Accounting, University of Tunis, Republic of Tunisia, 2002G.
Current Positions	• Chief Financial Officer, the Company, 2020G to present. • Director, Logi Limited Company, a single-member LLC, logistics services, 2021G to present.
Significant Prior Professional Experience	• Director of Financial Control and Reporting, Theeb Rent a Car Company, a Saudi listed joint stock company, car rental, 2019G to 2020G. • Accounting and Reporting Manager, Theeb Rent a Car Company, a Saudi listed joint stock company, car rental, 2016G to 2018G. • Executive Director, Optimal Decision, a limited liability company, consultancy, 2012G to 2015G. • Financial Controller, Aviation Information Technology Services Company – Africa, a Tunisian joint stock company, information technology sector, 2009G to 2012G. • Audit Manager, CSB Certified Public Accountants, a Tunisian limited liability company, consultancy and auditing, 2003G to 2009G.

Source: The Company

Table (5-23): Summary Biography of Muhammad Abdulaziz Muhammad Al-Barrak

Name	Muhammad Abdulaziz Muhammad Al-Barrak
Age	31 years
Nationality	Saudi
Title	Chief Technology Officer
Academic Qualifications	• Bachelor of Computer Software Engineering, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 2013G.
Current Positions	• Chief Technology Officer, the Company, 2021G to present.
Significant Prior Professional Experience	• Development Manager, Lean Business Services, a Saudi limited liability company, information systems technology, 2018G to 2021G. • Development Manager, Zsoft – Technology Services, a sole proprietorship, systems and applications, 2016G to 2018G. • Senior Software Engineer, Recyclize Co., an American company, advertising networks in Silicon Valley, 2015G to 2016G. • Software Engineer, Elm Information Technology Company, a Saudi closed joint stock company, information systems technology, 2013G to 2015G. • Independently managing and developing applications in several areas, including food delivery and shopping platforms, 2012G to 2017G.

Source: The Company

Table (5-24): Summary Biography of Abdulaziz Muhammad Saleh Al-Faris

Name	Abdulaziz Muhammad Saleh Al-Faris
Age	40 years
Nationality	Saudi
Title	Chief Operating Officer
Academic Qualifications	• Bachelor of Supply Chain Management, Boise State University, USA, 2016G. • Bachelor of Accounting, Boise State University, USA, 2016G.
Current Positions	• Chief Operating Officer, the Company, 2019G to present.
Significant Prior Professional Experience	• Assistant Chief of Operations, Watania Distribution Company, a Saudi limited liability company, distribution sector, 2016G to 2019G.

Source: The Company

Table (5-25): Summary Biography of Heba Mohammed Hassan Al-Zeer

Name	Heba Mohammed Hassan Al-Zeer
Age	36 years
Nationality	Saudi
Title	Internal Audit Manager
Academic Qualifications	• Master of Business Administration, Arab East Colleges, Kingdom of Saudi Arabia, 2014G. • Bachelor of Public Administration, King Saud University, Kingdom of Saudi Arabia, 2008G.
Current Positions	• Internal Audit Manager, the Company, 2021G to present. • Secretary of the Audit Committee, the Company 2021G to present.
Significant Prior Professional Experience	• First specialist in internal audit, Leejam Sports Company, a Saudi public joint stock company, establishment, management and operation of sports centers, 2018G to 2021G. • Internal audit chief, Dur Hospitality Company, a Saudi public joint stock company, establishment, management and operation of hotels, real estate and tourism facilities, 2018G. • Chief consultant in risk consultancy and internal audit, KPMG Al Fozan and Partners, a Saudi closed joint stock company, audit, taxation and consultancy, 2015G to 2018G.

Source: The Company

5-6 Internal Audit

The Company contracted with Protiviti Saudi Member Firm for Management Consultancy as a third party service provider to develop for the Company's internal audit framework. The third party service provider performs the Company's internal audit functions, prepares reports and presentations for the Company's Audit Committee and Executive Management, and responds to inquiries of the Board of Directors and the Audit Committee. In addition, the main internal audit responsibilities performed by the third party service provider include:

- Developing a risk analysis methodology.
- Conduct entity wide risk assessment to identify, set frequency and prioritize focus areas to carry out internal audits for those areas.
- Develop audit universe by reviewing all the Group key activities, operations, carrying out risk assessment, assessing corporate governance and internal monitoring rules.
- Develop Internal Audit plan based on the risk assessment results, understanding of the Group goals, key operations and strategic direction.
- Undertaking internal audit functions in the Company in cooperation with the Group's internal team in accordance with the approved Internal Audit plan.

The Company has appointed a manager for its internal audit department, who commenced her functions as of 26/02/1443H (corresponding to 10/03/2021G) (for more information, see Section 5-5 "**Executive Management**" of this Prospectus).

5-7 Corporate Governance

The Corporate Governance Regulations issued by the CMA are indicative for companies listed on the Parallel Market. On 09/09/1442H (corresponding to 04/21/2021G), the Company adopted its Internal Governance Regulations, which are guided by some articles of the Corporate Governance Regulations. The Company's Internal Governance Regulations consist of:

- The Company's Internal Corporate Governance Manual, which sets out the rights of Shareholders.
- The Authority and Delegation Authority Policy.
- The Delegation Authority.
- The Disclosure Policy.
- The Conflict of Interest Policy.
- The Dividend Distribution Policy.
- The Stakeholder Protection Policy.
- The Insider Trading Policy.
- The Compliance Policy.
- The Social Responsibility Policy.
- The Charters of the Audit Committee and Risk Management Committee.

It is worth noting that, in compliance with the Companies Law, neither the Company's Articles of Association nor any of its internal regulations and policies grant any powers enabling a Director to vote on a contract or offer in which that Director has a direct or indirect material interest. This is pursuant to Article 71 of the Companies Law, which provides that a member of the Board of Directors may not have a direct or indirect interest in the transactions and contracts completed for the company without the permission of the General Assembly.

Pursuant to said Article, the member must inform the Board of Directors of any personal interest they may have in the transactions or contracts completed for the company. The chairman of the Board of Directors must notify the Ordinary General Assembly, when it convenes, of transactions and contracts in which any member has a personal interest. Such notification shall be accompanied by a special report from the auditor. This notification shall be recorded in the minutes of the Board's meeting. Such member shall not participate in voting on the resolution to be adopted in this regard. Based on the foregoing, the Directors declare that they shall:

- Work in accordance with Articles 71, 72 and 73 of the Companies Law.
- Not vote on contracts entered into with Related Parties in General Assembly meetings if they have an interest, whether direct or indirect.
- Not compete with the Company's business without the approval of the General Assembly in accordance with Article 72 of the Companies Law.

5-8 Employee Shares

The Company does not have any employee share programs in place prior to submission of the application for registration and offer of securities subject to this Prospectus, and none of the Company's employees hold any shares in the Company as at the date of this Prospectus. However, the Company has decided to develop an employee share program to provide incentives for the Company's outstanding employees, in order to attract and retain employees and achieve the Company's objectives. However, the Company has not specified the terms of the program as at the date of this Prospectus. The employee share program will include employees selected by the Board based on an assessment of their performance. On 28/10/1442H (corresponding to 06/09/2021G), the Company's Extraordinary General Assembly approved the launch of an employee share program and authorized the Board to determine the terms of the program, including the allocation price for each share offered to employees, if offered for consideration.

In conjunction with the completion of the Offering, the Selling Shareholders will sell one hundred ninety-two thousand (192,000) Shares with a nominal value of ten Saudi riyals (SAR 10) to the Company to be used under the Company's employee stock program in accordance with the resolution of the Company's Extraordinary General Assembly dated 28/10/1442H (corresponding to 06/09/2021G).

6- Management's Discussion and Analysis of Financial Condition and Results of Operations

6-1 Introduction

This Section "Management Discussion and Analysis of Financial Position and Results of Operations" provides an analysis of the operational performance and financial position of the Company and the Group during the fiscal years ended 31 December 2019G and 2020G and the 3-month period ended 31 March 2020G and 2021G. This section has been prepared based on the audited consolidated financial statements for the fiscal year ended 31 December 2020G and the reviewed consolidated financial statements for the period ended 31 March 2021G. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) by the Group. They have reviewed/audited by KPMG for the fiscal year ended 31 December 2020G and reviewed for the period ended 31 March 2021G. The financial information and statements presented in this section for the period ended 31 December 2019G were extracted from the audited consolidated financial statements ending 31 December 2020G. The financial information and statements presented in this section for the period ended 31 March 2020G were extracted from the reviewed consolidated financial statements ending 31 March 2021G. The aforementioned is presented for comparative purposes as part of this Prospectus and is presented to the Capital Markets Authority in the Kingdom in connection with the request for an initial public offering on the Nomu Parallel Market at the Saudi Exchange.

The Group prepared its financial statements for the fiscal years ended 31 December 2020G and 31 March 2021G in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS); in addition to other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Neither KPMG, nor any of its subsidiaries, own any shares or interest of any kind in the Group. KPMG has furnished its written consent to the reference in this Prospectus of its name, logo, and statement as the Group's auditor for the periods mentioned above.

This Section may include data of forward-looking nature and are based on the Management's plans and current expectations for the Group's growth, results of operations, and financial situation. The Group's actual results could differ materially from those expressed or implied in such data and statements as a result of various factors, including those discussed within this Section and elsewhere in this Prospectus, particularly in Section 2 "**Risk Factors**".

All amounts are in SAR thousand (or SR thousand), unless stated herein otherwise. Amounts and percentages have been rounded to the nearest decimal.

6-2 Directors' Declarations on the Financial Statements

To the best of their knowledge, the Group's Directors declare that:

1) The financial information contained in this section has been extracted without material changes and presented in a form consistent with the audited financial statements for the financial year ended 31 December 2020G and the reviewed consolidated financial statements for 31 March 2021G and their accompanying notes, which were audited by KPMG for the year ended 31 December 2020G and reviewed for the period ended 31 March 2021G in accordance with the International Financial Reporting Standards and as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Certified Public Accountants (SOCPA);

2) The Group has a working capital sufficient for a period of at least 12 months immediately following the date of publication of this Prospectus;

3) There has not been any material adverse change in the financial or trading position of the Group during the two fiscal years directly preceding the application for registration and offer of securities that are subject to this Prospectus. The Directors also declare that that all material facts related to the Group and its financial performance have been disclosed in this Prospectus and that there is no other information, documents, or facts that have been omitted which would make any statement herein misleading;

4) The Group does not own any securities (contractual or otherwise) or any assets the value of which is subject to fluctuations or is difficult to ascertain, which negatively and substantially affects the valuation of the financial position. No commissions, discounts, brokerages or other non-cash compensation have been granted by the Group to any of the Directors, senior executives, persons in charge of offering securities, or experts within the two years immediately preceding the application for registration and offer of securities.

5) The Group, to the best of its knowledge, does not have any loans or debts, including bank overdrafts, nor any guarantee liabilities (including personal guarantee or non-personal guarantee, covered or not covered by mortgages), liabilities under acceptance, acceptance credits, or any hire purchase commitments except those disclosed in Section 6-6-2e "Current Liabilities" of this Prospectus.

6) There are no mortgages, rights or burdens on the Group's possessions as at the date of this prospectus.

7) The Group's capital is not under option.

8) The Group is not privy to any information related to government, economic, financial, political policies or any other factors that may have a material impact (directly or indirectly) on its operations.

6-3 Overview of the Group

Jahez International Company for Information Systems Technology is a closed joint-stock company registered in Saudi Arabia under commercial register No. 1010895874 dated 6 Muharram 1439H corresponding to 26 September 2017G issued from Riyadh, with its headquarters located is in Riyadh, Kingdom of Saudi Arabia.

The principal activities of the Group, according to the commercial registration, are network extensions, e-commerce, online commerce, operating systems, sales of wired and wireless equipment and devices, systems analysis, design and programming of special software, software maintenance, and web page design.

6-4 Significant accounting policies

The accounting policies applied in preparing the audited consolidated financial statements for the fiscal year ended 31 December 2020G and the reviewed consolidated financial statements for the period ended 31 March 2021 G are listed below, which are the first consolidated financial statements to be prepared in accordance with the IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.

The accompanying consolidated financial statements includes the financial statements of Jahez International Company for Information Systems Technology and its subsidiaries (collectively referred to as the "**Group**"), as follows:

	Legal entity	Country of incorporation	% of ownership at 31 December 2019G	% of ownership at 31 December 2020G	% of ownership at 31 March 2021G
Co Kitchens	Limited liability company	Kingdom of Saudi Arabia	-	60%	60%
PIK	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	-	100%	100%
Red Color	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	-	-	100%
Logi	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	-	-	100%

Information about subsidiaries:

CoKitchens:

On July 20, 2020G, the Group signed an agreement to acquire shares representing 60% of the share capital of Co Kitchens (a limited liability company) amounting to SAR 25,000. Acquisition cost amounted to SAR 2.4 million. On 19 Muharram 1442H (corresponding to 7 September 2020G), the Company's Articles of Association and ownership structure were amended to reflect the effect of the acquisition. The principal activities of the Company include food service activities.

PIK:

On 7 September 2020G, the Group incorporated a wholly owned subsidiary which is PIK Options Trading Company (a single shareholder limited liability company). The company's capital is SAR 1,000,000 and is engaged in online retail sales.

Red Color:

On 8 February 2021G, the Group incorporated a wholly owned subsidiary which is Red Color (a single shareholder limited liability company) that is fully owned by the Group. The company's capital is SAR 10,000 and is engaged in financial services (excluding insurance and the financing of pension funds).

Logi:

On 8 February 2021G, the Group incorporated a wholly owned subsidiary which is Support and Logistics Solution Company (a single shareholder limited liability company) that is fully owned by the Group. The company's capital is SAR 1,000,000 and is engaged in transportation/ delivery services through e-services.

Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred at the acquisition is generally measured at fair value of the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on purchase is recognized in profit or loss 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 recognized in profit or loss.

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 recognized in profit or loss.

Subsidiaries

Subsidiaries are entities 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 subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in the 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 derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests (NCI) and other components of equity and any gain or loss is recognized in the statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Property and equipment

Property and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost included expenditure that is directly attributable to the acquisition of the asset. Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in the consolidated statement of profit or loss when incurred.

Depreciation is charged to the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of individual item of property and equipment. The estimated useful lives of assets will be depreciated as follows:

Tools and equipment	4 Years
Computers	4 Years
Furniture and fixtures	4 Years
Electrical machines	4 Years
Decorations and leasehold improvement	4 Years
Central kitchens	10 Years

Depreciation methods, rates and residual values are reviewed annually and are adjusted if the current method and the estimated useful life or the residual value is different than the estimated in past. The effect of such changes is recognized in the consolidated statement of profit or loss prospectively.

Major renovations and improvements are capitalized if they extend the productivity or the operating useful life of the property and equipment.

Minor repairs and improvements are charged as expenses when incurred. Gains or losses resulting from disposal of property and equipment, which represent the difference between proceeds from sale and the carrying amount of assets, are recognized in the consolidated statement of profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the consolidated statement of profit or loss as incurred.

Computers software

Computer software licenses acquired from third parties are initially recognized at cost. Costs directly associated with the production of internally developed software, where it is probable that the software will generate future economic benefits, are recognized as intangible assets. Amortization is charged to the consolidated statement of profit or loss using a straight-line basis over the estimated useful life, which is 4-years.

Capital work under development relating to payments for purchase and development of intangible assets is stated at cost less impairment losses, if any, and is not depreciated until the asset is available for use.

Inventory

Inventory is measured at the lower of cost or net realizable value. The cost of inventory is determined on the basis of the first-in-first-out method. Cost includes expenses incurred for acquisition of inventory and any shipping, transportation, insurance, custom duties and other direct expenses related to the acquisition of the inventory.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs to sell.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term liquid investments with original maturities of three month or less, if any, which are available to the Group without any restrictions.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. 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 appropriate market for the asset or liability.

The principal or the most appropriate 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.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is disclosed as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities can be obtained at the measurement date.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs).

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial instruments

Classification and measurement of financial assets and financial liabilities:

On initial recognition, the financial assets are classified as financial assets measured at amortized cost, or at fair value through other comprehensive income - investments in debt instruments, or at fair value through other comprehensive income - investments in equity instruments, or at fair value through profit or loss.

- Financial assets are measured at amortized cost if they meet both conditions below and are not designated at fair value through profit or loss.
  - They are held within a business model whose objective is to hold assets to collect contractual cash flows, and
  - Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Investments in debt instruments are measured at fair value through other comprehensive income if they meet both conditions below and are not designated at fair value through profit or loss:
  - It is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets, and
  - Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- On initial recognition of investments in equity instruments that are not held for trading, the Group has the right to definitively elect to present subsequent changes in the fair value of the investment in other comprehensive income. This option is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets

The financial assets at amortized cost consist of trade receivables and cash and cash equivalents and prepayment and advances, due from related parties.

Loss provisions are measured on the bases of ECLs over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probabilityweighted estimate of credit losses. Credit losses are measured as the present value of all value shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. For trade receivables, the Group applies the simplified approach to estimate ECLs.

Impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are impaired. A financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss provisions for financial assets are deducted from the gross carrying amount of the assets. Impairment losses related to trade receivables, if any, are presented in the consolidated statement of profit or loss under a separate item.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or losses on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

A financial asset (or part of a group of similar financial assets) is disposed mainly (i.e. disposed from the statement of financial position) in the following cases:

- The rights to receive cash flows from the asset have been expired;
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

Financial liabilities

The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expired. The Group also derecognizes financial liabilities when the terms and cash flows of the modified obligation are substantially modified, in which case a new financial liability is recognized based on the modified terms at fair value.

On disposal of a financial liability, the difference between the amortized carrying amount and the amount paid (including any non-cash assets transferred or charged liabilities) is recognized in the consolidated statement of profit or loss.

The Group has no debt investments at FVOCI or equity investments at FVOCI.

Current versus non-current classification

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

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- Expected to be realized 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 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 Group classifies all other liabilities as non-current liabilities.

Employees' benefits

Short-term benefits

Short term employee's benefits are expensed as the related service is provided. A liability is recognized 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.

Post-employment benefits

The Group operates a defined benefit plan for its employees in accordance with Saudi Labor Law as defined by the conditions set out in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method. Employees' benefits obligation plans are not funded.

Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected credit unit method and the liability is recorded based on an actuarial valuation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected credit unit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated statement of income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate for the consideration required to settle the present obligation at the end of reporting date taking into account risk and doubts specific to liability.

When the Group expects to pay some or all of the provisions (for example, insurance contracts, compensation terms or supplier guarantees), the payment is recognized as a separate asset. When payment is almost certain, expenses relating to provision are recognized in the consolidated statement of profit or loss, net of any compensation.

In case the effect of the time value of money is of relative importance, the provisions are determined by discounting estimated cash flows by pre-tax rate that reflects current market assessments for time value of money and risks related to the obligation. The discount is recognized as finance cost.

Contingencies

These are probable obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or present obligation not recorded because the need for flow of resources to settle the obligation is not probable.

In case the amount of the obligation cannot be measured with sufficient reliability, this amount is not recognized as contingent liabilities but disclosed in the consolidated financial statements.

Foreign currencies transactions

Transactions denominated in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Saudi Riyals at the foreign exchange rate at the date of the financial position. Gains or losses arising on exchanges are recognized in the consolidated statement of profit or loss.

Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced by expected returns from customers and other discounts.

The Group recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with 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 the performance obligations	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	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: Revenue recognition	The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

Commissions and revenue from delivery services

Revenue is recognized when the delivery service is performed to the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is recognize net of discounts and compensation offered to the customer.

Advertising and marketing revenues

Revenues associated with advertising and marketing services are recognized over time by measuring the Group progress towards satisfaction of a performance obligation using output method.

Revenue from e-payment fees

Revenue is recognized when the collection service is performed on behalf of the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is stated net of discounts and compensation offered to the customer.

Other revenues

Revenues are recognized upon fulfilment of the obligation to the customer and are stated net of discounts and rebates, if any.

Leases

Determining whether an arrangement contains a lease or not depends on the core of the arrangement at its inception date.

The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as a lessee

At the commencement date, the Group shall assess 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 a consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

The Group shall recognize a right-of-use asset at the commencement date (i.e. the date on which the underlying asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The estimated useful life for right-of-use asset based on the lease term.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The Group shall discount lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be easily determined, the Group should use the incremental borrowing rate.

After the commencement date, a lessee shall measure the lease liability by:

- Increasing the carrying amount to reflect interest rate on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and

- Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments that are remeasured when there is a change in future lease payments arising from a change in index or a rate, or if there was a change in the Group's estimate of the amount expected to be payable by the lessee under residual value guarantees, or if the Group changed its assessment whether if it will choose the purchase, extension or termination.

Any remeasurement is settled in the lease liability against the carrying amount of right-of-use asset or charged to the statement of income if the carrying amount of the related asset is zero.

Short-term leases

The Group elected not to recognize right-of-use assets and lease liabilities for the short-term leases for which their terms are 12 months or less. The Group recognizes lease payments associated with those leases as expenses on a straight line basis over the lease term.

Extension options

In case of leases that provide extension options, the Group assesses whether if it is reasonably certain, at commencement date, that the extension options will be exercised. The Group reassesses whether it is reasonably certain to exercise the options if there was a significant event or major change in the circumstances that fall under its control.

Expenses

Marketing and advertising expenses are those arising from the Group's efforts underlying the marketing functions.

All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses and research and development expenses. Allocations of common expenses between cost of revenue and general and administrative expenses and research and development expenses, when required, are made on a consistent basis.

Zakat

Provision for Zakat is calculated at the date of the consolidated statement of financial position in accordance with regulations of the Zakat, Tax and Customs Authority ("ZATCA").

The resulting provision is recorded in the consolidated statement of profit or loss. Additional Zakat liability, if any, related to prior years' assessments arising from ZATCA are recognized in the period in which the final assessments are finalized.

Segments reporting

An operating segment is a part of the Group's business activities from which revenue can be recognized and expenses are incurred and includes income and expenses relating to transactions with any of the other components.

All operational results of the operating segments are reviewed by the operating decision makers to make decisions about the resources to be allocated to the segment and to assess its performance, which have separate financial information.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of the ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible debt instruments and share options granted to employees, if any.

Statutory reserve

In accordance with the provisions of the Saudi Arabian Regulations for Companies, the Group is required to transfer 10% of its net income each year to a statutory reserve until such reserve equals 30% of share capital. This reserve is not available for distribution to the shareholders.

6-5 Key Factors Impacting the Group's Performance and Operations

Detailed below is a discussion of the key factors that have affected, or are expected to affect the Group's business, financial position, and results of operations. These factors are based on the information currently available to the Group, which may not be representative of all factors that could have an impact on the Group's business. See also Section 2 "**Risk Factors**" of this Prospectus.

6-5-1 Customers, Merchants, and Delivery Drivers

The Group's primary business is providing on-demand services, quick commerce, and final destination delivery services through its platforms that connect customers, merchants, and delivery drivers.

a) Customers

The Group focuses on attracting new customers and retaining its existing ones in order to grow its business and enhance its profitability. The Group had relied on its reputation in the market to attract customers during its early stages, growing its active customer base from approximately 470,000 customers in 2018 to approximately 1,040,000 customers in 2020G. The Group plans to leverage a mix of marketing and advertising campaigns to continue to expand its customer base and achieve its ambitious development plan, which will ultimately entail an impact on the cost of acquiring new customers.

b) Stores

The Group's ability to expand geographically and reach its customers depends on its ability to attract and retain stores/merchants. The diversity of stores, products and prevalence in different geographies enables the Group to provide a unique experience to its customers, increasing participation and supporting the growth of the Group's sales. The Group was able to grow its store portfolio through several initiatives (e.g. by providing competitive rates to stores, sharing data that can be leveraged in marketing and promotion activities). In turn, the Group was able to successfully grow the number of branches within its store portfolio by 124.2%, from approximately 5,400 branches in 2019G to approximately 12,000 branches as of 31 Match 2021G. The Group's operations are also impacted by factors which it has limited control over, such as the quality of products and services provided by the various stores/merchants listed on its platform.

c) Delivery Drivers

Delivery drivers represent a key pillar of the Group's daily operations. The Group is in the process of expanding its geographic presence, which would in turn impact its revenue and operational cost. Cost of delivery is also subject to changes due to regulations and competition (such as competitors offering more lucrative benefits to delivery drivers), which would ultimately impact the Group's overall costs.

It should also be noted that the Ministry of Human Resources and Social Development issued a Ministerial Resolution on 07/06/1442 AH (20/01/2021G AD) that requires delivery platforms to restrict direct dealing (dealing with freelance delivery drivers) to Saudi drivers only, while dealing with non-Saudi drivers may be done through logistics companies (e.g. Logi). The Group's business will be negatively impacted, should it fail to attract and retain delivery drivers to the Jahez and PIK Platforms or to Logi. This would hinder its ability to satisfy delivery orders made through Jahez and PIK, or satisfy the logistics services provided by Logi.

6-5-2 Number of Orders, Gross Merchandise Value per Order, and Commission Rate

The Group's revenue primarily consists of revenue generated from delivery services, commission generated stores/merchants based on an agreed upon rate, ad placement revenue generated from stores, and revenue generated from online payment. Revenue is highly dependent on the number of orders from customers, the gross merchandise value, and the commission rate agreed upon with stores/merchants. The Group considers the number of orders and gross merchandise value as two key indicators for measuring its performance and the effectiveness of its promotions.

a) Number of Orders

The number of orders by the Group depends on the number of customers and the frequency of their orders, which is an outcome of customer loyalty and brand awareness amongst customers. The number of orders received annually increased from approximately 7 million orders in 2019G to 19.5 million orders in 2020G. It is worth noting that the number of orders exceeded 10.4 million in the three months period ending in 31 March 2021G. The sharp increase in 2020G was largely due to the geographic expansion of the Group's operations to an additional 25 cities, coupled with the impact of the COVID-19 pandemic which accelerated the reliance on food delivery applications. The Group attributes this growth to its ability to enhances its operations during the difficult times, its high customer retention rates, and the success of its marketing campaigns.

b) Gross Merchandise Value

The commission that are agreed upon between the Group and the stores/merchants are a percentage of the gross merchandise value, and as such are highly correlated with commission revenue. The COVID-19 pandemic led to a shift in consumer behavior towards a reliance on food delivery applications leading to a growth in the market, which the Group was able to leverage and extract a larger portion of. The gross merchandise value increased from approximately SAR 497 million to SAR 1.4 billion in 2020G, and managed to exceed SAR 711 million in the first quarter of 2021G.

c) Commission Rate

The main driver of commission revenue is the commission rate ("average take rate") agreed upon with stores/merchants, which is applied to the gross merchandise value of any order received. The Group is aiming on raising and standardizing its take rate to 12% for all its stores/merchants. The Group's average take rate for the fiscal years ended 31 December 2019G and 2020G and the first quarter of the fiscal year 2021G was 9.5%, 10.6% and 11.3%, respectively. The Group is able to make changes to the take rate agreed with a specific store/merchant if it deems necessary to do so, given that the average take rate is largely dependent on the overall market environment and the Group's competitive position in a given market.

The Group also generates non-commission-based revenue, such as revenue from the advertisements and marketing services provided by the Group to stores/merchants (such as featuring merchants on the top merchants list within the Jahez or PIK applications), revenue generated from online payment, and revenue generated from delivery services. The size of revenue from non-commission-based fees is largely dependent on the fees per order and the number of orders.

6-5-3 COVID-19 Pandemic

The COVID-19 pandemic has led to a global crisis that had significant ramifications on several sectors, including the food and beverage sector, retail, and travel. While the Saudi economy continues to re-open as the vaccination rollout campaign progresses, the full scope and duration of the pandemic is still unclear, and its impact on the Group's operations is expected to continue in the near future. The dine-in experience and personal shopping experience was significantly affected due to the pandemic's restrictions, which led to an increase in the reliance on food delivery applications, translating to a growth in the number of customers and stores, and consequently the number of orders received, and revenue generated by the Group. It is worth noting that the growth in terms of revenue, total number of orders and gross merchandise value brought about by the pandemic may not be sustainable going forward (in comparison to 2020G).

The Group has adhered and implemented the guidelines set by Ministry of Health's (e.g. contactless delivery, use of sanitizers and masks and safety training). However, there is still a risk that an employee or a delivery partner could be infected, which would affect the Group's ability to provide its services to its customers.

6-5-4 Food Services Sector

The Group provides logistics services in the food services sector. The Saudi food services sector witnessed a 35% drop between 2019G and 2020G. The gross merchandise value during that period was estimated at approximately SAR 56.3 billion. The main reason behind this drop was the COVID-19 pandemic, which led to imposing restrictions on movement, regulations that limited store operations, and changes to consumer behavior, all of which was coupled with a drop in spending income. However, the food services market is expected to recover and grow at a compound annual growth rate of 26% between 2020G and 2023G. This growth hinges on the success of food delivery through applications, the governmental vaccination rollout campaign, the overall economic recovery, and Vision 2030 programs (whose objectives include the development of the tourism sector). The recovery of the food services sector is also expected to lead to an increase in the number of stores/merchants.

6-5-5 Competition

The Group operates in a competitive business environment, with more than 8 local and global competitors attempting to increase their respective market share. The cost to both customers and stores/merchants of changing the food delivery platforms is low, given the ease of access to competitors' platforms. Competitors may adopt different strategies to increase market share, such as promotions, lower delivery fees, and the provision of additional services. Despite the aforementioned, the Group managed to grow its market share by leaning on its values to become the second largest food services company in the sector in the Kingdom, by providing (i) a wide range of services to the stores/merchants and (ii) a diverse list of stores/merchants for the customers to choose from. The Group will always need respond to its competitor's business model by continually invest in marketing, sales channels, order management, platform development to further expand its presence and logistics services. If the Group does not compete effectively, its operations and corresponding financial position will be negatively impacted.

6-5-6 Expansion to New Geographic Regions and Supporting Sectors

The Group's geographic coverage affects its revenue and profitability. Between 2017G and 31 March 2021G, the Group has expanded its business to 47 cities covering more than 12,000 store branches, and serviced by 34,810 delivery drivers. Furthermore, the Group is planning to expand and improve its operations in the Kingdom, and is assessing expansion plans at the regional level (potentially entering several regional countries in the coming three years).

Table (6-1): Operational KPIs as at 31 December 2016, 2017, 2018, 2019G, and 2020G.

	2016	2017	2018	2019G	2020G	Compounded Annual Growth Rate (from 2016 to 2020G)
Number of Cities	1	10	17	22	47	162 %
Number of Merchant Branches (in thousands)	0.2	1.6	3.6	5.9	9.7	181 %
Number of Delivery Drivers (in thousands)	0.2	2.3	4.4	6.3	29.6	229 %

Source: The Group

Similarly, the Group is looking to expand in quick commerce sectors and cloud kitchens activities to leverage its experience and infrastructure in food delivery. Although this expansion provides the Group with great growth opportunities, it would require a large commitment in terms of investment and efforts, to be able to grow, improve profitability and generate income.

6-5-7 Seasonal Changes

The food services sector (particularly food delivery) is subject to seasonal changes during Ramadan, Eid Al-Adha and Eid Al-Fitter, and summer. The number of daily orders tends to drop during Ramadan given the majority of consumers are fasting (and tend to rely on homemade meals), which indirectly leads to decrease in the number working hours during the day for Jahez. Moreover, residents usually travel abroad during holidays and the summer (or return to their smaller local cities) which leads to a decline in the Group's operations and decrease its revenue.

6-6 Results of Operations

6-6-1 Consolidated Statements of Income

The following table shows the Group's consolidated statements of income for the fiscal years ended 31 December 2019G and 2020G and for the 3-month period ended 31 March 2020G and 2021G:

Table (6-2): Non-consolidated statement of comprehensive income for the fiscal year ended 31 December 2019G and consolidated statement of comprehensive income for the fiscal year of 31 December 2020G and for the 3-month period ended 31 March 2020G and 2021G

SAR in thousands	Fiscal Year 2019G (Audited non-consolidated)	Fiscal Year 2020G (Audited consolidated)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Reviewed consolidated)	3-month period ended 31 March 2021G (Reviewed consolidated)	Period Growth 31 March 2020G – 31 March 2021G
Revenue	158,529	459,306	189.7 %	64,748	243,288	275.7 %
Cost of revenue	(133,035)	(350,779)	163.7 %	(51,270)	(183,859)	258.6 %
Gross profit	25,494	108,527	325.7 %	13,478	59,429	340.9 %
General and administrative expenses	(6,317)	(11,408)	80.6 %	(2,101)	(5,238)	149.3 %
Marketing & advertising expenses	(20,647)	(49,425)	139.4 %	(6,807)	(25,210)	270.4 %
Research and Development Expenses	(2,566)	(4,924)	91.9 %	(891)	(1,855)	108.2 %
Impairment loss on trade receivables	(66)	(464)	605.2 %	(555)	(86)	(84.5%)
Impairment loss on due from related parties	(1,969)	(1,855)	(5.8%)	(731)	-	-
Other income	20	486	2,330.0 %	144	-	-
Operating profit / (loss)	(6,051)	40,937	-	2,537	27,038	965.7 %
Finance cost	(245)	(305)	24.4 %	(66)	(100)	51.5 %
Net profit / (loss) for the year / before Zakat	(6,296)	40,632	-	2,470	26,938	990.6 %
Zakat	(128)	(1,135)	785.8 %	(64)	(711)	1,010.9 %
Net profit / (loss) for the year / period	(6,424)	39,496	-	2,406	26,227	990.1 %
Actuarial gains / (losses) due to remeasurements of EOSB	(100)	290	-	-	-	-
Total comprehensive income	**(6,524)**	**39,786**	**-**	**2,406**	**26,227**	**990.1 %**

Source: The audited consolidated financial statements for the year ended 31 December 2020G and the reviewed consolidated financial statements for the period ended 31 March 2021G

Table (6-3): KPIs for the fiscal years ended 31 December 2019G and 2020G and for the 3-month period ended 31 March 2020G and 2021G

	Fiscal Year 2019G (Management information)	Fiscal Year 2020G (Management information)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Management information)	3-month period ended 31 March 2021G (Management information)	Period Growth 31 March 2020G – 31 March 2021G
KPIs						
Gross merchandise value (SAR in thousands)	497,477	1,418,096	185.1 %	198,744	711,130	257.8 %
Number of orders	6,996,719	19,540,417	179.3 %	2,705,029	10,477,219	287.3 %
Monthly average number of orders per customer	3.8	4.5	16.5 %	4.2	4.8	14.3 %
Average number of merchants	1,475	2,336	58.4 %	1,835	4,238	131.1 %
Average number of branches	4,506	7,181	59.3 %	5,607	11,235	100.4 %
As a percentage of revenue						
Gross profit	16.1 %	23.6 %	7.5	20.8 %	24.4 %	3.6
General and administrative expenses	4.0 %	2.5 %	(1.5)	3.2 %	2.2 %	(1.1)
Marketing & advertising expenses	13.0 %	10.8 %	(2.3)	10.5 %	10.4 %	(0.2)
EBITDA	(2.4%)	9.6 %	12.0	5 %	11.6 %	7.2
Net profit / (loss)	(4.1%)	8.6 %	12.7	3.7 %	10.8 %	7.1

Source: Management information

a) Revenue

Delivery fees and commission revenue accounted for 95.2% of total revenue during FY19G and FY20G.

Revenue increased by 189.7% from SAR 158.5 million in FY19G to SAR459.3m in FY20G (+189.7%) driven by an increase in delivery fee revenue and commission revenue by SAR 181.2 million and SAR 103.0 million, respectively due to:

1) An increase in the number of orders from 7 million to 19.5 million stemming from the increase in the average number of customers from 149 thousand to 349 thousand, which is primarily attributable to Management's efforts in the form of promotions, branding, digital marketing and sponsorships. This ultimately translated to (i) an increase in the monthly average number of orders per customer from 3.8 to 4.5 and (ii) the evolution of Jahez's merchant portfolio, which grew on average from 1.5 thousand in FY19G to 2.3 thousand in FY20G (which also entailed an increase in the average number of branches from 4.5 thousand to 7.2 thousand, benefiting also from the shift in consumer reliance on food delivery applications);

2) A growth in the geographic coverage in Saudi Arabia through an increase in the number of cities from 22 cities in 2019G to 47 cities in 2020G, translating to an increase in both the number of customers and the number of orders; and

3) An increase in the average take rate with merchants from 9.5% of GMV in FY19G to 10.6% in FY20G which came on the back of the Group agreeing on a 12% take rate with new merchants (compared to previous periods, whereby take rates ranged between 8% and 10%). This was also coupled with Jahez renegotiating take rates to 12% with older merchant cohorts.

It is worth noting that the measures taken by the Saudi government in response to the COVID-19 pandemic (i.e. partial and full lockdowns) led to a shift in consumer behavior and reliance on food delivery applications, leading to an improvement in the Group's operations and revenue.

Revenue increased by 275.7% from SAR 64.7 million in the 3-month period ended 31 March 2020G to SAR 243.3 million in the 3-month period ended 31 March 2021G as a result of the increase in delivery and commission revenue by SAR 100.7 million and SAR 60.3 million, respectively. This was due to:

1) An increase in the number of orders from 2.7 million orders to 10.5 million orders stemming from the (i) increase in the average number of customers from 213 thousand to 730 thousand (ii) growth in the average number of monthly orders per customer from 4.1 orders to 4.8 orders and (iii) increase in the average number of stores registered on the Jahez's platform from 1.8 thousand merchants to 4.2 thousand merchants, all of which is attributable to the shift in consumer behavior;

2) Continued growth in the geographic coverage in Saudi Arabia through an increase in the number of cities from 20 cities during the 3-month period ended 31 March 2020G to 47 cities during the 3-month period ended 31 March 2021G; and

3) An increase in the average take rate from merchants from 10.0% in the 3-month period ended 31 March 2020G to 11.3% in the 3-month period ended 31 March 2021G. This was on the back of the Group agreeing on a 12% take rate with new merchants (compared to previous periods, whereby take rates ranged between 8% and 10%), coupled with Jahez renegotiating take rates to 12% with older merchant cohorts.

Cost of Revenue

During FY19G and FY20G, cost of revenue was primarily comprised of (i) cost of delivery which accounted for 82.4% of total cost, (ii) employee cost (operation and logistics staff) which accounted for 6.9% of total cost, (iii) customer compensation relating to the cost of meals for which the Group bears the cost (primarily due to issues with the meal, technical issues, etc.), (iv) bank charges, (v) consumables (i.e. delivery bags and Jahez shirts provided to drivers upon registration) and (vi) network servers (i.e. Amazon Web Services for hosting servers and cloud storage etc.), amongst others.

The Group relies on a mix of logistics companies, freelance drivers and its own personal drivers (21 as at 31 December 2020G) to perform deliveries and meet the Group's growing level of orders during FY19G and FY20G. It is worth noting that Management is planning on migrating a number of its delivery drivers to one of the Group's subsidiaries, Logi, which would in itself source freelance on an ad-hoc basis. The Group will incur additional costs in relation to the transfer of the aforementioned employees to Logi in relation to the transfer of sponsorships (which would range between SAR 2,000 to SAR 6,000 per employee).

Cost of revenue increased by 163.7% from SAR 133.0 million in FY19G to SAR 350.8 million in FY20G driven by an increase in cost of delivery (SAR 187.7 million), stemming from the increase in the number of orders.

Cost of revenue increased by 257.8% from SAR 51.3 million in the 3-month period ended 31 March 2020G to SAR 183.9 million in the 3-month period ended 31 March 2021G driven by an increase in cost of delivery (SAR 116.7 million), stemming from the increase in the number of orders

Gross Profit

Gross profit increased by 325.7% from SAR 25.5 million in FY19G (16.1% gross profit margin) to SAR 108.5 million in FY20G (23.6% gross profit margin) primarily due to:

1) An increase in the number of orders in the same period;

2) An increase in the average take rate stemming from (i) newly added merchants which came in at a higher take rate of 12% and (ii) Management renegotiating old rates (which ranged between 8% and 10%) to the new rate of 12%; and

3) An improvement in efficiency and higher cost absorption through the substantial increase in operations which reduced the cost per order (particularly pertaining to staff cost), coupled with support received from the government via HRDF amounting to SAR661k for the recruitment of fresh Saudi graduates.

This was slightly offset by higher promotions granted to customers for delivery (specifically during the last quarter of FY20).

Gross profit increased by 340.9% from SAR 13.5 million in the 3-month period ended 31 March 2020G (20.8% gross profit margin) to SAR 59.4 million in the 3-month period ended 31 March 2021G (24.4% gross profit margin) driven by a growth in the number of orders and average take rates, coupled with continued efficiency improvements and corresponding cost per unit reductions (particularly pertaining staff cost).

General and Administrative Expenses

General and administrative expenses consist primarily of employee costs, amortization and depreciation, professional fees, maintenance and operation costs, and other expenses.

General and administrative expenses increased by 80.6% from SAR 6.3 million in FY19G to SAR 11.4 million in FY20G driven by an increase in employee cost by SAR 1.9 million, stemming from an increase in number of employees and the adoption of a new salary scale.

General and administrative expenses decreased as a percentage of revenue from 4.0% in FY19G to 2.5% in FY20G primarily on the back of higher cost absorption through the substantial increase in the Group's operations.

General and administrative expenses increased by 149.3% from SAR 2.1 million in the 3-month period ended 31 March 2020G to SAR 5.2 million in the 3-month period ended 31 March 2021G driven by an increase in employee cost of SAR 1.5 million stemming from an increase in the number of employees and increments granted during the year.

General and administrative expenses as a percentage of revenue decreased from 3.2% in the 3-month period ended 31 March 2020G to 2.2% in the 3-month period ended 31 March 2021G due to the increase in the Group's operations.

Marketing & Advertising Expenses

Marketing & advertising expenses consist of advertising expenses, employee salaries and benefits, and promotions.

Marketing & advertising expenses increased by 139.4% from SAR 20.6 million in FY19G to SAR 49.4 million in FY20G due to an increase in advertising and publicity expenses by SAR 22.4 million in connection with raising the Jahez brand name awareness across the Kingdom through various mediums, including a sponsorship deal with Al Hilal Club which entailed video coverage, exhibitions, advertisements, and media coverage regarding Jahez application trademark during the club's events.

Promotions increased to SAR 3.0 million in line with the increase in the number of orders and the Group's operations. Promotions related to refunds and incentives provided to end-customers in relation to their orders to improve customer satisfaction. Refunds are granted to customers who are facing technical issues, whereby Jahez would bear the cost associated to customer, delivery driver or the merchant.

Employee salaries and benefits increased by SAR 3.4 million between FY19G and FY20G stemming from the addition of 11 employees, coupled with an increase in salaries in relation to the adoption of the new salary scale. Despite the aforementioned, marketing & advertising expenses decreased as a percentage of revenue from 13.0% to 10.8% over the same period.

Marketing & advertising expenses increased by 270.4% from SAR 6.8 million in the 3-month period ended 31 March 2020G to SAR 25.2 million in the 3-month period ended 31 March 2021G due to an increase in advertising and publicity expenses (SAR 11.6 million) in connection with raising brand through various mediums, in addition to the sponsorship deal with Al Hilal Club. Promotions increased by SAR 5.1 million over the same period driven by an increase in the number of orders over the same period. Employee salaries and benefits increased by SAR 1.7 million following the addition of 33 employees, in addition to an overall increase in salaries. Despite the aforementioned, marketing & advertising expenses decreased slightly as a percentage of revenue from 10.5% to 10.4% over the same period.

Research and Development Expenses

Research and development expenses consist primarily of cost of employees that manage and improve information systems, and application development expenses which are outsourced to a firm in India.

Research and development expenses increased by 91.9% from SAR 2.6 million in FY19G to SAR 4.9 million in FY20G due to an increase in employee cost by SAR 2.2 million driven by an increase in the number of employees by 2, coupled with an increase in employee salaries in light of the new salary scale that was adopted.

Research and development expenses increased by 108.2% from SAR 891 thousand in the 3-month period ended 31 March 2020G to SAR 1.9 million in the 3-month period ended 31 March 2021G due to an increase in employee cost by SAR 708 thousand driven by an increase in the number of employees by 6, coupled with an increase in employee salaries in light of the new salary scale that was adopted.

Impairment Loss on Trade Receivables

Impairment loss on trade receivables is related to a provision on trade receivables that is calculated using the expected credit loss (ECL) model. Impairment loss on trade receivables increased by 605.2% from SAR 66 thousand in FY19G to SAR 464 thousand in FY20G in connection with a receivables balance with a particular customer which has been aged for over 540 days. This has an impact on the provision calculated using the ECL model (which adheres to IFRS 9). The model assigns different collection risks depending on the type of customer, the age of the balances, and previous collection history, to determine the probability of a doubtful receivable.

Impairment loss on trade receivables decreased by 84.5% from SAR 555 thousand in the 3-month period ended 31 March 2020G to SAR 86 thousand in the 3-month period ended 31 March 2021G due to the decrease in the receivables provision needed, as computed by the ECL model (which adheres to IFRS 9).

Impairment on due from related parties

This item relates to a drop in related party receivables stemming from discrepancies in amounts collected by ALAMAT International Company Limited on behalf of Jahez (since commencement of Jahez's operations).

The bank account used in the payment gateway belonged to ALAMAT International Company Limited (as the operator of Jahez Application prior to the incorporation of the Company), which was suspended after the Group switched to a new service provider.

It should be noted that these discrepancies are a result of additional fees deducted from the Group's bank account by Bank AlJazira in relation to a dispute between the two parties as of the date of this prospectus. The Group intends to file a lawsuit against the bank with regards to the settlement of the disputed amounts (which Management has fully provided for). The impairment in due from related parties decreased by 5.8% from SAR 2.0 million in FY19G to SAR 1.9 million in FY20G due to a decrease in the balances of ALAMAT International Company Limited.

Other Income

Other income amounted to SAR 20 thousand in FY19G and consisted primarily of differences in point-of-sale amounts. Other income amounted to SAR 486 thousand in FY20G and consisted primarily of a subsidy provided to SME (SAR 407 thousand) in relation to government support provided in light of the COVID-19 pandemic.

Finance cost

Finance expenses primarily related to the right-of-use assets interest portion. The Group applied IFRS 16 with regards to its rental contracts, recognizing a right-of-use assets against a lease liability on the date on which the leased assets become ready for use by the Group. Lease payments are apportioned between the lease liability and finance expenses. Finance costs are recognized on the income statement throughout the lease term. Right-of-use assets are depreciated on a straight-line basis over the useful life of the underlying asset or the lease period. These leases related to two floors leased in Riyadh for the Group's offices, and another location leased for Co Kitchens.

Finance expenses increased by 24.4% from SAR 245 thousand in FY19G to SAR 305 thousand in FY20G due to the increase in the right-of-use assets over the same period.

Finance expenses increased by 51.5% from SAR 66 thousand in the 3-month period ended 31 March 2020G to SAR 100 thousand in the 3-month period ended 31 March 2021G due to the increase in the right-of-use assets in the same period, coupled with the lease of an additional floor for the Group's offices in Riyadh.

Zakat Expense

The Group submits its returns separately based on the consolidated financial statements of each company. The Zakat base is identified, and Zakat is computed for the Group and its subsidiaries separately. The total estimated Zakat Expense is charged to the Group's consolidated income statement.

The Zakat Expense increased by 785.8% from SAR 128 thousand in FY19G to SAR 1.1 million in FY20G due to the increase in net profit before Zakat, from a loss of SAR 6.3 million in FY19G to a profit of SAR 40.6 million in FY20G. This was primarily on the back of an increase in the level of operations and an improvement in the Group's gross margin.

The Zakat Expense increased by 1,010.9% from SAR 64 thousand in the 3-month period ended 31 March 2020G to SAR 711 thousand in the 3-month period ended 31 March 2021G due to the increase in net profit before Zakat from SAR 2.5 million to SAR 26.9 million over the same period. This was primarily on the back of an increase in the level of operations and an improvement in the Group's gross margin.

Net Profit / (Loss) for the Year / Period

The net profit / (loss) for the year increased from losses of SAR 6.4 million in FY19G to profits of SAR 39.5 million in FY20G, which led to an increase in the net profit margin from a loss of 4.1% to a profit of 8.6%. This is primarily due to the increase in gross profit as a result of the growth in the Group's overall level of operations through an increase in the number of customers and orders, an increase in the average take rates of merchants, improved operational efficiency, and geographic expansion across the Kingdom.

The net profit / (loss) for the period increased from SAR 2.4 million in the 3-month period ended 31 March 2020G to profits of SAR 26.2 million in the 3-month period ended 31 March 2021G, which increased the net profit margin from 3.7% to 10.8% over the same period. This is primarily due to the increase in gross profit as a result of the growth in the Group's operations through to the increase in the number of customers and orders, increase in the average take rate of merchants, improved operational efficiency, and geographic expansion across the Kingdom.

b) Revenue by Company

Table (6-4): Revenue by company for the fiscal years ended 31 December 2019G and 2020G and for the 3-month period ended 31 March 2020G and 2021G

SAR in thousands	Fiscal Year 2019G (Management information)	Fiscal Year 2020G (Management information)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Management information)	3-month period ended 31 March 2021G (Management information)	Period Growth 31 March 2020G – 31 March 2021G
Jahez International Company for Information Systems Technology	158,529	459,288	189.7 %	64,748	243,124	275.5 %
Co Kitchens	-	18	-	-	160	-
PIK					3	-
Red Color	-	-	-	-	-	-
Logi	-	-	-	-	-	-
Total	**158,529**	**459,306**	**189.7 %**	**64,748**	**243,288**	**275.7 %**

Source: Management information

Jahez International Company for Information Systems Technology "Jahez"

Jahez International Company for Information Systems Technology revenue recorded a 189.7% increase from SAR 158.5 million in FY19G to SAR 459.3 million in FY20G and are mainly related to delivery and commission revenue. Jahez International Company for Information Systems Technology revenue accounted for 99.9% of the Group's total revenue.

Jahez International Company for Information Systems Technology revenue increased by 275.5% from SAR 64.7 million in the 3-month period ended 31 March 2020G to SAR 243.1 million in the 3-month period ended 31 March 2021G mainly driven by an increase in delivery and commission revenue as a result of the increased number of orders over the same period.

Co Kitchens

CoKitchens revenue in FY20G and in the 3-month period ended 31 March 2021G amounted to SAR 17.7 thousand and SAR 160 thousand, respectively, and consisted primarily of cloud kitchen services.

PIK

PIK did not record any revenue during FY20G. The Company had a pilot operation launched at the end of Q1 2021G, generating revenue in the 3-month period ended 31 March 2021G of SAR 3 thousand relating to delivery and commission.

c) Jahez's Revenue by Type

Table (6-5): Jahez's revenue by type for the fiscal years ended 31 December 2019G and 2020G and for the 3-month period ended 31 March 2020G and 2021G

SAR in thousands	Fiscal Year 2019G (Management information)	Fiscal Year 2020G (Management information)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Management information)	3-month period ended 31 March 2021G (Management information)	Period Growth 31 March 2020G – 31 March 2021G
Delivery fees revenue	104,297	285,457	173.7 %	41,827	142,516	240.7 %
Commission revenue	47,210	150,201	218.2 %	19,914	80,166	302.6 %
Online payment fees revenue	4,810	11,159	132.0 %	2,202	11,883	439.6 %
Advertising and marketing revenue	825	8,193	893.1 %	226	7,275	3,119.0 %
Other revenue	1,388	4,296	209.5 %	579	1,449	150.3 %
Total	**158,529**	**459,306**	**189.7 %**	**64,748**	**243,288**	**275.7 %**
KPIs						
Gross merchandise value (SAR thousand)	497,477	1,418,096	185.1 %	198,743	711,130	257.8 %
Number of orders	6,996,719	19,540,417	179.3 %	2,705,033	10,477,219	287.3 %
Average gross merchandise value per order (SAR)	71.1	72.6	2.1 %	73.5	67.9	(7.6%)
Average number of merchants	1,475	2,336	58.4 %	1,836	4,243	131.1 %
Delivery Fees						
Average delivery fees per order (SAR)	14.9	14.6	(2.0%)	15.5	13.6	(12.0%)

SAR in thousands	Fiscal Year 2019G (Management information)	Fiscal Year 2020G (Management information)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Management information)	3-month period ended 31 March 2021G (Management information)	Period Growth 31 March 2020G – 31 March 2021G
Percentage of delivery fee revenue generated by logistic company drivers	37.5 %	59.0 %	21.5	42.2 %	72.8 %	30.6
Percentage of delivery fee revenue generated by freelance drivers	62.5 %	41.0 %	(21.5)	57.8 %	27.2 %	(30.6)
Commission revenue						
Average commission per order (SAR)	6.7	7.7	13.7 %	7.4	7.6	3.7 %
Average take rate (%)	9.5 %	10.6 %	1.1	10.0 %	11.3 %	1.3
As a percentage of revenue						
Delivery fees revenue	65.8 %	62.1 %	(3.6)	64.6 %	58.6 %	(6.0)
Commission revenue	29.8 %	32.7 %	2.9	30.8 %	33.0 %	2.2
Online payment fees revenue	3.0 %	2.4 %	(0.6)	3.4 %	4.9 %	1.5
Advertising and marketing revenue	0.5 %	1.8 %	1.3	0.3 %	3.0 %	2.6
Other revenue	0.9 %	0.9 %	0.1	0.9 %	0.6 %	(0.3)

Source: Management information

Jahez revenue consist of five main categories:

1) Delivery fees revenue, representing an average of 64.0% of total revenue during the fiscal years 2019G and 2020G, and 61.6% during the 3-month period ended 31 March 2020G and 2021G. They are generated by the Group for delivering orders and are computed based on the geographical location of order.

2) Commission revenue, representing an average of 31.2% of total revenue during the fiscal years 2019G and 2020G, and 31.9% during the 3-month period ended 31 March 2020G and 2021G. They are generated from the Group getting a commission percentage out of the gross merchandise value (take rate) on the total value of the order (excluding value added tax and delivery fees). Average take rates ranged between 8% and 12% during the same period.

3) Online payment fees revenue, representing an average of 2.7% of total revenue during the fiscal years 2019G and 2020G, and 4.1% during the 3-month period ended 31 March 2020G and 2021G. They are generated from the Group getting a percentage of the gross merchandise value when a customer pays online (e.g., using a credit card, Mada, Apple Pay, etc.).

4) Advertising and marketing revenue, representing an average of 1.2% of total revenue during the fiscal years 2019G and 2020G, and 1.7% during the 3-month period ended 31 March 2020G and 2021G. They are generated by the Group featuring merchants on the top 10 merchants list within Jahez application.

5) Other revenue, representing an average of 0.9% of total revenue during the fiscal years 2019G and 2020G and 0.7% during the 3-month period ended 31 March 2020G and 2021G. Other revenue is generated primarily from the sale of smart devices to merchants, in addition to drivers' registration fees which are paid upon registration (which provide drivers with bags and uniforms).

Delivery

Delivery revenue increased by 173.7% from SAR 104.3 million in FY19G to SAR 285.5 million in FY20G due to an increase in the number of orders from 7.0 million orders to 19.5 million orders, which was slightly offset by a decrease in the average delivery fees per order from SAR 14.9 to SAR 14.6 over the same period. This was in connection with promotions and discounts offered by the Group in relation to delivery fees in an attempt to attract a larger number of customers, especially during the last quarter of FY20G.

Delivery revenue increased by 240.7% from SAR 41.8 million in the 3-month period ended 31 March 2020G to SAR 142.5 million in the 3-month period ended 31 March 2021G due to an increase in the number of orders from 2.7 million orders to 10.5 million orders, which was slightly offset by a decrease in the average delivery fees per order from SAR 15.5 to SAR 13.6 in connection with promotions and discounts offered by the Group in relation to delivery fees.

Commission

Commission revenue related to the commission rate (take rate) collected from merchants. The Group deducts the amount payable to the merchants after accounting for commission and other revenue generated, reconciling the two sets of books on a bimonthly basis.

Commission revenue increased by 218.2% from SAR 47.2 million in FY19G to SAR 150.2 million in FY20G due to:

1) Increase in the gross merchandise value from SAR 497.5 million to SAR 1,418.1 million as a result of the increased number of customers and corresponding number of orders from 7.0 million to 19.5 million. This was coupled with an increase in the average gross merchandise value per order from SAR 71.1 to SAR 72.6 in the same period; and

2) Higher commission rates collected from stores during the same period. The average take rate increased from 9.5% in FY19G to 10.6% in FY20G, which resulted in a 13.7% increase in the average commission per order from SAR 6.7 to SAR 7.7 during the same period.

It is worth noting that the measures taken by the Saudi government in response to the COVID-19 pandemic (i.e. partial and full lockdowns) led to a shift in consumer behavior and reliance on food delivery applications, leading to an improvement in the Group's operations and revenue.

Commission revenue increased by 302.6% from SAR 19.9 million in the 3-month period ended 31 March 2020G to SAR 80.2 in the 3-month period ended 31 March 2021G due to the increase in gross merchandise value from SAR 198.7 million to SAR 711.1 million stemming from the increased number of customers leading to an increase in the number of orders from 2.7 million orders to 10.5 million orders over the same period (despite the decrease in the average gross merchandise value per order from SAR 73.5 to SAR 67.9). Furthermore, the average take rate increased from 10.0% in the 3-month period ended 31 March 2020G to 11.3% to the 3-month period ended 31 March 2021G. As a result, the average commission per order increased by 3.7% from SAR 7.4 to SAR 7.6 during the same period.

Online Payment Fees

Online payment fees increased by 132.0% from SAR 4.8 million in FY19G to SAR 11.2 million in FY20G due to a shift in payment methods by customers, leaning away from cash during the pandemic. The Group suspended the online payment fees charged on merchants in line with Saudi Central Bank's decision to waive all online transaction fees and encourage contactless transactions during the pandemic for 6 months

Online payment fees increased by 439.6% from SAR 2.2 million in the 3-month period ended 31 March 2020G to SAR 11.9 million in the 3-month period ended 31 March 2021G in line with the increase in number of orders.

Advertisements

Advertisement revenue increased by 893.1% from SAR 825 thousand during FY19G to SAR 8.2 million during FY20G as the Group started featuring merchants (in exchange for a certain fee) on the top 10 merchants list within Jahez application at the end of FY19G.

Advertisement revenue increased by 3,119.0% from SAR 226 thousand in the 3-month period ended 31 March 2020G to SAR 7.3 million in the 3-month period ended 31 March 2021G as a result of the improvement of advertisement services, coupled with the increase in number of merchants involved.

Other

Other revenue increased by 209.5% from SAR 1.4 million in FY19G to SAR 4.3 million in FY20G due to an increase drivers' registration fees (SAR 2.7 million) as a result of the increase in number of drivers to meet the growing number of orders.

Other revenue increased by 150.3% from SAR 579 thousand in the 3-month period ended 31 March 2020G to SAR 1.4 million in the 3-month period ended 31 March 2021G driven by an increase in driver registration fees (SAR 0.8 million) as a result of the increased number of drivers to meet the growing number of orders.

d) Jahez Group's Commission Revenue by Region

Table (6-6): Jahez Group's commission revenue by region for the fiscal years ended 31 December 2019G and 2020G and for the 3-month period ended 31 March 2020G and 2021G

SAR thousand	Fiscal Year 2019G (Management information)	Fiscal Year 2020G (Management information)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Management information)	3-month period ended 31 March 2021G (Management information)	Period Growth 31 March 2020G – 31 March 2021G
Central Region	44,542	129,601	191.0 %	18,358	62,088	238.2 %
Western and Southern Region	1,812	12,622	596.7 %	921	11,413	1,139.9 %
Eastern and Northern Region	856	7,978	832.3 %	636	6,665	948.8 %
Total	**47,210**	**150,201**	**218.2 %**	**19,914**	**80,166**	**302.6 %**
Gross merchandise value (SAR thousand)						
Central Region	470,147	1,228,071	161.2 %	183,872	550,333	199.3 %
Western and Southern Region	18,592	116,167	524.8 %	8,767	102,056	1064.0 %
Eastern and Northern Region	8,738	73,858	745.2 %	6,105	58,741	862.1 %
Total	**497,477**	**1,418,096**	**185.1 %**	**198,744**	**711,130**	**257.8 %**
Average take rate						
Central Region	9.5 %	10.6 %	1.1	10.0 %	11.3 %	1.3
Western and Southern Region	9.7 %	10.9 %	1.2	10.5 %	11.2 %	0.7
Eastern and Northern Region	9.8 %	10.8 %	1.0	10.4 %	11.3 %	0.9
Total	**9.5 %**	**10.6 %**	**1.1**	**10.0 %**	**11.3 %**	**1.3**

SAR thousand	Fiscal Year 2019G (Management information)	Fiscal Year 2020G (Management information)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Management information)	3-month period ended 31 March 2021G (Management information)	Period Growth 31 March 2020G – 31 March 2021G
As a percentage of revenue						
Central Region	94.3 %	86.3 %	(8.1)	92.2 %	77.4 %	(14.8)
Western and Southern Region	3.8 %	8.4 %	4.6	4.6 %	14.2 %	9.6
Eastern and Northern Region	1.8 %	5.3 %	3.5	3.2 %	8.3 %	5.1

Source: Management information

Central Region

Commission revenue for the Central Region accounted for 88.2% of total commission revenue for the fiscal years 2019G and 2020G, whereby Riyadh and Buraydah accounted for 99.2% and 0.5%, respectively. Commission revenue for the Central Region increased by 191.0% from SAR 44.5 million in FY19G to SAR 129.6 million in FY20G due to the increased in gross merchandise value in the Central Region from SAR 470.1 million in FY19G to SAR 1,228.1 million in FY20G. This increase was a result of the increased number of orders and the Group's ability to improve the average take rate, coupled with the increased number of serviced cities within the Region from 5 to 15 during the same period. The Central Region's commission revenue as a percentage of total commission revenue decreased from 94.3% to 86.3% in the same period due to the expansion of the Group's operations and growth of revenue in other regions.

The commission revenue for the Central Region accounted for 84.8% of total commission revenue for the 3-month period ended 31 March 2020G and 2021G, whereby Riyadh and Buraydah accounted for 98.2% and 0.8%, respectively. The Central Region's commission revenue increased by 238.2% from SAR 18.4 million in the 3-month period ended 31 March 2020G to SAR 62.1 million in the 3-month period ended 31 March 2021G due to the increased gross merchandise value in the Central Region from SAR 183.9 million to SAR 550.3 million over the same period. This increase was a result of the increased number of orders and the Group's ability to improve the average take rate, as well as the increased number of serviced cities within the Region from 5 to 15 during the same period. The Central Region's commission revenue as a percentage of total commission revenue decreased from 92.2% to 77.4% in the same period due to the expansion in the Group's operations and its growth of revenue in other regions.

Western and Southern Region

Commission revenue for the Western and Southern Region accounted for 7.3% of total commission revenue for the fiscal years 2019G and 2020G, whereby Jeddah and Makkah accounted for 78.2% and 8.5%, respectively of Western and Southern Region revenue. Commission revenue for the Western and Southern Region increased by 596.7% from SAR 1.8 million in FY19G to SAR 12.6 million in FY20G due to the increase in gross merchandise value in the Western and Southern Region from SAR 18.6 million in FY19G to SAR 116.2 million in FY20G. This increase was driven by the increased number of orders as well as the increased number of serviced cities within the Region from 7 to 16 during the same period. The Western and Southern Region's commission revenue as a percentage of total commission revenue increased from 3.8% to 8.4% during the same period.

The commission revenue for the Western and Southern Region accounted for 9.5% of total commission revenue for the 3-month period ended 31 March 2020G and 2021G, whereby Jeddah and Makkah accounted for 71.8% and 10.6%, respectively of Western and Southern Region revenue. The Western and Southern Region's commission revenue increased by 1,139.2% from SAR 921 thousand in the 3-month period ended 31 March 2020G to SAR 11.4 million in the 3-month period ended 31 March 2021G due to the increased the gross merchandise value in the Western and Southern Region from SAR 8.8 million in the 3-month period ended 31 March 2020G to SAR 102.1 million in the 3-month period ended 31 March 2021G. This increase was driven by the increased number of orders coupled with the increased number of serviced cities within the Region from 7 to 16 during the same period. The Western and Southern Region's commission revenue as a percentage of total commission revenue increased from 4.6% to 14.2% during the same period.

Eastern and Northern Region

Commission revenue for the Eastern and Northern Region accounted for 4.5% of total commission revenue for the fiscal years 2019G and 2020G, whereby Hail and Dammam accounted for 50.5% and 24.3%, respectively of Eastern and Northern Region revenue. Commission revenue for the Eastern and Northern Region increased by 832.3% from SAR 856 thousand in FY19G to SAR 8.0 million in FY20G due to the increased gross merchandise value in the Eastern and Northern Region from SAR 8.7 million in FY19G to SAR 73.9 million in FY20G. This increase was driven by the increased number of orders as well as the increased number of serviced cities within the Region from 10 to 16 during the same period. The Eastern and Northern Region's commission revenue as a percentage of total commission revenue increased from 1.8% to 5.3% during the same period.

The commission revenue for the Eastern and Northern Region accounted for 5.8% of total commission revenue for the 3-month period ended 31 March 2020G and 2021G, whereby Hail and Dammam accounted for 54.3% and 19.0%, respectively of Eastern and Northern Region revenue. The Eastern and Northern Region's commission revenue increased by 948.0% from SAR 636 thousand in the 3-month period ended 31 March 2020G to SAR 6.7 million in the 3-month period ended 31 March 2021G due to the increased gross merchandise value in the Eastern and Northern Region from SAR 6.1 million in the 3-month period ended 31 March 2020G to SAR 58.7 million in the 3-month period ended 31 March 2021G. This increase was driven by the increased number of orders as well as the increased number of serviced cities within the Region from 8 to 16 during the same period. The Eastern and Northern Region's commission revenue as a percentage of total commission revenue increased from 3.2% to 8.3% during the same period.

e) Jahez Group's Commission revenue and Online Payment Fees Revenue by Merchant

Table (6-7): Jahez Group's commission revenue and online payment fees revenue by merchant for the fiscal years ended 31 December 2019G and 2020G and for the 3-month period ended 31 March 2020G and 2021G

SAR thousand	Fiscal Year 2019G (Management information)	Fiscal Year 2020G (Management information)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Management information)	3-month period ended 31 March 2021G (Management information)	Period Growth 31 March 2020G – 31 March 2021G
Merchant 1	2,107	8,428	300.1 %	963	4,043	320.0 %
Merchant 2	1,102	2,773	151.7 %	438	1,837	319.3 %
Merchant 3	918	1,992	117.0 %	307	1,423	363.5 %
Merchant 4	140	2,180	1,452.9 %	148	1,294	775.8 %
Merchant 5	950	2,616	175.4 %	376	1,242	230.3 %
Merchant 6	1,175	2,904	147.1 %	494	1,227	148.4 %
Merchant 7	724	1,722	138.0 %	285	921	222.9 %
Merchant 8	585	2,259	286.3 %	295	912	208.8 %
Merchant 9	988	1,341	35.8 %	275	887	223.1 %
Merchant 10	506	1,162	129.5 %	157	823	424.4 %
Other customers	42,826	133,984	212.9 %	18,378	77,439	321.4 %
Total	**52,020**	**161,360**	**210.2 %**	**22,116**	**92,049**	**316.2 %**
Percentage of the largest 10 merchants revenue out of total revenue	**17.7 %**	**17.0 %**	**(0.7)**	**16.9 %**	**15.9 %**	**(0.1)**

Source: Management information

f) Cost of Revenue

Table (6-8): Non-consolidated cost of revenue for the fiscal years ended 31 December 2019G and consolidated cost of revenue for the fiscal year of 31 December 2020G and for the 3-month period ended 31 March 2020G and 2021G

SAR thousand	Fiscal Year 2019G (Audited non-consolidated)	Fiscal Year 2020Gم (Audited consolidated)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Reviewed consolidated)	3-month period ended 31 March 2021G (Reviewed consolidated)	Period Growth 31 March 2020G – 31 March 2021G
Cost of delivery	105,398	293,141	178.1 %	40,637	157,377	287.3 %
Customer compensation	4,473	13,036	191.4 %	1,668	2,795	67.6 %
Employee salaries and benefits	11,854	21,316	79.8 %	4,147	9,436	127.5 %
Bank charges	7,832	12,292	56.9 %	3,629	10,380	186.0 %
Consumables	1,042	4,971	377.1 %	404	1,793	343.8 %
Network servers	1,110	4,120	271.1 %	451	1,408	212.2 %
Platform services	380	611	61.0 %	90	201	123.3 %
Depreciation and amortization	914	1,059	15.8 %	228	404	77.2 %
Other	32	235	626.4 %	15	64	326.7 %
Total	**133,035**	**350,779**	**163.7 %**	**51,270**	**183,859**	**258.6 %**
As a percentage of revenue						
Cost of delivery	66.5 %	63.8 %	(2.7)	62.8 %	64.7 %	1.9
Customer compensation	2.8 %	2.8 %	0.0	2.6 %	1.1 %	(1.4)
Employee salaries and benefits	7.5 %	4.6 %	(2.8)	6.4 %	3.9 %	(2.5)
Bank charges	4.9 %	2.7 %	(2.3)	5.6 %	4.3 %	(1.3)
Consumables	0.7 %	1.1 %	0.4	0.6 %	0.7 %	0.1
Network servers	0.7 %	0.9 %	0.2	0.7 %	0.6 %	(0.1)
Platform services	0.2 %	0.1 %	(0.1)	0.1 %	0.1 %	(0.1)
Depreciation and amortization	0.6 %	0.2 %	(0.3)	0.4 %	0.2 %	(0.2)
Other	0.0 %	0.1 %	0.0	0.0 %	0.0 %	0.0
Total	**83.9 %**	**76.4 %**	**(7.5)**	**79.2 %**	**75.6 %**	**(3.6)**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Cost of Delivery

Cost of delivery is related to the fees paid by the Group to logistics companies and independent delivery drivers and is computed based on (i) the geographical location and distance between customers and merchants and (ii) the agreements with delivery drivers. Cost of delivery increased by 178.1% from SAR 105.4 million in FY19G to SAR 293.1 million in FY20G due to the larger level of operations and orders during the same period, whereby cost of delivery accounted for 65.2% of revenue during the fiscal years 2019G and 2020G. During the last quarter of FY20G, the Group developed incentive schemes for freelance drivers based on the number of orders delivered within a day (e.g. providing a financial reward for a hitting a certain number of deliveries in a single day).

Cost of delivery increased by 287.3% from SAR 40.6 million in the 3-month period ended 31 March 2020G to SAR 157.4 million in the 3-month period ended 31 March 2021G due to the larger level of operations and orders during the same period. Cost of delivery as a percentage of revenue increased from 62.8% in the 3-month period ended 31 March 2020G to 64.7% in the 3-month period ended 31 March 2021G.

Customer Compensation

Customer compensation are related to the cost of meals for which the Group bears on behalf of customers, merchants and delivery drivers, which are triggered when customers face technical or other issues with the application or overall service (such as the delivery driver experiencing delays). Customer compensation costs increased by 191.4% from SAR 4.5 million in FY19G to SAR 13.0 million in FY20G in light of the increased number of total orders. Customer compensation cost accounted for 2.8% of revenue in the fiscal years 2019G and 2020G.

Customer compensation cost increased by 67.6% from SAR 1.7 million in the 3-month period ended 31 March 2020G to SAR 2.8 million in the 3-month period ended 31 March 2021G due to the increased number of orders. Customer compensation cost as a percentage of revenue increased from 2.6% in the 3-month period ended 31 March 2020G to 1.1% in the 3-month period ended 31 March 2021G.

Employee Salaries and Benefits

Employee salaries and benefits include the cost of operation and logistics staff. Employee salaries and benefits are related to the basic salaries of employees, accommodation allowances, government expenses, insurance cost, other allowances, end-of-service benefits, amongst others. Employee salaries and benefits increased by 79.8% from SAR 11.9 million in FY19G to SAR 21.3 million in FY20G due to:

1) An increase in the number of employees from 104 to 138;
2) An increase in average salaries following the adoption of a new salary scale in July 2020G;
3) An increase in bonuses in light of the increase in revenue; and
4) The Group granted employees an additional 5 days of paid leave.

Employee costs accounted for 6.1% of revenue in the fiscal years 2019G and 2020G.

Employee costs increased by 127.5% from SAR 4.1 million in the 3-month period ended 31 March 2020G to SAR 9.4 million in the 3-month period ended 31 March 2021G due to the increased number of employees from 115 to 216 over the same period. This was coupled with in average salaries following the adoption of a new salary scale and an increase in employee bonuses in light of the growth in revenue. Employee costs as a percentage of revenue decreased from 6.4% in the 3-month period ended 31 March 2020G to 3.9% in the 3-month period ended 31 March 2021G.

Bank Charges

Bank charges are paid to the bank when a customer pays online (e.g., using a credit card, Mada, etc.) and are based on a percentage of the gross merchandise value. Bank charges increased by 56.9% from SAR 7.8 million in FY19G to SAR 12.3 million in FY20G due to the increased number of orders, (especially orders paid for using credit cards and Mada payments). Bank charges accounted for 3.8% of revenue in the fiscal years 2019G and 2020G. It should be noted that bank charges for electronic transactions were suspended for 6 months during FY20G in accordance with the Saudi Central Bank's decision to support the private sector during the COVID-19 pandemic.

Bank charges increased by 186.0% from SAR 3.6 million in the 3-month period ended 31 March 2020G to SAR 10.4 million in the 3-month period ended 31 March 2021G due to the increased number of orders (especially orders paid for using credit cards and Mada payments). Bank charges as a percentage of revenue decreased from 5.6% in the 3-month period ended 31 March 2020G to 4.3% in the 3-month period ended 31 March 2021G.

Consumables

Consumables consist primarily of the delivery packages used by drivers to carry out deliveries, uniforms worn by drivers that bear Jahez logo and smart devices that are used by merchants. These are provided to drivers/merchants during registration. Consumables increased by 377.1% from SAR 1.0 million in FY19G to SAR 5.0 million in FY20G due to the increased number of delivery drivers in line with the Group's growing activity and increased number of orders. The Group provided some merchants with free smart devices during FY20G which led to an increase in the costs consumables during the same period.

Consumables increased by 343.8% from SAR 404 thousand in the 3-month period ended 31 March 2020G to SAR 1.8 million in the 3-month period ended 31 March 2021G due to the increased number of delivery drivers in line with the Group's growing activity and increased number of orders.

Network Servers

Network servers primarily related to the costs of Amazon Web Services, which include server hosting and cloud storage services. Server expenses increased by 271.1% from SAR 1.1 million in FY19G to SAR 4.1 million in FY20G due to the Group's growing activity which requires additional storage spaces.

Server fees increased by 212.2% from SAR 451 thousand in the 3-month period ended 31 March 2020G to SAR 1.4 million in the 3-month period ended 31 March 2021G due to the Group's growing activity.

Platform Services

Platform services costs are related to cybersecurity and map services costs. Platform services costs increased by 61.0% from SAR 380 thousand in FY19G to SAR 611 thousand in FY20G due to the increased number of orders. Platform services costs increased by 123.3% from SAR 90 thousand in the 3-month period ended 31 March 2020G to SAR 201 thousand in the 3-month period ended 31 March 2021G due to the increased number of orders.

Depreciation and Amortization

Depreciation and amortization mainly related to intangible assets and the deprecation of fixed assets (i.e. computers). In the fiscal years 2019G and 2020G, depreciation and amortization amounted to SAR 914 thousand and SAR 1.1 million, respectively. In the 3-month period ended 31 March 2020G and the 3-month period ended 31 March 2021G, they amounted to SAR 228 thousand and SAR 404 thousand, respectively.

Other

Other costs are related to the expenses of shipping materials (packages) between cities and hardware maintenance expenses. Other expenses increased by 626.4% from SAR 32 thousand in FY19G to SAR 235 thousand in FY20G due to the increased number of new delivery drivers and the commencement of CoKitchens' activity in FY20G.

Other expenses increased by 326.7% from SAR 15 thousand in the 3-month period ended 31 March 2020G to SAR 64 thousand in the 3-month period ended 31 March 2021G due to the increased number of new delivery drivers and the commencement of CoKitchens' activity in FY20G.

g) General and Administrative Expenses

Table (6-9): Non-consolidated general and administrative expenses for the fiscal years ended 31 December 2019G and consolidated general and administrative expenses for the fiscal years ended 31 December 2020G and for the 3-month period ended 31 March 2020G and 2021G

SAR thousand	Fiscal Year 2019G (Audited non-consolidated)	Fiscal Year 2020G (Audited consolidated)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Reviewed consolidated)	3-month period ended 31 March 2021G (Reviewed consolidated)	Period Growth 31 March 2020G – 31 March 2021G
Employee salaries and benefits	1,824	3,737	104.9 %	731	2,235	205.7 %
Depreciation and amortization	1,355	2,117	56.2 %	455	761	67.3 %
Professional fees	757	1,011	33.6 %	197	530	169.0 %
Maintenance and operation	566	1,271	124.6 %	287	357	24.4 %
Other	1,815	3,271	80.3 %	431	1,355	214.4 %
Total	**6,317**	**11,408**	**80.6 %**	**2,101**	**5,238**	**149.3 %**
As a percentage of total revenue						
Employee salaries and benefits	1.2 %	0.8 %	(0.3)	1.1 %	0.9 %	(0.2)
Depreciation and amortization	0.9 %	0.5 %	(0.4)	0.7 %	0.3 %	(0.4)
Professional fees	0.5 %	0.2 %	(0.3)	0.3 %	0.2 %	(0.1)
Maintenance and operation	0.4 %	0.3 %	(0.1)	0.4 %	0.1 %	(0.3)
Other	1.1 %	0.7 %	(0.4)	0.7 %	0.6 %	(0.1)
Total	**4.0 %**	**2.5 %**	**(1.5)**	**3.2 %**	**2.2 %**	**(1.1)**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Employee Salaries and Benefits

Employee salaries and benefits are primarily related to basic salaries, accommodation allowance, government expenses, medical insurance cost, other allowances, end-of-service benefits, and other costs and benefits related to general and administrative employees. Employee salaries and benefits increased by 104.9% from SAR 1.8 million in FY19G to SAR 3.7 million in FY20G due to: (i) increased number of employees from 12 to 15 in the same period, (ii) salary increases as a result of implementing a new salary scale in July 2020G, (iii) increase in employee bonuses in light of the increase in revenue and (iv) the Group granting employees an additional 5 days of paid leave.

Employee costs increased by 205.7% from SAR 731 thousand in the 3-month period ended 31 March 2020G to SAR 2.2 million in the 3-month period ended 31 March 2021G due to (i) the increased number of employees from 13 to 26, (ii) approving salary increases as mentioned above, and (iii) increase in employee bonuses in light of the increase in revenue.

Depreciation and amortization

Depreciation and amortization costs are related primarily to the depreciation of property and equipment, and the amortization of the right-of-use assets (relating to the Group's Riyadh offices). The right-of-use assets amortization costs were SAR 1.4 million and SAR 2.1 million in the fiscal years 2019G and 2020G, respectively.

The right-of-use assets amortization costs were SAR 455 thousand and SAR 761 thousand in the 3-month period ended 31 March 2020G and the 3-month period ended 31 March 2021G, respectively.

Professional Fees

Professional fees are primarily related to audit fees, legal consultations, and external recruitment companies. Professional fees increased by 33.6% from SAR 757 thousand in FY19G to SAR 1.0 million in FY20G due to (i) legal consultations services regarding the increase in capital and (ii) the Group shifting from a local auditing company to a global auditing company, both of which increased auditing costs during the same period.

Professional fees costs increased by 169.0% from SAR 197 thousand in the 3-month period ended 31 March 2020G to SAR 530 thousand in the 3-month period ended 31 March 2021G due to the increase in audit fees, consultations for CoKitchens regarding establishing internal systems, and consultation services for improving the work environment.

Maintenance and Operation

Maintenance and operation related to the costs of leasing offices, landline, electricity, and building maintenance expenses. Maintenance and operation expenses increased by 124.6% from SAR 566 thousand in FY19G to SAR 1.3 million in FY20G due to the increased number of branches and employees.

Maintenance and operation expenses increased by 24.4% from SAR 287 thousand in the 3-month period ended 31 March 2020G to SAR 357 thousand in the 3-month period ended 31 March 2021G due to the increased number of branches and employees.

Other

Other expenses related to external labor, costs of management information systems, bank fees, and other overheads. Other expenses increased by 80.3% from SAR 1.8 million in FY19G to SAR 3.3 million in FY20G due to the increased number of external labor, and the improvement in the company's internal management information systems.

Other expenses increased by 214.4% from SAR 431 thousand in the 3-month period ended 31 March 2020G to SAR 1.4 million in the 3-month period ended 31 March 2021G due to the increased number of external labor, and the improvement in the company's internal management information systems.

h) Marketing & Advertising Expenses

Table (6-10): Non-consolidated marketing & advertising expenses for the fiscal years ended 31 December 2019G and consolidated marketing & advertising expenses for the fiscal year of 31 December 2020G and for the 3-month period ended 31 March 2020G and 2021G

SAR thousand	Fiscal Year 2019G (Audited non-consolidated)	Fiscal Year 2020G (Audited consolidated)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Reviewed consolidated)	3-month period ended 31 March 2021G (Reviewed consolidated)	Period Growth 31 March 2020G – 31 March 2021G
Advertising and publicity	15,994	38,382	140.0 %	4,893	16,471	236.6 %
Employee salaries and benefits	2,735	6,134	124.2 %	1,200	2,899	141.6 %
Promotions	1,917	4,909	156.1 %	715	5,840	716.8 %
Total	**20,647**	**49,425**	**139.4 %**	**6,807**	**25,210**	**270.4 %**
As a percentage of total revenue						
Advertising and publicity	10.1 %	8.4 %	(1.7)	7.6 %	6.8 %	(0.8)
Employee salaries and benefits	1.7 %	1.3 %	(0.4)	1.9 %	1.2 %	(0.7)
Promotions	1.2 %	1.1 %	(0.1)	1.1 %	2.4 %	1.3
Total	**13.0 %**	**10.8 %**	**(2.3)**	**10.5 %**	**10.4 %**	**(0.2)**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Advertising and Publicity

Advertising and publicity expenses are related primarily to the Group's sponsorship of Al Hilal Saudi Football Club which entailed video coverage, exhibitions, advertisements, and media coverage regarding Jahez application trademark during the club's events, in addition to advertising agencies, gifts for Jahez customers and free meals granted to customers. Advertising and publicity expenses increased by 140.0% from SAR 16.0 million in FY19G to SAR 38.4 million in FY20G was mainly on the back of Management's initiative to increase awareness to Jahez platform through multiple advertising avenues across the Kingdom.

Advertising and publicity expenses increased by 236.6% from SAR 4.9 million in the 3-month period ended 31 March 2020G to SAR 16.5 million in the 3-month period ended 31 March 2021G due to the increased advertisements expenses under the Management's initiatives to increase awareness to Jahez platform across the Kingdom.

Employee Salaries and Benefits

Employee salaries and benefits are primarily related to basic salaries, accommodation allowance, government expenses, medical insurance cost, other allowances, in addition to other costs and benefits related to sales and marketing employees. Employee salaries and benefits increased by 124.2% from SAR 2.7 million in FY19G to SAR 6.1 million in FY20G due to: (i) increased number of employees from 24 to 35 in the same period, (ii) salary increases as a result of adopting a new salary scale, (iii) an increase in employee bonuses in light of the increase in revenue and (iv) the Group granting employees an additional 5 days of paid leave.

Employee salaries, wages, and benefits costs increased by 141.6% from SAR 1.2 million in the 3-month period ended 31 March 2020G to SAR 2.9 million in the 3-month period ended 31 March 2021G due to (i) the increased number of employees from 26 to 55 in the same period, (ii) adopting the new salary scale mentioned above, and (iii) an increase in employee bonuses in light of the increase in revenue.

Promotions

Promotions are related to refunds and incentives provided to end-uses whom are dissatisfied with the service by crediting their balance. Promotions increased by 156.1% from SAR 1.9 million in FY19G to SAR 4.9 million in FY20G in light of the increased number of customers and orders in the same period. Despite this increase, promotions as a percentage of revenue remained stable at 1.1% during the fiscal years 2019G and 2020G.

Promotions increased by 716.8% from SAR 715 thousand in the 3-month period ended 31 March 2020G to SAR 5.8 million in the 3-month period ended 31 March 2021G due to the increased number of customers and orders in the same period, coupled with the shortage of delivery drivers available in light of the significantly higher number of customers and orders.

i) Net Profit

Table (6-11): Net profit for the fiscal years ended 31 December 2019G and 2020G and for the 3-month period ended 31 March 2020G and 2021G

SAR thousand	Fiscal Year 2019G (Audited non-consolidated)	Fiscal Year 2020Gم (Audited consolidated)	Annual Growth 2019G – 2020G	3-month period ended 31 March 2020G (Reviewed consolidated)	3-month period ended 31 March 2021G (Reviewed consolidated)	Period Growth 31 March 2020G – 31 March 2021G
Net profit / (loss) for the year / before Zakat	(6,296)	40,632	-	2,470	26,938	990.6 %
Zakat	(128)	(1,135)	785.8 %	(64)	(711)	1,010.9 %
Net Profit / (Loss) for the Year / Period	(6,424)	39,496	-	2,406	26,227	990.1 %
Actuarial gains / (losses) due to end-of-service benefits re-measurement	(100)	290	-	-	-	-
Total comprehensive income	(6,524)	39,786	-	2,406	26,227	990.1 %
KPIs						
Net profit margin	(4.1%)	8.6 %	12.7	3.7 %	10.8 %	7.1

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Zakat Expense

The Group submits its returns separately based on the consolidated financial statements of each company. The Zakat base is identified, and Zakat is computed for the Group and its subsidiaries separately. The total estimated Zakat Expense is charged to the Group's consolidated income statement.

The Zakat Expense increased by 785.8% from SAR 128 thousand in FY19G to SAR 1.1 million in FY20G due to the increase in net profit before Zakat, from a loss of SAR 6.3 million in FY19G to a profit of SAR 40.6 million in FY20G. This was primarily on the back of an increase in the level of operations and an improvement in the Group's gross margin.

The Zakat Expense increased by 1,010.9% from SAR 64 thousand in the 3-month period ended 31 March 2020G to SAR 711 thousand in the 3-month period ended 31 March 2021G due to the increase in net profit before Zakat from SAR 2.5 million to SAR 26.9 million over the same period. This was primarily on the back of an increase in the level of operations and an improvement in the Group's gross margin.

Net Profit / (Loss) for the Year / Period

The net profit / (loss) for the year increased from losses of SAR 6.4 million in FY19G to profits of SAR 39.5 million in FY20G, which led to an increase in the net profit margin from a loss of 4.1% to a profit of 8.6%. This is primarily due to the increase in gross profit as a result of the growth in the Group's overall level of operations through an increase in the number of customers and orders, an increase in the average take rates of merchants, improved operational efficiency, and geographic expansion across the Kingdom.

The net profit / (loss) for the period increased from SAR 2.4 million in the 3-month period ended 31 March 2020G to profits of SAR 26.2 million in the 3-month period ended 31 March 2021G, which increased the net profit margin from 3.7% to 10.8% over the same period. This is primarily due to the increase in gross profit as a result of the growth in the Group's operations through to the increase in the number of customers and orders, increase in the average take rate of merchants, improved operational efficiency, and geographic expansion across the Kingdom.

Total Comprehensive Income

Other comprehensive income is related to actuarial gains and losses resulting from the remeasurement of the Defined Benefit Obligation (DBO). These gains and losses result from the remeasurement of the DBO by independent actuarial experts using the Projected Unit Credit Method, taking into consideration the Saudi Labor Law and the Group's Policy. The remeasurement of the DBO resulted in losses of SAR 100 thousand in FY19G and gains of SAR 290 thousand in FY20G.

Total comprehensive income increased from losses of SAR 6.5 million in FY19G to gains of SAR 39.8 million in FY20G in line with the increased net profit for the year and the actuarial gains in the same period.

6-6-2 Consolidated Balance Sheets

Table (6-12): Non-consolidated Balance Sheets as at 31 December 2019G and consolidated Balance Sheets as at 31 December 2020G and 31 March 2021G.

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Assets					
Non-current Assets					
Property and Equipment	3,038	6,134	7,222	101.9 %	17.7 %
Intangible Assets	3,851	4,137	3,989	7.4 %	(3.6%)
Right-of-use assets	6,048	6,905	9,294	14.2 %	34.6 %
Total non-current assets	12,936	17,175	20,506	32.8 %	19.4 %
Current Assets					
Inventory	43	94	23	118.6 %	(75.5%)
Trade receivables	6,807	4,474	4,155	(34.3%)	(7.1%)
Prepayments and advances	718	4,010	4,943	458.5 %	23.3 %
Due from related parties	298	490	490	64.4 %	0.0 %
Cash and cash equivalents	38,992	205,724	266,969	427.6 %	29.8 %
Total current Assets	46,859	214,792	276,579	358.4 %	28.8 %
Total assets	59,795	231,967	297,085	287.9 %	28.1 %
Equity and liabilities					

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Equity					
Capital	1,000	5,000	5,000	400.0 %	0.0 %
Statutory reserve	300	1,500	1,500	400.0 %	0.0 %
Retained earnings	(1,230)	37,550	63,888	N/A	70.1 %
Equity attributable to shareholders of the Parent Company	70	44,050	70,388	62,828.6 %	59.8 %
Non-controlling interest	-	1,407	1,296	N/A	(7.9%)
Total equity	70	45,457	71,683	64,838.6 %	57.7 %
Liabilities					
Non-current Liabilities					
Non-current portion of lease liabilities on right-of-use assets	4,624	5,336	7,307	15.4 %	36.9 %
Employee benefit obligation	1,483	3,137	3,567	111.5 %	13.7 %
Total non-current liabilities	6,106	8,473	10,874	38.8 %	28.3 %
Current Liabilities					
Collections due to customers	30,497	105,894	129,926	247.2 %	22.7 %
Current portion of lease liabilities on right-of-use assets	1,010	1,349	1,682	33.6 %	24.7 %
Short-term loans	3,000	-	-	(100.0%)	N/A
Trade payables	3,503	7,383	9,681	110.8 %	31.1 %
Accrued expenses and other current liabilities	13,161	34,694	44,253	163.6 %	27.6 %
Due to related parties	2,314	27,578	27,135	1,091.8 %	(1.6%)
Zakat provision	134	1,140	1,852	750.7 %	62.5 %
Total current liabilities	53,618	178,037	214,528	232.0 %	20.5 %
Total liabilities	59,724	186,510	225,402	212.3 %	20.9 %
Total equity and liabilities	59,795	231,967	297,085	287.9 %	28.1 %

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Table (6-13): Non-consolidated KPIs of balance sheet as at 31 December 2019G and consolidated KPIs of balance sheet as at 31 December 2020G and 31 March 2021G

	31 December 2019G (Management information)	31 December 2020G (Management information)	31 March 2021G (Management information)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Average accounts receivable turnover (day)	25	20	17	(5)	(3)
Return on equity	(9,116.3%)	86.9 %	36.6 %	9,203.2	(50.3)
Return on total assets	(10.7%)	17.0 %	8.8 %	27.7	(8.2)

Source: Management information

Non-current Assets

Non-current assets increased from SAR 12.9 million as at 31 December 2019G to SAR 17.2 million as at 31 December 2020G due to (i) SAR 3.1 million increase in property and equipment stemming from additions to central kitchens and the leased building amounting to SAR 1.1 million and SAR 1.2 million, respectively and (ii) SAR 857 thousand increase in the right-of-use assets due to SAR 2.0 million addition which was offset by SAR 1.1 million amortization expenses in the same period.

Non-current assets increased to SAR 20.5 million as at 31 March 2021G due to (i) SAR 2.4 million increase in the right-of-use assets as a result of leasing an additional floor in the Group's headquarters and (ii) SAR 1.5 million increase in property and equipment in line with the SAR 1.2 million additions to the project under construction, which related to additional work carried out on the newly leased floor.

As at 31 March 2021G, right-of-use asset amounted to SAR 9.3 million and was primarily related to (i) the lease of the Group's headquarters in Riyadh for six and a half years, starting from January 2019G until July 2025 (relating to 3 floors in the headquarters and an additional floor leased during the 3-month period ended 31 March 2021G) and (ii) CoKitchens' lease starting on June 2020G and intended to continue until the end of 2019G.

Current Assets

Current assets increased from SAR 46.9 million as at 31 December 2019G to SAR 214.8 million as at 31 December 2020G due to SAR 166.7 million increase in cash and cash equivalents due to the growth in the Group's operations and the increased number of orders, coupled with the Group recognizing a net profit of SAR 39.5 million for FY20G.

Current assets increased to SAR 276.6 million as at 31 March 2021G due to SAR 61.2 million increase in cash and cash equivalents driven by the growth in the Group's activity stemming from the increased number of orders, coupled with the Group recognizing a net profit of SAR 26.2 million for the 3-month period ended 31 March 2021G.

Equity

Total equity increased from SAR 70 thousand as at 31 December 2019G to SAR 45.5 million as at 31 December 2020G, due to the SAR 38.8 million increase in retained earnings for FY20G as a result of the Group realizing a net profit for the year of SAR 39.5 million during the same period. Furthermore, capital increased from SAR 1 million as at 31 December 2019G to SAR 5.0 million as at 31 December 2020G as a result of the shareholders' decision to increase capital by transferring SAR 4.0 million from partners' accounts payable to the capital account during FY20G. In addition, non-controlling interest increased from zero as at 31 December 2019G to SAR 1.4 million as at 31 December 2020G due to the commencement of CoKitcthens' operations which are primarily related to cloud kitchen services.

Total equity increased to SAR 71.7 million as at 31 March 2021G, due to the SAR 26.3 million increase in retained earnings for the 3-month period ended 31 March 2021G as a result of the Group realizing a net profit for the period of SAR 26.3 million during the same period.

On 15 Shawwal 1442H (corresponding to 27 May 2021), the extraordinary general assembly of shareholders approved the decision of the board of directors to increase the share capital to become SAR 96 million by issuing new shares against transferring an amount of SAR 63.5 million from the retained earnings, an amount of SAR 26 million from due to related parties accounts (shareholders), and an amount of SAR 1.5 million from the statutory reserve account.

Non-current Liabilities

Non-current liabilities increased from SAR 6.1 million as at 31 December 2019G to SAR 8.5 million as at 31 December 2020G due to the increase in (i) the defined benefit obligation by SAR 1.7 million stemming from the increase in the number of employees and (ii) the non-current portion of lease liabilities on right-of-use assets by SAR 712 thousand.

Non-current liabilities increased to SAR 10.9 million as at 31 March 2021G due to the SAR 2.0 million increase in the non-current portion of lease liabilities under the right-of-use and the SAR 430 thousand increase in the defined benefit obligation due to the increased number of employees in the same period.

Current Liabilities

Current liabilities increased from SAR 53.6 million as at 31 December 2019G to SAR 178.0 million as at 31 December 2020G due to:

1) SAR 75.4 million increase in the collections due to customers balance in line with the growth in the Group's operations and increased number of orders,

2) SAR 25.3 million increase in the amounts due to related parties, primarily related to the SAR 30 million interest-free loan agreement between Jahez Group and Osool Impact for Communication and Technology (Impact46) (a company incorporated by Osool & Bakheet Investment as a custodian of the Impact Private Equity Fund – Information Technology & e-Commerce Sector to safeguard and register the Fund's assets, and upon Offering, the shares owned by that company will be registered directly in the name of the fund). It should be noted that only SAR 4.0 million were incorporated in the Group's capital, and the remaining SAR 26 million was transferred from the due to Osool Impact for Communication and Technology to the shareholders' due to accounts, allocating the amount based on a proportion of their respective shares in the Group's capital. This translates to an allocation of SAR 15.6 million to ALAMAT International and SAR 10.4 to Osool Impact for Communication and Technology, as of the date of Jahez Group's conversion to a closed joint-stock on 17 December 2020G, which was presented to the general assembly for approval. The entire amount (SAR 26 million) was capitalized as at 27 May 2021G; and

3) SAR 21.5 million increase in accrued expenses and other current liabilities due to the growth in the Group's operations, the increase in the number of orders, the increase in the number of employees (i.e. leaves and bonuses) and an increase in delivery drivers' deposits in (increased number of delivery drivers and orders).

Current liabilities increased to SAR 214.5 million as at 31 March 2021G due to:

1) SAR 24.0 million increase in the collections due to customers in line with the growth in the Group's operations and increased number of orders;

2) SAR 9.6 million increase in accrued expenses and other current liabilities driven by the SAR 10.6 million increase in accruals relating to the payment of SAR 8.2 million value added tax on deliverables, coupled with an increase in other accruals by SAR 5.4 million relating to advertising expenses payable to Al Hilal Club (SAR 3.6 million). This was offset by SAR 1.4 million decrease in employee benefits payable as the Group settled incentives for FY20G during Q1 of the fiscal year 2021G; and

3) SAR 2.3 million increase in Trade payables (which are related primarily to delivery companies) in line with the increased number of orders.

a) Non-current Assets

Table (6-14): Non-consolidated non-current assets as at 31 December 2019G and consolidated non-current assets as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Property and equipment	3,038	6,134	7,222	101.9 %	17.7 %
Intangible assets	3,851	4,137	3,989	7.4 %	(3.6%)
Right-of-use assets	6,048	6,905	9,294	14.2 %	34.6 %
Total	**12,936**	**17,175**	**20,506**	**32.8 %**	**19.4 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Property and Equipment

Table (6-15): Non-consolidated net book value of property and equipment as at 31 December 2019G and consolidated net book value of property and equipment as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Leasehold improvement and decorations	775	1,759	1,745	127.0 %	(0.8%)
Central kitchens	-	1,135	1,082	N/A	(4.7%)
Furniture and fixtures	1,201	1,085	944	(9.7%)	(13.0%)
Computers	576	991	1,100	72.0 %	11.0 %
Project under construction	-	802	2,018	N/A	151.6 %
Electrical machines	421	318	283	(24.5%)	(11.0%)
Tools and equipment	65	45	49	(30.8%)	8.9 %
Total	**3,038**	**6,134**	**7,222**	**101.9 %**	**17.7 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Table (6-16): Non-consolidated accumulated depreciation of property and equipment as at 31 December 2019G and consolidated accumulated depreciation of property and equipment as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Leasehold improvement and decorations	172	420	479	144.2 %	14.0 %
Central kitchens	-	10	72	N/A	620.0 %
Furniture and fixtures	166	517	661	211.4 %	27.9 %
Computers	213	487	585	128.6 %	20.1 %
Project under construction	-	-	-	N/A	N/A
Electrical machines	138	280	317	102.9 %	13.2 %
Tools and equipment	36	62	68	72.2 %	9.7 %
Total	**725**	**1,776**	**2,182**	**145.0 %**	**22.9 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Leasehold improvement and decorations

Leasehold improvement and decorations are related to the decorations, restorations, and renovations made to Riyadh office in addition to CoKitchens' first location. The net book value of leasehold improvement and decorations increased from SAR 775 thousand as at 31 December 2019G to SAR 1.8 million as at 31 December 2020G due to SAR 1.2 million additions related to the Group's headquarters in Riyadh and CoKitchens' first location.

The net book value of leasehold decorations and renovations decreased to SAR 1.7 million as at 31 March 2021G due to the period's depreciation of SAR 59 thousand.

Central Kitchens

Central kitchens are related to CoKitchens' first location. The net book value of central kitchens amounted to SAR 1.1 million as at 31 December 2020G and 31 March 2021G.

Furniture and Fixtures

The net book value of furniture and fixtures decreased from SAR 1.2 million as at 31 December 2019G to SAR 1.1 million as at 31 December 2020G due to SAR 235 thousand additions related primarily to the commencement of CoKitchens' activity, offset by a depreciation of SAR 351 thousand. The net book value of furniture and fixtures decreased to SAR 944 thousand as at 31 March 2021G due to the period's depreciations of SAR 144 thousand.

Computers

The book value of computers is related to network servers and computers and other information systems-related hardware. The net book value of computers increased from SAR 576 thousand as at 31 December 2019G to SAR 991 thousand as at 31 December 2020G due to SAR 689 thousand additions in line with the development of the Group's activity and increased number of employees during the same period. The net book value of computers increased to SAR 1.1 million as at 31 March 2021G due to SAR 208 thousand additions in line with the development of the Group's activity and increased number of employees during the same period.

Project Under Construction

Project under construction includes the costs of the restoration and renovation to the additional floor in Riyadh office which have not been completed yet. The net book value of project under construction amounted to SAR 802 thousand as at 31 December 2020G.

Project under construction increased to SAR 2.0 million as at 31 March 2021G and in relation to additional work carried out on the new floor of the main building.

Electrical Machines

Electrical machines are related to air conditioners and smartphones. The net book value of electrical machines decreased from SAR 421 thousand as at 31 December 2019G to SAR 318 thousand as at 31 December 2020G due to depreciation of SAR 143 thousand in the same period.

The net book value of electrical machines decreased to SAR 283 thousand as at 31 March 2021G due to depreciation of SAR 37 thousand during the same period.

Tools and Equipment

The net book value of tools and equipment decreased from SAR 65 thousand as at 31 December 2019G to SAR 45 thousand as at 31 December 2020G due to depreciation of SAR 26 thousand.

The net book value of tools and equipment increased to SAR 49 thousand as at 31 March 2021G due to additions amounting to SAR 11 thousand.

Intangible Assets

Table (6-17): Non-consolidated net book value of intangible assets as at 31 December 2019G and consolidated net book value of intangible assets as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Software	2,008	1,324	3,989	(34.1%)	201.3 %
Project under construction	1,843	2,813	-	52.6 %	(100.0%)
Total	**3,851**	**4,137**	**3,989**	**7.4 %**	**(3.6%)**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Software

Software represents the cost of computer software and the costs of developing applications used by the Group's departments (in its main operations and activities). The net book value of software decreased from SAR 2.0 million as at 31 December 2019G to SAR 1.3 million as at 31 December 2020G due to the recognition of SAR 999 thousand of amortization during FY20G, against additions from software amounting to SAR 314 thousand over the same period. It should be noted that the book value of software is being amortized over a 4 year period.

The net book value of software increased to SAR 4.0 million as at 31 March 2021G stemming from (i) the transfer of project under construction after completing the development of PIK platform (SAR 2.8 million) and (ii) SAR 177 thousand of additions during the same period. This increase was offset by SAR 324 amortization during the 3-month period ended 31 March 2021G.

Project Under Construction

The net book value of project under construction increased from SAR 1.8 million as at 31 December 2019G to SAR 2.8 million as at 31 December 2020G due to SAR 971 of additions during the same period, related primarily to the development of PIK platform.

The entire balance was transferred to the software account during the 3-month period ended 31 March 2021G upon the completion of development.

Right-of-use Assets

The Group applied IFRS 16 "Leases" where leases are recognized as a right-of-use assets against a lease liability, on the date which the leased assets become ready for use by the Group. Lease payments are split between the lease liability and finance expenses. Finance expenses are recognized in profit and loss throughout the lease term. Right-of-use assets are depreciated on a straight-line basis over the useful life of the underlying asset or the lease period. These leases are related to two floors leased in Riyadh for the Group's offices, and a location leased for CoKitchens.

The net book value of right-of-use assets as at 31 December 2019G amounted to SAR 6.0 million and included the lease of Jahez's main building in Riyadh (covering lease period from January 2019G until July 2025).

The net book value of right-of-use assets increased from SAR 6.0 million as at 31 December 2019G to SAR 6.9 million as at 31 December 2020G due to the lease of CoKithcens' location in June 2020G (which is leased until December 2029).

The net book value of right-of-use assets increased from SAR 6.9 million as at 31 December 2020G to SAR 9.3 million as at 31 March 2020G due to the lease of an additional floor for the Group's offices in Riyadh.

b) Current Assets

Table (6-18): Non-consolidated current assets as at 31 December 2019G and consolidated current assets as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Inventory	43	94	23	118.6 %	(75.5%)
Trade receivables	6,807	4,474	4,155	(34.3%)	(7.1%)
Prepayments and advances	718	4,010	4,943	458.5 %	23.3 %
Due from related parties	298	490	490	64.4 %	0.0 %
Cash and cash equivalents	38,992	205,724	266,969	427.6 %	29.8 %
Total	**46,859**	**214,792**	**276,579**	**358.4 %**	**28.8 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Inventory

Inventory related to smart devices sold to merchants, most of which is concentrated in Jeddah, Abha and Riyadh branches. The inventory balance increased from SAR 43 thousand as at 31 December 2019G to SAR 94 thousand as at 31 December 2020G in line with the increase in number of stores registered on Jahez platform. It is worth noting that stores are not obligated to buy the smart devices from the Group to be registered on Jahez Application. The inventory balance decreased to SAR 23 thousand as at 31 March 2021G.

Trade Receivables

Table (6-19): Trade receivables as at 31 December 2019G and 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Trade Receivables	8,627	6,757	6,525	(21.7%)	(3.4%)
Less: provision for impairment loss on trade receivables	(1,820)	(2,284)	(2,370)	25.5 %	3.8 %
Total	**6,807**	**4,474**	**4,155**	**(34.3%)**	**(7.1%)**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Table (6-20): Movement in the Provision for impairment loss on trade receivables as at 31 December 2019G and 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Balance at the beginning of the year / period	1,754	1,820	2,284	3.8 %	25.5 %
Provided during the year / period	66	464	86	603.0 %	(81.5%)
Total	**1,820**	**2,284**	**2,370**	**25.5 %**	**3.8 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Table (6-21): Trade receivables for the top 5 clients as at 31 December 2019G and 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Management information)	31 December 2020G (Management information)	31 March 2021G (Management information)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Client 1	4,109	4,067	4,064	(1.0%)	(0.1%)
Client 2	2,447	687	601	(71.9%)	(12.5%)
Client 3	-	244	235	N/A	(3.7%)
Client 4	128	128	128	0.0 %	0.0 %
Client 5	-	119	102	N/A	(14.3%)
Other clients	1,943	1,512	1,395	(22.2%)	(7.7%)
Total	**8,627**	**6,757**	**6,525**	**(21.7%)**	**(3.4%)**
Less: Provision for impairment loss on trade receivables	**(1,820)**	**(2,284)**	**(2,370)**	25.5 %	3.8 %
Net trade receivables	6,807	4,474	4,155	(34.3%)	(7.1%)

Source: Management information

Table (6-22): Ageing of trade receivables as at 31 December 2019G and 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)		31 December 2020G (Audited consolidated)		31 March 2021G (Management information)	
	Balance	Provision	Balance	Provision	Balance	Provision
Zero to 90 days	4,229	-	2,434	-	2,222	-
91 to 180 days	-	-	-	-	-	-
181 to 270 days	275	89	-	-	-	-
271 to 360 days	1,705	674	31	14	-	-
Over 361 days	2,417	1,057	4,292	2,270	4,303	2,370
Total	**8,627**	**1,820**	**6,757**	**2,284**	**6,525**	**2,370**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G and management information.

Trade receivables are related to amounts collected from freelance drivers and logistics companies in relation to deliveries carried out. The Group's management requires promissory notes, bank guarantees or deposits from logistics companies and freelance drivers, granting them a credit limit (ranging between SAR 50 thousand and SAR 100 thousand for logistics companies depending on the size of operation, and SAR 2,000 deposits for freelance drivers) to control the process of collection of receivables. When the collected amounts reach their predefined credit limits (SAR 1,500 for freelance drivers), Jahez suspends access to its platform until the full amount is deposited.

Trade receivables decreased from SAR 6.8 million as at 31 December 2019G to SAR 4.5 million as at 31 December 2020G driven by a shift in payment methods from cash to bank cards. It should be noted that the provision for doubtful receivables amounted to SAR 2.3 million as at 31 December 2020G. The provision is computed using the Expected Credit Loss (ECL) model.

Trade receivables decreased to SAR 4.2 million as at 31 March 2021G driven by a shift in payment methods from cash to bank cards. Provision for doubtful receivables amounted to SAR 2.4 million as at 31 March 2021G. The provision is computed using the Expected Credit Loss (ECL) model. The Group also wrote off receivables during the fiscal years 2019G and 2020G and the 3-month period ended 31 March 2021G amounting to SAR 432,159, SAR 444,095, and SAR 75,834, respectively.

Prepayments and Advances

Prepayments and advances were comprised of medical insurance, prepaid marketing services, prepaid software development costs, amongst others. Prepayments and advances increased from SAR 718 thousand as at 31 December 2019G to SAR 4.0 million as at 31 December 2020G in relation to advance payments made to the medical insurance company (Malath Insurance) in conjunction with the start of a new contract between the Group and the insurance company at December 2020G. The contract covered the additional number of employees that were added during the period, and included additional benefits (compared to the previous contract).

Prepayments and advances increased to SAR 4.9 million as at 31 March 2021G and were mainly comprised of (i) SAR 1.6 million advance payments made to the medical insurance company (ii) SAR 1.5 million advance marketing expenses relating to an advertising and digital marketing campaign, and (iii) SAR 712 thousand related fees associated with the conversion of the Company from a limited liability to a joint-stock company.

Due from Related Parties

Table (6-23): Non-consolidated due from related parties as at 31 December 2019G and consolidated due from related parties as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Halalah International Company	288	-	-	(100.0%)	N/A
Mishaal Salman bin Mandeel	10	-	-	(100.0%)	N/A
Tharwa Holding Company	-	56	56	N/A	0.0 %
Al-Edad Al-Thulathi Limited CompanyAl-Edad Al-Thulathi Limited Company	-	434	434	N/A	0.0 %
ALAMAT International Company Limited	1,969	1,855	-	(5.8%)	(100.0%)
Impairment loss on due from related parties	(1,969)	(1,855)	-	(5.8%)	(100.0%)
Total	**298**	**490**	**490**	**64.4 %**	**0.0 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Halalah International Company

Amounts due from Halalah International Company are related to transportation and other logistics services. Amounts due from Halalah International Company amounted to SAR 288 thousand as at 31 December 2019G, which was later recorded under due to related parties as at 31 December 2020G.

Mishaal Salman bin Mandeel

Amounts due from the current account of Mishaal Salman bin Mandeel in relation to consultancy services. The balance amounted to SAR 10 thousand as at 31 December 2019G and was fully settled during FY20G.

Tharwa Holding Company

The amounts due from Tharwa Holding Company are related to lease and maintenance expenses, and amounted to SAR 56 thousand as at 31 December 2020G and 31 March 2021G.

Al-Edad Al-Thulathi Limited Company

The amounts due from Al-Edad Al-Thulathi Limited Company amounted to SAR 434 thousand as at 31 December 2020G and 31 March 2021G, and relates the Company's contribution in CoKitchens' capital.

ALAMAT International Company Limited and impairment of its due amounts losses

This item relates to related party receivables stemming from discrepancies in amounts collected by ALAMAT International Company Limited on behalf of Jahez (since commencement of Jahez's operations). The bank account used in the payment gateway belonged to ALAMAT International Company Limited (as the operator of Jahez Application prior to the incorporation of Jahez Company), which was suspended after the Group switched to a new service provider. It should be noted that these balances relate to discrepancies that are arising as a result of additional fees deducted by Bank AlJazira in relation to a dispute on the agreed fees with regards to transactions. The Group intends to file a lawsuit against the back with regards to the payment of the disputed amounts (which Management has fully provided for).

Cash and Cash Equivalents

Table (6-24): Non-consolidated cash and cash equivalents as at 31 December 2019G and consolidated cash and cash equivalents as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Current accounts with banks	38,893	205,248	266,392	427.7 %	29.8 %
Cash in hand	100	476	577	376.0 %	21.2 %
Total	**38,992**	**205,724**	**266,969**	**427.6 %**	**29.8 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Cash and cash equivalents balance increased from SAR 39.0 million as at 31 December 2019G to SAR 205.7 million as at 31 December 2020G due primarily to the growth in the Group's activity and the increased number of orders, in addition to realizing a net profit of SAR 39.5 million for FY20G. It should be noted that the cash and cash equivalents balance includes the amounts collected on behalf of customers and settled against the balance of amounts payable to customers (on a bimonthly basis).

Cash and cash equivalents balance increased to SAR 267.0 million as at 31 March 2021G due primarily to the growth in the Group's activity and the increased number of orders, in addition to realizing a net profit of SAR 26.2 million in the 3-month period ended 31 March 2021G.

c) Equity

Table (6-25): Table 6 25: Non-consolidated equity as at 31 December 2019G and consolidated equity as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Capital	1,000	5,000	5,000	400.0 %	0.0 %
Statutory reserve	300	1,500	1,500	400.0 %	0.0 %
Retained earnings	(1,230)	37,550	63,888	N/A	70.1 %
Equity attributable to shareholders of the Parent Company	70	44,050	70,388	62,828.6 %	59.8 %
Non-controlling interest	-	1,407	1,296	N/A	(7.9%)
Total	**70**	**45,457**	**71,683**	**64,838.6 %**	**57.7 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Capital

The Group's capital consists of 500 thousand shares, SAR 10 per share. ALAMAT International Company Limited owns 60.0% of the Company and Osool Impact for Communication and Technology (Impact46) owns 40.0% of the Company (a company incorporated by Osool & Bakheet Investment as a custodian of the Impact Private Equity Fund – Information Technology & e-Commerce Sector to safeguard and register the fund's assets, and upon Offering, the shares owned by that company will be registered directly in the name of the fund) as at 31 December 2020G and as at 31 March 2021G.

Capital increased from SAR 1 million as at 31 December 2019G to SAR 5.0 million as at 31 December 2020G as a result of the shareholders' decision to increase capital by converting SAR 4.0 million of the partners' due to amounts into capital.

On 18 August 2020G, an interest-free loan agreement for an amount of SAR 30 million was signed between Jahez and Impact46 (which reaches maturity on 18 February 2021G) which could be converted to shares for Impact46 (equivalent to 40% of the Company's capital), upon the conversion of Jahez into a closed joint-stock company. On 28 February 2021G, the shareholders decided to transfer the SAR 26 million remaining from the interest-free loan from the account of Osool Impact for Communication and Technology (Impact46) to the shareholders' due to accounts, allocating the amount based on a proportion of their respective shares in the Company's capital. This was carried out as of the date of Jahez Company's conversion to a closed joint-stock on 17 December 2020G, which was presented to the general assembly for approval.

On 15 Shawwal 1442H (corresponding to 27 May 2021), the extraordinary general assembly of shareholders approved the decision of the board of directors to increase the share capital to become SAR 96 million by issuing new shares against transferring an amount of SAR 63.5 million from the retained earnings, an amount of SAR 26 million from due to related parties accounts (shareholders), and an amount of SAR 1.5 million from the statutory reserve account.

Statutory Reserve

In accordance with Saudi Arabia's Companies Law and the Group's Articles of Association, the Group sets aside 10% of net profit for the statutory reserve, until such reserve equals 30% of capital. This reserve is not available for dividend distribution. The statutory reserve increased from SAR 300 thousand as at 31 December 2019G to SAR 1.5 million as at 31 December 2020G and as at 31 March 2021G.

Retained Earnings

Retained earnings increased from losses of SAR 1.2 million as at 31 December 2019G to profits of SAR 37.6 million as at 31 December 2020G due to an increase in the total comprehensive income for the period, SAR 38.8 (net of amounts transferred to statutory reserve).

Retained earnings increased to SAR 63.9 million as at 31 March 2021G due to the increased total comprehensive income for the period which is attributable to the Parent Company's shareholders.

Non-controlling Interest

Non-controlling interest amounted to SAR 1.4 million as at 31 December 2020G and SAR 1.3 million as at 31 March 2021G and consists primarily of partners' non-controlling share in the equity of CoKitchens.

Capital

Table (6-26): Capital as at 31 December 2019G and 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Mishaal Salman bin Mandeel	10	-	-	(100.0%)	N/A
ALAMAT International Company Limited	990	3,000	3,000	203.0 %	0.0 %
Osool Impact for Communication and Technology ("Impact46")*	-	2,000	2,000	N/A	0.0 %
Total	**1,000**	**5,000**	**5,000**	**400.0 %**	**0.0 %**

* A company incorporated by Osool & Bakheet Investment as a custodian of the Impact Private Equity Fund – Information Technology & e-Commerce Sector to safeguard and register the Fund's assets, and upon offering, the shares owned by that company will be registered directly in the name of the fund.

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Mishaal Salman bin Mandeel

Mishaal Salman bin Mandeel shares amounted to SAR 10 thousand as at 31 December 2019G, and decreased to zero as at 31 December 2020G after the shareholder assigned all his shares in the Company to Osool Impact for Communication and Technology (Impact46) (a company incorporated by Osool & Bakheet Investment as a custodian of the Impact Private Equity Fund – Information Technology & e-Commerce Sector to safeguard and register the Fund's assets), and upon Offering, the shares owned by that company will be registered directly in the name of the fund.

ALAMAT International Company Limited

ALAMAT International Company Limited's shares amounted to SAR 990 thousand as at 31 December 2019G and increased to SAR 3.0 million as at 31 December 2020G and 31 March 2021G due to the increase in capital (which was done over several stages):

a) Amendment of capital structure: On 7 September 2020G, the Company's shareholders amended the Articles of Association to add a new partner, Osool Impact for Communication and Technology (Impact46) (a company incorporated by Osool & Bakheet Investment as a custodian of the Impact Private Equity Fund – Information Technology & e-Commerce Sector to safeguard and register the Fund's assets and upon Offering, the shares owned by that company will be registered directly in the name of the fund), whereby the shareholder Mishaal Salman bin Mandeel agreed to sell his shares in the Company to Osool Impact for Communication and Technology (Impact46) which are one (1) share with a nominal value of SAR 10 thousand, representing 1% of the Company's capital. Furthermore, ALAMAT International Company Limited agreed to sell to Osool Impact for Communication and Technology (Impact46) part of its shares amounting to 36.5 shares with a total nominal value of SAR 365,000, representing 36.5% of the Company's capital. The shareholders also agreed to amend the value per share to SAR 10 (from SAR 10,000 previously), which resulted in a decrease in ALAMAT International Company Limited's shares from SAR 990 thousand as at 31 December 2019G to SAR 625 thousand as at 7 September 2020G.

b) Amendment of capital structure: On 27 October 2020G, the shareholders amended the Company's Articles of Association whereby ALAMAT International Company Limited assigned part of its shares (2,500 shares, representing 2.5% of the Company's capital), to Osool Impact for Communication and Technology (Impact46) including all rights and liabilities thereof, thus decreasing ALAMAT International Company Limited's share from SAR 625 thousand as at 7 September 2020G to SAR 200 thousand as at 27 October 2020G. The shareholders also agreed during their meeting on 27 October 2020G to convert the Company and its branches to a closed Saudi joint-stock (previously a limited liability company). The shareholders also agreed to increase the capital to SAR 5,000,000 by transferring and converting SAR 4,000,000 of due to partners into capital. This ultimately translated to an increase in ALAMAT International Company Limited's share to SAR 3.0 million as at 7 September 2020G.

Osool Impact for Communication and Technology (Impact46)

The share of Osool Impact for Communication and Technology ("Impact46") (a company incorporated by Osool & Bakheet Investment as a custodian of the Impact Private Equity Fund – Information Technology & e-Commerce Sector to safeguard and register the Fund's assets, and upon Offering, the shares owned by that company will be registered directly in the name of the fund) amounted to SAR 2.0 million as at 31 December 2020G and as at 31 March 2021G. The Company initially held a share of SAR 375 thousand as a result of amending capital structure on 7 September 2020G. The share of Osool Impact for Communication and Technology (Impact46) then increased to SAR 400 thousand and finally to SAR 2.0 million as a result of amending capital structure on 27 October 2020G (and increasing capital of the Company from SAR 1.0 million to SAR 5.0 million as detailed above).

On 27 May 2021G (which corresponds to 15 Shawwal 1442), the Extraordinary General Assembly of shareholders agreed to increased capital to SAR 96 million by issuing new shares, against the (i) the conversion of SAR 63.5 million from retained earnings, (ii) the conversion of SAR 26 million from due to shareholders accounts, and (iii) the conversion of SAR 1.5 million from the statutory reserve account.

d) Non-current Liabilities

Table (6-27): Non-consolidated non-current liabilities as at 31 December 2019G and consolidated non-current liabilities as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Non-current portion of lease liabilities on right-of-use assets	4,624	5,336	7,307	15.4 %	36.9 %
Employee benefit obligation	1,483	3,137	3,567	111.5 %	13.7 %
Total	**6,106**	**8,473**	**10,874**	**38.8 %**	**28.3 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Non-current Portion of Lease Liabilities on Right-of-Use Assets

The Group applied IFRS 16 "Leases" where leases are recognized as a right-of-use assets against a lease liability, on the date which the leased assets become ready for use by the Group. Lease payments are split between the lease liability and finance expenses. Finance expenses are recognized in profit and loss throughout the lease term. Right-of-use assets are depreciated on a straight-line basis over the useful life of the underlying asset or the lease period. These leases are related to two floors leased in Riyadh for the Group's offices, and a location leased for CoKitchens.

The non-current portion of lease liabilities under right-of-use assets amounted to SAR 4.6 million as at 31 December 2019G and increased to SAR 5.3 million as at 31 December 2020G stemming from additions and the signing of new contracts.

The non-current portion of lease liabilities under right-of-use increased to SAR 7.3 million as at 31 March 2021G due to signing contracts and additions relating to the lease of the third floor in the main building.

Defined Benefit Obligation

Table (6-28): Movement in the defined benefit obligation as at 31 December 2019G and 2020G and 31 March 2021G.

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Balance as at the beginning of the year / period	542	1,483	3,137	173.6 %	111.5 %
Amount recognized in profit or loss	841	1,975	437	134.8 %	(77.9%)
Re-measurement losses recognized in other comprehensive income	100	(290)	-	(390.0%)	(100.0%)
Benefits paid during the year / period	-	(31)	(8)	N/A	(74.2%)
Total	**1,483**	**3,137**	**3,567**	**111.5 %**	**13.7 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor and Law. These benefits are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

DBO is re-measured on a periodic basis by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using market yields on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, market yields on government bonds are used. With respect to the DBO in the Kingdom, the actuarial valuation process takes into consideration the provisions of the Saudi Arabian Labor Law.

Table (6-29): Sensitivity analysis of the defined benefit obligation as at 31 December 2019G and 2020G*

	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)
Discount rate	3.47 %	2.9 %
Future salary increases	2.50 %	3.0 %

Source: Reviewed Consolidated Financial Statements for the Fiscal Year Ended 31 December 2020G

* There is no sensitivity analysis for the defined benefit obligation as at 31 March 2021G as the actuarial study is done at the end of the fiscal year.

The sensitivity analysis above has been based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another

The defined benefit obligation increased from SAR 1.5 million as at December 2019G to SAR 3.1 million as at 31 December 2020G due to recognizing amounts of SAR 2.0 million recognized in profit or loss during the same period.

The defined benefit obligation increased to SAR 3.6 million as at 31 March 2021G due to recognizing SAR 437 thousand in the profit or loss during the same period.

e) Current Liabilities

Table (6-30): Non-consolidated current liabilities as at 31 December 2019G and consolidated current liabilities as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Collections due to customers	30,497	105,894	129,926	247.2 %	22.7 %
Current portion of lease liabilities on right-of-use assets	1,010	1,349	1,682	33.6 %	24.7 %
Short-term loans	3,000	-	-	(100.0%)	N/A
Trade payables	3,503	7,383	9,681	110.8 %	31.1 %
Accrued expenses and other current liabilities	13,161	34,694	44,253	163.6 %	27.6 %
Due to related parties	2,314	27,578	27,135	1,091.8 %	(1.6%)
Zakat provision	134	1,140	1,852	750.7 %	62.5 %
Total current liabilities	53,618	178,037	214,528	232.0 %	20.5 %

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Collections due to customers

Collections due to customers related to amounts payable to merchants for the meals provided (excluding any commission that is owed to Jahez). Collections due to customers increased from SAR 30.5 million as at 31 December 2019G to SAR 105.9 million as at 31 December 2020G then to SAR 129.9 million as at 31 March 2021G in line with the increased number of orders and gross merchandise value. Collections due to customers are paid on a bimonthly basis.

Current Portion of Lease Liabilities on Right-of-Use Assets

The current portion of lease liabilities on right-of-use assets are represented by the principal amount payable during the year, in addition to any payable interest. The current portion of lease liabilities under right-of-use assets increased from SAR 1.0 million as at 31 December 2019G to SAR 1.3 million as at 31 December 2020G then to SAR 1.7 million as at 31 March 2021G.

Short-term Loans

In FY19G, the Group obtained Murabaha loans and Tawarruq from a local bank to finance the Group's working capital requirements. Short-term loans amounted to SAR 3.0 million as at 31 December 2019G. All these loans were fully repaid during FY20G, and therefore short-term loans amounted to zero in FY20G.

Trade Payables

Trade payables related to service providers such as medical insurance for employees, payables to Al Hilal Club for sponsorship and payables to other marketing and software service providers. Trade payables increased from SAR 3.5 million as at 31 December 2019G to SAR 7.4 million as at 31 December 2020G due to a change in the insurance company, coupled with an increase in the number of employees and their corresponding dependents.

Trade payables increased to SAR 9.7 million as at 31 March 2021G due to the increased number of employees and their dependents.

Accrued Expenses and other Current Liabilities

Table (6-31): Accrued expenses and other current liabilities as at 31 December 2019G and 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Third party deposits	8,158	18,432	18,885	125.9 %	2.5 %
Accrued expenses	2,796	9,030	19,594	222.8 %	117.0 %
Accrued employee benefits	2,206	7,232	5,775	227.8 %	(20.1%)
Total	**13,161**	**34,694**	**44,253**	**163.6 %**	**27.6 %**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Third Party Deposits

Third party deposits related to the amounts collected from logistics companies and freelance drivers as deposits/collateral, to hedge against the cash collected by the drivers on behalf of Jahez. These amount are mandatory when onboarding a new freelance driver or logistics company on to the platform. Third party deposits increased from SAR 8.2 million as at 31 December 2019G to SAR 18.4 million and SAR 18.9 as at 31 December 2020G and as at 31 March 2021G, respectively, in line with the increased number of drivers and logistics companies contracted.

Accrued Expenses

Accrued expenses are primarily related to amounts payable to the ZATCA authorities, value added tax payable, and customer wallet balance. Accrued expenses increased from SAR 2.8 million as at 31 December 2019G to SAR 9.0 million as at 31 December 2020G due to an increase in value added tax payable stemming from the increase in value added tax percentage from 5% to 15%, in addition to the increase in revenue during the same period.

Accrued expenses increased to SAR 19.6 as at 31 March 2021G due to (i) value added tax payable of SAR 8.2 million as at 31 December 2020G, (ii) increase in general accrued expenses (SAR 5.4 million) relating primarily to marketing and advertising expenses payable to Hilal Club (SAR 3.6 million) and (iii) an increase in the amounts collected from customers of banks (SAR 4.0 million).

Employee Benefits

Employee benefits are related to the amounts payable to employees, including leaves and bonuses. Employee benefits increased from SAR 2.2 million as at 31 December 2019G to SAR 7.2 million as at 31 December 2020G in line with the increased number of employees and the increased number of leave days granted to employees (5 days of paid leave for employees was added during the period).

Employee benefits decreased to SAR 5.8 million as at 31 March 2021G driven by the settlement of incentives at year end.

Due to related parties

In its ordinary course of business, the Group deals with shareholders in the Group and sister companies owned by shareholders and Management. The Group signs contracts to obtain services and pay expenses on behalf of sister companies. These transactions are subject to the terms agreed upon with the related parties. The below table presents the value of transactions done during the year and the resulting balances:

Table (6-32): Related party transactions as at 31 March 2021G

Related party	Nature of relationship	Nature of transaction	Transaction size (SAR thousand)
Local Quality Limited Company	An affiliate company	Collection by agency	660
Local Quality Limited Company	An affiliate company	Commission revenue	227
Tharwa Holding Company	An affiliate company	Leases and services	714
Talal Al Arifi	An owner in a subsidiary	Expenses paid on behalf of the subsidiary	0.3
Wondereight Agency for Advertising	An affiliate company	Advertising services	612
Wondereight Agency for Advertising	An affiliate company	Collection on behalf of the Group	0.5
ALAMAT International Company Limited	Shareholder	Purchases	81
ALAMAT International Company Limited	Shareholder	Expenses paid on behalf of a shareholder	3
Dar Al Fikrah Al-Mumaiyazah	An affiliate company	Building and construction services	942
Halalah International Company	A company owned by Deputy CEO	Logistic services	2,781
Halalah International Company	A company owned by Deputy CEO	Collection by agency	2,335

Source: Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G

Table (6-33): Related party transactions as at 31 December 2020G

Related party	Nature of relationship	Nature of transaction	Transaction size (SAR thousand)
Local Quality Limited Company	An affiliate company	Collection by agency	987
Local Quality Limited Company	An affiliate company	Commission revenue	148
Wondereight Agency for Advertising	An affiliate company	Advertising services	5,951
Osool Impact for Communication and Technology (Impact46)	Shareholder	Financing the company's activities	30,000
Osool Impact for Communication and Technology (Impact46)	Shareholder	Expenses paid on behalf of a shareholder	225
Abdulaziz Al Omran	Director	Financing the subsidiary's activities	300
Talal Al Arifi	An owner in a subsidiary	Expenses paid on behalf of a subsidiary	0.8
Al-Edad Al-Thulathi Limited CompanyAl-Edad Al-Thulathi Limited Company	An affiliate company	Payable contributions in capital	434
Tharwa Holding Company	An affiliate company	Leases and maintenance services	974
Tharwa Holding Company	An affiliate company	Collection on behalf of the Group	119,643
Tharwa Holding Company	An affiliate company	Financing the Group's activities	15,600
ALAMAT International Company Limited	Shareholder	Purchases	3,648
ALAMAT International Company Limited	Shareholder	Expenses paid on behalf of the Group	1,234
ALAMAT International Company Limited	Shareholder	Expenses paid on behalf of a shareholder	137
Dar Al Fikrah Al-Mumaiyazah	An affiliate company	Building and construction services	1,019
Halalah International Company	A company owned by Deputy CEO	Logistic services	10,272
Halalah International Company	A company owned by Deputy CEO	Collection on behalf of the Group	10,910

Source: Reviewed Consolidated Financial Statements for the Fiscal Year Ended 31 December 2020G

Table (6-34): Related party transactions as at 31 December 2019G

Related party	Nature of relationship	Nature of transaction	Transaction size (SAR thousand)
Mishaal Salman bin Mandeel	Shareholder	Consultancy services	240
ALAMAT International Company Limited	Shareholder	Collection on behalf of the Group	239,248
Tharwa Holding Company	An affiliate company	Leases	888
Dar Al Fikrah Al-Mumaiyazah	An affiliate company	Building and construction services	2,253
Halalah International Company	A company owned by Deputy CEO	Logistic services	5,130
Halalah International Company	A company owned by Deputy CEO	Collection on behalf of the Group	17,316

Source: Reviewed Consolidated Financial Statements for the Fiscal Year Ended 31 December 2020G

Table (6-35): Non-consolidated amounts due to related parties as at 31 December 2019G and consolidated amounts due to related parties at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
ALAMAT International Company Limited	1,485	15,904	15,901	971.0 %	0.0 %
Osool Impact for Communication and Technology (Impact46)	-	10,400	10,400	N/A	0.0 %
Wondereight Agency for Advertising	-	781	267	N/A	(65.8%)
Dar Al Fikrah Al-Mumaiyazah	661	357	357	(46.0%)	0.0 %
Halalah International Company	-	55	135	N/A	145.5 %
Local Quality Limited Company	-	44	38	N/A	(13.6%)
Abdulaziz Al Omran	-	36	36	N/A	0.0 %
Talal Al Arifi	-	1	1	N/A	0.0 %
Tharwa Holding Company	168	-	-	(100.0%)	N/A
Total	**2,314**	**27,578**	**27,135**	**1,091.8 %**	**(1.6%)**

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Current Account of ALAMAT International Company Limited

Amounts due to ALAMAT International Company Limited are related to legal consultations. They amounted to SAR 1.5 million as at December 2019G, then increased to SAR 15.9 million as at 31 December 2020G, in exchange for its share in transferring the SAR 26 million remaining from the interest-free loan from the shareholder, Osool Impact for Communication and Technology (Impact46) (a company incorporated by Osool & Bakheet Investment as a custodian of the Impact Private Equity Fund – Information Technology & e-Commerce Sector to safeguard and register the Fund's assets, and upon Offering, the shares owned by that company will be registered directly in the name of the fund) to the shareholders' due to accounts, allocating the amount based on a proportion of their respective shares in the Company's capital (as of the Company's conversion to a closed joint stock company on 17 December 2020G).

Amounts due to ALAMAT International Company Limited decreased by SAR 3 thousand in the 3-month period ended 31 March 2021G and amounted to SAR 15.9 million.

Osool Impact for Communication and Technology (Impact46)

Amounts due to Osool Impact for Communication and Technology (Impact46) (a company incorporated by Osool & Bakheet Investment as a custodian of the Impact Private Equity Fund – Information Technology & e-Commerce Sector to safeguard and register the Fund's assets, and upon Offering, the shares owned by that company will be registered directly in the name of the fund) which amount to SAR 10,400 as at 31 December 2020G and as at 31 March 2021G are in exchange for its share in transferring the SAR 26 million remaining from the interest-free loan from the shareholder, Osool Impact for Communication and Technology (Impact46) to the shareholders' due to accounts, allocating the amount based on a proportion of their respective shares in the Company's capital (as of the Company's conversion to a closed joint stock company on 17 December 2020G).

Wondereight Agency for Advertising

Amounts due to Wondereight Agency for Advertising are related to advertising and collection services carried out on behalf of the Group. Amounts due to Wondereight Agency for Advertising amounted to SAR 781 thousand as at 31 December 2020G.

Amounts due to Wondereight Agency for Advertising decreased to SAR to 267 thousand as at 31 March 2021G.

Dar Al Fikrah Al-Mumaiyazah

Amounts due to Dar Al Fikrah Al-Mumaiyazah are related to building and construction, decoration, office design services and the purchase of furniture. Amounts due to Dar Al Fikrah Al-Mumaiyazah amounted to SAR 661 thousand as at 31 December 2019G, decreasing to SAR 357 thousand as at 31 December 2020G and as at 31 March 2021G.

Halalah International Company

Amounts due to Halalah International Company are related to transportation services, logistic services, and collections on behalf of the Group. Amounts due to Halalah International Company amounted SAR 55 thousand as at 31 December 2020G.

Amounts due to Halalah International Company increased to SAR to 135 thousand as at 31 March 2021G.

Local Quality Limited Company

Amounts due to Local Quality Limited Company are related to collected orders and delivery amounts, revenue, commission, and collection by agency. They amounted to SAR 44 thousand as at 31 December 2020G and SAR 38 thousand as at 31 March 2021G.

Abdulaziz Al Omran

Amounts due to Abdulaziz Al Omran are related to expenses incurred by the shareholder on behalf of CoKitchens, amounting to SAR 36 thousand as at 31 December 2020G and 31 March 2021G.

Talal Al Arifi

Amounts due to Talal Al Arifi are related to consultancy expenses and marketing services. They amounted to SAR 1 thousand as at 31 December 2020G and 31 March 2021G.

Tharwa Holding Company

Amounts due to Tharwa Holding Company are related to leases, services, and main building rent which was paid during FY20G.

Zakat Provision

Table (6-36): Movement in Zakat provision non-consolidated as at 31 December 2019G and consolidated as at 31 December 2020G and 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2021G (Reviewed consolidated)	Annual Growth 2019G – 2020G	Period Growth 31 December 2020G – 31 March 2021G
Balance at the beginning of the year / period	264	134	1,140	(49.2%)	750.7 %
Provision	128	1,135	712	786.7 %	(37.3%)
Paid	(259)	(129)	-	(50.2%)	N/A
Balance at the end of the year / period	134	1,140	1,852	750.7 %	62.5 %

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

The Group submits its returns separately based on the consolidated financial statements of each company. The Zakat base is identified, and Zakat is computed for the Group and its subsidiaries separately. The total estimated Zakat amount is charged to the Group's consolidated income statement.

Jahez International Company for Information Systems Technology filed its Zakat declarations to the Zakat, Tax and Customs Authority up to the year ended 31 December 2020G and obtained a Zakat certificate valid until 29/09/1443 AH (corresponding to 30/04/2022). On 1 March 2021G, the Group received the final Zakat assessment for the year ended 31 December 2019G and paid the due amount of SAR 1,303. The Group is still waiting for the assessments from ZATCA for the remaining years.

CoKitchens filed its Zakat declaration to ZATCA for the year ended 31 December 2020G and obtained a Zakat certificate valid until 29/09/1443 AH (corresponding to 30/04/2022).

The other subsidiaries have not filed any Zakat declarations up to the date of the Group's consolidated financial statements, considering they were incorporated during the year ended 31 December 2020G. Payable Zakat amounted to SAR 1.1 million as at 31 December 2020G for Jahez International Company for Information Systems Technology.

Zakat payable increased to SAR 1.9 million as at 31 March 2021G due to the accrued Zakat of SAR 712 thousand for the 3-month period ended 31 March 2021G.

Capital Commitments and Contingent Liabilities

The Group has capital commitments relating to construction works for the Group's headquarters amounting to SAR 203 thousand as at 31 March 2021G (SAR 1 million as at 31 December 2020G).

The Group has contingent contractual commitments represented by the value of obligations to provide advertising services with Al Hilal Club for a period of 5 seasons ending in 2024 for an amount of SAR 78 million as at 31 March 2021G (SAR 81 million as at 31 December 2020G and SAR 95 million as at 31 December 2019G). In addition, the contract included payment of additional amounts if Al Hilal Club's primary team wins in a certain season or league, with a maximum consideration of SAR 3.5 million per year.

6-6-3 Consolidated statement of cash flows

Table (6-37): Non-consolidated statement of cash flows for the years ended 31 December 2019G and consolidated statement of cash flows for the years ended 31 December 2020G and for the 3-month period ended 31 March 2021G

SAR thousand	31 December 2019G (Audited non-consolidated)	31 December 2020G (Audited consolidated)	31 March 2020G (Reviewed consolidated)	31 March 2021G (Reviewed consolidated)
Cash flows from operating activities				
Net profit / (loss) for the year / before Zakat	(6,296)	40,632	2,470	26,938
Adjustments to reconcile net income / (loss) for the year to cash flows generated from operating activities				
Provision for impairment loss on trade receivables	66	464	555	86
Impairment loss on due from related parties	1,969	1,855	731	-
Depreciation and amortization	2,269	3,176	683	1,165
Employee benefits	841	1,975	169	437
Finance costs	245	305	66	100
Changes in operating assets and liabilities:				
Inventory	58	(51)	(18)	71
Trade receivables	(819)	1,869	1,281	232
Prepayments and advances	(501)	(3,292)	297	(933)
Due from related parties	(1,368)	(2,047)	(570)	-
Collections due to customers	12,554	75,397	(7,854)	24,032
Trade payables	3,402	3,880	(2,848)	2,298
Accrued expenses and other current liabilities	4,941	21,533	6,304	9,560
Due to related parties	2,314	29,264	322	(442)
Employee benefits paid	-	(31)	(15)	(8)
Zakat paid	(259)	(129)	-	-
Net cash flows from operating activities	19,415	174,800	1,573	63,537
Cash flows from investing activities				
Payments for purchases of property and equipment	(2,101)	(4,148)	(235)	(1,495)

SAR thousand	31 December 2019G (Audited non-consolidat-ed)	31 December 2020G (Audited consol-idated)	31 March 2020G (Reviewed consolidated)	31 March 2021G (Reviewed consolidated)
Payments for purchase and development of intangible assets	(1,056)	(1,285)	(617)	(177)
Net cash flows used in investing activities	(3,156)	(5,432)	(853)	(1,671)
Cash flows from financing activities				
Change in non-controlling interest	-	1,600	-	-
Proceeds from loans	3,000	0	-	-
Repayments of loans		(3000)	(3,000)	-
Repayment of lease liabilities on right-of-use assets	(1099)	(1,236)	(117)	(621)
Net cash flows (used in)/ generated from financing activities	1,901	(2,636)	(3,117)	(621)
Net change in cash and cash equivalents	18,160	166,732	(2,396)	61,245
Cash and cash equivalents at the beginning of the year / period	20,832	38,992	38,992	205,724
Cash and cash equivalents at the end of the year / period	38,992	205,724	36,596	266,969

Source: The Audited Consolidated Statements for the Year Ended 31 December 2020G and Reviewed Consolidated Financial Statements for the Period Ended 31 March 2021G.

Cash Flows from Operating Activities

Net cash generated from operating activities increased from SAR 19.4 million in FY19G to SAR 174.8 million in FY20G stemming from unpaid due to merchant balances of SAR 75.4 million and due to related parties of SAR 29.3 million. This was coupled with realizing a net profit (before Zakat) of SAR 40.6 million.

Net cash generated from operating activities amounted to SAR 63.5 million in the 3-month period ended 31 March 2021G and is primarily related to the net profit for the period of SAR 27.0 million and unpaid balances that are collections due to customers of SAR 24.0 million.

Cash Flows from Investing Activities

Cash generated from investing activities increased from SAR 3.2 million in FY19G to SAR 5.4 million in FY20G in connection with the purchase of property and equipment amounting to SAR 4.1 million relating to central kitchens (SAR 1.1 million), decorations and leasehold improvements (SAR 984 thousand) and SAR 1.3 million relating to the development of PIK platform.

Cash generated from investing activities amounted to SAR 1.7 million during the 3-month period ended 31 March 2021G in connection with the purchase of property and equipment.

Cash Flows from Financing Activities

Cash generated from financing activities increased from SAR 1.9 million in FY19G to SAR 2.6 million in FY20G due to the repayment of loans in FY19G and lease liabilities under right-of-use assets of SAR 1.2 million in FY20G.

Cash generated from financing activities increased to SAR 621 thousand in the 3-month period ended 31 March 2021G, due to the payment of leases relating to the right-of-use assets.

6-6-4 Acquisition of a Subsidiary

Acquisition of interests of Co Kitchens

On 20 July 2020G, the Group acquired controlling interests of 60% of the interests and voting rights of Co Kitchens (the "subsidiary") against capital increase of the subsidiary, as the acquisition agreement stipulates the adjustment of the interests in the capital of the acquired company directly. As the Group has control over the subsidiary, its financial statements have been consolidated within these consolidated financial statements. The Co kitchens is engaged in the food service activities.

The table below summarizes the consideration transferred, the value of the assets acquired, and the liabilities assumed at the date of acquisition:

Table (6-38): The below table summarizes the consideration transferred and the value of acquired assets and incurred liabilities at the acquisition date

SAR thousand	20 July 2020G
Assets	
Leasehold improvements	497
Right-of-use assets	1,956
Prepayments and other receivables	326
Cash at banks	36
Total assets	2,815
Liabilities	
Lease liabilities on right-of-use assets	1,871
Due to related parties	940
Trade payables	20
Total liabilities	2,830
Identifiable net assets at acquisition date	(16)
Result of the acquisition	
Consideration transferred to acquisition and capital increase	2,400
Share of identifiable net assets	(10)

Source: Reviewed Consolidated Financial Statements for the Fiscal Year Ended 31 December 2020G

The book value of the net assets acquired approximates their fair value at the acquisition date. The consideration transferred is the consideration of acquiring a share representing 60% of the paid-in capital at the acquisition date, and then increasing the capital of the subsidiary to become SAR 4 million, of which the Group's share is SAR 2.4 million, representing 60% of the total paid-up and additional capital. There is no goodwill as a result of the acquisition.

6-6-5 Prior-year Adjustments and First-time adoption of the International Financial Reporting Standards

The accounting policies have been applied in preparing the consolidated financial statements for the year ended 31 December 2020G, the comparative information presented in these financial statements and in the preparation of an opening IFRS statement of financial position at 1 January 2019G (the Group's date of transition to IFRS).

In preparing its opening IFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with IFRS for SMEs as endorsed in Kingdom of Saudi Arabia (previous GAAP).

The prior years' errors have also been corrected as shown below.

Adjustments of the non-consolidated statement of financial position as at 1 January 2019G (date of transition)

Table (6-39): Non-consolidated balance sheet adjustments as at 1 January 2019G (transition date)

SAR thousand	Note	Balances according to previous GAAP	Reclassification	Correction of prior years' errors	Impact on transition	Balances under IFRS
Assets						
Non-current Assets						
Property and Equipment	a	1,418	-	14	-	1,433
Projects in progress	b	952	(952)	-	-	-
Intangible Assets	b	3,242	952	(455)	-	3,739
Right-of-use Assets	c	-	-	-	4,578	4,578
Total non-current assets		5,612	-	(440)	4,578	9,750
Current Assets						
Trade receivables	d	8,322	(126)	(388)	(1,754)	6,054
Prepayments and advances	c, d	607	-	0	(390)	217
Due from related parties	f	773	126	-	-	899
Inventory		101	-	-	-	101
Cash and Cash Equivalents		20,832	-	-	-	20,832
Total current Assets		30,634	-	(388)	(2,144)	28,103
Total assets		36,247	-	(828)	2,434	37,853
Equity and liabilities						
Equity						
Share Capital		1,000	-	-	-	1,000
Statutory reserve		300	-	-	-	300
Actuarial gains	e	117	(117)	-	-	-
Retained earnings		9,578	117	(2,647)	(1,754)	5,295
Total equity		10,995	-	(2,647)	(1,754)	6,595
Liabilities						
Non-current liabilities						
Non-current portion of lease liabilities on right-of-use assets	c	-	-	-	3,681	3,681
Employees benefits obligations		542	-	-	-	542
Total non-current liabilities		542	-	-	3,681	4,222
Current liabilities						
Current portion of lease liabilities on right-of-use assets	c	-	-	-	508	508
Trade payables	g, m	18,044	(17,943)	-	-	101

SAR thousand	Note	Balances according to previous GAAP	Reclassification	Correction of prior years' errors	Impact on transition	Balances under IFRS
Collections due to customers	g	-	17,943	-	-	17,943
Accrued expenses and other current liabilities	h, p	6,327	74	1,819	-	8,220
Employee accruals	o	74	(74)	-	-	-
Provision for Zakat		264	-	-	-	264
Total current liabilities		24,710	-	1,819	508	27,036
Total liabilities		25,251	-	1,819	4,188	31,258
Total equity and liabilities		36,247	-	(828)	2,434	37,853

Source: Reviewed Consolidated Financial Statements for the Fiscal Year Ended 31 December 2020G

Adjustments of the non-consolidated statement of financial position as at 31 December 2019G

Table (6-40): Non-consolidated balance sheet adjustments as at 31 December 2019G

SAR thousand	Note	Balances according GAAP	Reclassification	Correction of prior years' errors	Impact on transition	Balances under IFRS
Assets						
Non-current Assets						
Property and Equipment	a	2,998	-	39	-	3,038
Projects in progress	b	1,609	(1,609)	-	-	-
Intangible Assets	b	2,802	1,609	(561)	-	3,851
Right-of-use Assets	c	-	-	-	6,048	6,048
Total non-current assets		7,410	-	(522)	6,048	12,936
Current Assets						
Inventory		43	-	-	-	43
Trade receivables	d	9,735	(288)	(820)	(1,820)	6,807
Prepayments and advances	c, d	1,031	-	178	(491)	718
Due from related parties	f	10	288	-	-	298
Cash and Cash Equivalents		38,992	-	-	-	38,992
Total current Assets		49,811	-	(642)	(2,310)	46,859
Total assets		57,221	-	(1,164)	3,738	59,795
Equity and liabilities						
Equity						
Share Capital		1,000	-	-	-	1,000
Statutory reserve		300	-	-	-	300

SAR thousand	Note	Balances according GAAP	Reclassification	Correction of prior years' errors	Impact on transition	Balances under IFRS
Actuarial gains	e	17	(17)	-	-	-
Retained earnings		5,527	17	(4,878)	(1,896)	(1,230)
Total equity		6,845	-	(4,878)	(1,896)	70
Liabilities						
Non-current liabilities						
Non-current portion of lease liabilities on right-of-use assets	c	-	-	-	4,624	4,624
Employees' benefits obligation		1,483	-	-	-	1,483
Total non-current liabilities		1,483	-	-	4,624	6,106
Current liabilities						
Collections due to customers	f	-	30,497	-	-	30,497
Current portion of lease liabilities on right-of-use assets	c	-	-	-	1,010	1,010
Short-term loans		3,015	(15)	-	-	3,000
Trade payables	g, m	30,552	(27,049)	-	-	3,503
Accrued expenses and other current liabilities	h, p	13,228	(3,782)	3,714	-	13,161
Due to related parties	n	1,653	661	-	-	2,315
Employee accruals	o	66	(66)	-	-	-
Provision for contingent liabilities	p	245	(245)	-	-	-
Provision for zakat		134	-	-	-	134
Total current liabilities		48,894	-	3,714	1,010	53,618
Total liabilities		50,377	-	3,714	5,634	59,724
Total equity and liabilities		57,221	-	(1,164)	3,738	59,795

Source: Reviewed Consolidated Financial Statements for the Fiscal Year Ended 31 December 2020G

Adjustments of non-consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019G

Table (6-41): Non-consolidated statement of profit or loss and other comprehensive income adjustments for the fiscal year ended 31 December 2019G

SAR thousand	Note	Amounts according to previous GAAP	Reclassification	Correction of prior years' errors	Impact on transition	Balances as per IFRS
Revenue	q	499,986	8	(341,466)	-	158,529
Cost of Revenue	q, r	(460,345)	(12,662)	339,973	-	(133,035)
Total Profit		**39,641**	**(12,654)**	**(1,493)**	**-**	**25,494**
Impairment loss on trade receivables	d	-	-	-	(66)	(66)
Impairment loss on due from related parties		(1,969)	-	-	-	(1,969)
Marketing and advertising expenses	s	(16,282)	(4,204)	(161)		(20,647)
General and Administrative Expenses	s	(21,688)	15,780	(577)	169	(6,317)
Research and Development Expenses	t	-	(2,566)	-	-	(2,566)
Provision for contingent liabilities	u	(245)	245	-	-	-
Bank charges	v	(3,407)	3,407	-	-	-
Other income		28	(8)	-	-	20
Operating loss		**(3,922)**	**-**	**(2,231)**	**103**	**(6,051)**
Finance costs		-	-	-	(245)	(245)
Net loss for the year before Zakat		**(3,922)**	**-**	**(2,231)**	**(142)**	**(6,296)**
Zakat		(128)	-	-	-	(128)
Net loss for the year		**(4,050)**	**-**	**(2,231)**	**(142)**	**(6,424)**
Items that will not be reclassified subsequently to profit or loss						
Actuarial loss on re-measurement of employees' end of service benefits		(100)	-	-	-	(100)
Total other comprehensive income		**(100)**	**-**	**-**	**-**	**(100)**
Total comprehensive income		**(4,150)**	**-**	**(2,231)**	**(142)**	**(6,524)**

Source: Reviewed Consolidated Financial Statements for the Fiscal Year Ended 31 December 2020G

Non-consolidated statement of cash flows for the year ended 31 December 2019G

The non-consolidated statement of cash flows for the year ended 31 December 2019G has been restated to reflect the effect of adjustments made during the year as follows:

Table (6-42): Non-consolidated statement of cash flows for the fiscal year ended 31 December 2019G

SAR thousand	Amounts according to previous GAAP	Adjustments	Amounts as per IFRS
For the year ended 31 December 2019G, net cash flow generated from / (used in)			
Operating activities	18,546	869	19,415
Investing activities	(3,401)	245	(3,156)
Financing activities	3,015	(1,114)	1,901

Source: Reviewed Consolidated Financial Statements for the Fiscal Year Ended 31 December 2020G

Notes on Adjustments

a) Correction of previous years' errors relates to calculating the depreciation charge of property and equipment, which resulted in a reversal of depreciation charge of SAR 14.4 thousand for the year ended 31 December 2018G, and an increase in depreciation charge of SAR 13.7 thousand for the year ended 31 December 2019G, in addition to the capitalization of previously recognized assets as an expense of SAR 53.1 thousand for the year ended 31 December 2019G against retained earnings.

b) Reclassification of projects in progress under intangible assets instead of presenting them separately in the statement of financial position. In addition, the Group has corrected the prior year's errors related to derecognition of development expenses that were capitalized under intangible assets such as computer software whose book value amounting to SAR 463.9 thousand and SAR 871.7 thousand as at 1 January 2019G and 31 December 2019G, respectively. In addition to capitalization of expenses of SAR 9.1 thousand and SAR 310.5 thousand made during the years ended 31 December 2018G and 31 December 2019G, respectively, against retained earnings.

c) The application of IFRS 16 'Leases' resulted in the recognition of right-of-use assets in the amounting SAR 4.6 million against a prepaid lease settlement of SAR 390.2 thousand and lease liabilities of SAR 4.2 million as at 1 January 2019G, and recognition of right-of-use assets in the amount of SAR 6.0 million against a prepaid rent settlement of SAR 490.9 thousand and lease liabilities of SAR 5.6 million as at 31 December 2019G.

d) Correction of errors related to the write-off of trade receivables of SAR 387.9 thousand as at 1 January 2019G and SAR 820.0 thousand as at 31 December 2019G against retained earnings. In addition, the Group has applied IFRS 9 'Financial Instruments' to measure the expected credit losses on trade receivables, which resulted in an increase in the allowance for expected credit losses as at 1 January 2019G in the amounting of SAR 1.8 million and SAR 1.8 million as at 31 December 2019G against retained earnings.

e) Reclassification of actuarial gains and losses arising from the remeasurement of employees' benefits to retained earnings rather than presenting them separately in the statement of financial position as at 1 January 2019G and 31 December 2019G.

f) Reclassifying an amount of SAR 126.1 thousand as at 1 January 2019G and SAR 288.0 thousand as at 31 December 2019G under due from related parties instead of classifying it under trade receivable.

g) Reclassification of proceeds due to customers separately in the statement of financial position instead of classifying them under trade payables as at 1 January 2019G and 31 December 2019G.

h) Correction of errors for not recognizing an obligation of employees' vacations and bonuses amounting to SAR 1.1 million as at 1 January 2019G and SAR 2.1 million as at 31 December 2019G against retained earnings.

i) Correction of errors for not record accrued service charges of SAR 547.9 thousand as at 1 January 2019G and SAR 582.9 thousand as at 31 December 2019G against retained earnings.

j) Correction of errors for not recognizing an obligation of discounts granted to customers amounting SAR 110.6 thousand as at 1 January 2019G and SAR 703.9 thousand as at 31 December 2019G against retained earnings.

k) Correction of errors for calculating the value-added tax liability for SAR 53.3 thousand as at 1 January 2019G and SAR 293.8 thousand as at 31 December 2019G against retained earnings.

l) Correction of errors for not calculating the withholding tax provision of SAR 285.9 thousand as at 31 December 2019G against retained earnings.

m) Reclassifying an amount of SAR 3.4 million under trade payables instead of classifying it under accrued expenses and other current liabilities as at 31 December 2019G.

n) Reclassifying an amount of SAR 660.8 thousand under due to related parties instead of classifying it under accrued expenses and other current liabilities as at 31 December 2019G.

o) Reclassification of employees' accruals under accrued expenses and other current liabilities instead of classifying them separately in the statement of financial position as at 1 January 2019G and 31 December 2019G.

p) Reclassification of provisions related to withholding tax of SAR 245.4 thousand under accrued expenses and other current liabilities instead of being classified separately in the statement of financial position as at 31 December 2019G.

q) Correction of errors in the revenue recognition policy related to the principal and agent considerations, as the Group previously recognized the revenue related to the delivery service and the costs related to it in total as a principal instead of recognizing the amount of consideration due in the form of the commission against performance obligations, resulted is a reduction in revenue and cost by the same amount of SAR 341.5 million. The Group has also reclassified an amount of SAR 8.4 thousand from other income.

r) Reclassification of the cost of customer compensation related to canceled orders under the cost of revenue in the amount of SAR 1.3 million instead of marketing & advertising expenses. In addition to reclassifying expenses from general and administrative expenses in the amount of SAR 7.7 million and SAR 3.7 million from bank charges and provision for contingent liabilities. In addition to correcting errors related to the commitment of the discounts granted, which resulted in an increase in the cost of revenue by SAR 593.3 thousand. Furthermore, the accrual of expenses errors was also corrected, which resulted in an increase in the cost of revenue by SAR 899.7 thousand.

s) Correction of errors related to the write-off of trade receivables amounting to SAR 432.2 thousand, in addition to correction accrual of expenses errors that resulted in an increase in general and administrative expenses by SAR 145.3 thousand and advertising expenses of SAR 161.0 thousand during the year ended 31 December 2019G against retained earnings.

t) Reclassification of research and development expenses separately in the statement of profit or loss instead of being presented under general and administrative expenses.

u) Reclassification of withholding tax provision expense to cost of revenue instead of being presented separately in the statement of profit or loss.

v) Reclassification of banks charges to cost of revenue instead of being presented separately in the statement of profit or loss.

7- Dividend Distribution Policy

The Shares entitle their holders to the right to receive any dividends that the Company declares from the date of this Prospectus and for subsequent financial years.

The Company intends to distribute annual dividends to its Shareholders in line with the Group's profits, financial position, restrictions on dividend distribution under financing and debt agreements, results of the Group's activities, current and future cash requirements, expansion plans, investment requirements, and other factors including the analysis of the Group's investment opportunities and reinvestment requirements, monetary and capital requirements, trade expectations and the impact of any such distributions on any legal and regulatory considerations. In addition, investors who wish to invest in the Offer Shares should be aware that the Dividend Distribution Policy may change from time to time.

While the Company intends to distribute dividends to its Shareholders on an annual basis, the Company does not guarantee the distribution of such dividends or the amounts to be distributed in any given year. The Company's net profits will be distributed after deducting all general expenses and other costs as follows:

1) 10% of the net profits shall be set aside to form a statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when such statutory reserve totals 30% of the Company's paid-up capital.

2) Based on the Board's suggestion, the Ordinary General Assembly may set aside 10% of net profits to build up contractual reserve that shall be allocated to one or more specific purposes.

3) The Ordinary General Assembly may resolve to form other reserves to the extent they serve the Company's interests, or to ensure the distribution of fixed dividends – so far as possible – to the Shareholders. The Ordinary General Assembly may also deduct amounts from the net profit to create social institutions for the Company's employees, or to support existing institutions of such kind.

4) Out of the balance of the net profits, Shareholders shall receive a payment of 5% of the Company's paid-up capital.

5) Subject to the provisions set forth in Article 20 of the Company's Articles of Association and Article 76 of the Companies Law, an amount of 10% of the balance shall be set aside to remunerate the Board of Directors, provided that such remuneration is proportionate to the number of meetings attended by each Director.

The Company has not distributed any dividends for the financial years ended 31 December 2019G and 2020G and for the period ended 31 March 2021G.

8- Use of Offering Proceeds

8-1 Introduction

The total proceeds from the Offering are estimated at about [•] ([•]) Saudi riyals, of which thirty million Saudi riyals (SAR 30,000,000) will be used to settle all the Offering expenses, including the fees of the Financial Advisor, the Lead Manager, the Joint Bookrunners, the Stabilizing Manager, the Legal Advisor to the Financial Advisor, the Financial Due Diligence Adviser, the Market Consultant and the Auditor, as well as marketing, printing and distribution costs and other expenses related to the Offering.

The Offering Proceeds, estimated at [•] ([•]) Saudi riyals (net of all expenses and costs related to the Offering, estimated at [•] ([•]) Saudi riyals) will be distributed as follows:

- An amount of [•] ([•]) Saudi riyals will be paid to the Selling Shareholders pro-rata to the number of Sale Shares that will be sold by each of them in the Offering.
- An amount of [•] ([•]) Saudi riyals obtained from the sale of the New Shares due to the capital increase for the purpose of the Offering (the IPO Proceeds) will be paid to the Company. This amount will be applied to expand the Group's activities locally and regionally.

8-2 Use of IPO Proceeds

The Group plans to use the IPO Proceeds in addition to other sources such as self-funding and bank financing to finance part of its expansion operations locally and regionally for its main activity in addition to its Subsidiaries as follows:

- Expanding the operations of Jahez platform locally and regionally.
- Expanding the operations of its Subsidiaries in the Kingdom, including PIK, Co Kitchens and Logi.
- Financing general corporate purposes.

The following table summarizes the use of the IPO Proceeds:

Table (8-1): Use of IPO Proceeds

Items	Amount (SAR million)
Expanding the operations of Jahez platform locally and regionally	215
Expanding the operations of its Subsidiaries in the Kingdom, including PIK, Co Kitchens and Logi	185.5
Total	**400.5**
Financing general corporate purposes	The remainder of the IPO Proceeds

Source: The Company

8-2-1 Expanding the operations of Jahez platform at the local and regional levels

The table below includes a summary of the key components of the use of a portion of the IPO Proceeds to expand the operations of Jahez platform locally and regionally:

Table (8-2): Details of the Use of a Portion of the IPO Proceeds to Expand the Operations of Jahez platform Locally and Regionally

Items	Amount (SAR million)
Expanding the operations of Jahez platform regionally	102
Developing marketing activities for Jahez platform	53.5
Artificial Intelligence Center	31
Customer data management project inside the Kingdom	15
Leasehold improvements, office equipment and technology	13.5
Total	**215**

Source: The Company

a) Expanding the operations of Jahez platform regionally

The Group plans to expand its operational capabilities in several countries in the GCC region and will use part of the IPO Proceeds to cover the costs of the new offices in addition to the necessary marketing activities.

b) Developing marketing activities for Jahez platform

The Group intends to invest around SAR 55.5 million in Logi, which aims to develop its logistical capabilities to provide last mile delivery services within the city, improve operations and reduce the capital investments of merchants that do business with it, by linking them to freelance delivery partners through the Group's advanced systems that connect companies with a large fleet of freelance delivery partners. Logi also plans to launch marketing campaigns to promote its logistical services in the Kingdom.

c) Artificial Intelligence Center

The Group plans to establish an artificial intelligence center to keep pace with the continuous developments in the use of artificial intelligence (AI) and the latest technological developments in the sector.

d) Customer data management project inside the Kingdom

The Group intends to develop a customer data management center within the Kingdom in order to comply with the General Principles for Personal Data Protection in the Telecommunications, Information Technology and Postal Sectors issued by the CITC.

e) Leasehold improvements, office equipment and technology

This item mainly includes the improvements that the Group intends to make at the Company's head office in order to increase office capacity for existing and new employees.

8-2-2 Expanding the operations of the Subsidiaries in the Kingdom

In addition to the above, the Group intends to invest around SAR 185.5 million in its Subsidiaries, which include PIK, Co Kitchens, and Logi, to expand their operations in the Kingdom as follows:

a) Expanding Co Kitchens' operations

The Group intends to invest around SAR 70 million in Co Kitchens, which intends to develop an integrated network of cloud kitchens dedicated to serving food via delivery only platforms in the main cities of the Kingdom. In addition, Co Kitchens is expected to launch marketing campaigns to promote cloud kitchen services in the Kingdom.

b) Expanding PIK's network

The Group intends to invest around SAR 60 million in PIK, which plans to develop a network of dark stores in the main cities of the Kingdom to expand delivery services beyond restaurants, and use PIK platform to provide fast and convenient delivery services to customers from merchants that do not have enough storage space.

c) Developing Logi's logistical capabilities

The Group intends to invest around SAR 55.5 million in Logi, which aims to develop its logistical capabilities to provide last mile delivery services within the city, improve operations and reduce the capital investments of merchants that do business with it, by linking them to freelance delivery partners through the Group's advanced systems that connect companies with a large fleet of freelance delivery partners. Logi also plans to launch marketing campaigns to promote its logistical services in the Kingdom.

8-2-3 Financing general corporate purposes

The Group plans to use the remaining part of the IPO Proceeds in the coming years to partially finance research and development and targeted marketing campaigns in addition to the investments and acquisitions that it intends to enter into through its investment arm, Red Color, to employ technology to leverage its position and use the Group's current assets of customers, merchants and delivery partners (for more information, see Section 4 "**Background of the Group and Nature of its Business**" of this Prospectus).

The activities stated below will be funded from the IPO Proceeds, according to the following initial schedule:

Table (8-3): Details of the Use of the IPO Proceeds (SAR million)

(SAR million)	2022G		2023	Total
	1st Half	2nd Half	Q4	
Expanding the operations of Jahez platform regionally	10	60	32	102
Developing marketing activities for Jahez platform	25	15	13.5	53.5
Artificial Intelligence Center	31	0	0	31
Customer data management center inside the Kingdom	15	0	0	15
Leasehold improvements, office equipment and technology	10.5	1.5	1.5	13.5
Expanding the operations of its Subsidiaries in the Kingdom, including PIK, Co Kitchens and Logi	87	52	46.5	185.5
Total	**178.5**	**128.5**	**93.5**	**400.5**

Source: The Company

9- Directors' Declaration

The Directors declare that:

1) There has been no interruption in the business of the Issuer and its Subsidiaries that may influence or have a significant impact on its financial position during the last 12 months.

2) No commissions, discounts, brokerage fees or any non-monetary compensation with respect to the issuance or offering of any Shares were granted by the Issuer or its Subsidiaries during the year preceding the date the application for registration and offering of shares was submitted.

3) There has been no material negative change in the financial or trading position of the Issuer or its Subsidiaries during the year immediately preceding the date the application for registration and offering of shares was submitted. The Directors also declare that all material facts relating to the Group and its financial performance have been disclosed in this Prospectus, and that there is no other information, documents, or facts the omission of which would make any statement herein misleading.

4) Except as disclosed in Section 5-3 "**Board of Directors**" and Section 4-12 "**Transactions with Related Parties**", none of the Directors or any of their relatives have any shares or interests of any kind in the Issuer or any of its Subsidiaries.

5) Except as disclosed in Section 4-12 "**Transactions with Related Parties**" of this Prospectus, none of the Directors, Senior Executives, the Secretary or any of their relatives have any interest in any existing written or oral contract, arrangement or agreement or arrangement under consideration or to be concluded with the Company and its Subsidiaries until the date of this Prospectus.

6) All agreements with Related Parties described in Section 4-12 "**Transactions with Related Parties**" of this Prospectus, including the determination of the contract price, have been executed in accordance with the laws and regulations and on an arm's length basis, like those concluded with third parties.

7) All transactions with Related Parties shall be entered into on an arm's length basis, and all business and contracts with Related Parties shall be subject to a vote in meetings of the Board of Directors and – where the law so requires – the Company's General Assembly. Directors may not vote on any decision related to business and contracts of the Company in which they hold a direct or indirect interest, whether in the Board of Directors or General Assembly, in accordance with Article 71 of the Companies Law.

8) Except as disclosed in Section 5-8 "**Employee Shares**" of this Prospectus, there are no other employee share schemes entitling employees to participate in the Company's share capital, and there are no other similar arrangements in place.

9) All of the Company's employees are under its sponsorship.

10) Except as disclosed in Section 4-4-10 "**Claims and Litigation**", the Company and its Subsidiaries are not party to any disputes, claims, lawsuits or outstanding investigation proceedings that may have a material impact on the Company's operations or financial position.

11) Except as disclosed in Section 2 "**Risk Factors**", and to the best of their knowledge and belief, there are no other material risks that may affect investors' decision to invest in the Offer Shares.

12) There is no intention to materially change the nature of the Company' activities.

13) They will work in accordance with Articles 71, 72 and 73 of the Companies Law.

14) They have developed procedures, controls and systems to enable the Company to meet the requirements of relevant laws, regulations and instructions, including the Companies Law, the CML and its Implementing Regulations, the Rules on the Offer of Securities and Continuing Obligations, and the Listing Rules.

15) The Directors will not vote on decisions related to contracts or transactions in which they have a direct or indirect interest.

16) They will not participate in voting during General Assembly meetings on any Related Party contracts in which they have an indirect interest.

17) They will not compete with the Company's business without the approval of the General Assembly in accordance with Article 72 of the Companies Law.

18) The financial information contained in Section 6 "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" of this Prospectus has been derived without material adjustment and presented in a format consistent with the consolidated audited financial statements for the financial year ended December 31, 2020G and the period ended March 31, 2021G and the accompanying notes thereto that were audited/reviewed by KPMG Professional Services (KPMG) for the year ended December 31, 2020G and the period ended March 31, 2021G in accordance with the International Financial Reporting Standards and other issuances in the Kingdom as issued by SOCPA.

19) The Group has sufficient working capital for at least twelve (12) months following the date of publication of this Prospectus.

20) The Directors declare that the Group does not have any properties, including contractual financial securities or other assets, the value of which are subject to fluctuations or are difficult to ascertain, which significantly affects the evaluation of the financial position.

21) The Group does not have any loans or indebtedness including bank overdrafts, guarantee obligations (including personal guarantee, non-personal guarantee, or covered or not covered by mortgage), obligations under acceptance, acceptance credits, or hire purchase commitments except as disclosed in Section 6-6-2e "**Current Liabilities**" of this Prospectus.

22) To the best of their knowledge and belief, there are no mortgages, rights, burdens, or costs on the Group's properties as at the date of this Prospectus.

23) The Group's share capital is not under option.

24) All increases in the Company's capital were made in a manner that does not conflict with the applicable laws and regulations in the Kingdom of Saudi Arabia.

25) The Group is not aware of any information regarding any governmental, economic, financial, monetary or political policies or any other factors that would or could have a (direct or indirect) material impact on its business.

26) The insurance policies adopted by the Company and its Subsidiaries provide sufficient insurance coverage with sufficient limits (in accordance with current customary market practice for similar companies) to carry out its and its Subsidiaries' business activities. The Company and its Subsidiaries renew their insurance policies regularly to ensure continued insurance coverage.

10- Offering Expenses

The Offering expenses represent all expenses and costs pertaining to the Offering, which are estimated at about thirty million Saudi riyals (SAR 30,000,000). These expenses include the fees of the Financial Advisor, Lead Manager, Joint Bookrunners, Stabilizing Manager, Legal Advisor, Legal Advisor to the Financial Advisor, Financial Due Diligence Advisor, Market Consultant, and Auditor as well as marketing, printing and other expenses related to the Offering. All these expenses will be deducted from the total Offering Proceeds in proportion to the Offer Shares sold or issued (as applicable).

11- Undertakings by the Company

11-1 Post-Listing Undertakings

Following Listing, the Company undertakes to:

- provide the CMA with the date on which the first General Assembly will be held following Listing so that a representative thereof may attend;
- submit transactions and contracts in which a Director has a direct or indirect interest for authorization by General Assembly (in accordance with the Companies Law) and renew such authorization on an annual basis, provided that the interested Director shall be prohibited from voting on the relevant resolution (whether in the Board or the General Assembly) (for further details regarding Related Party contracts and transactions, see Section 4-12 "**Transactions with Related Parties**" of this Prospectus);
- comply with all the mandatory provisions of the Rules on the Offer of Securities and Continuing Obligations, Listing Rules immediately upon Listing; and
- comply with all the mandatory provisions of the Listing Rules immediately upon Listing.

Based on the foregoing, following admission to Listing, the Directors undertake to:

- record all Board of Directors resolutions by means of written minutes of meetings, which shall be signed by the Chairman and the Secretary; and
- disclose the details of any Related Party transactions in accordance with the Companies Law.

12- Details on shares and subscription terms and conditions

The Group has submitted an application to the CMA to register and offer the Shares on the Parallel Market as required by the OSCOs. This Prospectus has been approved, all supporting documents requested by the CMA have been submitted, and all necessary official approvals for the offering of the Shares in the Parallel Market have been obtained.

All Qualified Investors must carefully read the Offering Terms and Conditions before completing the Participation Application Form or Subscription Application Form (as applicable). Signing and submitting the Participation Application Form or Subscription Application Form (as applicable) are deemed an acceptance and approval of the Offering Terms and Conditions.

12-1 Subscription to the Offer Shares

One million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) ordinary shares will be offered for subscription in the Parallel Market, representing 13% of the Company's capital after the Offering (which represents 14.2% of the Company's capital before the increase), and allocation of up to two hundred four thousand, five hundred ninety (204,590) additional Shares (equivalent to up to 15% of the Offer Shares) as an over-allotment to implement the price stabilization mechanism, at a price of [•] ([•]) Saudi riyals per share, with a nominal value of SAR 10 per share and a total value of [•] ([•]) Saudi riyals.

The Offering is limited to Qualified Investors in the following two tranches:

Tranche (A): (Institutional) Qualified Investors:

a) Capital Market Institutions acting on their own behalf;

b) customers of a Capital Market Institution authorized to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make decisions to accept participation in the Offering and to invest in the Parallel Market on behalf of the customer without the need for his prior approval;

c) the Kingdom's government, any government agency, or any international body recognized by the CMA, the Exchange or any other stock exchange recognized by the CMA or the Depository Center;

d) Government-owned companies whether investing directly or through a portfolio managed by a Capital Market Institution authorized to perform management activities;

e) companies and funds established in GCC countries;

f) investment funds;

g) non-resident foreign investors who may invest in the Parallel Market and meet the requirements set out in the Guidance Note for the Investment of Non-Resident Foreigners in the Parallel Market (for more information, see Section 1 "**Definitions and Abbreviations**" of this Prospectus);

h) qualified foreign financial institutions;

i) any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center, and

j) any other persons defined by the CMA.

(Institutional) Qualified Investors will participate in the Offering through the book-building process. The number of Offer Shares that will be initially allocated to (Institutional) Qualified Investors is one million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) Shares, representing 100% of the total number of Offer Shares. The final allocation of the Offer Shares will be made after the end of the subscription period for (Individual) Qualified Investors. In the event that (Individual) Qualified Investors (defined as Tranche (B) below) subscribe for the Offer Shares allocated thereto, the Lead Bookrunner shall have the right to reduce the number of Offer Shares allocated to (Institutional) Qualified Investors to one million, ninety-one thousand, one hundred forty-eight (1,091,148) Shares, representing eighty percent (80%) of the total number of Offer Shares.

Tranche (B): (Individual) Qualified Investors: Natural persons who may open an investment account in the Kingdom and an account with the Depository Center and meet any of the following criteria: (a) have made transactions in the securities market with a total value of not less than forty million Saudi riyals (SAR 40,000,000) and not less than ten (10) transactions per quarter during the past 12 months; (b) the value of their net assets is not less than five million Saudi riyals (SAR 5,000,000); (c) is working or has worked in the financial sector for at least three (3) years; (d) has a CME-1 approved by the CMA; or (e) holds a professional certificate that is related to dealing with securities and accredited by an internationally recognized entity collectively. A maximum of two hundred seventy-two thousand, seven hundred eighty-six (272,786) Offer Shares representing 20% of the total Offer Shares will be allocated to (Individual) Qualified Investors provided that (Individual) Qualified Investors subscribe to all the Offer Shares allocated to them. If (Individual) Qualified Investors do not subscribe for all the Shares allocated to them, the Lead Bookrunner may reduce the number of Shares allotted to them in proportion to the number of Shares to which they subscribed.

12-2 Subscription Terms and Method for Each Category of Qualified Investors

12-2-1 Book-building process for (Institutional) Qualified Investors

The price range will be determined at the book-building process and it will be made available to all (Institutional) Qualified Investors by the Company's Financial Advisor, in consultation with the Company and the Selling Shareholders.

Each (Institutional) Qualified Investor must submit a request to participate in the book-building process by filling out an (Institutional) Qualified Investor bid form. (Institutional) Qualified Investors may amend or cancel their requests at any time during the Book-Building Period, provided said requests are amended by submitting a modified bid form or an appended bid form (where applicable) before the end of the Book-Building Period. The number of Offer Shares for which each (Institutional) Qualified Investor subscribes must not be less than seven thousand, five hundred (7,500) Shares and not more than Five hundred twenty four thousand, and five hundred and ninety (524,590) Shares. The number of requested Shares must be allocable. The Joint Bookrunners will notify (Institutional) Qualified Investors of the Offer Price and the number of Offer Shares initially allocated thereto. Subscriptions by (Institutional) Qualified Investors shall commence during the Book-Building Period, which also includes (Individual) Qualified Investors, in accordance with the Subscription Terms and Conditions detailed in the Subscription Application Forms.

The book-building process will last for (5) days, from Thursday 05/05/1443H (corresponding to 12/09/2021G) to Monday 09/05/1443H (corresponding to 12/13/2021G).

Once the book-building process for (Institutional) Qualified Investors is completed, the Lead Bookrunner will announce the subscription percentage for (Institutional) Qualified Investors.

The Lead Bookrunner and the Company will have the power to determine the Offer Price based on supply and demand for the Offer Shares, provided that the Offer Price is in accordance with the tick size applied by the Exchange.

12-2-2 Subscription by (Individual) Qualified Investors

Each (Individual) Qualified Investor who subscribes to the Offer Shares must apply for a minimum number of ten (10) Offer Shares and a maximum of sixty-five thousand (65,000) Offer Shares. No change or withdrawal of the Subscription Application Forms shall be permitted once the Subscription Application Form has been submitted to the Receiving Entities.

Subscription to the Offer Shares can be made by (Individual) Qualified Investors who have an active investment account to invest in the parallel market with the Financial Advisor or one of the Joint Bookrunners through the electronic channels of the Receiving Entities during the Offering Period.(Individual) Qualified Investors can obtain a copy of this Prospectus from the Company's website (www.jahezgroup.com), the CMA's website (www.cma.org.sa) or the Financial Advisor's website (www.hsbcsaudi.com).

Applications will be received by Receiving Entities starting on Thursday 19/05/1443H (corresponding to 12/23/2021G) until Sunday 22/05/1443H (corresponding to 12/26/2021G). In the event that incomplete or incorrect information is provided in the subscription application, the subscription application shall be deemed null and void.

Each (Individual) Qualified Investor is required to specify the number of Offer Shares applied for in the Subscription Application Form, and the total subscription amount will be equal to the number of Offer Shares applied for multiplied by the Offer Price of [•] Saudi riyals (SAR [•]) per Offer Share.

Subscription Application Forms must be submitted during the Offering Period with the following documents, as applicable:

a) the original and copy of the national civil identification card or residency identification card (in case of individuals, including GCC nationals, and non-Saudi Arabian national residents);

b) the original and copy of the power of attorney (when subscribing on behalf of others);

c) any other documents requested.

If a subscription application form is submitted on behalf of an (Individual) Qualified Investor, the power of attorney must be notarized by a notary public for (Individual) Qualified Investors residing in the Kingdom and must be legalized through a Saudi embassy or consulate in the relevant country for (Individual) Qualified Investors residing outside the Kingdom.

Each (Individual) Qualified Investor agrees to subscribe for and purchase the number of Offer Shares specified in their Subscription Application Form for an amount equal to the number of Offer Shares applied for multiplied by the Offer Price of [•] Saudi riyals (SAR [•]) per Offer Share. Each (Individual) Qualified Investor shall acquire the number of Offer Shares allocated to them upon:

a) the submission of the Subscription Application Form to one of the Receiving Entities through the electronic channels of the Receiving Entity; and

b) payment in full by the Subscriber of the total value of the Offer Shares subscribed for to the Receiving Entity for which the Subscription Application Form was submitted.

The total value of the subscribed Shares must be transferred or deducted to the trust account of the Offering, based on the instructions given in the Subscription Application.

If a submitted Subscription Application Form is not in compliance with the Subscription Terms and Conditions, the Company shall have the right to reject, in full or in part, such application. (Individual) Qualified Investors shall accept any number of Offer Shares allocated to them, unless the allocated Shares exceed the number of Offer Shares they applied for.

It cannot be guaranteed that applications will be accepted from (Individual) Qualified Investors whose investment account has not been activated with the Financial Advisor or one of the Joint Bookrunners for investment in the parallel market before Tuesday 17/05/1443H. (corresponding to 12/21/2021G).

Investors can obtain an electronic copy of this Prospectus, the Participation Application Form for (Institutional) Qualified Investors, and the Subscription Application Form from the Financial Advisor, Lead Manager, and Joint Bookrunners via the contact details stated below:

Financial Advisor, Lead Manager, the Lead Bookrunner and Stabilizing Manager	
HSBC Saudi Arabia HSBC Building 7267 Al Olaya Road, AlMurooj Riyadh 12283-2255 Kingdom of Saudi Arabia Tel: +966 920005920 Fax: +966 11 2992385 Website: www.hsbcsaudi.com Email: JahezIPO@hsbcsa.com	HSBC
Joint Bookrunners	
AlRajhi Capital King Fahad Road P.O.BOX 5561 Riyadh 11432 Kingdom of Saudi Arabia Tel: +966 11 920005856 Fax: +966 11 4600625 Website: www.alrajhi-capital.com Email: PR@alrajhi-capital.com	الراجحي المالية Al Rajhi Capital
Derayah Financial Al-Olaya Main Road – Al-Olaya Center, Second Floor P.O.BOX 286546 Riyadh 11323 Kingdom of Saudi Arabia Tel: +966 11 2998000 Fax: +966 11 2998071 Website: www.derayah.com Email: operations@derayah.com	دراية derayah
Saudi Fransi Capital King Fahad Road 8092 P.O.BOX 23454 Riyadh 12313-3735 Kingdom of Saudi Arabia Tel: +966 11 2826666 Fax: +966 11 2826823 Website: www.sfc.com Email: Jahez.IPO@Fransicapital.com.sa	السعودي الفرنسي كابيتال Saudi Fransi Capital

12-3 Price Stabilization and Over-Allotment

With respect to the Offering, HSBC Saudi Arabia, in its capacity as Stabilizing Manager, may, but is not obligated to, allocate a number of additional shares and effect transactions to the extent permitted by the Instructions on the Price Stabilization Mechanism for Initial Public Offerings issued by the CMA to stabilize the market price of the Shares in order to support the Shares' market price so that they have a price level equal to or higher than the Offer Price. The Stabilizing Manager is not required to undertake any such transactions. Such transactions will be effected on the Exchange during trading and auction times during the Stabilization Period, which starts from the date on which the trading of the Offer Shares commences on the Exchange and lasts no longer than thirty (30) calendar days. However, the Stabilizing Manager is under no obligation to undertake any stabilizing transactions and there can be no assurance that such stabilization will be undertaken. Any stabilization, if commenced, may be discontinued at any time without prior notice. Except as otherwise provided in the applicable laws and regulations, the Stabilizing Manager will disclose any allocation of over-allotments and/or price stabilization processes undertaken in connection with the Offering to the extent required by the Instructions on the Price Stabilization Mechanism for Initial Public Offerings.

In order to allow the Stabilizing Manager to cover short positions resulting from any over-allotments, the relevant Shareholders will grant the Stabilizing Manager an over-allotment option, pursuant to which the Stabilizing Manager may purchase up to two hundred four thousand, five hundred ninety (204,590) shares (equivalent to up to 15% of the total Offer Shares) (the Over-Allotment Shares) at the Offer Price. The Over-Allotment Option will be exercisable in whole or in part, upon notice by the Stabilizing Manager at any time on or before the 30th calendar day after the commencement of trading of the Shares on the Exchange. The Over-Allotment Shares will be equal to the Shares in all respects, including with regard to all dividends and other distributions declared, provided or paid upon the Shares, and will be purchased on the same terms and conditions as the Offer Shares and have one class with other Shares.

12-4 Share Lending Agreement

With regard to the arrangements described in Section 12-31 "**Price Stabilization and Over-Allotment**" of this Prospectus, the Stabilizing Manager entered into a share lending agreement with the Lending Shareholders, pursuant to which the Stabilizing Manager will be able to borrow from the Selling Shareholders, free of charge, recently listed shares representing 15% of the total Offer Shares in order to allow the Stabilizing Manager to settle any over-allotment related to the Offering (if any) at the time of Listing. If the Stabilizing Manager borrows any Shares under the Share Lending Agreement, it shall return equivalent securities or financial consideration to the Lending Shareholders following the end of the Stabilization Period.

12-5 Offering Period

Four (4) days, from Thursday 19/05/1443H (corresponding to 23/12/2021G) until the end of day of Sunday 22/05/1443H (corresponding to 26/12/2021G).

12-6 Allocation and Refunds

The Lead Manager will open and manage a trust account for the purpose of depositing and maintaining the subscription amounts paid by the Qualified Investors. Subscription amounts shall be transferred to the Selling Shareholders and the Company only after Listing, and following the deduction of certain fees and expenses.

The Lead Manager will notify the Subscribers informing them of the final number of Offer Shares allocated together with the amounts to be refunded. Excess subscription amounts, if any, will be refunded to Qualified Investors without any deductions or fees and will be deposited in the Qualified Investor's accounts specified in the Subscription Application Form. Announcement of the final allocation and refund of subscription monies will be made no later than Monday, 30/05/1443H (corresponding to 01/03/2022G). Subscribers should communicate with the Lead Manager or the Receiving Entity where they submitted their Subscription Application Form, as applicable, for any further information.

12-7 Allocation of Offer Shares to (Institutional) Qualified Investors

The initial allocation of the Offer Shares will be made, as the Financial Advisors deem appropriate, in coordination with the Company, using the discretionary allocation mechanism. The initial number of Offer Shares allocated to (Institutional) Qualified Investors shall not be less than one million, three hundred sixty-three thousand, nine hundred thirty-four (1,363,934) Shares, representing 100% of the Offer Shares, and the final allocation to (Institutional) Qualified Investors shall not be less than one million, ninety-one thousand, one hundred forty-eight (1,091,148) Shares, representing 80% of the Offer Shares.

12-8 Allocation of Offer Shares to (Individual) Qualified Investors

A maximum of two hundred seventy-two thousand, seven hundred eighty-six (272,786) Offer Shares, representing 20% of the total Offer Shares, will be allocated to (Individual) Qualified Investors. The minimum allocation for each (Individual) Qualified Investor is ten (10) Offer Shares. The balance of Offer Shares (if any) will be allocated on a pro-rata basis based on the ratio of Offer Shares applied for by each (Individual) Qualified Investor to the total Offer Shares to be subscribed for. In the event that the number of (Individual) Qualified Investors exceeds twenty-seven thousand, two hundred seventy-eight (27,278) subscribers, the Company will not guarantee the minimum allocation and the allocation of Offer Shares will be determined at the discretion of the Lead Bookrunner. Excess subscription amounts, if any, will be refunded to Qualified Investors without any charge or commission being withheld.

12-9 Miscellaneous

1) The Subscription Application Form and all related terms, conditions and covenants hereof shall be binding upon and inure to the benefit of the parties to the subscription and their respective successors, permitted assigns, executors, administrators and heirs. Neither the Subscription Application Form nor any of the rights, interests or obligations arising pursuant thereto shall be assigned or delegated by any of the parties to the subscription without the prior written consent of the other party.

2) These instructions, terms and the receipt of any Subscription Application Forms or related contracts shall be governed, construed and enforced in accordance with the laws of the Kingdom of Saudi Arabia.

3) This Prospectus is published in Arabic after obtaining CMA approval.

12-10 Times and Circumstances Where the Offering May be Suspended

12-10-1 Power to Suspend Trading or Cancel Listing

a) The CMA may suspend trading or cancel the listing of the Shares at any time as it deems fit, in any of the following circumstances:

   1) The CMA considers it necessary for the protection of investors or the maintenance of an orderly market.

   2) The Issuer fails, in a manner which the CMA considers material, to comply with the Capital Market Law, its Implementing Regulations or the Exchange rules.

   3) The Issuer fails to pay on time any fees due to the CMA or the Exchange or any fines due to the CMA.

   4) The CMA deems that the Issuer, its business, the level of its operations or its assets are no longer suitable to warrant the continued listing of its securities on the Exchange.

   5) When a reverse takeover announcement does not contain sufficient information about the proposed transaction. If the Issuer has provided sufficient information regarding the target and the CMA is convinced, following the Issuer's announcement, that sufficient public information is available on the proposed transaction of the reverse takeover, the CMA may decide not to suspend trading at this stage.

   6) When information about a proposed reverse takeover is leaked and the Issuer cannot accurately assess its financial position and the Exchange cannot be informed accordingly.

   7) If the liquidity requirements specified in paragraph (b) of Article 41 of the Listing Rules are not met after the lapse of the period established in subparagraph (1) of paragraph (d) of Article 42 of the Listing Rules.

   8) When an application for financial reorganization of the Issuer is registered with a court in accordance with the Bankruptcy Law, if its losses exceed 50% of its share capital;

   9) When an application for liquidation or administrative liquidation of the Company is registered with the court in accordance with the Bankruptcy Law.

   10) When a court issues a final ruling to terminate a financial reorganization procedure and commence a bankruptcy proceeding or administrative liquidation procedure of the Issuer in accordance with the Bankruptcy Law.

   11) Upon issuance of a final court ruling to commence a bankruptcy proceeding or administrative liquidation procedure of the Issuer in accordance with the Bankruptcy Law.

b) Lifting of a trading suspension imposed under paragraph (a) above is subject to the following:

1) The events which led to the suspension have been sufficiently remedied, and the suspension is no longer necessary for the protection of investors.

2) Lifting of the suspension is unlikely to affect the normal activity of the Exchange.

3) The issuer is in compliance with any other conditions that the CMA may require.

4) Upon issuance of a final judgment initiating financial restructuring of the Issuer under the Bankruptcy Law, unless it was suspended from its activities by the relevant competent authority, in the event that the suspension was imposed in accordance with paragraph a(8) above.

5) Upon issuance of a final court judgment dismissing the initiation of a liquidation procedure or administrative liquidation procedure under the Bankruptcy Law, unless it was suspended from carrying out its activities by the relevant competent authorities, if the suspension was enforced in accordance with paragraph (a)(9) above.

c) The Exchange shall suspend the trading of the Issuer's securities in any of the following cases:

1) When the Issuer does not comply with the deadlines specified for disclosing its periodic financial information in accordance with the relevant implementing regulations.

2) When the Auditor's Report on the financial statements of the Issuer contains a negative opinion or an abstention from expressing an opinion.

3) If the liquidity requirements of Chapters 8 of the Listing Rules are not met after the lapse of the period set by the Exchange for the Issuer to rectify its conditions, unless the CMA agrees otherwise.

4) The Issuer's Extraordinary General Assembly issues a decision to reduce its capital, for the two trading days following the issuance of the decision.

d) The Exchange shall remove the suspension referred to in Paragraph c (1 and 2) above, following one trading session after the cause of suspension is eliminated. In the event that the over-the-counter trade of the Issuer's shares is allowed, the Exchange shall remove the suspension within a period of no more than five (5) trading sessions after the cause of suspension is eliminated.

e) The Exchange may at any time suggest that the CMA suspend the trading of any listed security or cancel its listing where in its opinion any of the circumstances of paragraph (a) of this Article is likely to occur.

f) An issuer whose securities are subject to a trading suspension must continue to comply with the Capital Market Law, its Implementing Regulations and the Exchange Rules.

g) In the event that the listing suspension continues for six (6) months with no appropriate procedure adopted by the Issuer to correct such suspension, the CMA may cancel the Issuer's listing.

h) When the Issuer completes a reverse acquisition, the Issuer's shares shall be de-listed. If the Issuer wishes to re-list its shares, it must submit a new application to list its shares in accordance with the Listing Rules and fulfill the relevant requirements stipulated in the OSCOs.

i) This Article shall not prejudice the suspension of trading and cancellation of listing resulting from the Company's losses pursuant to relevant Implementing Regulations and the Exchange Rules.

12-10-2 Voluntary Cancellation of Listing

1) An issuer whose securities have been admitted to listing may not cancel the listing of its securities on the Exchange without the prior approval of the CMA. In order to obtain such approval, the Issuer will submit an application for the cancellation to the CMA, with concurrent notification to the Exchange, which must include the following:

   a. The specific reasons for the request for the cancellation.

   b. A copy of the disclosure described in Paragraph (4) below.

   c. A copy of the relevant documentation and a copy of each related communication to the Shareholders if the cancellation is to take place as a result of a takeover or other corporate action by the issuer.

   d. Names and contact information of the financial and legal advisors appointed in accordance with the relevant regulations.

2) The CMA may, at its full discretion, accept or reject the request for cancellation.

3) The Issuer must obtain the consent of its Extraordinary General Assembly to cancel a listing only after the CMA has approved such cancellation.

4) Where a cancellation is made at the Issuer's request, the Issuer must make a disclosure to the public as soon as possible. This disclosure must include at least the reason for cancellation, the nature of the event resulting in the cancellation and the extent to which it affects the Issuer's activities.

12-10-3 Temporary Trading Suspension at the Issuer's Request

1) The Issuer may request a temporary trading suspension of an event occurs during trading hours which requires immediate disclosure under the CML, its Implementing Regulations or the Exchange Rules, where the issuer cannot maintain the confidentiality of this information until the end of the trading period. The Exchange shall suspend the trading of the Issuer's securities immediately upon receipt of the request.

2) When a temporary trading suspension is made at the Issuer's request, the Issuer must announce the reason for the trading suspension, the anticipated period of the trading suspension and the event affecting the Issuer's activities as soon as possible.

3) The CMA may impose a temporary trading suspension without a request from the Issuer where the CMA becomes aware of information or circumstances affecting the Issuer's activities which the CMA considers would be likely to interrupt the operation of the Exchange or the protection of investors. An issuer whose securities are subject to temporary trading suspension must continue to comply with the CML and its implementing regulations and the Exchange Rules.

4) The Exchange may propose that the CMA exercise its powers in accordance with subparagraph (c) of paragraph 12-10-1 above if it is found to have information or circumstances that may affect Issuer's activities and potentially affect the Exchange activity or the protection of investors.

5) A temporary trading suspension will be lifted following the elapse of the period referred to in the announcement specified in subparagraph (b) of paragraph 12-10-1 above, unless the CMA or the Exchange decides otherwise.

12-10-4 Re-listing and Admission of Canceled Securities

If the issuer wishes to re-list its shares after a cancellation, it must submit a new application for the listing of its shares in accordance with the Listing Rules and comply with the applicable requirements under the OSCOs.

12-11 Approvals and Decisions for the Offering

Following are the decisions and approvals for the Offering:

a) Board of Directors resolution dated 27/10/1442H (corresponding to 06/08/2021G), recommending approving the offering of the Shares on the Parallel Market, after obtaining the necessary regulatory approvals.

b) Approval of the Company's Extraordinary General Assembly to offer the Shares, increase the Company's capital and offer new shares to be subscribed for by Qualified Investors in the Parallel Market, issued on 28/10/1442H (corresponding to 06/09/2021G) and complete the increase procedures at the Ministry of Commerce after the subscription and allocation are completed.

c) The CMA's approval of the Offering dated 22/02/1443H (corresponding to 09/29/2021G).

d) The Exchange's approval of the Listing dated 01/01/1443H (corresponding to 08/09/2021G), subject to the approval of the CMA.

12-12 Statements on current arrangements to prevent disposal of certain Shares

The Major Shareholders whose names appear in this Prospectus (please see Table 1-2 "**Direct Major Shareholders, Number of Shares and Shareholding Before and After the Offering**" of this Prospectus) may not dispose of their shares before the lapse of a period of twelve (12) months from the date of registration and listing of the Company's shares on the Parallel Market. Other than the Lock-up Period imposed by the CMA on the Major Shareholders, there are no other existing arrangements that prevent the disposal of certain Shares.

13- Subscription Undertakings

13-1 Subscriber Acknowledgments

By completing and submitting the Subscription Application Form, each Subscriber:

1) Agrees to subscribe to the number of Offer Shares specified in the Subscription Application Form.
2) Warrants that they have read this Prospectus and understood all its content.
3) Accepts the Company's Articles of Association and all Offering instructions and terms mentioned in this Prospectus and the Subscription Application Form, and subscribes for the Offer Shares accordingly.
4) Confirms that they will not waive their right to have recourse against the Company for any damage arising from any incorrect or inadequate significant information in the Prospectus, or for any material information missing therefrom, which would directly impact the Subscriber's acceptance of the subscription had it been contained in the Prospectus.
5) Declares that they have not previously submitted a Subscription Application Form for any Shares and that the Company has the right to reject any or all duplicate applications.
6) Accepts the number of Offer Shares allocated to them (to a maximum of the amount they have subscribed for) as per the Subscription Application Form and all other Subscription instructions and terms mentioned in the Prospectus and the Subscription Application Form.
7) Agrees not to cancel or amend the Subscription Application Form after submitting it (except for (Institutional) Qualified Investors who may change or cancel their applications at any time during the Book-Building Period).

13-2 Share Register and Trading Arrangements

The Exchange shall keep a record of Shareholders, containing their names, nationalities, addresses, professions, the Shares held by them and the amounts paid for these Shares.

13-3 The Saudi Exchange

In 1990G, full electronic trading of equities in the Kingdom was introduced. The Exchange was founded in 2001G as the successor to the Electronic Securities Information System. Trading in shares occurs on the "Tadawul" system through a fully integrated trading system covering the entire trading process from execution of the trade transaction through settlement thereof. Trading occurs on each business day of the week between 10:00 am and 3:00 pm from Sunday to Thursday, during which times orders are executed. Outside those times, orders can be entered, amended or canceled from 9:30 am to 10:00 am. These hours may change during the month of Ramadan and are announced on the Exchange's official website. Transactions take place through the automatic matching of orders. Each valid order is accepted and generated according to the price level. In general, market orders (orders placed at best price) are executed first, followed by limit orders (orders placed at a price limit), provided that if several orders are generated at the same price, they are executed according to the time of entry. The Exchange distributes a comprehensive range of information through various channels, including in particular the Exchange website and the Exchange Information Link, which supplies trading data in real time to information providers such as Reuters. Exchange transactions are settled on a T+2 basis, meaning that a transfer of shares settles two business days after the trade transaction is executed.

Listed companies are required to disclose all material decisions and information important to investors via the Exchange. As the operator of the Market, the Exchange is responsible for surveillance and monitoring to ensure fair-trading and an orderly market.

13-4 Trading of Shares on the Parallel Market

An application was submitted to the CMA to register and offer the Company's Shares on the Parallel Market, and an application was submitted to the Exchange to list the Company's shares on the Parallel Market. It is expected that trading in the Company's shares will commence upon the final allocation of those Shares and after all relevant statutory procedures are met. Dates and times included in this Prospectus are only indicative and may be changed or extended subject to the approval of the CMA.

Furthermore, Offer Shares can only be traded after all allocated Shares have been credited to the Shareholders' accounts on the Exchange, the Company has been registered in the Official List and its Shares listed on the Exchange. Pre-trading is strictly prohibited and investors entering into any pre-trading activities will be acting at their own risk. The Company shall have no legal responsibility in connection with pre-trading activities.

Trading in shares listed on the Parallel Market shall be restricted to Qualified Investors (see Section1 "**Definitions and Abbreviations**" (of this Prospectus).

14- Procedures for not Completing the Offering

If the Offering is not completed on the date specified for the end of the Offering process stated in this Prospectus (see "**Key Dates and Subscription Procedures**" on page (V) of this Prospectus), the Financial Advisor will, within ten (10) days from the end of the Offering Period, notify the CMA in writing of the non-completion of the Offering and then notify the Subscribers. The amounts collected from the Subscribers (if any) will be refunded without deducting any commissions or fees.

The Company confirms that it will comply with any decisions, instructions, or procedures issued by the CMA in the event that the Offering is not completed.

15- Documents Available for Inspection

The following documents will be available for inspection at the Company's location, between nine am and five pm from Tuesday 03/05/1443H (corresponding to 12/07/2021G) until Sunday 22/05/1443H (corresponding to 12/26/2021G), for a period of no less than seven (7) days prior to the end of the Offering Period:

a) The Company's Commercial Registration Certificate issued by the MOC.

b) The Company's Bylaws

c) The Company's Articles of Association.

d) A copy of the notification of the CMA's approval of the application for the registration and offering of the Shares on the Parallel Market issued on 22/02/1443H (corresponding to 09/29/2021G).

e) A copy of the notification of the Exchange's approval of the Listing dated 01/01/1443H (corresponding to 08/09/2021G), subject to the approval of the CMA.

f) Board of Directors' resolution dated 27/10/1442H (corresponding to 06/08/2021G), recommending approving the offering of the Shares on the Parallel Market.

g) Approval of the Company's Extraordinary General Assembly to offer the Shares, increase the Company's capital and offer new shares to be subscribed for by Qualified Investors on the Parallel Market, issued on 28/10/1442H (corresponding to 06/09/2021G) and complete the increase procedures at the Ministry of Commerce after the subscription and allocation are completed.

h) A document showing the mechanism used to determine the price range used in the book-building process.

i) The market study report prepared by the Market Consultant.

j) The Company's audited consolidated financial statements for the financial year ended December 31, 2020G, and the reviewed consolidated financial statements for the three-month period ended March 31, 2021G and the nine-month period ended September 30, 2021G.

k) Letters of consent from each of:

  1) The Financial Advisor, Lead Manager, Lead Bookrunner and Stabilizing Manager (HSBC Saudi Arabia) for the inclusion of its name, logo and statement in this Prospectus.

  2) The Joint Bookrunner (AlRajhi Capital) for the inclusion of its name, logo and statement in this Prospectus.

  3) The Joint Bookrunner (Derayah Financial) for the inclusion of its name, logo and statement in this Prospectus.

  4) The Joint Bookrunner (Saudi Fransi Capital Capital) for the inclusion of its name, logo and statement in this Prospectus.

  5) The Legal Advisor (Law Office of Salman M. Al-Sudairi) for the inclusion of its name, logo and statement in this Prospectus.

  6) The Financial Due Diligence Advisor (PricewaterhouseCoopers) for the inclusion of its name, logo and statements, if any, in this Prospectus.

  7) The Market Consultant (Arthur D. Little Saudi Arabia) for the inclusion of its name, logo and statements in this Prospectus.

  8) The Auditor (KPMG Professional Consulting) for the inclusion of its name, logo and the reviewed/audited reports for the financial year ended December 31, 2020G and the three-month period ended March 31, 2021G in this Prospectus.

l) All other reports, letters, documents, valuations and data prepared by any expert wholly or partly included or referred to in the Prospectus.

16- Financial Statements and Auditors' Report

This section contains the consolidated audited financial statements for the financial year ended December 31, 2020G, and the consolidated interim unaudited (reviewed) financial statements for the three-month period ended March 31, 2021G and the nine-month period ended September 30, 2021G, and notes thereto, prepared in accordance with the IFRS as endorsed in the Kingdom and other standards and pronouncements approved by SOCPA, and reviewed/audited by KPMG Professional Consulting.

JAHEZ INTERNATIONAL COMPANY
FOR INFORMATION SYSTEMS TECHNOLOGY
(A Saudi Closed Joint Stock Company)
Consolidated Financial Statements
For the year ended 31 December 2020
together with the
Independent Auditor's Report

jahez

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
For the year ended 31 December 2020

KPMG

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P. O. Box 92876
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Kingdom of Saudi Arabia
Headquarter

Commercial Registration No 1010425494

كي بي إم جي للاستشارات المهنية
واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
المركز الرئيسي

سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

Independent Auditor's Report

To the Shareholders of Jahez International Company for Information Systems Technology

Opinion

We have audited the consolidated financial statements of Jahez International Company for Information Systems Technology, (a Saudi Closed Joint Stock Company) ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies and other explanatory 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 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Kingdom of Saudi Arabia. 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 professional code of conduct and ethics that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative figures

We draw attention to Note (4) to the accompanying financial statements, which indicates that the comparative figures presented as at 31 December 2019 have been restated. Our opinion is not modified in respect of this matter.

Other matter - Related to the comparative figures

The financial statements for the year ended 31 December 2019, excluding restatements referred to in Note (4), have been audited by another auditor who expressed an unmodified opinion on those financial statements on 5 Ramadan 1441H (corresponding to 28 April 2020).

As part of our audit of the financial statements as at and for the year ended 31 December 2020, we have also audited the restatements set out in Note (4) that have been applied to restate the comparative figures presented as at 31 December 2019. We have not engaged to audit, review or apply any procedures related to the financial statements as at 31 December 2019, except those related to the restatements referred to in Note (4). Accordingly, we do not express an opinion, conclusion or any form of assurance on the financial statements of the Company as at 31 December 2019 as a whole. However, in our opinion the restatements mentioned in Note (4) are appropriate and were properly applied.

KPMG

Independent Auditor's Report

To the Shareholders of Jahez International Company for Information Systems Technology (Continued)

Responsibilities of Management and Those Charge with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies, the Company's By-Laws 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, the Board of Directors, 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism 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, then 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG

Independent Auditor's Report

To the Shareholders of Jahez International Company for Information Systems Technology (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 of **Jahez International Company for Information Systems Technology company and its subsidiaries ("the Group").**

KPMG Professional Services

Fahad Mubark Aldossari
License No 469

Riyadh on: 27 Ramadan 1442H
Corresponding to: 9 May 2021

كي بي . إم . جي للاستشارات المهنية
Lic No. 46
C.R. 1010425494
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KPMG
ترخيص رقم ٤٦
س.ت: ١٠١٠٤٢٥٤٩٤
KPMG Professional Services

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Consolidated Statement of Financial Position
As at 31 December 2020
(Saudi Riyals)

	Note	31 December 2020	31 December 2019 (Restated – Note 4)	1 January 2019 (Restated – Note 4)
Assets				
Non-current assets				
Property and equipment	6	**6,133,853**	3,037,694	1,432,833
Intangible assets	7	**4,136,555**	3,850,503	3,739,033
Right-of-use assets	8	**6,904,777**	6,047,972	4,577,965
Total non-current assets		**17,175,185**	12,936,169	9,749,831
Current assets				
Inventory		**94,171**	43,313	101,232
Trade receivables	9	**4,473,526**	6,807,033	6,053,947
Prepayments and advances	10	**4,010,217**	718,031	216,714
Due from related parties	18-a	**489,836**	297,954	898,735
Cash and cash equivalents	11	**205,723,956**	38,992,377	20,832,064
Total current assets		**214,791,706**	46,858,708	28,102,692
Total assets		**231,966,891**	59,794,877	37,852,523
EQUITY AND LIABILITIES				
Equity				
Share capital	12	**5,000,000**	1,000,000	1,000,000
Statutory reserve	13	**1,500,000**	300,000	300,000
Retained earnings		**37,549,639**	(1,229,531)	5,294,677
Equity attributable to shareholders of the Parent Company		**44,049,639**	70,469	6,594,677
Non-controlling interests		**1,406,870**	--	--
Total equity		**45,456,509**	70,469	6,594,677
Liabilities				
Non-current liabilities				
Non-current portion of lease liabilities on right-of-use assets	8	**5,335,940**	4,623,812	3,680,181
Employees' benefits obligations	14	**3,136,956**	1,482,598	541,543
Total non-current liabilities		**8,472,896**	6,106,410	4,221,724
Current labilities				
Collections due to customers	15	**105,893,874**	30,497,130	17,943,136
Current portion of lease liabilities on right-of-use assets	8	**1,349,224**	1,009,835	507,556
Short-term loans	16	**--**	3,000,000	--
Trade payables		**7,382,901**	3,503,040	101,230
Accrued expenses and other current liabilities	17	**34,693,604**	13,160,613	8,219,828
Due to related parties	18-b	**27,577,511**	2,313,549	--
Provision for zakat	19	**1,140,372**	133,831	264,372
Total current liabilities		**178,037,486**	53,617,998	27,036,122
Total liabilities		**186,510,382**	59,724,408	31,257,846
TOTAL EQUITY AND LIABILITIES		**231,966,891**	59,794,877	37,852,523

The accompanying notes 1 through 32 form an integral part of these consolidated financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Consolidated Statement of Profit Or Loss and Other Comprehensive income
For the year ended 31 December 2020
(Saudi Riyals)

	Note	31 December 2020	31 December 2019 (Restated – Note 4)
Revenue	20	**459,306,082**	158,528,753
Cost of revenue	21	**(350,779,232)**	(133,034,834)
Gross profit		**108,526,850**	25,493,919
Impairment loss on trade receivables	9	**(464,069)**	(65,810)
Impairment loss on due from related parties	18-a	**(1,855,127)**	(1,968,734)
Marketing & advertising expenses	22	**(49,425,167)**	(20,647,124)
General and administrative expenses	23	**(11,407,602)**	(6,316,796)
Research and development expenses		**(4,923,993)**	(2,565,636)
Other income		**486,122**	19,586
Operation profit / (loss)		**40,937,014**	(6,050,595)
Finance costs		**(305,389)**	(245,428)
Net income / (loss) for the year before Zakat		**40,631,625**	(6,296,023)
Zakat	19	**(1,135,176)**	(128,155)
Net income / (loss) for the year		**39,496,449**	(6,424,178)
Net income / (loss) for the year attributable to:			
Shareholders of the parent company		**39,689,579**	(6,424,178)
Non-controlling interests		**(193,130)**	--
		39,496,449	(6,424,178)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains / (losses) on re-measurement of employees' end-of-service benefits	14	**289,591**	(100,030)
Total other comprehensive income		**289,591**	(100,030)
Total comprehensive income		**39,786,040**	(6,524,208)
Total other comprehensive income attributable to:			
Shareholders of the parent company		**39,979,170**	(6,524,208)
Non-controlling interests		**(193,130)**	--
		39,786,040	(6,524,208)
Earnings per share attributable to shareholders of the Company:			
Basic and diluted earnings per share	25	**231.8**	(64.2)

The accompanying notes 1 through 32 form an integral part of these consolidated financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020
(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Non-controlling interests	Total
Balance as at 1 January 2019 (before restatement)	**1,000,000**	**300,000**	**9,695,210**	--	**10,995,210**
Prior year adjustments (Note 4)	--	--	(2,646,818)	--	(2,646,818)
First time adoption of IFRS adjustments (Note 4)	--	--	(1,753,715)	--	(1,753,715)
Balance at 1 January 2019 (restated - Note 4)	**1,000,000**	**300,000**	**5,294,677**	--	**6,594,677**
Net loss for the year (restated - Note 4)	--	--	(6,424,178)	--	(6,424,178)
Other comprehensive income for the year (restated - Note 4)	--	--	(100,030)	--	(100,030)
Total comprehensive income for the year (restated - Note 4)	--	--	(6,524,208)	--	(6,524,208)
Balance as at 31 December 2019 (restated - Note 4)	**1,000,000**	**300,000**	**(1,229,531)**	--	**70,469**
Balance as at 1 January 2020 (restated - Note 4)	**1,000,000**	**300,000**	**(1,229,531)**	--	**70,469**
Net income for the year	--	--	39,689,579	(193,130)	39,496,449
Other comprehensive income for the year	--	--	289,591	--	289,591
Total comprehensive income for the year	--	--	39,979,170	(193,130)	39,786,040
Share capital increase (Note 12)	4,000,000	--	--	--	4,000,000
Transferred to statutory reserve	--	1,200,000	(1,200,000)	--	--
Changes in non-controlling interests	--	--	--	1,600,000	1,600,000
Balance as at 31 December 2020	**5,000,000**	**1,500,000**	**37,549,639**	**1,406,870**	**45,456,509**

The accompanying notes 1 through 32 form an integral part of these consolidated financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Consolidated Statement of Cash Flows
For the year ended 31 December 2020
(Saudi Riyals)

	31 December 2020	31 December 2019 (Restated – Note 4)
Cash flows from operating activities:		
Net income / (loss) for the year before zakat	**40,631,625**	(6,296,023)
Adjustments to reconcile net income / (loss) for the year to cash flows generated from operating activities:		
Impairment loss on trade receivables	**464,069**	65,810
Impairment loss on due from related parties	**1,855,127**	1,968,734
Depreciation and amortization	**3,175,702**	2,269,188
Employees' benefits	**1,975,127**	841,025
Finance costs	**305,389**	245,428
Changes in operating assets and liabilities:		
Inventory	**(50,858)**	57,919
Trade receivables	**1,869,438**	(818,896)
Prepayments and advances	**(3,292,186)**	(501,317)
Due from related parties	**(2,047,009)**	(1,367,953)
Collections due to customers	**75,396,744**	12,553,994
Trade payables	**3,879,861**	3,401,810
Accrued expenses and other current liabilities	**21,532,991**	4,940,785
Due to related parties	**29,263,962**	2,313,549
Employees' benefits paid	**(31,178)**	--
Zakat paid	**(128,635)**	(258,696)
Net cash flows generated from operating activities	**174,800,169**	19,415,357
Cash flows from investing activities		
Payments for purchases of property and equipment	**(4,147,582)**	(2,100,890)
Payments for purchase and development of intangible assets	**(1,284,883)**	(1,055,529)
Net cash flows used in investing activities	**(5,432,465)**	(3,156,419)
Cash flows from financing activities		
Changes in non-controlling interests	**1,600,000**	--
Proceeds from loans	**--**	3,000,000
Repayments of loans	**(3,000,000)**	--
Repayment of lease liabilities on right-of-use assets	**(1,236,125)**	(1,098,625)
Net cash flows (used in)/ generated from financing activities	**(2,636,125)**	1,901,375
Net change in cash and cash equivalents	**166,731,579**	18,160,313
Cash and cash equivalents as at the beginning of the year	**38,992,377**	20,832,064
Cash and cash equivalents as at the end of the year	**205,723,956**	38,992,377

<u>Non-cash transactions</u>		
Transferred from retained earnings to statutory reserve	**1,200,000**	--
Transferred from due to related parties to share capital	**4,000,000**	--
Right-of-use assets on lease liabilities	**1,982,253**	--
Right-of-use assets on lease liabilities and prepaid rent	**--**	6,877,072

The accompanying notes 1 through 32 form an integral part of these consolidated financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

1- ORGANIZATION AND ACTIVITIES

Jahez International Company for Information Systems Technology ('the Company") was formed as a limited liability company and registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010895874 dated 6 Muharram 1439H (26 September 2017).

The principal activities of the Company, according to the commercial registration, are network extensions, e-commerce, online commerce, operating systems, sales of wired and wireless equipment and devices, systems analysis, design and programming of special software, software maintenance, and web page design.

The Company operates through its branches and subsidiaries in the Kingdom of Saudi Arabia.
The Group's head office is located in Riyadh,
P. O. Box 2065, Riyadh 12444
Kingdom of Saudi Arabia.

On 27 October 2020, the shareholders decided to transfer the legal entity of the Company and its branches from a limited liability company to a Saudi closed joint stock company including its rights and obligations, as well as increasing its share capital to SR 5 million by transferring SR 4 million from shareholders' payable accounts from the Company to the share capital account, and the Company shall keep the same name, commercial registration number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire share capital amounting to 500,000 shares with a nominal value of SR 10 each (Note 12).

The accompanying consolidated financial statements includes the financial statements of Jahez International Company for Information Systems Technology and its subsidiaries (collectively referred to as the "Group"), as follows:

	Legal entity	Country of incorporation	Ownership percentage 31 December 2020	31 December 2019	1 January 2019
Cokitchens	A Limited Liability Company	KSA	60%	--	--
PIK	A Single Shareholder Limited Liability Company	KSA	100%	--	--

Information about subsidiaries:

Cokitchens :

On July 20, 2020, the Group signed an agreement to acquire shares representing 60% of the share capital of the Joint Preparation Company for Meals (a limited liability company) amounting to SR 25,000. Acquisition cost amounted to SR 2.4 million. On 19 Muharram 1442H (corresponding to 7 September 2020), the Company's Articles of Association and ownership structure were amended to reflect the effect of the acquisition. The principal activities of the Company include food service activities.

PIK :

On 7 September 2020, the Group incorporated a wholly owned subsidiary which is Pik Options Trading Company (a single shareholder limited liability company). The company's capital is SR 1,000,000 and engaged in online retail sales.

2- BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by Saudi Organization for Chartered and Professional Accountants (SOCPA).

These consolidated financial statements first set of the financial statements that are prepared in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia. Accordingly, IFRS 1 "First-time adoption of International Financial Reporting Standards" has been applied in Note (4).

The Group has prepared the financial statements for all previous periods up to and including the year ended 31 December 2019 in accordance with IFRS for Small and Medium-sized Entities as endorsed in the Kingdom of Saudi Arabia issued by SOCPA, other standards and pronouncements, the requirements of the Saudi Arabian Regulations for Companies and the Company's By-Laws, which relate to the preparation and presentation of the financial statements.

The Group has prepared and presented the consolidated financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA ("IFRS").

As part of these requirements, Group has prepared these consolidated financial statements. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 January 2019; the Company's date of transition, in accordance with IFRS and other standards and pronouncements issued in the Kingdom of Saudi Arabia by SOCPA.

In preparing these consolidated financial statements, IFRS 1 'First-time adoption of International Financial Reporting Standards' has been applied. The Group has consistently applied the accounting policies on all periods presented, as if these policies had always been in effect.

An explanation of how the transition to IFRS has affected the financial position, financial performance and cash flows of the Company's is provided in (Note 4).

2.2 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis using going concern basis and accrual basis of accounting, except for employees' benefits obligations which are measured using the projected credit unit method.

2.3 Functional and presentation currency

The consolidated financial statements of the Company are presented in Saudi Riyals (SR) which is the Group's functional and presentation currency.

2.4 New standards and amendments issued but not effective yet

The standards and amendments issued up to the date of issuance of the Group's consolidated financial statements are listed below.

Standards / amendments
Amendments to IFRS 3
Amendments to IAS 1 and IAS 8
Amendments to IFRS 9
Amendments to IAS 39
Amendments to IFRS 7
Amendments to References to Conceptual Framework in IFRS

These amendments have had no significant impact on the consolidated financial statements.

2- BASIS OF PREPARATION (CONTINUED)

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions have been reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are 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.

The Group based its estimates on parameters available when the consolidated financial statements were prepared. The assumptions and current conditions of future developments, may change due to market changes or circumstances arising beyond the control of the Group. These changes are reflected in assumptions when they occur.

<u>Employees' benefits</u>
The cost of the employees' benefits and the present value of the related obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These assumptions include the determination of the discount rate, future salary increases, and mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The underlying bonds are reviewed for quality. Those having excessive credit spreads are removed from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

Provision for expected credit loss (ECLs) on accounts receivable

The Group uses a model in estimating lifetime ECLs that have not been credit-impaired or credit-impaired based on a change in the credit risk associated with the financial instrument.

Trade receivables are combined based on the credit risk characteristics and the days in which they are due to measure the ECLs. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic activity indicators affecting the ability of the customers to settle the receivables.

<u>Lease's discount rate</u>
The management of the Group uses estimates in determining the incremental borrowing rate in computing the present value of minimum lease payments, as well as the expected lease term in the event of extension options.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

3- SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in preparing these consolidated financial statements are listed below, which are the first consolidated financial statements to be prepared in accordance with the IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.

a. Basis of consolidation

a.1 Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred at the acquisition is generally measured at fair value of the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on purchase is recognized in profit or loss 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 recognized in profit or loss.

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 recognized in profit or loss.

a.2 Subsidiaries

Subsidiaries are entities 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 subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

a.3 Non-controlling interests

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

a.4 Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests (NCI) and other components of equity and any gain or loss is recognized in the statement of profit or loss.

Any interest retained in the former subsidiary is measured at fair value when control is lost.

b. Property and equipment

Property and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost included expenditure that is directly attributable to the acquisition of the asset. Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in the consolidated statement of profit or loss when incurred.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation is charged to the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of individual item of property and equipment. The estimated useful lives of assets will be depreciated as follows:

	Years
Tools and equipment's	4
Computers	4
Furniture and fixtures	4
Electrical machines	4
Decorations and leasehold improvements	4
Central kitchens	10

Depreciation methods, rates and residual values are reviewed annually and are adjusted if the current method and the estimated useful life or the residual value is different than the estimated in past. The effect of such changes is recognized in the consolidated statement of profit or loss prospectively.

Major renovations and improvements are capitalized if they extend the productivity or the operating useful life of the property and equipment.

Minor repairs and improvements are charged as expenses when incurred. Gains or losses resulting from disposal of property and equipment, which represent the difference between proceeds from sale and the carrying amount of assets, are recognized in the consolidated statement of profit or loss.

c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the consolidated statement of profit or loss as incurred.

Computers software

Computer software licenses acquired from third parties are initially recognized at cost. Costs directly associated with the production of internally developed software, where it is probable that the software will generate future economic benefits, are recognized as intangible assets. Amortization is charged to the consolidated statement of profit or loss using a straight-line basis over the estimated useful life, which estimated by 4-year.

Capital work under development relating to development of intangible assets is stated at cost less impairment losses, if any, and is not amortized until the asset is available for use.

d. Inventory

Inventory is measured at the lower of cost or net realizable value. The cost of inventory is determined on the basis of the first-in-first-out method. Cost includes expenses incurred for acquisition of inventory and any shipping, transportation, insurance, custom duties and other direct expenses related to the acquisition of the inventory.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs to sell.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term liquid investments with original maturities of three month or less, if any, which are available to the Company without any restrictions.

f. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. 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 appropriate 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.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is disclosed as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities can be obtained at the measurement date.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs).

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies.

For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Financial instruments

Classification and measurement of financial assets and financial liabilities
h
On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investments; FVOCI – equity investments; or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Financial instruments (continued)

Impairment of financial assets

The financial assets at amortized cost consist of trade receivables and cash and cash equivalents and prepayment and advances, due from related parties.

Loss provisions are measured on the bases of ECLs over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument.
'The Group measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all value shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For trade receivables, the Group applies the simplified approach to estimate ECLs.

Impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are impaired. A financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss provisions for financial assets are deducted from the gross carrying amount of the assets. Impairment losses related to trade receivables, if any, are presented in the consolidated statement of profit or loss under a separate item.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or losses on derecognition is also recognized in profit or loss.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Financial instruments (continued)

Derecognition

Financial assets

A financial asset (or part of a group of similar financial assets) is disposed mainly (i.e. disposed from the statement of financial position) in the following cases:

- The rights to receive cash flows from the asset have been expired;
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

Financial liabilities

The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expired. The Group also derecognizes financial liabilities when the terms and cash flows of the modified obligation are substantially modified, in which case a new financial liability is recognized based on the modified terms at fair value.

On disposal of a financial liability, the difference between the amortized carrying amount and the amount paid (including any non-cash assets transferred or charged liabilities) is recognized in the consolidated statement of profit or loss.

The Group has no debt investments at FVOCI or equity investments at FVOCI.

h. Current versus non-current classification

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

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- Expected to be realized 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 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 Group classifies all other liabilities as non-current liabilities.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i. Employees' benefits

Short-term benefits

Short-term employees benefits are expensed as the related service is provided. A liability is recognized 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.

Post-employment benefits

The Group operates a defined benefit plan for its employees in accordance with Saudi Labor Law as defined by the conditions set out in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method. Employees' benefits obligation plans are not funded.

Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected credit unit method and the liability is recorded based on an actuarial valuation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected credit unit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated statement of income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise

j. Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate for the consideration required to settle the present obligation at the end of reporting date taking into account risk and doubts specific to liability.

When the Group expects to pay some or all of the provisions (for example, insurance contracts, compensation terms or supplier guarantees), the payment is recognized as a separate asset. When payment is almost certain, expenses relating to provision are recognized in the consolidated statement of profit or loss, net of any compensation.

In case the effect of the time value of money is of relative importance, the provisions are determined by discounting estimated cash flows by pre-tax rate that reflects current market assessments for time value of money and risks related to the obligation.

The discount is recognized as finance cost.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Contingencies

These are probable obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or present obligation not recorded because the need for flow of resources to settle the obligation is not probable.

In case the amount of the obligation cannot be measured with sufficient reliability, this amount is not recognized as contingent liabilities but disclosed in the consolidated financial statements.

l. Foreign currencies transactions

Transactions denominated in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to Saudi Riyals at the foreign exchange rate at the date of the financial position.

Gains or losses arising on exchanges are recognized in the consolidated statement of profit or loss.

m. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced by expected returns from customers and other discounts.

The Group recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with 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 the performance obligations	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	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: Revenue recognition	The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

<u>Commissions and revenue from delivery services</u>

Revenue is recognized when the delivery service is performed to the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is recognize net of discounts and compensation offered to the customer.

<u>Advertising and marketing revenues</u>

Revenues associated with advertising and marketing services are recognized over time by measuring the Group progress towards satisfaction of a performance obligation using output method.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Revenue recognition (continued)

Revenue from e-payment fees

Revenue is recognized when the collection service is performed on behalf of the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is stated net of discounts and compensation offered to the customer.

Other revenues

Revenues are recognized upon fulfilment of the obligation to the customer and are stated net of discounts and rebates, if any.

n. Leases

Determining whether an arrangement contains a lease or not depends on the core of the arrangement at its inception date.

The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as lessee

At the commencement date, the Group shall assess 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 a consideration.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

(a) The right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) The right to direct the use of the identified asset.

The Group shall recognize a right-of-use asset at the commencement date (i.e. the date on which the underling asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The estimated useful life for right-of-use asset based on the lease term.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The Group shall discount lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be easily determined, the Group should use the incremental borrowing rate.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Leases (continued)

After the commencement date, a lessee shall measure the lease liability by:

(a) Increasing the carrying amount to reflect interest rate on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments that are remeasured when there is a change in future lease payments arising from a change in index or a rate, or if there was a change in the Group's estimate of the amount expected to be payable by the lessee under residual value guarantees, or if the Group changed its assessment whether if it will choose the purchase, extension or termination.

Any remeasurement is settled in the lease liability against the carrying amount of right-of-use asset or charged to the statement of income if the carrying amount of the related asset is Zero.

Short-term leases
The Group elected not to recognize right-of-use assets and lease liabilities for the short-term leases for which their terms are 12 months or less. The Group recognizes lease payments associated with those leases as expenses on a straight line basis over the lease term.

Extension options

In case of leases that provide extension options, the Group assesses whether if it is reasonably certain, at commencement date, that the extension options will be exercised. The Group reassesses whether it is reasonably certain to exercise the options if there was an significant event or major change in the circumstances that fall under its control.

o. Expenses

Marketing and advertising expenses are those arising from the Group's efforts underlying the marketing functions.

All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses and research and development expenses. Allocations of common expenses between cost of revenue and general and administrative expenses and research and development expenses, when required, are made on a consistent basis.

p. Zakat

Provision for Zakat is calculated at the date of the consolidated statement of financial position in accordance with regulations of the General Authority for Zakat and Tax in the Kingdom of Saudi Arabia ("GAZT").

The resulting provision is recorded in the consolidated statement of profit or loss. Additional Zakat liability, if any, related to prior years' assessments arising from GAZT are recognized in the period in which the final assessments are finalized.

q. Segments reporting

An operating segment is a part of the Group's business activities from which revenue can be recognized and expenses are incurred and includes income and expenses relating to transactions with any of the other components.

All operational results of the operating segments are reviewed by the operating decision makers to make decisions about the resources to be allocated to the segment and to assess its performance, which have separate financial information.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r. Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of the ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible debt instruments and share options granted to employees, if any.

s. Statutory reserve

In accordance with the provisions of the Saudi Arabian Regulations for Companies, the Group is required to transfer 10% of its net income each year to a statutory reserve until such reserve equals 30% of share capital. This reserve is not available for distribution to the shareholders.

(Saudi Riyals)

4- PRIOR YEARS' ADJUSTMENTS AND FIRST-TIME ADOPTION OF IFRS

The accounting policies have been applied in preparing the consolidated financial statements for the year ended 31 December 2020, the comparative information presented in these financial statements and in the preparation of an opening IFRS statement of financial position at 1 January 2019 (the Group's date of transition to IFRS).

In preparing its opening IFRS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with IFRS for SMEs as endorsed in Kingdom of Saudi Arabia (previous GAAP).

The prior years' errors have also been corrected as shown below.

4.1 Adjustments of the consolidated statement of financial position as at 1 January 2019 (date of transition)

	Note	Balances according to previous GAAP	Reclassifi-cation	Correction of prior years' errors	Impact on transition	Balances under IFRS
Assets						
Non-current assets						
Property and equipment	a	1,418,433	--	14,400	--	1,432,833
Projects in progress	b	952,074	(952,074)	--	--	--
Intangible assets	b	3,241,746	952,074	(454,787)	--	3,739,033
Right-of-use assets	c	--	--	--	4,577,965	4,577,965
Total non-current assets		5,612,253	--	(440,387)	4,577,965	9,749,831
Current assets						
Trade receivables	d	8,321,690	(126,148)	(387,880)	(1,753,715)	6,053,947
Prepayments and advances	c, d	606,686	--	256	(390,228)	216,714
Due from related parties	f	772,587	126,148	--	--	898,735
Inventory		101,232	--	--	--	101,232
Cash and cash equivalents		20,832,064	--	--	--	20,832,064
Total current assets		30,634,259	--	(387,624)	(2,143,943)	28,102,692
Total assets		36,246,512	--	(828,011)	2,434,022	37,852,523
EQUITY AND LIABILITIES						
Equity						
Share capital		1,000,000	--	--	--	1,000,000
Statutory reserve		300,000	--	--	--	300,000
Actuarial gains	e	117,467	(117,467)	--	--	--
Retained earnings		9,577,743	117,467	(2,646,818)	(1,753,715)	5,294,677
Total equity		10,995,210	--	(2,646,818)	(1,753,715)	6,594,677
Liabilities						
Non-current liabilities						
Non-current portion of lease liabilities on right-of-use assets	c	--	--	--	3,680,181	3,680,181
Employees' benefits obligations		541,543	--	--	--	541,543
Total non-current liabilities		541,543	--	--	3,680,181	4,221,724
Current labilities						
Current portion of lease liabilities on right-of-use assets	c	--	--	--	507,556	507,556
Trade payables	g, m	18,044,366	(17,943,136)	--	--	101,230
Collections due to customers	g	--	17,943,136	--	--	17,943,136
Accrued expenses and other current liabilities	h, p	6,327,059	73,962	1,818,807	--	8,219,828
Employee accruals	o	73,962	(73,962)	--	--	--
Provision for zakat		264,372	--	--	--	264,372
Total current liabilities		24,709,759	--	1,818,807	507,556	27,036,122
Total liabilities		25,251,302	--	1,818,807	4,187,737	31,257,846
Total equity and liabilities		36,246,512	--	(828,011)	2,434,022	37,852,523

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

4- PRIOR YEARS' ADJUSTMENTS AND FIRST-TIME ADOPTION OF IFRS (CONTINUED)

4.2 Adjustments of the consolidated statement of financial position as at 31 December 2019

	Note	Balances according to previous GAAP	Reclassification	Correction of prior years' errors	Impact on transition	Balances under IFRS
Assets						
Non-current assets						
Property and equipment	a	2,998,252	--	39,442	--	3,037,694
Projects in progress	b	1,609,340	(1,609,340)	--	--	--
Intangible assets	b	2,802,350	1,609,340	(561,187)	--	3,850,503
Right-of-use assets	c	--	--	--	6,047,972	6,047,972
Total non-current assets		7,409,942	--	(521,745)	6,047,972	12,936,169
Current assets						
Inventory		43,313	--	--	--	43,313
Trade receivables	d	9,734,550	(287,954)	(820,038)	(1,819,525)	6,807,033
Prepayments and advances	c, d	1,031,231	--	177,675	(490,875)	718,031
Due from related parties	f	10,000	287,954	--	--	297,954
Cash and cash equivalents		38,992,377	--	--	--	38,992,377
Total current assets		49,811,471	--	(642,363)	(2,310,400)	46,858,708
Total assets		57,221,413	--	(1,164,108)	3,737,572	59,794,877
EQUITY AND LIABILITIES						
Equity						
Share capital		1,000,000	--	--	--	1,000,000
Statutory reserve		300,000	--	--	--	300,000
Actuarial gains	e	17,437	(17,437)	--	--	--
Retained earnings		5,527,445	17,437	(4,878,338)	(1,896,075)	(1,229,531)
Total equity		6,844,882	--	(4,878,338)	(1,896,075)	70,469
Liabilities						
Non-current liabilities						
Non-current portion of lease liabilities on right-of-use assets	c	--	--	--	4,623,812	4,623,812
Employees' benefits obligations		1,482,598	--	--	--	1,482,598
Total non-current liabilities		1,482,598	--	--	4,623,812	6,106,410
Current liabilities						
Collections due to customers	g	--	30,497,130	--	--	30,497,130
Current portion of lease liabilities on right-of-use assets	c	--	--	--	1,009,835	1,009,835
Short-term loans		3,015,282	(15,282)	--	--	3,000,000
Trade payables	g, m	30,552,159	(27,049,119)	--	--	3,503,040
Accrued expenses and other current liabilities	h, p	13,228,078	(3,781,695)	3,714,230		13,160,613
Due to related parties	n	1,652,781	660,768	--	--	2,313,549
Employee accruals	o	66,353	(66,353)	--	--	--
Provision for contingent liabilities	p	245,449	(245,449)	--	--	--
Provision for zakat		133,831	--	--	--	133,831
Total current liabilities		48,893,933	--	3,714,230	1,009,835	53,617,998
Total liabilities		50,376,531	--	3,714,230	5,633,647	59,724,408
Total equity and liabilities		57,221,413	--	(1,164,108)	3,737,572	59,794,877

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

4- Prior years' adjustments and first-time adoption of IFRS (continued)

4.3 Adjustments of consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019

	Note	Amounts according to previous GAAP	Reclassifi - cation	Correction of prior years' errors	Impact on transition	Balances as per IFRS
Revenue	q	499,986,248	8,420	(341,465,915)	--	158,528,753
Cost of revenue	q, p	(460,345,274)	(12,662,483)	339,972,923	--	(133,034,834)
Gross profit		39,640,974	(12,654,063)	(1,492,992)	--	25,493,919
Impairment loss on trade receivables	d	--	--	--	(65,810)	(65,810)
Impairment loss on due from related parties		(1,968,734)	--	--	--	(1,968,734)
Marketing & advertising expenses	s	(16,282,278)	(4,203,811)	(161,035)		(20,647,124)
General and administrative expenses	s	(21,687,905)	15,779,724	(577,492)	168,877	(6,316,796)
Research and development expenses	t	--	(2,565,636)	--	--	(2,565,636)
Provision for contingent liabilities	u	(245,449)	245,449	--	--	--
Bank charges	v	(3,406,757)	3,406,757	--	--	--
Other income		28,006	(8,420)	--	--	19,586
Operating loss		(3,922,143)	--	(2,231,519)	103,067	(6,050,595)
Finance costs		--	--	--	(245,428)	(245,428)
Net loss for the year before zakat		(3,922,143)	--	(2,231,519)	(142,361)	(6,296,023)
Zakat		(128,155)	--	--	--	(128,155)
Net loss for the year		(4,050,298)	--	(2,231,519)	(142,361)	(6,424,178)
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Actuarial loss on re-measurement of employees' end of service benefits		(100,030)	--	--	--	(100,030)
Total other comprehensive income		(100,030)	--	--	--	(100,030)
Total comprehensive income		(4,150,328)	--	(2,231,519)	(142,361)	(6,524,208)

4.4 Consolidated statement of cash flows for the year ended 31 December 2019

The consolidated statement of cash flows for the year ended 31 December 2019 has been restated to reflect the effect of adjustments made during the year as follows:

	Amounts according to previous GAAP	Adjustments	Amounts as per IFRS
For the year ended 31 December 2019			
Net cash flow generated from / (used in)			
Operating activities	18,546,438	868,919	19,415,357
Investing activities	(3,401,407)	244,988	(3,156,419)
Financing activities	3,015,282	(1,113,907)	1,901,375

4- PRIOR YEARS' ADJUSTMENTS AND FIRST-TIME ADOPTION OF IFRS (CONTINUED)

4.5 Notes to the adjustments

a) Correction of previous years' errors relates to calculating the depreciation charge of property and equipment, which resulted in a reversal of depreciation charge of SR 14,400 for the year ended 31 December 2018, and an increase in depreciation charge of SR 13,688 for the year ended 31 December 2019, in addition to the capitalization of previously recognized assets as an expense of SR 53,130 for the year ended 31 December 2019 against retained earnings.

b) Reclassification of projects in progress under intangible assets instead of presenting them separately in the statement of financial position. In addition, the Company has corrected the prior years errors related to derecognition of development expenses that were capitalized under intangible assets such as computer software whose book value amounting to SR 463,861 and SR 871,698 as at 1 January 2019 and 31 December 2019, respectively. In addition to capitalization of expenses of SR 9,074 and SR 310,511 made during the years ended 31 December 2018 and 31 December 2019, respectively, against retained earnings.

c) The application of IFRS 16 'Leases' resulted in the recognition of right-of-use assets in the amounting SR 4,577,965 against a prepaid lease settlement of SR 390,228 and lease liabilities of SR 4,187,737 as at 1 January 2019, and recognition of right-of-use assets in the amount of SR 6,047,972 against a prepaid rent settlement of SR 490,875 and lease liabilities of SR 5,633,647 as at 31 December 2019.

d) Correction of errors related to the write-off of trade receivables of SR 387,880 as at 1 January 2019 and SR 820,038 as at 31 December 2019 against retained earnings. In addition, the Group has applied IFRS 9 'Financial Instruments' to measure the expected credit losses on trade receivables, which resulted in an increase in the allowance for expected credit losses as at 1 January 2019 in the amounting of SR 1,753,715 and SR 1,819,525 as at 31 December 2019 against retained earnings.

e) Reclassification of actuarial gains and losses arising from the remeasurement of employees' benefits to retained earnings rather than presenting them separately in the statement of financial position as at 1 January 2019 and 31 December 2019.

f) Reclassifying an amount of SR 126,148 as at 1 January 2019 and SR 287,954 as at 31 December 2019 under due from related parties instead of classifying it under trade receivable.

g) Reclassification of proceeds due to customers separately in the statement of financial position instead of classifying them under trade payables as at 1 January 2019 and 31 December 2019.

h) Correction of errors for not recognizing an obligation of employees' vacations and bonuses amounting to SR 1,106,752 as at 1 January 2019 and SR 2,120,978 as at 31 December 2019 against retained earnings.

i) Correction of errors for not record accrued service charges of SR 547,870 as at 1 January 2019 and SR 582,894 as at 31 December 2019 against retained earnings.

j) Correction of errors for not recognizing an obligation of discounts granted to customers amounting SR 110,603 as at 1 January 2019 and SR 703,864 as at 31 December 2019 against retained earnings.

k) Correction of errors for calculating the value-added tax liability for SR 53,326 as at 1 January 2019 and SR 293,810 as at 31 December 2019 against retained earnings.

l) Correction of errors for not calculating the withholding tax provision of SR 285,931 as at 31 December 2019 against retained earnings.

m) Reclassifying an amount of SR 3,448,011 under trade payables instead of classifying it under accrued expenses and other current liabilities as at 31 December 2019.

4- PRIOR YEARS' ADJUSTMENTS AND FIRST-TIME ADOPTION OF IFRS (CONTINUED)

n) Reclassifying an amount of SR 660,768 under due to related parties instead of classifying it under accrued expenses and other current liabilities as at 31 December 2019.

o) Reclassification of employees' accruals under accrued expenses and other current liabilities instead of classifying them separately in the statement of financial position as at 1 January 2019 and 31 December 2019.

p) Reclassification of provisions related to withholding tax of SR 245,449 under accrued expenses and other current liabilities instead of being classified separately in the statement of financial position as at 31 December 2019.

q) Correction of errors in the revenue recognition policy related to the principal and agent considerations, as the Group previously recognized the revenue related to the delivery service and the costs related to it in total as a principal instead of recognizing the amount of consideration due in the form of the commission against performance obligations, resulted is a reduction in revenue and cost by the same amount of SR 341,465,915. The Group has also reclassified an amount of SR 8,420 from other income.

r) Reclassification of the cost of customer compensation related to canceled orders under the cost of revenue in the amount of SR 1,323,916 instead of selling and marketing expenses. In addition to reclassifying expenses from general and administrative expenses in the amount of SR 7,686,361 and SR 3,652,206 from bank charges and provision for contingent liabilities. In addition to correcting errors related to the commitment of the discounts granted, which resulted in an increase in the cost of revenue by SR 593,261. Furthermore, the accrual of expenses errors were also corrected, which resulted in an increase in the cost of revenue by SR 899,731.

s) Correction of errors related to the write-off of trade receivables amounting to SR 432,159, in addition to correction accrual of expenses errors that resulted in an increase in general and administrative expenses by SR 145,331 and advertising expenses of SR 161,035 during the year ended 31 December 2019 against retained earnings.

t) Reclassification of research and development expenses separately in the statement of profit or loss instead of being presented under general and administrative expenses.

u) Reclassification of withholding tax provision expense to cost of revenue instead of being presented separately in the statement of profit or loss.

v) Reclassification of banks charges to cost of revenue instead of being presented separately in the statement of profit or loss.

(Saudi Riyals)

5- ACQUISITION OF SUBSIDIARY

Acquisition of interests of Joint Preparation Company for Meals

On 20 July 2020, the Group acquired controlling interests of 60% of the interests and voting rights of Cokitchens (the "subsidiary") against capital increase of the subsidiary, as the acquisition agreement stipulates the adjustment of the interests in the capital of the acquired company directly.

As the Group has control over the subsidiary, its financial statements have been consolidated within these consolidated financial statements.

The Co kitchens is engaged in the food service activities.

The table below summarizes the consideration transferred, the value of the assets acquired and the liabilities assumed at the date of acquisition:

Assets	**20 July 2020**
Leasehold improvements	496,500
Right-of-use assets	1,955,657
Prepayments and other receivables	326,209
Cash at banks	36,164
Total assets	**2,814,530**
Liabilities	
Lease liabilities on right-of-use assets	1,870,716
Due to related parties	939,500
Trade payables	20,281
Total liabilities	2,830,497
Identifiable net assets at acquisition date	**(15,967)**
Result of the acquisition	
Consideration transferred to acquisition and capital increase	2,400,000
Share of identifiable net assets	(9,580)

The book value of the net assets acquired approximates their fair value at the acquisition date.

The consideration transferred is the consideration of acquiring a share representing 60% of the paid-in capital at the acquisition date, and then increasing the capital of the subsidiary to become SR 4 million, of which the Group's share is SR 2.4 million, representing 60% of the total paid-up and additional capital. There is no goodwill as a result of the acquisition.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

6- PROPERTY AND EQUIPMENT

	Tools and equipment's	Computers	Furnitures & fixtures	Electrical machines	Central kitchens	Decorations and leasehold improvements	Project under construction	Total
Cost								
Balance as at 1 January 2019	80,989	377,727	792,986	263,567	--	146,159	--	1,661,428
Additions	19,892	411,009	574,492	294,800	--	800,697	--	2,100,890
Balance as at 31 December 2019	100,881	788,736	1,367,478	558,367	--	946,856	--	3,762,318
Additions	5,507	689,326	234,821	39,660	1,144,343	1,231,933	801,992	4,147,582
Balance as at 31 December 2020	**106,388**	**1,478,062**	**1,602,299**	**598,027**	**1,144,343**	**2,178,789**	**801,992**	**7,909,900**
Accumulated depreciation:								
Balance as at 1 January 2019	13,818	68,748	67,010	42,481	--	36,538	--	228,595
Depreciation for the year	22,160	143,960	99,100	95,086	--	135,723	--	496,029
Balance as at 31 December 2019	35,978	212,708	166,110	137,567	--	172,261	--	724,624
Depreciation for the year	25,734	274,738	350,957	142,637	9,536	247,821	--	1,051,423
Balance as at 31 December 2020	**61,712**	**487,446**	**517,067**	**280,204**	**9,536**	**420,082**	**--**	**1,776,047**
Net book value:								
31 December 2020	**44,676**	**990,616**	**1,085,232**	**317,823**	**1,134,807**	**1,758,707**	**801,992**	**6,133,853**
31 December 2019	64,903	576,028	1,201,368	420,800	--	774,595	--	3,037,694
1 January 2019	67,171	308,979	725,976	221,086	--	109,621	--	1,432,833

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

7- INTANGIBLE ASSETS

	Software	Project under construction	Total
Cost			
Balance at 1 January 2019	3,701,007	961,148	4,662,155
Additions	174,140	881,389	1,055,529
Balance at 31 December 2019	3,875,147	1,842,537	5,717,684
Additions	314,381	970,502	1,284,883
Balance at 31 December 2020	**4,189,528**	**2,813,039**	**7,002,567**
Accumulated amortization			
Balance at 1 January 2019	923,122	--	923,122
Amortization for the year	944,059	--	944,059
Balance at 31 December 2019	1,867,181	--	1,867,181
Amortization for the year	998,831	--	998,831
Balance at 31 December 2020	**2,866,012**	--	**2,866,012**
Net book value			
31 December 2020	**1,323,516**	**2,813,039**	**4,136,555**
31 December 2019	2,007,966	1,842,537	3,850,503
1 January 2019	2,777,885	961,148	3,739,033

8- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets as at 1 January 2020	6,047,972
Additions	1,982,253
Amortization for the year	(1,125,448)
Balance at the end of the year	**6,904,777**
Minimum lease payments as at 1 January 2020	5,633,647
Repayment made during the year	(1,236,125)
Additions	1,982,253
Interest on lease liabilities	305,389
Balance at the end of the year	**6,685,164**
Amounts recognized in the statement of profit or loss for the year ended 31 December 2020	
Amortization of right-of-use assets	1,125,448
Interest expense on lease liabilities	305,389
Lease liabilities recognized in the statement of financial position as at 31 December 2020	
Current	1,349,224
Non-current	5,335,940
Total lease liabilities under right-of-use assets	**6,685,164**

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

9- TRADE RECEIVABLES

	31 December 2020	31 December 2019	1 January 2019
Trade receivables	**6,757,120**	8,626,558	7,807,662
Less: provision for impairment loss on trade receivables	**(2,283,594)**	(1,819,525)	(1,753,715)
	4,473,526	6,807,033	6,053,947

The movement in provision for impairment loss on trade receivables is as follows:

	31 December 2020	31 December 2019	1 January 2019
Balance at beginning of the year	**1,819,525**	1,753,715	--
Provided during the year	**464,069**	65,810	1,753,715
	2,283,594	1,819,525	1,753,715

10- PREPAYMENTS AND ADVANCES

	31 December 2020	31 December 2019	1 January 2019
Prepayments	**3,612,260**	621,063	140,554
Staff advances and custodies	**397,957**	96,968	76,160
	4,010,217	718,031	216,714

11- CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019	1 January 2019
Current accounts with banks	**205,247,832**	38,892,782	19,934,524
Cash in hand	**476,124**	99,595	897,540
	205,723,956	38,992,377	20,832,064

Current accounts with banks include amounts collected on behalf of customers and are settled against the balance of collections due to customers on a semi-monthly basis.

12- SHARE CAPITAL

Jahez International Company for Information Systems Technology (the "Company") was formed as a limited liability company on 6 Muharram 1439H (corresponding to 26 September 2017) with a share capital of SR 1 million divided into 1,000 shares, with a value of SR 1,000 each. The breakdown of the capital structure as at 31 December 2019 and 1 January 2019 is as follows:

The shareholder	No. of shares	31 December 2019	1 January 2019
ALAMAT International Company Limited	990	990,000	990,000
Mishaal Salman bin Mandeel	10	10,000	10,000
	1,000	1,000,000	1,000,000

(Saudi Riyals)

12. SHARE CAPITAL (CONTINUED)

Capital structure adjustment

On 7 September 2020, the Company's shareholders made an amendment to the Articles of Association with the entry of a new shareholder (Osool Impact for Communication and Technology ("Impact46")), and the shareholder Mishaal Salman bin Mandeel waived all his shares in the Company, including his rights and obligations in favor of (Osool Impact for Communication and Technology ("Impact46")), and the share of the shareholder (ALAMAT International Company) in the capital was modified, in addition to adjusting the value of the share in the capital to become SR 10 instead of SR 1,000.

The shareholders and their shareholding in accordance with the amended Articles of Association are as follows:

The shareholder	No. of shares	Share capital
ALAMAT International Company Limited	62,500	625,000
Osool Impact for Communication and Technology ("Impact46")	37,500	375,000
	100,000	**1,000,000**

Interest-free loan agreement and promise of sale

On 18 August 2020, an interest-free loan agreement of SR 30 million with a maturity period ending on 18 February 2021 was entered into between (Jahez International Company for Information Systems Technology) "the Company" and (Osool Impact for Communication and Technology ("Impact46")) with a promise of sale by issuing shares in favor of (Osool Impact for Communication and Technology ("Impact46")) representing 40% of the capital of (Jahez International Company for Information Systems Technology) after amending its legal entity to a closed joint stock company.

Capital structure adjustment

The shareholder	No. of shares	Share capital
ALAMAT International Company Limited	60,000	600,000
Osool Impact for Communication and Technology ("Impact46")	40,000	400,000
	100,000	**1,000,000**

On 27 October 2020, the shareholders amended the Company's Articles of Association by amending the shareholding through assigning the shareholder ALAMAT International Company part of its shares amounting to (2,500) shares representing 2.5% of the Company's capital to Osool Impact for Communication and Technology ("Impact46") including its rights and obligations, so that the capital structure becomes as follows:

In addition, the shareholders in their meeting held on 27 October 2020 decided to transfer the legal entity of the Company and its branches from a limited liability company to a Saudi closed joint stock company including its rights and obligations, as well as increasing its capital to SR 5,000,000 by transferring SR 4,000,000 from shareholders' accounts payable of the Company to the capital account, and the Company shall keep the same name, number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire capital amounting to 500,000 shares with a nominal value of SR 10 each.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

12. SHARE CAPITAL (CONTINUED)

The distribution of the share capital as at 31 December 2020 is as follows:

The shareholder	Number of shares	Share capital
ALAMAT International Company Limited	300,000	3,000,000
Osool Impact for Communication and Technology ("Impact46")	200,000	2,000,000
	500,000	**5,000,000**

On 17 December 2020, the shareholders in the transformational general assembly approved the Company's By-Laws and the appointment of the Company's first Board of Directors for a period of five years.

Cancelation of the interest-free loan agreement and promise of sale

On 18 February 2021, the shareholders decided to transfer the remaining amount of the interest-free loan of 26 million from the shareholder's account payable "Osool Impact for Communication and Technology ("Impact46")" to the shareholders' accounts payable in the Company in proportion to each shareholder's ownership percentage in the capital as at the date of the Company's transformational general assembly on 17 December 2020, in addition to approving to cancel the interest-free loan agreement as of the date of the transformational general assembly on 17 December 2020.

13- STATUTORY RESERVE

In accordance with the Regulations for Companies in Kingdom of Saudi Arabia and the Company's Articles of Association, the Group establishes a statutory reserve by the appropriation of 10% of net income until such reserve equals to 30% of the share capital.

The statutory reserve is not available for distribution to the shareholders.

14- EMPLOYEES' BENEFITS OBLIGATIONS

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor and Law. These benefits are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia.

The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and other comprehensive income and amounts recognized in the consolidated statement of financial position.

a) *Changes in the present value of defined benefit obligation*

Defined benefit obligation at 1 January 2019	**541,543**
Interest cost	16,959
Current service cost	824,066
Amount recognized in profit or loss	841,025
Re-measurement loss recognized in other comprehensive income	100,030
Benefits paid during the year	--
Defined benefit obligation at 31 December 2019	**1,482,598**
Interest cost	42,995
Current service cost	1,932,132
Amount recognized in profit or loss	1,975,127
Re-measurements gains recognized in other comprehensive income	(289,591)
Benefits paid during the year	(31,178)
Defined benefit obligation at 31 December 2020	**3,136,956**

(Saudi Riyals)

14- EMPLOYEES' BENEFITS OBLIGATIONS (CONTINUED)

b) Sensitivity analysis

The principal assumptions used in determining the post-employment defined benefit obligation includes the following:

	31 December 2020	31 December 2019	1 January 2019
Discount rate	2,9%	3,47%	4,52%
Future salary increases	3%	2,50%	2,50%

A quantitative sensitivity analysis for significant assumptions as at 31 December 2020, 31 December 2019 and as at 1 January 2019 is shown below:

	Discount rate	
	Increase by 1%	Decrease by 1%
Defined benefits obligations as at 31 December 2020	**2,759,931**	**3,597,236**
Defined benefits obligations as at 31 December 2019	1,336,422	1,647,752
Defined benefits obligations as at 1 January 2019	527,779	555,844

	Salary escalation rate	
	Increase by 1%	Decrease by 1%
Defined benefits obligations as at 31 December 2020	**3,604,530**	**2,746,698**
Defined benefits obligations as at 31 December 2019	1,647,701	1,333,757
Defined benefits obligations as at 1 January 2019	555,988	527,377

The sensitivity analysis above has been based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

15- COLLECTIONS DUE TO CUSTOMERS

These amounts represent the value of collections due to customers less commission income and other income, and they are presented at net.

16- SHORT-TERM LOANS

During 2019, the Group obtained a short-term loan from a local bank at an interest rate of SIBOR +4% to finance its working capital requirements. The loan was repaid during 2019.

17- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December 2020	31 December 2019	1 January 2019
Accrued expense	**9,029,981**	2,796,467	1,858,037
Third party deposits	**18,431,509**	8,158,365	5,171,429
Accrued employees' benefits	**7,232,114**	2,205,781	1,190,362
	34,693,604	13,160,613	8,219,828

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

18- RELATED PARTY TRANSACTIONS

In the ordinary course of its business, the Group, transacts with the shareholders of the Group and the affiliate companies, owned by the shareholders and the key management personnel, as the Group enters into contracts to obtain services and pay the expenses on behalf affiliate companies.

These transactions are carried out in accordance with the terms specified with the related parties. The following table shows the value of the transactions during the year and the resulting balances:

Significant related party transactions

31 December 2020

Related party	Nature of Relationship	Nature of Transaction	Amount of transaction
Al Joudah Al-Mahaliyah Limited Company	An affiliate company	Collection on behalf of revenue from contracting	987,050
			148,086
Wondereight Agency for Advertising	An affiliate company	Advertisement services	5,950,806
Osool Impact for Communication and Technology ("Impact46")	A shareholder	Financing the activities of the Group	30,000,000
		Expenses paid on behalf of Shareholder	225,000
Abdulaziz Alomran	Director	Financing the activities of the subsidiary	300,000
Talal Al Arifi	An owner in a subsidiary	Expenses paid on behalf of a subsidiary	777
Triple Preparation Company Ltd.	An affiliate company	Accrued contributions in capital	434,000
Tharwa Holding Company	An affiliate company	Leases and maintenance services	974,144
ALAMAT International Company Limited	A shareholder	Collection on behalf of the Group	119,642,516
		Financing the Groups' activities	15,600,000
		Purchases	3,647,551
		Expenses paid on behalf of the Group	1,233,705
		Expenses paid on behalf of shareholder	137,160
Dar Al Fikrah Al-Mumaiyazah	An affiliate company	Construction services	1,019,092
Halalah International Company	A company owned by Vice CEO	Logistics services	10,272,163
		Collection on behalf of the Group	10,909,864

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

18- RELATED PARTY TRANSACTIONS (CONTINUED)

31 December 2019

Related party	Nature of Relationship	Nature of Transaction	Amount of transaction
Mishaal Salman bin Mandeel	A shareholder	Advisory services	240,000
ALAMAT International Company Limited	A shareholder	Collection on behalf of the Group	239,248,070
Tharwa Holding Company	An affiliate company	Leases contracts	888,250
Dar Al Fikrah Al-Mumaiyazah	An affiliate company	Construction services	2,252,603
Halalah International Company	A company owned by Vice CEO	Logistics services	5,129,643
		Collection on behalf of the Group	17,315,723

1 January 2019

Related party	Nature of Relationship	Nature of Transaction	Amount of transaction
Mishaal Salman bin Mandeel	A shareholder	Advisory services	120,000
ALAMAT International Company Limited	A shareholder	Collection on behalf of the Group	336,243,756
Tharwa Holding Company	An affiliate company	Leases contract	21,192
Halalah International Company	A company owned by Vice CEO	Logistics services	831,208
		Collection on behalf of the Group	3,728,642

a) Due from related parties

	31 December 2020	31 December 2019	1 January 2019
Mishaal Salman bin Mandeel	--	10,000	10,000
Tharwa Holding Company	55,836	--	21,192
ALAMAT International Company Limited	1,855,127	1,968,734	741,395
(Impairment loss on due from related parties)	(1,855,127)	(1,968,734)	--
Halalah International Company	--	287,954	126,148
Triple Preparation Company Ltd.	434,000	--	--
	489,836	297,954	898,735

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

18- RELATED PARTY TRANSACTIONS (CONTINUED)

b) Due to related parties

	31 December 2020	31 December 2019	1 January 2019
ALAMAT International Company Limited	**15,904,046**	1,484,847	--
Tharwa Holding Company	--	167,933	--
Dar Al Fikrah Al-Mumaiyazah	**357,300**	660,769	--
Halalah International Company	**54,671**	--	--
Wondereight Agency for Advertising	**781,137**	--	--
Osool Impact for Communication and Technology ("Impact46")	**10,400,000**	--	--
Al Joudah Al-Mahaliyah Limited Company	**43,580**	--	--
Abdulaziz Alomran	**36,000**	--	--
Talal Al Arifi	**777**	--	--
	27,577,511	2,313,549	--

	31 December 2020	31 December 2019
Key management personnel compensations, wages and salaries	**2,734,093**	1,524,295

19- ZAKAT

a) Zakat status

The Company and its subsidiaries file their Zakat returns independently based on the financial statements of each company.

Therefore, Zakat base is identified, and Zakat is calculated for the Company and its subsidiaries independently.

Total estimated Zakat is presented in the consolidated statement of profit or loss of the Group.

Jahez International Company for Information Systems Technology

The Company filed its Zakat returns for all the years up to and including year ended 31 December 2019 to the General authority of zakat and tax (GAZT).

The Company received the Zakat certificate valid up to 18 Ramadan 1441H (corresponding to 30 April 2020). On 1 March 2021, the Company received the Zakat assessment for the year ended 31 December 2019, and paid the amount due. The Company is still awaiting the assessments from GAZT for the remaining years.

Subsidiaries

Since the subsidiaries were incorporated during the year ended 31 December 2020, the subsidiaries have not submitted any returns for previous years.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

19- ZAKAT (CONTINUED)

b) Zakat base

Zakat has been calculated based on zakat base for which its components are as follows:

	For the year ended 31 December	
	2020	2019
Adjusted net income	**45,407,044**	(766,906)
Add:		
Share capital	**1,000,000**	1,000,000
Statutory reserve	**300,000**	300,000
(Accumulated losses) / retained earnings	**(1,229,535)**	9,577,743
Lease liabilities	**4,897,232**	--
Due to related parties	**2,313,549**	--
Provisions	**3,276,141**	613,572
Loans	--	1,652,781
Less:		
Property and equipment	**3,729,035**	2,998,252
Intangible assets	**4,136,555**	4,411,690
Right-of-use assets	**5,038,137**	--
Investment in subsidiaries	**2,400,000**	--
Total	**(4,746,340)**	5,734,154
Zakat base	**40,660,704**	4,967,248
Zakat charge	**1,135,176**	128,155
Subsidiaries Zakat charge	--	--

c) Provision for Zakat

Movement in Zakat provision is as follows:

	31 December 2020	31 December 2019	1 January 2019
Balance at the beginning of the year	**133,831**	264,372	--
Provision	**1,135,176**	128,155	264,372
Paid	**(128,635)**	(258,696)	--
Balance at the end of the year	**1,140,372**	133,831	264,372

20- REVENUE

	For the year ended 31 December	
	2020	2019
Revenue from delivery fees	**285,457,189**	104,296,546
Revenue from commissions	**150,200,857**	47,209,660
Revenue from e-payment fees	**11,159,250**	4,809,661
Advertising and marketing revenues	**8,192,794**	825,000
Other revenue	**4,295,992**	1,387,886
	459,306,082	158,528,753

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

21- COST OF REVENUE

	For the year ended 31 December	
	2020	2019
Cost of delivery	**293,140,879**	105,397,656
Customer compensation	**13,035,542**	4,473,414
Salaries, wages and employees' benefits	**21,316,181**	11,853,829
Bank charges	**12,291,535**	7,831,957
Consumables	**4,970,564**	1,041,788
Network servers	**4,119,904**	1,110,308
Depreciation and amortization	**1,058,699**	913,901
Platform services	**611,095**	379,652
Others	**234,833**	32,329
	350,779,232	133,034,834

22- MARKETING & ADVERTISING EXPENSES

	For the year ended 31 December	
	2020	2019
Advertising and publicity	**38,381,894**	15,994,448
Salaries, wages and employees' benefits	**6,134,223**	2,735,499
Promotions	**4,909,050**	1,917,177
	49,425,167	20,647,124

23- GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December	
	2020	2019
Salaries, wages and employees' benefits	**3,736,618**	1,823,666
Depreciation and amortization	**2,117,003**	1,355,288
Professional fees	**1,011,097**	756,943
Maintenance and operation	**1,271,475**	566,229
Others	**3,271,409**	1,814,670
	11,407,602	6,316,796

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

24- FINANCIAL INSTRUMENTS

The Group is subjected to various financial risks due to its activities including: Market risk (including currency risk, fair value and cash flows of interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Board of Directors is responsible for risk management. Financial instruments carried on the consolidated statement of financial position include cash and cash equivalents, trade receivables, due from/to related parties, other current assets, trade payables, accrued expenses, other current liabilities, and proceeds due to customers.

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Financial asset and liability is offset and net amounts reported in the consolidated financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the assets and liabilities simultaneously.

a. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, profit 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 optimizing the return.

a.1 Currency risk

Currency risk is the risk that the value of a financial instruments will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals and US Dollars.

The Saudi Riyal is pegged to the US Dollar. The management closely and continuously monitors the exchange rate fluctuations.

a.2 Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial positions and cash flow.

The Group does not expose to interest rate risks which are mainly arise from its borrowings and short-term deposits, as they are made at fixed rate of interest and are not subject to re-pricing on a regular basis.

b. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from trade receivables, cash and cash equivalents, prepayments and advances and due from related parties.

	31 December 2021	31 December 2019	1 January 2019
Trade receivables	**4,473,526**	6,807,033	6,053,947
Prepayments and advances	**4,010,217**	718,031	216,714
Due from related parties	**489,836**	297,954	898,735
Cash and cash equivalents	**205,723,956**	38,992,377	20,832,064
	214,697,535	46,815,395	28,001,460

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

24- FINANCIAL INSTRUMENTS (CONTINUED)

The carrying amount of financial assets represents the maximum credit exposure. Aging of trade receivables

	31 December 2020		31 December 2019		1 January 2019	
	Balance	**Impairment**	Balance	Impairment	Balance	Impairment
0 to 90 days	**2,433,623**	**--**	4,229,354	--	5,280,584	474,249
91 to 180 days	**--**	**--**	--	--	1,274,732	520,119
181 to 270 days	**--**	**--**	274,725	88,784	1,064,484	645,435
271 to 361 days	**31,306**	**13,698**	1,705,473	674,102	187,862	113,912
More than 361 days	**4,292,191**	**2,269,896**	2,417,006	1,056,639	--	--
Total	**6,757,120**	**2,283,594**	8,626,558	1,819,525	7,807,662	1,753,715

c. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The Board of Directors closely and continuously monitors the liquidity risk by performing regular review of available funds, present and future commitments, operating and capital expenditure. Moreover, the Group monitors the actual cash flows and seeks to match the maturity dates with its financial assets and liabilities.

The Group seeks continuously to comply with its legal obligations, including any, relating to its financing agreements.

The following represents the maturities of financial liabilities at the reporting date based on undiscounted contractual cash flows:

31 December 2020	Less than one year	After one year but not more than 5 years	More than 5 years	Total contracted cashflows	Carrying amount
Collections due to customers	105,893,874	--	--	105,893,874	105,893,874
Lease liabilities	1,508,833	5,241,501	742,500	7,492,834	6,685,164
Trade payables	7,382,901	--	--	7,382,901	7,382,901
Accrued expenses and other current liabilities	34,693,604	--	--	34,693,604	34,693,604
Due to related parties	27,577,511	--	--	27,577,511	27,577,511
	177,056,723	5,241,501	742,500	183,040,724	182,233,054

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

24- FINANCIAL INSTRUMENTS (CONTINUED)

c. Liquidity risk (continued)

31 December 2019	Less than one year	After one year but not more than 5 years	More than 5 years	Total contracted cashflows	Carrying amount
Collections due to customers	30,497,130	--	--	30,497,130	30,497,130
Lease liabilities	1,434,125	6,304,834	990,000	8,728,959	5,633,647
Short-term loans	3,000,000	--	--	3,000,000	3,000,000
Trade payables	3,503,040	--	--	3,503,040	3,503,040
Accrued expenses and other current liabilities	13,160,613	--	--	13,160,613	13,160,613
Due to related parties	2,313,549	--	--	2,313,549	2,313,549
	53,908,457	6,304,834	990,000	61,203,291	58,107,979

1 January 2019	Less than one year	After one year but not more than 5 years	More than 5 years	Total contracted cashflows	Carrying amount
Collections due to customers	17,943,136	--	--	17,943,136	17,943,136
Lease liabilities	677,875	3,513,583	748,000	4,939,458	4,187,737
Trade payables	101,230	--	--	101,230	101,230
Accrued expenses and other current liabilities	8,219,828	--	--	8,219,828	8,219,828
	26,942,069	3,513,583	748,000	31,203,652	30,451,931

25- BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net income/(loss) for the year attributable to the Group's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is the same as basic earnings per share as the Group has no diluted financial instruments.

	For the year ended 31 December	
	2020	2019
Net income / (loss)	**39,689,579**	(6,424,178)
Weighted average number of shares *	**171,233**	100,000
	231.8	(64.2)

* The weighted average number of shares has been adjusted retrospectively to reflect the impact of the share split and capital structure adjustment (Note 12).

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

26- CAPITAL MANAGEMENT

The policy of the Board of Directors is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the Group.

The Group manages its capital structure and makes adjustments to it, in light of change in economic conditions.

The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total equity.

The Board of Directors also monitors the level of dividends.

There were no changes in the Group's approach to capital management during the year.

The Group does not subject to externally imposed capital requirements.

The Group's debt to equity ratio at the end of the reporting period was as follows:

	31 December 2020	31 December 2019	1 January 2019
Total liabilities	**186,510,382**	59,724,408	31,257,846
Less: cash and cash equivalents	**(205,723,956)**	(38,992,377)	(20,832,064)
Net debt	**(19,213,574)**	20,732,031	10,425,782
Total equity	**45,456,509**	70,469	6,594,677
Net debt to equity ratio	**(42%)**	29420%	158%

(Saudi Riyals)

27- FAIR VALUE MEASUREMENT

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

	31 December 2020						
	Carrying amount			Fair value			
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost							
Trade receivables	4,473,526	--	4,473,526	--	--	--	--
Prepayments and advances	4,010,217	--	4,010,217	--	--	--	--
Cash and cash equivalents	205,723,956	--	205,723,956	--	--	--	--
	214,207,699	--	214,207,699	--	--	--	--
Financial liabilities not measured at fair value							
Collections due to customers	105,893,874	--	105,893,874	--	--	--	--
Accrued expenses and other current liabilities	34,693,604	--	34,693,604	--	--	--	--
Trade payables	7,382,901	--	7,382,901	--	--	--	--
Lease liabilities	6,685,164	--	6,685,164	--	--	--	--
	154,655,543	--	154,655,543	--	--	--	--

(Saudi Riyals)

27- FAIR VALUE MEASUREMENT (CONTINUED)

31 December 2019

	Carrying amount			Fair value			
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost							
Trade receivables	6,807,033	--	6,807,033	--	--	--	--
Prepayments and advances	718,031	--	718,031	--	--	--	--
Cash and cash equivalents	38,992,377	--	38,992,377	--	--	--	--
	46,517,441	--	46,517,441	--	--	--	--
Financial liabilities not measured at fair value							
Collections due to customers	30,497,130	--	30,497,130	--	--	--	--
Short-term loans	3,000,000	--	3,000,000	--	--	--	--
Accrued expenses and other liabilities	13,160,613	--	13,160,613	--	--	--	--
Trade payables	3,503,040	--	3,503,040	--	--	--	--
Lease liabilities	5,633,647	--	5,633,647	--	--	--	--
	55,794,430	--	55,794,430	--	--	--	--

1 January 2019

	Carrying amount			Fair value			
	Amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost							
Trade receivables	6,053,947	--	6,053,947	--	--	--	--
Prepayments and advances	216,714	--	216,714	--	--	--	--
Cash and cash equivalents	20,832,064	--	20,832,064	--	--	--	--
	27,102,725	--	27,102,725	--	--	--	--
Financial liabilities not measured at fair value							
Collections due to customers	17,943,136	--	17,943,136	--	--	--	--
Lease liabilities	4,187,737	--	4,187,737	--	--	--	--
Accrued expenses and other liabilities	8,219,828	--	8,219,828	--	--	--	--
Trade payables	101,230	--	101,230	--	--	--	--
	30,451,931	--	30,451,931	--	--	--	--

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020
(Saudi Riyals)

28- CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group has capital commitments represent capital construction works for the Group's headquarters in the amount of SR 1 million as at 31 December 2020 (31 December 2019: Nil, 1 January 2019: Nil).

The Group has contingent contractual commitments represent commitments to provide advertising services with Al Hilal Saudi Club for a period of five sports seasons ending in 2024, with a value of SR 81 million as at 31 December 2020 (31 December 2019: SR 95 million, 1 January 2019: Nil).

In addition, the contract included the payment of additional amounts in the event that the first team of Al Hilal Club wins in a season or certain championship, with a maximum amount of SR 3.5 million per year.

29- REPORTING SEGMENTS

On the date of the consolidated financial statements for the year ended 31 December 2020, the principal activity of the Group is delivery service in the Kingdom of Saudi Arabia. All the Group's assets and liabilities are allocated to this segment.

30- SIGNIFICANT EVENTS

The Group's operations have been affected by the recent and ongoing outbreak of the (Covid-19) pandemic, which was declared a pandemic by the World Health Organization in March 2020.

The ultimate impact which may be caused by the outbreak is uncertain. The Covid-19 pandemic has spread across various geographies globally, causing disruption to business and economic activities. Covid-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities in Saudi Arabia have announced various support measures to counter possible adverse implications.

The Group is closely monitoring the situation, and is operationalizing its business continuity plans and other risk management practices to manage the impact of the outbreak given the Covid-19 outbreak on its operations and financial performance.

As the Covid-19 outbreak continues to evolve, it is difficult to forecast its full extent and duration of the economic impact as of now.

Despite the above circumstances, management believes, based on their assessment, that the Group has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future as and when they fall due.

31- SUBSEQUENT EVENTS

Incorporation of subsidiaries

On 8 February 2021, the Group has established a wholly owned subsidiary, the Red Color Company (a single shareholder limited liability company). The company's capital is SR 10,000. The company is engaged in other financial services activities, with the exception of insurance and pension fund.

On 8 February 2021, the Group established a wholly owned subsidiary, Logi (a single shareholder limited liability company). The company's capital is SR 1,000,000. The company is engaged in directing vehicles, transporting goods, and providing delivery services via e-platforms.

31- SUBSEQUENT EVENTS (CONTINUED)

Investment in Halalah International Company

On 21 February 2021, the Red Color Company "the subsidiary" invested in preferred shares of SR 3.75 million in the capital of Halalah International Company, a private limited liability company registered in Abu Dhabi, United Arab Emirates. The investee in engaged in digital banking. The company is still in the process of completing the legal procedures for the investment.

Cancelation of the interest-free loan agreement and promise of sale

On 18 February 2021, the shareholders decided to transfer the remaining amount of the interest-free loan of 26 million from the shareholder's account payable "Osool Impact for Communication and Technology ("Impact46")" to the shareholders' accounts payable in the Company in proportion to each shareholder's ownership percentage in the capital as at the date of the Company's transformational general assembly on 17 December 2020, in addition to approving to cancel the interest-free loan agreement as of the date of the transformational general assembly on 17 December 2020.

32- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved for issue by the Board of Directors on 24 Ramadan 1442H (corresponding to 6 May 2021).

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Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed Consolidated Interim Financial Statements
(Unaudited)
For the three month period ended
At 31 March 2021
Together with independent Auditor's report
ON REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

jahez

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed Consolidated Interim Financial Statements
For the three month period ended
31 March 2021

KPMG

KPMG Professional Services
Riyadh Front, Airport Road
P. O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Headquarter

Commercial Registration No 1010425494

كي بي إم جي للاستشارات المهنية
واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
المركز الرئيسي

سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Jahez International Company for Information Systems Technology

Introduction

We have reviewed the accompanying 31 March 2021 condensed consolidated interim financial statements of **Jahez International Company for Information Systems Technology**, (a Saudi Closed Joint Stock Company) ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2021;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month periods ended 31 March 2021;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2021;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2021; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim 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' that is endorsed in the Kingdom of Saudi Arabia. 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 that are endorsed in the Kingdom of Saudi Arabia, 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.

KPMG

Independent auditor's report on review of condensed consolidated interim financial statements

To the Shareholders of Jahez International Company for Information Systems Technology

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2021 condensed consolidated interim financial statements of **Jahez International Company for Information Systems Technology** ("the Company") and its subsidiaries ("the Group") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Other Matter

This report supersedes our previously issued review report dated 27 June 2021 on condensed consolidated interim financial statements for the period ended 31 March 2021, which included an other matter paragraph stating that comparative information for the period ended 31 March 2020 was neither audited nor reviewed. Pursuant to issuance of our report dated 27 June 2021, we carried out review of interim financial statements for the period ended 31 March 2020 and issued a review report thereon dated 12 September 2021. Consequently, in this review report, reference to comparative information has been removed.

KPMG Professional Services

Fahad Mubark Aldossari
License No 469

Riyadh, 12 September 2021
Corresponding to: 5 Safar 1443

كي . بي . إم . جي للاستشارات المهنية
Lic No. 46
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KPMG Professional Services

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed consolidated statement of financial position
As at 31 March 2021
(Saudi Riyals)

	Note	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Assets			
Non-current assets			
Property and equipment	4	**7,222,142**	6,133,853
Intangible assets	5	**3,989,415**	4,136,555
Right-of-use assets		**9,294,085**	6,904,777
Total non-current assets		**20,505,642**	17,175,185
Current assets			
Inventories		**22,896**	94,171
Trade receivables	6	**4,154,896**	4,473,526
Prepayments advancses	7	**4,942,824**	4,010,217
Due from related parties	10 (b)	**489,836**	489,836
Cash and cash equivalents	8	**266,968,884**	205,723,956
Total current assets		**276,579,336**	214,791,706
Total assets		**297,084,978**	231,966,891
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**5,000,000**	5,000,000
Statutory reserve		**1,500,000**	1,500,000
Retained earnings		**63,887,573**	37,549,639
Equity attributable to shareholders of the Parent Company		**70,387,573**	44,049,639
Non-controlling interests		**1,295,558**	1,406,870
Total equity		**71,683,131**	45,456,509
Liabilities			
Non-current liabilities			
Non-current portion of lease liabilities on right-of-use assets		**7,307,239**	5,335,940
Employees' benefits obligations	11	**3,566,863**	3,136,956
Total non-current liabilities		**10,874,102**	8,472,896
Current labilities			
Proceeds due to customers		**129,925,610**	105,893,874
Current portion of lease liabilities on right-of-use assets		**1,681,586**	1,349,224
Trade payables		**9,680,550**	7,382,901
Accrued expenses and other current liabilities	12	**44,253,202**	34,693,604
Due to related parties	10 (c)	**27,135,153**	27,577,511
Provision for zakat		**1,851,644**	1,140,372
Total current liabilities		**214,527,745**	178,037,486
Total liabilities		**225,401,847**	186,510,382
Total equity and liabilities		**297,084,978**	231,966,891

The accompanying notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed Consolidated Statement of Profit or Loss, and Other Comprehensive Income
For the three month period ended 31 March 2021
(Saudi Riyals)

	Note	**31 March 2021 (Unaudited)**	31 March 2020 (Unaudited)
Revenue	*13*	**243,287,662**	64,747,656
Cost of revenue	*14*	**(183,859,117)**	(51,269,981)
Gross profit		**59,428,545**	13,477,675
Impairment loss on trade receivables	*6*	**(86,233)**	(555,023)
Impairment loss on due from related parties		**--**	(730,875)
Marketing & advertising expenses	*15*	**(25,210,309)**	(6,807,067)
General and administrative expenses	*16*	**(5,238,358)**	(2,100,959)
Research and development expenses		**(1,855,254)**	(891,298)
Other income		**--**	144,056
Operating profit		**27,038,391**	2,536,509
Finance costs		**(100,497)**	(66,201)
Net income for the period before Zakat		**26,937,894**	2,470,308
Zakat		**(711,272)**	(64,059)
Net income for the period		**26,226,622**	2,406,249
Net income for the period attributable to:			
Shareholders of the parent company		**26,337,934**	2,406,249
Non-controlling interests		**(111,312)**	--
		26,226,622	2,406,249
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/ (losses) on re-measurement of employees' end of service benefits		**--**	--
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**--**	--
Total comprehensive income for the period		**26,226,622**	2,406,249
Total comprehensive income for the period attributable to:			
Shareholders of the parent company		**26,337,934**	2,406,249
Non-controlling interests		**(111,312)**	--
		26,226,622	2,406,249
Earnings per share attributable to shareholders of the Company:			
Basic and diluted earnings per share	*17*	**52.7**	24.1

The accompanying notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed consolidated statement of changes in equity
For the three month period ended 31 March 2021
(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Non-controlling interests	Total
For the three month period ended 31 March 2020 (Unaudited)					
Balance as at 1 January 2020 (Audited)	**1,000,000**	**300,000**	**(1,229,531)**	--	**70,469**
Net profit for the period	--		2,406,249	--	2,406,249
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	--	--	**2,406,249**	--	**2,406,249**
Balance as at 31 March 2020 (Unaudited)	**1,000,000**	**300,000**	**1,176,718**	--	**2,476,718**
For the three month period ended 31 March 2021 (Unaudited)					
Balance as at 1 January 2021 (audited)	**5,000,000**	**1,500,000**	**37,549,639**	**1,406,870**	**45,456,509**
Net profit for the period	--	--	26,337,934	--	**26,337,934**
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	--	--	26,337,934	--	**26,337,934**
Changes in non-controlling interests	--	--	--	(111,312)	**(111,312)**
Balance as at 31 March 2021 (Unaudited)	**5,000,000**	**1,500,000**	**63,887,573**	**1,295,558**	**71,683,131**

The accompanying notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed consolidated statement of cash flows
For the three month period ended 31 March 2021
(Saudi Riyals)

	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)
Cash flows from operating activities:		
Net profit for the period before Zakat	**26,937,894**	2,470,308
Adjustments to reconcile net income for the period before Zakat to cash flows generated from operating activities:		
Impairment loss on trade receivables	**86,233**	555,023
Impairment loss on due from related parties	**--**	730,875
Depreciation and amortization	**1,164,808**	682,797
Employees' benefits	**437,455**	169,189
Finance costs	**100,497**	66,201
Changes in operating assets and liabilities:		
Inventories	**71,275**	(17,619)
Trade receivables	**232,397**	1,280,658
Prepayments and advancses	**(932,607)**	296,828
Due from related parties	**--**	(569,832)
Proceeds due to customers	**24,031,736**	(7,854,249)
Trade payables	**2,297,649**	(2,847,955)
Accrued expenses and other current liabilities	**9,559,598**	6,303,963
Due to related parties	**(442,358)**	321,723
Employees' benefits paid	**(7,548)**	(14,595)
Net cash flow generated from operating activities	**63,537,029**	1,573,315
Cash flows from investing activities		
Payments made to purchases of property and equipment	**(1,494,539)**	(235,107)
Payments to purchase and develop intangible assets	**(176,520)**	(617,444)
Net cash flows used in investing activities	**(1,671,059)**	(852,551)
Cash flows from financing activities		
Repayments of loans	**--**	(3,000,000)
Repayment of lease liabilities on right-of-use assets	**(621,042)**	(116,875)
Net cash flows used in financing activities	**(621,042)**	(3,116,875)
Net change in cash and cash equivalents	**61,244,928**	(2,396,111)
Cash and cash equivalents as at the beginning of the period	**205,723,956**	38,992,377
Cash and cash equivalents as at the end of the period	**266,968,884**	36,596,266
Non-cash transactions		
Right-of-use assets on lease liabilities	**2,824,206**	--
Transferred from project under construction to computer software - intangible assets	**2,813,039**	--

The accompanying notes from 1 to 22 are an integral part of these condensed consolidated interim financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

1. ORGANIZATION AND ACTIVITIES

Jahez International Company for Information Systems Technology ('the Company") was formed as a limited liability company and registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010895874 dated 6 Muharram 1439H (26 September 2017).

The principal activities of the Company, according to the commercial registration, are network extensions, e-commerce, online commerce, operating systems, sales of wired and wireless equipment and devices, systems analysis, design and programming of special software, software maintenance, and web page design.

The Group operates through its branches in the Kingdom of Saudi Arabia.
The Group's head office is located in Riyadh,
P. O. Box 2065, Riyadh 12444
Kingdom of Saudi Arabia.

On 27 October 2020, the shareholders decided to transfer the legal entity of the Company and its branches from a limited liability company to a Saudi closed joint stock company including its rights and obligations, as well as increasing its capital to SR 5 million by transferring SR 4 million from shareholders' accounts payable of the Company to the capital account, and the Company shall keep the same name, ommercial registration number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire capital amounting to 500,000 shares with a nominal value of SR 10 each (Note 9).

The accompanying condensed consolidated interim financial statements include the financial statements of Jahez International Company for Information Systems Technology and its subsidiaries (collectively referred to as the "Group"), as follows:

			Shareholding	
	Legal entity	**Country of incorporation**	**31 March 2021**	31 December 2020
Cokitchens	A Limited Liability Company	KSA	**60%**	60%
PIK	A Single Shareholder Limited Liability Company	KSA	**100%**	100%
The Red Color Company	A Single Shareholder Limited Liability Company	KSA	**100%**	--
Supportive Solutions Company for Logistic Services	A Single Shareholder Limited Liability Company	KSA	**100%**	--

Information about subsidiaries:

Cokitchens:
On July 20, 2020, the Group signed an agreement to acquire shares representing 60% of the share capital of the Joint Preparation Company for Meals (a limited liability company) amounting to SR 25,000. Acquisition cost amounted to SR 2.4 million. On 19 Muharram 1442H (corresponding to 7 September 2020), the Company's Articles of Association and ownership structure were amended to reflect the effect of the acquisition. The principal activities of the Company include food service activities.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

1. ORGANIZATION AND ACTIVITIES (CONTINUED)

Baik Options Trading Company
On 7 September 2020, the Group incorporated a wholly owned subsidiary which is Pik Options Trading Company (a single shareholder limited liability company). The company's capital is SR 1,000,000 and engaged in online retail sales.

The Red Color Company
On 8 February 2021, the Group has incorporated a wholly owned subsidiary, the Red Color Company (a single shareholder limited liability company). The company's capital is SR 10,000. And engaged in other financial services activities, with the exception of insurance and pension financing.

Supportive Solutions Company for Logistic Services
On 8 February 2021, the Group established a wholly owned subsidiary, Support Solutions for Logistics Services (a single shareholder limited liability company). The company's capital is SR 1,000,000. The company is engaged in directing vehicles, transporting goods, and providing delivery services via e-platforms.

2. BASIS OF PREPARATION

2.1 Statement of compliance
These condensed consolidated interim financial statements have been prepared in accordance with requirements of IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Charterd and Professional Accountants ("SOCPA").

The comparative figures presented in these condensed consolidated interim financial statements have been prepared by the Group's management and no review report has been issued.

The condensed consolidated interim financial statements do not include all the information required for the full financial statements in accordance with the IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, hence, should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. However, the condensed consolidated interim financial statements include some disclosures to explain some material events and transactions in order to understand the changes in the Group's financial position and performance since the last annual financial statements.

Further, the results for the three-month period ended 31 March 2021 are not necessarily indicative of the results that may be expected for the year ended 31 December 2021.

2.2 Basis of measurement
The condensed consolidated interim financial statements have been prepared on a historical cost basis using going concern basis and accrual basis of accounting, except for employees' benefits obligations which are measured using the projected credit unit method.

2.3 Functional and presentation currency
The condensed consolidated interim financial statements of the Group are presented in Saudi Riyals (SR) which is the Group's functional and presentation currency.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Basic of consolidation

Business Combinations
The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred at the acquisition is generally measured at fair value of the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a purchase is recognized in profit or loss 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 recognized in profit or loss.

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 recognized in profit or loss.

Subsidiaries
Subsidiaries are entities 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 subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests
Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in the 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 derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity and any gain or loss is recognized in the statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.5 New standards and amendments issued

New standards and amendments applied
The standards and amendments issued that were applied by the Group in preparing the condensed consolidated interim financial statements to the date of issuance of the Group's interim financial statements that are effective on 1 January 2021 are listed below.

Standards / amendments	effective
Amendments to IFRS 17	1 January 2021
Amendments to IFRS 9, IFRS 7, IFRS 4, IFRS 16 and IFRS 39	1 January 2021

These amendments have had no significant impact on the condensed consolidated interim financial statements.

(Saudi Riyals)

2. BASIS OF PREPARATION (CONTINUED)

Standards issued but not adopted

The standards and amendments issued but not effective up to the date of issuance of the Group's condensed consolidated interim financial statements.

Standards / amendments	Description	effective
Amendments to IFRS 37	Onerous contracts – cost of fulfilling a contract	1 January 2022
Amendments to IAS 16	Collections before intended use	1 January 2022
Amendments to IFRS 3	Conceptual framework	1 January 2022
Amendments to IAS 1	Classification of liabilities as current o non-current	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets Between the Investor and Its Associate or Joint Venture	Available for optional adoption/ effective date deferred indefinitely
Amendments to IFRS 17	Insurance Contracts	1 January 2023

The Group does not expect such amendments to have a material impact on the Group's financial statements if the these amendments are adopted.

2.6 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions have been reviewed on an ongoing basis revision to accounting estimates are recognized in the period in which the estimates are 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.

The Group based its estimates on parameters available when the interim financial statements were prepared. The assumptions and current conditions of future developments, may change due to market changes or circumstances arising beyond the control of the Group. These changes are reflected in assumptions when they occur.

Employees' benefits

The cost of the employees' benefits and the present value of the related obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These assumptions include the determination of the discount rate, future salary increases, and mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting judgments, estimates and assumptions (continued)

The parameter most subject to change is the discount rate in determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The underlying bonds are reviewed for quality. Those having excessive credit spreads are removed from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

Provision for expected credit loss on accounts receivable
The Group uses a model in estimating lifetime ECLs that have not been credit-impaired or credit-impaired based on a change in the credit risk associated with the financial instrument.

Trade receivables are combined based on the common credit risk characteristics and the days in which they are due to measure the ECLs. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic activity indicators affecting the ability of the customers to settle the receivables.

Lease's discount rate
The management of the Group uses estimates in determining the incremental borrowing rate in computing the present value of minimum lease payments, as well as the expected lease term in the event of extension options.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed consolidated interim financial statements in accordance with the accounting policies applied in preparing the Group's annual consolidated financial statements for the year ended 31 December 2020 which are disclosed in Note (3) of the Group's annual consolidated financial statements are as follows.

a) Property and equipment

Property and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost included expenditure that is directly attributable to the acquisition of the asset. Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in the intreim consolidated statement of profit or loss when incurred.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Property and equipment (continued)

Depreciation is charged to the consolidated intreim statement of profit or loss on a straight-line basis over the estimated useful lives of individual item of property and equipment. The estimated useful lives of assets will be depreciated as follows:

	Years
Tools and instruments	4
Computers	4
Furniture and fixtures	4
Electrical machines	4
Decorations and leasehold improvements	4
Central kitchens	10

Depreciation methods, rates and residual values are reviewed annually and are adjusted if the current method and the estimated useful life or the residual value is different than the estimated in past. The effect of such changes is recognized in the consolidated intreim statement of profit or loss prospectively.

Major renovations and improvements are capitalized if they extend the productivity or the operating useful life of the property and equipment.

Minor repairs and improvements are charged as expenses when incurred. Gains or losses resulting from disposal of property and equipment, which represent the difference between proceeds from sale and the carrying amount of assets, are recognized in the intreim consolidated statement of profit or loss.

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the intreim consolidated statement of profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the consolidated statement of profit or loss as incurred.

Computers software
Computer software licenses acquired from third parties are initially recognized at cost. Costs directly associated with the production of internally developed software, where it is probable that the software will generate future economic benefits, are recognized as intangible assets. Amortization is charged to the consolidated intreim statement of profit or loss using a straight-line basis over the estimated useful life estimated by 4-year.

Capital work under development relating to development of intangible assets is stated at cost less impairment losses, if any, and is not depreciated until the asset is available for use.

c) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventory is determined on the basis of the first-in-first-out method. Cost includes expenses incurred for acquisition of inventory and any shipping, transportation, insurance, custom duties and other direct expenses related to the acquisition of the inventory.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs to sell.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term liquid investments with original maturities of three month or less, if any, which are available to the Group without any restrictions.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. 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 appropriate 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.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is disclosed as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities can be obtained at the measurement date.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs).

For assets and liabilities that are recognized in the condensed interim financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments

Classification and measurement of financial assets and financial liabilities
On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investments; FVOCI – equity investments; or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Impairment of financial assets
The financial assets at amortized cost consist of trade receivables and cash and cash equivalents and prepayment and advances, due from related parties.

Loss provisions are measured on the bases of ECLs over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument.

'The Group measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Group historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all value shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For trade receivables, the Group applies the simplified approach to estimate ECLs.

Impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are impaired. A financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment
Loss provisions for financial assets are deducted from the gross carrying amount of the assets.
Impairment losses related to trade receivables, if any, are presented in the interim statement of profit or loss under a separate item.

Financial liabilities
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or losses on derecognition is also recognized in profit or loss.

Derecognition
Financial assets
A financial asset (or part of a group of similar financial assets) is disposed mainly (i.e. disposed from the interim statement of financial position) in the following cases:

- The rights to receive cash flows from the asset have been expired;
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Financial liabilities
The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expired. The Group also derecognizes financial liabilities when the terms and cash flows of the modified obligation are substantially modified, in which case a new financial liability is recognized based on the modified terms at fair value.

On disposal of a financial liability, the difference between the amortized carrying amount and the amount paid (including any non-cash assets transferred or charged liabilities) is recognized in the interim statement of profit or loss.

The Group has no debt investments at FVOCI or equity investments at FVOCI.

g) Employees' benefits

Short-term benefits
Short-term employees benefits are expensed as the related service is provided. A liability is recognized 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.

Post-employment benefits
The Group operates a defined benefit plan for its employees in accordance with Saudi Labor as defined by the conditions set out in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method. Employees' benefits obligation plans are not funded. Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method and the liability is recorded based on an actuarial valuation.

The liability recognized in the consolidated intreim statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognized immediately in the consolidated intreim statement of profit or loss and other comprehensive income.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated intreim statement of income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise

h) PROVISIONS

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Provisions (continued)

The amount recognized as a provision is the best estimate for the consideration required to settle the present obligation at the end of reporting date taking into account risk and doubts specific to liability.

When the Group expects to pay some or all of the provisions (for example, insurance contracts, compensation terms or supplier guarantees), the payment is recognized as a separate asset. When payment is almost certain, expenses relating to provision are recognized in the consolidated intreim statement of profit or loss, net of any compensation.

In case the effect of the time value of money is of relative importance, the provisions are determined by discounting estimated cash flows by pre-tax rate that reflects current market assessments for time value of money and risks related to the obligation. the discount is recognized as finance cost.

i) Contingencies

These are probable obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or present obligation not recorded because the need for flow of resources to settle the obligation is not probable. In case the amount of the obligation cannot be measured with sufficient reliability, this amount is not recognized as contingent liabilities but disclosed in the consolidated intreim financial statements.

j) Foreign currencies transactions

Transactions denominated in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Saudi Riyals at the foreign exchange rate at the date of the financial position. Gains or losses arising on exchanges are recognized in the consolidated intreim statement of profit or loss currently.

k) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced by expected returns from customers and other discounts.

The Group recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with 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 the performance obligations	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	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: Revenue recognition	The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Revenue recognition (continued)

Commissions and revenues from delivery services
Revenue is recognized when the delivery service is performed to the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is recognize net of discounts and compensation offered to the customer.

Advertising and marketing revenues
Revenues associated with advertising and marketing services are recognized over time by measuring the Group progress towards satisfaction of a performance obligation using output method.

Revenue from e-payment fees
Revenue is recognized when the collection service is performed on behalf of the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is stated net of discounts and compensation offered to the customer.

Other revenues
Revenues are recognized when services are rendered to customers and are stated at net of discounts and exemptions.

l) Leases

Determining whether an arrangement contains a lease or not depends on the core of the arrangement at its inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group As a lessee
At the commencement date, the Group shall assess 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 a consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

(a) The right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) The right to direct the use of the identified asset.

The Group shall recognize a right-of-use asset at the commencement date (i.e. the date on which the underling asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The estimated useful life for right-of-use asset based on the lease term.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Leases (continued)

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The Group shall discount lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be easily determined, the Group should use the incremental borrowing rate.

After the commencement date, a lessee shall measure the lease liability by:

(a) Increasing the carrying amount to reflect interest rate on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments that are remeasured when there is a change in future lease payments arising from a change in index or a rate, or if there was a change in the Group's estimate of the amount expected to be payable by the lessee under residual value guarantees, or if the Group changed its assessment whether if it will choose the purchase, extension or termination.

Any remeasurement is settled in the lease liability against the carrying amount of right-of-use asset or charged to the intreim statement of income if the carrying amount of the related asset is Zero.

Short-term leases
The Group elected not to recognize right-of-use assets and lease liabilities for the short-term leases for which their terms are 12 months or less. The Group recognizes lease payments associated with those leases as expenses on a straight line basis over the lease term.

Extension options
In case of leases that provide extension options, the Group assesses whether if it is reasonably certain, at commencement date, that the extension options will be exercised. The Group reassesses whether it is reasonably certain to exercise the options if there was an significant event or major change in the circumstances that fall under its control.

m) Expenses

Advertising and publicity expenses are those arising from the Group's efforts underlying the marketing functions. All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses and research and development expenses. Allocations of common expenses between cost of revenue and general and administrative expenses and research and development expenses, when required, are made on a consistent basis.

n) Zakat

Provision for Zakat is calculated at the date of the consolidated intreim statement of financial position in accordance with regulations of the zakat tax and customs authority the Kingdom of Saudi Arabia ("ZTCA"). The resulting provision is recorded in the consolidated intreim statement of profit or loss. Additional Zakat liability, if any, related to prior years' assessments arising from ZTC are recognized in the period in which the final assessments are finalized.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Segments Reporting

An operating segment is a part of the Group's business activities from which revenue can be recognized and expenses are incurred and includes income and expenses relating to transactions with any of the other components. All operational results of the operating segments are reviewed by the operating decision makers to make decisions about the resources to be allocated to the segment and to assess its performance, which have separate financial information.

p) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of the ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible debt instruments and share options granted to employees, if any.

q) Statutory reserve

In accordance with the provisions of the Saudi Arabian Regulations for Companies, the Group is required to transfer 10% of its net income each year to a statutory reserve until such reserve equals 30% of share capital. This reserve is not available for distribution to the shareholders.

r) Current versus non-current classification

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

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- Expected to be realized 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 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 Group classifies all other liabilities as non-current liabilities.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three-month period ended 31 March 2021
(Saudi Riyals)

4. PROPERTY AND EQUIPMENT

	Tools and instruments	Computers	Furnitures & fixtures	Electrical machines	Central kitchens	Decorations and leasehold improvements	Project under construction	Total
Cost								
Balance as at 1 January 2020	**100,881**	**788,736**	**1,367,478**	**558,367**	**--**	**946,856**	**--**	**3,762,318**
Additions	5,507	689,326	234,821	39,660	1,144,343	1,231,933	801,992	4,147,582
Balance as at 31 December 2020	**106,388**	**1,478,062**	**1,602,299**	**598,027**	**1,144,343**	**2,178,789**	**801,992**	**7,909,900**
Additions	10,616	207,620	2,600	2,140	10,036	45,300	1,216,227	1,494,539
Balance as at 31 March 2021	**117,004**	**1,685,682**	**1,604,899**	**600,167**	**1,154,379**	**2,224,089**	**2,018,219**	**9,404,439**
Accumulated depreciation:								
Balance as at 1 January 2020	**35,978**	**212,708**	**166,110**	**137,567**	**--**	**172,261**	**--**	**724,624**
Depreciation for the year	25,734	274,738	350,957	142,637	9,536	247,821	--	1,051,423
Balance as at 31 December 2020	**61,712**	**487,446**	**517,067**	**280,204**	**9,536**	**420,082**	**--**	**1,776,047**
Depreciation for the period	6,553	97,742	143,999	36,969	62,400	58,587	--	406,250
Balance as at 31 March 2021	**68,265**	**585,188**	**661,066**	**317,173**	**71,936**	**478,669**	**--**	**2,182,297**
Net book value:								
31 March 2021	**48,739**	**1,100,494**	**943,833**	**282,994**	**1,082,443**	**1,745,420**	**2,018,219**	**7,222,142**
31 December 2020	**44,676**	**990,616**	**1,085,232**	**317,823**	**1,134,807**	**1,758,707**	**801,992**	**6,133,853**

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three-month period ended 31 March 2021
(Saudi Riyals)

5. INTANGIBLE ASSETS

	Software	Project under construction	Total
Cost			
Balance at 1 January 2020	**3,875,147**	**1,842,537**	**5,717,684**
Additions	314,381	970,502	1,284,883
Balance at 31 December 2020	**4,189,528**	**2,813,039**	**7,002,567**
Additions	176,520	--	176,520
Transferred	2,813,039	(2,813,039)	--
Balance at 31 March 2021	**7,179,087**	**--**	**7,179,087**
Accumulated amortization			
Balance at 1 January 2020	**1,867,181**	**--**	**1,867,181**
Amortization for the year	998,831	--	998,831
Balance at 31 December 2020	**2,866,012**	**--**	**2,866,012**
Amortization for the period	323,660	--	323,660
Balance at 31 March 2021	**3,189,672**	**--**	**3,189,672**
Net book value			
31 March 2021	**3,989,415**	**--**	**3,989,415**
31 December 2020	**1,323,516**	**2,813,039**	**4,136,555**

6. TRADE RECEIVABLES

	31 March 2021	31 December 2020
Trade receivables	**6,524,723**	6,757,120
Less: provision for impairment loss on trade receivables	**(2,369,827)**	(2,283,594)
	4,154,896	4,473,526

The movement in provision for impairment loss on trade receivables is as follows:

	31 March 2021	31 December 2020
Balance at the beginning of the period / year	**2,283,594**	1,819,525
Provided during the period / year	**86,233**	464,069
	2,369,827	2,283,594

7. PREPAYMENTS AND ADVANCSES

	31 March 2021	31 December 2020
Prepayments	**4,817,881**	3,612,260
Employee custodies and advances	**124,943**	397,957
	4,942,824	4,010,217

8. CASH AND CASH EQUIVALENTS

	31 March 2021	31 December 2020
Current accounts with banks	**266,391,801**	205,247,832
Cash in hand	**577,083**	476,124
	266,968,884	205,723,956

Current accounts with banks include amounts collected on behalf of customers and are settled against the balance of proceeds due to customers on a semi-monthly basis.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

9. SHARE CAPITAL

Jahez International Company for Information Systems Technology (the "Company") was formed as a limited liability company on 6 Muharram 1439H (corresponding to 26 September 2017) with a capital of SR 1 million divided into 1,000 shares, with a value of SR 1,000 each.

Capital structure adjustment
On 7 September 2020, the Company's shareholders made an amendment to the Articles of Association with the entry of a new shareholder (Osool Impact for Communication and Technology ("Impact46")), and the shareholder Mishaal Salman bin Mandeel waived all his shares in the Company, including his rights and obligations in favor of (Osool Impact for Communication and Technology ("Impact46")y), and the share of the shareholder (ALAMAT International Company) in the capital was modified, in addition to adjusting the value of the share in the capital to become SR 10 instead of SR 1,000. The shareholders and their shareholding in accordance with the amended Articles of Association are as follows:

The shareholder	**No. of shares**	**Share capital**
ALAMAT International Company Limited	62,500	625,000
Osool Impact for Communication and Technology ("Impact46")	37,500	375,000
	100,000	**1,000,000**

Interest-free loan agreement and promise of sale
On 18 August 2020, an interest-free loan agreement of SR 30 million with a maturity period ending on 18 February 2021 was entered into between (Jahez International Company for Information Systems Technology) "the Company" and (Osool Impact for Communication and Technology ("Impact46")) with a promise of sale by issuing shares in favor of (Osool Impact for Communication and Technology ("Impact46")) representing 40% of the capital of (Jahez International Company for Information Systems Technology) after amending its legal entity to a closed joint stock company.

Capital structure adjustment

The shareholder	**No. of shares**	**Share capital**
ALAMAT International Company Limited	60,000	600,000
Osool Impact for Communication and Technology ("Impact46")	40,000	400,000
	100,000	**1,000,000**

On 27 October 2020, the shareholders amended the Company's Articles of Association by amending the shareholding through assigning the shareholder ALAMAT International Company part of its shares amounting to (2,500) shares representing 2.5% of the Company's capital to Osool Impact for Communication and Technology ("Impact46") including its rights and obligations, so that the capital structure becomes as follows:

In addition, the shareholders in their meeting held on 27 October 2020 decided to transfer the legal entity of the Company and its branches from a limited liability company to a Saudi closed joint stock company including its rights and obligations, as well as increasing its capital to SR 5,000,000 by transferring SR 4,000,000 from shareholders' accounts payable of the Company to the capital account, and the Company shall keep the same name, number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire capital amounting to 500,000 shares with a nominal value of SR 10 each.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

9. SHARE CAPITAL (CONTINUED)

The distribution of the share capital as at 31 December 2020 and 31 March 2021 is as follows:

The shareholder	Number of shares	Share capital
ALAMAT International Company Limited	300,000	3,000,000
Osool Impact for Communication and Technology ("Impact46")	200,000	2,000,000
	500,000	**5,000,000**

On 17 December 2020, the shareholders in the transformational general assembly approved the Company's By-Laws and the appointment of the Company's first Board of Directors for a period of five years.

Cancelation of the interest-free loan agreement and promise of sale

On 18 February 2021, the shareholders decided to transfer the remaining amount of the interest-free loan of 26 million from the shareholder's account payable "Osool Impact for Communication and Technology ("Impact46")" to the shareholders' accounts payable in the Company in proportion to each shareholder's ownership percentage in the capital as at the date of the Company's transformational general assembly on 17 December 2020, in addition to approving to cancel the interest-free loan agreement as of the date of the transformational general assembly on 17 December 2020.

10. RELATED PARTY TRANSACTIONS AND BALANCES

In the ordinary course of its business the Group deals with the shareholders of the Group and the affiliates owned by the shareholders and the key management personnel, as the Group enters into contracts to obtain services and pay the expenses on behalf of affiliates. These transactions are carried out in accordance with the terms specified with the related parties. Transaction values during the period and balances arising from such transactions are as follows:

a) Significant related party transactions

31 March 2021

Related party	Nature of relationship	Nature of transaction	Amount of transaction
Al Joudah Al-Mahaliyah Limited Company	An affiliate	Collection on behalf	659,577
		Revenue from contracting	226,986
Tharwa Holding Company	An affiliate	Leases and services	714,198
Talal Al Arifi	Shareholder of subsidiary	Expenses paid on behalf of a subsidiary	266
Wondereight Agency for Advertising	An affiliate	Advertisement and publicity services	611,800
		Payments on behalf of the Group	517
ALAMAT International Company Limited	A shareholder	Purchases	81,277
		Expenses paid on behalf of shareholder	2,760
Dar Al Fikrah Al-Mumaiyazah	An affiliate	Construction services	942,370
Halalah International Company	A company owned by Vice CEO	Logistics services	2,780,863
		Collection on behalf	2,335,435

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

10. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

31 March 2020

Related party	Nature of relationship	Nature of transaction	Amount of transaction
Wondereight Agency for Advertising	An affiliate	Advertisement and publicity services	262,500
ALAMAT International Company Limited		Payments on behalf of the Group	70,093,052
	A shareholder	Purchases	1,226,501
		Expenses paid on behalf of shareholder	5,797,803
Tharwa Holding Company	An affiliate	Leases and services	24,544
Halalah International Company	A company owned by Vice CEO	Logistics services	1,583,243
		Collection on behalf	3,378,996

b) Due from related parties

	31 March 2021	31 December 2020
Tharwa Holding Company	**55,836**	55,836
ALAMAT International Company Limited	**--**	1,855,127
(Impairment loss on due from related parties)	**--**	(1,855,127)
Halalah International Company	**--**	--
Triple Preparation Company Ltd.	**434,000**	434,000
	489,836	489,836

c) Due to related parties

	31 March 2021	31 December 2020
ALAMAT International Company Limited	**15,901,255**	15,904,046
Dar Al Fikrah Al-Mumaiyazah	**357,300**	357,300
Halalah International Company	**134,984**	54,671
The Eight Creations Agency for Advertising	**266,800**	781,137
Osool Impact for Communication and Technology ("Impact46")	**10,400,000**	10,400,000
Al Joudah Al-Mahaliyah Limited Company	**37,770**	43,580
Abdulaziz Alomran	**36,000**	36,000
Talal Al Arifi	**1,044**	777
	27,135,153	27,577,511

	31 March 2021	31 March 2020
Key management personnel compensations, wages and salaries	**1,169,985**	502,741

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

11. EMPLOYEES' BENEFITS OBLIGATIONS

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor and Law. These benefits are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia. The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and other comprehensive income and amounts recognized in the consolidated statement of financial position.

Changes in the present value of defined benefit obligation

Defined benefit obligation at 1 January 2020	**1,482,598**
Interest cost	42,995
Current service cost	1,932,132
Amount recognized in profit or loss	1,975,127
Re-measurement loss recognized in other comprehensive income	(289,591)
Benefits paid during the year	(31,178)
Defined benefit obligation at 31 December 2020	**3,136,956**
Interest cost	--
Current service cost	437,455
Amount recognized in profit or loss	437,455
Re-measurements gains recognized in other comprehensive income	--
Benefits paid during the period	(7,548)
Defined benefit obligation at 31 March 2021	**3,566,863**

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March 2021	31 December 2020
Accrued expense	**19,593,616**	9,029,981
Third party deposits	**18,885,021**	18,431,509
Accrued employees' benefits	**5,774,565**	7,232,114
	44,253,202	34,693,604

13. REVENUE

	For the three-month period ended 31 March	
	2021	2020
Revenue from delivery fees	**142,515,707**	41,826,848
Revenue from commissions	**80,165,522**	19,914,322
Revenue from e-payment fees	**11,882,955**	2,201,900
Advertising and marketing revenues	**7,274,617**	225,600
Other income	**1,448,861**	578,986
	243,287,662	64,747,656

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

14. COST OF REVENUE

	For the three-month period ended 31 March	
	2021	2020
Cost of delivery	**157,377,219**	40,637,415
Customer compensation	**2,795,477**	1,668,293
Salaries, wages and employees' benefits	**9,435,745**	4,147,117
Bank charges	**10,380,398**	3,629,443
Consumables	**1,792,693**	404,424
Network servers	**1,408,438**	450,843
Platform services	**201,352**	89,726
Depreciation and amortization	**403,614**	227,849
Others	**64,181**	14,871
	183,859,117	51,269,981

15. MARKETING & ADVERTISING EXPENSES

	For the three-month period ended 31 March	
	2021	2020
Advertising and publicity	**16,471,071**	4,892,505
Salaries, wages and employee benefits	**2,898,758**	1,199,579
Promotions	**5,840,480**	714,983
	25,210,309	6,807,067

16. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month period ended 31 March	
	2021	2020
Salaries, wages and employee benefits	**2,234,957**	730,715
Depreciation and amortization	**761,194**	454,948
Professional fees	**530,335**	197,150
Missions, maintenance and operation	**356,718**	287,283
Others	**1,355,154**	430,863
	5,238,358	2,100,959

17. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing income for the period attributable to the Group's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share as the Group has no diluted financial instruments.

	For the three-month period ended 31 March	
	2021	2020
Profit for the period	**26,337,934**	2,406,249
Weighted average number of shares *	**500,000**	100,000
	52.7	24.1

* The weighted average number of shares for the period ended 31 March 2020 has been adjusted retrospectively to reflect the impact of the share fragmentation (Note 9).

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the three month period ended 31 March 2021
(Saudi Riyals)

18. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group has capital commitments wiche represent capital construction works for the Group's headquarters in the amount of SAR 203 thousand as at 31 March 2021 (31 December 2020: SAR 1 million).

The Group has contingent contractual commitments represent wiche commitments to provide advertising services with Al Hilal Saudi Club for a period of five sports seasons ending in 2024, with a value of SR 78 million as at 31 March 2021 (31 December 2020: SR 81 million). In addition, the contract included the payment of additional amounts in the event that the first team of Al Hilal Club wins in a season or certain tournaments, with a maximum amount of SR 3.5 million per year.

19. REPORTING SEGMENTS

On the date of the condensed consolidated interim financial statements for the period ended 31 March 2021, the Group is mainly involved in delivery services in the Kingdom of Saudi Arabia. All the Group's assets and liabilities are allocated to this segment.

20. SIGNIFICANT EVENTS

The Group's operations have been affected by the recent and ongoing outbreak of the (Covid-19) pandemic, which was declared a pandemic by the World Health Organization in March 2020. The ultimate impact which may be caused by the outbreak is uncertain. The Covid-19 pandemic has spread across various geographies globally, causing disruption to business and economic activities. Covid-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities in Saudi Arabia have announced various support measures to counter possible adverse implications. The Group is closely monitoring the situation, its business continuity plans and other risk management practices to manage the impact of the outbreak given the Covid-19 outbreak on its operations and financial performance.

As the Covid-19 outbreak continues to evolve, it is difficult to forecast its full extent and duration of the economic impact as of now.

Despite the above circumstances, management believes, based on their assessment, that the Group has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future as and when they fall due.

21. SUBSEQUENT EVENTS

On 15 Shawwal 1442H (corresponding to 27 May 2021), the Extraordinary General Assembly for shareholders has approved the Board of Directors' resolution to increase the share capital to SAR 96 million by the issue of new shares against transferring SAR 63.5 million from retained earnings, SAR 26 million from due to related parties accounts (shareholders) and SAR 1.5 million from the statutory reserve account.

On July 4, 2021, Jahez International Group for Information Systems Technology signed a long-term lease contract with Theeb Rent a Car Company to supply vehicles for a period of 4 years, at an amount of SR 48.72 million.

21. SUBSEQUENT EVENTS (CONTINUED)

On 9 July 2021, corresponding to 28 Shawwal 1442H, the extraordinary general assembly of shareholders approved the decision of the board of directors to increase the share capital to become SR 104,918,030 by issuing 891,803 new shares with a nominal value of SR 10 per share, all of which are ordinary shares in exchange for cash shares to be offered to new shareholders for public subscription. The legal formalities required to enforce the increase of the share capital are still in progress as at the date of issuing the financial statements.

22. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 5 Safar 1443 H (Corresponding to: 12 September 2021)

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed Consolidated Interim Financial Statements
(Unaudited)
For the three-month and nine-month periods ended 30 September 2021
Together with the independent Auditor's report
ON REVIEW OF THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed Consolidated Interim Financial Statements
For the three-month and nine-month periods ended 30 September 2021

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Kingdom of Saudi Arabia
Headquarter

Commercial Registration No 1010425494

كي بي إم جي للاستشارات المهنية
واجهة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
المركز الرئيسي

سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

Independent auditor's report on review of condensed consolidated interim financial statements

To the shareholders of Jahez International Company for Information Systems Technology

Introduction

We have reviewed the accompanying 30 September 2021 condensed consolidated interim financial statements of **Jahez International Company for Information Systems Technology** ("the Company") - Saudi Closed Joint Stock Company and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2021;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2021;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2021,
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2021; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim 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' that is endorsed in the Kingdom of Saudi Arabia. A review of interim financial statements 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 that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2021 condensed consolidated interim financial statements of **Jahez International Company for Information Systems Technology** ("the Company") and its subsidiaries ("the Group") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services

كي بي إم جي للاستشارات المهنية
Lic No. 46
C.R. 1010425494
R : 2
ترخيص رقم ٤٦
KPMG
KPMG Professional Services

Fahad Mubark Aldossari
License No. 469

Riyadh on 27 October 2021
Corresponding to 21 Rabi al-awwal 1443H

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed consolidated statement of financial position
As at 30 September 2021
(Saudi Riyals)

	Note	30 September 2021 (Unaudited)	31 December 2020 (Audited)
ASSETS			
Non-current assets			
Property and equipment	4	**7,275,325**	6,133,853
Intangible assets	5	**3,752,848**	4,136,555
Investments at fair value through profit or loss	6	**7,873,617**	--
Right-of-use assets		**9,407,604**	6,904,777
Total non-current assets		**28,309,394**	17,175,185
Current assets			
Inventories		**313,752**	94,171
Trade receivables	7	**7,529,917**	4,473,526
Prepayments and other receivables	8	**9,344,447**	4,010,217
Due from related parties	11.b	**406,892**	489,836
Cash and cash equivalents	9	**329,134,349**	205,723,956
Total current assets		**346,729,357**	**214,791,706**
Total assets		**375,038,751**	**231,966,891**
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**96,000,000**	5,000,000
Statutory reserve		**--**	1,500,000
Retained earnings		**64,102,297**	37,549,639
Equity attributable to equity holders of the Parent Company		**160,102,297**	44,049,639
Non-controlling interests		**1,123,963**	1,406,870
Total equity		**161,226,260**	**45,456,509**
Liabilities			
Non-current liabilities			
Non-current portion of lease liabilities on right-of-use assets		**6,893,531**	5,335,940
Employees' benefits obligations	12	**4,617,052**	3,136,956
Total non-current liabilities		**11,510,583**	**8,472,896**
Current labilities			
Proceeds due to customers		**137,524,600**	105,893,874
Current portion of lease liabilities on right-of-use assets		**2,287,640**	1,349,224
Trade payables		**9,631,908**	7,382,901
Accrued expenses and other current liabilities	13	**49,708,337**	34,693,604
Due to related parties	11.c	**74,681**	27,577,511
Provision for Zakat		**3,074,742**	1,140,372
Total current liabilities		**202,301,908**	**178,037,486**
Total liabilities		**213,812,491**	**186,510,382**
Total equity and liabilities		**375,038,751**	**231,966,891**

The accompanying notes (1) to (22) from an integral part of these condensed consolidated interim financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the three-month and nine-month periods ended 30 September 2021
(Saudi Riyals)

		(Unaudited) Three-month period ended 30 September		(Unaudited) For the nine-month period ended 30 September	
	Note	2021	2020	2021	2020
Revenue	14	**361,236,557**	129,541,013	**847,695,352**	288,220,667
Cost of revenue	15	**(263,186,729)**	(91,509,332)	**(655,383,133)**	(210,519,053)
Gross profit		**98,049,828**	38,031,681	**192,312,219**	77,701,614
Impairment reversal/ (loss) on trade receivables	7	**43,377**	(149,487)	**(120,439)**	(593,652)
Impairment loss on due from related parties		**--**	--	**--**	(940,448)
Marketing & advertising expenses	16	**(27,831,990)**	(11,976,490)	**(74,842,673)**	(24,079,103)
General and administrative expenses	17	**(6,505,920)**	(2,968,873)	**(18,478,778)**	(7,079,907)
Research and development expenses		**(2,571,309)**	(1,145,052)	**(6,234,529)**	(2,886,214)
Operating profit		**61,183,986**	21,791,779	**92,635,800**	42,122,290
Other income / (expense)		**101,475**	(60,649)	**105,646**	348,668
Unrealized gains on investments at fair value through profit or loss		**2,496,586**	--	**3,748,617**	--
Finance costs		**(95,818)**	(90,106)	**(298,279)**	(221,207)
IPO costs		**(581,576)**	--	**(3,327,746)**	--
Net profit for the period before Zakat		**63,104,653**	21,641,024	**92,864,038**	42,249,751
Zakat		**(1,881,865)**	(113,138)	**(3,094,287)**	(675,205)
Net income for the period		**61,222,788**	21,527,886	**89,769,751**	41,574,546
Net profit for the period attributable to:					
Shareholders of the parent company		**61,333,067**	21,601,161	**90,052,658**	41,647,821
Non-controlling interests		**(110,279)**	(73,275)	**(282,907)**	(73,275)
		61,222,788	21,527,886	**89,769,751**	41,574,546
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain on remeasurement of provision for employees end of service benefits	12	**--**	34,301	**--**	34,301
Total other comprehensive income for the period		**--**	34,301	**--**	34,301
Total comprehensive income for the period		**61,222,788**	21,562,187	**89,769,751**	41,608,847
Total comprehensive income for the period attributable to:					
Shareholders of the parent company		**61,333,067**	21,635,462	**90,052,658**	41,682,122
Non-controlling interests		**(110,279)**	(73,275)	**(282,907)**	(73,275)
		61,222,788	21,562,187	**89,769,751**	41,608,847
Earnings per share attributable to shareholders of the Company:					
Basic and diluted earnings per share	18	**7.7**	3.3	**11.3**	6.4

The accompanying notes (1) to (22) from an integral part of these condensed consolidated interim financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed consolidated statement of changes in equity
For the nine-month period ended 30 September 2021
(Saudi Riyals)

	Share capital	Statutory reserve	Retained earnings	Equity attributable to equity holders of the Parent Company	Non-controlling interests	Total
Balance as at 1 January 2020 (Audited)	1,000,000	300,000	(1,229,531)	70,469	--	70,469
Net income for the period	--	--	41,647,821	41,647,821	(73,275)	41,574,546
Other comprehensive income for the period	--	--	34,301	34,301	--	34,301
Total comprehensive income for the period	--	--	41,682,122	41,682,122	(73,275)	41,608,847
Non-controlling interests	--	--	--	--	1,600,000	1,600,000
Balance as at 30 September 2020 (Unaudited)	**1,000,000**	**300,000**	**40,452,591**	**41,752,591**	**1,526,725**	**43,279,316**
Balance as at 1 January 2021 (audited)	**5,000,000**	**1,500,000**	**37,549,639**	**44,049,639**	**1,406,870**	**45,456,509**
Transaction with shareholders of the Company						
Transferred from shareholders' balances to increase share capital (note 10)	**26,000,000**	**--**	**--**	**26,000,000**	**--**	**26,000,000**
Transferred from statutory reserve and retained earnings to increase share capital (Note 10)	**65,000,000**	**(1,500,000)**	**(63,500,000)**	**--**	**--**	**--**
Total transactions with shareholders of the company	**91,000,000**	**(1,500,000)**	**(63,500,000)**	**26,000,000**	**--**	**26,000,000**
Net profit for the period	**--**	**--**	**90,052,658**	**90,052,658**	**(282,907)**	**89,769,751**
Other comprehensive income for the period	**--**	**--**	**--**	**--**	**--**	**--**
Total comprehensive income for the period	**--**	**--**	**90,052,658**	**90,052,658**	**(282,907)**	**89,769,751**
Balance as at 30 September 2021 (unaudited)	**96,000,000**	**--**	**64,102,297**	**160,102,297**	**1,123,963**	**161,226,260**

The attached notes from (1) to (22) are an integral part of these condensed consolidated interim financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Condensed consolidated statement of cash flows
For the nine-month period ended 30 September 2021
(Saudi Riyals)

	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Cash flows from operating activities:		
Net profit for the period before Zakat	**92,864,038**	42,249,751
Adjustments to reconcile net profit for the period before Zakat to cash flows generated from operating activities:		
Impairment loss on trade receivables	**120,439**	593,652
Impairment loss on due from related parties	--	940,448
Depreciation and amortization	**4,162,562**	2,256,207
Employees' benefits	**1,496,505**	1,171,423
Finance costs	**298,279**	221,207
Unrealized gains on investments at fair value through profit or loss	**(3,748,617)**	--
Changes in operating assets and liabilities:		
Inventories	**(219,581)**	(46,756)
Trade receivables	**(3,176,830)**	2,077,884
Prepayments and other receivables	**(5,334,230)**	(2,303,606)
Due from related parties	**82,944**	(2,772,010)
Proceeds due to customers	**31,630,726**	40,818,123
Trade payables	**2,249,007**	880,107
Accrued expenses and other current liabilities	**15,014,733**	11,610,005
Due to related parties	**(1,502,830)**	29,075,469
Employees' benefits paid	**(16,409)**	(18,151)
Zakat paid	**(1,159,917)**	(128,634)
Net cash flow from operating activities	**132,760,819**	**126,625,119**
Cash flows from investing activities		
Payments made to purchases of property and equipment	**(2,736,133)**	(1,486,916)
Payments to purchase and develop intangible assets	**(846,695)**	(872,039)
Purchase of investments at fair value through profit or loss	**(4,125,000)**	--
Net cash flows used in investing activities	**(7,707,828)**	**(2,358,955)**
Cash flows from financing activities		
Repayments of loans	--	(3,000,000)
Repayment of lease liabilities on right-of-use assets	**(1,642,598)**	(848,373)
Changes in non-controlling interests	--	1,600,000
Net cash flows used in financing activities	**(1,642,598)**	**(2,248,373)**
Net change in cash and cash equivalents	**123,410,393**	122,017,791
Cash and cash equivalents as at the beginning of the period	**205,723,956**	38,992,377
Cash and cash equivalents as at the end of the period	**329,134,349**	**161,010,168**

Non-cash transactions		
Transferred from retained earnings to share capital	**63,500,000**	--
Transferred from due to related parties to share capital	**26,000,000**	--
Right-of-use assets on lease liabilities	**3,840,326**	1,982,253
Transferred from project under construction to intangibles assets	**2,813,039**	--
Transferred from statutory reserve to share capital	**1,500,000**	--
Transferred from Project under construction to property and equipment	**801,992**	--

The accompanying notes (1) to (22) from an integral part of these condensed consolidated interim financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021

1. ORGANIZATION AND ACTIVITIES

Jahez International Company for Information Systems Technology ('the Company") was formed as a limited liability company and registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010895874 dated 6 Muharram 1439H (26 September 2017).

The principal activities of the Company, according to the commercial registration, are network extensions, e-commerce, online commerce, operating systems, sales of wired and wireless equipment and devices, systems analysis, design and programming of special software, software maintenance, and web page design.

The Company operates through its branches in the Kingdom of Saudi Arabia.

The Group's head office is located in Riyadh,
P. O. Box 2065, Riyadh 12444
Kingdom of Saudi Arabia.

On 27 October 2020, the shareholders decided to transfer the legal entity of the Company and its branches from a limited liability company to a Saudi closed joint stock company including its rights and obligations, as well as increasing its capital to SR 5 million by transferring SR 4 million from shareholders' accounts payable of the Company to the capital account, and the Company shall keep the same name, number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire capital amounting to 500,000 shares with a nominal value of SR 10 each. (note 10) On 15 Shawwal 1442H (corresponding to 27 May 2021), the extraordinary general assembly of shareholders approved the decision of the board of directors to increase the share capital to become SR 96,000,000 by issuing new shares against transferring an amount of SR 63,500,000 from the retained earnings, an amount of SR 26,000,000 from due to related parties accounts (shareholders), and an amount of SR 1,500,000 from the statutory reserve account.

The accompanying condensed consolidated interim financial statements include the financial statements of Jahez International Company for Information Systems Technology and its subsidiaries (collectively referred to as the "Group"), as follows:

	Legal entity	Country of incorporation	Shareholding 30 September 2021	Shareholding 31 December 2020
CoKitchens	A Limited Liability Company	Kingdom of Saudi Arabia	60%	60%
PIK	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100%	100%
The Red Color	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100%	--
Logi	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100%	--

Information about subsidiaries:

CoKitchens:
on 20 July 2020, the Group signed an acquisition agreement to acquire shares that represent 60% of share capital of Joint Preparation Company for Meals (a limited liability company) amounting to SR 25,000 were the cost of the acquisition amounted to SR 2.4 million. On 7 September 2020 (corresponding to 19 Muharram 1442H), The Company's Articles of Association and shareholding structure have been amended to reflect the impact of the acquisition. The Company is engaged in the food service activities.

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

PIK
On 4 November 2020, the Group incorporated a wholly owned subsidiary which is PIK Options Trading Company (a single shareholder limited liability company). The company's capital is SR 1,000,000. The company is engaged in online retail sales.

The Red Color Company
On 8 February 2021, the Group has incorporated a wholly owned subsidiary, the Red Color Company (a single shareholder limited liability company). The company's capital is SR 10,000. The company is engaged in other financial services activities, with the exception of insurance and pension financing.

Logi
On 8 February 2021, the Group established a wholly owned subsidiary, Support Solutions for Logistics Services (a single shareholder limited liability company). The company's capital is SR 1,000,000. The company is engaged in directing vehicles, transporting goods, and providing delivery services via e-platforms.

2- BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with requirements of IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA.

The condensed consolidated interim financial statements do not include all the information required for the full financial statements in accordance with the IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, hence, should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. However, the condensed consolidated interim financial statements include some disclosures to explain some material events and transactions in order to understand the changes in the Group's financial position and performance since the last annual financial statements.

Further, the results for the nine-month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the year ended 31 December 2021.

2.2 Basis of measurement
The interim financial statements have been prepared on a historical cost basis, except for employees' benefits obligations which are measured using the projected unit credit method, investments at FVTPL, the accrual basis of accounting and the going concern concept.

2.3 Functional and presentation currency
The interim financial statements of the Group are presented in Saudi Riyals (SR) which is the Group's functional and presentation currency.`

2.4 Basic of consolidation

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

2- BASIS OF PREPARATION (CONTINUED)

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

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 recognized in profit or loss.

Subsidiaries
Subsidiaries are entities 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 subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests
Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in the 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 derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity and any gain or loss is recognized in the statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.5 New standards and amendments issued

New standards and amendments applied
The standards and amendments issued that were applied by the Group in preparing the condensed consolidated interim financial statements to the date of issuance of the Group's interim financial statements that are effective on 1 January 2021 are listed below.

Standards / amendments	effective
Amendments to IFRS 17	1 January 2021
Amendments to IFRS 9, IFRS 7, IFRS 4, IFRS 16 and IFRS 39	1 January 2021

These amendments have had no significant impact on the condensed consolidated interim financial statements.

Standards issued but not adopted
The standards and amendments issued but not effective up to the date of issuance of the Group's condensed consolidated interim financial statements.

Standards / amendments	Description	effective
Amendments to IFRS 37	Onerous contracts – cost of fulfilling a contract	1 January 2022
Amendments to IAS 16	Collections before intended use	1 January 2022
Amendments to IFRS 3	Conceptual framework	1 January 2022
Amendments to IAS 1	Classification of liabilities as current o non-current	1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets Between the Investor and Its Associate or Joint Venture	Available for optional adoption/ effective date deferred indefinitely
Amendments to IFRS 17	Insurance Contracts	1 January 2023

The Group does not expect that such amendments have a material impact on the Group's financial statements in applying these amendments.

2- BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions have been reviewed on an ongoing basis and revision to accounting estimates are recognized in the period in which the estimates are 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.

The Group based its assumptions and estimates on parameters available when the interim financial statements were prepared. The assumptions and current conditions of future developments, may change due to market changes or circumstances arising beyond the control of the Group. These changes are reflected in assumptions when they occur.

Employees' benefits

Employees' benefits cost and present value of the liability is determined using an actuarial valuations involves making various assumptions which may differ from actual developments in the future. Such assumptions includes determination of discount rate, future salary increases and mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate and in determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

Provision for expected credit loss on accounts receivables
The Group uses a model in estimating lifetime ECLs that have not been credit-impaired or credit-impaired based on a change in the credit risk associated with the financial instrument.

Trade receivables are combined based on the common credit risk characteristics and the days in which they are due to measure the ECLs. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic activity indicators affecting the ability of the customers to settle the receivables.

Lease's discount rate
The management of the Group uses estimates in determining the incremental borrowing rate in computing the present value of minimum lease payments, as well as the expected lease term in the event of extension options.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021

3- SIGNIFICANT ACCOUNTING POLICIES

The significant accounting polices applied in preparing these condensed consolidated interim financial statements that comply with the accounting policies applied in preparing the Group's annual consolidated financial statements for the year ended 31 December 2020 which are described in Note (3) of the Group's annual consolidated financial statements are set out below.

a) Property and equipment

Property and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost included expenditure that is directly attributable to the acquisition of the asset. Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in the consolidated statement of profit or loss when incurred.

Depreciation is charged to the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of individual item of property and equipment. The estimated useful lives of assets will be depreciated as follows:

	Years
Tools and instruments	4
Computers	4
Furniture and fixtures	4
Electrical machines	4
Decorations and leasehold improvements	4
Central kitchens	10

Depreciation methods, rates and residual values are reviewed annually and are adjusted if the current method and the estimated useful life or the residual value is different than the estimated in past. The effect of such changes is recognized in the consolidated statement of profit or loss prospectively.

Major renovations and improvements are capitalized if they extend the productivity or the operating useful life of the property and equipment.

Minor repairs and improvements are charged as expenses when incurred. Gains or losses resulting from disposal of property and equipment, which represent the difference between proceeds from sale and the carrying amount of assets, are recognized in the consolidated statement of profit or loss.

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the consolidated statement of profit or loss as incurred.

Computers software

Computer software licenses acquired from third parties are initially recognized at cost. Costs directly associated with the production of internally developed software, where it is probable that the software will generate future economic benefits, are recognized as intangible assets. Capital work under development relating to development of intangible assets is stated at cost less impairment losses, if any, and is not depreciated until the asset is available for use. Depreciation is charged to the consolidated statement of profit or loss using a straight-line basis over the estimated useful life estimated by 4-year.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventory is determined on the basis of the first-in-first-out method. Cost includes expenses incurred for acquisition of inventory and any shipping, transportation, insurance, custom duties and other direct expenses related to the acquisition of the inventory.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs to sell.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term liquid investments with original maturities of three month or less, if any, which are available to the Company without any restrictions.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. 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 appropriate 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.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is disclosed as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities can be obtained at the measurement date.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs).

For assets and liabilities that are recognized in the condensed interim financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Fair value measurement (continued)

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) Financial instruments

Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investments; FVOCI – equity investments; or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investments that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets

The financial assets at amortized cost consist of receivables and cash and cash equivalents and other receivables.

Loss provisions are measured on the bases of ECLs over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument.

'The Group measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all value shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For receivables, the Group applies the simplified approach to estimate ECLs.

Impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are impaired. A financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment
Loss provisions for financial assets are deducted from the gross carrying amount of the assets.

Impairment losses related to trade receivables, if any, are presented in the interim statement of profit or loss under a separate item.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Financial liabilities
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or losses on derecognition is also recognized in profit or loss.

Derecognition
Financial assets
A financial asset (or part of a group of similar financial assets) is disposed mainly (i.e. disposed from the interim statement of financial position) in the following cases:

- The rights to receive cash flows from the asset have been expired;
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

Financial liabilities
The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expired. The Group also derecognizes financial liabilities when the terms and cash flows of the modified obligation are substantially modified, in which case a new financial liability is recognized based on the modified terms at fair value.

On disposal of a financial liability, the difference between the amortized carrying amount and the amount paid (including any non-cash assets transferred or charged liabilities) is recognized in the interim statement of profit or loss.

The Group has no debt investments at FVOCI or equity investments at FVOCI.

g) Employees' benefits

Short-term benefits
Short-term employees benefits are expensed as the related service is provided. A liability is recognized 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.

Post-employment benefits
The Group operates a defined benefit plan for its employees in accordance with Saudi Labor and Workman Law as defined by the conditions set out in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method. Employees' benefits obligation plans are not funded. Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method and the liability is recorded based on an actuarial valuation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Employees' benefits (continued)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated statement of income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise

h) Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate for the consideration required to settle the present obligation at the end of reporting date taking into account risk and doubts specific to liability.

When the Group expects to pay some or all of the provisions (for example, insurance contracts, compensation terms or supplier guarantees), the payment is recognized as a separate asset. When payment is almost certain, expenses relating to provision are recognized in the consolidated statement of profit or loss, net of any compensation.

In case the effect of the time value of money is of relative importance, the provisions are determined by discounting estimated cash flows by pre-tax rate that reflects current market assessments for time value of money and risks related to the obligation. The unwinding of the discount is recognized as finance cost.

i) Contingencies

These are probable obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or present obligation not recorded because the need for flow of resources to settle the obligation is not probable. In case the amount of the obligation cannot be measured with sufficient reliability, this amount is not recognized as contingent liabilities but disclosed in the consolidated financial statements.

j) Foreign currencies transactions

Transactions denominated in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the financial position date are translated to Saudi Riyals at the foreign exchange rate ruling at that date. Gains or losses arising on exchanges are recognized in the consolidated statement of profit or loss currently.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced by expected returns from customers and other discounts.

The Group recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contract with 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 the performance obligations	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	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: Revenue recognition	The Group recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

Commissions and revenues from delivery services
Revenue is recognized when the delivery service is performed to the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is stated net of discounts and compensation offered to the customer.

Advertising and marketing revenues
Revenues associated with advertising and marketing services are recognized over time by measuring the Company's progress towards satisfaction of a performance obligation using output method.

Revenue from e-payment fees
Revenue is recognized when the collection service is performed on behalf of the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is stated net of discounts and compensation offered to the customer.

Other revenues
Revenues are recognized when services are rendered to customers and are stated at net of discounts and exemptions.

l) Leases

Determining whether an arrangement contains a lease or not depends on the core of the arrangement at its inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee
At the commencement date, the Group shall assess 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 a consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

(a) The right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) The right to direct the use of the identified asset.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Leases (continued)

The Group shall recognize a right-of-use asset at the commencement date (i.e. the date on which the underling asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received. The estimated useful life for right-of-use asset based on the lease term.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The Group shall discount lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be easily determined, the Group should use the incremental borrowing rate.

After the commencement date, a lessee shall measure the lease liability by:

(a) Increasing the carrying amount to reflect interest rate on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments that are remeasured when there is a change in future lease payments arising from a change in index or a rate, or if there was a change in the Group's estimate of the amount expected to be payable by the lessee under residual value guarantees, or if the Group changed its assessment whether if it will choose the purchase, extension or termination.

Any remeasurement is settled in the lease liability against the carrying amount of right-of-use asset or charged to the statement of income if the carrying amount of the related asset is Zero.

Short-term leases
The Group elected not to recognize right-of-use assets and lease liabilities for the short-term leases for which their terms are 12 months or less. The Group recognizes lease payments associated with those leases as expenses on a straight line basis over the lease term.

Extension options
In case of leases that provide extension options, the Group assesses whether if it is reasonably certain, at commencement date, that the extension options will be exercised. The Group reassesses whether it is reasonably certain to exercise the options if there was an significant event or major change in the circumstances that fall under its control.

m) Expenses

Advertising and publicity expenses are those arising from the Group's efforts underlying the marketing functions. All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses and research and development expenses. Allocations of common expenses between cost of revenue and general and administrative expenses and research and development expenses, when required, are made on a consistent basis.

n) ZAKAT

Provision for Zakat is calculated at the date of the consolidated statement of financial position in accordance with regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia ("ZATCA"). The resulting provision is recorded in the consolidated statement of profit or loss. Additional Zakat liability, if any, related to prior years' assessments arising from ZATCA are recognized in the period in which the final assessments are finalized.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) REPORTING SEGMENTS

An operating segment is a part of the Group's business activities from which revenue can be recognized and expenses are incurred and includes income and expenses relating to transactions with any of the other components. All operational results of the operating segments are reviewed by the operating decision makers to make decisions about the resources to be allocated to the segment and to assess its performance, which have separate financial information.

p) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of the ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible debt instruments and share options granted to employees, if any.

q) Statutory reserve

In accordance with the provisions of the Saudi Arabian Regulations for Companies, the Group is required to transfer 10% of its net income each year to a statutory reserve until such reserve equals 30% of share capital. This reserve is not available for distribution to the shareholders.

r) Current versus non-current classification

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

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- It is held primarily for the purpose of trading;
- Expected to be realized 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 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 Group classifies all other liabilities as non-current liabilities.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021
(Saudi Riyals)

4- PROPERTY AND EQUIPMENT

	Tools and instruments	Computers	Furnitures & fixtures	Electrical machines	Central kitchens	Decorations and leasehold improvements	Project under construction	Total
Cost								
Balance as at 1 January 2020	**100,881**	**788,736**	**1,367,478**	**558,367**	**--**	**946,856**	**--**	**3,762,318**
Additions	5,507	689,326	234,821	39,660	1,144,343	1,231,933	801,992	4,147,582
Balance as at 31 December 2020	**106,388**	**1,478,062**	**1,602,299**	**598,027**	**1,144,343**	**2,178,789**	**801,992**	**7,909,900**
Additions	35,577	1,003,815	562,655	692,392	57,932	383,762	--	2,736,133
Transferred from project under construction	--	--	--	--	--	801,992	(801,992)	--
Balance as at 30 June 2021	**141,965**	**2,481,877**	**2,164,954**	**1,290,419**	**1,202,275**	**3,364,543**	**--**	**10,646,033**
Accumulated depreciation:								
Balance as at 1 January 2020	**35,978**	**212,708**	**166,110**	**137,567**	**--**	**172,261**	**--**	**724,624**
Depreciation for the year	25,734	274,738	350,957	142,637	9,536	247,821	--	1,051,423
Balance as at 31 December 2020	**61,712**	**487,446**	**517,067**	**280,204**	**9,536**	**420,082**	--	**1,776,047**
Depreciation for the period	28,468	365,720	503,865	194,308	87,639	414,661	--	1,594,661
Balance as at 30 September 2021	**90,180**	**853,166**	**1,020,932**	**474,512**	**97,175**	**834,743**	**--**	**3,370,708**
Net book value as at:								
30 September 2021	**51,785**	**1,628,711**	**1,144,022**	**815,907**	**1,105,100**	**2,529,800**	**--**	**7,275,325**
31 December 2020	44,676	990,616	1,085,232	317,823	1,134,807	1,758,707	801,992	6,133,853

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 June 2021
(Saudi Riyals)

5- INTANGIBLE ASSETS

	Software	Project under construction	Total
Cost			
Balance at 1 January 2020	3,875,147	1,842,537	5,717,684
Additions	314,381	970,502	1,284,883
Balance at 31 December 2020	**4,189,528**	**2,813,039**	**7,002,567**
Additions	298,950	547,745	846,695
Transferred	2,813,039	(2,813,039)	--
Balance at 30 September 2021	**7,301,517**	**547,745**	**7,849,262**
Accumulated amortization			
Balance at 1 January 2020	1,867,181	--	1,867,181
Amortization for the year	998,831	--	998,831
Balance at 31 December 2020	**2,866,012**	--	**2,866,012**
Amortization for the period	1,230,402	--	1,230,402
Balance at 30 September 2021	**4,096,414**	--	**4,096,414**
Net book value as at			
30 September 2021	**3,205,103**	**547,745**	**3,752,848**
31 December 2020	1,323,516	2,813,039	4,136,555

6- INVESTMENTS AT FVTPL

The Company's investments represents equity shares in non-listed company "Halalah Company Ltd " and debt securities convertible into an equity instrument in "Bonat Holding LTD "

Movement in investments is as follows:

	30 September 2021	31 December 2020
Balance at the beginning of the period / year	--	--
Additions	**4,125,000**	--
Fair value differences	**3,748,617**	--
Balance at end of the period/year	**7,873,617**	--

7- TRADE RECEIVABLES

	30 September 2021	31 December 2020
Trade receivables	**9,933,950**	6,757,120
Less: provision for impairment loss on trade receivables	**(2,404,033)**	(2,283,594)
Balance at end of the period/year	**7,529,917**	4,473,526

The movement in provision for impairment loss on trade receivables is as follows:

	30 September 2021	31 December 2020
Balance at the beginning of the period / year	**2,283,594**	1,819,525
Provided during the period / year	**120,439**	464,069
Balance at end of the period/year	**2,404,033**	2,283,594

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021
(Saudi Riyals)

8- PREPAYMENTS AND OTHER RECEIVABLES

	30 September 2021	31 December 2020
Prepayments	**6,515,713**	3,612,260
Employee custodies and advances	**578,734**	397,957
Bank guarantee letters	**2,250,000**	--
	9,344,447	4,010,217

9- CASH AND CASH EQUIVALENTS

	30 September 2021	31 December 2020
Current accounts with banks	**328,161,146**	205,247,832
Cash in hand	**973,203**	476,124
	329,134,349	205,723,956

Current accounts with banks include amounts collected on behalf of customers and are settled against the balance of proceeds due to customers on a semi-monthly basis.

10- SHARE CAPITAL

Jahez International Company for Information Systems Technology (the "Company") was formed as a limited liability company on 6 Muharram 1439H (corresponding to 26 September 2017) with a capital of SR 1 million divided into 1,000 shares, with a value of SR 1,000 each.

Capital structure adjustment
On 7 September 2020, the Company's shareholders made an amendment to the Articles of Association with the entry of a new shareholder (Osool Impact for Commincation and Technology (Impact46)), and the shareholder Mishaal Salman bin Mandeel waived all his shares in the Company, including his rights and obligations in favor of (Osool Impact for Commincation and Technology (Impact46)), and the holding of the shareholder (ALAMAT International Company) in the capital was modified, in addition to adjusting the value of the share in the capital to become SR 10 instead of SR 1,000. The shareholders and their shareholding in accordance with the amended Articles of Association are as follows:

The shareholders	**No. of shares**	**Share capital**
ALAMAT International Company Limited	62,500	625,000
Osool Impact for Commincation and Technology (Impact46)	37,500	375,000
	100,000	**1,000,000**

Interest-free loan agreement and promise of sale
On 18 August 2020, an interest-free loan agreement of SR 30 million with a maturity period ending on 18 February 2021 was entered into between (Jahez International Company for Information Systems Technology) "the Company" and (Taa'theer Financial Company) with a promise of sale by issuing shares in favor of (Taa'theer Financial Company) representing 40% of the capital of (Jahez International Company for Information Systems Technology) after amending its legal entity to a closed joint stock company,

(Saudi Riyals)

10- SHARE CAPITAL (CONTINUED)

Capital structure adjustment

The shareholders	No. of shares	Share capital
ALAMAT International Company Limited	60,000	600,000
Osool Impact for Commincation and Technology (Impact46)	40,000	400,000
	100,000	**1,000,000**

On 27 October 2020, the shareholders amended the Company's Articles of Association by amending the shareholding through assigning the shareholder ALAMAT International Company part of its shares amounting to (2,500) shares representing 2.5% of the Company's capital to Osool Impact for Commincation and Technology (Impact46) including its rights and obligations, so that the capital structure becomes as follows:

In addition, the shareholders in their meeting held on 27 October 2020 decided to transfer the legal entity of the Company and its branches from a limited liability company to a Saudi closed joint stock company including its rights and obligations, as well as increasing its capital to SR 5,000,000 by transferring SR 4,000,000 from shareholders' accounts payable of the Company to the capital account, and the Company shall keep the same name, number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire capital amounting to 500,000 shares with a nominal value of SR 10 each. on 17 December 2020, the shareholders in the transformational general assembly approved the Company's By-Laws and the appointment of the Company's first Board of Directors for a period of five years.

The distribution of the share capital as at 31 December 2020 and 31 March 2021 is as follows:

The shareholders	Number of shares	Share capital
ALAMAT International Company Limited	300,000	3,000,000
Osool Impact for Commincation and Technology (Impact46)	200,000	2,000,000
	500,000	**5,000,000**

Cancelation of the interest-free loan agreement and promise of sale
On 28 February 2021, the shareholders decided to transfer the remaining amount of the interest-free loan of 26 million from the shareholder's account payable "Osool Impact for Commincation and Technology (Impact46)" to the shareholders' accounts payable in the Company in proportion to each shareholder's ownership percentage in the capital as at the date of the Company's transformational general assembly on 17 December 2020, in addition to approving to cancel the interest-free loan agreement as of the date of the transformational general assembly on 17 December 2020.

Capital structure adjustment
On 15 Shawwal 1442H (corresponding to 27 May 2021), the extraordinary general assembly of shareholders approved the decision of the board of directors to increase the share capital to become SR 96,000,000 by issuing new shares against transferring an amount of SR 63,500,000 from the retained earnings, an amount of SR 26,000,000 from due to related parties accounts (shareholders), and an amount of SR 1,500,000 from the statutory reserve account.

On 23 Safar 1443H (corresponding to 30 September 2021), the Company's capital is SR 96,000,000 divided into 9,600,000 equal shares of SR 10 each and all of which are ordinary shares.

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021
(Saudi Riyals)

10- SHARE CAPITAL (CONTINUED)

The distribution of the share capital as at 30 September 2021 are as follows:

The shareholders	Number of shares	Share capital
ALAMAT International Company Limited	5,760,000	57,600,000
Osool Impact for Company for Technology (Impact46)	3,840,000	38,400,000
	9,600,000	**96,000,000**

Capital structure adjustment

On 28 Shawwal 1442H (corresponding to 9 July 2021), the extraordinary general assembly of shareholders approved the decision of the board of directors to increase the share capital to become SR 104,918,030 by issuing 891,803 new shares with a nominal value of SR 10 per share, all of which are ordinary shares in exchange for cash shares to be offered to new shareholders for public subscription. The legal formalities required to enforce the increase of the share capital are still in progress until 30 September 2021. The company has already obtained the approval of the Capital Market Authority for the offering of 13% of its shares in the Parallel Market on September 29, 2021.

11- RELATED PARTY TRANSACTIONS

In the ordinary course of its business, the Group, transacts with the shareholders of the Group and the affiliates owned by the shareholders and the key management personnel, as the Group enters into contracts to obtain services and pay the expenses on behalf affiliates. These transactions are carried out in accordance with the terms specified with the related parties. The following table shows the value of the transactions made during the period and the resulting balances:

a) Significant related party transactions

30 September 2021

Related party	Nature of Relationship	Nature of Transaction	Amount of transaction
Tharwa Holding Company	An affiliate	Leases and services	1,720,573
Talal Saud Al Arifi	Shareholder of subsidiary	on behalf of a subsidiary	1.606
Halalah International Company	A company owned by the Deputy CEO	Logistics services	7,885,740
		Collection on behalf	5,908,173
Halalah Limited	An affiliate	Deposit in Wallet	3,551,233

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021
(Saudi Riyals)

11- RELATED PARTY TRANSACTIONS (CONTINUED)

30 September 2020

Related party	Nature of Relationship	Nature of Transaction	Amount of transaction
ALAMAT International Company Limited	A shareholder	Payments on behalf of the Group	117,147,879
		Purchases of goods and bank service paid on behalf	3,551,002
		Expenses paid on their behalf	137.160
Tharwa Holding Company	An affiliate	Leases and services	670,544
Halalah International Company	A company owned by Vice CEO	Collection on behalf	8,220,739
		Logistics services	7,019,247
Dar Al Fikrah Al-Mumaiyazah	An affiliate	Construction services	583,759
Talal Saud Al Arifi	Shareholder of subsidiary	Expenses paid on behalf of a subsidiary	560,146
AbdulAziz Bin Abdulrahman Bin Mohammed AlOmran	Shareholder	His share in the additional capital	559,667

b) Due from related parties

	30 September 2021	31 December 2020
Tharwa Holding Company	**5,625**	55,836
ALAMAT International Company Limited	**2,500**	1,855,127
(Impairment loss on due from related parties)	**--**	(1,855,127)
Halalah International Company	**298,767**	--
Talal Saud Al Arifi	**100,000**	--
Triple Preparation Company Ltd.	**--**	434,000
	406,892	489,836

c) Due to related parties

	30 September 2021	31 December 2020
ALAMAT International Company Limited	**--**	15,904,046
Dar Al Fikrah Al-Mumaiyazah	**--**	357,300
Halalah International Company	**37,075**	54,671
The Eight Creations Agency for Advertising	**--**	781,137
Osool Impact for Commincation and Technology (Impact46)	**--**	10,400,000
Al Joudah Al-Mahaliyah Limited Company	**--**	43,580
Abdulaziz Abdulrahman Al Omran	**36,000**	36,000
Talal Saud Al Arifi	**1,606**	777
	74,681	27,577,511

	30 September 2021	30 September 2020
Key management personnel compensations, wages and salaries	**3,085,735**	1,772,929

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021
(Saudi Riyals)

12- EMPLOYEES' BENEFITS OBLIGATIONS

The Group has a post-employment defined benefit plan. The benefits are required by Saudi Labor Law. These benefits are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Saudi Arabia. The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and other comprehensive income and amounts recognized in the consolidated statement of financial position.

Changes in the present value of defined benefit obligation

Defined benefit obligation at 1 January 2020	**1,482,598**
Interest cost	42,995
Current service cost	1,932,132
Amount recognized in profit or loss	1,975,127
Re-measurements gains recognized in other comprehensive income	(289,591)
Benefits paid during the year	(31,178)
Defined benefit obligation at 31 December 2020	**3,136,956**
Interest cost	--
Current service cost	**1,496,505**
Amount recognized in profit or loss	**1,496,505**
Re-measurements gains recognized in other comprehensive income	--
Benefits paid during the period	**(16,409)**
Defined benefit obligation at 30 September 2021	**4,617,052**

13- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	30 September 2021	31 December 2020
Accrued expense	**17,259,548**	9,029,981
Third party deposits	**21,632,529**	18,431,509
Accrued employees' benefits	**10,816,260**	7,232,114
	49,708,337	34,693,604

14- REVENUE

	For the nine-month period ended 30 September	
	2021	2020
Revenue from delivery fees	**529,512,548**	185,124,257
Revenue from commissions	**272,330,490**	93,699,183
Revenue from e-payment fees	**40,188,496**	3,245,031
Advertising and marketing revenues	**25,828,510**	3,628,482
Other income	**2,709,666**	2,523,714
Gross revenue	**870,569,710**	288,220,667
Cash back	**(22,874,358)**	--
Net revenue	**847,695,352**	288,220,667

Jahez International Company for Information Systems Technology
(A Saudi Closed Joint Stock Company)
Notes to the condensed consolidated interim financial statements
(Unaudited)
For the nine-month period ended 30 September 2021
(Saudi Riyals)

15- COST OF REVENUE

	For the nine-month period ended 30 September	
	2021	2020
Cost of delivery	**555,528,565**	175,996,140
Customer compensation	**19,982,387**	8,550,365
Salaries, wages and employee benefits	**31,940,781**	13,880,816
Bank charges	**35,328,043**	4,657,990
Consumables	**4,686,984**	3,256,813
Network servers	**5,491,236**	2,872,102
Platform services	**783,261**	476,012
Depreciation and amortization	**1,472,458**	753,748
Others	**169,421**	75,067
	655,383,133	210,519,053

16- MARKETING & ADVERTISING EXPENSES

	For the nine-month period ended 30 September	
	2021	2020
Advertising and publicity	**45,511,265**	16,569,055
Salaries, wages and employee benefits	**9,180,004**	4,015,112
Promotions	**20,151,404**	3,494,936
	74,842,673	24,079,103

17- GENERAL AND ADMINISTRATIVE EXPENSES

	For the nine-month period ended 30 September	
	2021	2020
Salaries, wages and employee benefits	**6,953,523**	2,445,777
Depreciation and amortization	**2,690,103**	1,502,459
Professional fees	**1,970,212**	808.294
Missions, maintenance and operation	**1,580,466**	925.892
Others	5,284,474	1,397,485
	18,478,778	7,079,907

18- BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing income for the period attributable to the Group's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is the same as basic earnings per share as the Group has no diluted financial instruments.

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2021	2020	**2021**	2020
Profit for the period	**61,333,067**	21,601,161	**90,052,658**	41,647,821
Weighted average number of shares *	**7,942,125**	6,500,000	**7,942,125**	6,500,000
	7.7	3.3	**11.3**	6.4

* The weighted average number of shares for the period ended 30 September 2020 has been adjusted retrospectively to reflect the impact of the increase in share capital by 65,500,000 divided into 6,500,000 shares, transferred from statutory reserve and retained earnings (Note 10).

19- CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group has capital commitments represent capital construction works for the Group's headquarters for the second and fourth floors in the amount of SR nil as at 30 September 2021 (31 December 2020: SR 1 million).

The Group has contingent contractual commitments represent commitments to provide advertising services with Al Hilal Saudi Club for a period of five sports seasons ending in 2024, in an amount of SR 62 million as at 30 September 2021 (31 December 2020: SR 81 million). In addition, the contract included the payment of additional amounts in the event that the first team of Al Hilal Club wins in a season or certain tournaments, with a maximum amount of SR 3.5 million per year.

20- REPORTING SEGMENTS

On the date of the condensed consolidated interim financial statements for the period ended 30 September 2021, the Group is mainly involved in delivery services in the Kingdom of Saudi Arabia. All the Group's assets and liabilities are allocated to this segment.

21- SIGNIFICANT EVENTS

The Group's operations have been affected by the recent and ongoing outbreak of the (Covid-19) pandemic, which was declared a pandemic by the World Health Organization in March 2020. The ultimate impact which may be caused by the outbreak is uncertain. The Covid-19 pandemic has spread across various geographies globally, causing disruption to business and economic activities. Covid-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities in Saudi Arabia have announced various support measures to counter possible adverse implications. The Group is closely monitoring the situation, and is operationalizing its business continuity plans and other risk management practices to manage the impact of the outbreak given the Covid-19 outbreak on its operations and financial performance.

As the Covid-19 outbreak continues to evolve, it is difficult to forecast its full extent and duration of the economic impact as of now.

Despite the above circumstances, management believes, based on their assessment, that the Group has sufficient liquidity available to continue to meet its financial commitments for the foreseeable future as and when they fall due.

22- APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on 21 Rabi al-awwal 1443H (corresponding to 27 October 2021)


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