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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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

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س.ت ١٠١٠٤٢٥٤٩٤
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R : 2
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)

	Note	(Unaudited) Three-month period ended 30 September		(Unaudited) For the nine-month period ended 30 September	
		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.

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:

			Shareholding	
	Legal entity	**Country of incorporation**	**30 September 2021**	**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.

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.

<u>Computers software</u>

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.

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.

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.

(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

(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

(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.

(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

(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

(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

(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)