



Annual Report  
2021 – 1442H

Growth with a strategic vision

King Abdullah Bin Abdulaziz Road, Al-Waha District 2065, Riyadh, Kingdom of Saudi Arabia







His Majesty  
King Salman Bin Abdulaziz Al Saud  
Custodian Of The Two Holy Mosques





His Royal Highness  
Prince Mohammed Bin Salman Bin Abdulaziz Al Saud  
Crown Prince, First Deputy Prime Minister





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## Sustainability, Leadership and Growth



Our competitive advantages, is the highly flexible, efficient, and ready digital infrastructure, reflecting an integrated performance on all our business channels, and enhancing Jahez ability to address all emerging changes and challenges in the markets where we operate.

### Chairman’s Statement

Our Valued Shareholders,

Another year has elapsed summing up another success story, which we add to our distinguished business journey. I am honored and privileged to present to you our annual report for this year that marks our achievements, demonstrated by facts and figures. We are moving forward with confidence to achieve our Vision to become the most loved lifestyle platform in the Middle East by providing the best stakeholders experience.

With the highly competitive atmosphere and significant challenges in the on demand service industry and the overall business environment in the Kingdom and around the world, Saudi government intensified their unremitting efforts to monitor work environments with their human resources and digital systems, to organize their movement in accordance with security and health standards to ensure smooth and high quality services in this sector. These positive changes are key success factors in the long-term for this industry in the Kingdom of Saudi Arabia, especially for companies that operate with an ambitious growth strategy, such as “Jahez”, which has been investing intelligently and skillfully under challenges to turn them into major successes, embodied in its successful work process. Jahez succeeded in acquiring a large market share to become the fastest growing company in the food delivery services market in the Kingdom.

The last outcome of this success journey and series of achievements, was listing Jahez in the parallel market – (Nomu) at the beginning of 2022, by virtue of the efforts and dedication of all its family members at the different functional levels. Our employees are one of our most important assets, and we are proud to have them onboard, retain them and improve their professional conditions, by providing an attractive work environment that enables them to achieve the company’s strategic objectives and extend our footprint locally and regionally.

Moreover, one of our competitive advantages, is the highly flexible, efficient, and ready digital infrastructure, reflecting an integrated performance on all our business channels, and enhancing Jahez ability to address all emerging changes and challenges in the markets where we operate. In addition, Jahez is committed to apply the highest integrated and structured governance standards organizing all current and future business plans and strategies.

Currently, we are on the verge of a major growth phase, as we prepare to expand regionally and internationally while continuing to develop our platforms to seize new growth opportunities resulting from rapid changes in consumer behavior, as well as continuing to invest in our proprietary technology solutions and new business sectors including Cloud Kitchens, Quick Commerce, and Last Mile Delivery Services for future growth.

In closing this address, I would like to extend my sincere thanks and appreciation to our wise government under the leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, may Allah Almighty protect him, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, may Allah protect him, for the tireless efforts and support to improve business and investment environments that satisfy the ambition of quality aspired at all levels in the Kingdom,. I would like also to thank all the shareholders and partners for their high confidence and support to the company in all circumstances and times. Our thanks go also to all Jahez family members at all their functional levels for their efforts, loyalty, and dedication towards realizing our strategic growth and development, successes, and outstanding achievements

**HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud**  
Chairman of the board





It is noteworthy to mention here that we have made remarkable progress in our development, expansion, and growth journey. Many investment projects have been inaugurated, comprising key pillars for us to anchor our trademark “Jahez” as one of the most prominent and important reputable national companies.

## Chief Executive Officer’s Statement

Dear Shareholders and Stakeholders,

I am pleased to present you our annual report for the year 2021. I hope the report will bear witness to our tangible successes in our outstanding business journey by which we aim to achieve our strategic growth and accelerate expansion objectives in a manner that fulfills our ambitions and exceeds our stakeholder expectations by providing a seamless user-centric experience enabled by continuous technology innovation, in line with our Mission.

Jahez has added another distinct story of success, marked by facts and figures that support the continuous growth and achievements at all levels of the company. Despite the highly competitive environment in the delivery and logistics market in the Kingdom, Jahez is moving forward steadily and is determined to implement its long-term business strategy. Our listing in the parallel market – Nomu, has been fundamental to our expansion and sustainable growth. We have continued to develop our processes, in accordance with the latest international professional and operational practices, including highly intelligent, sophisticated, and flexible digital infrastructure that provides the management with the ability to develop its business model and expand its investments competently and professionally. We have taken advantage of the strong support provided by the government to this emerging and growing sector as an urgent need to organize the market through integrated measures and procedures.

Among the most prominent enablers of success and growth of our company our distinguished cadres of young Saudi men and women who have proven the spirit of competition and ability to achieve ambitions and overcome challenges. All our teams are embedding in their culture loyalty and love of the work, maximizing the effect of performance and augmenting its value in our constant growth journey. In this context, the company management is committed to apply the highest quality and efficiency standards to provide an attractive work environment maintaining the rights of all its employees at all levels and specialties. The company also supports its employees with additional training and development programs to refine their knowledge and skills. Jahez also seeks to attract the best national competencies and talents that constitute a distinct real addition to support the company effort in carrying out its promising expansion and development plans, targeting further growth and prosperity.

It is noteworthy to mention here that we have made remarkable progress in our development, expansion, and growth journey. Many investment projects have been inaugurated, comprising

key pillars for us to anchor our trademark “Jahez” as one of the most prominent and important reputable national companies. Jahez provides delivery services, including advanced operational logistic services and solutions, a landmark for the business sector growth and development journey in the Kingdom. n sectors that back its business, such as the incorporation of “Logi” company to enhance its logistic business and develop its services to cover all the group companies’ needs, including delivery and logistic support services and requirements. The company has also diversified its services to expand in other sectors, via launching PIK Platform which aims to connect customers to their favorite brands through fast delivery from supermarkets, grocery stores, pharmacies and local retail stores, at the same efficiency and ability level. Jahez has also made a quantum leap, utilizing its experience, deep knowledge and distinct presence among partners and customers alike to invest in the highly evolving, successful emerging cloud kitchens sector. Co Kitchens Company has been acquired and started its business by opening its first branch in the northern area of Riyadh and we are in the process of opening a network of branches across different regions in the Kingdom, in line with the company’s strategy to expand and realize further major successes and achievements.

In line with the core of its Mission to support social events according to the highest standards of quality and efficiency, Jahez proceeded with enhancing its presence as one of the most important providers of initiatives and sponsors of charities, in accordance with the highest quality and efficiency standards. The company also constantly takes part in the most prominent youth, sports, art, and philanthropic events in the Kingdom, contributing to enhancing the social development journey and backing the government tireless efforts to generalize the quality-of-life concept at all levels and spectrums of the Saudi society.

In conclusion, I would like to extend my thanks and appreciation to all our shareholders, investors, and partners for their confidence and continuous support to our company in all its business phases. I would like also to thank the company’s board of directors for their direction and unlimited support for us to succeed in carrying out the company strategy and plans aiming at achieving further development and prosperity. My thanks also go for the company personnel at all levels for their loyalty, dedication, and unlimited commitment to the company values and culture, as well as their distinct competency in realizing our strategic objectives.

**Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel**  
Chief Executive Officer





The Gross Order Value (GOV), including tax and delivery fees, on Jahez platform grew between 2020 and 2021, rising from SAR 1.9 billion to SAR 4.5 billion, a growth rate of more than 139.7% on an annual basis.

### Chief Financial Officer's Statement

Jahez has realized major achievements during the past year. In addition to the preparation for listing in the parallel market -Nomu, we managed to coordinate the rapid growth with profitability in a record time thanks to the strategic financial and operational planning adopted by the company's management since its inception. These achievements have played a significant role in preparing the company to achieve its defined targets and continue to grow and deliver results in line with our guidance shared with our shareholders, partners, and employees.

One of the most prominent factors of our success in achieving a leading position in the delivery business and logistics solutions sector in the Kingdom is our unremitted keenness to study the market and understand its trends and the context of its development in a way that provide for flexibility in accurately developing our investment and financial and operational strategies. Backing its overall direction to realize growth and development, Jahez has been employing its growing financial capacity and stability as well as its competitive advantages and high operation efficiency.

The Gross Order Value (GOV), including tax and delivery fees, on Jahez platform grew between 2020 and 2021, rising from SAR 1.9 billion to SAR 4.5 billion, a growth rate of more than 139.7% on an annual basis. Number of orders during 2021 hit 51.6 million orders. And by December 31, 2021, the total number of orders exceeded 83 million orders since the launch of Jahez platform.

In parallel, the Group's revenues grew from SAR 459 million in 2020 to SAR 1,220 million, an increase of more than 165% on an annual basis. This growth is mainly attributable to the increase in the average commission rate in addition to the increase in the number of users of the Application and the increase in the average number of orders per user, as about 45% of the orders come from clients whose average monthly orders exceed ten.

The Group was also able to achieve an increase in net profit to hit SAR 117.0 million, and a net profit margin rate that exceeded the level of 9.6% during the year 2021, an increase of 195% on an annual basis compared to SAR 39.7 million and a net profit margin of 8.6% in 2020, mainly due to the diversity of revenue, high level of automation in operations, and low customer acquisition costs.

Based on these successes and achievements in 2021, we are confident of the Group's ability to achieve the strategic objectives of growth and expansion in the coming years, in addition to promoting technical solutions to increase performance efficiency and optimize the use of the company's resources, which contribute to boosting profits and reducing costs to our partners. We hope that outstanding performance indicators will continue to be achieved during 2022 for all business domains, at the operational and financial levels.

**Mr. Heni Abdulhakim Muhammad Jallouli**  
Chief Finance Officer



## Board of Directors

### Responsibilities of the Board

The Board of Directors is responsible for overseeing the company executive management and supporting its strategic objectives to enable the company to continue to carry out its business successfully and sustainably and achieve the interests of its shareholders and stakeholders at a large-scale. The board is also responsible for enhancing the company success on the long-run and providing clear instructions to the executive management, including developing a clear strategy and overseeing its implementation by the management. In addition, the board is responsible for supervising the company governance structure, controls, internal controls systems and risk management.

The board represents all shareholders, manage the company affairs, and carries out all works for the public interest of the company, and develop and increase its value with due diligence and loyalty.

In addition, the board also protects the shareholders’ interests, and maximizes their gains on the long run. For this purpose, the board shall be fully responsible for the company governance, including developing the company vision and strategy and objectives of the executive management, and shall oversee the management in achieving these objectives.

The executive management is responsible for the day-to-day affairs of the company; however, the board shall ensure and verify that company internal control systems are effective and that its activities are in line with the strategy, frameworks, policies, and internal procedures adopted by the board in the manner ascribed by the law, regulations, or instructions issued by the competent authorities. Without prejudice to the competencies of the general assembly, the board shall have the extended powers to manage the company and direct its business to achieve its objectives. In particular, the board duties and responsibilities include the powers provided under the applicable laws, regulations, instructions, and the company articles of association.

The board represents all shareholders and shall exert due care and loyalty to manage the company, protect its interests, and develop it and maximize its value. Each board member shall comply with the principles of honesty, integrity and loyalty, and care for the interests of the company and shareholders and prioritize them over his personal interest, in accordance with the applicable laws, regulations and instructions.

The board of directors is also responsible for the company business, even it delegates committees, authorities, or individuals to exercise some its powers. In all cases, the board shall not issue a general or unfixed term mandate.

### Powers of the Board

The company is overseen by a board of directors consisting of highly experienced specialists. The board shall have the full powers to manage the company business and supervise its affairs. The board mandates the responsibility of the company day-to-day management to the executive management.

The board also delegates power to two committees (the executive committee and investment committee) composed of board members and each committee shall submit a report on its annual works and activities to the board.

The board committees may request the assistance of external, professional, and independent advisors who may demand support from the company departments to help them in carrying out their responsibilities in accordance with the work regulations stipulated for each committee.

External advisors, some of the directors and senior executive management members may sometimes attend the committee meetings together with its members and the secretary, subject to an invitation from the concerned committee chairman.

The board of directors shall have the power to form any number of committees that it deems necessary for effective governance, supervision, and management of the company operations, or to delegate some of its powers to a third party. However, the board has retained the power over taking important decisions and specific key matters that require board approval. These powers include the company strategy-related decisions, annual financial reports, operational plans, key capital expenditures and transactions, financial results, dividend distributions, other capital returns, as well as approval of the company’s risk appetite and other governance matters.

### Efficiency of the Board

The board has carried out its works very efficiently during the year, particularly in relation to supporting the company’s task and managing the critical changes in the legislative, economic, and commercial environment during the novel corona virus pandemic as well as the appertaining subsequent material changes.

The board chairman worked in cooperation with the Chief Executive Officer to set the board’s agenda and ensure effective implementation of the decisions and procedures adopted by the board.

In addition, the chairman communicated and met regularly, this year with independent and non-executive board members.

### Board Secretary

The board secretary main responsibilities include the provision of secretarial services to the board. These responsibilities include providing assistance in setting up board meetings schedule, meeting notifications, agendas, board actions, minutes of meetings, decision follow-up, and work items resulting from board meetings. The secretary powers also embrace all the tasks provided for in article (a) of article 37 of the Corporate Governance Regulations, including, but not limited to:

- Documenting board meetings and preparing minutes that include discussions and deliberations as well as documenting and keeping board decisions and voting results.
- Keeping the reports submitted to the board and those reports prepared by the board.
- Providing board members with the board’s agenda, work papers, and related documents and information.
- Verifying the directors’ compliance with the procedures adopted by the board.
- Informing management members of board’s meetings, enough time prior to their specified date.
- Presenting draft minutes to board members to express their opinions thereon prior to signing them.
- Coordinating between board members.
- Organizing the disclosure register of the board and executive management members as set out in article ninety-two of the Governance Regulations issued by the Capital Market Authority

The board secretary may be dismissed only by a decision of the board.

### Conflict of Interest

On 03/09/1442 corresponding to 15/04/2021, the board of Jazeh International adopted a clear written policy to address the existing or expected conflicts of interest, which may affect the performance of board or executive management members or other employees of the company when they deal with the company or other stakeholders. This policy also includes the requirements set out in the governance regulations, the corporate law and its implementing regulations, the Capital Market Authority Regulations, company’s articles of associations as well as all appertaining regulations.

### Expiry of Board Membership

The board membership expires by the expiry of the board term or if a member becomes unfit for membership, in accordance with any law or instructions applicable in the Kingdom. However, the ordinary general assembly may at any time dismiss all board members in part or in full without prejudice to the right of the dismissed member to claim compensation from the company if he is dismissed for an unacceptable reason or at an inappropriate time. A board member may resign, provided such resignation has taken place at an appropriate time. Otherwise, the member shall be liable towards the company for any damage caused by such resignation.



## Formation of the Board

The Company is managed by a board of directors composed of six (6) members elected by the shareholders ordinary general assembly. The directors' membership term, including the chairman, shall not exceed three (3) years for each term. Directors may be re-elected unless otherwise stated in the company 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 ordinary general assembly has also appointed an independent member. The current five-year term of the board started as of 02/05/1442 (corresponding to 12/17/2020).



**HRH Prince Mishal Bin Sultan  
Bin Abdulaziz Al Saud**

### Position

- Chairman
- Chairman of Investment Committee

### Membership Classification

Non-executive

### Appointment Date

02/05/1442 (corresponding to  
17/12/2020)



**Mr. Abdulaziz Abdulrahman  
Mohammed Al-Omran**

### Position

- Vice Chairman
- Investment Committee Member

### Membership Classification

Non-executive

### Appointment Date

02/05/1442 (corresponding to  
17/12/2020)



**Mr. Ghassab Bin Salman Bin  
Ghassab Bin Mandeel**

### Position

- Board Member
- CEO

### Membership Classification

Executive

### Appointment Date

02/05/1442 (corresponding to  
17/12/2020)



**Mr. Hamad Abdullah Fahad  
Al- Bakr**

### Position

- Board Member
- Chief Commercial Officer

### Membership Classification

Executive

### Appointment Date

02/05/1442 (corresponding to  
17/12/2020)



**Mr. Abdulwahab Abdulkarim  
Abdulrahman Al-Butairi**

### Position

- Board Member
- Chairman of the Audit Committee

### Membership Classification

Non-executive

### Appointment Date

02/05/1442 (corresponding to  
17/12/2020)



**Mrs. Lulua Mohammed  
Abdulkarim Bakr**

### Position

- Board Member
- Investment Committee Member

### Membership Classification

Independent

### Appointment Date

09/09/1442 (corresponding to  
21/04/2021)



## Members of the Executive management



**Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel**

**Position**

Chief Executive Officer (CEO)

**Joining Date**

01/01/1439 Corresponding  
(21/09/2017)



**Mr. Mishaal Ibrahim salem Al Mashari**

**Position**

Deputy CEO

**Joining Date**

01/01/1439 Corresponding  
(21/09/2017)



**Mr. Hamad Abdullah Fahad Al Bakr**

**Position**

Chief Commercial Officer

**Joining Date**

11/12/1441 Corresponding  
(01/08/2020)



**Mr. Heni Abdulhakim Muhammad Jallouli**

**Position**

Chief Financial Officer

**Joining Date**

29/03/1442 Corresponding  
(15/11/2020)



**Mr. Mohammad Abdul Aziz Mohammad Al Barrak**

**Position**

Chief Technical Officer

**Joining Date**

19/05/1442 Corresponding  
(03/01/2021)



**Mr. Abdul Aziz Mohammad Saleh Al Faris**

**Position**

Chief Operations Officer

**Joining Date**

04/11/1440 Corresponding  
(07/07/2019)

**Mrs. Hiba Mohammad Hasan Al Zeer**

**Position**

Internal Audit Manager

**Joining Date**

26/02/1443 Corresponding  
(03/10/2021)



## Biographies of board members

### HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud

#### Current Positions

- Chairman of the Company Board of Directors, since 2020 to date
- Chairman of the Company Investment Committee, since 2021 to date
- Manager and Director of Tharwa Holding Company, a Saudi limited liability company, operating in general contracting, import, export, and investment, since 2013 to date
- Director and Partner, Al Mada Al-Ola Holding Company, a Saudi limited liability company, operating in general contracting, import, export, and investment, since 2013 to date.
- Partner in Track Saudi Holding Company, a Saudi limited liability company, operating in information technology, since 2013 to date.
- Vice-Chairman of the Investment Committee, Bathel Al Khair Establishment for Trading & Real Estate, a Saudi single shareholder establishment, operating in real estate development, since 2012 to date
- Partner in Marasel Limited Company, a Saudi limited liability company, operating in contracting and mechanical works, since 2011 to date
- Partner in Darahim Company, a Saudi limited liability company, operating information technology, since 2010 to date
- Director of the Prince Sultan bin Abdul Aziz Foundation, a Saudi philanthropic institution, operating in providing health and social care for the elderly and comprehensive rehabilitation for individuals with special needs

- A trainee as a portfolio manager in international relations in the Ministry of Investment, a Saudi governmental authority supervising the investment sector, since 2010 to 2011

#### Academic Qualifications

- Master of Public Policies and Administration, London School of Economics and Political Science, UK, 2020
- Bachelor of Financial Management, Prince Sultan University, Kingdom of Saudi Arabia, 2010

#### Previous positions and experiences

### Mr. Abdulaziz Abdulrahman Mohammed Al-Omran

#### Current Positions

- Vice Chairman of the Company, since 2020 to date
- Director, Halalah Company Limited, a limited liability company in Abu Dhabi Global Market, operating in financial technology, since 2021 to date
- CEO and Managing Director, Impact46, a Saudi closed joint stock company, operating in the management of private non-real estate investment funds and experienced investor portfolios, and securities business arrangement, since 2019 to date
- Founding Partner and Director, Impact46, a Saudi closed joint stock company, operating in the management of private non-real estate investment funds and experienced investor portfolios, and securities business arrangement, since 2019 to date
- Founding Partner and Director, Zawya Al-Maathar Real Estate Company, a Saudi limited liability company, operating in real estate management and leasing, since 2015 to date
- Founding Partner and Director, Dar Wa Emaar for Investment and Real Estate Development, a Saudi limited liability company, operating in real estate development, 2007 to date
- Founding Partner, Zeejprint, a single shareholder Saudi limited liability company, operating in digital and electronic printing, since 2004 to date
- General Manager, Zeejprint, a Saudi single shareholder limited liability company, operating in digital and electronic printing, since 2004 to date
- Manager of Baitak Al-Hafiz Real Estate Company, a Saudi single shareholder limited liability company, operating in holding and registering the assets of the Al-Ma'athar REIT Fund, since 2017 to date
- Director and Partner, Khalid & Abdulaziz Abdulrahman Al-Omran Company, a Saudi joint venture, operating in general contracting for buildings, since 1997 to date
- Director and Partner, Delta Engineering & Contracting Co., a Saudi limited liability company, operating in general construction of residential buildings, since 2016 to date
- Manager of the Early Impact Finance Fund Company, a Saudi single shareholder limited liability company, operating in holding and registering the assets of the Impact Finance Fund to invest in start-ups, since 2019 to date

- Manager of Osool Impact for Communication and Information Technology, a Saudi single shareholder limited liability company, operating in holding and registering the assets of the ownership of the Impact Finance Private Equity Fund, information technology (IT) and e-commerce sector, since 2020 to date.
- Manager of Osool Impact Nomu for Communication and Technology, a Saudi single shareholder limited liability company, operating in holding and registering the assets of the Nomu Impact Fund, since 2020 to date
- Director and Partner, Creative Future for Digital Brokerage Company, a Saudi single shareholder limited liability company, operating in digital brokerage, since 2020 to date
- General Manager, Sanad Medical Trading Company, a Saudi limited liability company, operating in medical operation of medical complexes, since 2008 to date
- General Manager, Sanad Medical Maintenance Company, a mixed limited liability company, providing maintenance services for various medical equipment and devices, since 2009 to date
- General Manager, Office Square branch (under liquidation), a limited liability company with GCC capital, operating in wholesale and retail sale of office machines, furniture, electrical appliances, computers, and accessories, since 2010 to date
- General Manager, Shining Minds Limited, a Saudi limited liability company, operating in buying and selling land and properties, since 2014 to date

#### Previous positions and experiences

- Director, GIB Capital, a Saudi closed joint stock company, operating in financial and banking services, 2014 to 2018.
- Chairman, Oqal Group – Riyadh, a Saudi endowment institution, operating in start-up projects, 2011 to 2017
- Senior Manager, Investment Consulting, Samba Financial Group, a Saudi joint stock company, operating in financial and banking services, 2000 to 2004

#### Academic Qualifications

- Executive Master of Business Administration, London School of Business, UK, 2010
- Bachelor of Finance and Economics, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 2001



## Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel

### Current Positions

- Company Director, since 2020 to date
- CEO, the Company, since 2017 to date
- Manager of Logistic Services Supporting Solutions (Logi), a Saudi single shareholder limited liability company, operating in logistics services, since 2021 to date
- Manager of Red Color, a Saudi single shareholder limited liability company, operating in investment, since 2021 to date
- Member of the Online Delivery Companies Council of the Ministry of Communications and Information Technology, operating in supporting delivery companies, since 2021 to date
- CEO, PIK Limited Company, a Saudi single shareholder limited liability company, operating in quick e-commerce, since 2020 to date
- Member of the Online Delivery Companies Committee, a committee of Riyadh Chamber, specialized in supporting online delivery, since 2020 to date
- Director and Partner, Alamat International Limited Company, a Saudi limited liability company, operating in information technology, since 2014 to date
- Director and Partner, Sixth Dimension Company (dissolved), a Saudi limited liability company, operating in communications, since 2012 to date
- Director and Owner, Gassab Salman bin Mandeel Fast Food Corporation, a Saudi single shareholder establishment, operating in fast food, 2020 to date

### Previous positions and experiences

- CEO, Red Crescent Authority, a Saudi government entity, operating in emergency medical services, 2012 to 2014
- Manager of Planning and Development, EMS, a Saudi limited liability company, operating in express transport, 2011 to 2012
- Manager of the Emergency Call Center and Operations, Ministry of Interior, a Saudi government entity, overseeing the security sector, 2008 to 2011
- Manager of the Integration Project, Saudi Telecom Company, a Saudi listed joint stock company, operating in communications and information technology, 2004 to 2008
- Senior Engineer, the Peace Shield Project, Command Operations Center, a Saudi government entity, operating in the military field, 2002 to 2004

### Academic Qualifications

- Bachelor of Computer Science, King Saud University, Kingdom of Saudi Arabia, 1995

## Mr. Hamad Abdullah Fahad Albakr

### Current Positions

- Director at the Company, since 2020 to date
- Chief Commercial Officer, the Company, since 2020 to date
- Director, Logistic Support Services Company, a single shareholder limited liability company, operating in logistics, since 2021 to date
- Partner and Director, Al-Jazirah Company for Payments and Electronic Commerce, a limited liability company, operating in online wholesale, since 2020 to date
- Partner, Alamat International Limited Company, a limited liability company, operating in information technology sector, since 2014 to date

### Previous positions and experiences

- Adviser to HE. The Minister of Communications, Ministry of Communications, a government entity, overseeing the telecommunications sector, 2018 to 2020
- Director, Saudi Post, a Saudi institution, operating in postal services, 2018 to 2020
- Chairman of the Executive Committee, Saudi Post, a Saudi Corporation, operating in postal services, 2018 to 2020
- CEO, Watania Distribution Company, a Saudi limited liability company, operating in the distribution sector, 2014 to 2018
- General Manager, Express Mail Service of the Saudi Post, a unit of the Saudi Post Corporation, operating in postal services, 2006 to 2014
- Member of the International General Association of Postal Services, an international association, operating in postal services, 2012 to 2014
- Manager of the Committees Department, Hail Chamber of Commerce and Industry, a Saudi governmental entity, operating in commercial and industrial services, 2004 to 2006

### Academic Qualifications

- Advanced Management Leadership Course, University of Oxford, UK, 2010.
- A course in Entrepreneurship and New Management, Massachusetts Institute of Technology, USA, 2008.
- Bachelor's degree, King Fahad University for Petroleum and Minerals, Industrial Engineering, Kingdom of Saudi Arabia, 1991G



## Mr. Abdulwahab Abdulkarim Abdulrahman Al-Butairi

### Current Positions

- Director at the Company, since 2020 to date
- Member of the Company Audit Committee, since 2021 to date
- Member, Risk Committee, Bank AlJazira, a Saudi closed joint stock company, operating in financial and banking services, since 2020 to date
- Vice Chairman, National Petrochemical Industry Company, a Saudi joint stock company, operating in polypropylene resin production in Yanbu Industrial City, since 2020 to date
- Director, Riyadh Cables Group Company, a Saudi closed joint stock company, operating in cable industry, since 2019 to date
- Vice Chairman, Alujain, a Saudi listed joint stock company, operating in manufacturing/industrial investment, since 2017 to date
- Director, Food & Fine Pastries Manufacturing Company "Al Sunbulah," a closed Saudi joint stock company, operating in food industry, since 2017 to date
- Managing Director, Experts Academy Schools, a Saudi limited liability company, operating in education and training, since 2016 to date
- Chairman, Osool & Bakheet Investment Company, a Saudi closed joint stock company, operating in managing investment funds, client portfolios and custody, since 2015 to date
- Founding Partner, Water Business Company, a Saudi limited liability company, operating in manufacturing industries and healthcare, since 2014 to date
- Founding Partner, Watar Partners Business Company, a Saudi limited liability company, providing consultancy services to senior management, since 2014 to date
- Director, Al Himmah Tadamun, a Saudi limited liability company, operating in real estate development specializing in project development, since 2013 to date
- Director, Game Legend Entertainment Company, a Saudi limited liability company, operating in games and software, since 2021 to date

- Director, Knowledge Masarat Information Technology Company, a Saudi limited liability company, operating in selling software services and artificial intelligence technologies, since 2020 to date
- Director, Amlak Al Diriyah Holding Company, a Saudi limited liability company, operating in investment in real estate and other companies, since 2021 to date
- Director, Manafeth Ambulance & Handicap Vehicles, a mixed limited liability company, operating in manufacturing ambulances and handicap vehicles, since 2014 to date
- Honorary member, Young Presidents' Organization in Bahrain and the Kingdom, a global platform for CEOs, specialized in entrepreneurship, since 2013 to date

### Previous positions and experiences

- Vice Chairman, Advisory Committee, Capital market Authority, a Saudi government entity, supervising securities regulation in the Kingdom, 2018 to 2020
- Member, Executive Committee, Family Office Company, a Saudi closed joint stock company, operating in wealth management, 2004 to 2014
- Member, East Chamber Youth Business Council, a Saudi governmental body, operating in commercial and industrial interests in public authorities, 2007 to 2009
- Co-Director, Alternative Investment Portfolio Department, Saudi American Bank (Samba), a Saudi joint stock company, providing financial and banking services, 1999 to 2004

### Academic Qualifications

- Master of Business Administration, London Business School, UK, 2010 Bachelor of Finance, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1999

## Mrs. Lulua Mohammed Abdulkarim Bakr

### Current Positions

- Director, the Company, since 2021 to date
- Member, Investment Committee of the Company, since 2021 to date
- Director, ZID-Holdings, a UAE limited liability company, Abu Dhabi Global Market, operating in e-commerce, 2021 to date
- Partner, Global Ventures, a venture capital fund (a UAE limited liability company), Abu Dhabi Global Market, operating in managing venture capital funds regionally, since 2019 to date
- Member, Audit Committee, United International Transportation Company (Budget Saudi), a Saudi listed joint stock company, operating in car rental, since 2018 to date
- Founder and Principal Partner, Chrome Advisory, a Saudi limited liability company, operating in venture investment advisory, since 2015 to date
- Director, REYL Finance MEA, a subsidiary of REYL & Cie, a Swiss limited liability company registered in the Dubai International Financial Centre, operating in wealth and asset management and corporate advisory services, since 2015 to date
- Member, Advisory Board of Columbia Global Centers (Amman), a center of the university in Jordan, operating in research and education, since 2015 to date

### Previous positions and experiences

- Member, Advisory Board of the Forum of Young Global Leaders, a global economic forum in Geneva, concerned with development of young leaders, 2011 to 2017.
- Member, Advisory Board of Capital Aid Company, a Danish company, operating in financial technology, 2015 until 2017
- Head of Investment Banking, Credit Suisse Saudi Arabia, a Saudi closed joint stock company, operating in financial services, 2010 to 2011
- Deputy Head of Investment Banking, Credit Suisse Saudi Arabia, a Saudi closed joint stock company, operating in financial services, 200 to 2010
- Vice President and Head of Joint Stock Capital Markets and the Western Region, Hermes, a Saudi joint stock company, operating in financial services, during 2007.

- 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, operating in banking services, 2004 to 2006
- 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, operating in banking services, 1999 to 2001
- 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, operating in banking services, 1997 to 1999
- Trainee, Banque Saudi Fransi, a Saudi listed joint stock company, operating in banking services, 1996 to 1997

### Academic Qualifications

- Master of Business Administration, in Finance and Economics, Columbia University, United States of America, 2004
- Bachelor of Management Sciences, in Accounting, King Saud University, Kingdom of Saudi Arabia, 1997
- General Securities Qualification Certificate (CME-1), Capital Market Authority, Kingdom of Saudi Arabia, 2009



## Names of companies inside or outside the Kingdom for which a member of the company's Board of Directors is one its current and previous Boards of Directors or one of the managers

1 HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud - Chairman of Board of Directors - Chairman of the Investment Committee							
Names of the companies in which a board member is a member of its boards of directors (current) or one of its directors	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)	Names of companies in which a member of the board of directors is a member of their (former) boards of directors or one of their managers	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)
	Inside KSA	Outside KSA			Inside KSA	Outside KSA	
1 Tharwa Holding Company	√		Limited liability				
2 Al Mada AL-OLA Holding Company	√		Limited liability				
3 Track Saudi Holding Company	√		Limited liability				
4 Bathel Al Khair Establishment for Trading & RealEstate	√		Individual Establishment				
5 Marasel Limited Company	√		Limited liability				
6 Darahim Company	√		Limited liability				
7 Prince Sultan bin Abdulaziz Al Saud Foundation	√		Charitable Foundation				
8 Makashef Contracting Est.	√		Individual Establishment				
9 Ayadi Al -Shifa Medical Company	√		Limited liability				
10 Makashef Cleaning Services Company	√		Limited liability				
11 Sixth Dimension	√		Limited liability				

2 Mr. Abdulaziz Abdulrahman Mohammed Al-Omran - Deputy Chairman of the Board - Investment committee member							
Names of the companies in which a board member is a member of its boards of directors (current) or one of its directors	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)	Names of companies in which a member of the board of directors is a member of their (former) boards of directors or one of their managers	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)
	Inside KSA	Outside KSA			Inside KSA	Outside KSA	
1 Halala Company		√	Limited liability	GIB Capital	√		Unlisted Shareholding Company
2 Impact46	√		Limited liability	Oqal Group	√		Endowment Foundation
3 Zawya Al Maathar Real Estate Company	√		Limited liability	Saudi National Bank	√		listed Shareholding-Company
4 Dar wa Emaar for Investment and Real Estate Development	√		Limited liability				
5 Zeejprint	√		Limited liability				
6 Baitak Al-Hafiz Real Estate Company	√		Limited liability				
7 Khalid & Abdulaziz Abdulrahman Al-Omran Company	√		Limited Partnership				
8 Delta Engineering & Contracting Co.	√		Limited liability				
9 Early Impact Finance Fund Company	√		Limited liability				
10 Osool Impact for Communication and Technology	√		Limited liability				
11 Creative Future for Digital Brokerage	√		Limited liability				
12 Sanad Medical Trading Company	√		Limited liability				
13 Sanad Medical Maintenance Company	√		Limited liability				
14 Office Square Corporation	√		Limited liability				
15 Shining Minds Limited	√		Limited liability				

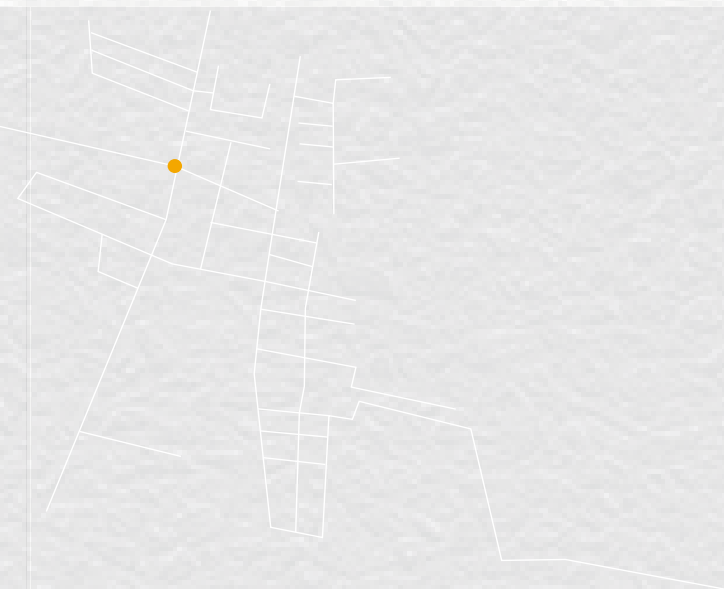


3 Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel - Member of the Board of Directors - CEO							
Names of the companies in which a board member is a member of its boards of directors (current) or one of its directors	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)	Names of companies in which a member of the board of directors is a member of their (former) boards of directors or one of their managers	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)
	Inside KSA	Outside KSA			Inside KSA	Outside KSA	
1 Support Solutions for Logistics Services "Logji"	√		Limited liability	Red Crescent Authority	√		Government Entity
2 Red Color Company	√		Limited liability	EMS	√		Limited liability
3 PIK Limited Company	√		Limited liability	Ministry of Interior	√		Government Entity
4 Alamat ALAMAT International Company	√		Limited liability	STC			listed Shareholding-Company
5 Sixth Dimension	√		Limited liability	Peace Shield			Government Entity
6 Gassab Salman Bin Mandeel Fast Food Corporation Est	√		Individual Establishment				
4 Mr. Hamad Abdullah Fahad Al-Bakr - Member of the Board of Directors - Chief Commercial Officer							
Names of the companies in which a board member is a member of its boards of directors (current) or one of its directors	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)	Names of companies in which a member of the board of directors is a member of their (former) boards of directors or one of their managers	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)
	Inside KSA	Outside KSA			Inside KSA	Outside KSA	
1 Logi Limited Company Support Management Logistic Services Company	√		Limited liability	Saudi Post	√		Government Institution
2 Al Jazeera Company for Payments and E-Commerce	√		Limited liability	Alwatania Distribution Company	√		Limited liability
3 ALAMAT International Company	√		Limited liability	Zajoul Telecom Company	√		Limited liability
				Al Jabr Company	√		Limited liability Individual Establishment
				Al-Fayraq Company	√		Limited liability Individual Establishment
				SISMO	√		Limited liability

5 Mr. Abdulwahab Abdulkareem Abdulrahman Al-Batiri -Member of the Board of Directors - Chairman of the Audit committee							
Names of the companies in which a board member is a member of its boards of directors (current) or one of its directors	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)	Names of companies in which a member of the board of directors is a member of their (former) boards of directors or one of their managers	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)
	Inside KSA	Outside KSA			Inside KSA	Outside KSA	
1 Al Jazeera Bank	√		listed Shareholding-Company	Capital Market Authority	√		Government Entity
2 National Petrochemical Industrial Company	√		Unlisted Company Shareholding	The Family Office	√		Listed Shareholding
3 Riyadh Cables Group Company	√		Unlisted Company Shareholding	Saudi National Bank	√		Unlisted Shareholding
4 Alujain Corporation	√		listed Company Shareholding				
5 Food & Fine Pastries Al Sunbulah Manufacturing Co. (Al Sunbulah)Premium Food and Pastry Industries Company (Sunbulah)	√		Unlisted Company Shareholding				
6 Experts Academy SchoolsEligibility Experts Academy	√		Limited liability				
7 Osool & Bakheet Investment Company	√		Limited liability				
8 Water Business Company	√		Limited liability				
9 Watar Partners Business Company	√		Limited liability				
10 Al Himmah Tadamon	√		Limited liability				
11 Game Legend Entertainment Company	√		Limited liability				
12 Knowledge Masarat Information Technology Company Knowledge Paths Information Technology Company	√		Limited liability				
13 Amlak Al Diriyah Holding CompanyDiriyah Amlak Holding Compan	√		Limited liability				
14 Manafeth Ambulance & Handicap Vehicles-Manafeth Company for Ambulances and the Handicapped	√		Limited liability				



6 Mrs. Lulu'a Mohammed Abdul Karim Bakr - Member of the Board of Directors - Investment committee member							
Names of the companies in which a board member is a member of its boards of directors (current) or one of its directors	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)	Names of companies in which a member of the board of directors is a member of their (former) boards of directors or one of their managers	Headquarters		Legal Entity (Listed, unlisted joint stock company, LLC/ ....)
	Inside KSA	Outside KSA			Inside KSA	Outside KSA	
1 Zid Holding		√	Limited liability	Credit Suisse Saudi Arabia Company	√		Unlisted Shareholding Company
2 Global Ventures		√	Limited liability	EFG HERMES	√		Unlisted Company Shareholding
3 United International Transportation Co. "Budget Saudi"	√		listed CompanyShareholding	Saudi National Bank	√		listed Company Shareholding
4 Chrome Advisory	√		Limited liability				
5 REYL Finance MEARealL Finance MEA		√	Limited liability				



## Company Board Meetings

The Board meets twice a year or when necessary to follow up on the operations and monthly and quarterly financial results and to supervise the executive management. The following are the data and dates of the Board of Directors' meetings during the year 2021:

The Board of Directors held six meetings, and the following table shows the number of Board meetings during 2021, and the attendance of members to those meetings.

No.	Name	Position	The Board Session of 2021						Total
			1	2	3	4	5	6	
			28 Feb	6 May	24 May	4 August	5 Dec	20 Dec	
1	HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	Chairman of Board of Directors	√	√	√	√	√	√	6
2	Mr. Abdulaziz Abdulrahman Mohammed Al-Omran	Deputy Chairman of the Board	√	√	√	√	√	√	6
3	Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	Member	√	√	√	√	√	√	6
4	Mr. Hamad Abdullah Fahad Al-Bakr	Member	√	√	√	√	√	√	6
5	Mr. Abdulwahab Abdulkarim Abdulrahman Al-Batiri	Member	√	√	√	√	√	√	6
6	Mrs. Lulua Mohammed Abdul Karim Bakr	Member	Not appointed	√	√	x	√	√	4



Committees emanating from the Board of Directors and their members

In order to achieve greater efficiency, the Board of Directors has been supported to assist it in performing its activities with a number of internal committees that are formed by the Board or by the General Assembly as follows: Audit Committee - Investment Committee.

These internal committees were formed by the Board of Directors, with the exception of the Audit Committee, which was elected by the General Assembly. The number of members in each of the committees ranges from three to five members. The work regulation of the Audit Committee was approved by the General Assembly. The Board also has the right to establish any number of committees it deems necessary to achieve effective governance and supervision of Jahez's operational operations, while defining their powers, objectives and reporting mechanisms. On an annual basis, the Board reviews and approves or amends the powers of its sub-committees to ensure that these powers remain fit for purpose.

The Board Committees also submit their annual report to the board of directors, including the committee's activities, results of its work, decisions and recommendations, with complete transparency. The Board of Directors regularly monitors the activities of its committees to ensure the performance of the duties assigned to them. The heads of the internal committees submit a quarterly report to the Board.

The internal committees of the Board may seek the assistance of external consultants and independent professional consultants, and they can request support from employees at all functional levels within the company to help them carry out their responsibilities. External advisors, some directors, and members of the senior management team, when needed, attend committee meetings with members of this committee and the secretary, but only at the invitation of the committee chairman.

Each Board committee is accountable to the Board in respect of its activities, although this responsibility does not relieve the Board of its responsibility for those activities, duties, and powers it has delegated to its committees. The Audit Committee is also responsible for performing its roles and responsibilities before the General Assembly. The Audit Committee prepares and presents an annual report on the work of the Audit Committee to the General Assembly.

The board committees shall include a sufficient number of executive, non-executive and independent members of the board. The Chairman of the Board can be a member of Board Committees, with the exception of the Audit Committee. The committees have full access to all employees, workplaces, records, regulations and legal advisors to enable them to carry out their responsibilities.

1- Audit Committee

The Audit Committee consists of three (3) members who were appointed by the resolution of the Ordinary General Assembly on 09/09/1442 H (corresponding to 21/04/2021). / 04/2021).

Formation and role of the audit committee

The committee consists of a minimum of three members, including a finance and accounting specialist. The members of the Audit Committee are appointed by election by the general assembly of shareholders for a period that coincides with the period of each member's appointment as a member of the board of directors, he may be removed or replaced by the General Assembly at any time. The members of the Audit Committee are also nominated for election by the General Assembly in accordance with the policy of criteria and conditions for membership of the Board of Directors. At the end of the work cycle of the Audit Committee, the company follows the manner stipulated in the policy and criteria for candidacy for membership of the Board of Directors and committees. Committee members must be selected in a way that ensures the availability of a range of different competencies, skills and experience, and a sound understanding of the industry in which Jahez operates. At least one member must have reasonable accounting or financial experience.

Executive Board members and the Chairman of the Board of Directors are not entitled to membership in the Audit Committee. Also, no person who works or worked in the company's financial affairs department or the executive management or with the company's external auditor during the previous two years is entitled to obtain membership in the committee. At least one member of the committee must be an independent board member.

The main role of the Audit Committee is to ensure the availability of a control and audit mechanism in order to support the accuracy and integrity of the company's reports, statements and financial statements, ensure the integrity and efficiency of the company's internal control and risk management systems, and ensure the company's compliance with applicable laws and regulations. As well as supervising the company's business.

The committee, in general, has the power to audit and review any activity that falls within its competence or any other tasks that the Board of Directors may specifically request. The committee has the right to access all records and deal with Jahez employees (including internal audit) and external auditors without restrictions. The Board of Directors grants the Committee the power to obtain external legal advice or other independent legal advice as may be necessary to assist the Committee in the performance of its work. To ensure the independence of the audit committee's work, there are direct channels of communication with the head of internal audit and external auditors, where they can communicate directly with the audit committee without any intermediary.





Audit Committee Members

The Audit Committee consists of three (3) members appointed pursuant to a resolution of the Ordinary General Assembly on 09/09/1442H (corresponding to 21/04/2021). The following table shows the names of the members of the Audit Committee:

#	Name	Position	Designation
1	Mr. Abdulwahab Abdulkarim Al-Batiri	Head of the Audit committee	non-executive
2	Mr. Mishaal Salman Gassab Bin Mandeel	Member of the Audit committee	non-executive
3	Mr. Amin Abdel Raouf Hariz	Member of the Audit committee	independent



Curriculum vitae of members of the Audit Committee

No.	Name	Current Positions	Previous practical experience	Academic Qualification
Mr. Abdulwahab Abdulkarim Al-Batiri (Please see the CVs of the members of the Board of Directors)				
1	Mr. Mishaal Salman Gassab Bin Mandeel	<ul style="list-style-type: none"><li>Member of the Audit Committee in the company from 2021 to date.</li><li>Privatization Adviser at the Ministry of Transport, a government agency, working in the field of supervising the transport sector, from 2017 to date.</li></ul>	<ul style="list-style-type: none"><li>Head of investment banking at Albilad Capital, a Saudi limited liability company, working in the field of investment, from 2009 to 2016.</li><li>Manager of the Capital Markets Department at Albilad Capital, a Saudi limited liability company, working in the field of investment, from 2007 to 2009.</li><li>Manager of Market Consultations at Bank Albilad, a Saudi joint stock company, working in the field of financial services, from 2004 to 2007.</li><li>Corporate Marketing Manager at Zajoul Company, a Saudi limited liability company, working in the field of communications, from 2001 to 2004.</li><li>Administrative Officer in BAE Systems, a Saudi limited liability company, working in various fields, from 1997 to 2001.</li></ul>	<ul style="list-style-type: none"><li>BA in Industrial Management, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1997.</li></ul>
2	Mr. Amin Abdel Raouf Hariz	<ul style="list-style-type: none"><li>Member of the Audit Committee in the company from 2021 to date.</li><li>CFO, Miswak Dental Group, a Saudi closed joint stock company, working in the field of medical care with a focus on dental and dermatology specialists, from 2018 to date.</li><li>Director, Iso Etanche Company, a Tunisian closed joint stock company, insulation contracting, from 2010 to date.</li></ul>	<ul style="list-style-type: none"><li>CFO Theeb Rent a Car, a Saudi listed joint stock company, working in the field of car rental, from 2014 to 2018.</li><li>Chief of Arrangement, Mergers, Acquisitions and Corporate Finance at Team One Consulting, a Saudi limited liability company, working in the field of financial consulting, deal arrangement and financing, from 2011 to 2014.</li><li>Manager of transaction advisory at Ernst &amp; Young &amp; Co. (Certified Public Accountants), a Saudi joint venture company, working in the field of auditing, consulting and taxation, from 2007 to 2011.</li><li>Acting Manager of Audit at MTPF PricewaterhouseCoopers, a Tunisian limited liability company, working in the field of auditing, consulting and taxation, from 2003 to 2007.</li></ul>	<ul style="list-style-type: none"><li>Master's degree in Corporate Finance and Markets, University of Carthage, Tunisia, 2006.</li><li>MA in Auditing, Accounting and Taxation, University of Manouba, Tunisia, 2003.</li><li>Bachelor of Commerce in Accounting, University of Carthage, Tunisia, 2002.</li></ul>



Audit Committee Meetings

In the year 2021, the Audit Committee held three meetings. The Audit Committee holds its meetings quarterly or when necessary to follow up on its activities and review the interim financial statements and other related issues.

No.	Name	Position	Committee Sessions of 2021			Total
			1	2	3	
			27 April	21 June	11 October	
1	Mr.Abdulwahab Abdulkarim Al-Batiri	Chairman of the Audit Committee	√	√	√	3
2	Mr. Mishaal Salman Gassab Bin Mandeel	Member of the audit committee	√	√	√	3
3	Mr.Amin Abdel Raouf Hariz	Member of the audit committee	√	√	√	3

- The company's Audit Committee conducted the annual review of the effectiveness of the company's internal control procedures, and issued a special report containing the results and recommendations of this annual review, as follows:

Annual review of the activities of the internal control procedures

In the formation of the audit committee, Jahez International Company took into account the requirements of corporate governance in terms of its composition and its direct connection with the company's ordinary general assembly. The committee was mainly responsible for reviewing reports and financial statements and supervising the work of the auditor, in addition to establishing the internal audit department and supervising its work, while ensuring the effectiveness of the control system for information technology, the committee held three meetings during the year 2021.

The most prominent work of the committee during the year 2021

- The committee carried out its tasks and work during the fiscal year 2021, the most prominent of which are the following:
- Recommending the appointment of the director of the company's internal audit department.
  - Adopting the internal audit charter, policy and procedures.
  - Approval of the risk-based internal audit plan.
  - Supervising the internal audit department.
  - Reviewing and recommending the business continuity plan and disaster recovery plan with a focus on IT incidents.
  - Supervising the work of the auditor and meeting with him.
  - Reviewing the financial statements and submitting its recommendations to the Board regarding them.
  - Reviewing the “management letter” issued by the auditor and implementing the recommendations emanating from it.
  - Evaluate the offers submitted by the auditors and recommend the appointment of an auditor for the company.

Internal Control System

The internal control system aims to ensure the effective and efficient achievement of the company's objectives and includes the issuance of reliable financial reports, compliance with regulations, regulations and policies, in addition to managing potential risks to reduce the effects of risks on achieving the company's goals. The control system also plays an important role in protecting the company's resources and managing the company. Responsible for preparing a comprehensive and effective control system commensurate with the level of risks that the company may be exposed to and at a reasonable cost so as to give acceptable assurances to avoid fundamental errors and losses that may result from them.

The committee continuously reviews the reports prepared by the auditor and the internal auditor, and based on what was revealed by the results of the annual audits, the control system in the company is subject to many improvements in the activities of the various control procedures in the company during the year, and the company will continue under the supervision of the audit committee; Evaluation and periodic review of the control system to ensure the achievement of internal control objectives by improving the efficiency of operations and raising their effectiveness, while adhering to all relevant laws and regulations.

Recommendations of the Audit Committee to appoint an internal auditor for the company

During the year, the Audit Committee recommended to the Board of Directors the appointment of the Director of the Company's Internal Audit Department. The Board approved the recommendation on October 12, 2021.



The Audit Committee is responsible for monitoring the company's business and verifying the integrity and integrity of its reports, financial statements and internal control systems. The tasks and controls of the work of the Audit Committee are as follows:

### 1- Financial Reports:

- Studying the company's initial and annual financial statements before submitting them to the Board of Directors and expressing an opinion and recommendation in this regard; To ensure its integrity, fairness and transparency.
- Expressing a technical opinion - at the request of the Board of Directors, whether the Board of Directors' report and the company's financial statements are fair, balanced and understandable, and include information that allows shareholders and investors to evaluate the company's financial position, performance, business model and strategy.
- Studying any important or unfamiliar issues contained in the financial reports.
- Carefully researching any issues raised by the financial manager for explanation, or whoever undertakes his duties, the company's compliance officer, or the auditor.
- Verification of accounting estimates in the material issues contained in the financial reports.
- Studying the accounting policies followed in the company and expressing an opinion and recommendation to the Board of Directors in this regard.

### 2- Overseeing the internal audit and internal control controls:

- Studying and reviewing the company's internal and financial control and risk management systems.
- Studying internal audit reports and following up on the implementation of corrective actions for the notes contained therein.
- Oversight and supervision of the performance and activities of the internal auditor or (the company's internal audit department - if any); To verify the availability of the necessary resources and their effectiveness in performing the tasks and tasks assigned to them. If the company does not have an internal auditor, the committee must submit its recommendation to the Board regarding the need for his appointment.
- Recommending to the Board of Directors the appointment of the director of the internal audit unit or department or the internal auditor and proposing his remuneration.
- The committee meets periodically with the company's internal auditor at least twice a year.

### 3- Oversight of the external audit process:

- Recommending to the Board of Directors to nominate and dismiss auditors, determine their fees and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
- Verify the auditor's independence, objectivity and fairness, and the effectiveness of audit work, taking into account the relevant rules and standards.
- Reviewing the company's auditor's plan and his works, and verifying that he did not submit technical or administrative works that are outside the scope of the audit work, and expressing his views in this regard.
- Answer the company's auditor's inquiries.
- Studying the auditor's report and his notes on the financial statements and following up on what was taken in their regard.
- The committee meets periodically with the company's auditor at least twice a year.

### 4- Risk Management:

- Develop a comprehensive strategy and policies for risk management in proportion to the nature and size of activities and verify their implementation, review and update based on the company's internal and external variables.
- Determining and maintaining an acceptable level of risks to which the company may be exposed, and ensuring that the company does not exceed it.





- Verifying the feasibility of the company's continuity and its successful continuation of its activities, with identification of the risks that threaten its continuity during the next twelve months.
- Supervising the company's risk management system and evaluating the effectiveness of the systems and mechanisms for identifying, measuring and following up on the risks that the company may be exposed to; So as to identify its shortcomings.
- Re-evaluating the company's ability to bear risks and its exposure to them periodically, by conducting stress tests, for example.
- Ensure the availability of adequate resources and systems to manage risks.
- Reviewing the organizational structure of risk management and making recommendations in this regard before it is approved by the Board of Directors.
- Verify the independence of risk management personnel from activities that may expose the company to risks.

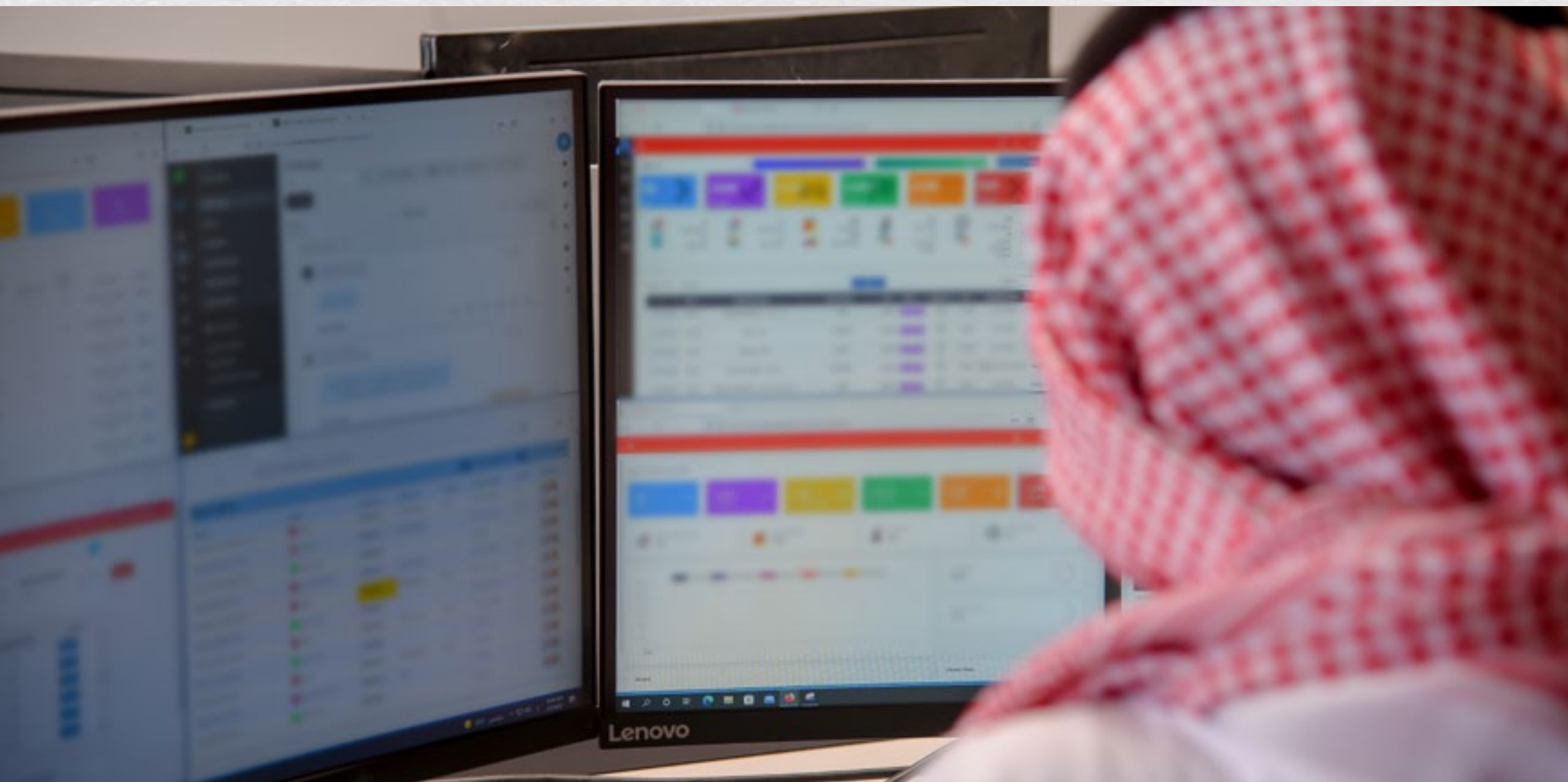
## 5- Compliance Guarantee

- Reviewing the results of the reports of the regulatory authorities and verifying that the company has taken the necessary measures in this regard.

- Verify the company's compliance with the relevant laws, regulations, policies and instructions.
- Reviewing the contracts and transactions proposed to be conducted by the company with related parties, and presenting its views in this regard to the Board of Directors.
- Raise any issues it deems necessary to take action on to the Board of Directors, and express its recommendations for the actions to be taken.

## 6- Other:

- The Audit Committee may meet with the Managing Director, Chief Financial Officer, internal and external auditors in separate sessions to discuss any matters worthy of discussion from the point of view of the Committee or the rest of the parties.
- Inviting the company's specialized employees to attend the committee's meetings to discuss them whenever necessary.



## Internal Audit Department

The company has contracted with Protiviti Saudi Member Firm for Management Consultancy as an external service provider to create a structure for the company's internal audit management. The external service provider performs the internal audit functions in the company, prepares reports and presentations for the audit committee and the executive management of the company, and responds to the inquiries of the board of directors and the audit committee. In addition, the main responsibilities of the internal audit department performed by the external 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 co-operation with the Group's internal team in accordance with the approved Internal Audit plan.

It is also worth noting that the company has appointed a director for the internal audit department, which started its work in the company starting from the date of 02/26/1443 (corresponding to 10/03/2021).



## 2- Investment Committee

The Investment Committee consists of three (3) members who were appointed by the Board of Directors' decision on 27/10/1442(corresponding to 08/06/2021). The following table shows the names of the members of the Investment Committee:

Name	Position
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	Chairman of the Investment Committee
Mr. Abdulaziz Abdulrahman Mohammed Al-Omran	Investment committee member
Mrs. Lulua Mohammed Abdul Karim Bakr	Investment committee member

### Biographies of Investment Committee members

Academic qualification	Previous practical experience	Nationality	Age	Name
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud*				
Mr. Abdulaziz Abdulrahman Mohammed Al-Omran*				
Mrs. Lulua Mohammed Abdul Karim Bakr*				

\*Please see the CVs of the members of the Board of Directors

### Investments Committee Meetings

In the year 2021, the Investment Committee held one meeting. Where the investment committee holds its meetings quarterly or when necessary to follow up on its activities and review the interim investment statements and other related issues. The following table shows the attendance record of the committee's meetings during the year 2021:

	Name	Position	Board Session of 2021	Total
			28 September	
1	HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	Chairman of the Investment Committee	√	1
2	Mr. Abdulaziz Abdulrahman Mohammed Al-Omran	Investment Committee member	√	1
3	Mrs. Lulua Mohammed Abdul Karim Bakr	Investment Committee member	√	1

## Functions of the Investment Committee

The functions 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 it engages in, and the risks it is exposed to, and recommend them.
2. Review the investment strategy periodically to ensure its suitability to the 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 recommend to the Board of Directors regarding the proposed changes to this policy.
3. General supervision of the company's investment activities and setting appropriate procedures for measuring and evaluating investment performance.
4. Studying and evaluating the investment opportunities proposed by the company's management in relation to the following transactions and making a recommendation on them:
  - Mergers or acquisitions of companies, businesses or assets.
  - Any termination, sale, transfer of ownership, exit or disposal of an existing investment.
  - Joint ventures under the agreement of partners or joint ventures.
  - Investing in new or existing projects or in expansion projects and the expansion of projects in which the company has an interest.
  - Any investment opportunity that the company's management would like to enter into.
5. Studying financing possibilities for the above mentioned transactions.
6. Ensure that the proposed investment opportunities comply with the relevant laws, regulations and instructions.
7. Defining and arranging priorities for the proposed investment offers.
8. Studying periodic reports from the executive management on the progress of the approved investment opportunities.
9. Seek assistance from experts or specialists or others, in studying the topics that fall within its duties and responsibilities, after the approval of the Board of Directors.
10. Approval of the investment opportunities proposed by the company's management.





Members of the Executive Management

Jahez Company has a number of Management Divisions which develops and manages the affairs of the Company, each according to the role assigned to it under the supervision of the Board of Directors. The Chief Executive Officer (CEO) runs the daily affairs of the Company in accordance with the policies and directives of defined by the Board of Directors in order to accomplish the goals of the Company specified the Board of Directors. Each Division shall implement the tasks under its responsibility for upgrading the Company's total performance as well as achieving the vision, strategy, and mission of the Company in the short and long terms.

The following are the names of the Executive Members of the Company

No.	Names	Position	Dates of employment at the Company
1	Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	Chief Executive Officer (CEO)	01/01/1439 Corresponding (21/09/2017)
2	Mr. Mishaal Ibrahim salem Al Mashari	Deputy CEO	01/01/1439 Corresponding (21/09/2017)
3	Mr. Hamad Abdullah Fahad Al Bakr	Chief Commercial Officer	11/12/1441 Corresponding (01/08/2020)
4	Mr. Heni Abdulhakim Muhammad Jallouli	Chief Financial Officer	29/03/1442 Corresponding (15/11/2020)
5	Mr. Mohammad Abdul Aziz Mohammad Al Barrak	Chief Technical Officer	19/05/1442 Corresponding (03/01/2021)
6	Mr. Abdul Aziz Mohammad Saleh Al Faris	Chief Operations Officer	04/11/1440 Corresponding (07/07/2019)
7	Mrs. Hiba Mohammad Hasan Al Zeer	Internal Audit Manager	26/02/1443 Corresponding (03/10/2021)

The Curriculum Vitae Of the members of Executive Departments

No.	Names	Current Positions	Previous Practical Experiences	Academic Qualifications
1	Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel*			
2	Mr.Mishaal Ibrahim Salem Al-Mashari	<ul style="list-style-type: none"><li>Deputy CEO of the Company from 2017 to date</li><li>Member of the Board of Directors of Leejam Sports Company, a Saudi public joint stock company, specialized in establishing, managing and operating sports centers, since 2021 to date.</li><li>Member of the Board of Directors of the Support Services Company for Logistics Services, a logistics services privately owned company with limited liability, from 2021 to date</li><li>Committee Member, Riyadh Chamber of Commerce, a Saudi governmental entity, commercial and industrial services, 2020 to present.</li></ul>	<ul style="list-style-type: none"><li>Manager of Business Development at Alamat International Company, a Saudi limited liability company, specialized in the field of Information Technology, from 2014 to 2016.</li><li>Projects manager at FedEx, a limited liability company, in the express transportation field, from 2010 to 2012.</li></ul>	<ul style="list-style-type: none"><li>Graduation course in Business Administration, Babson University, USA, 2018.</li><li>Graduation Course in International Business Administration, University of California Irvine, USA, 2010.</li><li>Bachelor's degree in Business Administration, King Saud University, Kingdom of Saudi Arabia, 2007.</li></ul>

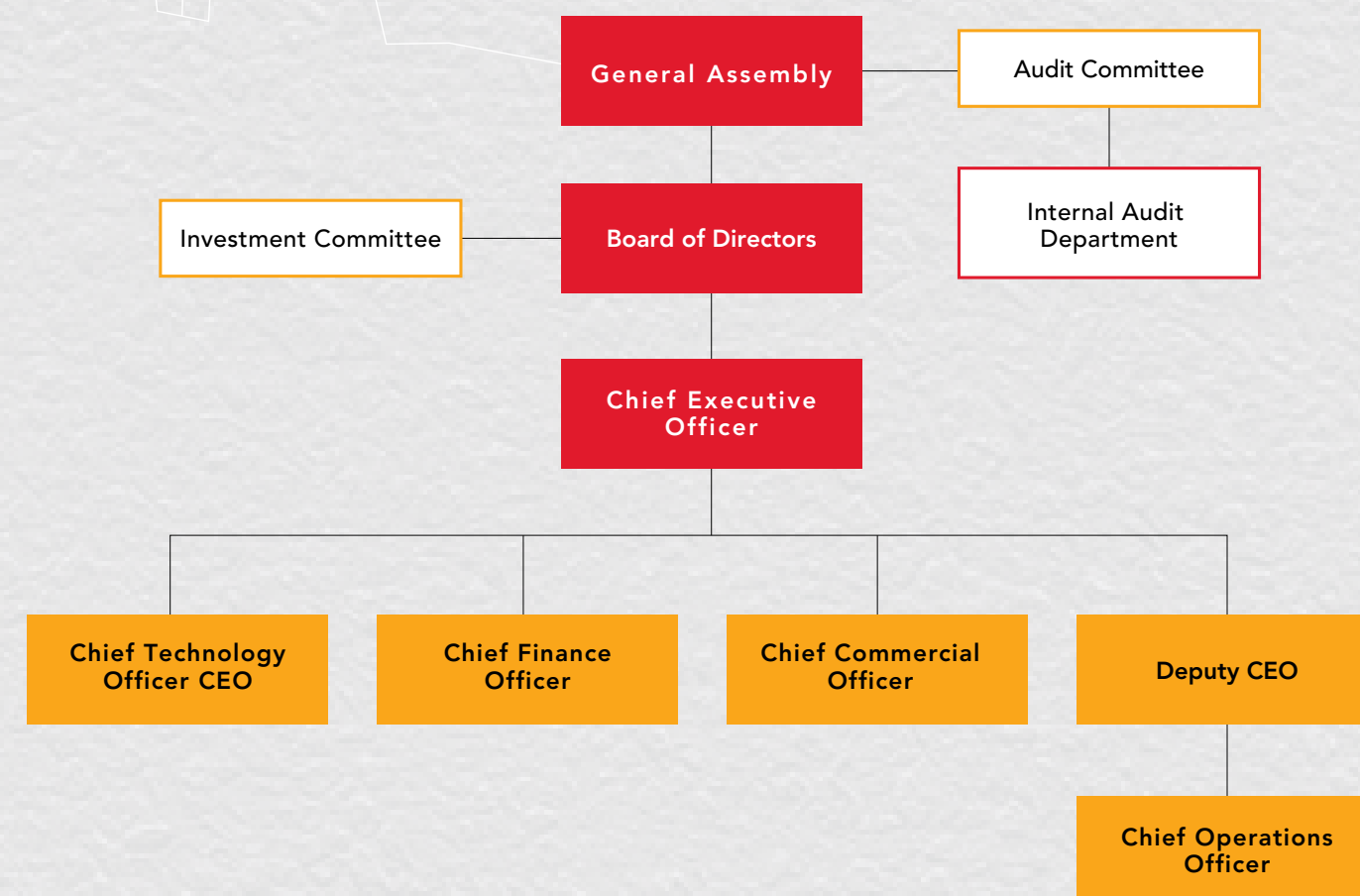
No.	Names	Current Positions	Previous Practical Experiences	Academic Qualifications
3	Mr.Hamad Abdulla Fahad Al Bakr*		<ul style="list-style-type: none"><li>Director of Financial Control and Reports at TEEB Rent a Car Company, a joint stock Saudi Company, specialized in car renting, from 2019 to 2020.</li><li>Manager of Accounting and Reporting, TEEB Rent a Car, a Saudi joint stock company, specialized in car rental, from 2016 to 2018.</li><li>Executive Director of Optimal Decision Company, a limited liability company, specialized in consulting, from 2012 to 2015.</li><li>Financial Controller in Aviation Information Technology Services Company - Africa, a Tunisian joint stock company, specialized in Information Technology, from 2009 to 2012.</li><li>Manager of Auditing Department at S.S.B - Accounting Experts, a Tunisian limited liability company, specialized in consultancy and auditing, from 2003 to 2009.</li></ul>	<ul style="list-style-type: none"><li>Fellowship Certificate, Certified Public Accountant, specializing in experience in accounting, the Higher Institute of Accountancy and Enterprise Management at the University of Manouba, Republic of Tunisia, in 2012.</li><li>Master's degree in Auditing in Accounting, Higher Institute of Accountancy and Enterprise Management at the University of Manouba, Republic of Tunisia, in 2003.</li><li>BA in Accounting, University of Tunis, Republic of Tunisia, 2002.</li></ul>
4	Mr. Heni Abdulhakim Muhammad Jallouli	<ul style="list-style-type: none"><li>Chief Financial Officer of the company from 2020 to date.</li><li>Member of the Board of Directors of the Support Services Company for Logistics Services, which is a one-person company with limited liability, working in the field of logistics services from 2021to date.</li></ul>		
5	Mr.Mohammed Abdulaziz Mohamed Al-Barrak	<ul style="list-style-type: none"><li>Chief Technology Officer of the company from 2021to date.</li></ul>	<ul style="list-style-type: none"><li>Manager of Development at Leen Business Services Company, a Saudi limited liability company, working in the field of information systems technology, from 2018 to 2021.</li><li>Manager of Development at Z-Soft Corporation for Information Technology, an individual institution working in the field of developing systems and applications, from 2016 to 2018.</li><li>Senior software engineer at Recyclize Co, an American company, working in the field of advertising networks in Silicon Valley, from 2015 to 2016.</li><li>Software engineer at Elm Information Technology Company, a Saudi closed joint stock company, working in the field of information systems technology, from 2013 to 2015</li><li>Independently managing and developing applications in several areas, including food delivery and shopping platforms, from 2012 to 2017.</li></ul>	<ul style="list-style-type: none"><li>BA in Computer Software Engineering, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 2013.</li></ul>



No.	Names	Current Positions	Previous Practical Experiences	Academic Qualifications
6	Mr.Abdulaziz Mohammed Saleh Al-Fares	<ul style="list-style-type: none"> <li>Chief Operating Officer of the company from 2019 to date.</li> </ul>	<ul style="list-style-type: none"> <li>Assistant Chief of Operations at the Watania Distribution Company, a limited liability company, working in the field of distribution, from 2016 to 2019.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Supply Chain Management, Boise State University, USA, 2016.</li> <li>Bachelor's degree in Accounting, Boise State University, United States of America, 2016.</li> </ul>
7	Mrs.Heba Mohamed Hassan Al-Zeer	<ul style="list-style-type: none"> <li>Manager of Internal Audit in the company from 2021 to date.</li> <li>Secretary of the Audit Committee in the company from 2021 to date.</li> </ul>	<ul style="list-style-type: none"> <li>First specialist in internal auditing at Leejam Sports Company, a Saudi public joint stock company, working in the field of establishing, managing and operating sports centers, from 2018 to 2021.</li> <li>Internal audit chief, at Dur Hospitality Company, a Saudi public joint stock company, working in the field of establishing, managing and operating hotel, real estate and tourism facilities, in 2018.</li> <li>Chief consultant in risk consultancy and internal audit at KPMG Al Fozan &amp; Partners, a Saudi closed joint stock Company, working in the field of audit, tax and consultancy, from 2015 to 2018.</li> </ul>	<ul style="list-style-type: none"> <li>Master of Business Administration, Colleges of the Arab East, Kingdom of Saudi Arabia, 2014.</li> <li>BA in Public Administration, King Saud University, Kingdom of Saudi Arabia, 2008.</li> </ul>

\*Please see the CVs of the members of the Board of Directors

## The Company's Management Structure





Sustainable Growth Impact



Capital Structure

The Following Table Shows the Company's shareholders' Ownership Structure.

The Company's Capital Structure

No.	Shareholder	Number of Shares	Ratio
1	Alamat International Limited Company	4,924,014	46.93%
2	Impact Finance Private Equity Fund - Information Technology and E-Commerce Sector	3,282,676	31.29%
3	Treasury stocks*	192,000	1.83%
4	Public	2,093,113	19.95%
Total		10,491,803	10,491,803

\* Each of Alamat International Limited Company and Impact Finance Private Equity Fund - Information Technology and E-Commerce Sector are selling one hundred and ninety-two thousand (192,000) shares of the company at a nominal value of ten (10) Saudi riyals to be used under the company's employee share program.

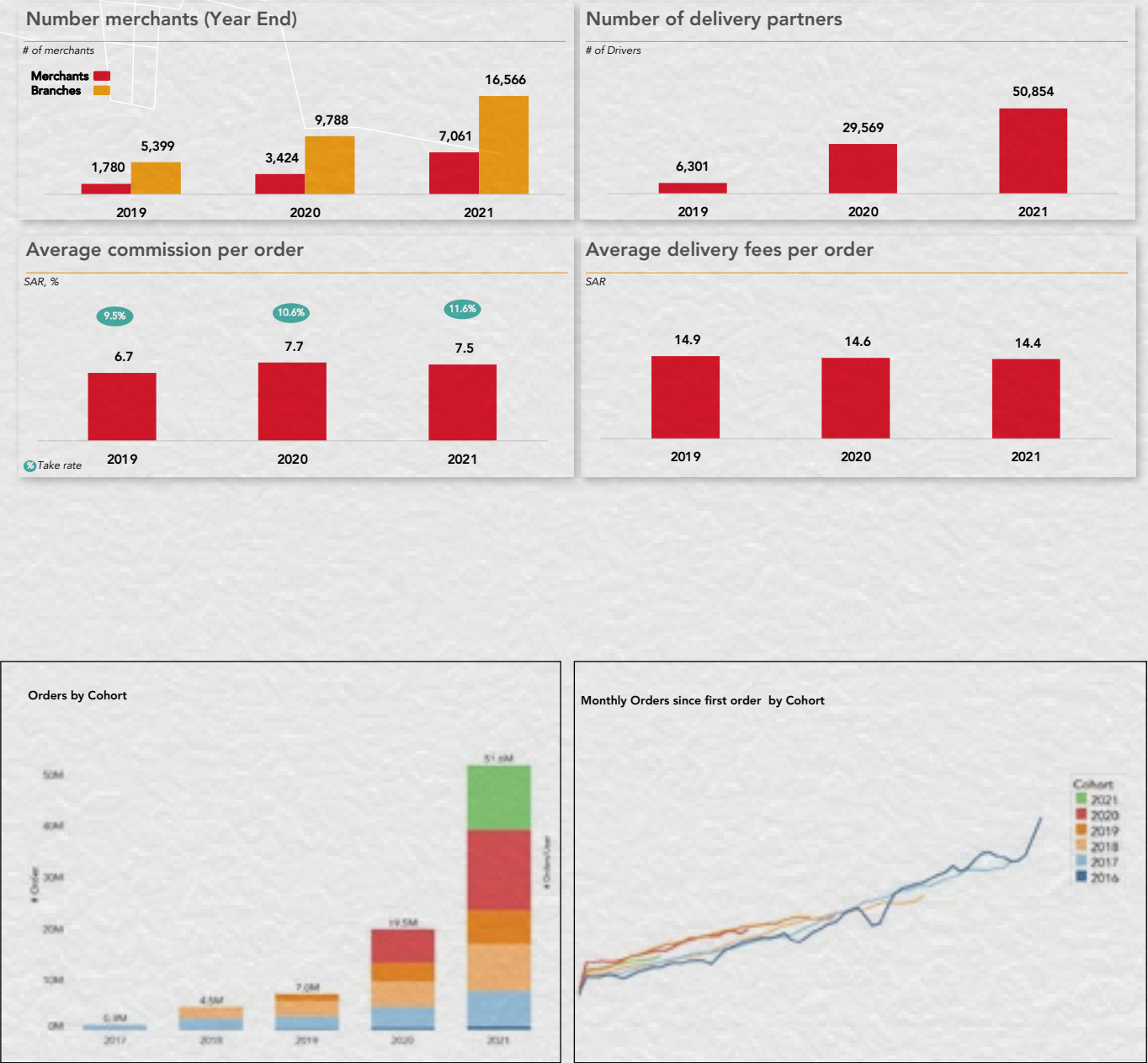
Evolution of the number of employees

The number of employees in “Jahez” company reached was (356) employees as on 31/12/2021. The following table shows the number of employees and the percentage of Saudization for the company during the years 2019 and 2020, as on December 31, 2021:

	31/12/2019		31/12/2020		31/12/2021	
	Number	Ratio	Number	Ratio	Number	Ratio
Saudis	110	72.40%	254	87.30%	307	86.2%
Non-Saudis	42	27.60%	37	12.70%	49	13.8%
Total	152	100%	291	100%	356	100%



Performance Indicators







## Achievements in 2021

The Company scored several achievements during the past year 2021, relying on its financial strength, competitive advantages and advanced digital infrastructure, to add solid pillars to the implementation of the company's strategy and plans for expansion and growth with confidence. Following is a summary of some achievements:

- Entering the parallel market – (Nomu) with great success, giving the company a basic foundation to launch strongly towards achieving its ambitious strategy of expansion and growth with confidence and strength.
- Increasing the market share of “Jahez” steadily, where it reached 28% in the sector of order delivery and logistical support in February 2021.
- In the context of supporting its plans to enhance the company's position and presence as a prominent Saudi company in the field of order delivery and logistical support, the company took the initiative to launch “Logi” company to be the strategic arm for the growth of the business of “Jahez», with its integrated logistical and operational support. In addition to expanding the business of “logi” to provide delivery services and logistical support to all companies active in this field, to become one of the advanced investment channels for the company.
- In line with the company's desire to increase its market share in the Saudi market, to extend delivery services to other important consumer sectors, through the establishment of the “PIK” company specialized in Q-commerce, to meet the needs of the target segments and deliver them, ranging from fashion and cosmetics to computer equipment, benefiting from the presence and position of the company with all customers, and from the very advanced digital and technical infrastructure that allows to add any other business channels to its advanced operational network with efficiency, safety and perfection.
- Based on its in-depth study of market trends as well as business environment trends, coupled with the extensive experience of its management and operational staff supported by a highly developed digital infrastructure; the company launched a promising investment channel in the field of cloud kitchens, through Co kitchen, where it opened its first branch in Riyadh during 2021, and it is in the process of opening another new branch in Riyadh, within an upward trajectory in opening more branches throughout the Kingdom .

## 2021 Challenges

The Company faced several diverse challenges in the normal course of its business in the past year 2021, but thanks to the resilience of its business model and robust work strategy in addition to the strength of its operational, digital and advanced technology structure, and the efficiency of its managerial, operational and logistical teams; the company was able to turn these challenges into real opportunities for success, the most important of which are the following:

### First Challenge - government regulations and laws to regulate the market

The regulations, controls and standards launched by the government of the Kingdom of Saudi Arabia, which stipulate the obligation of all companies active in this field to register all partners - drivers, one of the pillars of the company's operational workflow, on the platform that it created in this regard and to document their data comprehensively, with the aim of regulating the labor market in this sector in an institutionally integrated manner, which poses a challenge to the company's operational ability to meet its ambitions and plans to expand in this field.

### Turning “Jahez” challenge into an opportunity for success

The Company turned this challenge into an opportunity, through its initiative to establish another promising investment entity through the establishment of the “Logi” company specialized in logistics, by attracting sufficient number of partners - eligible drivers according to the new government requirements. The company plans to acquire an equipped professional fleet to cover the company's needs of them and expand its business base so that it can extend its services to satisfy the requirements and needs of other companies operating in this field.

### Second Challenge - Rapid digital and technological development

In view of the major transformations in the Fourth Industrial Revolution, most companies in the world are required to modernize and rebuild their infrastructure and equipment, which are linked to the need to change and develop their operational practices, causing confusion in the company's expansion plans and delaying their implementation, and possibly its failure and exit from the market.

### Turning “Jahez” challenge into an opportunity for success

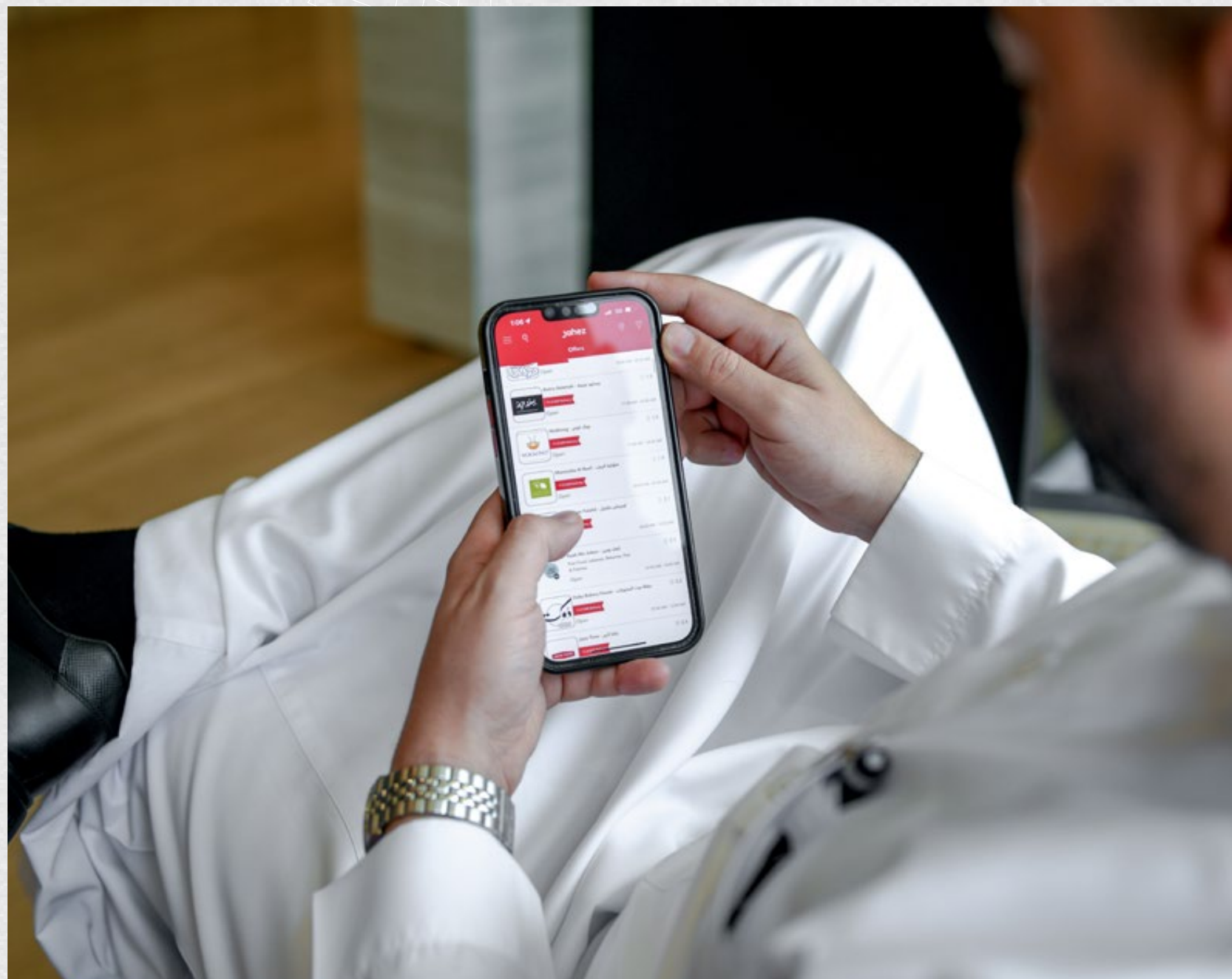
The Company continues actively to invest heavily in developing its highly advanced and flexible digital infrastructure, thanks to its reliance on the latest international applications, software, and equipment, supported by an integrated team of elite advanced competencies in this field without the need to use any other source or resource, whether locally or internationally. This gives the company permanent ability to develop according to the highest standards of quality and advanced efficiency in this field, to enable it to implement its diversified operational and investment strategies and plans with high efficiency.



## 2022 Objectives

The company implements an ambitious future business strategy, based on its great achievements and successes during the past year 2021. The following summarizes the most important goals that the company is working to achieve in the year 2022:

- Boosting its efforts in implementing its strategy to expand its promising investment vessels in a way that guarantees more profitable returns for all shareholders and partners, by providing all support and assistance to the activities of its newly established subsidiaries, such as “Logi” for logistical support services, Inc. “PIK” for q-commerce, and “Co. Kitchen” company for cloud kitchens.
- Expansion and growth by establishing new branches of “Jahez” throughout the Kingdom of Saudi Arabia, and establishing more strategic partnerships with local, regional, and international brands active in the restaurants and kitchens sector.
- Expansion and growth in the company’s business in all its activities, locally and regionally, through the following:
  - Establishing new branches in the name of the company in these markets.
  - Establishing strategic partnerships with reputable and successful companies in this sector in the targeted countries.
- Consolidating the company’s role as an institutional umbrella covering the activities of each of the following affiliated companies/platforms:
  - “Jahez” platform for delivering restaurant orders
  - Logi company for logistical support
  - “PIK” quick trading company
  - Co Kitchens Company for cloud kitchens
  - Red Color Company (the investment arm of the group):





## Loving is the essence of sustainable growth



### Jahez Overview

With its ambitious strategic vision, “Jahez International Company for Information Systems Technology” launched its business in 2016 from its headquarters in Riyadh, Kingdom of Saudi Arabia, by investing early in the capabilities and knowledge of elite Saudi technical, scientific and commercial expertise, in On-demand services, , which has brought about tremendous changes in human lifestyles, behavior and habits, through digital shopping platforms with their various applications. This trend has been reinforced in the closure conditions to curb the spread of the Corona pandemic globally, which has caused a great leap in the emergence of digital applications as alternative markets to obtain all consumer requirements for all segments of the society, easily and safely.

Despite the great challenges and severe competition conditions in this industry, Jahez was able to achieve a distinguished presence and a leading position among a large segment of customers and partners in the Kingdom. In addition to the capabilities of its commercial and financial team, which was able to devise a smart formula that enabled the company to achieve fair profit margins, the company has an advanced technical and digital infrastructure backed by the best qualifications and scientific and practical expertise that has the ability and sufficient flexibility to develop applications and digital programs that ensure comprehensive operational efficiency for all tracks Work, to ensure a unique end-to-end customer experience, and the ability to follow its progress, vigorously, to intervene directly to solve any problem and bypass any emergency obstacle in the path of order delivery. Meanwhile, the company was able to establish the best working relationships and strategic partnerships with elite local and international brands active in the field of food, through the efficiency of its advanced operational practice, its credibility and the integration of its solutions and services.

Jahez Company is also distinguished by its remarkable ability and efficiency in maintaining an ideal and attractive work environment, dominated by the values of love and loyalty, which has become a unique imprint that distinguishes all members of its family at all their functional levels, which is reflected in their performance and practices inside and outside the company. This made the company one of the best platforms that earn great love, fame and spread among a wide range of customers in the Kingdom; with the unique experiences it provides for them that always exceeds their expectations.

The company conducts many studies of market and customer tendencies and trends, to conclude facts on which it can base its future expansion and growth plans, in order to achieve its mission that is reinforced by its main values. Jahez has evolved into a group of companies whose roles complement each other. It has acquired a controlling stake in Co Kitchens, which will be able to advance its expertise in online food delivery by increasing its target market share and increasing its offerings. This is a natural extension of the successful Jahez platform business according to all standards.

To complement the great successes achieved by the group in the food delivery sector, and to achieve its strategic goal of reaching the largest possible number of customers and merchants, and maintaining its strong position in the delivery order sector in the Kingdom, the group has developed its services and solutions through its establishment of integrated main work streams:

The company conducts many studies of market and customer tendencies and trends



**Jahez platform:** The platform provides a fast, seamless and semi-fully automated end-to-end delivery experience, in addition to full logistical support and payment collection processes. It also links merchants, customers and delivery partners through a secure and easy-to-use mobile application, which is reflected in its abundance of revenue and advanced technical functions as a source of orders for merchants.

**PIK platform:** It is a new generation of quick e-commerce, which aims to connect customers with brands and get the desired products within a period ranging from two to three hours directly from the merchant through delivery partners, seeking to expand its business beyond food delivery, to fashion, cosmetics, computer equipment and miscellaneous appliances.

**Co Kitchens Company:** It is a cloud kitchen platform that aims to provide restaurants with kitchen spaces to prepare their meals and then sell them to their customers via delivery platforms only. “Cloud Kitchens” is a new business model for restaurants, which is increasingly turning to online food delivery as a way to increase its reach to its customers, without incurring higher rental costs, higher wages and more service staff.

**Logi Company:** It works to enable the e-commerce and delivery sector by providing logistical and operational solutions with the principle of last mile delivery in the Kingdom.

**The Red Color Company:** It is the investment arm of the group, and it aims to invest in the sectors in which its partners are active, including customers, merchants, and delivery partners, which depend on advanced technology.

On the other hand, the company is implementing an ambitious transformation strategy, through which it is working to expand into new markets locally and regionally, taking advantage of its great successes and the pioneering position it has established through its successful course of work.

## Our Vision

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

## Our Mission

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

## Our 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.

## Strategic Themes and Objectives

The Group expanded rapidly during 2019–2021 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.

1- Online Food Delivery – Jahez Platform

- 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.

2- 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

3- 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 2020, 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.

4- 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.

Expand regional footprint by utilizing the Group’s competitive value proposition.

Our strategy and implementation pillars

Jahez relies on a permanent in-depth study of the market and the trends and tendencies of customers permanently, to develop a comprehensive strategy that gives it flexibility and permanent readiness to adapt to these growing trends and tendencies efficiently. The group has adopted a precise long-term strategy, to implement its vision, mission and strategic objectives, comprehensive initiatives within the framework of each objective, and has prepared a clear action plan to achieve its objectives. The pillars of the group’s strategy are set out below.

1- 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 2023.

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

2- 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.



3- 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.

Multiple initiatives are planned including the plan to launch several novel national and city specific marketing activities

4- 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. These 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 Eshan, 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.

5- 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.

The group plans to be a world-class company





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.

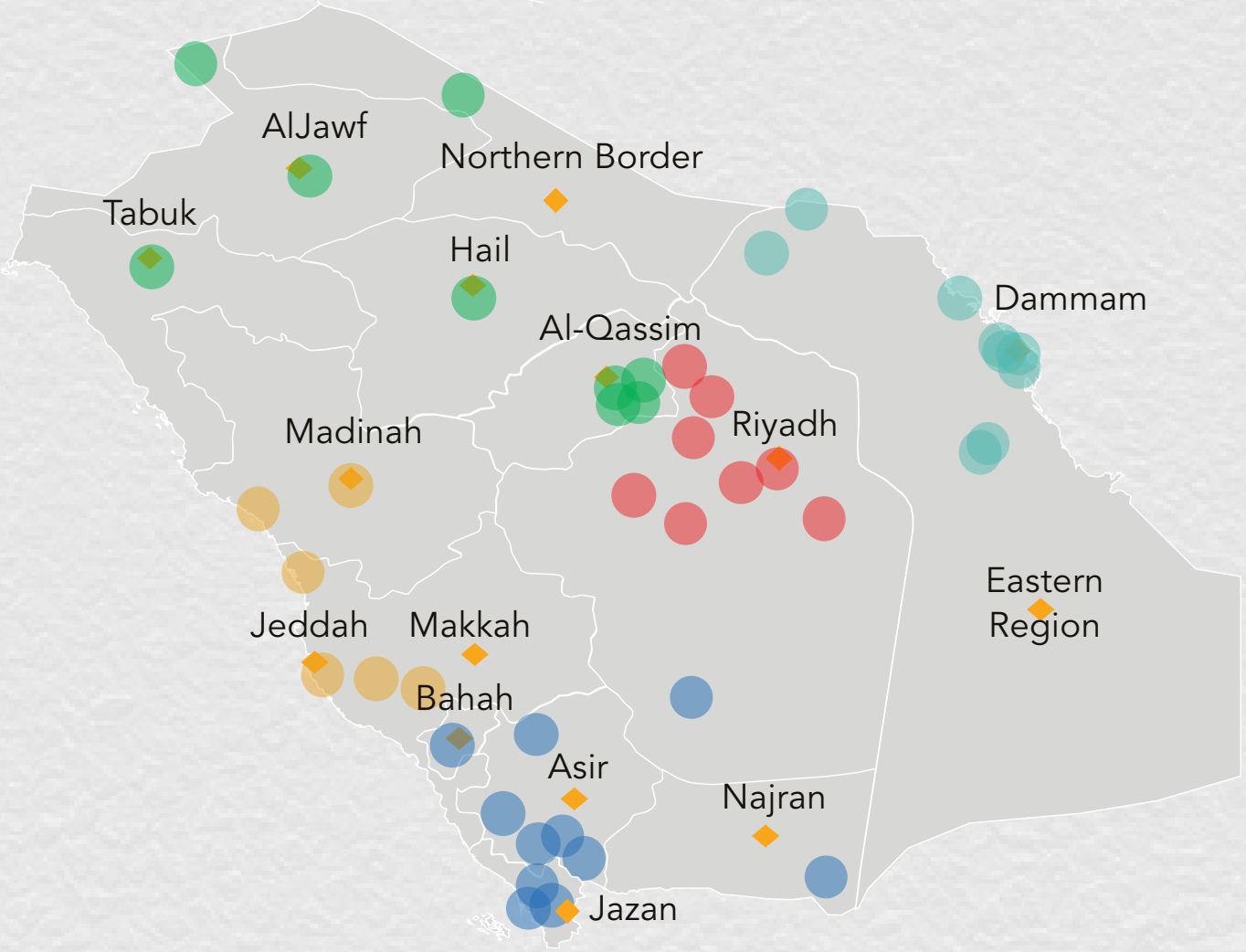
The Group looks forward to implementing thirty-six (36) initiatives within these five strategic pillars “Developing, Refining, Improving, Vitalizing, and Enabling”. The group is committed to implementing its strategy during the next three years, starting from 2021, with follow-up on a monthly and quarterly basis. This will help the group realize its strategic objectives and achieve its key themes - Strengthen, Expand and Differentiate.

Milestones of the sustainable growth journey

Year	Milestone
2016	Jahez platform launched its operations in Riyadh under Alamat International Limited Company
2017	Jahez platform expanded its operations outside of Riyadh, including to Jeddah and Dammam
2017	One million orders delivered through Jahez platform
2017	The Company was established as a limited liability company
2018	Alamat International Limited Company transferred Jahez platform to the Company
2019	10 million orders delivered through Jahez platform
2019	The Company signed a sponsorship agreement with Al-Hilal Sports Club
2020	20 million orders delivered through Jahez platform
2020	The Group established PIK as a fully owned subsidiary to be its q-commerce platform
2020	The Company acquired 60% of Co Kitchens to invest in cloud kitchens
2020	Jahez platform expanded to forty-seven (47) cities
2020	Co Kitchens opened its first location
2021	Soft launch of PIK platform in the first quarter of 2021 to expand its business reach beyond food delivery
2021	The Group established Logi as a fully owned subsidiary to be its logistics arm
2021	The Group established Red Color as a fully owned subsidiary to be its investment arm
2021	Over 42 million orders were delivered through Jahez platform
2022	The initial public offering and the company’s entry into the parallel market - Nomu
2022	The group established Jahez International Company W.L.L (Bahrain).

The company’s geographical presence

Through Jahez platform, the group provides fast, reliable and diversified delivery options to customers all over the Kingdom. The group operates Jahez platform in fifty (50) cities across the Kingdom. The following figure shows the geographical spread of the group’s existing merchants as at December 31, 2021. Through this large and diverse geographical spread, the group can reach a large and diverse customer base and benefit from a wide network of merchants. In addition, the group plans to expand its geographical reach as it is currently seeking to follow its plans of regional expansion



The group exists in 50 cities around the Kingdom as of 2021



The table below sets out the regions in which the Group operates including number of orders achieved by each region as at December 31, 2019 and 2020 and 2021.

Millions Saudi Riyals	Fiscal year 2019	Fiscal year 202	Fiscal year 2021
Central Region	6.6	16.4	37.5
Western and Southern Region	0.1	1.4	5.6
Northern and Eastern Region	0.3	1.8	8.5

Strength and Competitive Advantages

Jahez Company enjoys a set of real advantages that give it effective leadership presence and position that distinguishes it from other current and future competitors. Such advantages give the Company’s shareholders a safe platform for sustainable and fruitful growth. These advantages include:



1- 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. Its model of business is built upon a unique focus on three (3) key pillars described below:

Customers

the group aims to be the most favorable lifestyle platform which provides the best experience possible for its stakeholders, by consistently exceeding their expectations. Through this mission that is 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. The average number of customers increased by 135% from 2019 to 2020, and by an average of 243% during the financial year 2021 compared to the financial year 2020.

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 of customer base. As at March 31, 2021, the group serves more than 16,566 merchant branches.

Delivery partners

The group places great emphasis on investing in its delivery partners, to ensure their appreciation and loyalty. Through them, the group has delivered more than 83.5 million orders, including 19.5 million orders in 2020, and 1.6 million orders in the fiscal year 2021. The total number of delivery partners working on the implementation of the group’s business as of 2021 is 50,854 delivery partners, through logistics companies or independent delivery representatives.

2- The fastest growing player by market share

According to the market study, the Group is the fastest growing food delivery player in the Kingdom in terms of market share. 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

Based on a market survey, the Group increased its presence from 22 cities in 2019 to 50 cities in 2021 and has captured a market share in in all Kingdom regions. Its market share increased from 13% in 2019 to 28% in February 2021.

The group has delivered more than 83.5 million orders,including 19.5 million orders in 2020, and 1.6 million orders in the fiscal year 2021.



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.

Flourish of the food delivery market in the Kingdom of Saudi Arabia

The fact that the mobile penetration rate in the Kingdom is among the highest in the world indicates that there are great opportunities for growth in this market, and therefore a large untapped customer base in it, in addition to the unprecedented boom of the online food service delivery market; Market research indicates that the total target market is likely to witness a compound annual growth rate of 33% during the period from 2020 to 2023.

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

3- Well established and cutting-edge technology capabilities

The group invests continuously in developing the digital technical infrastructure, which is one of its main strengths, as it now has its own distinct technical platforms that operate according to the highest standards of quality, safety, and global efficiency, which contribute to enabling it to maintain its leading position in the market by providing a centralized business model that is built mainly based on comprehensive automation, where it managed to establish, 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.

4- 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. Where these factors are represented in the activity of the subsidiaries: Fast Trade – “PIK Platform”, Fast Kitchens – “Co Kitchens” Company, Logistics Services “Logi Company” and “The Red Color” Investment Company

5- Applying global industry innovation to all aspects of the Group’s business model

The Group brings innovation to its platforms, and it 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.

6- Superior financial track record and profitability

The management has a proven track record of achieving steady growth on the financial level and operational performance indicators. The group managed also to achieve profits during the fiscal year 2021, as earnings before interest, taxes, depreciation and amortization in 2020 amounted to about 43.6 million Saudi riyals and about 125.3 million Saudi riyals in 2021. This is due to the development of the average commission rate from 9.5% in the fiscal year 2019 to 10.6% at the end of the fiscal year 2020 and 11.6% in 2021, in addition to the diversification of revenues and the high level of automation in operations and the low costs of attracting clients. The Group’s strong cash flow helps support continued investment in innovation and expansion into new locations and sectors.

The company uses advanced data processing methodologies such as artificial intelligence and machine learning to improve algorithms and advanced innovations



## 7- 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 2020 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.

### 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 to 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. 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 and marketing services:** 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 network effects:** as more customers join Jahez platform and their engagement increases, order volume increases, which attracts the favoured 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.





## Group's Scope of Activities

### Jahez platform

It is the primary platform through which the group operates, linking merchants, customers and delivery partners. The group offers fast comprehensive delivery services from merchants to customers on demand through its mobile application. Jahez platform provides all the logistical requirements necessary to meet the needs of the three main partners, namely customers, merchants and delivery partners as follows:

- **Merchants:** as of 2021, the group served (16,566) merchants' branches, whether from restaurants and home companies or supermarkets and retail merchants. Jahez platform provides attractive opportunities for merchants to grow their business at a relatively lower cost compared to traditional expansion methods, as well as other marketing opportunities.
- **Customers:** Through Jahez platform, the group provides its services to customers in all regions of the Kingdom, enabling them to access a wide range of merchants, and to discover more diverse dining options with ease and comfort based on their location and preferences. Jahez platform covers fifty (50) cities in the Kingdom, with a population of 26 million people, which constitutes about 74% of the population of the Kingdom in 2021. The proliferation of mobile devices and a culture of delivery over the past few years have greatly increased the reach and value of the group's platform, with more than one million customers on Jahez platform buying and selling from the group's network of merchants. Jahez platform is one of the preferred delivery platforms for customers across the Kingdom, as more than 93 million orders have been completed on Jahez platform since its launch in 2016 and until 2021.
- **Delivery partners:** The group serves more than 50 thousand delivery partners as of December 31, 2021 by providing them with opportunities to earn through Jahez platform. The fleet of delivery partners is connected to the available merchants via Jahez platform where orders are sent from each of the merchant locations to the customer's doorstep in an efficient and timely manner.

Through Jahez platform, customers can choose from available merchant branches, or use the innovative group suggestion feature to choose a merchant. Once an order has been placed and accepted by the merchant, customers can pay their way through a variety of digital payment options or cash on delivery. Then, a delivery representative is assigned to each order to receive the order from the merchant's site and take it to the customer's site. Jahez platform offers features that allow customers to track their orders through the website and follow up on the status directly. During order processing and delivery, customers can participate in the online game within the application while waiting for their order to arrive before enjoying their meal.

The group aims to be the most favourable platform for all three partners (customers, merchants and delivery partners), and strives to provide a rich and rewarding environment and great customer experience to continue to attract and retain loyal customers and local merchants. Therefore, it strives to make the Jahez platform as efficient and reliable as possible. Jahez platform is managed with advanced technology that delivers a seamless and enjoyable end-to-end experience for the group's three major partners. While developing Jahez platform, the group focused on increasing the level of automation, which is reflected on the efficiency of order management, and also allowed operations to be managed in a centralized manner with the least number of resources, which made the group able to expand quickly and prudently.

### 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 merchants, pharmacies, and local retail merchants. Therefore, in November 2020, the Company established PIK Limited Company and started the soft launch of PIK platform in Q1 2021 in order to meet its customers' needs. Its full launch will take place in Q4 2021.

PIK Company operates a q-commerce platform, under the name of PIK, that serves as a platform for local merchants. Launched in Q1 2021, 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 pres-

ence 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 uti-



lizes 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:

1. per-order commissions charged to merchants every time a customer places an order with the merchant through PIK platform;
2. fees charged in connection with advertisement placements such as promotions and premium listings on PIK platform;
3. E-payment fees charged to merchants in case of payment by credit card or digital cards,
4. delivery fees paid by customers.

### 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 2020, 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 2020, hosting four (4) restaurants. 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. Co Kitchens prepares these locations for operation. This process is as follows.

### Cloud Kitchen Location Selection Policy

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.

In 2020, the company acquired a 60% ownership interest in Co Kitchens Limited Company



## 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.

## Logistics (Logi) **Logi**

In 2021, 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 2021. 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:

1. Delivery fees;
2. Pre-paid distance-based pricing for e-commerce merchants;
3. Annual and monthly subscription fees for Logi's dark merchant warehouses as well as commission based pricing.



## Red Colour **RED COLOR**

In line with its mission to deliver the best value for its stakeholders, the Group established Red Colour in 2021 to fulfil the Group's investment objectives. Red Colour began its operations during Q1 2021. Red Colour targets investments that maximize its corporate value 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.



## Information Technology

### 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 merchant 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 backups 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.

### 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.



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.

Data Privacy and Security

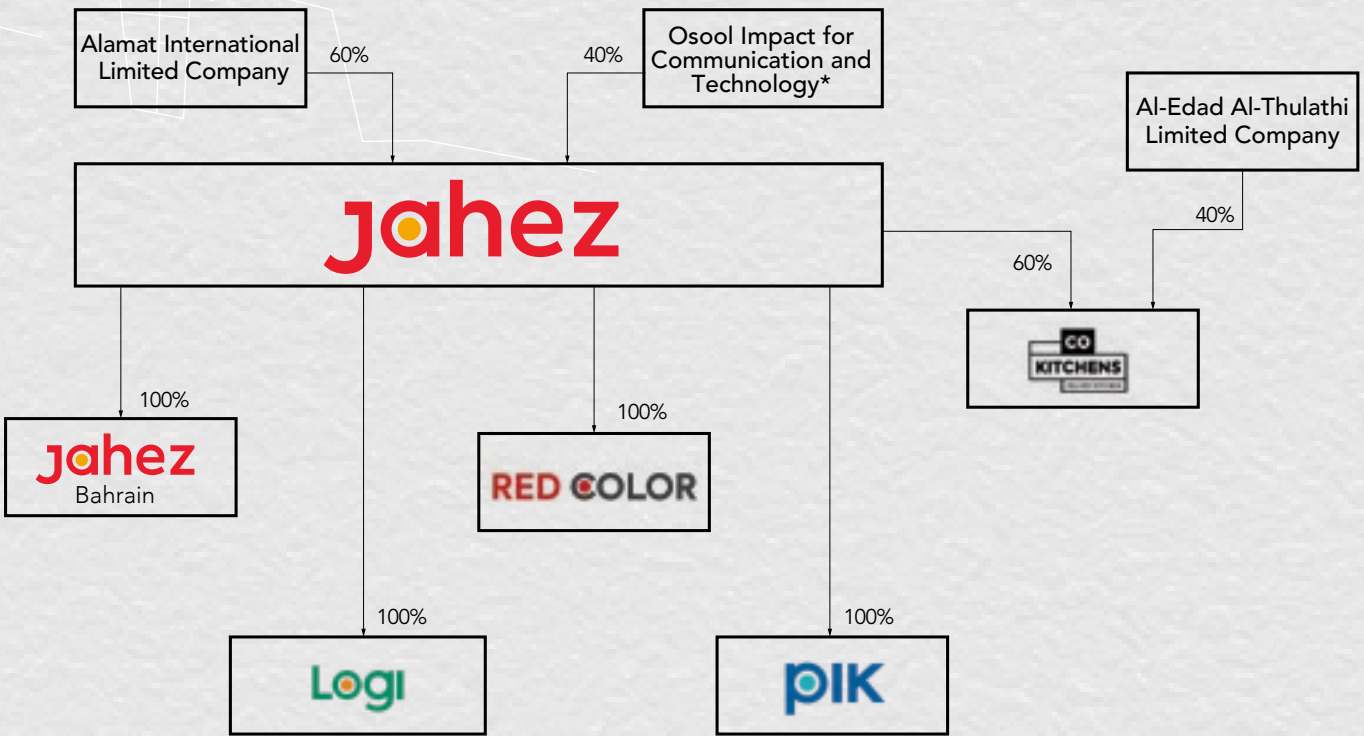
The Group’s data and information technology systems are the major assets to ensuring that its operations run smoothly and without any interruptions. Therefore, the Group gives high priority to ensuring that data privacy and system security are maintained at high levels in order to maintain reliability 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.

Organization Structure of the Company and its subsidiaries

The company owns five subsidiaries: Co Kitchens Company, PIK Company, Logi Company, Red Color Company and Jahez Company (Bahrain). The following figure shows the organizational structure of the group:





Subsidiaries

The following table shows a description of the subsidiaries and the group’s ownership percentage in them as at December 31, 2021:

Ownership percentage as at December 31, 2021	Country of Operation	Country of incorporation	Legal Entity	Subsidiary
60%	Kingdom Saudi Arabia	Kingdom of Saudi Arabia	Limited Liability Company	Joint Preparation Company for (Meals (Co Kitchen
100%	Kingdom Saudi Arabia	Kingdom of Saudi Arabia	A Single Shareholder Limited Liability Company	(PIK Option Trading Company (PIK
100%	Kingdom Saudi Arabia	Kingdom of Saudi Arabia	A Single Shareholder Limited Liability Company	The Red Color Company (Red (Color
100%	Kingdom Saudi Arabia	Kingdom of Saudi Arabia	A Single Shareholder Limited Liability Company	Supportive Solutions Company for (Logistic Services (Logi
100%	Kingdom of Bahrain	Kingdom of Bahrain	Limited Liability Company	Jahez International Company W.L.L

Overview of the Subsidiaries

Co Kitchens

On July 20, 2020, 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 7 September 2020 (corresponding to19 Muharram 1442H), 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 lodging and food service activities.

PIK

On 7 November 2020, the group established 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 2021, the group established 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 2021, the group established 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-platforms.

Jahez International Company W.L.LOn December 14, 2021, the company established Jahez International Company in Bahrain (a one-person limited liability company) wholly owned by it. The capital of the company is 50,000 Bahraini dinars. This company is engaged in retail sales via the Internet.

Social Responsibility Initiatives



Social Responsibility Initiatives

Jahez Company continues its commitment to launch effective initiatives as part of its continuous efforts to engage its community and customers on many occasions that contribute to their support in line with its ethical values towards them. The group is aware of the impact of its business and operations on its employees, shareholders, the local community and the environment, and realizes the importance of the responsibility it bears towards the various components that make up the geography of the local economy. Therefore, gives priority to compliance with applicable laws and regulations, while ensuring the continued prosperity of the economy and the local community.

The group adopts its own guide for social responsibility, which defines its responsibilities and strategies towards all stakeholders. This manual also sets out the group’s guiding principles for fulfilling its responsibility towards its employees and local community, such as investing in development projects, providing indirect and direct support to charitable organizations, and providing job opportunities for all members of the society regardless of race and socioeconomic status.

Examples of the measures undertaken by the group as part of its social responsibility and sustainability strategy include:

1. 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.

2. 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 “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.
3. 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.
4. Collaborating with the Ministry of Environment, Water and Agriculture to promote organic agriculture in the Kingdom, and to produce a local supply chain.
5. Enhancing the representation of women in the Group’s leadership positions.
6. Localization initiative of delivery sector, which requires delivery of 5 orders per day, through which cars are delivered to the Saudi delivery partners.
7. The initiative (Your Camp is Ready) launched by Jahez International Company, which aims to find national competencies in the field of information technology for training on real challenges and their implementation on the ground.



8. The “Ready Camp” initiative, in cooperation with Business Nora, which is a virtual training camp specialized in pioneering ideas in the field of restaurants and cafes. It offers training workshops, dialogue and guidance sessions under the supervision of a group of specialists in the field, who provide support and training in various fields such as management and operation of restaurants, cafes, etc. with the aim of developing ideas and transforming them into real and pioneering projects in the region. The camp is sponsored by Jahez application, in cooperation with leading training partners in the field.
9. Providing the entrepreneurship curriculum of the Saudi Center for Social Responsibility, a curriculum that is taught in a number of universities and public education schools in the Kingdom to qualify male and female students in the field of entrepreneurship.
10. Supporting academic programs that contribute to qualifying Saudi cadres in the field of #logistics in order to achieve the goals of Vision 2030 and raise the percentage of nationalization in many sectors in the Kingdom’s labor market in cooperation with the Saudi Logistics Academy.
11. An agreement with Bena Charity Association to support the project of empowering male and female orphans to own cars for using them to deliver orders.
12. Zaed Association for preserving of foods in Ahad Almasarha, in cooperation with Jahez @JahezApp and with @DonationsSA, distributes (700) ready-made fasting meals during the first week of Ramadan to families registered in the association’s lists, with participation by a number of volunteers.
13. The “Iftar Jahez” initiative to distribute 1,500 iftar meals in Hail daily, in partnership with the “Donate” platform and the “Preserving Food” Association in Hail.
14. With the support of the association’s supporters and @JahezApp, and in cooperation with @Donati, (200) fasting meals were distributed to families registered in the association’s lists in the Jazan region, with the participation of 24 volunteers.

15. Signing a memorandum of understanding with Diriyah Gate Development Authority, to strengthen the partnership between them, activate charitable and community initiatives for the people and residents of Diriyah Governorate, support productive families, and train young men and women in the governorate.

On the other hand, the coronavirus (Covid-19) pandemic has posed challenges for all stakeholders in the group. The suspension of catering services in restaurants from February 2021 until March 2021, the viability of local businesses, especially restaurants and cafes, is at stake, as a large part of its revenue stream was affected by the impact of the efforts made to limit the spread of the coronavirus (Covid-19). The group has strengthened its vital position at this stage, through its support to the economy and the local community. During these difficult times it was a lifeline for such restaurants, whose sources of revenue became highly dependent on purchase and delivery orders, and in return the group enabled customers to submit purchase and delivery orders while sheltering in place to maintain their health and safety. The group reduced the commission deducted from restaurants by 2% for a month to provide its support to the restaurant sector in the Kingdom.

In line with its mission, the group made unremitting efforts to support the community during the curfew period by enabling basic needs services. The group did not deduct the commission on requests for supplies from some supermarkets through Jahez platform, as the group provided its services through Jahez platform free of charge for specific categories of merchants that provide basic needs, for a month. The group was able to obtain permits from the Communications and Information Technology Authority that allow it to continue providing its services to the local community during the difficult times it faced during the coronavirus (Covid-19) pandemic.





## Efficient Presence for Sustainable Growth

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.

### Sustainable development strategy

The group, under its commercial division, through the sales and marketing departments, is intensifying its efforts to implement an integrated marketing strategy, which it has been working on to develop since its launch in 2017, through clear frameworks and specific strategic objectives, through the organization and management of promotional transactions for the group's services, which are 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, the means of advertising and promotion have proven very effective in improving the performance of the marketing process, through various advertising channels, posters, commercial advertising and various media, in addition to social influencers and Internet applications used in social media, influencing content, competitions and public relations, as well as exploiting public events which remind of the services provided. The group sponsored some public events to enhance its presence and the standing of its distinguished brand, while continuing to announce the group's services in any of those occasions, which include sports sponsorships, partnerships with government agencies, social responsibility, and marketing through traditional media such as television and radio advertisements, billboards and Internet marketing.

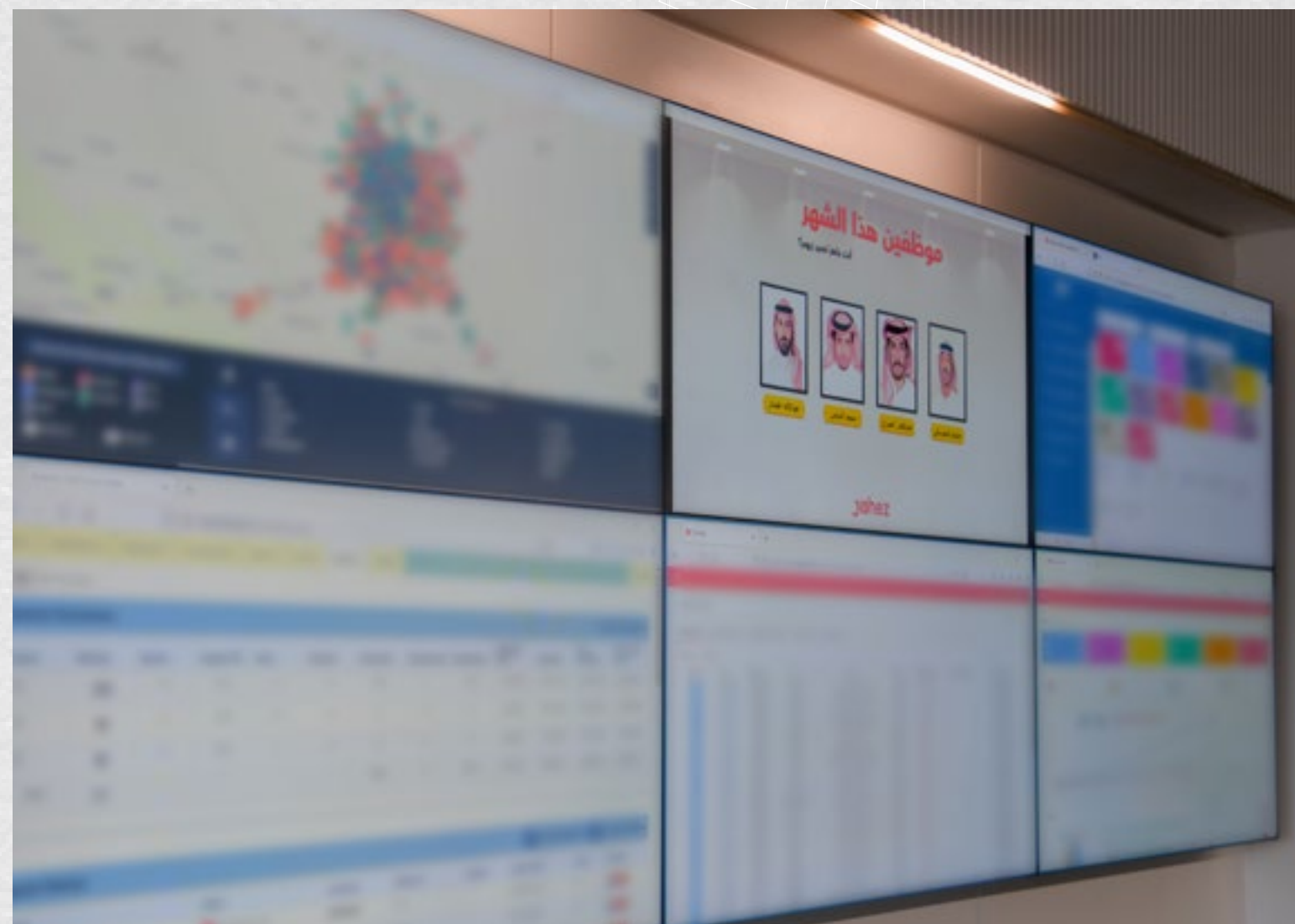
The Group capitalizes on its experience and positive outcomes related to positive results over the past years, to move forward by providing all marketing and commercial capabilities and capacities to reach a level that achieves the following results:

### 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 2019 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 2019–2020 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.

- Signing a logistical sponsorship agreement for the Riyadh International Book Fair for a period of three years, starting from 2021 to 2023.
- Signing a silver sponsorship agreement for the festivals and races of the Saudi Camel Federation
- A strategic sponsorship agreement for Falcons Club in the field of e-sports.

### Retain existing customers

Proceeding from the fact that existing customers may not interact with the marketing initiatives mentioned above, the group's marketing department is working to communicate with them directly by sending text messages through Jahez platform as an invitation to them to reuse the services of Jahez platform and provide them with offers that are presented to their wallet on Jahez platform application. The group is currently developing a database to activate artificial intelligence to identify customer segments and consumption behaviour to anticipate the results and commercial decisions that must be taken to maintain the success of the customer's experience and 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.

### Attract new users to Jahez platform

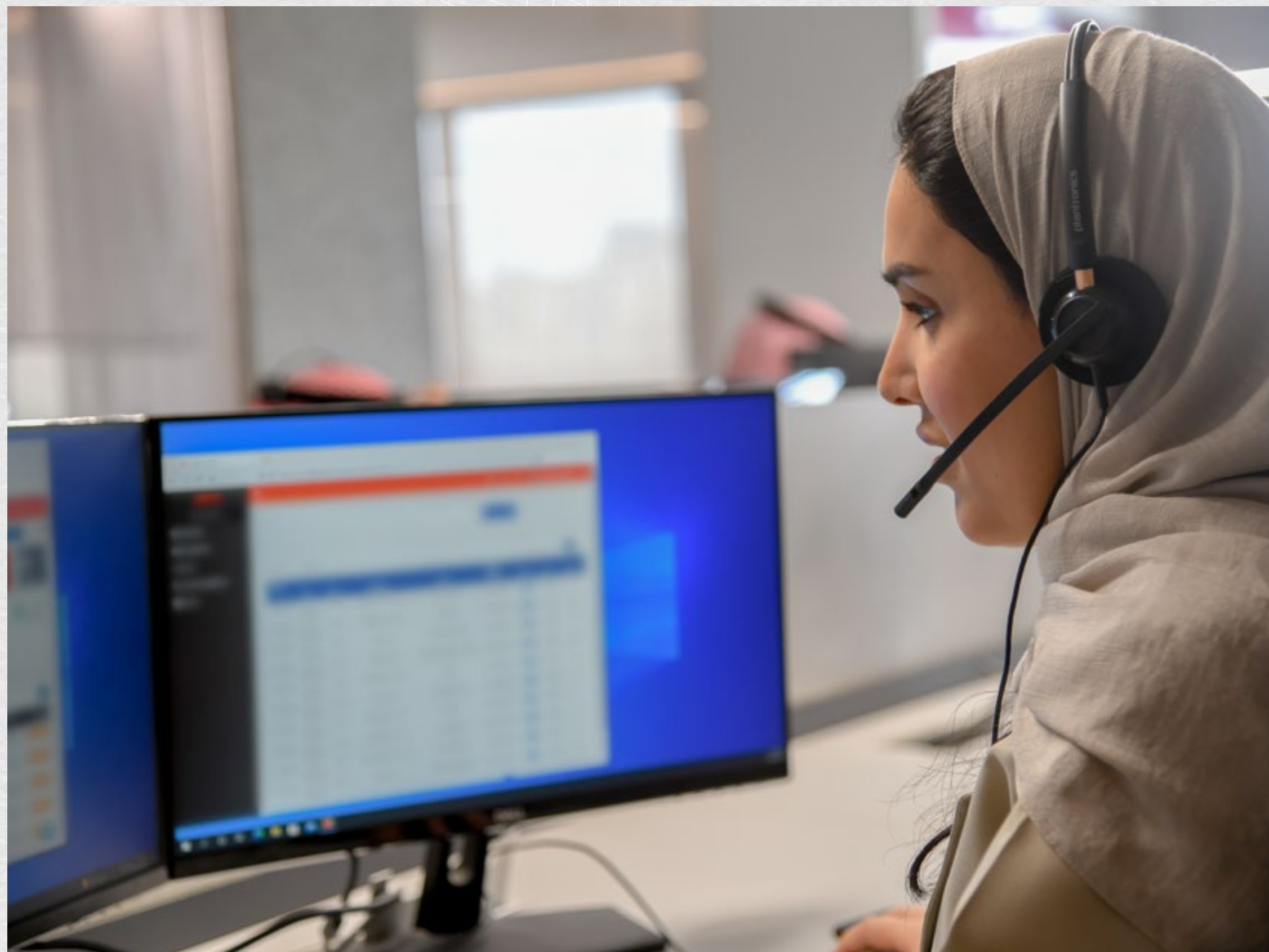
The Group conducts marketing campaigns via social media to encourage new users to use Jahez platform and gain them as customers in addition to recovering old users. These campaigns are focused on specific times of the year according to cities and seasons. The campaigns are carried out through social media such as Twitter, Instagram, Facebook, YouTube and other social media platforms, based on their prevalence in the cities and target groups.



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.

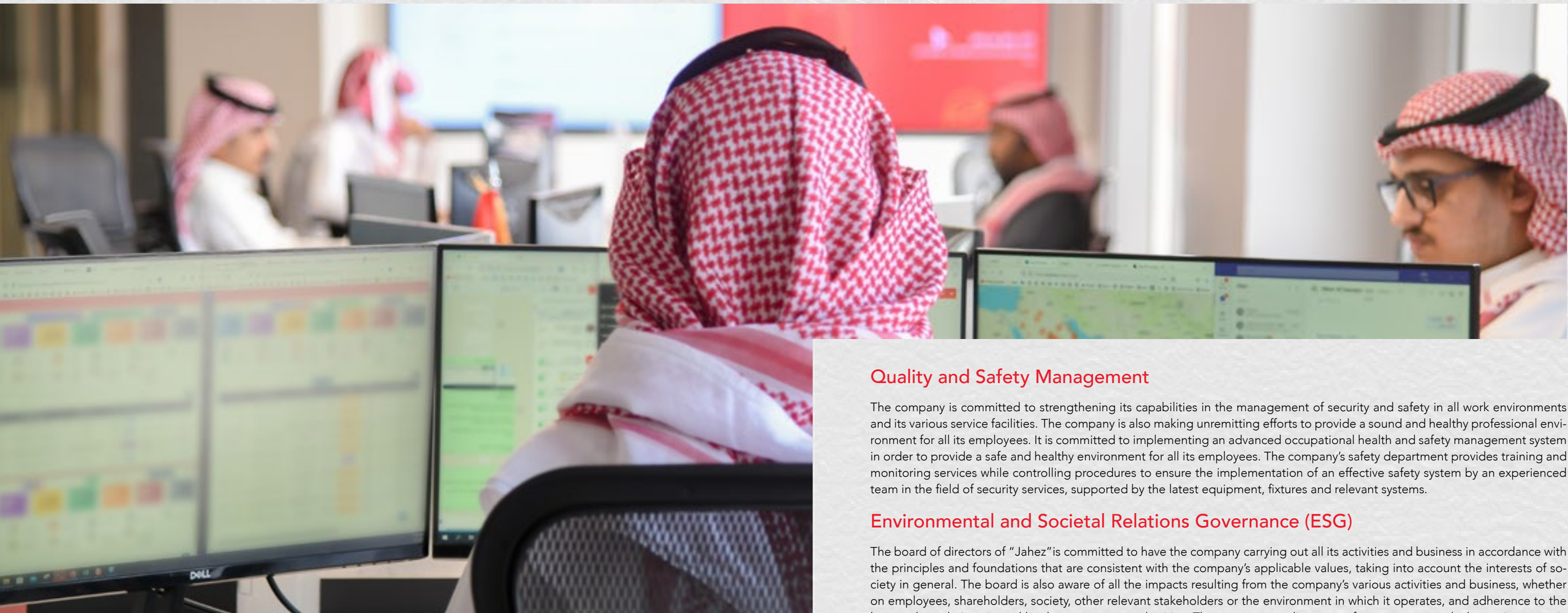
The Commercial Division has a dedicated team managing relations with partners (merchants) and is operating from the head office in Riyadh. This team communicates and coordinates with all the Group's departments, provides appropriate solutions, and instant responses to facilitate all daily routine procedures 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.





## Advance Professional Practices



The concept of sustainability represents a clear trend for Jahez' strategy and business, as it is adopted in all its diverse activities. Jahez pledges to design and build work environments to be an ideal place for giving and working, and being socially, commercially and environmentally responsible, fair and safe. However, the Company's responsibilities exceed the contractual performance and legislative compliance, to maintaining a sustainable work in the interest of its clients, partners, employees, and communities in which we are working, through consolidating the culture of health, safety and clean environment, in all its works, supply chains and partners.

The approach of integration of sustainability value in all our works and activities, clearly determines all necessities, objectives, priority areas and targets, in order to contribute to meeting work legislative requirements, and managing catastrophic risks associated with our business. It takes into account the social, environmental and economic implications, which include moral values, health, occupational safety, good work practices, staff and society rights and environmental protection.

### Quality and Safety Management

The company is committed to strengthening its capabilities in the management of security and safety in all work environments and its various service facilities. The company is also making unremitting efforts to provide a sound and healthy professional environment for all its employees. It is committed to implementing an advanced occupational health and safety management system in order to provide a safe and healthy environment for all its employees. The company's safety department provides training and monitoring services while controlling procedures to ensure the implementation of an effective safety system by an experienced team in the field of security services, supported by the latest equipment, fixtures and relevant systems.

### Environmental and Societal Relations Governance (ESG)

The board of directors of "Jahez" is committed to have the company carrying out all its activities and business in accordance with the principles and foundations that are consistent with the company's applicable values, taking into account the interests of society in general. The board is also aware of all the impacts resulting from the company's various activities and business, whether on employees, shareholders, society, other relevant stakeholders or the environment in which it operates, and adherence to the laws and regulations issued by the competent authorities. The company applies a set of measures towards the environment in accordance with the relevant legislation and strives to reduce pollutants that can be harmful to human health and the environment together. In addition to its serious interest in the principle of reducing energy consumption and carbon emissions harmful to the environment.

### Governance of Environmental Relations

The Company depends on strict professional standards to sustainably control its environmental practices and its commitment to each of the following:

- Compliance with environmental laws and regulations in all manufacturing and operational work environments.
- Setting standards, procedures, environmental management controls and maintain them, to ensure equal balance of environmental considerations with competitive priorities and other major commercial activities.
- Communicate with full transparency and clarity with staff, regulatory bodies, public and shareholders, on environmental issues and continuously improve them.



The Company's environmental management system also depends on the following international principles and practices:

- Evaluation of environmental impact and conservation of biodiversity
- Managing the waste of the manufacturing and production operations that is harmful to the human beings and the environment
- Management of water treatment, air pollution and chemical waste
- Work on energy conservation

Governance of Community Relationships

Jahez is keen to adopt responsible professional practices, through which it guarantees close cooperation with society and business leaders and ensure the support and development of community environments, through the following:

- Implementation of operations under the environmental management plan.
- Educate communities constantly on our operational activities and their impacts.
- Local development initiative within adjacent communities to create sustainable opportunities.
- Provide job opportunities for locals in production sites and factories.
- Prioritize local goods during procurement of materials for the Company.

Governance of Health and Safety Controls and Procedures

Jahez applies the highest health and safety standards to provide a safe working environment for staff, suppliers and partners. It is always committed to observe the following controls and criteria:

- Merge concepts of health and safety as basic values for the Company.
- Adoption and implementation of applicable health and safety systems.
- Training and providing staff with tools, instruments, and equipment to safely perform their works.
- Adopt and apply best practices to sustainably operate and maintain equipment.
- Compliance with applicable laws and regulations in societies where it works.
- Provide a safe working environment by reducing or removing all risks.
- Follow up and implement accident prevention programs.
- Conducting regular reviews and reporting to the board of directors at once to ensure compliance with health and safety policies and procedures and ensure the existence of the mechanisms which promotes the staff participation in the development of health and safety standards to encourage them to take responsibility for applying and seriously for adopting them.

Risk Management and Business Continuity Policy

The Board of directors is committed to adopt thoughtful measures to address various risks that can object to the operational performance of the Company and promote awareness-raising culture of all relevant parties in the company, to be informed and aware of their responsibilities towards these risks. The company also promotes the effectiveness of internal controls and the application of corporate governance controls to the highest transparency standards, in order for various working units with their various activities in the company to avoid any type of risks.

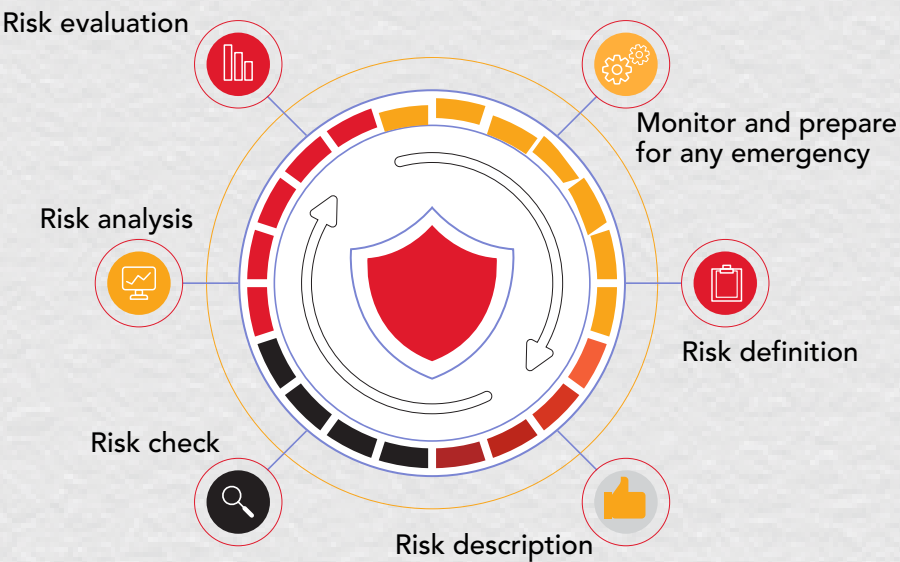
Principles of Risk Management Policy

The Company's risk management policy is based on each of the following axes:

- Effective self-observation
- Sense of responsibility
- Preciseness and transparency
- Initiative.

The main Steps to Implement the Company's Control and Risk Management Policy

To achieve the highest standards and precautions to face risks, the following steps are followed:





## Risk management policy

Jahez worked on defining the control and risk management processes following with the best international practices. The board of directors of Jahez and its senior management rely on these principles in the development of the company's strategy and decision-making process. The management then undertakes planning, organizing and directing processes in order to ensure reasonable assurance that the company's objectives can be achieved, while ensuring that the relevant risks are within the company's risk appetite.

The board of directors is responsible for overseeing the risk management and internal control system and reviewing its effectiveness. The system is designed to determine and manage the risk of failure, and not to eliminate it, in order to achieve the strategic objectives of the company and provide reasonable assurance, not absolute, against errors or gross loss.

The board also assumes general responsibility for determining the nature and extent of the main risks, which it may bear to achieve its strategic objectives (risk appetite) and ensure management of these risks effectively. The Board has authorized the responsibility for reviewing the effectiveness of internal control systems and risk management methodology in the company to the Audit Committee. Internal control processes are based on the following five interrelated elements:

- Regulatory environment
- Risk assessment
- Control activities
- Information exchange
- Continuous follow-up

Jahez' management pays attention to the risk management process as a means of identifying, assessing, prioritizing and mitigating risks, through its subsidiaries and each business unit, with a cost-effective, coordinated and effective application of resource in order to minimize the possibility or the impact of any negative effects, monitor and control them to achieve optimal use of opportunities. The risks are also effectively managed by Jahez through the effective application of various controls, including:

- The risk management framework approved by the board of directors.
- Documented policies and procedures.
- Maintaining records.
- Continuing observation of organizational obligations.
- Preparation of internal and external reports.

## Risk Management Governance

The board has authorized the responsibility for reviewing the effectiveness of internal control systems and risk management methodology of the company to the Audit Committee. The board of directors of Jahez also oversees the risk management process through the Audit Committee which is responsible for reviewing the risk management framework to ensure that it is still sound and identifies all potential risk areas. In addition, the committee reviews the adequacy of policies and processes designed and carried out by the management for the purpose of managing specific risks and submitting annual reports to the board of directors and the general assembly.

The Audit Committee also conducts regular reviews of applicable internal control systems in the company, including all related tasks, policies and procedures to ensure that they are still adequate and sufficient to identify and reduce risks. In the case of transactions and contracts involving a high degree of complexity, we work with advisers to minimize their dangers.

The executive management is responsible for determining the nature of risk management. The management at all levels is responsible for identifying, as appropriate, the risks related to scope of their work and management. The company's functional tasks also support the implementation and facilitation of the risk management process.

## Risk Management Activities

In the year 2021, "Jahez" focused on mitigating and managing the main risks reported in 2020. Jahez focused on raising awareness of risk management in all departments of the company and its subsidiaries and defining roles and responsibilities for identifying business risks. We at Jahez prioritize risks to keep the focus on the most relevant risks. Risks are assessed on the basis of potential impact and probability analysis, and related actions are implemented to manage or mitigate risks.

The company's approach to risk management begins with defining the scope in which the company operates and the respective business units, including consideration of relevant strategic and business objectives. All types of risks are managed by the same process. While the primary responsibility for risk management in the company lies with the business unit, namely the management, where the management is responsible for identifying, analyzing, monitoring, controlling and reporting the risks involved in the business. Therefore, it is an essential part of the company's risk management framework.



## Risk factors in the company

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 recognized in the consolidated statement of financial position include cash and cash equivalents, trade receivables, due from/to related parties, investments at FVTPL, other current assets, trade payables, accrued expenses, other current liabilities, collections due to customers, and leases liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Financial asset and liability are 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 Group's financial positions and cash flow.

The Group has no significant interest rate risk.

**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 other receivables, and due from related parties.

	31 December 2021	31 December 2020
Trade receivables	6,674,849	4,473,526
Prepayments and other receivables	36,636,636	4,010,217
Due from related parties	237,484	489,836
Cash and cash equivalents	391,688,002	205,723,956
Investments at FVTPL	19,837,032	--
	455,074,003	214,697,535

**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 the 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.

**Risks related to the short life of the Group's operational history and its work in an emerging sector that is subject to continuous development and its ability to achieve the objectives of its strategy in the future**

The group's Jahez e-platform was launched in 2016, while the e-PIK platform was launched on experimental basis in the first quarter of 2021. The cloud kitchens business of Co Kitchens Company was launched in 2020. Since then, the group has experienced rapid growth over the course of a few years in terms of the level of services it provides, the prices and features that it offers through Jahez, PIK and Co Kitchens. Consequently, the group has a short operating history in the food delivery sector via applications, the quick commerce sector, and the cloud kitchens sector, which are emerging sectors that are subject to continuous development. The group faces due to this risks and challenges that limit its ability to accurately assess its business and future prospects, especially in light of the risks and challenges it faces, which include - but are not limited to - the following:

- Inability to accurately forecast the group's revenues or plan for future operating expenses.
- Increasing or retaining the number of merchants available via Jahez and PIK, customers or delivery partners.
- Compete successfully with current or future competitors.
- Successful growth and expansion in the current 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 and in an appropriate manner.
- Develop a high-performance and scalable technical infrastructure that can deal efficiently and reliably with the increased usage and implement new features and services.





- The ability to keep abreast of new technologies and methods used in the interaction between merchants, customers and delivery partners and apply them in Jahez and PIK platforms.
- Manage the rapid growth and development of the number of employees and the Group’s operational processes and attract and retain talent.

In the event that the group is unable to deal properly with the challenges and risks it faces, including the challenges mentioned above, this will have a negative and material impact 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 work in a market and sector that is subject to continuous growth and development, any expectations 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. In the event that the group’s estimates are wrong about any of the risks or challenges it faces, upon which it builds its operational plans and operations, or if the group does not successfully address those risks and challenges, the results of operations may differ significantly from the group’s expectations, which will have a negative and material impact on the group’s business, financial position, results of operations and future prospects.

**Risks related to the Group’s business reliance on attracting and retaining merchants, delivery partners and customers**

Jahez platform and PIK platform depend on the business of third parties as they constitute a link between merchants, delivery partners and customers, and 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 appropriate costs and fees. When the group is able to increase the number of merchants available through Jahez and PIK platforms, it will be able to attract more customers, and vice versa. Also, having an adequate number of delivery partners that enables the group to meet orders placed through Jahez and PIK is necessary to attract merchants and customers to Jahez and PIK. Therefore, building a network of merchants, customers and delivery partners takes a long time and the network of merchants, customers and delivery partners may not grow as quickly as the group had previously witnessed. The growth of the number of merchants in the sectors in which the group operates is a key factor for the group’s growth and its ability to attract a larger number of 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



The group’s ability to attract and maintain merchants, delivery partners and customers is essential to the group’s business and revenue growth

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, especially when entering new geographical markets, due to fierce competition, which in turn will have a negative and material impact on the group’s business, financial position, results of operations and future prospects. The group’s ability to attract and maintain merchants, delivery partners and customers is essential to the group’s business and revenue growth, and if the group is unable to do so for any reason, this will have a negative and material impact on its business, financial position, results of operations and future prospects.



# Financial Performance

## Sustainable Resilience and Growth

Annual Report 2021 – 1442H



### Financial Performance Indicators for 2021

SAR'000	Financial year 2019 (Audited non-consolidated)	Financial year 2020 (Audited consolidated)	Financial year 2021 (Audited consolidated)
<b>Key Performance Indicators</b>			
Gross Order Value (GOV)*	631.862	1887.706	4,524,826
Gross Merchandize Value (GMV)	497,477	1,418,096	3,342,531
Number of orders (Order)	6,996,719	19,540,417	51,602,042
Average total GMV per order (SAR)	71.1	72.6	64.8
Average monthly orders per customer	3.8	4.5	4.7
Average number of merchants	1,475	2,336	5,550
Average number of branches	4,506	7,181	13,608
Average delivery fee per order (SAR)	14.9	14.6	14.4
Average commission per order (SAR)	6.7	7.7	7.5
Average commission percentage (%)	9.50%	10.60%	11.6%
Gross profit margin	16.10%	23.60%	22.3%
Earnings/(loss) margin before interest, tax, depreciation, and amortization	(2.40%)	9.60%	10.3%
Net profit/(loss) margin for the year	(4.10%)	8.60%	9.6%
Return on equity	(9177.10%)	86.90%	62.5%
Return on total assets	(10.7%)	17.00%	23.7%
<b>Statement of Income</b>			
Revenues	158,529	459,306	1,220,877
Revenue Cost	(133,035)	(350,7790)	(948,862)
Gross Profit	25,494	108,527	272,014
General and administrative expenses	(6,317)	(11,408)	(26,176)
Advertising Expenses	(20,647)	(49,425)	(113,058)
Research and development expenses	(2,566)	(4,924)	(10,986)
Loss of decrease in trade receivable	(66)	(464)	(2,501)
Loss of impairment of receivable from related parties	(1,969)	(1,855)	0
Other Income	20	486	484
Operating Profit/(loss)	(6,051)	40,937	119,293
Financing Costs	(245)	(305)	(547)
Net profit/(loss) for the year before Zakat	(6,296)	40,632	121,198
Zakat	(128)	(1,135)	4,488
Net Profit/(loss) for the year/period	(6,424)	39,496	117,068



SAR'000	Financial year 2019 (Audited non-consolidated)	Financial year 2020 (Audited consolidated)	Financial year 2021 (Audited consolidated)
Statement of financial position			
Total current assets	46,859	214,792	435,435
Total non-current assets	12,936	17,175	58,581
Total Assets	59,795	231,967	494,016
Total current liabilities	53,618	178,037	278,662
Total non-current liabilities	6,106	8,473	27,037
Total Liabilities	59,724	186,510	305,700
Total Equity	70	45,457	188,316
Total Equity and Liabilities	59,795	231,967	494,016
Statement of Cash Flows			
Net cash flow from operating activities	19,415	174,800	206,178
Net cash flow used in investing activities	(3,156)	(5,432)	(16,920)
Net cash flows from (used in)/ financing activities	1,901	(2,636)	(3,294)
Cash and cash equivalent at the end of the year/ period	38,992	205,724	391,688

(\*) Order Value paid by the customer including Delivery Fees and Value Added Tax

## Gross Merchandize and Order Value

	Financial Year	Financial Year	Financial Year
	2019	2020	2021
GMV/GOV (Thousands of Saudi Riyals)			
GMV (Gross Merchandise Value)	497,477	1,418,096	3,342,531
Value Added Tax on the Value of the Order	24,874	161,957	486,816
Delivery Value Paid by Customers	104,297	276,345	604,764
Value Added Tax on Delivery Value Paid by Customers	5,215	31,308	90,715
GOV (Gross Order Value) (Thousands of Saudi Riyals)	631,862	1,887,706	4,524,826

## Jahez company revenue by type

SAR'000	Financial year 2019 (Audited non-consolidated)	Financial year 2020 (Audited consolidated)	Financial year 2021 (Audited consolidated)
Revenue from delivery fees	104,297	285,457	744,622
Revenue from commissions	47,210	150,201	389,097
Revenue from e-payment fees	4,810	11,159	56,542
Advertising and marketing revenues	825	8,193	53,816
Other income	1,388	4,296	3,599
Customers cash back	0	0	-26,799
Total	158,529	459,306	1,220,877



## The company's assets, liabilities, and financial results of its business in the last five years or since its establishment, whichever is shorter

### A summary of the most significant changes in the company's financial results

SAR'000	Financial year 2020 (Audited consolidated)	Financial year 2021 (Audited consolidated)	%
Revenues	459.31	1,220.88	165.81%
Revenue cost	108.53	272.01	150.64%
Gross profit	40.45	119.29	194.91%
(Operating profit (loss	39.69	117.07	195.0%
Other income and expenses	39.98	117.22	193.20%
Zakat	44.05	187.27	325.13%
Net profit	231.8	19.6	(91.53%)

Jahez Group achieved a net income after zakat of SAR 117.0m in 2021, a 195% YoY increase from SAR 39.7 million in 2020, This was mainly driven by the following:

- The increase in revenues by 165.8% during 2021 due to the increase in delivery fee revenue and commission revenue by SAR 459.1m and SAR 238.9m, respectively mainly due to the following:
- The increase in Gross Merchandize Value (GMV) in 2021 by 136% reaching SAR 3.3b due to increase in orders number in 2021 by 164% to reach SR 51.6m orders, compared to SR 19.5m order in the previous year due to the increase by 141% in average users number 2021, compared to the previous year, as well as the increase in monthly average orders per user to reach 4.7 in 2021, compared to 4.5 in the previous year, while the Gross Merchandize Value (GMV) per order decreased in 2021 reaching SAR 64.8 compared to SAR 72.6 in the previous year.
- The average take rate increased in 2021 to reach 11.6%, compared to 10.6% in the previous year, in addition to increase in average merchant number to reach 5,550 restaurants in 2021 compared to 2,336 restaurants in the previous year.
- Gross profit increased by 150.6% despite the increase in cost of revenue by 170.5% which is mainly due to the increase in total delivery costs and operations which is in line with the number of orders during 2021.
- Operating profit increased by 194.9% despite the increase in Marketing & advertising expenses by 128.7% which is in line with the increase in the total Gross Merchandize Value (GMV) during 2021.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) for the year 2021 reached to SAR 125.3m compared to SAR 43.6m for last year, with an increase of 187.3% which is mainly due to the growth in the Group's operating revenue against lower growth in the Group's operating expenditures.

Employee stock program with the aim of providing incentives for the company's distinguished employees to attract and retain them

## The company's transactions related to purchasing its shares in the Exchange and purpose of its purchase

The company decided to set up an employee stock program with the aim of providing incentives for the company's distinguished employees to attract and retain them in order to achieve the company's goals. Notably, the employee stock program will include employees who are determined by the board based on performance evaluation. Where the company's extraordinary general assembly on 28/10/1442H (corresponding to 09/06/2021) agreed to set the employee's shares program and authorize the Board of Directors to determine its provisions, including the allocation price for each share offered to the employee if it is in return. After completing the offering process, the selling shareholders sold one hundred and ninety-two thousand (192,000) shares of the company with a nominal value of ten (10) Saudi riyals to be used within the framework of the company's employee shares program, in accordance with the resolution of the extraordinary general assembly of the company on 28/10/1442H. Corresponding to 09/06/2021).

- There are no loans or indebtedness, or any amounts paid by the company in repayment of loans to the company or its subsidiaries, during the fiscal year 2021.
- No convertible debt instruments, contractual securities, memoranda of subscription rights or rights were issued or granted by the company during the fiscal year 2021.
- No transfer or subscription rights were issued or granted under convertible debt instruments or cash securities, or subscription right memoranda, or similar rights by the company, during the fiscal year 2021.
- There was no redemption, purchase or cancellation by the company of any redeemable debt instruments, during the fiscal year 2021.
- There is no deviation from the accounting standards approved and applied in the Kingdom of Saudi Arabia, during the fiscal year 2021.
- There are no qualifications in the auditor's report on the annual financial statements during the fiscal year 2021.
- There is no recommendation from the board of directors to change the auditor before the end of the period for which he was appointed, during the fiscal year 2021.

### A statement of paid or due regulatory payments

Jahez is committed to paying certain taxes, fees and any other expenses to the Saudi Arabian Government as per applicable laws and regulations. These expenses are charged as a result of the company's operations. The following table shows the statutory charges paid during year 2021 with a brief description and reason for each charge.

Item	SAR	Description	Reason
Government fees	289,823	Represent the paid Government fees	Statutory requirement
Social Insurance	8,889,318	What is paid or charged for the period in accordance with the provisions of the labor law in the Kingdom.	Statutory requirement
Zakat, withholding tax, and others	103,145,842	What is paid or charged over the period in accordance with the provisions and rules of the Zakat, withholding tax Law and value added tax.	Statutory requirement
Labor Office and Visas	6,718,094	What is paid or charged over the period to the labor office	Statutory requirement
Total	119,043,077	Represents the statutory amounts owed and paid to the government.	Statutory requirement

- Fines were imposed on the company during the year 2021 by the Municipality, Zakat, Tax and Customs Authority and the Ministry of Human Resources, amounting to SAR 149,500. The company explains below the lawsuits and cases filed by or against the company as follows:
  - Cases closed under final judgments against the company by the end of the fiscal year 2021: (2) cases with a total value of (27,414) Saudi riyals.
  - A case closed under final rulings in favor of the company at the end of the fiscal year 2021, with a value of (49,233.33) Saudi Riyals.
  - Outstanding cases that are still under consideration as at the end of the fiscal year 2021, (2) cases with a total value of (55,000) Saudi Riyals



# Board declarations

## The Board of Directors declares that:

- 1. The books of account have been maintained properly.
- 2. The system of internal control is sound in design and has been effectively implemented.
- 3. There are no significant doubts concerning the Company's ability to continue as a going concern.

## Other Declarations

The Board of directors was keen to ensure the professional performance of the company during the year 2021. Accordingly, the Board of directors confirms that:

There was no fundamental conflict of interest during the year 2021, other than what was disclosed.

- 1. We have not received any request from shareholders who own 5% or more of the company's capital to invite the General Assembly to convene during the year 2021.
- 2. There are no procedures that may obstruct the shareholders' voting rights.
- 3. Other than the claims of the Coronavirus pandemic, there were no important events affecting the safety of the company's financial position after the end of the fiscal year 2021 that required disclosure, other than the available and announced information.
- 4. The accounting records have been prepared and updated properly.
- 5. During the year 2021, there was no doubt about the company's ability to continue its activity.
- 6. The company's consolidated financial statements were prepared during the fiscal year 2021 in accordance with the standards approved by the Saudi Organization for Certified Public Accountants.
- 7. All information published by the company, whether directly or indirectly, is accurate and true statements about material facts or a statement of opinion, and is not intended to influence the share price.





Efficient and sustainable growth



## Shareholders Assemblies

The Company held seven General Assembly meetings during the year 2021 . Following is a list of the dates of the general assembly meetings held during 2021 and the names of Directors who attended them:

S/N	Member name	Ordinary General Assembly Meeting	Extraordinary General Assembly meeting	Extraordinary General Assembly meeting	Extraordinary General Assembly meeting	Ordinary General Assembly Meeting	Ordinary General Assembly Meeting	Ordinary General Assembly Meeting
		09/09/1442H Corre- sponding to 21/04/2021	15/10/1442H Corre- sponding to 27/05/2021	28/10/1442H Corre- sponding to 09/06/2021	26/11/1442H Corre- sponding to 06/07/2021	25/12/1442H Corre- sponding to 04/8/2021	01/05/1443H Corre- sponding to 05/12/2021	18/05/1443H Corre- sponding to 22/12/2021
1	HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	√	√	√	√	√	√	√
2	Mr. Abdulaziz Abdul-rahman Mohammed Al-Omran	√	√	√	√	√	√	√
3	Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	√	√	√	√	√	√	√
4	Mr. Hamad Abdullah Fahad Al-Bakr	x	x	x	x	x	x	x
5	Mr. Abdulwahab Abdulkarim Abdul-rahman Al-Butairi	x	x	x	x	x	x	x
6	Mrs. Lulua Mohammed Abdulkarim Bakr	x	x	x	x	x	x	x



## Shareholders' rights and the general shareholders assembly

Jahez Company's articles of association and its governance regulations guarantee that shareholders obtain their full rights related to shares, especially their right to obtain a share of the agreed dividends, their right to obtain a share of the company's assets upon liquidation, and the right to attend meetings of the general assembly of shareholders (participate in its discussions and vote on its decisions), the right to dispose of shares, the right to supervise the work of the board of directors, file a liability claim against its members, and the right to inquire and request information, provided that it does not jeopardize the interests of the company or conflict with the provisions of the Capital Market Authority and its implementing regulations.

Jahez allows the participation of the maximum number of its shareholders in the meetings of the General Assembly and is keen to ensure the selection of the venue and time that allows for full participation. The company's articles of association and its governance regulations also stipulate the provisions related to the general assembly of shareholders, which include the necessary precautionary measures and steps to ensure that all shareholders exercise their rights on a regular basis, in addition to the possibility of holding general assembly meetings through modern technology.

The general assembly of shareholders is the highest authority in the company, and its exclusive powers include appointing and terminating the service of members of the board of directors, approving the consolidated financial statements, appointing external auditors and determining their fees, approving the percentage of dividends according to the recommendations of the board of directors, increasing or decreasing the company's capital, and amending the company's internal regulations and articles of association.

Jahez also provides sufficient access for shareholders to read the minutes of the general assembly meetings by uploading them on the company's website. A copy of these minutes is submitted to the Capital Market Authority within no more than (10) days from the date of the meeting. Investor relations is the continuous channel of communication with investors and answer their inquiries during working days. It is considered as a reciprocal channel of communication between investors and the company's board of directors and its executive management.

## Investors Relations Activity

The board of directors recognizes the importance of regular and open dialogue with shareholders and other stakeholders, not only prior to the General Assembly meeting but throughout the year.

The company's investor relations department serves as a center for constant communication with shareholders, investors and analysts. The board of directors receives regular updates regarding the company's shareholders' opinions, suggestions and observations about the company and its performance through the investor relations department and the board secretary.

The CEO informs the members of the board of directors of the material opinions and suggestions of the shareholders and discusses these opinions and proposals with them during the meetings of the board of directors.

We aim to balance the ongoing participation of investors throughout the year by providing continuous opportunities to interact with them through a variety of meetings, including quarterly and annual business meetings and conference calls, attending several investor conferences, and issuing management statements on the activities of the company and its results. The executive management also held several conference call conferences with analysts and shareholders upon their request to understand Jahez' business model and strategy, in addition to raising inquiries related to the company's performance and management plans to manage current changes in the environment and economic regulations.

## Means of Communication with our shareholders

- Jahez is committed to effective and permanent communication with all shareholders, in order to ensure the highest levels of consistency and clarity in disclosure processes at all times. We look forward to engaging with shareholders transparently and regularly with the aim of facilitating mutual understanding of our respective objectives and strive to engage with investors from both public and private sectors alike, and urge all shareholders to participate in the annual general assembly meeting.
- Jahez aims to be a leading company in the sector, and to achieve this, it is committed to providing higher levels of disclosure and transparency in its financial reports, whether in the interim or annual financial statements.
- "Jahez" looks forward to providing all means of financial and strategic communications in an open and harmonious manner, ensuring the use of Arabic and English - where possible - to enhance clarity of disclosures in order to provide a fair, balanced and understandable assessment of the company's position and future prospects.
- Jahez Company welcomes your constructive comments and suggestions, which can be submitted to the Investor Relations Department via e-mail: [ir@Jahez.net](mailto:ir@Jahez.net).
- Investors can view all financial reports, corporate governance policies, minutes of general assembly meetings, periodic announcements and related information, including management clarifications and comments, available on our website at the specified times.

Jahez recognizes of the importance of effective communication with shareholders, Hence, we are committed to constructively benefiting from the annual general assembly meeting where the chairman and the directors meet with the shareholders to hear their views and answer their inquiries. Therefore, we are keen to encourage shareholders in advance to participate in the annual general assembly meeting by attending and voting, whether personally or by proxy. The company seeks to maximize the shareholders' ability to participate in the general assembly meeting through:

- Appropriate arrangements for the general assembly to motivate a larger number of shareholders to participate, including determining the appropriate place and time.
- Availability of board members, executive management and external auditors to shareholders in the general assembly.
- Providing a reasonable opportunity for shareholders, while attending the general assembly meeting, to ask questions regarding the agenda items, including asking questions to the external auditor regarding the progress of the audit process and the preparation and content of the external legal auditor's report
- The company may call for a general assembly of shareholders using the methods of contemporary technologies.
- The company invites the general assembly of shareholders to vote electronically on the agenda items through the Tadawulat services portal.
- Shareholders are encouraged to participate in the general assembly or to appoint their agents to attend and vote in the meetings for them and on their behalf in the event that they are unable to attend the meetings.
- There are no Announcements for the group on the Tadawul website, during the fiscal year 2021.
- During the year 2021, no arrangements or agreements were made whereby any of the board members waived his right for salaries or compensation, and there are no arrangements or agreements under which one of the company's shareholders waived his rights to receive profits, during the 2021.
- No arrangements or agreements have been made under which one of the company's shareholders has waived any rights to profits, during the fiscal year 2021.
- There is shareholders records in the group before the offering in 2021.

The company's investor relations department serves as a center for constant communication with shareholders, investors and analysts



## Ownership of board members and their change percentage

S/N	Member name	Beginning of the year 2021 Before the Offering (indirect ownership) *		After Offering (indirect ownership)*		Net change	(%) of change
		Number of Shares	Debt Instru- ments	Number of Shares	Debt Instru- ments		
1	HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	3,421,440	0	2,924,864	0	(496,576)	(14.51%)
2	Mr. Abdulaziz Abdulrahman Moham- med Al-Omran	494,208	0	422,480	0	(71,728)	(14.51%)
3	Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	1,152,000	0	984,803	0	(167,197)	(14.51%)
4	Mr. Hamad Abdullah Fahad Al-Bakr	1,152,000	0	984,803	0	(167,197)	(14.51%)
5	Mr. Abdulwahab Abdulkarim Abdul- rahman Al-Butairi	61,824	0	52,851	0	(8,973)	(14.51%)
6	Mrs. Lulua Mohammed Abdulkarim Bakr	0	0	0	0	0	0

### The indirect ownership of the members of the board of directors resulted from the following:

- HRH Prince Mishal Bin Sultan Bin 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.
- Mr. 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
- Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel owns 20% of the shares of Alamat International Limited Company, a Major Shareholder of the Company.
- Mr. Hamad Abdullah Fahad Al-Bakr owns 20% of the shares of Alamat International Limited Company, a Major Shareholder of the Company.
- Mr. 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.

## A Description of the Dividends Distribution Policy

The Shares entitle their holders to the right to receive any dividends that the Company declares from the date of the 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.

It is worth noting that the company did not distribute any dividends in the financial years ending in 2019, 2020 and 2021. In addition, there are no arrangements or agreements under which one of the company's shareholders has relinquished his rights to receive profits during the year 2021.

## Recommendations to the General Assembly

After reviewing the most important operational and financial activities for the fiscal year 2021, we are pleased to attach the report of the Audit Committee and the financial statements with the auditors' report. The place and date of the General Assembly and any other items on the Assembly's agenda will be announced at a later time.

The announcement of the 2021 Annual General Assembly meeting will be published on Tadawul website, the company's website and a local daily newspaper at a later time when the necessary approvals are obtained from the regulatory authorities at least 21 working days prior to the meeting. It is worth noting that the annual meeting of the General Assembly for the year 2021 is scheduled to be attended by all members of the board of directors and its affiliated committees, and they will be available to answer shareholders' inquiries.

- There are no shares and debt instruments issued by each subsidiary in the fiscal year 2021.
- There is no interest in the class of voting shares belonging to persons (other than members of the company's board of directors, senior executives and their relatives) who informed the company of these rights under Article 45 of the Registration and Listing Rules, in the fiscal year 2021.
- There is no interest, contractual securities and subscription rights belonging to the members of the company's board of directors, senior executives and their relatives in the company's shares or debt instruments, in the fiscal year 2021.
- The following executives own indirect ownership in the company, as of December 31, 2021:
  - Mr. Ghassab Salman Ghassab bin Mandeel owns 20% of the shares of Alamat International Company Limited, a substantial shareholder in the company.
  - Mr. Hamad Abdullah Fahad Al-Bakr owns 20% of the shares of Alamat International Co. Ltd., a substantial shareholder in the company.



## The essence of sustainable performance and achievement

The Corporate Governance Regulations issued by the CMA are indicative for companies listed on the Parallel Market. On 09/09/1442H (corresponding to 04/21/2021), 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 Delegation Authority Policy.
- The Delegation Authority Matrix.
- 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 Charter (terms of reference) of the Audit 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 any 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 stipulates 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 the 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. the relevant member shall not participate in voting on the resolution to be adopted in this regard. Based on the foregoing, the directors declare that they will:

- Work in accordance with Articles 71, 72 and 73 of the Companies Law.
- Not vote on contracts entered into with Related Parties in the General Assembly meetings if they have a direct or indirect interest.
- Not compete with the company's business without approval of the General Assembly in accordance with Article 72 of the Companies Law.

The Board of Directors will approve any amendments to the framework of the Corporate Governance Regulations from time to time or call for convening the General Assembly to approve any amendments that require shareholder approval, in order to comply with legal requirements and ensure sound management and governance practices.

## Board remuneration

It should be noted that:

- There is no fundamental deviation between the remunerations paid to members of the board of directors, members of committees and senior executives from the related Capital Market Authority rules and regulations of the company in force.
- The remuneration of the members of the board of directors and the executive members is determined based on the related Capital Market Authority laws and regulations. There are no arrangements or agreements under which any of the company's directors, members of the committees or senior executives have waived their rights for remunerations.
- There are no arrangements or agreements under which any of the company's shareholders has waived their rights to profits.





The table below shows compensations for the boards and the executives during 2021

	Fixed Remuneration				Variable Remuneration								End of Service Indemnity	Grand Total	Expenses Allowance
	Specified Amount	Board Sessions Attendance Fees	In-Kind Benefits	Remuneration for Technical and Managerial Work	Remuneration of Chairman, Managing Director Or the Secretary if he is a member	Total	A Percentage of Profits	Periodic Remuneration	Short Term Incentive Plans	Long Term Incentive Plans	Granted Shares	Total			
First: Independent Members															
1- Mrs. Lulua Mohammed Abdul Karim Bakr	200,000					200,000						-		200,000	
Total	200,000					200,000						-		200,000	
Second: Non-executive members															
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	200,000					200,000						-		200,000	
Mr. Abdulaziz Abdulrahman Mohammed Al-Omran	200,000					200,000						-		200,000	
Mr. Abdulwahab Abdulkarim Abdulrahman Al-Butairi	200,000					200,000						-		200,000	
Total	600,000					600,000						-		600,000	
Third: Executive members															
Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	200,000					200,000						-		200,000	
Mr. Hamad Abdullah Fahad Al-Bakr	200,000					200,000						-		200,000	
Total	400,000					400,000								400,000	
Grand Total	1,200,000					1,200,000								1,200,000	

### Remuneration of the members of the committees emanating from the Board of Directors during the fiscal year 2021.

Name	Fixed remuneration (Other than allowance for session attendance)	Allowance for session attendance	Total
<b>Members of the Audit Committee</b>			
1- Mr. Abdulwahab Abdulkarim Abdulrahman Al-Butairi	100,000	-	100,000
2- Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	100,000	-	100,000
3- Mr. Amin Abdel Raouf Hariz	100,000	-	100,000
<b>Members of the Investment Committee</b>			
1- HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	100,000	-	100,000
2- Mr. Abdulaziz Abdulrahman Mohammed Al-Omran	100,000	-	100,000
3- Mrs. Lulua Mohammed Abdulkarim Bakr	100,000	-	100,000
<b>Total</b>	<b>600,000</b>		<b>600,000</b>



## Senior Executive Remunerations

Senior executive officers including the CEO and Chief Financial Officer receive remuneration in accordance with the remuneration policy of Board members and executive officers. The following table details the remuneration and compensation paid to senior executives during 2021 (including the CEO and CFO).

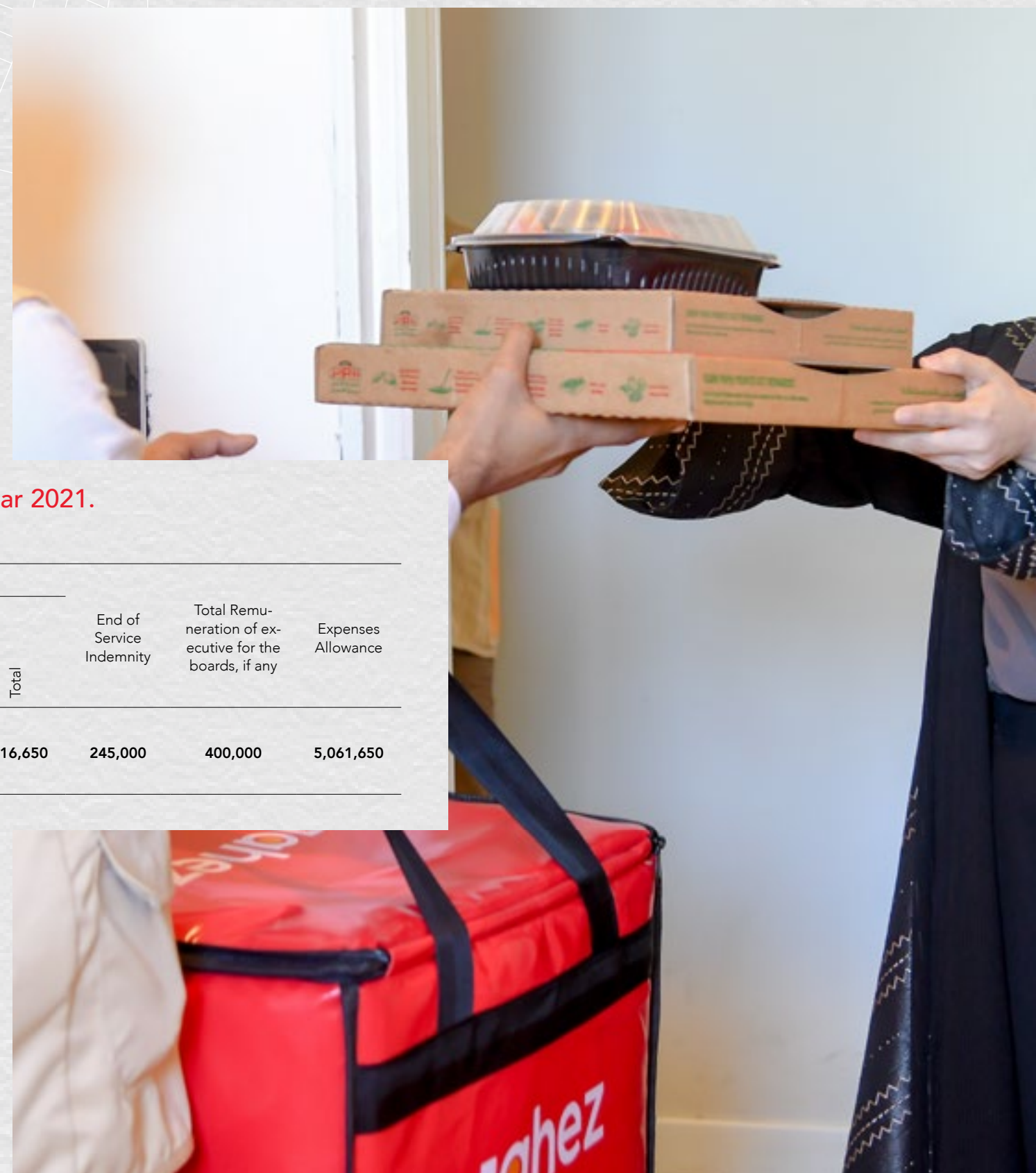
The company has committed to disclosing the total remuneration of senior executives of the executive management in accordance with the statutory requirements contained in subparagraph (b) of clause (4) of Article No. (93) of the Corporate Governance Regulations. However, in order to protect the interests of the company, its shareholders and employees, and to avoid any harm that may result from disclosing in detail according to the job titles and position, the details were not presented as contained in Appendix No. (1) of the Corporate Governance Regulations regarding the remuneration of senior executives.

The following table shows the details of the remunerations paid to members of the Board of Directors and senior executives, during the fiscal year 2021:

### Remunerations of five senior executives, including the CEO and the CFO, during the fiscal year 2021.

Positions of Senior Executives	Fixed Remuneration				Variable Remuneration					Total	End of Service Indemnity	Total Remuneration of executive for the boards, if any	Expenses Allowance
	Salaries	Allowances	In-Kind Benefits	Total	Periodic Remuneration	Profits	Short Term Incentive Plans	Long Term Incentive Plans	Granted Shares				
<b>Total</b>	<b>2,954,718</b>	<b>1,034,151</b>		<b>3,988,870</b>	<b>427,780</b>					<b>4,416,650</b>	<b>245,000</b>	<b>400,000</b>	<b>5,061,650</b>

- None of the senior management members, their wives and minor children have any ownership in the issued shares of "Jahez"-company, with the exception of the indirect ownership of Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel and Mr. Hamad Abdullah Fahad Al-Bakr mentioned previously in the ownership of the aforementioned board members.
- According to the company's internal policy on "Trading in its Securities", all employees and their families are prohibited persons and they may not trade in Jahez' shares based on inside information, whether by themselves or through any of their family members, or any other related parties who have influence or control over them.





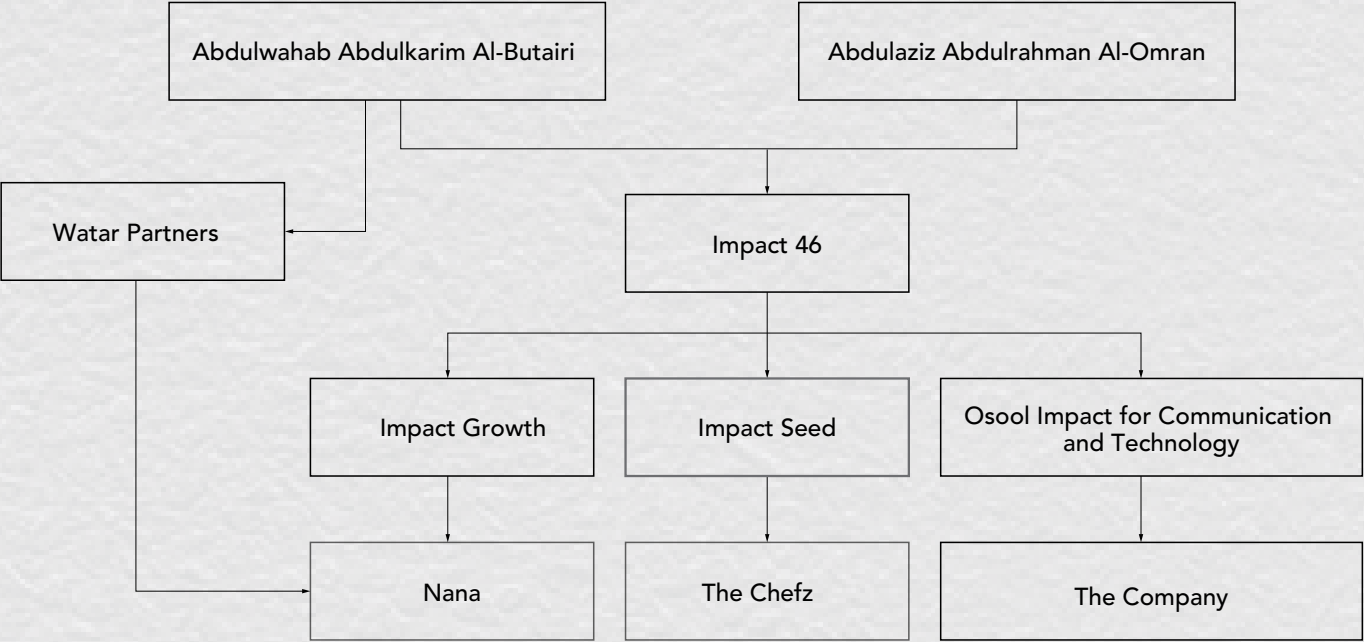
## Transactions with Related Parties

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:

Related Party	Nature of relationship	Nature of the transaction	Size of the transaction in 2021 (DSR)
Al Joudah Al-Mahaliyah Limited Company	Affiliate	Collection on behalf	1,479,801
		Revenue from sale of services	139,554
		Revenue from contracting	302,719
The Eight Creations Agency for Advertising	Affiliate	Advertisement and publicity services	5,630,300
Bonat Company	Affiliate	Information technology services	207,000
The Eight Creations Agency for Advertising	Affiliate	Advertisement and publicity services	35,650
Talal bin Saud Al Arifi	An owner in a subsidiary	Expenses paid on behalf of the subsidiary	1,110
Tharwa Holding Company	Affiliate	Leases and services Maintenance	2,738,198
		Accruals repayment	2,682,362
		Maintenance	5,625
Dar Al Fikrah Al-Mumaiyazah	Affiliate	Construction services	1,027,951
Halala Trading Company	Affiliate	purchases invoices	157,717
Halalah International Company	A company owned by Vice CEO	Logistics services	10,349,664
		Payments on behalf of the Group	7,066,225
<b>Total</b>			<b>31,823,876</b>



Businesses competing with the group



The Directors Mr. Abdulaziz Abdulrahman Al-Omran and Mr. 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 Jahez and Nana applications. The director Abdulwahab Abdulkarim Al-Butairi, has shares in Watar Partners, which in turn invests directly in the Nana application. The Jahez 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 05/27/2021). The following chart shows the details of the Directors’ businesses that compete with the Group’s activity.

a- About the Chefz Application

The Chefz App works in the food, flower and perfume delivery business and serves several cities in the Kingdom. The application provides delivery service through a network of delivery partners within scheduled dates or express delivery according to the possibility of restaurants in cooperation with the partners of The Chefz application.

b- About Nana application

The Nana application provides the service of delivering food and products from several sources such as pharmacies, groceries, wholesale markets and various supermarkets. The Nana application service is focused on collecting products from different sources and delivering them to the customer’s home within specific periods of time and enabling the customer to pay through the application to purchase from different parties.





# Financial Statements



**JAHEZ INTERNATIONAL COMPANY FOR  
INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**CONSOLIDATED FINANCIAL STATMENTS**  
**For the year ended 31 December 2021**  
together with the  
**INDEPENDENT AUDITOR’S REPORT**



**KPMG Professional Services**

Riyadh Front, Airport Road  
P. O. Box 92876  
Riyadh 11663  
Kingdom of Saudi Arabia  
Commercial Registration No 1010425494

Headquarters in Riyadh

**كي بي إم جي للاستشارات المهنية**

واجهة الرياض، طريق المطار  
صندوق بريد 92876  
الرياض 11663  
المملكة العربية السعودية  
سجل تجاري رقم 1010425494

المركز الرئيسي في الرياض

## Independent Auditor’s Report

To the Shareholders of Jahez International Company for Information Systems Technology (A Saudi Joint Stock Company)

### Opinion

We have audited the consolidated financial statements of Jahez International Company for Information Systems Technology (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significance 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 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as 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 as 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 as 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.

### Key audit matter

Key audit matter is this matter that, in our professional judgment, was of the most significance in our audit of the consolidated financial statements of the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.





# Independent Auditor’s Report

To the Shareholders of Jahez International Company for Information Systems Technology (A Saudi Joint Stock Company) (continued)

key audit matter (continued)	
Revenue recognition	
With reference to Note (3\m) of the accounting policy related to revenue from contracts from customers, as well as Note (18) related to disclosure of revenues.	
Key audit matter	How the matter was address in our audit
Revenue recognized during the year ended 31 December 2021, amounted to SR 1.220 billion (2020: SR 459 million).  Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks by overstatement of revenue recognition to increase profitability. Therefore, revenue recognition was considered a key audit matter.	Our audit procedures performed with relation to revenue included, among other, the following: <ul style="list-style-type: none"><li>Assessing the appropriateness of the revenue recognition policy that is applied to different products and combination of products to assess whether it is in accordance with the applicable accounting framework;</li><li>Assessing the design and implementation and tested the operating effectiveness of controls relating to processes over revenue recognition, including anti-fraud control procedures.</li><li>Test the settlements of the amounts collected against the services provided to costumers and the related commissions.</li><li>Performing various analytical reviews of significant revenue streams.</li><li>Perform test on samples basis over the revenue transactions with the supporting documents, to verify that the revenues are recorded in their correct periods.</li><li>Inquired the management representatives about fraud risk awareness and the existence of any actual fraud cases.</li><li>Assessing the appropriateness of the disclosures made in the financial statements.</li></ul>
Other Information	

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report once it is made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



# Independent Auditor’s Report

To the Shareholders of Jahez International Company for Information Systems Technology (A Saudi Joint Stock Company) (continued)

Responsibilities of Management and Board of Directors 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, 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, i.e. the Group's 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 (ISAs) 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 ISA that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
<ul style="list-style-type: none"><li>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.</li><li>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.</li><li>Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.</li><li>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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.</li><li>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.</li><li>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.</li></ul>





## Independent Auditor's Report

To the Shareholders of Jahez International Company for Information Systems Technology (A Saudi Joint Stock Company) (continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Jahez International Company for Information Systems Technology ("the Company") and its subsidiaries ("the Group").

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

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

### KPMG Professional Services

**Fahad Mubark Aldossari**  
License No. 469




Riyadh on 20 Sha'ban 1443H  
Corresponding to: 23 March 2022

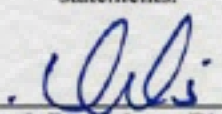


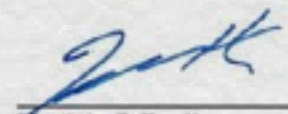
**JAHEZ INTERNATIONAL COMPANY FOR  
INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2021**  
(Saudi Riyals)

	<i>Note</i>	<b>31 December 2021</b>	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	<b>7,783,014</b>	6,133,853
Intangible assets	5	<b>3,860,065</b>	4,136,555
Right-of-use assets	6	<b>27,101,347</b>	6,904,777
Investments at FVTPL	7	<b>19,837,032</b>	--
<b>Total non-current assets</b>		<b>58,581,458</b>	17,175,185
<b>Current assets</b>			
Inventory		<b>197,881</b>	94,171
Trade receivables	8	<b>6,674,849</b>	4,473,526
Prepayments and other receivables	9	<b>36,636,636</b>	4,010,217
Due from related parties	16-a	<b>237,484</b>	489,836
Cash and cash equivalents	10	<b>391,688,002</b>	205,723,956
<b>Total current assets</b>		<b>435,434,852</b>	214,791,706
<b>Total assets</b>		<b>494,016,310</b>	231,966,891
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	11	<b>96,000,000</b>	5,000,000
Statutory reserve	12	<b>12,523,023</b>	1,500,000
Retained earnings		<b>78,744,619</b>	37,549,639
<b>Equity attributable to equity holders of the Parent Company</b>		<b>187,267,642</b>	44,049,639
Non-controlling interests		<b>1,048,659</b>	1,406,870
<b>Total equity</b>		<b>188,316,301</b>	45,456,509
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities on right-of-use assets	6	<b>21,199,200</b>	5,335,940
Employees' benefits obligations	13	<b>5,838,118</b>	3,136,956
<b>Total Non-current liabilities</b>		<b>27,037,318</b>	8,472,896
<b>Current Liabilities</b>			
Collections due to customers	14	<b>164,717,111</b>	105,893,874
Current portion of lease liabilities on right-of-use assets	6	<b>4,965,955</b>	1,349,224
Trade payables		<b>28,534,849</b>	7,382,901
Accrued expenses and other current liabilities	15	<b>75,265,700</b>	34,693,604
Due to related parties	16-b	<b>687,458</b>	27,577,511
Zakat provision	17	<b>4,491,618</b>	1,140,372
<b>Total current liabilities</b>		<b>278,662,691</b>	178,037,486
<b>Total liabilities</b>		<b>305,700,009</b>	186,510,382
<b>Total equity and liabilities</b>		<b>494,016,310</b>	231,966,891

The accompanying notes 1 through 30 form an integral part of these consolidated financial statements.

  
HRH Mishaal Bin Sultan  
Bin Abdulaziz Al Saud  
Chairman

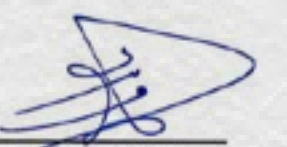
  
Ghassab Bin Salman Bin Mandeel  
CEO

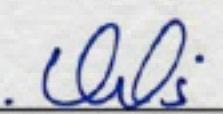
  
Heni A. Jallouli  
CFO


**JAHEZ INTERNATIONAL COMPANY FOR  
INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**  
**For the year ended 31 December 2021**  
(Saudi Riyals)

	<i>Note</i>	<b>31 December 2021</b>	31 December 2020
Revenues	18	<b>1,220,876,785</b>	459,306,082
Cost of revenue	19	<b>(948,862,522)</b>	(350,779,232)
<b>Gross profit</b>		<b>272,014,263</b>	108,526,850
Impairment loss on trade receivables	8	<b>(2,501,412)</b>	(464,069)
Impairment loss on due from related parties	16-a	--	(1,855,127)
Marketing & advertising expenses	20	<b>(113,057,906)</b>	(49,425,167)
General and administrative expenses	21	<b>(26,176,559)</b>	(11,407,602)
Research and development expenses		<b>(10,985,616)</b>	(4,923,993)
<b>Operating income</b>		<b>119,292,770</b>	40,450,892
Other income		<b>483,740</b>	486,122
Unrealized gains on investments at FVTPL	7	<b>8,212,032</b>	--
Finance costs		<b>(547,275)</b>	(305,389)
Offering expenses		<b>(6,243,469)</b>	--
<b>Net profit for the year before zakat</b>		<b>121,197,798</b>	40,631,625
Zakat	17	<b>(4,487,725)</b>	(1,135,176)
<b>Net profit for the year</b>		<b>116,710,073</b>	39,496,449
<b>Net profit for the year attributable to:</b>			
Shareholders of the Parent Company		<b>117,068,284</b>	39,689,579
Non-controlling interests		<b>(358,211)</b>	(193,130)
		<b>116,710,073</b>	39,496,449
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gains from re-measurement of employees' end of service benefits	13	<b>149,719</b>	289,591
<b>Total other comprehensive income</b>		<b>149,719</b>	289,591
<b>Total comprehensive income</b>		<b>116,859,792</b>	39,786,040
<b>Total other comprehensive income attributable to</b>			
Shareholders of the parent company		<b>117,218,003</b>	39,979,170
Non-controlling interests		<b>(358,211)</b>	(193,130)
		<b>116,859,792</b>	39,786,040
<b>Earnings per share attributable to shareholders of the Company:</b>			
Basic and diluted earnings per share	23	<b>19.6</b>	231.8

The accompanying notes 1 through 30 form an integral part of these consolidated financial statements.

  
HRH Mishaal Bin Sultan  
Bin Abdulaziz Al Saud  
Chairman

  
Ghassab Bin Salman Bin Mandeel  
CEO


  
Heni A. Jallouli  
CFO

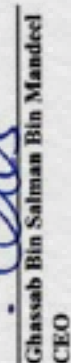


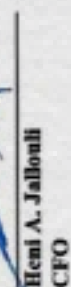
**JAHEZ INTERNATIONAL COMPANY FOR INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2021**  
(Saudi Riyals)

	Equity attributable to the Parent Company's shareholders			Non-controlling interests	Total
	Share capital	Statutory reserve	Retained earnings		
<b>Balance at 1 January 2020</b>	1,000,000	300,000	(1,229,531)	70,469	70,469
Net profit for the year	--	--	39,689,579	(193,130)	39,496,449
Other comprehensive income for the year	--	--	289,591	--	289,591
<b>Total comprehensive income for the year</b>	--	--	39,979,170	(193,130)	39,786,040
Capital increase (Note 11)	4,000,000	--	--	4,000,000	4,000,000
Transferred to statutory reserve	--	1,200,000	(1,200,000)	--	--
Non-controlling interests	--	--	--	1,600,000	1,600,000
<b>Balance as at 31 December 2020</b>	5,000,000	1,500,000	37,549,639	1,406,870	45,456,509
<b>Balance as at 01 January 2021</b>	5,000,000	1,500,000	37,549,639	1,406,870	45,456,509
<b>Transactions with shareholders of the Company</b>					
Transferred from shareholders' credit balances for share capital increase (Note 11)	26,000,000	--	--	--	26,000,000
Transferred from statutory reserve and retained earnings for share capital increase (Note 11)	65,000,000	(1,500,000)	(63,500,000)	--	--
<b>Total transactions with shareholders of the Company</b>	91,000,000	(1,500,000)	(63,500,000)	--	26,000,000
Net profit for the year	--	--	117,068,284	(358,211)	116,710,073
Other comprehensive income for the year	--	--	149,719	--	149,719
<b>Total comprehensive income for the year</b>	--	--	117,218,003	(358,211)	116,859,792
Transferred to statutory reserve	--	12,523,023	(12,523,023)	--	--
<b>Balance as at 31 December 2021</b>	96,000,000	12,523,023	78,744,619	1,048,659	188,316,301

The accompanying notes 1 through 30 form an integral part of these consolidated financial statements.

  
HRH Mishaal Bin Sultan  
Bin Abdulaziz Al Saud  
Chairman

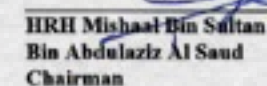
  
Ghassab Bin Salman Bin Mandeel  
CEO

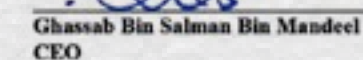
  
Heni A. Jallouli  
CFO

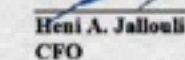
**JAHEZ INTERNATIONAL COMPANY FOR  
INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2021**  
(Saudi Riyals)

	31 December 2021	31 December 2020
<b>Cash flows from operating activities:</b>		
Net profit for the year before zakat	121,197,798	40,631,625
Adjustments to reconcile net profit for the year to cash flows generated from operating activities:		
Impairment loss on trade receivables	2,501,412	464,069
Impairment loss on due from related parties	--	1,855,127
Depreciation and amortization	6,043,719	3,175,702
Employees' benefits	2,885,590	1,975,127
Finance costs	456,352	305,389
Unrealized gains on investments at FVTPL	(8,212,032)	--
<b>Changes in operating assets and liabilities:</b>		
Inventory	(103,710)	(50,858)
Trade receivables	(4,702,735)	1,869,438
Prepayments and other receivables	(32,626,419)	(3,292,186)
Due from related parties	252,352	(2,047,009)
Collection due to customers	58,823,237	75,396,744
Trade payables	21,151,948	3,879,861
Accrued expenses and other current liabilities	40,572,096	21,532,991
Due to related parties	(890,053)	29,263,962
Employees' benefits paid	(34,709)	(31,178)
Zakat paid	(1,136,479)	(128,635)
<b>Net cash flows generated from operating activities</b>	<b>206,178,367</b>	<b>174,800,169</b>
<b>Cash flows from investing activities</b>		
Payments for purchase property and equipment	(3,878,688)	(4,147,582)
Payments for purchase and develop intangible assets	(1,416,462)	(1,284,883)
Payments for purchase investments at FVTPL	(11,625,000)	--
<b>Net cash flows used in investing activities</b>	<b>(16,920,150)</b>	<b>(5,432,465)</b>
<b>Cash flows from financing activities</b>		
Changes in non-controlling interests	--	1,600,000
Proceeds from loans	--	--
Repayments of loans	--	(3,000,000)
Repayments of lease liabilities on right-of-use assets	(3,294,171)	(1,236,125)
<b>Net cash flows used in financing activities</b>	<b>(3,294,171)</b>	<b>(2,636,125)</b>
<b>Net change in cash and cash equivalents</b>	<b>185,964,046</b>	<b>166,731,579</b>
Cash and cash equivalents as at the beginning of the year	205,723,956	38,992,377
<b>Cash and cash equivalents as at the end of the year</b>	<b>391,688,002</b>	<b>205,723,956</b>
<b>Non-cash transactions</b>		
Transferred from retained earnings to share capital	63,500,000	--
Transferred from projects in progress to intangible assets	2,813,039	--
Transferred from projects in progress to property and equipment	801,992	--
Transferred from retained earnings to statutory reserve	12,523,023	1,200,000
Transferred from due to related parties to share capital	26,000,000	4,000,000
Right-of-use assets against lease liabilities	22,317,810	1,982,253

The accompanying notes 1 through 30 form an integral part of these consolidated financial statements

  
HRH Mishaal Bin Sultan  
Bin Abdulaziz Al Saud  
Chairman

  
Ghassab Bin Salman Bin Mandeel  
CEO

  
Heni A. Jallouli  
CFO



**JAHEZ INTERNATIONAL COMPANY FOR  
INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**1. ORGANIZATION AND ACTIVITIES**

Jahez International Company for Information Systems Technology (“the Company”) was established as a limited liability company and registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010895874 dated 1 Muharram 1439H corresponding to 21 September 2017.

The company’s principal activities as per the commercial registration, include providing wireless data services, systems analysis, designing and programming special software, and providing delivery services via e-platforms.

The Group’s head office is located in Riyadh,  
P. O. Box 2065, Riyadh 12444- 18594  
Kingdom of Saudi Arabia.

The Company engages in activities through its branches and subsidiaries set out below:

<b>Branch name and location</b>	<b>Commercial registration number</b>	<b>Date</b>
Jahez International Company for Information Systems Technology		
- Al-Kharj Branch	1011146000	21 Ramadan 1442H
Jahez International Company for Information Systems Technology		
- Al-Dawadmi Branch	1116625257	21 Ramadan 1442H
Jahez International Company for Information Systems Technology		
- Majmaah Branch	1122103468	21 Ramadan 1442H
Jahez International Company for Information Systems Technology		
- Buraidah Branch	1131297057	19 Jumada’ II 1442H
Jahez International Company for Information Systems Technology		
- Wadi Al-Dawasir Branch	1185103225	21 Ramadan 1442H
Jahez International Company for Information Systems Technology		
- Dammam Branch	2050122490	14 Jumada’ II 1440H
Jahez International Company for Information Systems Technology		
- Al-Hofuf Branch	2251497695	10 Rabi’ I 1442H
Jahez International Company for Information Systems Technology		
- Hafr Al Batin Branch	2511120829	30 Sha’ban 1442H
Jahez International Company for Information Systems Technology		
- Hail Branch	3350142538	6 Jumada’ II 1440H
Jahez International Company for Information Systems Technology		
- Skaka Branch	3400120435	9 Rabi’ II 1442H
Jahez International Company for Information Systems Technology		
- Tabouk Branch	3550135159	29 Rabi’ I 1442H
Jahez International Company for Information Systems Technology		
- Jeddah Branch	4030323208	6 Jumada’ II 1440H
Jahez International Company for Information Systems Technology		
- Makkah Al Mukaramah Branch	4031249230	30 Sha’ban 1442H
Jahez International Company for Information Systems Technology		
- Al Taif Branch	4032245135	10 Rabi’ I 1442H
Jahez International Company for Information Systems Technology		
- Al Madinah Al Monawarah Branch	4650207633	19 Jumada’ II 1440H
Jahez International Company for Information Systems Technology		
- Yanbou Branch	4700112396	11 Rabi’ I 1442H
Jahez International Company for Information Systems Technology		
- Al Baha Branch	5800106200	9 Jumada’ I 1442H
Jahez International Company for Information Systems Technology		
- Abha Branch	5850122780	13 Jumada’ II 1440H
Jahez International Company for Information Systems Technology		
- Bisha Branch	5851876969	30 Sha’ban 1442H
Jahez International Company for Information Systems Technology		
- Jazan Branch	5900127812	30 Sha’ban 1442H
Jahez International Company for Information Systems Technology		
- Najran Branch	5950123043	21 Ramadan 1442H

**JAHEZ INTERNATIONAL COMPANY FOR  
INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**1. ORGANIZATION AND ACTIVITIES (CONTINUED)**

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 company shareholders’ accounts payable 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 share capital amounting to 500,000 shares with a nominal value of SR 10 each. (Note 11).

On 27 May 2021 (corresponding to 15 Shawwal 1442H), the extraordinary general assembly of shareholders approved the decision of the board of directors to increase the share capital to 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. (Note 11)

The accompanying consolidated 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:

			<b>Shareholding percentage</b>	
			<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>Legal entity</b>	<b>Country of incorporation</b>		
Joint Preparation Company for Meals	Limited Liability Company	<b>Kingdom of Saudi Arabia</b>	60%	60%
PIK Options Trading Company	A Single Shareholder Limited Liability Company	<b>Kingdom of Saudi Arabia</b>	100%	100%
Supportive Solutions Company for Logistic Services	A Single Shareholder Limited Liability Company	<b>Kingdom of Saudi Arabia</b>	100%	--
The Red Color Company	A Single Shareholder Limited Liability Company	<b>Kingdom of Saudi Arabia</b>	100%	--
Jahez International Company W.L.L	(A Limited Liability Company)	<b>Kingdom of Bahrain</b>	100%	--

**Information about subsidiaries:**

Joint Preparation Company for Meals:

On 20 July 2020, the Company 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 SAR 25,000 where the cost of the acquisition amounted to SAR 2,4 million. On 7 September 2020 (corresponding to 19 Muharram 1442H), The Company’s Articles of Association and shareholding pattern ownership structure have been amended to reflect the effect of the acquisition. The Company is engaged in the food service activities.

PIK Options Trading Company

On 5 November 2020, the Company 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



**JAHEZ INTERNATIONAL COMPANY FOR  
INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**1. ORGANIZATION AND ACTIVITIES (CONTINUED)**

The Red Color Company

On 8 February 2021, the Company incorporated a wholly owned subsidiary, which is 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, exception for insurance and pension financing.

Supportive Solutions Company for Logistic Services

On 8 February 2021, the Company incorporated a wholly owned subsidiary, which is 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.

Jahez International Company W.L.L

On 25 November 2021, the Company incorporated Jahez International Company W.L.L as a wholly owned subsidiary in the Kingdom of Bahrain. The Company's capital is BHD 50,000, equivalent to SR 497,345. The company is engaged in food delivery, online selling, call centers.

**2. BASIS OF PERPERATION**

**2.1 Statement of compliance**

These consolidated financial statements include the financial information of the Company and its subsidiaries (collectively referred to as “the Group”). 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).

The principal accounting policies applied in preparing these consolidated financial statements have been consistently applied to all the periods presented.

**2.2 Basis of measurement**

The consolidated financial statements have been prepared on a historical cost basis, except for employees' benefits obligations which are recognized using the projected credit unit method, and investments at FVTPL, which are measured at fair value, using the accrual basis of accounting and the going concern concept.

**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**

The amendments to accounting standards and interpretations that became effective for annual reporting periods commencing on or after 1 January 2021 are as follows:

- Amendments to IFRS 16 – “Covid - 19 Related Rent Concessions”
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – “Interest rate benchmark reform”
- Amendments to IAS 37 – “Onerous contract”
- Amendments to IAS 16 – “Proceeds before intended use”
- Amendments to IFRS 3 – “Reference to the Conceptual Framework”
- Amendments to IAS 1 – “Classification of Liabilities as Current or Non-current”
- Amendments to IFRS 17 – “Insurance contracts”
- Amendments to IAS 1 and IFRS 2 Practice Statement – “Disclosure of Accounting Policy”
- Amendments to IAS 8 – “Definition of Accounting Estimates”
- Amendments to IAS 12 – “Deferred tax related to assets and liabilities arising from a single transaction”

**JAHEZ INTERNATIONAL COMPANY FOR  
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(A Saudi Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**2. BASIS OF PERPERATION (CONTINUED)**

**2.4 New standards and amendments issued (continued)**

These amendments have had no significant impact on the consolidated financial statements.

Following are the standards and amendments that were issued but not effective until the date of issuance of the group's consolidated financial statements. The group does not expect to have a material impact on the consolidated financial statements if the below standards and amendments are adopted.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IAS 37	Onerous contracts – cost of fulfilling a contract	1 January 2022
IFRS Standards	Annual improvements to IFRS standards 2018 – 2020	1 January 2022
IAS 16	Property, plant and equipment: proceeds before intended use	1 January 2022
IFRS 3	Reference to the conceptual framework	1 January 2022
IFRS 17	Insurance contracts	1 January 2023
IAS 1	Classification of liabilities as current or non-current (amendments to IAS 1)	1 January 2023
IAS 8	Definition to accounting estimates	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction`	1 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

**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 those on which the estimates were based.

The estimates and underlying assumptions have been reviewed on an ongoing basis and adjustments to accounting estimates are recognized in the period in which the estimates are revised if the adjustment affects only that period, or in the period of the adjustment and future periods if the adjustment affects both current and future periods.



**JAHEZ INTERNATIONAL COMPANY FOR  
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(A Saudi Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**2. BASIS OF PERPERATION (CONTINUED)**

**2.5 Significant accounting judgments, estimates and assumptions (continued)**

The Group bases its assumptions and estimates on information available when preparing the consolidated financial statements. The assumptions and current conditions of future developments may change due to market changes or circumstances arising beyond the control of the Group. Such 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 include 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 discount rate is the factor most subject to changes and when determining the appropriate discount rate, the management considers the interest rates of corporate bonds in currencies consistent with the currencies of the end-of-service benefits obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency 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.

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 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 Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in preparing these consolidated financial statements are listed below, which are prepared in accordance with the IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA are as follows.

**a. Basis of consolidation**

*i. 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 instruments.

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 will not be remeasured, and the settlement is accounted for within equity. Otherwise, the 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.

*ii. Subsidiaries*

Subsidiaries are entities which are 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.

*iii. Non-controlling interests*

NCIs are initially measured 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.

*iv. 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.

**b. Property and equipment**

Property and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of an 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.



**JAHEZ INTERNATIONAL COMPANY FOR  
INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b. Property and equipment (Continued)**

Depreciation is charged to the consolidated statement of profit or loss and is calculated on the 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:

	<u>Years</u>
Tools and instruments	4
Computers	4
Furniture & fixtures	4
Electrical machines	4
Central kitchens	10
Decorations and leasehold improvements	4
Motor vehicles	4

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 expenditures are 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 related to the development of intangible assets is stated at cost less accumulated 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 and calculated using the straight-line basis over the estimated useful life of four years.

**d. Inventory**

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 in acquiring the inventory, shipping, transportation, and insurance costs, custom duties, and any 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 of making the sale.

**JAHEZ INTERNATIONAL COMPANY FOR  
INFORMATION SYSTEMS TECHNOLOGY**  
(A Saudi Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**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 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 the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.



**JAHEZ INTERNATIONAL COMPANY FOR  
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(A Saudi Joint Stock Company)  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2021**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**g. 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 investments in equity instruments that are 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.

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	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.
<b>Debt investments at FVOCI</b>	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.
<b>Equity investments at FVOCI</b>	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.

**JAHEZ INTERNATIONAL COMPANY FOR  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**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 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 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 amortised cost or FVTPL. The financial liabilities are classified at FVTPL if they are classified as held-for-trading, they are derivative, or they are 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 rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss 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:

- When the contractual rights to the cash flows from the financial asset expire;
- 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.



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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**g. 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 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.

**i. Employees' Benefits**

Short-term benefits

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

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 credit unit 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.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**i. 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

**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 unwinding of the discount is recognized as finance cost.

**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 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.

**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 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.

**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.



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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**m. Revenue recognition (Continued)**

The Group recognizes revenue under IFRS 15 using the following five steps model:

Step 1: Identify the contracts with a customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify 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: Identify 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 at net of discounts and compensation offered to the customer, if any.

Other revenues

Revenues are recognized upon fulfilment of the obligation to the customer and are stated net of discounts and rebates, if any.

Customers cash back

Any cash back was treated as an reduction of revenue. If the transaction price includes a variable consideration, the transaction price is estimated and recognized to the extent that it is unlikely that a significant reversal of the cumulative revenue value will occur when the uncertainty associated with the variable consideration is subsequently resolved.

**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.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**n. Leases (continued)**

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 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:

- (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.



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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**o. 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.

**p. Zakat**

Zakat provision 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.

**q. Segment 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.

**r. 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.

**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.

**t. Project under construction**

Capital work-in-progress is stated at cost. When commissioned, capital work in progress is transferred to the appropriate asset class within property and equipment and intangible assets, and is depreciated and amortized in accordance with the Group's policies.

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**4. PROPERTY AND EQUIPMENT**

	Tools and instruments	Computers	Furnitures & fixtures	Electrical machines	Central kitchens	Decorations and leasehold improvements	Motor vehicles	Project under construction	Total
<b>Cost</b>									
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	39,000	1,165,947	563,212	758,461	57,932	383,761	138,352	772,023	3,878,688
Transferred from project under construction	--	--	--	--	--	801,992	--	(801,992)	--
Balance as at 31 December 2021	145,388	2,644,009	2,165,511	1,356,488	1,202,275	3,364,542	138,352	772,023	11,788,588
<b>Accumulated depreciation:</b>									
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 year	28,795	526,864	687,096	287,821	117,943	578,451	2,557	--	2,229,527
Balance as at 31 December 2021	90,507	1,014,310	1,204,163	568,025	127,479	998,533	2,557	--	4,005,574
<b>Net book value:</b>									
As at 31 December 2020	54,881	1,629,699	961,348	788,463	1,074,796	2,366,009	135,795	772,023	7,783,014
As at 31 December 2021	44,676	990,616	1,085,232	317,823	1,134,807	1,758,707	--	801,992	6,133,853



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**5. INTANGIBLE ASSETS**

	<b>Software</b>	<b>Project under construction</b>	<b>Total</b>
<b>Cost</b>			
Balance as at 1 January 2020	3,875,147	1,842,537	5,717,684
Additions	314,381	970,502	1,284,883
Balance as at 31 December 2020	4,189,528	2,813,039	7,002,567
Additions	367,200	1,049,262	1,416,462
Transferred from project under construction	2,813,039	(2,813,039)	--
Balance as at 31 December 2021	<b>7,369,767</b>	<b>1,049,262</b>	<b>8,419,029</b>
<b>Accumulated amortization</b>			
Balance as at 1 January 2020	1,867,181	--	1,867,181
Amortization for the year	998,831	--	998,831
Balance as at 31 December 2020	2,866,012	--	2,866,012
Amortization for the year	1,692,952	--	1,692,952
Balance as at 31 December 2021	<b>4,558,964</b>	<b>--</b>	<b>4,558,964</b>
<b>Net book Value</b>			
As at 31 December 2021	<b>2,810,803</b>	<b>1,049,262</b>	<b>3,860,065</b>
As at 31 December 2020	1,323,516	2,813,039	4,136,555

**6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

	<b>Buildings</b>	<b>Motor vehicles</b>	<b>Total</b>
<b>Cost</b>			
Balance as at 1 January 2021	8,030,225	--	8,030,225
Additions	4,638,486	17,679,324	22,317,810
Balance as at 31 December 2021	<b>12,668,711</b>	<b>17,679,324</b>	<b>30,348,035</b>
<b>Depreciation</b>			
Balance as at 1 January 2021	1,125,448	--	1,125,448
Amortization for the year	1,771,498	349,742	2,121,240
Balance as at 31 December 2021	<b>2,896,946</b>	<b>349,742</b>	<b>3,246,688</b>
<b>Net book Value</b>			
As at 31 December 2021	<b>9,771,765</b>	<b>17,329,582</b>	<b>27,101,347</b>
As at 31 December 2020	6,904,777	--	6,904,777

	<b>For the year ended 31 December</b>	
<b>Amounts recognized in the consolidated statement of profit or loss and comprehensive income</b>	<b>2021</b>	<b>2020</b>
Depreciation of right-of-use assets	2,121,240	1,125,448
Interest expense on lease liabilities	456,352	305,389
<b>Lease liabilities recognized in the consolidated statement of financial position</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Current	4,965,955	1,349,224
Non-current	21,199,200	5,335,940
<b>Total lease liabilities under right-of-use assets</b>	<b>26,165,155</b>	<b>6,685,164</b>

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**7. INVESTMENTS AT FVTPL**

The Company's investments represent equity shares in non-listed company "Halalah Company Limited" and debt instruments convertible into equity shares in "Bonat Company" and "Nana Direct Company"

**Movement in investments is as follows:**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Balance at beginning of the year	--	--
Additions during the year	<b>11,625,000</b>	--
Fair value valuation differences	<b>8,212,032</b>	--
Balance at the end of the year	<b>19,837,032</b>	--

**8. TRADE RECEIVABLES**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Trade receivables	<b>11,459,855</b>	6,757,120
Less: provision for impairment loss on trade receivables	<b>(4,785,006)</b>	(2,283,594)
	<b>6,674,849</b>	4,473,526

The movement in provision for impairment loss on trade receivables is as follows:

	<b>31 December 2021</b>	<b>31 December 2020</b>
Balance at beginning of the year	<b>2,283,594</b>	1,819,525
Provided During the Year	<b>2,501,412</b>	464,069
Balance at the end of the year	<b>4,785,006</b>	2,283,594

**9. PREPAYMENTS AND OTHER RECEIVABLES**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Prepayments	<b>33,671,956</b>	3,612,260
Staff advances and custodies	<b>606,853</b>	397,957
Letter of guarantee margin	<b>2,250,000</b>	--
Other	<b>107,827</b>	--
	<b>36,636,636</b>	4,010,217

**10. CASH AND CASH EQUIVALENTS**

	<b>31 December 2021</b>	<b>31 December 2020</b>
Current accounts with banks	<b>391,328,588</b>	205,247,832
Cash in hand	<b>359,414</b>	476,124
	<b>391,688,002</b>	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. (Note 14).



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**11. SHARE CAPITAL**

Jahez International Company for Information Systems Technology (the “Company”) was established as a limited liability company on 1 Muharram 1439H, corresponding to 21 September 2017 with a capital of SR 1 million divided into 1,000 shares of SR 1,000 each. The distribution of the capital structure is as follows:

Shareholder	No. of shares	Share capital (Saudi Riyals)
Alamat International Company Limited	990	990,000
Mishaal Salman bin Mandeel	10	10,000
	<b>1,000</b>	<b>1,000,000</b>

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:

Shareholder	No. of Shares	Share capital (Saudi Riyals)
Alamat International Company Limited	62,500	625,000
Osool Impact for Communication and Technology (Impact46)	37,500	375,000
	<b>100,000</b>	<b>1,000,000</b>

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.

Capital structure adjustment

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:

Shareholder	No. of Shares	Share capital (Saudi Riyals)
Alamat International Company Limited	60,000	600,000
Osool Impact for Communication and Technology (Impact46)	40,000	400,000
	<b>100,000</b>	<b>1,000,000</b>

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**11. SHARE CAPITAL**

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. The distribution of the share capital at 31 December 2020 is as follows:

Shareholder	Number of shares	Share capital (Saudi Riyals)
Alamat International Company Limited	300,000	3,000,000
Osool Impact for Communication and Technology (Impact46)	200,000	2,000,000
	<b>500,000</b>	<b>5,000,000</b>

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.

Cancellation 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 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.

Capital structure adjustment

On 27 May 2021 (corresponding to 15 Shawwal 1442H), 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 31 December 2021, the Company’s capital amounted to SR 96,000,000 divided into 9,600,000 equal shares of SR 10 each, all of which are ordinary shares.

The distribution of the share capital as at 31 December 2021 is as follows:

Shareholder	Number of shares	Share capital (Saudi Riyals)
Alamat International Company Limited	5,760,000	57,600,000
Osool Impact for Communication and Technology (Impact46)	3,840,000	38,400,000
	<b>9,600,000</b>	<b>96,000,000</b>



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**12. 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.

**13. EMPLOYEES' BENEFITS OBLIGATIONS**

The Group has a post-employment defined benefit plan. The benefits are applicable under 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.

*a. Changes in the present value of defined benefit obligation*

<b>Defined benefit obligation at 1 January 2020</b>	<b>1,482,598</b>
Interest cost	42,995
current service cost	1,932,132
Amount recognized in profit and loss	1,975,127
Re-measurements gains recognized in other comprehensive income	(289,591)
Benefits paid during the year	(31,178)
<b>Defined benefit obligation at 31 December 2020</b>	<b>3,136,956</b>
Interest cost	90,922
current service cost	2,794,668
Amount recognized in profit and loss	2,885,590
Re-measurements gains recognized in other comprehensive income	(149,719)
Benefits paid during the year	(34,709)
<b>Defined benefit obligation at 31 December 2021</b>	<b>5,838,118</b>

*b. Sensitivity analysis*

The principal assumptions used in determining the post-employment defined benefit liability includes the following:

	<b>31 December 2021</b>	31 December 2020
Discount rate	<b>3,35%</b>	2,9%
Future salary increases	3%	3%

A quantitative sensitivity analysis for significant assumptions as at 31 December 2021 and 31 December 2020 is shown below:

	Discount rate	
	1 % increase	1% Decrease
<b>Defined benefit obligation as at 31 December 2021</b>	<b>5,125,628</b>	<b>6,641,382</b>
Defined benefit obligation as at 31 December 2020	2,759,931	3,597,236

	Salary increase rate	
	1 % increase	1% Decrease
<b>Defined benefit obligation as at 31 December 2021</b>	<b>6,659,206</b>	<b>5,098,373</b>
Defined benefit obligation as at 31 December 2020	3,604,530	2,746,698

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**13. EMPLOYEES' BENEFITS OBLIGATIONS**

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.

**14. 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.

**15. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<b>31 December 2021</b>	31 December 2020
Accrued expenses	<b>39,957,588</b>	9,029,981
Third party deposits	<b>24,164,287</b>	18,431,509
Accrued employees' benefits	<b>11,143,825</b>	7,232,114
	<b>75,265,700</b>	34,693,604

**16. RELATED PARTY TRANSACTIONS**

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 affiliates. These transactions are carried out in accordance with the terms specified with the related parties. Transaction values during the year and balances arising from such transactions are as follows:

**Related party transactions**  
**31 December 2021**

Related party	Nature of Relationship	Nature of transaction	Amount of transaction
Al Joudah Al-Mahaliyah Limited Company	Affiliate	Collection on behalf	<b>1,479,801</b>
		Revenue from sale of services	<b>139,554</b>
		Revenue from contracting	<b>302,719</b>
The Eight Creations Agency for Advertising	Affiliate	Advertisement and publicity services	<b>5,630,300</b>
Bonat Company	Affiliate	Information technology services	<b>207,000</b>
The Eight Creations Agency for Advertising	Affiliate	Advertisement and publicity services	<b>35,650</b>
Talal bin Saud Al Arifi	An owner in a subsidiary	Expenses paid on behalf of a subsidiary	<b>1,110</b>
Tharwa Holding Company	Affiliate	Leases and services	
		Maintenance	<b>2,738,198</b>
		Accruals repayment	<b>2,682,362</b>
		Maintenance	<b>5,625</b>
Dar Al Fikrah Al-Mumaiyazah	Affiliate	Construction services	<b>1,027,951</b>
Halalah International Company	A company owned by Vice CEO	Logistics services	<b>10,349,664</b>
		Payments on behalf of the Group	<b>7,066,225</b>
Halalah Trading Company	Affiliate	Purchases invoices	<b>157,717</b>



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**16. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

**31 December 2020**

Related party	Nature of Relationship	Nature of transaction	Amount of transaction
Al Joudah Al-Mahaliyah Limited Company	Affiliate	Collection on behalf	987,050
Wondereight Agency for Advertising	Affiliate	Revenue from commissions	148,086
		Advertisement and publicity services	5,950,806
		Financing the activities of the Company	30,000,000
Osool Impact for Communication and Technology (Impact46)	A shareholder	Expenses paid on behalf of shareholder	225,000
Abdulaziz bin Abdul Rahman Al-Omaran	Board Director	Financing the activities of the Company Subsidiary	300,000
Talal bin Saud Al Arifi	An owner in a subsidiary	Expenses paid On behalf of a subsidiary	777
Triple Preparation Company Ltd.	Affiliate	Accrued contributions in capital	434,000
Tharwa Holding Company	Affiliate	Leases and services Maintenance	974,144
Alamat International Company Limited	A shareholder	Payments 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	Affiliate	Construction services	1,019,092
Halalah International Company	A company owned by Vice CEO	Logistics services	10,272,163
		Payments on behalf of the Group	10,909,864
Bonat Holding Company	Affiliate	Customer loyalty system	180,000

**a. Due from related parties**

	31 December 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	129,359	--
Talal bin Saud Al Arifi	100,000	--
Triple Preparation Company Ltd.	--	434,000
	<u>237,484</u>	<u>489,836</u>

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**16. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)**

**b. Due to related parties**

	31 December 2021	31 December 2020
Alamat International Company Limited	--	15,904,046
Bonat Company	207,000	--
Dar Al Fikrah Al-Mumaiyazah	--	357,300
Halalah International Company	202,932	54,671
Halalah Trading Company	157,717	--
The Eight Creations Agency for Advertising	69,000	781,137
Osool Impact for Communication and Technology (Impact46)	--	10,400,000
Al Joudah Al-Mahaliyah Limited Company	12,922	43,580
Abdulaziz bin Abdul Rahman Al-Omaran	36,000	36,000
Talal bin Saud Al Arifi	1,887	777
	<u>687,458</u>	<u>27,577,511</u>

**Key management personnel compensations, wages and salaries**

	31 December 2021	31 December 2020
Short term employee benefits	5,406,223	2,603,048
Post-employment benefits	277,500	131,045
<b>Total key management personnel compensations, wages and salaries</b>	<u>5,683,723</u>	<u>2,734,093</u>

**17. ZAKAT**

**a) Zakat status**

Until the end of 2020, the Company and its subsidiaries submitted their returns separately based on the financial statements of each company. Therefore, Zakat base is identified, and Zakat is calculated for the Company and its subsidiaries separately. The total estimated Zakat is presented in the consolidated statement of profit or loss of the Group.

During 2021, the Group registered a tax group. Therefore, it submits its Zakat returns on a consolidated basis for the entire Group, which includes "Supportive Solutions Company for Logistic Services", "PIK Options Trading Company", except for "Joint Preparation Company for Meals" and "The Red Color Company" which submit their Zakat and tax returns separately.

**Jahez International Company for Information Systems Technology**

The Company submitted its Zakat returns for all the years up to and including year ended 31 December 2020 to the Zakat, Tax and Customs Authority ("ZATCA"), and obtained a valid Zakat certificate up to 29 Ramadan 1443H corresponding to 30 April 2022.

**Subsidiaries**

Joint Preparation Company for Meals submitted its Zakat returns for all the years up to and including year ended 31 December 2020 to the Zakat, Tax and Customs Authority ("ZATCA"), and obtained a valid Zakat certificate up to 29 Ramadan 1443H corresponding to 30 April 2022.

Since the other subsidiaries were incorporated at the end of 2020, and during the year ended 31 December 2021, the subsidiaries have not submitted any returns for previous years.



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**17. ZAKAT (CONTINUED)****b) Zakat base**

Zakat has been calculated based on Zakat base for which its components are as follows:

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
Adjusted net profit	<b>118,372,768</b>	45,407,044
Add:		
Share capital	<b>5,000,000</b>	1,000,000
Statutory reserve	<b>--</b>	300,000
Transferred from shareholders' credit balances and statuary reserve for share capital increase	<b>27,500,000</b>	--
Retained earnings	<b>37,549,639</b>	(1,229,535)
Lease liabilities	<b>26,165,155</b>	4,897,232
Due to related parties	<b>36,777</b>	2,313,549
Provisions	<b>5,385,841</b>	3,276,141
Trade payables	<b>88,249</b>	--
Collections due to customers	<b>81,565</b>	--
Accrued expenses and other current liabilities	<b>7,855,954</b>	--
Less:		
Property and equipment	<b>7,783,014</b>	3,729,035
Intangible assets	<b>3,860,065</b>	4,136,555
Right-of-use assets	<b>27,101,347</b>	5,038,137
Investment in subsidiaries	<b>--</b>	2,400,000
Investments at FVTPL	<b>11,625,000</b>	--
Total	<b>59,293,754</b>	(4,746,340)
Zakat base	<b>179,508,983</b>	40,499,811
Zakat expense	<b>4,487,725</b>	1,135,176

**c) Zakat provision**

Movement in Zakat provision is as follows:

	<b>31 December 2021</b>	<b>31 December 2020</b>
Balance at the beginning of the year	<b>1,140,372</b>	133,831
Provision	<b>4,487,725</b>	1,135,176
Repayments made	<b>(1,136,479)</b>	(128,635)
Balance at the end of the year	<b>4,491,618</b>	1,140,372

**18. REVENUES**

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
Revenue from delivery fees	<b>744,622,437</b>	285,457,189
Revenue from commissions	<b>389,096,459</b>	150,200,857
Revenue from e-payment fees	<b>56,542,251</b>	11,159,250
Advertising and marketing revenues	<b>53,815,852</b>	8,192,794
Other income	<b>3,599,002</b>	4,295,992
Customers cash back	<b>(26,799,216)</b>	--
	<b>1,220,876,785</b>	459,306,082

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**19. COST OF REVENUE**

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
Cost of delivery	<b>799,181,298</b>	293,140,879
Bank charges	<b>49,538,945</b>	12,291,535
Salaries, wages and employees' benefits	<b>43,498,933</b>	21,316,181
Customer compensation	<b>34,819,159</b>	13,035,542
Network servers	<b>8,982,349</b>	4,119,904
Consumables	<b>5,855,143</b>	4,970,564
Delivery platform	<b>3,543,083</b>	--
Depreciation and amortization	<b>2,013,956</b>	1,058,699
Platform services	<b>1,225,669</b>	611,095
Other	<b>203,987</b>	234,833
	<b>948,862,522</b>	350,779,232

**20. MARKETING & ADVERTISING EXPENSES**

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
Advertising and publicity	<b>73,940,209</b>	38,381,894
Promotions	<b>26,489,663</b>	4,909,050
Salaries, wages and employees' benefits	<b>12,628,034</b>	6,134,223
	<b>113,057,906</b>	49,425,167

**21. GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
Salaries, wages and employees' benefits	<b>9,053,904</b>	3,736,618
Depreciation and amortization	<b>4,029,763</b>	2,117,003
Professional fees	<b>2,894,178</b>	1,011,097
Missions, maintenance and operation	<b>2,870,637</b>	1,271,475
Other	<b>7,328,077</b>	3,271,409
	<b>26,176,559</b>	11,407,602

**22. 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 recognized in the consolidated statement of financial position include cash and cash equivalents, trade receivables, due from/to related parties, investments at FVTPL, other current assets, trade payables, accrued expenses, other current liabilities, collections due to customers, and leases liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Financial asset and liability are 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.



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**22. FINANCIAL INSTRUMENTS (CONTINUED)**

**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 Group's financial positions and cash flow.

The Group has no significant interest rate risk.

**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 other receivables, and due from related parties.

	<b>31 December 2021</b>	31 December 2020
Trade receivables	<b>6,674,849</b>	4,473,526
Prepayments and other receivables	<b>36,636,636</b>	4,010,217
Due from related parties	<b>237,484</b>	489,836
Cash and cash equivalents	<b>391,688,002</b>	205,723,956
Investments at FVTPL	<b>19,837,032</b>	--
	<b>455,074,003</b>	214,697,535

The carrying amount of financial assets represents the maximum credit exposure. The ageing schedule of trade receivables is as follows:

	<b>31 December 2021</b>		<b>31 December 2020</b>	
	<b>Balance</b>	<b>Impairment</b>	<b>Balance</b>	<b>Impairment</b>
<b>1 to 90 days</b>	6,900,910	296,683	2,433,623	--
<b>91 - 180 days</b>	32,200	20,457	--	--
<b>181 to 270 days</b>	195,670	140,888	--	--
<b>271 to 361 days</b>	30,849	24,485	31,306	13,698
<b>More than 361 days</b>	4,300,226	4,302,493	4,292,191	2,269,896
<b>Total</b>	<b>11,459,855</b>	<b>4,785,006</b>	<b>6,757,120</b>	<b>2,283,594</b>

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**22. FINANCIAL INSTRUMENTS (CONTINUED)**

**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 the 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:

<b>31 December 2021</b>	Less than one year	1 year to 5 years	More than 5 years	Total contractual cash flows	Carrying value
Collections due to customers	<b>164,717,111</b>	--	--	<b>164,717,111</b>	<b>164,717,111</b>
Lease liabilities	<b>6,079,700</b>	<b>19,861,662</b>	<b>742,500</b>	<b>26,683,862</b>	<b>26,165,155</b>
Trade payables	<b>28,534,849</b>	--	--	<b>28,534,849</b>	<b>28,534,849</b>
Accrued expenses and other current liabilities	<b>75,265,700</b>	--	--	<b>75,265,700</b>	<b>75,265,700</b>
Due to related parties	<b>687,458</b>	--	--	<b>687,458</b>	<b>687,458</b>
	<b>275,284,818</b>	<b>19,861,662</b>	<b>742,500</b>	<b>295,888,980</b>	<b>295,370,273</b>
<b>31 December 2020</b>	Less than one year	1 year to 5 years	More than 5 years	Total contractual cash flows	Carrying value
Collections due to customers	105,893,874	--	--	105,893,874	105,893,874
Lease liabilities	1,508,833	4,884,001	990,000	7,382,834	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
	<b>177,056,723</b>	<b>4,884,001</b>	<b>990,000</b>	<b>182,930,724</b>	<b>182,233,054</b>

**23. BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing net profit 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.

	<b>For the year ended 31 December</b>	
	<b>2021</b>	<b>2020</b>
Net profit	<b>117,068,284</b>	39,689,579
Weighted average number of shares	<b>5,960,000</b>	171,233
	<b>19.6</b>	231.8



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**24. 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 is determined by the Group as a 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:

	<b>31 December 2021</b>	31 December 2020
Total liabilities	<b>305,700,009</b>	186,510,382
Less: cash and cash equivalents	<b>(391,688,002)</b>	(205,723,956)
Net debt	<b>(85,987,993)</b>	(19,213,574)
Total equity	<b>188,316,301</b>	45,456,509
<b>Net debt to equity ratio</b>	<b>(46%)</b>	(42%)

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**25. FAIR VALUE MEASUREMENT**

The following table shows the carrying amount and fair value of the 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 2021						
	Carrying value		Fair value				
	Amortized cost	Other financial assets and liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Trade receivables	6,674,849	--	6,674,849	--	--	--	--
Prepayments and other receivables	36,636,636	--	36,636,636	--	--	--	--
Cash and cash equivalents	391,688,002	--	391,688,002	--	--	--	--
Investments at FVTPL	--	11,625,000	11,625,000	--	--	19,837,032	19,837,032
	434,999,487	11,625,000	446,624,487	--	--	19,837,032	19,837,032
<b>Financial Liabilities</b>							
Collections due to customers	164,717,111	--	164,717,111	--	--	--	--
Accrued expenses and other current liabilities	75,265,700	--	75,265,700	--	--	--	--
Trade payables	28,534,849	--	28,534,849	--	--	--	--
Lease liabilities	26,165,155	--	26,165,155	--	--	--	--
	294,682,815	--	294,682,815	--	--	--	--



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**25. FAIR VALUE MEASUREMENT (CONTINUED)**

	Amortized cost	Other financial assets and liabilities	31 December 2020				Fair value	
			Total	Level 1	Level 2	Level 3	Level 3	Total
<b>Financial assets</b>								
Trade receivables	4,473,526	--	4,473,526	--	--	--	--	--
Prepayments and other receivables	4,010,217	--	4,010,217	--	--	--	--	--
Cash and cash equivalents	205,723,956	--	205,723,956	--	--	--	--	--
	214,207,699	--	214,207,699	--	--	--	--	--
<b>Financial Liabilities</b>								
Collections due to customers	105,893,874	--	105,893,874	--	--	--	--	--
Accrued expenses and other 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	--	--	--	--	--

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**26. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

The Group has no capital commitments related to capital construction works for the Group's headquarters as at 31 December 2021 (31 December 2020: SR 1 million).

The Group has contingent contractual commitments represent commitments to provide advertising services, mainly with Al Hilal Saudi Club for a period of five sports seasons ending in 2024, with a value of SR 58 million as at 31 December 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.

The Group has contingent contractual commitments represent commitments to provide advertising services to third parties ending in 2023 amounting to SR 12.4 million as at 31 December 2021, (31 December 2020: nil).

The Group has contingent contractual commitments represent commitments to provide employment and other services ending in 2022 amounting to SR 14.3 million as at 31 December 2021, (31 December 2020: nil).

**27. SEGMENT REPORTING**

On the date of the consolidated financial statements for the year ended 31 December 2021, the principal activity of the Group is the delivery service in the Kingdom of Saudi Arabia. All of assets and liabilities of the group are essentially substantially allocated to this sector.

**28. 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.

**29. SUBSEQUENT EVENTS**

Subsequent to the financial year ended at 31 December 2021 and on 2 Jumadah II 1443H (corresponding to 5 January 2022), the Company's shares were listed and started trading on Saudi Exchange Parallel Market "Nomu" under the code (9526). The Company's share capital after the offering was SR 104,918,030 million divided into 10,491,803 shares through issuing of 891,803 shares with a nominal value of SR 10 per share.



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**30. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements were approved by the Board of Directors for issuance on 17 Sha'aban 1443H (corresponding to 20 March 2022)