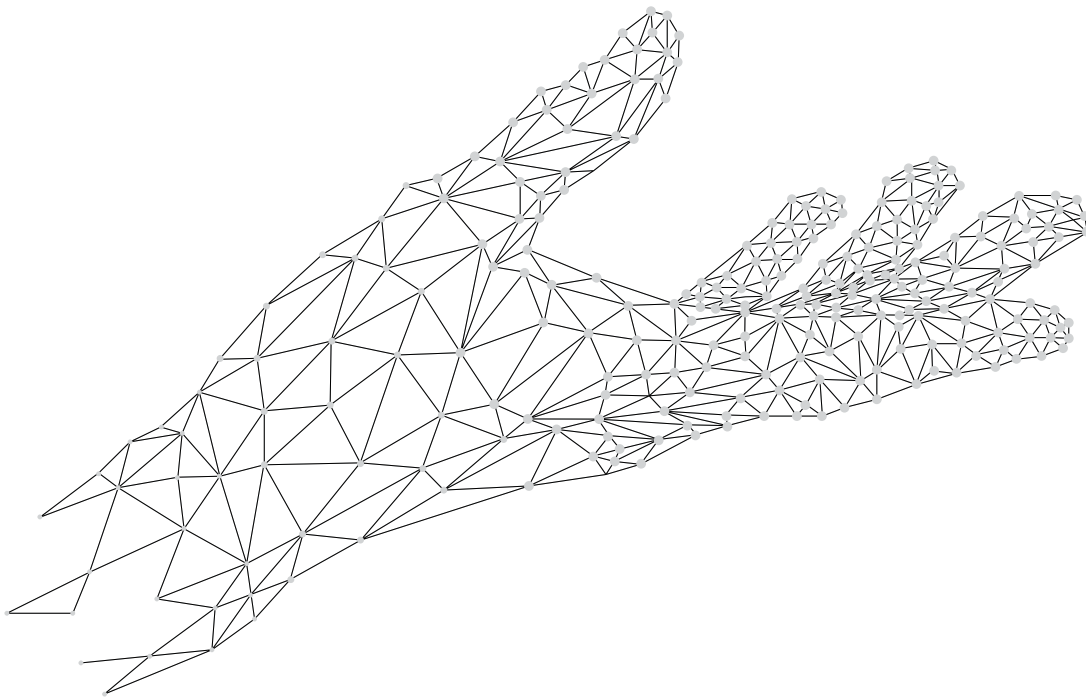


jahez

Annual Report 2022



**Planting the
Seeds of Growth**



Planting the Seeds of Growth

Jahez ethos initially envisages investing in the growth and strengthening of its subsidiaries within the Group. Success through these initiatives will benefit the Group as a whole and generate value for all stakeholders. The journey has just begun...the seeds of growth are being sown...the unfolding years promise a bountiful yield.



King Salman Bin Abdulaziz Al-Saud

Custodian of the two Holy Mosques





HRH Prince Mohammad Bin Salman Bin Abdulaziz Al-Saud

Crown Prince, Prime Minister, Chairman of the Council of
Economic and Development Affairs

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<https://jahez2022.annualreport.plus/>

Chairman's statement



As I reflect on the end of 2022, Jahez's strong financial performance and consistent profitable growth gives me great cause for optimism.



Dear valued shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Jahez Annual Report for the financial year 2022. This year has been a remarkable one for all of us here at Jahez – in fact, it has been a remarkable half-decade since its inception.

In September 2016, Jahez was just beginning its journey as a Saudi food delivery platform. Just five years later, we have made history by becoming the first homegrown startup in the Kingdom to be listed on Nomu, the Saudi parallel equity market in January 2022.

As I reflect on the end of 2022, Jahez's strong financial performance and consistent profitable growth gives me great cause for optimism. The volume of orders and value as well as our revenues, all saw a robust growth. The orders processed on our platforms since inception exceeded 150 million and 2022 gross revenues grew by 34% and reached SAR1.7 Bn. It is also noteworthy that despite the market disruption and other challenges like regulatory headwinds and inflation, our business model remained resilient with strong profitability. Our three key valued pillars: merchants, delivery partners, and customers, continued to fuel our growth.

As of today, the Group platforms partner with around 11,000 merchants, including some of the most popular global and local brands operating in the region. Remarkably, the Group delivered during 2022 more than 69 million orders covering over 90 cities, serving over 90% of the total population of the Kingdom. It is also important to note that even after the pandemic, the number of active users registering to the Group platforms kept on increasing, with over 2.8 million active users registered by the end of 2022.

This transformative journey is a testament to the viability of our business model, our team, and our vision. With sheer determination, resilience, and persistence, we have emerged as one of the most trusted business operations across the Kingdom. Today, with our market penetration in Bahrain and Kuwait, we are very much excited to further expand our operational footprint in the Gulf Cooperation Council (GCC) countries and the wider MENA region in the coming years.

But in the midst of the rapid transformations our Company is going through, it is just as important to recognize what has remained steadfast: our vision, our mission, our values, and our identity. Our vision of becoming the most loved lifestyle platform in the Middle East is being realized – and this vision has become much more exhilarating and meaningful as we witness the continuous trust and loyalty our stakeholders place in us, day after day.

Therefore, we will always continue to thrive and work on enhancing the lives of our customers, by providing the best service at market leading value, whilst ensuring that customer satisfaction is at the heart of everything.

That we are staying true to our identity is a tribute to all our employees, who continue to do a remarkable job of serving our customers with dedication, continued commitment, and hard work as a team. I want to express my heartfelt gratitude to every single one of our employees for their unflinching support and continued motivation regardless of challenges.

When it comes to the new growth cycle for Jahez and its expansion strategy, we remain optimistic and committed. This coming year, we will be focusing on three primary strategic themes around which our future growth ambitions are outlined. The first is to strengthen the Group's operations in existing geographies by winning market share and attracting new customers and partners; the second is expanding the business into supporting verticals and preparing our entrance in new geographies for future growth; and finally, differentiating the Group's services and offerings through continuous innovation. We aim to strengthen brand presence; launch every available service in new cities both in the Kingdom and the Region; drive operational excellence and customer experience through continuous investment in training, processes, and technology; and through this collective effort, spearhead a Kingdom-wide transformation to a digital lifestyle through innovative, high-tech food delivery, online shopping, cloud kitchen, and last-mile delivery solutions.

As we have grown, so has our focus on sustainable growth and social responsibility. In 2022, we continued to expand our ESG engagements with several new initiatives and steady progress on our existing programs. Likewise, to stay aligned with our objectives, the Group's core values and dedication to transparency serve as the foundation for this

Chairman's statement

strategic decision. As a result, an ESG roadmap for 2023 is already in the works to be implemented within the next few months, which will focus on key areas such as sustainability in the environment, social impact, integrity in governance, and much more.

As difficult as challenges can be, there are many reasons to look to the future with confidence.

To conclude, 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 for quality aspired at all levels in the Kingdom. I would also like to thank the Board of Directors, the Chief Executive Officer and Executive Management, and all the shareholders and partners for their continued confidence and support to Jahez in all circumstances and times.

HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud
Chairman of the Board

Message from the Chief Executive Officer



From a historic IPO to regional expansion and acquisitions, the business grew in leaps and bounds and we are now in the process of building the next chapter in our Company's future.



Message from the Chief Executive Officer

I am incredibly proud to lead this company and honored to present to our valued shareholders and stakeholders our annual report for the year 2022, which I believe, was a new phase where Jahez Group established its bases as an integrated and coherent platform serving its clients in a differentiated way and increasing the added value for its investors while being ready for future changes and developments.

Throughout 2022, the Group invested in several verticals and built new others while continuing - Thank God - to achieve positive results and maintain a high level of growth. This is a testament to our team's dedication and hard work in providing high-quality services to our customers, despite the challenges faced.

Perhaps the biggest highlight of the year for Jahez was its unprecedented initial public offering (IPO), which commanded the attention of the Region and elsewhere in January 2022. A successful start to the year set the tone for what was to come in 2022, as Jahez became the first ever homegrown startup to be listed on Nomu, the Kingdom's parallel market. The USD 2.4 Bn IPO made international headlines, a first for a start-up that had been in operation for a mere five years. The IPO paved the way to increased scalability, resulting in rapid expansion, fast-tracked development of existing business verticals and bold new acquisitions that set the stage for a journey of diversification and growth that is still ongoing.

Strengthened by the success of the IPO, the year saw Jahez widen its regional footprint by covering 90 cities in the Kingdom and by entering Bahrain and Kuwait. This expansion has been a key part of our strategy to reach more customers and provide them with our services. Commercial operations for Jahez officially commenced in Bahrain, in June 2022, leveraging Bahrain's high Ease of Doing Business ranking and proximity to the Kingdom. Later in the year, the Group stepped into Kuwait, once again looking to establish itself as an emerging leader in a market with huge potential and high food delivery adoption.

Diversification has been at the heart of Jahez's growth strategy since its inception, and the year 2022 was no

exception. In the third quarter, the Group entered a joint venture with AlHilal Club Investment Company in establishing BLU Store, a company that specializes in sportswear representing AlHilal's array of products among the best known brands and sports and healthy lifestyle stores. The new venture offered the first interactive app of its kind in the Region, providing sports goods and services to enthusiasts and professionals alike.

In addition, the Group has acquired Marn Business Information Technology Company (Marn) offering multiple modern technical services that support merchants in their growth. This acquisition will allow us to enhance our offerings and provide even better services to our stakeholders. The acquisition was closed successfully in January 2023. Further, the Group signed a share purchase agreement to fully acquire "The Chefz". This acquisition is subject to the relevant regulators' approvals to be completed.

The Group performed exceptionally well in 2022 across all its business verticals, reaching a 10% Adj. EBITDA margin exceeding SAR 167 Mn. This report will go into detail on performance highlights for each subsidiary and operating segment over the reporting period.

One of the areas in which the Group made considerable progress during 2022 was technology. Customers, merchants and delivery partners all benefited from the technological capabilities of the business that were greatly enhanced in 2022 as evidenced by optimizing data utilization and integration across all the Group platforms which led to increased accuracy and implementation of cost efficiency mechanisms.

As explained elsewhere in this report, Jahez also set out to be a logistics leader in the Region in 2022 by investing in the enhancement of the Group's logistical capabilities, particularly through greater investment in Logi, the last-mile-delivery arm, in line with the requirements of the concerned governmental entities. The logistic segment faced serious challenges related to the inability of existing stakeholders to absorb the pace of driver onboarding according to the agreed plan with regulators and this led to low level of utilization and productivity of the drivers.

Message from the Chief Executive Officer

However, data-driven solutions were sought for these challenges, most of which I am happy to note have now been resolved. Currently, the Group has a fleet with a high level of professionalism and productivity securing an important portion of orders for its delivery platforms and enabling the Group to be one of the major players in the last-mile-delivery segment. Following the tremendous growth post-IPO, the Group has also been contributing significantly to the Kingdom's digital transformation through its groundbreaking innovations in e-commerce and digital empowerment of women.

Since its foundation, Jahez is committed to an ESG philosophy that is simultaneously progressive and growth-friendly, perfectly in line with the Kingdom's Vision 2030 strategy. In 2022, since the early days of the post-IPO period, ESG considerations were a high priority, with a clear strategy in place targeting multiple sustainability objectives. In terms of other Vision 2030 goals, Jahez, with its entry to the regional market as a disruptor, has come to embody the Kingdom's ambition of making international icons out of national champions.

The hurdles notwithstanding, 2022 was a good year for Jahez in terms of achievement. From a historic IPO to regional expansion and noteworthy acquisitions, the business grew in leaps and bounds, and we are now in the process of building the next chapter in our company's future. Looking ahead, we will continue building on our 5 pillars (Develop operations and strategic alliances, Refine customer experience, Implement marketing & business development, Vitalize sustainability, and Enable organizational excellence) in order to "DRIVE" our strategy with a clear roadmap to grow our business and deliver long term value for all our stakeholders.

To conclude, I would like to express my deep gratitude and appreciation for our clients, stakeholders and employees for making Jahez what it is today, and I am confident that we will continue to celebrate many great successes together. First, a heartfelt thank you to the teams for their professionalism and dedication that allowed us to reach our current position

and let us think about our future growth with optimism. A big thanks to our Board of Directors, for their trust and continuous support which allows us to do the work that we do and motivates us to always strive for better on your behalf.

Finally, we are sincerely thankful to our shareholders, for their trust in our business. I and the Jahez Group employees are committed to living up to that trust as we work to fulfill our purpose and create value for you.

Ghassab Bin Salman Bin Ghassab Bin Mandeel
Chief Executive Officer

Chief Financial Officer's review



As we look forward to 2023, we aim for the consolidation of our positioning in our current markets and preparing for further expansion in the GCC region while keeping the balance between growth and profitability.



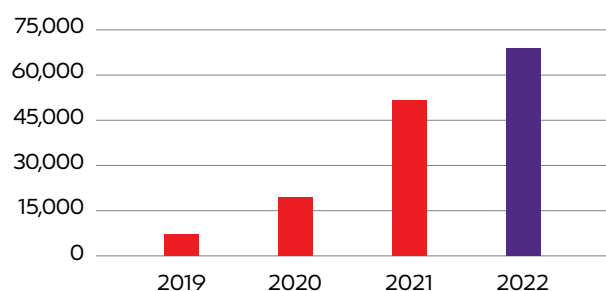
Chief Financial Officer's review

The year 2022 was marked by significant strides in the progress of the Group. Gathering momentum from our IPO, our Group expanded its operations to around 90 cities in the Kingdom, invested in several business verticals, enhanced its technical capabilities, and improved customer experience and engagement while also acquiring new businesses and diversifying our portfolio. These developments, in turn, helped us move into a new phase in our trajectory by establishing our identity, visibility, and market presence of the Group platforms offering differentiated technology-enabled logistics solutions for an increasingly diverse merchant and customer base. We remain on track to achieve our strategic objective of above-market growth, with a record net revenue of SAR 1,602.5 Mn in 2022 and a gross profit that was 46.3% higher than in 2021.

The Group achieved strong top line growth in 2022, demonstrating the soundness and potential of our fundamental business model and our efforts to scale and expand. The Group saw a 34% increase in Gross Revenue, driven by higher delivery fees (up 32.9% YoY), commission income (up 37.3% YoY), and other revenues (up 29.8% YoY). Gross Merchandise Value (GMV) grew from SAR 3.3 Bn in 2021 to SAR 4.3 Bn in 2022, a rise of 28.4% (with Gross Order Value (GOV) increasing from SAR 4.5 Bn to SAR 5.8 Bn, a growth of 29%). The primary driver of this growth was a 33.8% increase in the number of orders – from 51.6 Mn orders in 2021 to 69.0 Mn orders in 2022 – supported by a 35.3% rise in average number of users. The monthly average orders per user reached 4.8 orders in 2022, compared to

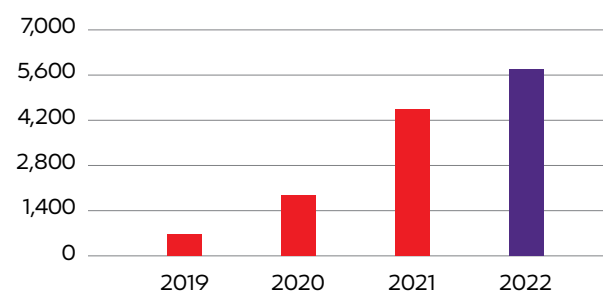
Number of orders

Nos. '000



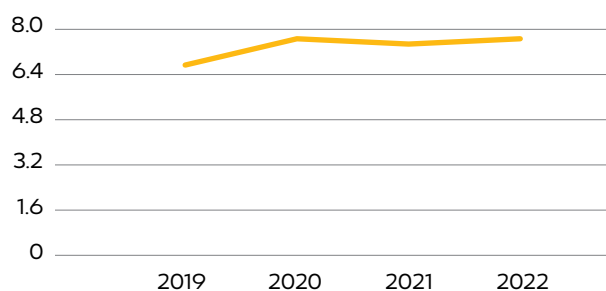
Gross Order Value (GOV)

SAR '000



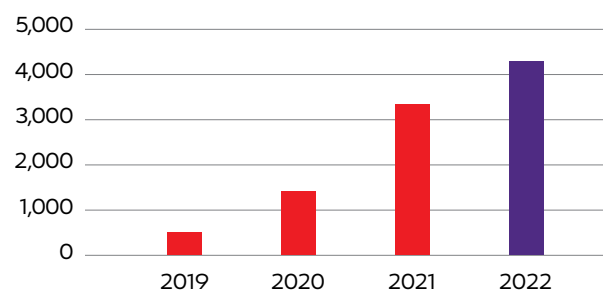
Average commission/order

SAR



Gross Merchandise Value (GMV)

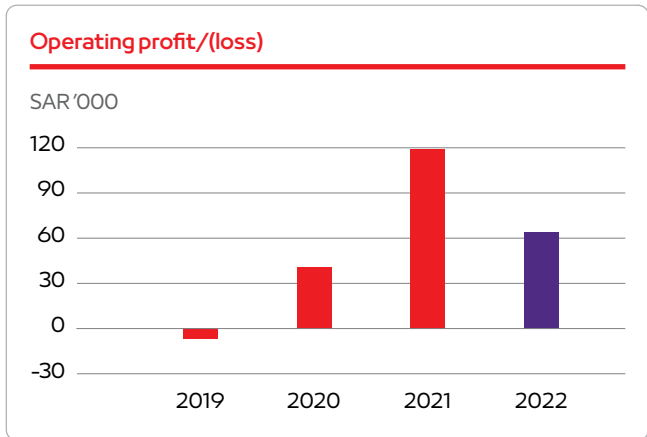
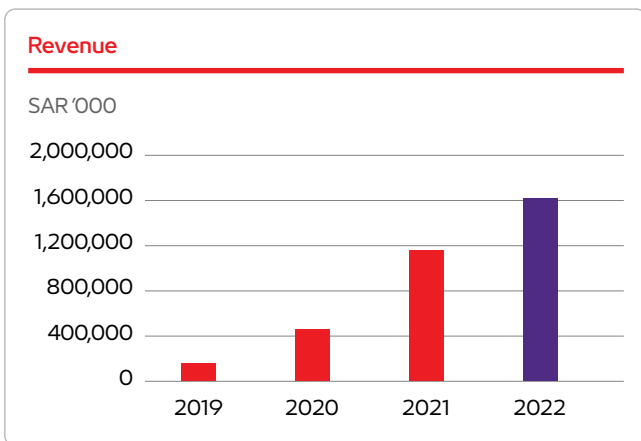
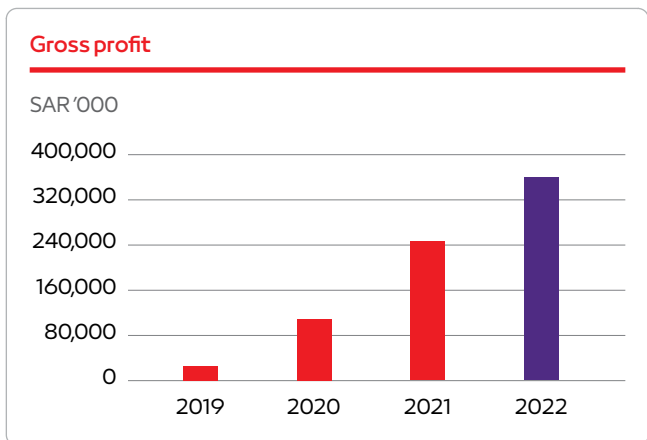
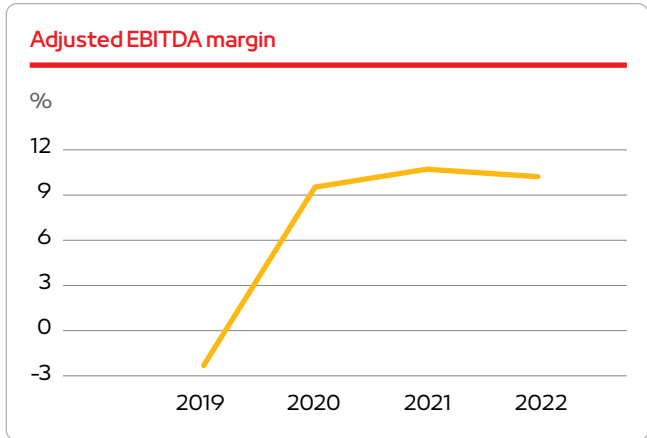
SAR '000



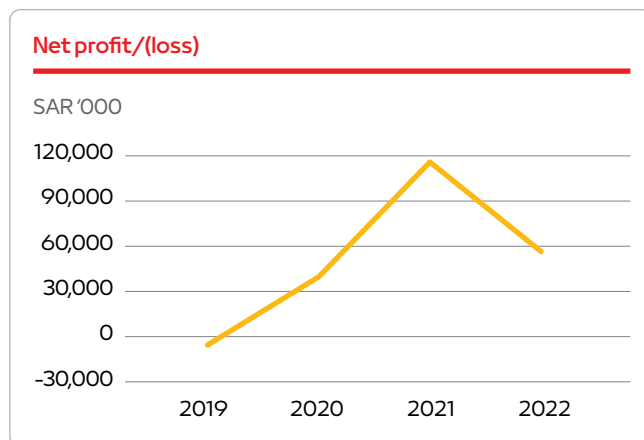
Chief Financial Officer's review

4.7 orders last year, while the Average Order Value (AOV) decreased from SAR 64.8 to SAR 62.2 over the same period. Additionally, merchant numbers grew from 7,061 to 10,648 restaurants, and the average take rate increased to 12.5% from 11.6%.

These strong indicators of business progress were correspondingly reflected in a positive increase in net revenue, which amounted to SAR 1,602.5 Mn, an increase of 38.2% compared to the previous year. Gross profit for the year 2022 reached SAR 359.2 Mn, an increase of 46.3% compared to 2021. Adjusted earnings before interest, taxes, depreciation, and amortization (adj. EBITDA) increased by 32.8%, reaching SAR 167.1 Mn compared to SAR 125.3 Mn for last year, thereby representing 10% of gross revenues at a steady rate for 2022 and 2021. This is a direct identification of our ability to generate cash flows as we scale. Furthermore, it is impressive to note that this growth was accomplished despite the costs associated with the international expansion in Bahrain and Kuwait during 2022 as well as investments in developing the direct commerce platforms (PIK, BLU Store), which will have a material contribution to revenues starting in 2023.

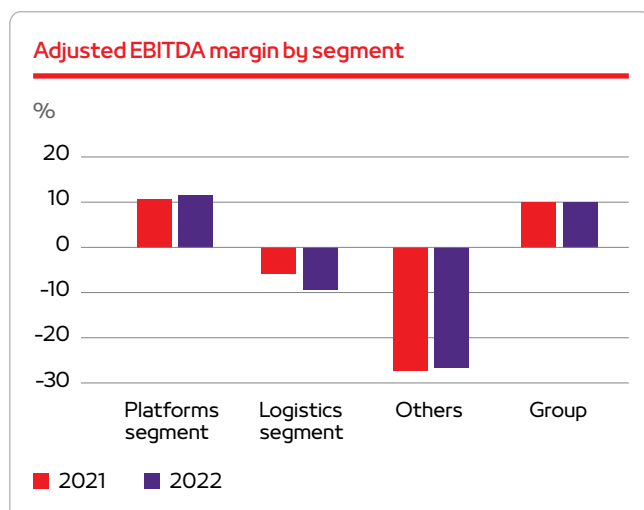


Chief Financial Officer's review



The profit of the Group for 2022, however, decreased by 52%, reaching SAR 56.5 Mn compared to SAR 116.7 Mn in 2021. The reasons for this decrease were primarily due to non-recurring expenses in the logistics segment as discussed below. Also, it is worth noting that Zakat for 2022 increased markedly, reaching SAR 28.3 Mn due to the addition of proceeds from the Initial Public Offering to the Zakat base.

The Group's strong performance is primarily attributable to the strides of the delivery platform segment. Adj. EBITDA for the segment in 2022 was SAR 194.5 Mn (representing 11.7% of gross revenue and 3.4% of the GOV), an increase of 47% in 2022 compared to SAR 132.2 Mn (10.6% of Gross Revenue and 2.9% of the GOV) in 2021. Profit for the segment increased by 56% over 2021 to reach SAR 180.4 Mn. Progress in top line and bottom line growth for the segment is due to geographical expansion and growth in order volumes and the corresponding improvements in cost efficiencies and economies of scale effects.



The Group started implementing its own fleet for logistical services in 2022 in response to governmental requirements. The Group's fleet currently secures a significant portion of orders for its delivery platforms, allowing the Group to be one of the key players in the last-mile delivery market, but the logistics segment faced persistent difficulties throughout the year. Despite the increase in segment revenues by 180.4% compared to last year, Adj. EBITDA declined to SAR -29.2 Mn and the loss for the year was SAR 123.8 Mn, compared to a loss of SAR 6.4 Mn in 2021. This loss is primarily the result of non-recurring expenses representing the value of salaries, wages and benefits for drivers for the period before the completion of the necessary procedures to join the operating team amounting to SAR 79.5 Mn and the low productivity of new drivers during the learning phase, which experienced several unexpected delays.

Following the successful completion of the IPO, the Group ended 2022 in a markedly transformed financial position. Total assets increased from SAR 494 Mn to SAR 1.4 Bn, with cash and cash equivalents at SAR 902.7 Mn at the end of 2022, compared to SAR 391.7 Mn at the end of 2021. Total equity rose from SAR 188.3 Mn to over SAR 1 Bn. No dividend has been declared or paid in the year under review, as the Group is focused on substantial reinvestments into the business to ensure long term growth and shareholder returns.

As we look forward to 2023, we aim for the consolidation of our positioning in our current markets and preparing for further expansion in the GCC region while keeping the balance between growth and profitability. We will ensure the allocation of funds needed for investment in parallel with non-financial strategic measures to boost the organic and inorganic growth of the Group. Similarly, the Group's focus on investing in ESG, creating social value, and contributing to the environment will be another crucial area that will be given the utmost priority moving forward. With the demonstrated potential and resilience of our business model and strategy, our focus on our mission to exceed stakeholder expectations and with the determination of the talented and highly skilled people working for the Group, we are confident about the future and the growth potential of Jahez.

Heni Abdul Hakeem Mohamed Jallouli
Chief Financial Officer

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- 32 — Our Value Creation Model



Financial and operational highlights

OPERATIONAL HIGHLIGHTS

- Following a three-day offering period in December 2021, Jahez was listed on Nomu, the Saudi parallel market, on January 05 2022 in an unprecedented USD 2.4 Bn IPO.
- The Jahez IPO was the first ever listing of a Saudi early-stage company and the first ever cornerstone investment in a Saudi IPO.
- Jahez served around 10,000 merchants in 2022, from high-end restaurants and QSR to home bakers and corner shops.
- Post-IPO, Jahez provided opportunities to merchants to expand their footprint affordably and efficiently.
- The dining options continued in 2022, with the platform covering over 90 cities serving over 90% of the total population of the Kingdom.
- Active users on Jahez increased to 2.8 million (48% increase YoY) as smartphone penetration and delivery culture became more entrenched in the Kingdom.
- As of December 2022, over 150 million orders have been completed on the Jahez platform and the Group was served by 60,000 delivery partners.
- In Q3, the Jahez Group established BLU Store, a joint-venture with AlHilal Club with the Group owning 51%.
- Commercial operations in Bahrain began on June 26 2022 penetrating that Kingdom's market with a distinctive delivery experience.
- By end 2022, Jahez had officially created its legal entity in Kuwait and begun team implementation, with a soft launch for the operations planned during Q1 2023.

FINANCIAL HIGHLIGHTS

- Revenue growth YoY : **38.2%**
- Net Revenue : **SAR 1,602.4 Mn**
- Gross Profit : **SAR 359.2 Mn**
- Adjusted Earnings EBITDA : **SAR 167.1 Mn**
- Adjusted EBITDA margin **10%** of the gross revenue
- Net Profit : **SAR 58.9 Mn**
- Operating profit : **SAR 64 Mn**
- Gross Merchandise Value : **SAR 4.3 Bn** (SAR 5.8 Bn GOV)
- Orders delivered : **69 million**
- Average Order Value (AOV) : **SAR 62.2**
- Active users : **2.8 million**
- Average take rate (%) : **12.45%**

Cutting-edge insights

- Expansion : **90** cities
- Regions served : **13** provinces in addition to Bahrain and Kuwait

Employees

- Team size : **783** employees

Innovation

- Spend on Research and Development : **SAR 33.8 Mn**

What is Jahez?



From a quiet inception in 2016 as a homegrown food delivery platform to a unprecedented IPO just five years later paving the way to market dominance, this is how Jahez International Company for Information Systems Technology (Jahez) has stood out as the fastest growing on-demand platform in the Kingdom of Saudi Arabia, expanding beyond food delivery to logistics, cloud kitchen services and lifestyle solutions.

A look back

Launched in 2016 as an online food delivery startup with much scope and ambition, Jahez began its operations headquartered in Riyadh looking to disrupt the Kingdom's on-demand business landscape in ways that were until then deemed impossible. The founders, who were and continue to be great believers in Saudi ingenuity, drew from the Kingdom's increasingly impressive wealth of scientific and technological knowhow and talent to set the stage for a pioneering online business venture that would turbocharge the MENA region's internet entrepreneurship potential.

Early investments in ICT resources and capabilities in a rapidly changing technological environment helped Jahez venture out with confidence that its vision to be the region's most loved lifestyle platform would be realized in a matter of years. These investments included in-house expertise in platform and application development, on-demand services, last-mile delivery, and other factors that would bring to consumers an unparalleled digital shopping experience par excellence.

As COVID-19 hit and people all over the world were confined to their homes for weeks on end, the restaurant industry was forced to rethink its strategy lest it succumb to pandemic-induced decline. Jahez was quick to step in. As consumers'

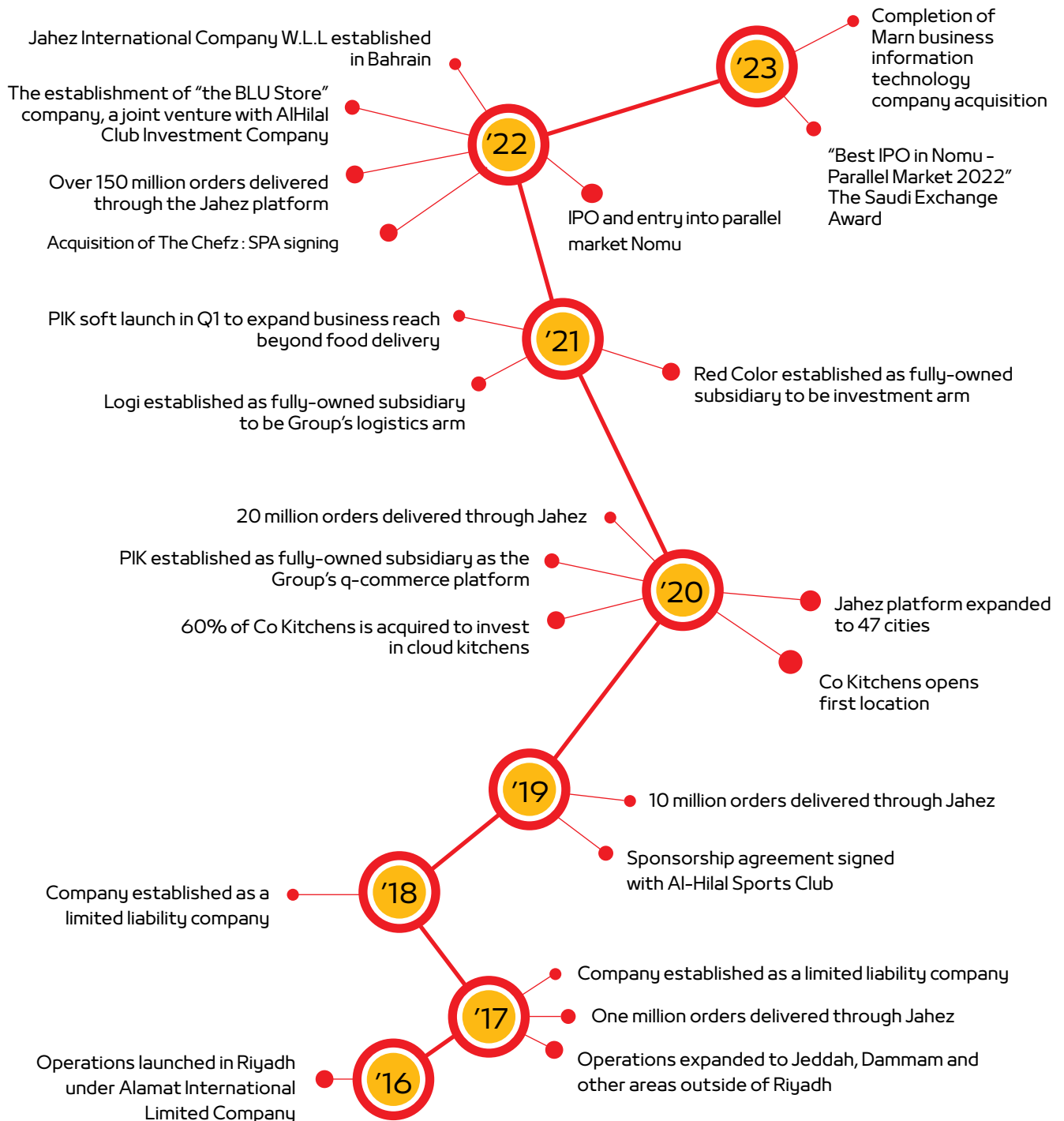
adoption of online food and grocery delivery services increased as well as the proliferation of mobile devices adoption and delivery culture, the company saw and seized the opportunity to benefit from the rapid growth of the Kingdom's food delivery market.

With a steady stream of expansions made during the intervening period between inception and the unprecedented USD 2.4 Bn. IPO, Jahez had cemented itself as a major player in the sector, already recognized as the Kingdom's fastest growing platform by market share and the first homegrown unicorn to go public.

During 2022, Jahez's market share for food delivery in the Kingdom was ranging between 30% - 35%, and as the Group moves into 2023, plans are underway to expand this footprint outward following the increase in covered cities and the success of the entry of Bahrain and Kuwait markets.

As it steps into a new era of transformational growth, Jahez is well-positioned to revitalize the industry and emerge as a regional leader contributing to the Kingdom's ambitious Vision 2030 strategy.

Journey at a glance



The Group



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

- Trust: to ensure the Group's 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 deliver a world-class user experience across its services and carry on the high quality followed.



Strategic themes and objectives

Following its rapid expansion from 2019 to 2021, the Group identified three primary strategic themes around which its future growth ambitions were outlined:

- >> Strengthening the Group's operations in existing geographies by winning market share and new customers and partners
- >> Expanding the business into supporting verticals and entering new geographies for future growth
- >> Differentiating the Group's services and offerings through continuous innovation

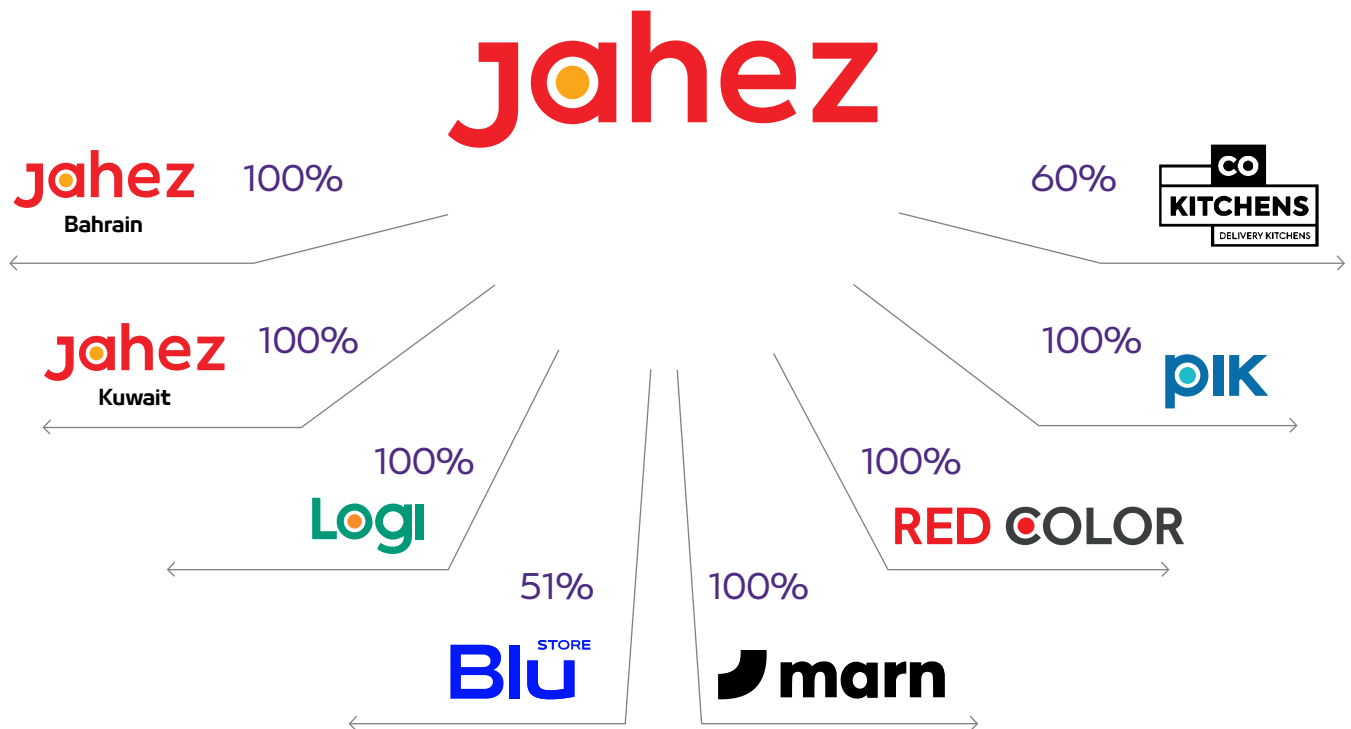
The strategic themes have been cascaded into strategic objectives across the Group's main business verticals.

- >> Expanding the Group's regional footprint by leveraging its competitive value proposition
- >> Strengthening the presence of every subsidiary across the Kingdom
- >> Launching every available service in new cities both in the Kingdom and the region
- >> Drive operational excellence and customer experience through continuous investment in training, processes and technology
- >> Spearheading a Kingdom-wide transformation to a digital lifestyle by creating innovative, high-tech food delivery, online shopping, cloud kitchen and last-mile delivery solutions

Overview

Our holdings

Over the past few years, Jahez established or acquired a number of fully owned or partially owned subsidiaries that have shaped the Company's ambitious diversification trajectory, each subsidiary fulfilling a unique business objective.



Subsidiaries overview

Subsidiary	Ownership percentage as at 31 December 2022	Country of operation	Country of incorporation	Legal entity
PIK Option Trading Company (PIK)	100	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	A single shareholder limited liability company
Joint Preparation Company for Meals (Co Kitchen)	60	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Limited liability company
Supportive Solutions Company for Logistics (Logi)	100	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	A single shareholder limited liability company
The BLU Store	51	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Limited liability company
The Red Color Company (Red Color)	100	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	A single shareholder limited liability company
Marn Business Information Technology Company	100	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Limited liability company



The Jahez Platform – online food delivery

Jahez is the Group's primary online food-delivery platform that links merchants, customers and delivery partners in a one-stop-shop solution that meets the logistical needs of all three.

During 2022 Jahez served around 10,000 merchants, from high-end restaurants and QSR to home bakers and corner shops. Post-IPO, Jahez continues to avail opportunities to merchants to expand their footprint in the market particularly in contrast to traditional expansion methods.

Jahez offers its range of services to customers across the Kingdom, providing them access to a diverse and ever-widening range of merchants. The dining options continue to increase and in 2022, the platform covered over 90 cities serving over 90% of the total population of the Kingdom. During the year under review, the number of active users on Jahez increased to 2.8 million (48% increase YoY) as smartphone penetration and delivery culture soared further despite an end to pandemic lockdowns. From 2016 to December 2022, over 150 million orders have been completed on the Jahez platform.

As of December 2022, the Group was served by 60,000 delivery partners, providing them the opportunity to earn through the Group platforms that links them to an order-rich network of merchants.

Customers can choose from a list of available merchants or use platform suggestions, pay using a number of digital payment options or cash-on-delivery if they prefer. Once a delivery representative is assigned to a specific order, the customer can track the progress of the order. Customers may while away the time playing one of several games included on the Jahez app.

The platform is built on state-of-the-art technology, delivering a seamless end-to-end experience for merchants, customers and delivery partners. New iterations of the app boast boosted automation, giving rise to increased efficiency of order management which is carried out in a centralized fashion utilising as few resources as possible allowing further expansion.

Revenue streams of the business are primarily through commission income, advertisement fees, e-payment fees, and delivery fees.

Overview



PIK Platform – direct commerce

In November 2020, the Group created PIK Limited Company, with a later platform soft launch scheduled for Q1 2021. PIK was the Group's first stop in its diversification drive. Tapping into increased demand for online delivery services outside the food and beverages service, the Group expanded its delivery service beyond the restaurant segment, digitising local retail merchants with deliveries directly from the shops.

PIK is a quick or q-commerce platform that connects customers to merchants located within a 100 kilometre radius in cities and suburbs alike. The platform offers merchants access to customers at affordable rates. Products sold on PIK range from clothing, cosmetics and footwear to electronics, among other things, representing some of the best known brands locally and internationally with deliveries made within two to three hours.

From order selection and offering to payment options and last mile delivery, the PIK platform covers the entirety of the digital shopping process, with a searchable and filterable assortment of product and merchant categories, e-payment services, live order-tracking, direct customer support, a return policy and other features.

The platform generates revenue through the following channels:

- Per-order commissions charged to merchants every time a customer places an order with the merchant through the PIK platform
- Fees charged in connection with advertisement placements such as promotions and premium listings on the PIK platform;
- e-payment fees charged to merchants in case of payment by credit card or digital cards
- Delivery fees paid by customers



Co Kitchens – cloud kitchen

Co Kitchens Limited Company, the cloud kitchen business that the Group owns a 60% stake in since 2020, is centred around end-to-end commercial kitchens used by the merchants to serve food solely via digital delivery platforms. This involves leasing and equipping commercial kitchen spaces and subleasing them to restaurants that only serve customers who order their food online.

Co Kitchens provides holistic, turnkey solutions to restaurants in the form of cooking and meal preparation facilities and other resources. This allows competing restaurants to share infrastructure, saving them considerable overhead costs including rent and utilities costs as well as valuable time and resources they can redirect to more productive endeavors that facilitate growth. Though these digital restaurants forego dine-in services, the savings made by investing in a cloud kitchen service are demonstrably worth the switch and lead to a significant rise in the volume of orders.

Market reports indicate that numerous restaurants are making the switch, taking into account the opportunity cost of running a dine-in restaurant complete with its own kitchen and equipment and focusing instead on delivering a value-for-money meal that customers can enjoy in the comfort of their home. Research also shows that orders coming via online platforms lead to shorter delivery times, in turn leading to more satisfied customers.

As of December 2022, Co Kitchens hosts over 150 brands and restaurants in five different cities. The subsidiary's revenue model involves a variable commission agreement with each restaurant partner. Co Kitchens develops new cloud kitchens by leasing locations under long-term lease agreements. The subsidiary's in-house project team together with various contractors oversee the implementation of new cloud kitchen projects in line with a set of initial plans and specifications that can be malleable depending on the circumstances, allowing Co Kitchens a more flexible design process and cost and time control. Development typically takes three to five months and includes designing kitchen spaces, preparing gas, ventilation and electricity connections, and installing the required furniture and equipment.

Logi

Logi – logistics

Logi, launched in Q3 2021, serves as the Group's wholly owned logistics subsidiary and a market enabler for the Kingdom's bustling e-commerce and delivery industry. On track to being the market leader in urban last-mile delivery, Logi provides a fleet of delivery partners first to Jahez Group companies and then to the wider e-commerce and postal logistics sectors at competitive rates.

Formally named Support and Logistics Solution Company, Logi was established as a single shareholder limited liability company fully owned by the Group with a capital of SAR1,000,000.

Logi is a centralized platform that supports the Group with all of its logistical and operational needs, synergising the Group's operations. The subsidiary bridges the gap between customers and merchants and also employs employees of the Group's logistical staff including delivery partners through both Jahez and third-party platforms.

Logi's services are available round the clock with short delivery times, multiple pickups and delivery tracking as its unique selling point, for both food deliveries and business-to-business deliveries. Low operational costs, scalability and consistently high quality are among its other salient features.

The subsidiary generates revenue through the delivery fees charged to the Group platforms.

BLU^{STORE}

BLU Store

In Q3 2022, the Jahez Group established BLU Store, a joint-venture with AlHilal Club where the Group owns 51%. It is a platform specialising in selling and marketing sports related products and services representing different leading brands. The Blu Store platform was launched for customers to purchase products which are delivered to their doorsteps within hours in a hybrid of on-demand and e-commerce models (with worldwide delivery).

BLU was the first interactive app of its kind in the region and was marketed as the Kingdom's home of all things sports, providing goods, services and news to both sports professionals and amateurs as well as fans. Customers can also purchase tickets to prominent sporting and non-sporting events through the app.

RED COLOR

Red Color – investments

The Group's investment arm, Red Color was established in Q1 2021 with a view to delivering the best value to all stakeholders, targeting investments that would maximize the Group's corporate value. This would be achieved through strategic partnerships that add value and align with the existing solutions offered, financial returns generating future gains or minimising costs, and the acceleration of entry into new verticals.

Red Color invests in technology opportunities and in industries that already employ the Group's existing assets of customers, merchants and delivery partners to leverage its position. These industries include automated marketing, supply chain and fintech solutions, direct-to-consumer services and lifestyle improvement services.

Red Color targets seeks to boost returns for the Group through investments that contribute to growth, primarily by acquiring new customers, providing entry into new markets and increasing community engagement.

The subsidiary aims to reduce costs for the Group by way of operational cost savings, time saving and accelerating expansion using less capital. Red Color also provides data on technology trends, market trends and anomalies.

Overview

Venturing overseas

Subsidiary	Ownership percentage as at 31 December 2022	Country of operation	Country of incorporation	Legal entity
Jahez International Company WLL	100	Kingdom of Bahrain	Kingdom of Bahrain	Limited liability company
Jahez International Company for Wholesale and Retail Trading	100	State of Kuwait	State of Kuwait	Limited liability company

Built on its pre-IPO successes, the Group made forays into the regional market, establishing its presence in Bahrain and Kuwait as part of its expansion strategy to enhance Jahez’s footprint in Gulf Cooperation Council (GCC) countries.

On December 14, 2021, Jahez established its legal entity in the Kingdom of Bahrain as a one-person limited liability company named Jahez International Company W.L.L with a capital of 50,000 Bahraini dinars. This Company is engaged

in retail sales via the internet. Commercial operations in Bahrain began on June 26, 2022 penetrating the market with a distinctive delivery experience.

Towards the end of 2022 Jahez officially created its legal entity in Kuwait and began team implementation, with a view to disrupt the online delivery service market that was already showing promise. A soft launch for the operations is planned during Q1 2023.

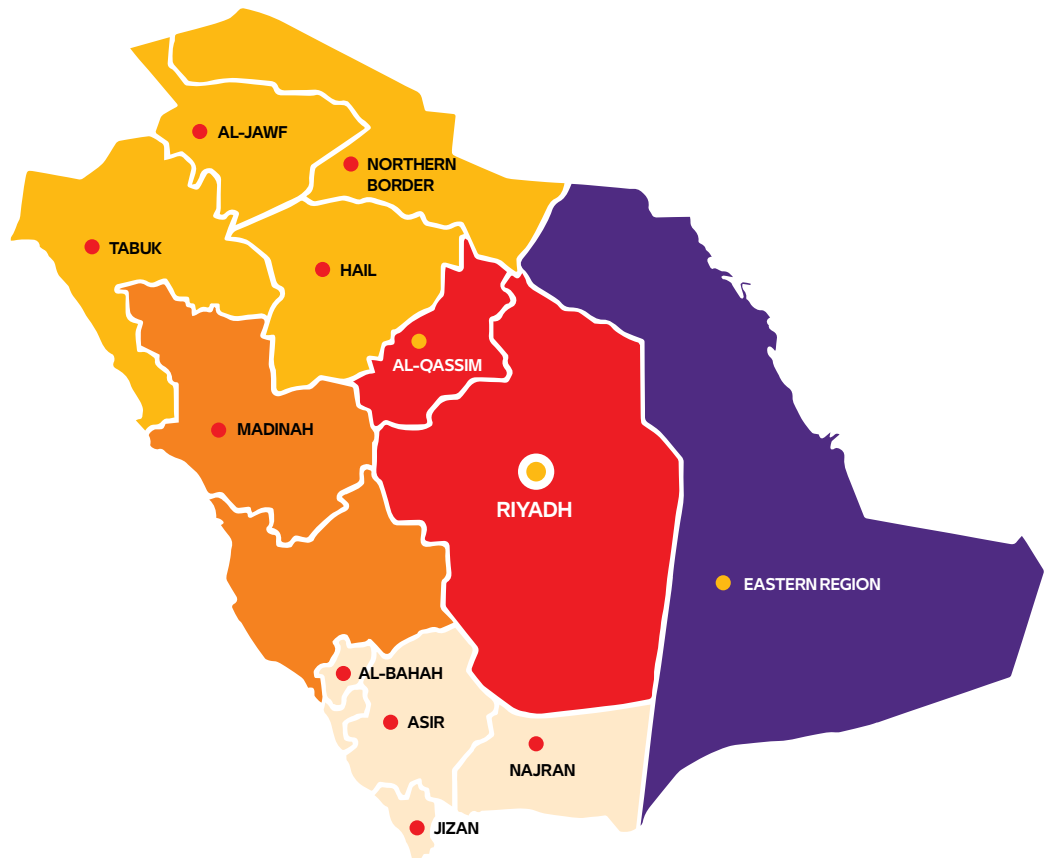


Geographic spread

With a large and diverse distribution of merchant partners, the Group continues to reach a growing number of customers across the Kingdom.

CENTRAL REGION ↓

- Al Badayea
- Al Kharj
- Albkeriah
- Aldawadmi
- Algwayyah
- Alhawtah
- Almajmah
- Almuzahmya
- Alras
- Alzelfi
- Buraidah
- Riyadh
- Shaqra
- Unayzah
- Wadi aldawaser
- Afif
- Aflaj
- Al thumama
- Alghat
- Al-haet
- Naajan
- Riyadh Alkhubra
- Sager
- Uqlat Al-Suqur



EASTERN REGION ↓

- Al Hofuf
- Aljubail
- Alkhafji
- Al-Qatif
- Anak
- Calicut
- Dammam
- Dhahran
- Hafar AlBatin
- Khobar
- Ras tanura
- Saihar
- Alnouria
- Bqaiq
- Qariat alolya

WESTERN REGION ↓

- Jeddah
- Makkah
- Medina
- Rabigh
- Taif
- Yanbu
- Al-laiith
- Alola
- Al-Qunfudhah
- Khaibar
- Ranya
- Turba
- Umluj

NORTHERN REGION ↓

- Al Qurayyat
- Arar
- Hail
- Skaka
- Tabuk
- Al-wajh
- Baqa
- Dawmat aljandal
- Duba
- Rafha
- Tabarjal
- Taima
- Turaif

SOUTHERN REGION ↓

- Abha
- Abo Aresh
- Albahah
- Beshah
- Jizan
- Khamis Mushait
- Mahail Aser
- Najran
- Sabya
- Sarat ubaidah
- Al-aqiq
- Alardah
- Aldarb
- Al-Majarda
- Almakhwab
- Al-mdanab
- Al-Namas
- Al-qura
- Al-shqaiq
- Alwadiyan
- Baljurashi
- Bariq
- Dhahran South
- Habuna
- Rjal Alma
- Sabt alalya

Overview

The IPO - a vote of confidence in our fundamentals

A growth mindset

When Jahez International Company for Information Systems Technology (Jahez) launched its first and only funding round prior to going public, what was foremost on the agenda was projecting a prospect of boundless opportunity. As CEO Ghassab Bin Mandeel put it, the goal was to get people to believe in the Company. So paramount was this objective of boosting stakeholder confidence that raising capital was almost a secondary consideration. Rather than just invest for the sake of it, Jahez needed the institutions and individuals willing to part with their money to understand on a fundamental level why the venture was going to be a worthy investment.

During its more modest beginnings as a fresh-faced though confident entrant looking to disrupt the Kingdom's growing e-commerce landscape, Jahez had its work cut out in finding early investors. Not many saw the potential, and the fledgling enterprise had much to do to convince VCs and to be seen by the wider investor community as a startup that not only promised significant returns but also had the capacity to leapfrog into the future.

Adapting to changes

With the arrival of the COVID-19 pandemic, Saudi consumers along with the rest of the world were becoming increasingly reliant on online food and groceries delivery services. The food aggregators market recorded rapid growth in the Kingdom at a CAGR of 53% from 2018 to 2022 to an estimated SAR 13.4 Bn in 2022, and, as an early adopter, Jahez had a head start in the race to cash in.

A budding business in the Kingdom, quick commerce (q-commerce) began to gain traction in recent years. The q-commerce market grew by about 5 times in value between 2019 and 2020 and is expected to reach SAR 3.7 Bn in 2023, with changing consumer habits, mainly driven by the measures taken as a result of the COVID-19 pandemic.

The cloud kitchen business model has gained popularity amongst restaurants as consumer preferences are shifting from dine-in towards food delivery. As the concept requires a significantly lower investment compared to setting

up a restaurant with a dine-in facility, it attracts more entrepreneurs as well as existing restaurants to adopt this business model.

In what was a remarkable story of unparalleled growth, Jahez quickly became one of the biggest names in food, q-commerce, logistics and tech investment in the MENA region and, in under five years, was primed for an initial public offering (IPO) of a magnitude not seen before in the region's e-commerce sector.

On the cusp of greatness

Already the fastest growing player by market share in the run-up to the offering, Jahez sought to go public on a hitherto unseen scale so it might fund the Company's ambitious plans for expansion and dominate the Kingdom's thriving online entrepreneurship arena.

With these twin objectives in mind, Jahez made history in January 2022 when it became the first homegrown, early-stage startup in the Kingdom to be listed on Nomu, the Saudi parallel equity market, in a stunning and unprecedented USD 2.4 Bn IPO. With 2,093,113 shares offered at a total SAR 1.8 Bn, the Company was the first ever to be listed on Nomu within just five years of operations.

The sprint to prosperity

The road to the IPO was not without its hurdles. From conception to execution, the decision to go public called for a few readjustments along the way. For one, Jahez had to undergo a transformative cultural shift by reorienting its startup outlook to a more mature, more establishment approach. This meant that from governance to operation structure, the Company had to instil in itself the corporate sophistications that a serious, publicly traded venture demands – in terms of reporting, IFRS standards, other finance benchmarks, etc – while staying true to its disruptive spirit.

A number of advisors were brought on board to inculcate this new line of thinking in the Company's human capital and add more value to the business.

A compelling investment story

Though it was a steep learning curve, Jahez was committed to realising as perfect and smooth an IPO as possible. The Company took pains to lay a solid foundation for the IPO by engaging investors at an unusually early stage, making presentations even before the prospectus was submitted with early-look meetings. A well-crafted equity story was circulated among the VC community and elsewhere about the opportunity offered by this game-changing startup that promised fast-tracked delivery of the Company's own vision as well as the Kingdom's larger development objectives in line with the Vision 2030 strategy.

This story was in part a chronological retelling of the Company's history and gradual diversification – from a trendy new food delivery service provider to a market leader in logistics, cloud kitchen services and lifestyle solutions – and an illustration of its growth trajectory and rapid rise in

paid up share capital from SAR 1 Mn to SAR 96 Mn in the span of just five years, pre-IPO.

The issuance was aimed at funding the Company's plans for scaling up, which were already set in motion by its various acquisitions and new ventures. The equity story communicated the potential for growth for both Jahez and its subsidiaries.

The equity story also conveyed to would-be investors how Saudi Arabia's macroeconomic and demographic conditions indicated large growth opportunities for online food delivery, quick commerce and cloud kitchens. Major macroeconomic and demographic drivers included economic growth and a resultant rise in employment and disposable income, the overarching Vision 2030 program, a young population predisposed to embracing technology, and growing labor force participation by women.



Overview

Sealing the deal

Jahez then set off on a marathon engagement drive to broadcast its growth potential and future prospects to potential investors everywhere. Top-tier institutional investors were sought and engaged in similar fashion to main market IPOs, generating insightful feedback on valuation methodologies, structure and the equity story, which later translated to a superior share price performance.

After months of analysis, strategizing and investor interactions, followed by a three-day offering period in December 2021, on 05 January 2022, Jahez was formally listed on Nomu, in a record-breaking IPO that made headlines in the MENA region – a first for a Saudi tech Company. The innovative disruptor had to work harder than most, but with USD 2.4 Bn to show for it, suffice it to say that the hard work paid off.

Results

The Jahez IPO generated unanticipated demand from leading local, regional and international investors.

The IPO marked the first ever listing of a Saudi early-stage company, opening the doors of capital markets to other startups in the Kingdom’s growing ICT sector and providing them access to the broader investor base to enable rapid growth. It is also the first ever cornerstone investment in a Saudi IPO, encouraging financial institutions to undertake positions in future listing on both Main and Parallel Markets which will invariably advance the investment landscape.

Much of the funds raised from the IPO were redirected to an accelerated regional expansion drive targeting a larger user base and market share. The objective was to cement Jahez’s and the Kingdom’s e-commerce footprint in the Region



through diversification and by opening avenues to diverse markets. Vertical expansion was also achieved through the acquisition of Marn, a business digital solutions provider in early 2023.

Enabling Vision 2030

Vision 2030 was instrumental in the entire IPO exercise. One of the key objectives of the Kingdom's 2030 strategy is to take local industry giants to the global stage, to turn national champions into international icons. Jahez has embarked on this path to expansive international penetration by making its services available to an ever-widening customer base. Post-IPO, the Company also contributes significantly to the Kingdom's digital transformation, by playing a leading and pathbreaking role in e-commerce, by way of digital empowerment of merchants and retailers among other efforts, paving the way for a truly digitized economy.

Jahez has also been a key enabler of Saudi Arabia's ongoing plans to be a logistics leader in the region by investing in the enhancement of the Company's logistical capabilities.

In terms of ESG, a fundamental pillar of Vision 2030, Jahez has adopted a clear strategy aiming to hit multiple sustainability targets. The Company is in perfect alignment with the Kingdom's larger development objectives in this decade, already working towards a number of specified targets. Aside from contributing to job creation in a meaningful way, particularly with regard to the Kingdom's plans for Saudization, the Company has also been exemplary where equality is concerned, accounting for one of the highest female employment ratios in all of Saudi Arabia.

Our Value Creation Model

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

Consumer Foodservice Market Growth

The consumer foodservice market in Saudi Arabia, which stands at USD 27.8 billion, is projected to record a CAGR of 7.71% from 2023 to 2028 with the Kingdom becoming a major market for fast food.

Young Demographics

Nearly 70% of the Kingdom's population is under 30 years of age. Increased smartphone penetration and exposure to Western food trends is driving the growth of the foodservice market, with many new players looking to enter the fray.

Market Drivers

Business Activities

The Jahez Group provides on-demand services, q-commerce, cloud kitchen infrastructure and last-mile delivery through a number of technology platforms. Jahez, the Group's primary platform that functions predominantly as a food delivery application, connects customers, merchants and delivery partners in 90 cities representing nearly 90% of the Kingdom's population. The Group's growing number of business verticals are, as of now, represented by the brands Jahez, PIK, Co Kitchens, Logi and Red Color.

Strategic Themes and Objectives

The Group has identified three primary strategic themes which have been cascaded into strategic objectives across the Group's four main business verticals.

jahez

Jahez (Online Food Delivery)

Jahez is at the core of the Group's business operations, connecting merchants, customers and delivery partners, meeting the logistical needs of all three. The platform offers quick end-to-end delivery and on-demand services from merchants to customers.

Strengthen the Group's operations in existing geographies by winning market share and new customers and partners

PIK

PIK (Quick Commerce)

PIK is a quick or q-commerce platform that connects customers to merchants located within a 100 kilometer radius. The platform offers merchants access to customers at affordable rates to sell clothing, cosmetics, footwear and electronics, among other products and brands of repute, in under three hours.

Expand the business into supporting verticals and enter new geographies for future growth.

CO KITCHENS
DELIVERY KITCHENS

Co Kitchens (Cloud Kitchens)

Co Kitchens is focused on end-to-end commercial kitchens used by merchants who don't operate their own kitchen space to serve food solely via digital delivery platforms. The subsidiary provides holistic, turnkey solutions to restaurants in the form of cooking and meal preparation facilities and other resources.

Differentiate Group's services and offerings through continuous innovation.

Logi

Logi (Logistics)

Logi is a wholly owned logistics subsidiary and centralized platform that provides a fleet of delivery partners to merchants in the local and regional markets 24/7, prioritizing Group companies but also catering to the wider e-commerce and postal logistics sectors at competitive rates.

BLU
STORE

Blu Store (Sportswear)

A platform specializing in selling and marketing sports related products and services representing different leading brands.

RED COLOR

Red Color (Investment)

As the Group's investment arm, Red Color targets investments that maximize its corporate value through strategic partnerships that add value and align with existing solutions, financial returns generating future gains or minimizing costs, and acceleration of entry into new verticals.

Network effects

As the Group's customer base grows and engagement increases, the order volume rises, attracting favored brands from restaurants and merchants. Higher order volumes and merchant numbers translate to better opportunities for loyal delivery partners, enabling more efficient logistical services with improved performance. This in turn leads to enhanced customer experience as choices widen and delivery efficiencies increase, benefitting all partners.

Growth Drivers

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

Market Drivers

Women Employment

With over a third of the Kingdom's workforce now made up of women, food delivery frequency has increased significantly.

COVID-19 Pandemic

Smartphone penetration and delivery culture grew despite an end to pandemic lockdowns, resulting in a sustained growth of the online food aggregator market.

Strategy

The Group's strategy is designed to implement its vision, mission and strategic themes taking into account its primary focus areas across all business verticals, which go on to make up the five main pillars of the Group's strategy archetype, DRIVE, with comprehensive initiatives launched under each pillar.

Developing operations and strategic alliances

With a view to strengthening existing coverage and supporting new expansions, this pillar is focused on streamlining operations for increased customer satisfaction, both internally and by bringing in new partners who can add value. The objective is to create a more standout brand delivering a world-class customer experience.

Refining customer experience

This pillar is aimed at providing a superior stakeholder experience so as to strengthen the Group's competitive advantage through positive experiences via increased engagement and improved delivery and complaint resolution time. A continuously improving customer experience is envisioned through this strategic pillar as the company scales up.

Improving and implementing marketing and business development operations

Raising awareness is the objective of this pillar, ensuring maximum visibility for all brands of the Group. State-of-the-art marketing strategies are implemented via this pillar to make sure that all brands associated with the Jahez name are easily identified and recalled by customers, merchants and delivery partners. Maximum brand awareness is envisioned through this strategic pillar as the company scales up.

Vitalizing sustainability

The goal here is to ensure that the Group's business operations and future strategy are aligned with the three pillars of sustainability: economic viability, environmental protection and social service, positioning the Group as a socially responsible company with world class sustainability standards.

Enabling a culture of organizational excellence

The final pillar focuses on the Group's human capital, technology and financial function capabilities to support sustainable growth by instilling a culture of organizational excellence. A future-ready organization is envisioned as part of this strategic pillar which also aims to equip the Group with the capabilities it needs as it looks to scale up across all verticals.

Shared Value Creation

For Jahez

- Order delivery fees per delivery, based on distance between customer and merchant locations

For Customers

- Fast delivery
- Unmatched customer experience across platforms

For Jahez

- Commissions charged per order placed
- ePayment fees
- Ad placements
- Other revenue

For Merchants

- Access to millions of customers
- Competitive commission rates, the lowest across
- Weekly payment cycle
- Analytics support
- Unique delivery model
- Quick onboarding
- Increased brand awareness

For Jahez

- A readily available pool of over 60,000 delivery partners

For Delivery Partners

- Flexible working hours
- Higher earnings through higher pay per trip
- Seamless onboarding process
- Incentive programs
- Additional revenue earning options
- 22 cash collection centers
- Live income-tracking
- Instant settlements

Growth Drivers

Brand affinity

The Group's network grows as value provided to merchants, customers and delivery partners increases over time. The company benefits from increased brand awareness and brand affinity, which can lead to lower acquisition costs for all three success partners in the long term.

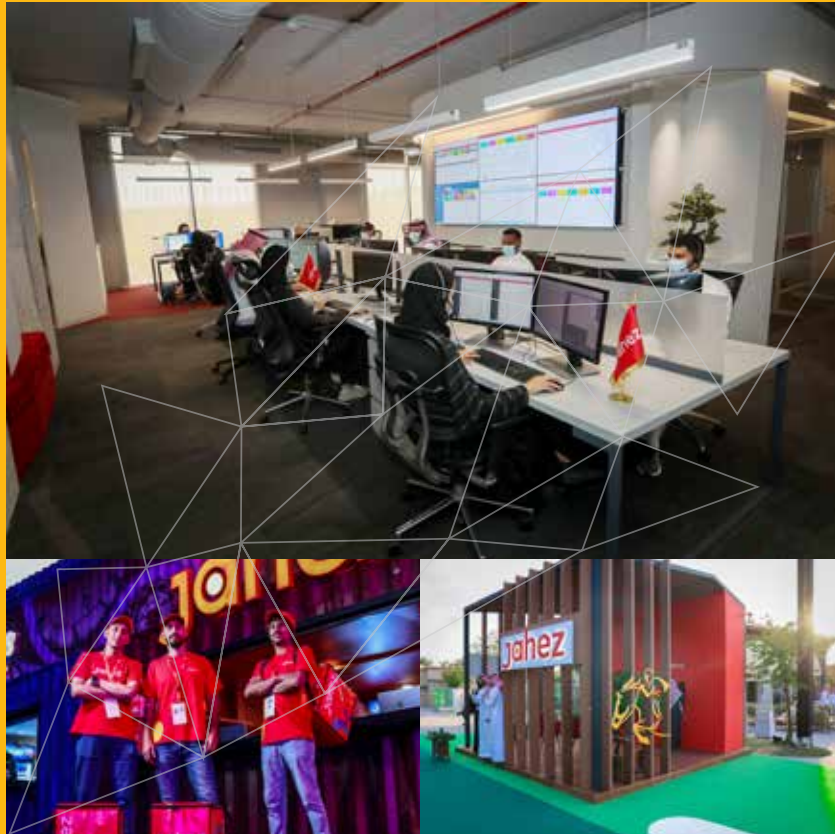
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→ Operations review

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- 40 — REFINING customer experience
- 44 — IMPROVING and implementing marketing and business development operations
- 49 — VITALIZING sustainability
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DEVELOPING operations and strategic alliances



➔ The ultimate goal is to strengthen the Group's operations in existing geographies and further expand its footprint by winning market share and attracting new customers and partners.

Strengthening our presence

With a view to strengthening its presence in the current geographies, launching services, and streamlining operations to enable a world-class customer experience, this part of the strategy is primarily focused on building on the Group's existing coverage and providing full support to its recent expansions. This is anticipated to be accomplished internally by continuously improving operations and externally by bringing in new partners that can significantly enhance the network.

The ultimate goal is to strengthen the Group's operations in existing geographies and further expand its footprint by winning market share and attracting new customers and partners. As of end 2022, the Group has been able to successfully accomplish this objective by investing in advanced technical and digital infrastructure for platforms like Jahez, PIK and BLU Store, and in the operations of Co Kitchens and Logi.

An ambitious expansion drive

Several initiatives were carried out during the year to further strengthen the Group's ambitious expansion plans under this strategic pillar. These initiatives are all geared toward providing customers with better services and differentiating the Group distinctly and clearly from the competition.

Operations review

By conducting studies of market and customer tendencies and trends, the Group, in partnership with AlHilal Club, officially launched BLU Store in August 2022. This new business specializes in the sale and marketing of sportswear, fitness gear, and products - particularly AlHilal branded products. It also has a media centre and ticketing services for sporting and non-sporting events, including concerts. It also offers a variety of other sporting brands through its e-commerce platform.

The new business model, which aims to provide a 'one-stop-shop solution' for all sporting needs, has also invested in robust technological solutions via the "BLU Store" application. This is the first interactive app of its kind in the GCC and throughout the Region, underscoring the Group's capabilities. Today, sports enthusiasts across the world can purchase what they desire through the platform.

As a measure of strengthening strategic partnerships, BLU Store has, apart from its strategic tie up with the AlHilal Club for Club-branded products, has also partnered with both local and international brands where customers can order sports-based clothes and accessories they desire. Additionally, BLU Store has also focused on providing easy access to sports enthusiasts to book and purchase tickets to witness their favorite sporting events. In order to keep their fan base close and allow them to view the Club's historical triumphs on various occasions, BLU Store also provides an interactive virtual museum for AlHilal.

Moreover, to ensure further excellent customer service and expand its presence in more cities, the Group took measures to develop business operations across all its supporting business verticals.

The Jahez platform, at the centre of the Group's operations, has been relentless in its pursuit of superior, cutting-edge technology that serves as a source of orders for merchants, offering full logistical support and payment collection processes. Through Jahez, the Group provides quick, dependable, and varied delivery options to customers throughout the Kingdom. The Company has expanded to more than 90 cities in less than five years, and it now operates in three countries, serving more than 25,000 merchant branches with more than 60,000 delivery drivers.

PIK platform aims to provide customers with direct access to products from merchants and has continuously expanded its quality to meet global best practices. A key initiative implemented during the year was the development and launch of a seamless portal for store management for merchants, which enables them to easily add offers and deals for products.

Similarly, in addition to the one Co Kitchen space within the Kingdom in 2020, eight new locations were added during 2022 in the Central Region as well as the Eastern Region and two others are work in progress. The actions taken in 2022 in this direction were motivated by the high demand of restaurants and the growth of urban populations, which inadvertently supported the expansion of the Company. Through effective Group synergies, apart from the location and equipment, Co Kitchen's clients also benefit through the delivery functionality offered via the Jahez platform. This helps restaurants break into the market faster and opt for cost-saving mechanisms. In 2023, the Group also intends to construct and open several Co Kitchens locations in main cities in the Kingdom as well as Bahrain and Kuwait.

In addition, the Group also took strategic measures to ensure that new technological features and enhancements were implemented, aimed explicitly at retailers and delivery partners to improve logistics management for Logi and payment services across all of the Group's services.

Key initiatives undertaken to develop Logi during the year include: enabling availability 24 hours a day, with prompt delivery in a short period of time, and the addition of tracking features and capacity to schedule multiple pick-ups with a potential to serve e-commerce business-to-business deliveries in addition to food delivery.

Red Color, the Group's investment arm, aims to invest in emerging growth companies in the Group's core sector and its adjacent industries in order to expand the current addressable market, enhance stakeholder experience, add new revenue streams, address operational issues, and guard against disruption. The business invested in Omniful Inc. in 2022, a provider of software as a service (SAAS) that gives traditional retail businesses the resources they need to transform into omnichannel e-commerce enterprises.

By adding new clients to its portfolio, implementing cost-cutting measures, and utilising its in-house expertise in researching market data that provides fresh insights into consumer behavior and market trends, Red Color hopes to increase the efficiency of all business verticals.

Ultimately, by providing excellent customer service, the Group aims to build a more distinctive brand within the existing market that strengthens loyalty among all stakeholders.

Operational enhancements

Given the rapid technological advancements, the Group aims to strengthen its prominence in the digital world by providing stakeholders with the much-needed technological integration for rapid, smooth, and efficient services.

This part of the strategy is primarily focused on bridging the digital gap and building on the Group's existing digital prominence in the market. Through this, it is anticipated that Jahez will be the go-to-option for all industry stakeholders as it will evolve into a one-stop-shop solution for desired services.

Robust technological integration

The Group works hard to foresee the requirements of industry stakeholders such as customers, merchants, and delivery partners and also anticipate their objectives and aspirations in order to understand the best way to serve them.

This is essential for creating new updates and capabilities for technological platforms that ultimately become valuable tools for collaboration among the Group's partners.

The Group has developed several technologies that provide automated, adaptable, and dependable technological platforms. The Jahez, PIK and BLU Store platforms rely on three main components that interact with merchants, customers, and delivery partners. These components are built on top of a mini-service architecture, described as follows:

Mobile application: Clients

The Group provides its Jahez, PIK and BLU Store platforms to customers through its user-friendly mobile applications, giving customers access to the platforms' merchants and offers, order placement, payment processing, and direct delivery tracking through a simple and seamless user interface.

In line with one of the Group's values, "simplicity," the Group has several key digital transformational opportunities to benefit stakeholders. For example, in 2022, the Group took initiatives such as launching the new interface of the Jahez app to further enhance user experience and customer satisfaction.

Through the built-in chatbot, customers can quickly and easily get direct access to customer support. Customers using the Jahez platform can pass the time while waiting for their orders by playing an in-app game, among other small but thoughtful details. This boosts user interaction, encouraging users to stick with the Jahez app.

Mobile application: Delivery partners

Through its user-friendly mobile application *Saned*, the Group provides a platform for delivery partners for orders placed through Jahez, PIK and BLU Store platforms. *Saned* covers all logistical aspects of the delivery process, from the dispatch of the order to delivery until settlement with delivery partners.

The following are some of this application's key features:

- The application has tools for distributing orders to delivery partners as efficiently as possible, taking into account a variety of variables such as the distance between the point of sale, the delivery location and the volume of active orders. Delivery partners enable Jahez, PIK and BLU Store platforms to choose the best delivery partner to fulfill the order in a reasonable amount of time.

Operations review

- The application allows simple tracking and monitoring of the order journey, and an escalation engine alerts the Group's Operations Team to take proactive action and support delivery partners in case of any issues, where they can communicate with them through the application. It enables delivery partners to use a map that displays demand by region and residential areas in their city, allowing them to increase the value of each delivery and fill more orders.
- *Saned* enables the settlement of balances between the delivery partners and the Group with just a few clicks and without the involvement of the Operations Team. The funds are transferred to the digital wallets of the delivery partners or vice versa. This allows the Group to automate the process and integrate e-wallets, saving its delivery partners the time and effort of travelling to one of the logistic offices and waiting in line to settle their accounts.
- All delivery partners are authorized by the Communications, Space, and Technology Commission (CST) through integration with the governmental platforms.

Web-based portal: Merchants

The Group makes its Jahez, PIK, and BLU store platforms available to merchants through its web-based portals, enabling them to streamline operations for their customers. Retailers can manage their branches, menus, and products on web-based portals while accessing orders from various users.

In addition to allowing quick and secure integration between merchant systems as well as Jahez, PIK and BLU Store platforms, these portals include several features and configurations that the merchant administrator can use, such as viewing product sales and allowing fast and secure integration between merchant systems and the platforms. As a result, their business planning and financial reporting processes can be managed with more flexibility, improving digital effectiveness.

At the same time, the merchant's page is simple, where each user can manage their respective orders and have a detailed view of order details. The portal also has additional features, like a dashboard and reports, that assist retailers in analyzing and enhancing the performance of their brands and branches.

Centralized state-of-the-art administrative control

The Group has an extensive administrative system that consists of various dashboards and which connects to the Group's various platforms and applications in order to give it access to real-time performance monitoring. It includes all aspects of the journey, such as merchant onboarding, customer support, reporting, and dashboards.

The Group's Operations Team can manage and support merchants, customers, and delivery partners in one location. With the help of the built-in escalation engine, the team can quickly determine and address the reason for order delays. This allows them to avoid delays in orders proactively. Automated actions have been introduced to help the team smooth the order journey.

The Group views its technological systems as being robust, adaptable, trustworthy, and having a high level of availability. Over time, the Group has been successful in growing and enhancing its systems to include dependable elements that can keep providing services even in the event of high demand or third-party failure. Additionally, the Group employs application and data backups to aid in recovery in the event of any unanticipated outages.

Furthermore, the Group's technology system development strategy enables it to lessen the risk associated with operating in different environments in order to balance risks and opportunities.

As a result, of the technology development the Group is also better able to innovate and update its services to keep up with anticipated sector growth. This advances the Group's vision of being the most loved lifestyle platform and supports its expansion plans in the delivery sector via electronic platforms and supporting sectors.

Core strengths of the Company

The Group's core strength, without which operations will not be possible, is its pillars. Since its inception, the Group has based its success on prioritizing the preservation of such strategic alliances. Hence, based on this reputation, the Group has the ability to attract and maintain a large base of merchants, customers, and delivery partners.

Enablers of our expansion drive

Merchant-base

The Group's capacity to draw in and keep merchants is a prerequisite for its ability to grow geographically and reach its target audience. Because of the variety of its merchants, offerings, and geographic reach, the Group is able to give each of its customers a special experience, boosting participation and fostering the expansion of the Group's sales.

As a measure to expand the merchant portfolio in 2022, the Group took measures to entice merchants ranging from different industries by letting them participate and be hands-on in the development and execution of marketing campaigns, in order to increase their own volume of orders and grow in line with the Company's own volume growth.

As a result, the Group successfully increased the number of branches within its merchant portfolio from about 5,400 branches in 2019, to about 25,700 branches as of December 31, 2022.

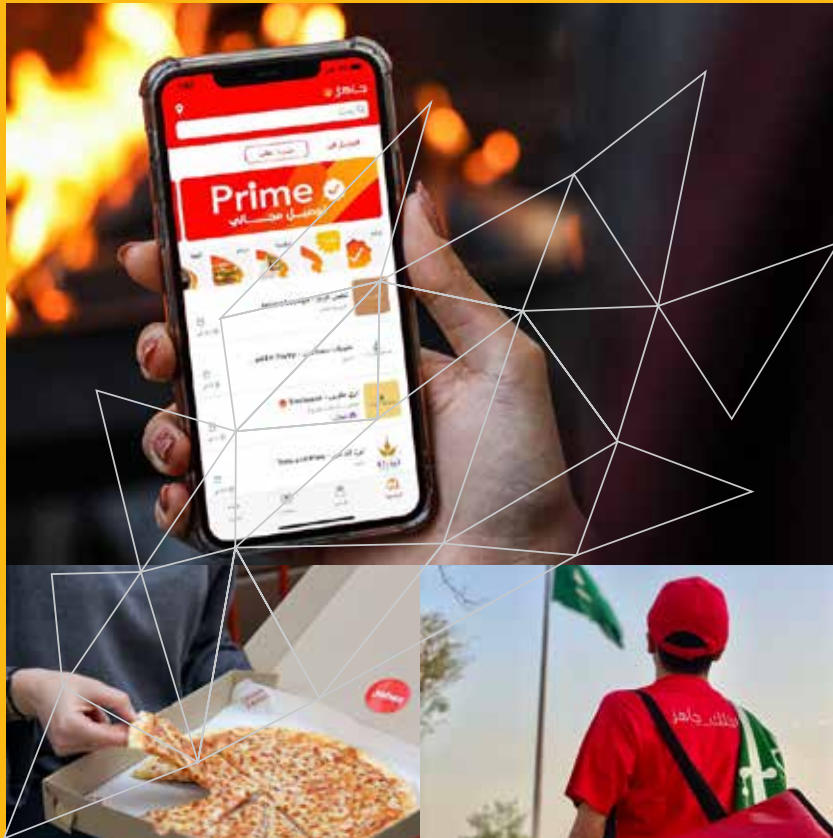
Delivery partners

Delivery partners are a crucial part of the Group's daily operational foundation - the essential link in completing the circuit between merchant and customer. In December 2022, the Group had over 60,000 delivery drivers under its wing as a part of achieving its mission of catering to customers efficiently and with excellence.

In line with the requirements of the concerned governmental entities, the Group started during 2022 the implementation of its own fleet for logistic services. Currently, the Group has a fleet with a high level of professionalism and productivity, securing an important portion of orders for its delivery platforms and enabling the Group to be one of the major players in the last-mile delivery segment.

Moreover, the Ministry of Human Resources and Social Development, the Human Resource Development Fund (HRDF), and the Communications, Space & Technology Commission (CST) launched a self-employment support program in 2022 for Saudi citizens with fixed monthly salaries who work in the delivery industry through smartphone applications. This however is subject to certain controls and requirements. The program is effective for a period of 24 months from launch. An increase in the number of Saudi freelancers forming around 10% of total freelancers was witnessed.

REFINING customer experience



➔ **This pillar focuses on enhancing satisfaction through service excellence, productivity and technological integration.**

This pillar focuses on enhancing satisfaction through service excellence, productivity and technological integration. The stakeholder groups include merchants, customers, and delivery partners. The objective of this pillar is to make sure that, even as the Group expands quickly, customer experience, which is crucial to the success of the company, will also simultaneously evolve.

The Group updated its digital solutions for Jahez, PIK and BLU Store platforms to further improve customer experience and engagement. Jahez in particular, has unveiled a new application interface that is more user-friendly and appears more contemporary. The new interface has a fresh design that will make customer experience more appealing and enjoyable.

In Q2 2022, to increase user convenience, the platform also introduced "Prime", a monthly subscription model. Prime offers a free delivery service and exclusive meal options for a wide range of merchants.

This pillar also strengthens the Group's commitment to enhance service excellence. Key among the initiatives would be: scheduled deliveries, boosting the customer relationship management system to streamline complaint management, and guaranteeing a swift resolution of complaints. As a result of these initiatives, the Group is effectively streamlining its operations, providing quicker

delivery and complaint resolution times, as well as enabling greater engagement.

Customers - the cornerstone of our business

The Group places a high priority on acquiring new customers while retaining its current ones in order to grow its clientele and increase profitability. In its early stages, the Group relied on customer referrals to attract customers; however, as the Company grew and expanded, a varied mix of marketing and promotional strategies were employed, thereby growing its active customer base from about 473,000 in 2019 to about 2.8 million active users presently. To further expand its clientele and carry out its ambitious development plan, the Group intends to use a variety of marketing and advertising techniques, which will ultimately have an impact on the cost of luring new customers.

Data intelligence for product and service specialization

The Group strives to use the enormous amounts of data it generates and gathers in the course of its daily operations to improve both its own services and its partners' processes. The Group regularly uses artificial intelligence (AI) and machine learning to analyze its data through its data-driven teams in order to improve its algorithms and discover fresh approaches to growing its business.

For example, forecasting high demand on Jahez, PIK and BLU Store platforms enhances recommendations for delivery partners. This enhances productivity as well as improves cost management techniques and, most importantly, customer satisfaction, as now, services can be specialized based on information received from data.

The data benefits the Company in numerous ways. Today, the Group uses the data to enhance customer recommendations, streamline business processes and marketing initiatives, and assist merchants in better understanding the needs and preferences of their customers. The Group also employs AI and machine learning to produce insight reports for internal use as well as to offer such reports and insights to merchants, helping them facilitate their operations.

A Data & AI Department was established during the year to provide data-driven solutions that are useful in a range of contexts.

As a result of data and analytics use, the Group is able to make conscious decisions that are best for the organization. The Group Data Hub, for instance, consolidates and democratizes data into a single hub in order to be used by stakeholders for monitoring and data-driven decision-making. This process benefits the Group's operations immensely. For example, restaurants are able to expand their customer base and enhance operations based on insights received through research and market analytics.

Shared responsibility and technological integration

Mitigating cyber risks

The Group's data and information technology systems are its most important assets for ensuring that business operations run without a hitch. As a result, the Group gives its top priority to keeping data privacy and systems security at high standards in order to maintain reliability.

Hence, one of the foundational components of the Group's technology is cybersecurity. This demonstrates the Group's dedication to preserving the confidentiality, robustness, and security of corporate and personal data. The Communications, Space & Technology Commission (CST) and ISO 27001 regulations are being gradually implemented by using a gap analysis process to identify the areas that need to be developed. The Group is also adapting a risk assessment process based on C.I.A. (Confidentiality, Integrity, Availability) to build a cybersecurity strategy with a road map for three years.

Important security measures are put in place by the Group to authenticate Jahez, PIK and BLU Store users, including clients, merchants, delivery partners, and administrative users, on its systems.

Encryption and masking are also used to further protect all data sent over a secure network. By using security-managed services, the Group is also protected from cyber attacks and the risks associated with lowered security.

Operations review

The Group ensures that all of its Departments, from the point of development to the point of delivery, adhere to cybersecurity policies.

The goal of the Group is to protect all customer data from the risks of piracy in a sufficient manner. As a result, the Company consistently makes investments in the growth of its systems, infrastructure, and workforce. The Group's process for cybersecurity management is to first run the codes through Development, Security, and Operations (DEV, SEC & OPS) to ensure their accuracy. Strict vulnerability management is carried out on a daily basis, and stringent monitoring of traffic on all servers and employee devices happens through the Security Operation Centre (SOC).

Enhancing service propositions

The Group's technological platforms enable stakeholders to work more effectively while also giving them access to crucial data that will help them increase the productivity of their service offerings.

For instance, insights are offered to restaurants based on their performance and relationships with customers to improve the quality of service. A heat map was also created so that drivers could monitor demand and fill as many orders as they could. Additionally, a subscription model has been added to the BLU Store platform. As for PIK, we have created a user-friendly portal for store management so that retailers can quickly add offers and discounts for particular products for customers.

A straightforward and efficient mobile application makes it easy to onboard delivery partners into the Group and efficiently pay them. These important differentiators are only possible with an obvious commitment to offer a user-centric experience.

R&D for knowledge creation and service improvement

The Group is aware of how crucial research and development (R&D) are to offering the best services and raising standards. The R&D Department was established for this purpose. This division prioritizes the tracking of advancements in concepts and technology globally and innovating new creative features to contribute to growth across all verticals.

The R&D process is divided into several stages, starting with ideation and ending with implementation. In addition to ideas generated internally, the Company's R&D Department is also responsible for gathering ideas from all stakeholders, including customers, employees, partners, and others.

The R&D Department improved and developed a number of service areas that assisted in raising the level of service, and introduced new features such as Logi's dashboard to forecast the level of demand in certain areas. This proved the value of research and development, improved the framework for innovation, and boosted the Team's and the tools' capabilities.

Software Development Methodology

The Group is using the scrum methodology, an agile strategy, to manage the development of services. The methodology is quick and adaptable, and it fits the systems and projects of the Group. In doing so, it supports the fundamentals of the programming life cycle and speeds up development and advancement, improving output quality across all segments.

- **Planning:** To minimize risks at each stage, the primary goals of each product, as well as anticipated results and impacts, are established.
- **Requirement gathering and analysis:** After identifying sources, including from Operations, Logistics Management, Sales, and other Departments, requirements are gathered from these departments in addition to the R&D Department and customer suggestions. The requirements document—the final product—will serve as the primary source of information during the system testing phase.

- **Design:** The requirements are examined, and the best approaches to fulfilling them are taken into account while maintaining the project's primary focus on security, privacy, and ease of use. Following the analysis, the system is created in a way that guarantees that the requirements are fully met in the finished product.
- **Development:** To ensure system quality and security, the requirement is developed by writing code, creating databases, and creating user interfaces that reflect the system identity and adhere to the programming standards used in the R&D Department. Also, integration with other systems, whether internally or with third parties, is developed at this stage.
- **System testing:** At this stage, the system is manually reviewed and put through an automated quality control process to make sure the modifications are compliant

with the specifications and coordinated with the security controls and authority matrix.

- **Launch and operation:** The system is now put into use after having its quality thoroughly examined. Additionally, Departments work together to ensure user readiness, provide them with any necessary training, and launch suitable marketing campaigns simultaneously. The Operations Team keeps an eye on the system after launch to make sure all services are easily accessible.

The short duration of each development cycle, which results in high flexibility in making changes and improvements, and the ease of communication between analysts, programmers and quality specialists, are the defining characteristics of this development methodology. To synchronize updates, services, and features, they are thoroughly examined to ensure quality and speed of deployment.



IMPROVING and implementing marketing and business development operations



➔ The objective of this strategic pillar is to elevate consumer awareness of the Group's brands and ensure that they are only connected to admirable traits.

The actions under this pillar will support the Group as it embarks on its growth journey by helping to keep its brands at the top of consumers' minds. The Group draws on innovative marketing theories with a suitable framework when creating its marketing strategies, which entail direct interaction with the general public and clients.

The primary goal is to build strong, well-recognized brands with appealing qualities. By strengthening its current operations and expanding into new cities and related industry sectors, the Group will be better able to retain its current clientele and attract new ones.

For example, a number of initiatives were planned and executed in 2022, including the introduction of several novel national and city-specific marketing initiatives. This is done as the Group prepares to enter new cities and expand its presence in current ones.

There are initiatives aimed at developing targeted, special promotional offers that take into account the preferences of local consumers. Another initiative under this pillar involves a strategy to roll out reward and loyalty programs in order to show appreciation for high-value loyal customers. By forming partnerships with more retailers and eateries, the Group also intends to broaden the selection of goods and other services available through its platform, strengthening its position

in various cities. In an effort to boost sales, the Group is also working to roll out new services.

During the reporting period, the Jahez marketing team carried out a number of promotional activities to ensure brand presence and awareness.

Strategies to develop a distinctive and well-known market brand

By creating strategies and tactics for interacting with platform users and offering integrated and distinctive services, the Group aims to keep up with the evolving expectations of the target audiences, such as customers, merchants and delivery partners, and maximize benefits from the rapidly expanding market opportunities locally and regionally. This is done to expand the user base and increase its appeal while retaining its current clientele.

Sustainable development strategy

The Group is stepping up its efforts to implement an integrated marketing strategy, which has been in progress since its launch in 2016. This has been developed by adhering to clear frameworks, specific strategic objectives, and the management of promotional transactions for the Group's services, which are organized and managed through the Commercial Division.

Distinctive strategic measures

The Group considers the below factors when providing services:

- Maintaining a competitive edge when providing and expanding the services offered.

As the Group grows and adds more verticals to its expanding portfolio, this commitment to a competitive edge only becomes more stringent. PIK, for example, has a competitive advantage in its one-hour (two-hour max) delivery guarantee, while BLU Store stays ahead of the game by broadcasting club news and updates and offering exclusive members-only content. The BLU Store platform is also the best place in the market to purchase match-day tickets and order new AlHilal products with just two hours of delivery time.

- Avoiding using price as a measure of the value of the services provided to customers.

The Group values the benefit to the customer and customer satisfaction over price.

- Making every effort to entice as many merchants and restaurants to provide the variety that customers require.

Our Partner Relations Department is tasked with acquiring and, more importantly, retaining merchants and restaurants by offering marketing services such as top-listing, free delivery, and pop-up and push-notifications that contain offers, discounts, bundles, and free delivery. Co Kitchen, our cloud kitchen platform, aims to provide delivery-only restaurants with commercial kitchen spaces to prepare their meals. This, in turn, allows them to cater to their customers via a delivery-only model. The Group is also focused on gaining market share to keep the industry stable. We update internal operational guidelines and policies to make use of the right tools and platforms and deal with user issues quickly.

- Tracking daily results and indicators to make informed business decisions, constantly look for new clients, and ensure that existing clients are satisfied and loyal.

The Group tailors its marketing activities around real customers data, analysing trends and formulating strategies.

- Establishing trust between all parties by keeping your word when it comes to being flexible in dealings, delivering products of the highest calibre, responding quickly to emergencies, and avoiding repetitive, time-consuming routine.

The Operations Department is always on emergency mode as customer concerns are a high priority for the department, which maintains different employee shifts to ensure round-the-clock responsiveness.

We encourage continuous innovation to improve the user experience for clients, vendors, and delivery partners on Jahez, PIK and BLU Store platforms by utilising straightforward, cutting-edge technology at all points of service.

Operations review

- Increasing awareness of the Group's value-added services and other services that go above and beyond what the market offers. Any service can therefore be promoted by satisfying the needs and expectations of the customers. As a result, the customer will promote the service if it meets their objectives and aspirations.

All branches across the cities of the Kingdom are subject to comprehensive central oversight and management of the commercial integration of merchants. The appropriate department is periodically updated on the status in order to keep up with the volume of clients and delivery partners that must be attracted and retained over time.

As a result, monthly goals are established for the Sales Team in terms of the number of new contracts, branches, and regions for each city and region within each city, as well as the number of branches completing customer orders each month.

The Commercial Division, which operates from the Head Office in Riyadh, has a dedicated team that manages relationships with partners (merchants). To ensure successful work and the achievement of business objectives for all parties, this Team coordinates and communicates with all of the Group's Departments, offers assistance right away, and supports all daily routine procedures.

The Team also consistently provides advice and recommendations to the concerned Departments and merchants on how to monitor suggested discounts for end users on a regular basis in accordance with monthly results. One of the key goals of the Team is to continuously monitor how the required service level is applied in dealing with customers in terms of the response times of merchants' and branches' commitment to delivering goods in line with customer expectations; and success in achieving customer satisfaction.

Modes of marketing platforms and successful campaigns

The performance of the marketing process has greatly improved by the use of a multitude of advertising channels, posters, commercial advertising, and various media, including social influencing Internet applications used on social media.

These include influencing content, competitions, and public relations, as well as taking advantage of public events that serve as reminders of the services offered. The Group also sponsors public events to enhance its presence and standing of its distinguished brand, while continuing to announce the Group's services publicly.

Listed below are some of the major public events that the Group participated in or sponsored in 2022:

- Participation in the Riyadh Book Fair for a second year running
- Sponsoring Formula E - Sport
- Sponsoring Jeddah Season - Entertainment
- Sponsoring the activities of the King Abdulaziz Camel Festival - Sport
- Saudi Federation of Modern Pentathlon - Sport
- LEAP Tech Conference - Technology
- Royal Trophies - Sport
- Crown Cup - Sport
- Custodian of the Two Holy Mosques Cup - Sport
- Saudi Cup - Sport
- King Abdulaziz Cup (Founders Cup) of the Hail Equestrian Championship race
- Sponsoring the Mohammed Bin Salman League - Sport
- Sponsoring the Falcon Museum - Cultural
- Jaak Ramadan event - Societal

Enhanced brand visibility

The Group views its brands as one of its most valuable assets and, as a result, focuses on raising brand awareness, which it sees as being crucial for attracting customers and merchants and maintaining a dominant market position.

The Group wants to be at the forefront of customers' minds by raising brand awareness in order to boost orders and order frequency. Hence, based on specific awareness and presence standards, the Group's Management sets brand awareness objectives.

The Group has invested in brand awareness initiatives through campaigns targeted at the markets in which it operates. These campaigns use social media and influencers as well as marketing collateral like TV and radio commercials, billboards, and sponsorships to increase the number of orders and decrease associated costs.

In 2022, the Jahez Group invested in a number of corporate social responsibility (CSR) activities such as awareness campaigns and charities throughout the year all of which had a major impact on the Jahez brand.

Sponsoring and partnering with the most visible events and conferences in the Kingdom during the reporting period also helped expand our audience reach. This has helped Jahez build a strong and memorable brand and brought it closer to the Saudi community.

Benchmarked online presence

The Group has launched a number of successful marketing campaigns to expand its reach to different customer segments. The Group engages in online marketing campaigns to broaden its visibility among its clientele, both current and prospective, through a variety of channels, including social media and search engine optimization.

Strategic measures to attract and retain clients

The Group's sales activities help to draw new merchants from a variety of industries to its platforms. The Group's main Sales Team is based in Riyadh, and is backed up by Sales Teams in each of the major markets where it operates. In order to expand its merchant base, the Group conducts market research in each of these Regions in order to develop a targeted sales strategy. In addition to directly interacting with merchants, the Sales Team closely collaborates with the Group's Customer Service Team to keep an eye on the deals and services offered during the onboarding process.



Operations review

The Group's sales division has established clear policies when interacting with clients by putting expert, methodical strategies into practice in accordance with the following instructions:

- Bring in well-known businesses and restaurants in each of the target cities.
- Target merchant diversification to satisfy all customer preferences and demands.
- Prioritize merchants with a large geographic footprint in the cities where the Group's platforms are present.
- Ensure that merchants receive full support, including operations and training, to ensure they uphold the service level agreement in accordance with the terms and conditions outlined by the Group.
- Obtain the necessary data (a list of products and related images) for each merchant, matching it with data and prices on the Group's platforms, and keeping customers updated at all times.
- Assure the professionalism, excellence, and merchants' capacity to carry on serving their customers in the pertinent area.
- Ensure the monitoring and control of the activation of merchant accounts and data ever since the Group's contracts were signed, to enable future use by Operations, Accounting, and Marketing Departments.
- Observe the yearly renewal of the agreements and contracts made with merchants.

Entice new users

The Group conducts marketing campaigns via social media to encourage new users to use their business verticals, especially Jahez, PIK and BLU Store platforms.

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 including TikTok, LinkedIn and Snapchat, based on their prevalence in the cities and target Groups.

Retain existing customers

The Group's marketing division reaches out to existing customers directly by sending text messages, with the goal of inviting them to continue using the platform's services and to receive offers that are displayed in their wallets in all the digital platform applications.

Among measures that are already in place is an initiative to collect customer feedback and, in the event of a complaint, respond immediately and arrive at a speedy solution agreeable to the customer.

The Group launched a database system to activate artificial intelligence (AI) in order to identify customer segments and consumption patterns, predict outcomes, and make business decisions that will maintain the success of the customer's experience and journey with the offered services.

Going into 2023, the Group is working on a number of measures to retain existing customers. These include loyalty programs and innovative offers.

VITALIZING sustainability



➔ **The sustainability pillar's primary focus areas are to integrate ESG considerations into business operations, improve performance and readiness for the ESG journey in the long run, and pursue responsible investment opportunities that positively impact stakeholders, society, and the environment.**

This strategic pillar highlights the Group's commitment to sustainability and ESG principles. The primary goal of this pillar is to ensure that the Group's long-term strategy and business operations align with global sustainability standards and ESG principles.

To achieve this, the Group is dedicated to strengthening its in-house sustainability performance, positioning itself as a business with top-tier sustainability standards and a commitment to ESG principles. The sustainability pillar's primary focus areas are to integrate ESG considerations into business operations, improve performance and readiness for the ESG journey in the long run, and pursue responsible investment opportunities that positively impact stakeholders, society, and the environment.

The Group's sustainability core values include transparency and fairness, which are prioritized by regularly reviewing the governance model. Through this strategic pillar, the Group aspires to become a top-tier organization that grows sustainably and responsibly, improves society, and sets new benchmarks for corporate governance and environmental sustainability. The Group's commitment to sustainability is a testament to its dedication to building a better future for all.

Operations review

Social responsibility

The Group is dedicated to conducting business with the utmost ethical standards and values. The commitment to ethical business practices includes close collaboration with the general public, the business community, and the support and expansion of local communities.

To ensure that its commitment to ethical practices is maintained, Jahez strictly adheres to a set of principles. The Group believes in constant and transparent communication with the public about operational activities and their impacts. This helps to build trust with the community and ensure that we are held accountable for our actions.

Furthermore, we strive to develop initiatives that promote local development and create sustainable opportunities for neighboring communities. This includes investing in local development projects, giving both indirect and direct support to charitable organizations and offering employment opportunities to individuals within the local community. By prioritizing the development of local communities, we hope to contribute towards the social and economic growth of these areas.

The Group also believes in prioritizing community goods during the procurement of materials. By doing so, the Group supports local businesses and contributes towards the economic development of the region. Being aware of how business and operations affect employees, shareholders, and the local community, the Group strives in following relevant laws and regulations while preserving the prosperity of the local community and economy.

Developing entrepreneurship in the Kingdom

Sustainability initiatives provide various entrepreneurship training courses in cooperation with leading educational and training institutes, mostly geared toward the management and operation of restaurants and cafés.

Environmental stewardship

The Group's commitment to sustainability and corporate responsibility is exemplified by the dedication of the Board of Directors to conducting all operations in line with the Group's values and guiding principles. The Group complies with applicable laws while taking a range of environmental precautions to minimize pollutants that could harm the environment and human health.

Moreover, the Group recognizes the importance of reducing carbon emissions and energy use to mitigate the impact of climate change. The Group has taken the initiative to support local organic farming supply chains and implement a tree planting program that aims to reduce carbon emissions. Starting with 2,500 trees, the Group hopes to create a small-scale impact that contributes towards the global movement to mitigate climate change.

During the year, the Group also participated in a conference supporting innovation in water sustainability, demonstrating our commitment to be involved and drive best-in-class practices in resource management - a vital component of corporate responsibility in ensuring the planet's sustainability.

Jahez also carried out a national awareness campaign called the "Igda Initiative", where the general public was educated on dates, their types, benefits, and the various ways one can preserve the palm trees they come from. This program was regarded as both culturally and environmentally important to the Kingdom. An in-app banner was dedicated to the campaign and free delivery was issued throughout its duration in March 2022.

To further enhance its sustainability efforts, the Group is gradually introducing eco-friendly systems and green practices. For instance, the Group has implemented plastic and paper recycling programs and is committed to using recyclable and eco-friendly materials in its operations. By adopting these eco-friendly practices, the Group hopes to maximize its environmental contribution for a better sustainable future for all.

The Management's commitment to the Group's vision of creating a better and more sustainable world is demonstrated through the sustainability solutions to address day-to-day operations as well. Some of these initiatives are:

- Office spaces designed to maximize the use of natural light
- Installation of light (photoelectric) sensors for "follow-me lighting" to ensure that artificial lighting comes on only when necessary
- Office spaces designed to have different lighting level (lumens) requirements according to specific work needs across the organization - achieved through the development of a zoning plan for the spaces.
- All workstations being equipped with an LED task light to give employees an option should they require more targeted lighting.
- Availability of a variable air volume system that is set up within the air conditioners to accommodate areas with different usage/occupancy needs. This system is useful in accurately assessing the cooling requirements across the office space.
- Emphasis on good indoor air quality for employees by monitoring the carbon dioxide concentration throughout the office and periodic indoor air quality tests are performed in this regard.
- Office space constructed from regionally sourced, environmentally friendly materials.
- Workstations, furniture and fittings with low volatile organic compounds which contribute to good indoor air quality are procured and used as well.

ESG focus for 2023

We recognize that achieving progress on environmental, social, and governance (ESG) issues is a complex and ongoing process that requires a long-term commitment to continuous improvement. As we move into 2023, we are more committed than ever to making changes to our business practices and processes that will help us to achieve our sustainability goals.

In 2023, we will be focusing on several key areas to drive our ESG efforts forward. This includes integrating ESG considerations into our business operations by improving our performance and readiness for the ESG journey in the long run. As a result, an ESG roadmap for 2023 is set to be implemented.

The ESG approach for 2023 will be divided into three key pillars, with emphasis on each of them individually:



- Sustainability in the environment: To reduce negative effects on the environment and work to safeguard and preserve natural resources.



- Social Impact: Create a positive and inclusive workplace culture and to support the well-being of our employees, customers, and communities.



- Integrity in governance: To uphold the highest standards of corporate governance and to operate with integrity in all of our business dealings.

We will also be examining and pursuing responsible investment opportunities that can have a positive and long-lasting impact on our stakeholders, society, and the environment. Furthermore, we will continue to prioritize reviewing our governance model on a regular basis to ensure transparency and fairness, which are core values of sustainability.

The coming year will also see the launch of our first sustainability report. This report will highlight the Group's commitment to sustainability and ESG principles, as well as provide transparency on our progress towards achieving our sustainability targets. We believe that by releasing this report, we will be able to build trust with our stakeholders and demonstrate our commitment to ESG issues.

We believe that by focusing on these key areas, we will be able to position ourselves as a business with top-tier sustainability standards and a commitment to ESG principles.

ENABLING a culture of organizational excellence



➔ **This pillar aims to strengthen the Group's capabilities in technology, human resources, and finance to support future growth.**

This pillar aims to strengthen the Group's capabilities in technology, human resources, and finance to support future growth. By doing this, the Group will be able to execute its growth strategy and continue to scale up quickly in both the current and future business verticals with the necessary skills and resources.

This pillar consists of a number of initiatives, such as building organizational capacity by attracting and retaining highly qualified talent as well as working with leading local companies to find trainees. To further upskill employees' knowledge base, specialized training programs are created and implemented across the organization to ensure that skills development aligns with changing business requirements.

In terms of staying up to date with technological advancements, the Group is also updating its information technology (IT) systems to enhance financial and operational reporting, speed up decision-making in response to crisis situations, and reduce data processing time. Likewise, the Group also intends to enhance security and support future growth plans by integrating technology.

Acquiring the right technology and talent

Systems automated

The number of tech startups and information technology companies in the Kingdom has increased quickly over time. The Group considers its employees to be one of its most valuable assets. As a result, it expends time, resources, and energy pursuing talent it believes would significantly enhance the Group and its culture.

Recruitment and retention

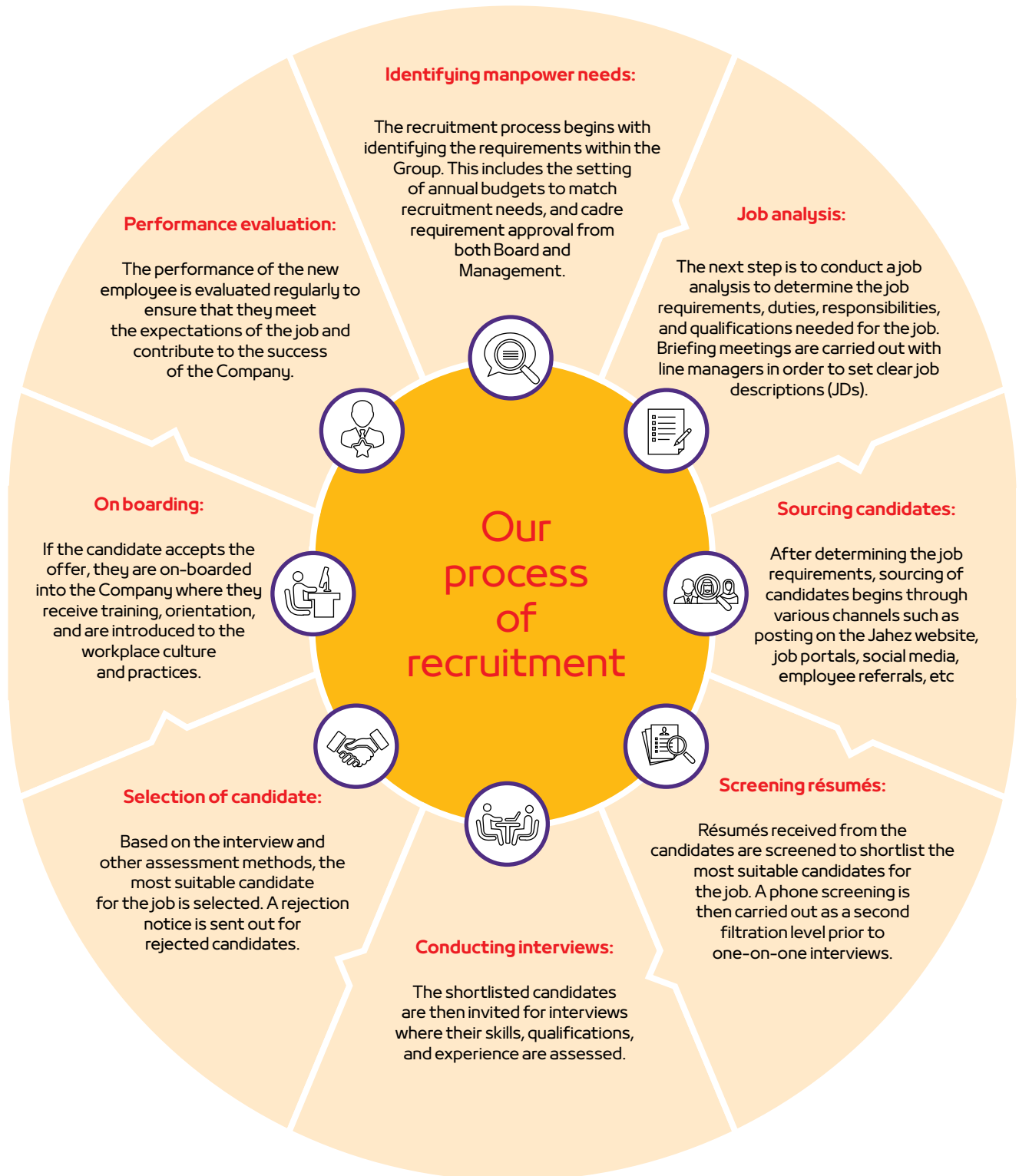
Recruiting the ideal candidates that suit the roles and fits well with the culture at Jahez has always been important. At Jahez, we believe that a candidate who fits well into a workplace culture is someone who not only possesses the required skills and qualifications for the job but also aligns with the values, norms, and beliefs of the Group. Our belief is that such a candidate can seamlessly integrate into the existing team and contribute to the success of the entire Group. They are able to adapt quickly to the work environment, understand the expectations of the job, and

collaborate effectively with colleagues. Additionally, they exhibit a positive attitude, demonstrate strong work ethics, and are committed to the goals and objectives of the Group.

Considering the demography of the Kingdom, there is an abundance of young graduates entering the workforce that prefer more flexibility and movement rather than being tied to a single institution or sector and are seeking to rise through the professional ranks more swiftly than previous generations. With this focus, the Group strives to identify and recruit the best talent that would enable its growth phase.

In this regard, the agreements in place with some key local universities such as King Saud University (KSU), King Fahd University of Petroleum and Minerals (KFUPM), Prince Sultan University (PSU) etc., and initiatives such as boot camp programs with the Misk Foundation, SDA and Twaiq, helped the Group acquire and attract talents.





The Group prides itself in creating a supportive and inclusive work environment, where employees are encouraged to be creative, take ownership of their work, and contribute to the success of the Group. With a focus on innovation and continuous improvement, Jahez is committed to providing all employees with the tools and resources they need to succeed and thrive.

Employees by category

Grade	2022
Senior Management	7
Middle Management	60
Non-management	716

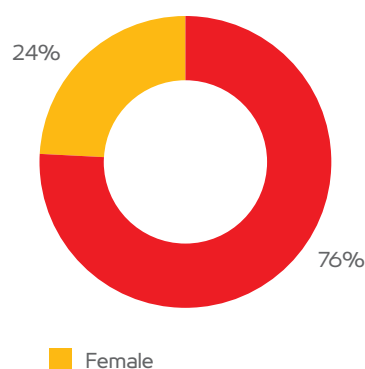
Localizing our talent

The *Nitaqat* program was implemented on 12/10/1432H (corresponding to 10 September, 2011) with the Ministry of Human Resources and Social Development commencing implementation of the “*Nitaqat*” program to encourage institutions to employ Saudi citizens. Through the “*Nitaqat*” program, the performance of any company is evaluated based on specific categories (classifications), namely platinum, green (subdivided into low, middle, and high), and red.

Companies in the platinum or green categories are deemed to have met Saudization requirements and are therefore entitled to a number of benefits, such as obtaining and renewing work visas or otherwise changing the occupations of their foreign workers (except for professions exclusively reserved for Saudi nationals). Companies in the “red” category (due to their non-compliance with specific requirements) are deemed to have violated Saudization requirements and may be subject to certain punitive measures, such as limiting their ability to renew foreign employees’ work visas or completely prohibiting foreign employees from obtaining or renewing work visas.

Accordingly, the Group complies with Saudization requirements in accordance with the *Nitaqat* program where its status is “Platinum” as of 19/08/1442H (corresponding to 1 April 2021).

Employees by gender



Likewise, the Group’s tie-up with the *Tamheer* program run by the Human Resources Development Fund (HRDF), a six month training and recruitment program that supports the absorption of more local talent, assists in opportunities being afforded to a larger section of society.

Empowering our employees to be the best

The Group makes investments to make sure that its current employees have the systems, resources, and benefits that will encourage and retain them. As a result, the Group has implemented the initiatives listed below to retain talent:

- Fostering an environment that is supportive and receptive to new ideas
- Fostering a highly adaptable environment that results in a team that is uniform and highly connected, and that offers a place where all attitudes can be accepted while upholding the highest standards of communication

Operations review

- Implementing flexible scheduling and remote work:
 - If necessary, the employee may request to work remotely, and the Group's Management will accommodate their request as long as working remotely has no negative effects on workflow or delays specific outputs.
 - For those whose work and productivity are unaffected by the observance of a specific time, the Group provides the option to work flexible hours in terms of when employees arrive and leave the office.
- Fostering a culture of reward and recognition
 - The Group's Management is committed to motivating employees through an evaluation and reward system.
 - The Group's Management enhances the exceptional efforts of its employees by allocating exceptional rewards for certain business projects and tasks.

Training and development for future readiness

The Group runs a Transformational Leadership Program, which strives to enhance the leadership qualities of the Executive Management that covers the ins and outs of transformational leadership, with a focus on best practices for managing, leading and supervising diverse teams while running day-to-day operations.

Employee engagement

At Jahez, we believe that our success is directly linked to the engagement, motivation, and satisfaction of our employees. We recognize that our employees are our greatest asset, and we are committed to creating a work environment that promotes their well-being, fosters their growth, and enables them to reach their full potential.



The Group's employee engagement initiatives are designed to create a culture of collaboration, innovation, and inclusivity. We actively seek feedback from our employees through surveys, focus groups, and other means, to understand their needs, concerns, and ideas. By actively soliciting feedback from our employees, we are better equipped to identify areas for improvement, address concerns promptly, and make data-driven decisions that benefit the Group as a whole.

Our employee engagement initiatives are diverse and include opportunities for career development, wellness programs, team building activities, and other initiatives aimed at promoting work-life balance and fostering a positive work culture. We also believe in creating a workplace that is inclusive, diverse, and welcoming to all, and actively promote equality and respect for all employees, regardless of their background or personal characteristics.

Our open door policy ensures that every employee has access to their managers, supervisors, and other leaders within the organization. It encourages employees to share their thoughts, concerns, and feedback freely, without fear of retaliation or judgment. We believe that this policy promotes a culture of respect, trust, and mutual support, which benefits everyone within the Group. This has also proven to be an effective means of fostering employee engagement, motivation, and satisfaction.

We are proud of the positive impact our engagement initiatives have had on our employees and the Group as a whole. By promoting a culture of engagement and collaboration, we have seen increased productivity, improved employee retention rates, and higher levels of job satisfaction among our employees. We remain committed to investing in our employees and creating an environment where they can thrive and contribute to the continued success of Jahez.

As a result of all of this dedication, the Group won the "Best Workplace" certificate from "Great Place To Work" in 2021 and 2022 respectively.



Employees Stock Option Plan:

The Company granted share-based payments arrangements to employees at the beginning of April 2022.

Jahez ESOP intends to serve the following major purposes:

- i) Attract Talent: to attract top recruits e.g. senior managers, executive managers and other technical team members;
- ii) Retain Employees: options vesting over several years shall create strong incentives for employees to remain with Jahez;
- iii) Align Incentives: options shall align incentives with the long-term goals of the company;
- iv) Reward Value Creation: shall increase corporate valuation by giving employees a slice of that value; and
- v) Encourage Long-Term Thinking: shall push employees to build the company for long-term success.

Operations review

On 8 June 2021, the Board of Directors proposed a shares options program which was approved by the shareholders on 9 June 2021. The objective of this plan is to distribute 192,000 treasury shares purchased by the Company from the Company's shareholders under purchase of shares contract dated 26 December 2021 and concluded on 5 January 2022 115,2 thousand shares of its shares owned by ALAMAT International Company and 76,8 thousand shares of its shares owned by Hefz Osool Ta'atheer Company for Communications and Information Technology). The shares options will be granted through the plan in five cycles commencing 1 April 2022, 1 April 2023, 1 April 2024, 1 April 2025 and 1 April 2026.

The Company formulated the vesting agreement for the first cycle and it was signed by the Company and the employees on 1 April 2022, which is the vesting date of the first cycle of shares options. The condition associated with realizing shares options under the first cycle is the employee's two-year service condition, which will be completed on 31 March 2024. At the end of the vesting period, the Company may elect to issue shares or cash equivalent to the fair value through the shares at the end of the vesting period.

During 2022, the Company vested Tier 1 of the program as the following:

First Cycle	Tier 1
Vesting date	1 April 2022
Total number of shares granted	26,440
The average fair value per share on vesting date (*)	SR1,116.5
Maturity date	31 March 2024
Settlement method	Equity

(*) The options are valued at the fair value on the vesting date of first cycle on 1 April 2022, using the Black Scholes method which takes into account the exercise price, option term, effect of reduction (where material), share price on the vesting date and expected fluctuation price of basic earnings per share, and expected dividend yield. Risk-free interest rate for the option term, contingencies and fluctuations for similar Group's companies. The fair value of the option as on 1 April 2022, based on the exercise price of SR 10 is SR 1,116.5.

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→ Governance

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Governance

An overview of Governance at Jahez

Governance is an integral part of the core values and strengths of the Jahez Group, which seeks to achieve a distinguished presence and a leading position among businesses, customers, and partners in the Kingdom. The Group strives for the best governance practices in order to increase transparency and accountability to all stakeholders.

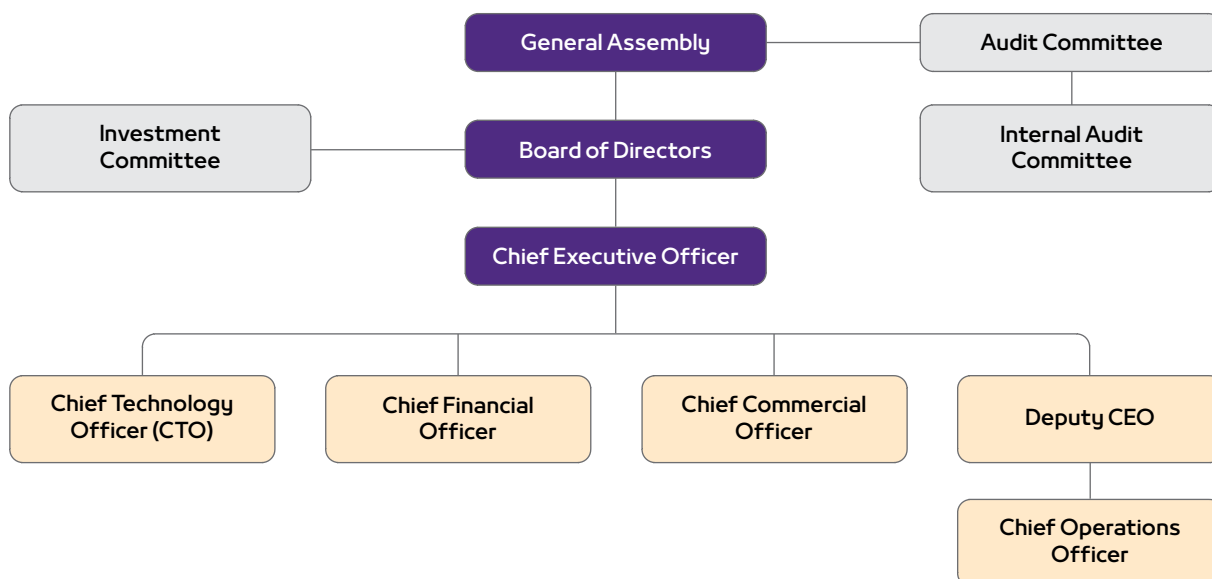
The Corporate Governance Regulations issued by the CMA are indicative of companies listed on the Parallel Market. On 09/09/1442H (corresponding to 21 April 2021), the Company adopted its internal governance regulations, which are guided by articles of the Corporate Governance Regulations. The Company’s 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

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.

Organizational structure



Board of Directors

The Board of Directors is composed of six (6) members elected by the Ordinary General Assembly for a period of five (5) years from 2020 to 2025. In its meeting held on 03/05/1442 (corresponding to 17-12-2020), the Ordinary General Assembly elected the current members of the Board of Directors for a period of five (5) years as of the date of such meeting.

The Board



HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud

Position

- Chairman
- Chairman of Investment Committee

Classification

Non-executive

Appointment date

02/05/1442H (corresponding to 17 December 2020)



Mr Abdulaziz Abdulrahman Mohammed Al-Omran

Position

- Vice Chairman
- Investment Committee Member

Classification

Non-executive

Appointment date

02/05/1442H (corresponding to 17 December 2020)



Mr Ghassab Bin Salman Bin Ghassab Bin Mandeel

Position

- Board Member
- Chief Executive Officer

Classification

Executive

Appointment date

02/05/1442H (corresponding to 17 December 2020)



Mr Hamad Abdullah Fahad Al- Bakr

Position

- Board Member
- Chief Commercial Officer

Classification

Executive

Appointment date

02/05/1442H (corresponding to 17 December 2020)



Mrs Loulwa Mohammed Abdulkarim Bakr

Position

- Board Member
- Investment Committee Member
- Chairman of the Audit Committee

Classification

Independent

Appointment date

09/09/1442H (corresponding to 21 April 2021)



Mr Abdullah Saud Al-Romaih

Position

- Board Member

Classification

Non-executive

Appointment date

04/12/1443H (corresponding to 03 July 2022)

Memberships, experience and qualifications of the Board

Name	Current positions	Previous positions	Academic qualifications
HRH Prince Mishal bin Sultan Abdulaziz Al Saud	<ul style="list-style-type: none"> • Chairman of the Company's Board of Directors, 2020 to present. • Chairman of the Company's Investment Committee, 2021 to present. • Manager and Director of Tharwa Holding Company, a Saudi limited liability company, general contracting, importing, exporting and investment, 2013 to date. • Partner in Track Saudi Holding Company, a Saudi limited liability company, operating in information technology, 2013 to present. • Vice-Chairman of the Investment Committee, Bathel Al Khair Establishment for Trading & Real Estate, a Saudi sole proprietorship, real estate development, 2012 to present. • Director of the Prince Sultan bin Abdul Aziz Foundation, a Saudi charitable institution, health and social care for the elderly and comprehensive rehabilitation for people with special needs, 2008 to present. • Owner and Manager of Makashef Contracting Est., a sole proprietorship, general contracting, 2012 to present. 	<ul style="list-style-type: none"> • Trainee as a portfolio manager for international relations, Ministry of Investment, a Saudi government entity, investment sector supervision, 2010 to 2011. 	<ul style="list-style-type: none"> • Master of Public Policy and Administration, London School of Economics and Political Science, UK, 2020. • Bachelor of Financial Management, Prince Sultan University, Kingdom of Saudi Arabia, 2010.

Name	Current positions	Previous positions	Academic qualifications
Mr Abdulaziz Abdulrahman Mohammed Al-Omran	<ul style="list-style-type: none"> • Director, Halalah Company Limited, a limited liability company in Abu Dhabi Global Market, operating in financial technology, since 2021 to date. • Vice Chairman of the Company, since 2020 to date. • Vice Chairman of Rasan Company for Information Technology (Tameeni), representing Impact Financial Company fund for growth stages, a Saudi closed joint stock company, works in providing technical solutions for insurance brokerage and financial services. • Director and Partner, 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, 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 • Partner, Khalid & Abdulaziz Abdulrahman Al-Omran Company, a Saudi joint venture, operating in general contracting for buildings, since 1997 to date 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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.

Governance

Name	Current positions	Previous positions	Academic qualifications
<p>Mr Ghassab Salman Ghassab bin Mandeel</p>	<ul style="list-style-type: none"> • Company Director, since 2020 to date • Chief Executive Officer of the Company since 2017 to date • Vice Chairman of The Blu Store Company, a limited liability company, specialized in selling and marketing sports and fitness products, from 2022 to date. • Director 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. • Manager, Jahez International Company W.L.L, a Bahraini Limited Liability Company, operating in Online food delivery, Call Center Services and Retail internet services, since 2022 to date. • Manager, Jahez International Company for Wholesales and Retail Trading, a Kuwaiti Single Shareholder Limited Liability Company, operating in Online food delivery, Call Center Services and Retail internet services, since 2022 to date. 	<ul style="list-style-type: none"> • 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, 1996 to 2004. 	<ul style="list-style-type: none"> • Bachelor of Computer Science, King Saud University, Kingdom of Saudi Arabia, 1995

Name	Current positions	Previous positions	Academic qualifications
Mr Hamad Abdullah Fahad Al-Bakr	<ul style="list-style-type: none"> • Director at the Company, since 2020 to date • Chief Commercial Officer of the Company, since 2020 to date • Director at The Blu Store Company, a limited liability company, specialized in selling and marketing sports and fitness products, from 2022 to date. • Director at the Logistic Support Services Company (Logi), a single shareholder limited liability company, operating in logistics, since 2021 to date • Partner and Director at Al-Jazirah Company for Payments and Electronic Commerce, a limited liability company, operating in online wholesale, since 2020 to date • Partner at Alamat International Limited Company, a limited liability company, operating in information technology sector, since 2014 to date 	<ul style="list-style-type: none"> • Adviser to H.E. 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. • General Manager, Paid Communications, Zajoul Telecom Company, a Saudi limited liability company, operating in telecommunications, 2000 to 2004. 	<ul style="list-style-type: none"> • 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, 1991

Governance

Name	Current positions	Previous positions	Academic qualifications
Mrs Loulwa Mohammed Abdulkarim Bakr	<ul style="list-style-type: none"> • Director at the Company, since 2021 to date. • Member, Investment Committee of the Company, since 2021 to date. • Chairman of the Audit Committee of the Company, since 2022 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 INTESA SANPAOLO, 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 	<ul style="list-style-type: none"> • Regional Manager, Al Jabr Company, a Saudi limited liability company, operating in a number of industries including contracting and trading, 1997 to 2000. • Assistant Manager, Al-Fayraq Company, a Saudi single shareholder company, operating in real estate marketing, 1995 to 1997. • Marketing Manager at SISMO, a Saudi limited liability company, operating in the contracting field, 1993 to 1995. • Director, ZID-Holdings, a UAE limited liability company, Abu Dhabi Global Market, operating in e-commerce, 2021 until 2022. • Partner, Global Ventures, a venture capital fund (Cayman Islands limited liability company), operating in managing venture capital funds regionally, since 2019 to 2022. • Member, Audit Committee, United International Transportation Company (Budget Saudi), a Saudi listed joint stock company, operating in car rental, since 2018 to 2021. • 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. 	<ul style="list-style-type: none"> • 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.

Name	Current positions	Previous positions	Academic qualifications
	<ul style="list-style-type: none"> Member, Advisory Board of Columbia University (Amman), a centre of the university in Jordan, operating in research and education, since 2015 to date 	<ul style="list-style-type: none"> 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, 2007 to 2010. Vice President and Head of Joint Stock Capital Markets and the Western Region, Hermes (now as Morgan Stanley Saudi Arabia), 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. 	<ul style="list-style-type: none"> General Securities Qualification Certificate (CME-1), Capital Market Authority, Kingdom of Saudi Arabia, 2009. Several administrative, financial and leadership courses from Harvard University, Oxford and INSEAD.

Governance

Name	Current positions	Previous positions	Academic qualifications
Mr Abdullah Saud Al-Romaih*	<ul style="list-style-type: none"> • Director of the Company from 2022 to date • Chairman and Partner of Sanar Telemedicine Company, privately owned company with limited liability, works in the field of medical services, since 2018 to date. • Chairman and Founder of Single View Company, privately owned company with limited liability, specialized in Fintech and open banking, since 2019 to date. • Chairman of Alromaih Group, a Saudi closed joint stock company, works in several fields such as building materials, poultry, hotel and hospitality, real estate and mining, since 2019 to date. • Director at The Saudi Authority for Industrial Cities (Modon), a Saudi governmental entity, specialized in developing industrial lands and integrated infrastructures, since 2020 to date. 	<ul style="list-style-type: none"> • 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. • Chairman of Flyin Company, a limited liability company, works in the field of travel and tourism services, since 2008 to 2018. 	<ul style="list-style-type: none"> • Bachelor's degree in Business Administration, Imam Abdulrahman Bin Faisal University, Kingdom of Saudi Arabia, 2019.

Name	Current positions	Previous positions	Academic qualifications
Mr Abdulwahab Abdulkarim Abdulrahman Al-Butairi**	<ul style="list-style-type: none"> • CEO of Jazeera Paints, privately owned company with limited liability, works in the field of painting products, since 2017 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 	<ul style="list-style-type: none"> • Director at the Company, since 2020 to 2022. • Chairman of the Audit Committee of the Company, since 2021 to 2022. • 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 	<ul style="list-style-type: none"> • Master of Business Administration, London Business School, UK, 2010. • Bachelor of Finance, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1999.

Governance

Name	Current positions	Previous positions	Academic qualifications
	<ul style="list-style-type: none"> • 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 Tadamon, a Saudi limited liability company, operating in real estate development specialising 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 		

Name	Current positions	Previous positions	Academic qualifications
	<ul style="list-style-type: none"> • 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 		
<p>* Mr Abdullah Saud Al- Romaih was appointed to the Board of Directors on 03 July 2022 after the request of Impact Finance Private Equity Fund - Information Technology and E-Commerce Sector for changing its representative on the Board of Directors at Jahez International Company for Information System Technology (Jahez). Board approval may not be deemed final and subjected to the approval of the General Assembly meeting.</p>			
<p>** Abdulwahab Albutairi left the board of directors on 03 July 2022 after the request of Impact Finance Private Equity Fund - Information Technology and E-Commerce Sector for changing its representative on the Board of Directors at Jahez International Company for Information System Technology (Jahez).</p>			

Responsibilities and powers of the Board

Responsibilities

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. The Board is also responsible for enhancing the Company's success in 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 overseeing the Company governance structure, controls, internal controls systems, and risk management.

The Board represents all shareholders, manages the Company's affairs, carries out all works for the public interest of the Company, and develops and increases its value with due diligence and loyalty. In addition, the Board also protects the shareholders' interests, and maximizes their gains in the long run. For this purpose, the Board shall be fully responsible for the Company's governance, including developing the company vision, strategy, and objectives, 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 the Company's 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 extended powers to manage the Company and direct its business to achieve its objectives. In particular, the Board's duties and responsibilities include the powers provided under the applicable laws, regulations, instructions, and the Company's Articles of Association.

The Board represents all shareholders and shall exert due care and loyalty to manage the Company, protect its interests, 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/her personal interest, in accordance with the applicable laws, regulations and instructions.

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

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 and 72 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 27 of the Companies Law.

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 Company business and supervise its affairs. The Board mandates the responsibility of the Company's day-to-day management to the Executive Management.

The Board Committees may request the assistance of external, professional, and independent advisors who may demand support from the Company Departments to help them carry 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

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 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.

Board meeting attendance

The Company held four Board meetings during the year 2022. Following is a list of the dates of the meetings held during 2022 and the names of Directors who attended them:

Member name	Attendance				Total
	First Meeting (31 January 2022)	Second Meeting (20 April 2022)	Third Meeting (05 October 2022)	Fourth Meeting (25 December 2022)	
HRH Prince Mishal Bin Sultan Al Saud	Attended	Attended	Attended	Attended	4
Abdulaziz Bin Abdulrahman Al-Omran	Attended	Attended	Attended	Attended	4
Ghassab Bin Salman Bin Mandeel	Attended	Attended	Attended	Attended	4
Hamad Abdullah Al Bakr	Attended	Attended	Attended	Attended	4
Abdullah Bin Saud Al Romaih*	N/A	N/A	Attended	Attended	2
Abdulwahab Al Butairi**	Attended	Attended	N/A	N/A	2
Loulwa Bakr	Attended	Attended	Attended	-	3

* Mr Abdullah Saud Al-Romaih was appointed to the Board of Directors on 03 July 2022 after the request of Impact Finance Private Equity Fund - Information Technology and E-Commerce Sector for changing its representative on the Board of Directors at Jahez International Company for Information System Technology (Jahez). The Board approval may not be deemed final and subjected to the approval of the General Assembly meeting.

** Abdulwahab Albutairi left the board of directors on 03 July 2022 after the request of Impact Finance Private Equity Fund - Information Technology and E-Commerce Sector for changing its representative on the Board of Directors at Jahez International Company for Information System Technology (Jahez).

Ownership of shares of Board members

Member name	Before the Offering (indirect ownership)		After Offering (indirect ownership)		Net change	(% of change
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
01 HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	3,421,440	0	2,924,864	0	(496,576)	(14.51)
02 Mr Abdulaziz Abdulrahman Mohammed Al-Omran	494,208	0	422,480	0	(71,728)	(14.51)
03 Mr Ghassab Bin Salman Bin Ghassab Bin Mandeel	1,152,000	0	984,803	0	(167,197)	(14.51)
04 Mr Hamad Abdullah Fahad Al-Bakr	1,152,000	0	984,803	0	(167,197)	(14.51)
05 Mr Abdullah Saud Marshoud Alromaih*	0	0	0	0	0	0
06 Mr Abdulwahab Abdulkarim Abdulrahman Al-Butairi**	61,824	0	52,851	0	(8,973)	(14.51)
07 Mrs Loulwa Mohammed Abdulkarim Bakr	0	0	0	0	0	0

* Mr Abdullah Saud Al- Romaih was appointed to the Board of Directors on 03 July 2022 after the request of Impact Finance Private Equity Fund - Information Technology and E-Commerce Sector for changing its representative on the Board of Directors at Jahez International Company for Information System Technology (Jahez). The Board approval may not be deemed final and subjected to the approval of the General Assembly meeting.

** Abdulwahab Albutairi left the board of directors on 03 July 2022 after the request of Impact Finance Private Equity Fund - Information Technology and E-Commerce Sector for changing its representative on the Board of Directors at Jahez International Company for Information System Technology (Jahez).

Companies inside and outside the Kingdom in which a Board Member is a Member or a Manager of their current or previous Board




Member name	Names of companies in which a Board member is a member of their current Board or a Manager	Headquarters		Legal entity (Listed, unlisted joint stock company, LLC etc.)	Names of companies in which a Board member is a member of their previous Board or a Manager	Headquarters		Legal entity (Listed, unlisted joint stock company, LLC etc.)
		Inside KSA	Outside KSA			Inside KSA	Outside KSA	
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud (Chairman)	Tharwa Holding Company	Yes		Limited liability				
	Track Saudi Holding Company	Yes		Limited liability				
	Prince Sultan bin Abdulaziz Al Saud Foundation	Yes		Charitable Foundation				
	Makashef Contracting Est.	Yes		Individual Establishment				
Mr Abdulaziz Abdulrahman Mohammed Al Omran (Vice Chairman)	Halala Company		Yes	Limited liability	GIB Capital	Yes		Unlisted Shareholding Company
	Impact46	Yes		Limited liability	Oqal Group	Yes		Endowment Foundation
	Rasan Company	Yes		Unlisted Shareholding Company	Saudi National Bank	Yes		Listed Shareholding-Company
	Dar wa Emaar for Investment and Real Estate Development	Yes		Limited liability				
	Zeejprint	Yes		Limited liability				
	Khalid & Abdulaziz Abdulrahman Al-Omran Company	Yes		Limited Partnership				


Governance

Member name	Names of companies in which a Board member is a member of their current Board or a Manager	Headquarters		Legal entity (Listed, unlisted joint stock company, LLC etc.)	Names of companies in which a Board member is a member of their previous Board or a Manager	Headquarters		Legal entity (Listed, unlisted joint stock company, LLC etc.)
		Inside KSA	Outside KSA			Inside KSA	Outside KSA	
Mr Ghassab Bin Salman Bin Ghassab Bin Mandeel (Chief Executive Officer)	Support Solutions for Logistics Services "Logi"	Yes		Limited liability	Red Crescent Authority	Yes		Government Entity
	Red Color Company	Yes		Limited liability	EMS	Yes		Limited liability
	PIK Limited Company	Yes		Limited liability	Ministry of Interior	Yes		Government Entity
	Alamat ALAMAT International Company	Yes		Limited liability	STC	Yes		Listed Shareholding Company
	The Blu Store Company	Yes		Limited liability	Peace Shield	Yes		Government Entity
	Jahez International Company for Information Systems Technology		Yes	Limited liability				
	Jahez International Company for Wholesales and Retail Trading		Yes	Limited liability				
Mr Hamad Abdullah Fahad Al-Bakr (Chief Commercial Officer)	Support Solutions for Logistics Services "Logi"	Yes		Limited liability	Saudi Post	Yes		Government Institution
	Al Jazeera Company for Payments and E-Commerce	Yes		Limited liability	Alwatania Distribution Company	Yes		Limited liability
	ALAMAT International Company	Yes		Limited liability	Zajoul Telecom Company	Yes		Limited liability
	The Blu Store Company	Yes		Limited liability	Al Jabr Company	Yes		Limited liability Individual Establishment
					Al-Fayraq Company	Yes		Limited liability Individual Establishment
					SISMO	Yes		Limited liability
					Ministry of Communications	Yes		Government Institution
				Hail Chamber of Commerce	Yes		Government Institution	

Member name	Names of companies in which a Board member is a member of their current Board or a Manager	Headquarters		Legal entity (Listed, unlisted joint stock company, LLC etc.)	Names of companies in which a Board member is a member of their previous Board or a Manager	Headquarters		Legal entity (Listed, unlisted joint stock company, LLC etc.)
		Inside KSA	Outside KSA			Inside KSA	Outside KSA	
Mrs Loulwa Mohammed Abdul Karim Bakr	Columbia University		Yes	Non-profit organization	Credit Suisse Saudi Arabia Company	Yes		Unlisted Shareholding Company
	Chrome Advisory	Yes		Limited liability	EFG HERMES	Yes		Unlisted Shareholding Company
	REYL Finance MEA Ltd		Yes	Limited liability	Saudi National Bank	Yes		Listed Shareholding Company
					Zid Holding		Yes	Limited liability
					Global Ventures		Yes	Limited liability
					United International Transportation Co. "Budget Saudi"	Yes		Listed Shareholding Company
Mr Abdullah Saud Marshoud Alromaih	Sanar Telemedicine Company	Yes		Limited liability	Flyin Company	Yes		Limited liability
	Single View Company	Yes		Limited liability				
	Alromaih Group	Yes		Unlisted Shareholding Company				
	The Saudi Authority for Industrial Cities (Modon)	Yes		Government Institution				
	Jazeera Paints	Yes		Limited liability				

Executive Management

Name	Current positions	Previous positions	Academic qualifications	Joining date
Mr Ghassab Salman Ghassab bin Mandeel 	Chief Executive Officer (CEO)	Mentioned on page 66		01/01/1439H (corresponding to 21 September 2017)
Mr Hamad Abdullah Fahad Al- Bakr 	Chief Commercial Officer (CCO)	Mentioned on page 67		11/12/1441H (corresponding to 01 August 2020)
Mr Mishaal Ibrahim Salem Al Mishari 	<ul style="list-style-type: none"> • Deputy CEO of the Company from 2017 to date • Member of the Board of Directors of Leejam Sports Company, a Saudi public joint stock company, specialized in establishing, managing and operating sports centres, since 2021 to date. • 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. 	<ul style="list-style-type: none"> • Manager of Business Development at Alamat International Company, a Saudi limited liability company, specialized in the field of Information Technology, from 2014 to 2016. • Projects manager at FedEx, a limited liability company, in the express transportation field, from 2010 to 2012. 	<ul style="list-style-type: none"> • Graduation course in Innovation and Entrepreneurship, Stanford University, USA, 2021. • Graduation course in Business Administration, Babson University, USA, 2018. • Graduation course in International Business Administration, University of California Irvine, USA, 2010. • Bachelor's degree in Business Administration, King Saud University, Kingdom of Saudi Arabia, 2007. 	01/01/1439H (corresponding to 21 September 2017)

Name	Current positions	Previous positions	Academic qualifications	Joining date
<p>Mr Heni Abdul Hakeem Mohamed Jalloui</p>	<ul style="list-style-type: none"> Member of the Board of Directors of The Blu Store Company, a limited liability company, specialized in selling and marketing sports and fitness products, from 2022 to date. Committee Member, Riyadh Chamber of Commerce, a Saudi governmental entity, commercial and industrial services, 2020 to date 	<ul style="list-style-type: none"> Director of Financial Control and Reporting at Theeb Rent a Car Company, a joint stock Saudi Company, specialized in car renting, from 2019 to 2020. Manager of Accounting and Reporting, Theeb Rent a Car, a Saudi joint stock company, specialized in car rental, from 2016 to 2018. 	<ul style="list-style-type: none"> Fellowship Certificate, Certified Public Accountant, specialising in experience in accounting, the Higher Institute of Accountancy and Enterprise Management at the University of Manouba, Republic of Tunisia, in 2012. 	
	<ul style="list-style-type: none"> Chief Financial Officer of the Company from 2020 to date. 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 2021 to date. 			



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Name	Current positions	Previous positions	Academic qualifications	Joining date
<p>Mr Mohammad Abdul Aziz Mohammad Al Barrak</p>	<ul style="list-style-type: none"> Chief Technology Officer of the Company from 2021 to date. 	<ul style="list-style-type: none"> Executive Director of Optimal Decision Company, a limited liability company, specialized in consulting, from 2012 to 2015. Financial Controller in Aviation Information Technology Services Company - Africa, a Tunisian joint stock company, specialized in Information Technology, from 2009 to 2012. Manager of the Auditing Department at C.S.B - Accounting Experts, a Tunisian limited liability company, specialized in consultancy and auditing, from 2003 to 2009. 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. 	<ul style="list-style-type: none"> Master's degree in Auditing in Accounting, Higher Institute of Accountancy and Enterprise Management at the University of Manouba, Republic of Tunisia, in 2003. BA in Accounting, University of Tunis, Republic of Tunisia, 2002. BA in Computer Software Engineering, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 2013. 	<p>19/05/1442H (corresponding to 03 January 2021)</p>



Name	Current positions	Previous positions	Academic qualifications	Joining date
		<ul style="list-style-type: none"> • 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. • Senior software engineer at Recyclize Co, an American company, working in the field of advertising networks in Silicon Valley, from 2015 to 2016. • 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. • Independently managing and developing applications in several areas, including food delivery and shopping platforms, from 2012 to 2017. 		

Governance

Name	Current positions	Previous positions	Academic qualifications	Joining date
<p>Mr Abdul Aziz Mohammad Saleh Al Faris</p> 	<ul style="list-style-type: none"> Chief Operating Officer of the Company from 2019 to date. 	<ul style="list-style-type: none"> Assistant Chief of Operations at the Watania Distribution Company, a limited liability company, working in the field of distribution, from 2016 to 2019. 	<ul style="list-style-type: none"> Bachelor's degree in Supply Chain Management, Boise State University, USA, 2016. Bachelor's degree in Accounting, Boise State University, United States of America, 2016. 	<p>04/11/1440H (corresponding to 07 July 2019)</p>
<p>Mrs Hiba Mohammad Hasan AlZeer</p> 	<ul style="list-style-type: none"> Manager of Internal Audit in the company from 2021 to date. Secretary of the Audit Committee in the company from 2021 to date. 	<ul style="list-style-type: none"> Senior specialist in internal auditing at Leejam Sports Company, a Saudi public joint stock company, working in the field of establishing, managing and operating sports centres, from 2018 to 2021. 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. Chief consultant in risk consultancy and internal audit at KPMG AlFozan & Partners, a Saudi closed joint stock Company, working in the field of audit, tax and consultancy, from 2015 to 2018. 	<ul style="list-style-type: none"> BA in Public Administration, King Saud University, Kingdom of Saudi Arabia, 2008. 	

Name	Current positions	Previous positions	Academic qualifications	Joining date
<p>Mr Abdulaziz Saud Abdulaziz Alhouti</p> 	<ul style="list-style-type: none"> Chief Investment Officer of the Company from 2022 to date. 	<ul style="list-style-type: none"> Associate Director at HSBC Saudi Arabia, closed joint stock company, works in the field of arranging financial products, managing investment funds, brokerage, custody and dealing with securities, from 2017 to 2022. Analyst at Saudi Fransi Capital, closed joint stock company licensed from capital market authority, works in the field of arranging financial products, managing investment funds, brokerage, custody and dealing with securities, from 2015 to 2017. Economic Researcher and Advisor at Supreme Economic Council at the Royal Court, works in analysing, reviewing and developing the economic policies of the Kingdom of Saudi Arabia, from 2014 to 2015. 	<ul style="list-style-type: none"> Master of Science in Finance, The George Washington University, USA, 2014. Bachelor of Science in Business Administration, Major in Management, Embry-Riddle Aeronautical University, USA, 2012. 	<p>20/12/1443H (corresponding to 19 July 2022)</p>

Ownership of shares of the Executive Management

Names of the persons of interest	Beginning of the year		End of the year		Net change	Change Ratio
	Number of Shares	Debt Instruments	Number of Shares	Debt Instruments		
Mr Ghassab Salman Ghassab Bin Mandeel	Found on page 66					
Mr Mishal Ibrahim Salem Al-Mishari	0	0	0	0	0	%
Mr Hamad Abdullah Fahad Al Bakr	Found on page 67					
Mr Heni Abdul Hakeem Mohamed Jallouli	0	0	0	0	0	%
Mr Mohammad Abdul Aziz Mohammad Al Barrak	0	0	0	0	0	%
Mr Abdul Aziz Mohammad Saleh Al Faris	0	0	0	0	0	%
Mrs Hiba Mohammad Hasan Al Zeer	0	0	0	0	0	%
Mr Abdulaziz Saud Abdulaziz Alhouti	0	0	0	0	0	%

Committees of the Board

Audit Committee

Formation, role and responsibilities of the committee

The Audit Committee was formed by the Ordinary General Assembly, as stipulated by the Corporate Governance Charter and the Bylaw. The Audit Committee exercises all powers conferred upon it by the Board of Directors. The Audit Committee is responsible for: financial reporting, the effectiveness of the system of risk management and internal control. Compliance with applicable external legal and regulatory requirements; monitoring the qualifications, expertise, resources and independence of both the internal and external auditors; and assessing the internal and external auditors' performance and effectiveness each year. The audit committee helps in achieving the company's objective and protects the interests of shareholders and investors. The Committee is composed of three members.

Audit Committee Members				
Name	Current Positions	Previous Positions	Academic Qualifications	Joining date
Mrs Loulwa Mohammed Abdulkarim Bakr*	<ul style="list-style-type: none"> Chairman of the Audit Committee 	<ul style="list-style-type: none"> Mentioned on page 68 		04/12/1443 (corresponding to 03 July 2022)
Mr Abdulwahab Abdulkarim Abdulrahman Al-Butairi**	<ul style="list-style-type: none"> Chairman of the Audit Committee 	<ul style="list-style-type: none"> Mentioned on page 71 		09/09/1442 (corresponding to 21 April 2021)
Mr Mishal Salman Ghassab bin Mandeel	<ul style="list-style-type: none"> Member of the Audit Committee in the company from 2021 to date. Partner and Adviser at Balance Business Advisory Company, a limited liability company, working in the field of professional financial advisory and business consultations, from 2022 to date. 	<ul style="list-style-type: none"> Privatisation Adviser at the Ministry of Transport, a government agency, working in the field of supervising the transport sector, from 2017 to 2022. Head of investment banking at Albilad Capital, a Saudi limited liability company, working in the field of investment, from 2009 to 2016. Manager of the Capital Markets Department at Albilad Capital, a Saudi limited liability company, working in the field of investment, from 2007 to 2009. 	<ul style="list-style-type: none"> BA in Industrial Management, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1997. 	09/09/1442 (corresponding to 21 April 2021)

Governance

Name	Current Positions	Previous Positions	Academic Qualifications	Joining date
Mr Amin Abdel Raouf Hariz	<ul style="list-style-type: none"> Member of the Company's Audit Committee, since 2021 to date. CFO, Miswak Dental Group, a Saudi closed joint stock company, medical care with a focus on dental and dermatology specialists, since 2018 to date. 	<ul style="list-style-type: none"> Manager of Market Consultations at Bank Albilad, a Saudi joint stock company, working in the field of financial services, from 2004 to 2007. Corporate Marketing Manager at Zajoul Company, a Saudi limited liability company, working in the field of communications, from 2001 to 2004. Administrative Officer in BAE Systems, a Saudi limited liability company, working in various fields, from 1997 to 2001. CFO, Theeb Rent a Car Company, a Saudi listed joint stock company, car rental, from 2014 to 2018. Chief of Arrangement, Mergers, Acquisitions and Corporate Finance, TeamOne Consulting, a Saudi limited liability company, financial consulting, deal arrangement and financing, from 2011 to 2014. 	<ul style="list-style-type: none"> Master's degree in Corporate Finance and Markets, University of Carthage, Tunisia, 2006. MA in Auditing, Accounting and Taxation, University of Manouba, Tunisia, 2003 AD. 	09/09/1442 (corresponding to 21 April 2021)

Name	Current Positions	Previous Positions	Academic Qualifications	Joining date
	<ul style="list-style-type: none"> • Director, Iso Etanche, a Tunisian closed joint stock company, insulation contracting, since 2010 to date • Partner, Franchise Lab, a Tunisian closed joint stock company, works in the field of e-marketing for commercial franchises and related professional services, since 2022 to date. 	<ul style="list-style-type: none"> • Manager of Transaction Consulting, Ernst & Young & Co (Certified Public Accountants), a Saudi joint venture, auditing, consulting and taxation, from 2007 to 2011. • Acting Manager of Auditing, MTPF Price water house Coopers, a Tunisian limited liability company, auditing, consulting and taxation, from 2003 to 2007. 	<ul style="list-style-type: none"> • Bachelor of Commerce in Accounting, University of Carthage, Tunisia, 2002. 	
<p>* Mrs Loulwa Mohammed Abdulkarim Bakr was appointed as the Chairman of the Audit Committee on 03 July 2022. Board approval may not be deemed final and this appointment shall be put before the General Assembly Meeting for approval</p> <p>** Abdulwahab Albutairi has submitted his resignation from his role as the Chairman of the Audit Committee on 03 July 2022.</p>				

Audit Committee meetings

The Audit Committee is composed of three non-executive members. This includes two independent members. The committee held three meetings during the 2022 fiscal year that were attended by members as shown in the table below.

Member name	Position	7 Feb 2022	16 Mar 2022	8 Sep 2022
Mrs Loulwa Mohammed Abdulkarim Bakr	Chairman of the Audit Committee			✓
Mr Abdulwahab Abdulkarim Abdulrahman Al-Butairi	Chairman of the Audit Committee	✓	✓	
Mr Mishal Salman Ghassab bin Mandeel	Audit Committee Member	✓	✓	✓
Mr Amin Abdel Raouf Hariz	Audit Committee Member	✓	✓	✓

Results of the annual review of effectiveness of internal control procedures of the Company

In the formation of the Audit Committee, the Company considered 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 Financial Statements and overseeing the work of the External Auditor and internal audit while ensuring the effectiveness of the control system for information.

Major areas reviewed by during the year:

- Reviewing and recommending the Financial Statements to the Board for approval.
- Approving Internal Audit Budget for the year.
- Review of the Internal Audit Annual Plan.
- Approving Internal Audit Reports conducted during the year which includes Information Technology, Cyber Security, Operations, Sales and Financial Control.
- Assessing External Audit Proposals and recommending the appointment of the External Auditor.

Investment Committee

Formation, role and responsibilities of the committee

The Investment Committee was formed by the Board of Directors. The Investment Committee exercises all powers conferred upon it by the Board of Directors. The Committee is composed of three members and is headed by the Chairman of the Board of Directors.

The Investment Committee is responsible for:

- Working 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.

- Reviewing 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.
- General supervision of the Company's investment activities and setting appropriate procedures for measuring and evaluating investment performance.
- 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.
- Studying financing possibilities for the above-mentioned transactions.
- Ensuring that the proposed investment opportunities comply with the relevant laws, regulations and instructions.
- Defining and arranging priorities for the proposed investment offers.
- Studying periodic reports from the Executive Management on the progress of the approved investment opportunities.
- Seeking 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.
- Approval of the investment opportunities proposed by the Company's Management.

Investment Committee Members

Membership of the committee along with short biographies of members

Name	Position	Previous positions	Academic qualifications	Dates of appointment
HRH Prince Mishal bin Sultan Abdulaziz Al Saud	Chairman of the Investment Committee	Mentioned on page 64		27/10/1442H (corresponding to 08 June 2021)
Mr Abdulaziz Abdulrahman Mohammed Al Omran	Investment Committee Member	Mentioned on page 65		27/10/1442H (corresponding to 08 June 2021)
Mrs Loulwa Mohammed Abdulkarim Bakr	Investment Committee Member	Mentioned on page 68		27/10/1442H (corresponding to 08 June 2021)

Investment Committee meetings

The Investment Committee held two meetings during the 2022 fiscal year that were attended by members as shown in the table below.

Member name	Position	Nature of Membership	Meeting date	
			[1st September 2022]	[27th November 2022]
HRH Prince Mishal bin Sultan Abdulaziz Al Saud	Chairman of the Investment Committee	Non - Executive	Attended	Attended
Mr Abdulaziz Abdulrahman Mohammed Al Omran	Investment Committee Member	Non - Executive	Attended	Attended
Mrs Loulwa Mohammed Abdulkarim Bakr	Investment Committee Member	Independent	Attended	Attended

Details of remuneration

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.

Allowances for Board members for attending Board meetings

Members of Board of Directors	Fixed remunerations					
	Specific amount	Board sessions attendance fees	Total Allowance for attending committee meetings	Remunerations for technical managerial and consultative work	Remunerations of the Chairman, Managing Director or Secretary, if any	Total
First: Independent Members						
Mrs Loulwa Mohammed Abdulkarim Bakr	200,00					200,00
Total	200,00					200,00
Second: Non-executive Members						
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	200,00					200,00
Mr Abdulaziz Abdulrahman Mohammed Al-Omran	200,00					200,00
Mr Abdullah Saud Marshoud Al-Romaih	200,00					200,00
Total	600,00					600,00
Third: Executive Members						
Mr Ghassab Salman Ghassab Bin Mandeel	200,00					200,00
Mr Hamad Abdullah Fahad Al-Bakr	200,00					200,00
Total	400,00					400,00
Grand Total	1,200,000					1,200,000

Remuneration to the top five senior executives

Senior Executives	Fixed remunerations			
	Salaries	Allowances	In kind benefits	Total
For 2022 (SAR)	5,426,250	1,808,750		7,235,000
For 2021 (SAR)	2,954,718	1,034,151		3,988,870

Percentage of the profits	Variable remunerations				Granted shares	Total	End of service rewards	Grand total	Expenses Allowances
	Periodic remunerations	Short-term incentive plans	Long-term incentive plans						
								200,00	
								200,00	
								200,00	
								200,00	
								200,00	
								600,00	
								200,00	
								200,00	
								400,00	
								1,200,000	

Periodic remunerations	Profits	Variable remunerations			Equity grants	Total	End of Service Rewards	Total remuneration for executives in the Board	Grand Total
		Short-term incentive plans	Long-term incentive plans						
					7,235,000	407,861	400,000	8,042,861	
427,780					4,416,650	245,000	400,000	5,061,650	

Remuneration of Committee members for membership in Board Committees

	Fixed remuneration (except attending sessions)	Allowances for attending sessions	Total
Audit Committee Members			
Mrs Loulwa Mohammed Abdulkarim Bakr	100,000		100,000
Mr Mishal bin Salman bin Ghassab bin Mandeel	100,000		100,000
Mr Amin Abdel Raouf Hariz	100,000		100,000
Total	300,000		300,000
Investment Committee Members			
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	100,000		100,000
Mr Abdulaziz Abdulrahman Mohammed Al-Omran	100,000		100,000
Mrs Loulwa Mohammed Abdulkarim Bakr	100,000		100,000
Total	300,000		300,000

Remuneration policy for Board and Executive Management

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 Management 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.

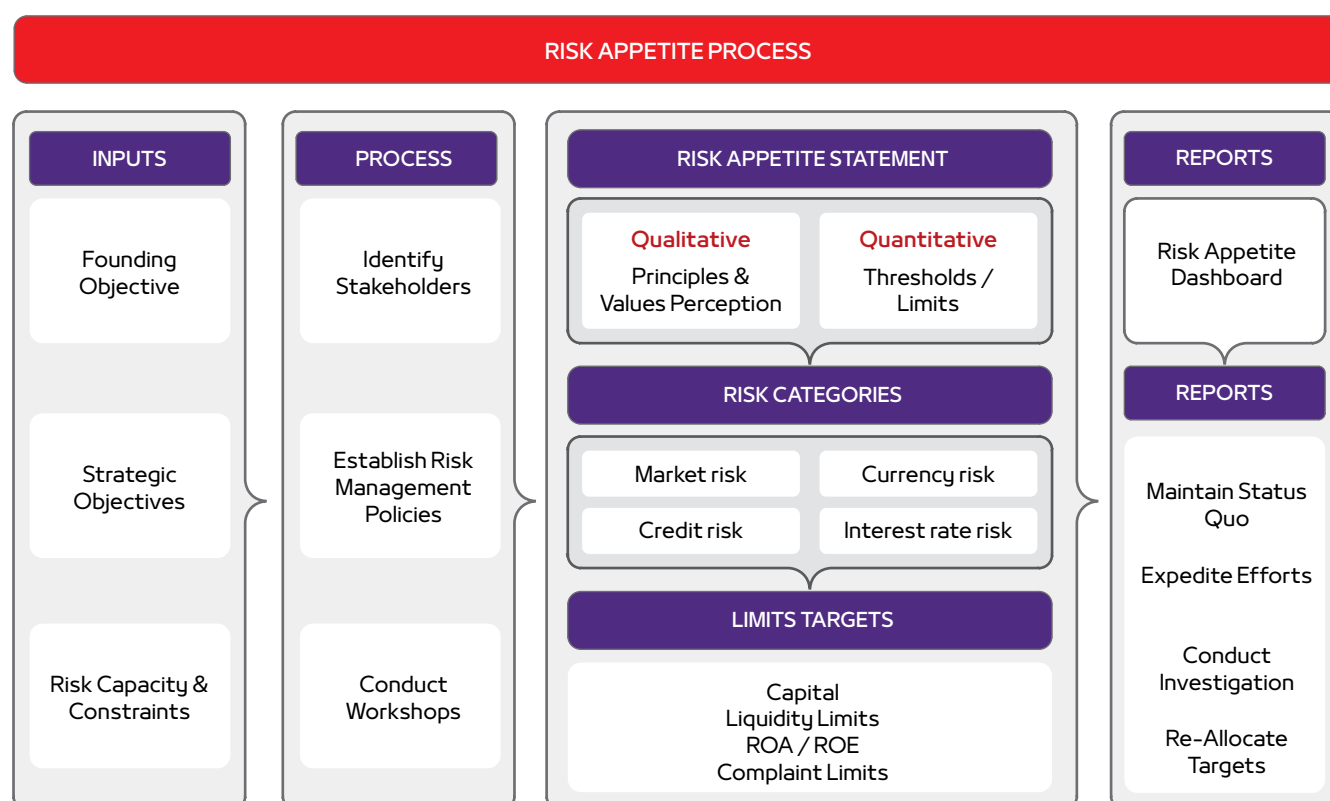
Risk management

Jahez has developed an Enterprise Risk Management Framework which is adapted from relevant frameworks including ISO 31000 (Risk Management – guidelines), and COSO (Enterprise Risk Management – Integrated Framework), in a manner consistent with local practices and requirements issued by the local government agencies. It is also integrated into the Jahez reporting structure and all that it does to meet compliance. Jahez is monitoring the identified risks against established metrics and through management’s response to manage, mitigate, or accept risk.

While developing the risk appetite framework and embedding risk appetite, the Company:

- Sets the strategic plan and objectives as well as the risk strategy and risk capacity.
- Articulates and cascades risk appetite statements and limits.
- Monitors and reports risk profile versus appetite.
- Controls and corrects the risk profile should it deviate from appetite and reassess the risk appetite and its strategy in the light of changes in the business, competitive or control environments.

The below diagram illustrates the components of the risk appetite framework.



The risk appetite of the Company is determined reflecting and balancing goals for growth, return and risk.

Governance

Risk Management Policy

The Group has worked on defining the control and risk management processes following 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.

Risk management governance

The Board has authorized the responsibility for reviewing the effectiveness of internal control systems and the 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 2022, Jahez hired a third-party consultant to establish the Enterprise Risk Management (ERM) and conducted an Enterprise Risk Assessment exercise and the identified critical risks were associated with the following categories: Governance, Strategic, Technology and Information Security, Financial, Operational and Commercial, Regulatory and Compliance, Reputational, Environmental, Health, Safety and Security. Risk Management started this year with assessing the risk in the inherent level (before considering the control in place) and the risk in the residual level (after considering the control in place) and developed a mitigation plan of the residual risks.

Jahez focused on raising awareness of risk management in all departments of the company and its subsidiaries and defining roles and responsibilities. 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.

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 lease 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 are 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.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, profit rates and equity prices that 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 optimising the return.

Currency risk

Currency risk is the risk that the value of a financial instrument 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.

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.

Credit risk

Credit risk is the risk that a 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 2022	31 December 2021
Trade receivables	22,759,260	6,674,849
Prepaid expenses and other receivables	82,184,561	36,636,636
Due from related parties	17,130	237,484
Cash and cash equivalents	902,685,742	391,688,002
Deposits with financial institutions	200,000,000	-
Investments at FVTPL	22,728,737	19,837,032
Total	1,230,375,430	455,074,003

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.

Achievements in 2022

The year 2022 was marked by several accomplishments by the Group, which were made possible due to its financial strength, competitive advantages, and advanced digital infrastructure. These achievements have added solid pillars to the implementation of the Group's strategy and plans for expansion and growth with confidence.

One of the most notable achievements of the Group in 2022 was its successful entry into the parallel market (Nomu). This move gave the Group a foundation to launch strongly towards achieving its ambitious strategy of expansion and growth. The IPO on (Nomu) was remarkable, with notable practices and outstanding investor interaction. This success has given the Group a solid platform to build on as it continues to pursue its growth objectives.

- The Group also maintained its market share with healthy growth, while aiming to optimize exploited opportunities. This achievement is a testament to the Group's ability to navigate challenging market conditions and capitalize on opportunities.
- The Group also acquired the Marn Business Information Technology Company, which will help merchants build their unique ecosystems by developing systems for business owners through various digital solutions that work in conjunction with different service providers and partnerships. This acquisition is in line with the Company's desire to add more verticals to its activities and continue its growth.
- Based on its in-depth study of market trends and business environment trends, coupled with the extensive experience of its management and operational staff supported by a highly developed digital infrastructure, the Group reached 9 operating locations in 5 different cities through Co Kitchen. This showed a promising future in the field of cloud kitchens, and the Company is now operating its branches in Riyadh, Qassim, Hail, Khobar, and Dammam. This achievement is a testament to the Group's ability to adapt to changing market conditions and capitalize on emerging opportunities.

- Expansion and growth by establishing new branches of Jahez throughout the Kingdom of Saudi Arabia exceeding 90 cities, reaching over 90% of the population, and establishing more strategic partnerships with local, regional and international brands active in the restaurants and kitchens sector. This expansion has been a key part of our strategy to reach more customers and provide them with our services. The Group has also launched its international operations in Bahrain and Kuwait.

2022 Challenges

In 2022, the Group faced several challenges that could have potentially hindered its growth and success. One of the most significant challenges was the introduction of government regulations and laws aimed at regulating the market. These regulations required all companies operating in the transportation sector to register their drivers on a centralized platform and document their data comprehensively. This posed a significant challenge to the company's operational ability to meet its ambitions and plans to expand in this field.

However, the Group was able to turn this challenge into an opportunity for success. It implemented its own fleet of drivers through its logistic company, Logi, which helped cover the company's needs and expand its business base. This allowed the Group to extend its services to fulfill the requirements and needs of other market. By doing so, the Group was able to adapt to the new regulations while still expanding its operations and increasing its market share.

Another challenge the Group faced was the rapid digital and technological development in the transportation sector. To face this challenge, the Group invested heavily in developing its highly advanced and flexible digital infrastructure, relying on the latest tools. The Group also supported this infrastructure with a highly skilled team. This gave the company a permanent ability to develop according to the highest standards of quality and advanced efficiency in this field, enabling it to implement its diversified operational and investment strategies and plans with high efficiency.

Overall, the Group's resilience, robust work strategy, strength of its operational, digital, and advanced technology structure, and the efficiency of its managerial and logistical teams allowed it to turn these challenges into opportunities for success in 2022.

2023 Objectives

The Group has implemented an ambitious future business strategy based on its significant achievements and successes during the past year 2022.

In 2023, the Group aims to achieve several important goals to further enhance its market position and profitability.

Firstly, the Group plans to boost its efforts to expand its promising investment vessels, ensuring more profitable returns for all shareholders and partners. To achieve this goal, the Group will provide all necessary support and assistance to its subsidiaries, including Logi for logistical support services, Inc. PIK for q-commerce, Co. Kitchen for cloud kitchens, and the newly established BLU Store for sportswear and fitness equipment.

Secondly, the Group aims to increase its market penetration in the Western and Eastern regions of the Kingdom of Saudi Arabia, as well as other newly entered cities.

Thirdly, the Group will focus on optimizing its operations in new markets in Bahrain and Kuwait, which it recently joined. This move is in line with the Group's expansion plans and aims to reach a larger user base and consolidate its position in the territory.

Finally, the Group will continue its inorganic growth through mergers and acquisitions, using this as a method to enter new markets and strengthen its position in current markets.

Overall, the Group's 2023 objectives demonstrate its commitment to expanding its market position, increasing profitability, and enhancing its operational efficiency.

Affiliated companies

Given in the table below are the names of each affiliate company, its capital, the Company's ownership percentage, main scope of business, country of operation and country of incorporation

Affiliate name	Capital	Company's ownership percentage	Main scope of business	Country of operation	Country of incorporation
PIK Option Trading Company	SAR 1,000,000	100.00%	Providing marketing services on behalf of other affiliates	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Joint Preparation Company for Meals (Co Kitchen)	SAR 25,000	60.00 %	Accommodation and food service activities (restaurant activities and mobile food service/event catering activities)	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Supportive Solutions Company for Logistic Services (Logi)	SAR 1,000,000	100.00%	<ul style="list-style-type: none"> • Road transport of goods • Steering goods • Transport vehicles • Providing delivery services via electronic platforms 	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
The Red Color Company (Red Color)	SAR 10,000	100.00%	Investment activities for each respective unit's own account, including venture capital firms and investment clubs	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
The BLU Store	SAR 500,000	51.00 %	Selling and marketing sports products with different brands and providing online services	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Jahez International Company W.L.L	BHD 50,000	100.00%	<ul style="list-style-type: none"> • Online food delivery • Call Center Services • Retail internet services 	Kingdom of Bahrain	Kingdom of Bahrain
Jahez International Company W.L.L	KD 100,000	100.00%	<ul style="list-style-type: none"> • Online food delivery • Call Center Services • Retail internet services 	Kuwait	Kuwait
Marn Business Information Technology Company	SAR 1,000,000	100.00 %	Software wholesales including importing and Hardware & Software Retail sales.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

No convertible debt instruments, contractual securities, memoranda of subscription rights or rights were issued or granted by any of the affiliated companies during the fiscal year 2022.

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	Type of relationship with the Company	Transaction type	Transaction value
Al Joudah Al-Mahaliyah Limited Company	Affiliate	Collection on behalf	232,998
		Revenue from sale of services	46,000
		Revenue from contracting	41,034
The Eight Creations Agency for Advertising	Affiliate	Advertisement and publicity services	1,595,855
Talal bin Saud Al Arifi	An owner in a subsidiary	Expenses paid on behalf of the subsidiary	1,887
Tharwa Holding Company	Affiliate	Leases and Maintenance services	1,366,205
Dar Al Fikrah Al-Mumaiyazah	Affiliate	Construction services	4,271,203
Halalah International Company	A company owned by Deputy CEO	Logistics services	6,391,146
		Payments on behalf of the Group	3,503,556
Halala Trading Company	Affiliate	Purchases invoices	106,674

Statutory payments, penalties and sanctions

A total of SAR 186,765,219 was paid as statutory payments to varied Government institutions and regulatory bodies, a breakdown of which is given below.

Paid to	Paid amount	Description	Reasons
Government fees	1,096,852	Represent the paid Government fees	Statutory requirement
The General Organization for Social Insurance (GOSI)	9,410,814	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	124,028,095	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	52,229,458	What is paid or charged over the period to the labor office	Statutory requirement

Fines were imposed on the Company during the year 2022 by the Ministry of Human Resources, the Ministry of Interior, the Ministry of Justice and the Saudi Central Bank amounting to a total of SAR 1,040,885.

Dividend 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 reserves 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 2022.

Governance

Shareholder rights

There are no arrangements or agreements under which any of the Company’s shareholders has waived their rights to profits.

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 2022.

Employee Stock Program

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 evaluations, where the Company’s Extraordinary General Assembly on 28/10/1442H (corresponding to 09 June 2021) agreed to set the Employees Stock 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 SAR 10 to be used within the framework of the Company’s Employee Stock Program, in accordance with the resolution of the Extraordinary General Assembly of the Company on 28/10/1442H (corresponding to 09 June 2021).

Businesses competing with the Group

The Directors Mr. Abdulaziz Abdulrahman Al-Omran and Mr. Abdullah Saud Alromaih (which he was appointed after the EGM) are the representatives for Impact 46 in the Jahez Board of Directors, which in turn invests in delivery applications competing with the Group’s business such as the Chefz and Nana applications. The Chefz application delivers food options and gifts to customers while the Nana application delivers purchases from supermarkets, pharmacies, meat merchants, etc. to customers. The Company’s General Assembly issued its approval for the Directors to participate in this competitive business on 21/11/1443H (corresponding to 06/20/2022).

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 capacity of restaurants in cooperation with the partners of the Chefz application.

About the 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

General Assembly

The General Assembly for the year 2022 was held on 20 June 2022. Attendance of Board Members are noted in the table below.

Name	Attendance
1 HRH Prince Mishal bin Sultan bin Abdulaziz Al Saud	Yes
2 Mr Abdulaziz bin Abdulrahman bin Mohammed Al-Omran	No
3 Mr Ghassab bin Salman bin Ghassab bin Mandeel	Yes
4 Mr Hamad bin Abdullah bin Fahad Al-Bakr	Yes
5 Mr Abdulwahab bin Abdulkarim bin Abdulrahman Al-Butairi	Yes
6 Mrs Loulwa bint Mohammed bin Abdulkarim Bakr	No
7 Mr Abdullah Saud Marshoud Alromaih*	N/A

* Mr Abdullah Alromaih was appointed as a Board Member after the EGM (appointed on 03 July 2022)

Our key social responsibility initiatives

Some of the key social initiatives and partnerships toward our customers, merchants, driver partners, and key social and economic sectors are summarized below.

To our customers

We drove our social impacts to our customers during the year through:

- Programs with direct clients
- 52 partnerships
- 61 community-driven initiatives and programs

Through our platforms

Nine-Tenth Program

Jahez, in partnership with Hadaf [the Human Resources Development Fund (HRDF)], supported 366 Saudi families and SMEs by dedicating a special section in its applications with a discounted take rate.

- The number of participating restaurants: 366
- Total number of products: 5,159
- Total GMV 2022: 13 Mn

Organic food program

A partnership was signed between the Ministry of Environment, Water, and Agriculture and Jahez, where Jahez supports farmers by providing special rates and logistical support, thereby reducing farmer costs and contributing to their success.

- 2,613 products
- 6 stores
- 17 organic food stores

Gluten-free program

A partnership with the Ministry of Health was established to help those struggling with this intolerance. Through this partnership, stores and bakeries that sell gluten-free products were backed and supported by both entities, helping them reduce costs and enabling them to offer their customers affordable options.

- 1.5% of Saudis are intolerant to gluten
- 23 gluten-free products supported as part of this initiative on the app
- Impact: SAR1.2 Mn

To our delivery partners

The Delivery Sector's Saudi Youth Employment Program

In cooperation with Hadaf (HRDF), Jahez provided training, rehabilitation, and employment opportunities to a number of Saudi youth seeking employment. The program yielded SAR 706,000.

The delivery localization program:

Saudi delivery reps who execute an average of five orders per day for a year were given cars that they can afford to run and maintain.

- 29 cars were given away in 2022

Sector-specific programs - Health

Healthy food program

Our responsibility towards society inspires us to advocate for healthy living by highlighting and encouraging the consumption of healthy food. We provide discounts, support, promotion, and easy access for stores and restaurants that provide such options.

- Impact: SAR1 Mn

Governance

The Shefa Platform

A community well-being initiative at Jahez driven via the Shefa telehealth platform, whereby contributions are offered to beneficiaries on a case-by-case basis.

- 76 treatments and health endowment funds bestowed during 2022.

Moq'ad Initiative

A contribution was made where 3,000 wheelchairs were distributed to hospitals in remote areas.

- Number of benefitting hospitals: 50
- Impact: SAR 1 Mn

Sector-specific programs - Youth empowerment

Jahez Data Bootcamp

This initiative involved training more than 50 male and female students and empowering them by teaching them about data.

The goals of the initiatives include: finding national information technology competencies, equipping the youth with what it takes to deal with real challenges, and helping them apply what they learned in the real world.

- Beneficiaries: 27 male and female students

Sector-specific programs - Advocating for women

Jahez follows a three-pronged approach to advocating and supporting women: academically, economically and athletically. Some of the more recent examples include:

- Academically: Supports females through our partnerships with Princess Nourah Bint Abdul Rahman University.
- Economically: Supports 217 stores that are owned and run by women, doing so by providing them with special rates and logistical support.
- Athletically:
 - Supports women in sports through targeted sponsorships to sports clubs.
 - Supporting the Women's Football Championships (West Asian Federation).
 - Supporting Flajj Women's Team.

Sector-specific programs - Sports

One of the many goals of the Vision 2030 program is to elevate the Country's sporting standards, thereby allowing its national teams to compete globally. In addition, part of the Vision is to also enable the Kingdom to host and organize large-scale international sporting events. To this end, Jahez has taken the lead by supporting and sponsoring various championships and sporting events in the following manner:

- Supported 11 different sports by way of donations and sponsorships.
- Contributed to 23 sporting events by way of sponsorship.
- Participated in 9 seasonal competitions.
- Impact: SAR 170 Mn

Sector-specific programs - Charities

- The following charitable initiatives were carried out during the year targeting the two main religious seasons in the Kingdom - Ramadan and Hajj seasons.
 - The Ramadan basket: 19,422
 - Enabling donations via platforms in order to provide housing for orphans. This was carried out on two occasions via the Group's platforms, one during Eid al-Fitr and the other during Zakat al-Fitr.
 - Sponsored the King Saud University medical team during the Hajj season, during which it assisted in 1,257 emergency cases involving more than 30 nationalities.
- Impact: SAR 2 Mn

Jahez AlKhair

Jahez Khair is an initiative run in collaboration with reputable Government platforms aimed at reaching the most needy individuals in society. The objectives of this initiative are to support programs run via such Government-run social applications, and to also shed light on some of the key societal issues and cases within.

Some of our key support areas in this program are:

Beneficiary	Monetary donations	Social impact
Disabled Children's Association	SAR 2 Mn +	35 sick cases closed
Trahum	SAR 604,620	For 21 reunified families
Attaa Platform	SAR 1.1 Mn	-
For children with special needs	SAR 521,000	-
Donations to Tabaru Platform	SAR 1.3 Mn	Two general cases - orphanage
Jood Eskan Platform	SAR 1.1 Mn	Nine houses
Ehsan Platform	SAR 1.24 Mn	Ten general cases
Jahez Tent	SAR 2 Mn +	171,500 meals
Eid Fitr Zakat	SAR 755,140	3,025 Ramadan breakfast meals

Sector-specific programs - Associations

Support to charitable associations

We support and enable charitable associations and institutions. Jahez cooperated with 31 associations during 2022 that tackle various issues, including ones concerning the disabled, children, self-sufficiency in families, women, and, among others, chronically ill patients and various diseases.

- Impact: SAR 2 Mn

Sector-specific programs - Other

Logistics Academy support program

Jahez facilitates academic programs that qualify Saudi cadres in the field of logistics, thus contributing to the achievement of the Vision 2030 goals of raising the rate of localization in many of the Kingdom's sectors.

Saudi Barista

An initiative that empowers Saudi youth in the coffee industry. During the year, 110 young men and women were trained and mentored by professionals in the industry.

- Impact: SAR 800,000

Investor Relations

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. In this regard, the Company's Investor Relations (IR) Department serves as a centre for constant communication with shareholders, investors, and analysts. The Board of Directors receives regular updates regarding shareholders' opinions, suggestions and observations about the Company and its performance through the IR 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 meetings of the Board of Directors.

The Company aims 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, attendance at investor conferences, and issuing management statements on the activities of the Company and its results. The Executive Management also held several conference calls with analysts and shareholders upon their request to understand the Company's 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.

Shareholders records requests

Number of shareholders records requests	Request date	Request reasons
(1)	02 January 2022	Corporate Action
(2)	28 February 2022	Others
(3)	31 March 2022	Others
(4)	30 April 2022	Others
(5)	31 May 2022	Others
(6)	20 June 2022	AGM
(7)	30 June 2022	Others
(8)	31 July 2022	Others
(9)	31 August 2022	Others
(10)	08 September 2022	Others
(11)	03 October 2022	Others
(12)	31 October 2022	Others
(13)	15 November 2022	Others
(14)	20 November 2022	Others
(15)	27 November 2022	Others
(16)	06 December 2022	Others
(17)	13 December 2022	Others
(18)	25 December 2022	Others

Financial performance

Financial performance indicators for 2022

	2022 (Audited consolidated)	2021 (Audited consolidated)	2020 (Audited consolidated)	2019 (Audited non-consolidated)
Key Performance Indicators				
Gross Order Value (GOV)* (SAR '000)	5,774,161	4,524,826	1,887,706	631,862
Gross Merchandise Value (GMV) (SAR '000)	4,291,296	3,342,531	1,418,096	497,477
Number of orders (in Millions)	69.0	51.6	19.5	6.9
Average total GMV per order (SAR)	62.2	64.8	72.6	71.1
Average monthly orders per customer	4.8	4.7	4.5	3.8
Average number of merchants	8,967	5,550	2,336	1,475
Average number of branches	20,730	13,608	7,181	4,506
Average delivery fee per order (SAR)	14.3	14.4	14.6	14.9
Average commission per order (SAR)	7.7	7.5	7.7	6.7
Average commission percentage (%)	12.45%	11.6%	10.60%	9.50%
Gross profit margin	22.41%	21.17%	23.60%	16.10%
Adjusted Earnings/(loss) margin before interest, tax, depreciation, and amortization	10.3%	10.8%	9.6%	(2.4%)
Net profit/(loss) margin for the year	3.5%	10.1%	8.6%	(4.1%)
Return on equity	5.63%	62.5%	86.9%	(9177.1%)
Return on total assets	4.01%	23.7%	17.0%	(10.7%)
Statement of Income (SAR '000)				
Revenues	1,602,477	1,159,568	459,306	158,529
Cost of Revenue	(1,243,297)	(914,043)	(350,779)	(133,035)
Gross Profit	359,180	245,525	108,527	25,494
General and administrative expenses	(136,450)	(26,176)	(11,408)	(6,317)
Advertising Expenses	(131,378)	(86,568)	(49,425)	(20,647)
Research and development expenses	(33,784)	(10,986)	(4,924)	(2,566)
Profit/(Loss) of change in trade receivable	3,756	(2,501)	(464)	(66)
Loss of impairment of receivable from related parties	0	0	(1,855)	(1,969)
Other Income	2,696	484	486	20

Governance

	2022 (Audited consolidated)	2021 (Audited consolidated)	2020 (Audited consolidated)	2019 (Audited non-consolidated)
Operating Profit/(loss)	64,020	119,777	40,937	(6,051)
Financing Costs	(3,156)	(547)	(305)	(245)
Net profit/(loss) for the year before Zakat	84,828	121,198	40,632	(6,296)
Zakat	(28,304)	(4,488)	(1,135)	(128)
Net Profit/(loss) for the year/period	56,523	116,710	39,496	(6,424)
Statement of financial position				
Total current assets	1,208,571	435,435	214,792	46,859
Total non-current assets	202,314	58,581	17,175	12,936
Total Assets	1,410,885	494,016	231,967	59,795
Total current liabilities	299,196	278,662	178,037	53,618
Total non-current liabilities	107,723	27,037	8,473	6,106
Total Liabilities	406,919	305,700	186,510	59,724
Total Equity	1,003,966	188,316	45,457	70
Total Equity and Liabilities	1,410,885	494,016	231,967	59,795
Statement of Cash Flows				
Net cash flow from operating activities	7,198	206,178	174,800	19,415
Net cash flow used in investing activities	(219,056)	(16,920)	(5,432)	(3,156)
Net cash flows from (used in)/financing activities	722,856	(3,294)	(2,636)	1,901
Cash and cash equivalent at the end of the year/period	902,686	391,688	205,724	38,992

Gross Merchandize and Order Value (GMV)

SAR '000	2022	2021	2020	2019
GMV (Gross Merchandise Value)	4,291,296	3,342,531	1,418,096	497,477
Value Added Tax on the Value of the Order	643,199	486,816	161,957	24,874
Delivery Value Paid by Customers	730,045	604,764	276,345	104,297
Value Added Tax on Delivery Value Paid by Customers	109,621	90,715	31,308	5,215
GOV (Gross Order Value) (Thousands of Saudi Riyals)	5,774,161	4,524,826	1,887,706	631,862

Revenue by type

SAR '000	2022 (Audited consolidated)	2021 (Audited consolidated)	2020 (Audited consolidated)	2019 (Audited non-consolidated)
Revenue from delivery fees	989,576	744,622	285,457	104,297
Revenue from commissions	534,226	389,097	150,201	47,210
Revenue from e-payment fees	72,522	56,542	11,159	4,810
Advertising and marketing revenues	70,027	53,816	8,193	825
Other income	5,319	3,599	4,296	1,388
Total Gross Revenue	1,671,670	1,247,676	459,306	158,530
Customers cash back	(1,926)	(26,799)	0	0
Customer Compensation	(41,775)	(34,819)	(13,036)	(4,473)
Promotions	(25,493)	(26,490)	(4,909)	(1,917)
Net Revenue	1,602,477	1,159,568	441,361	152,140

Year-on-year comparison of key metrics

Description SAR '000	2022	2021	Change	Change %
Sales/Revenues	1,602,477	1,159,568	442,909	38.2
Cost of sales	(1,243,297)	(914,043)	(329,254)	36
Total Profit	359,180	245,525	113,655	46.3
Other Operational Revenues	6,451	484	5,967	1232.9
Other Operational Expenses	(301,611)	(126,232)	175,379	138.9
Operational Profit (Loss)	64,020	119,777	(55,757)	-46.6

Segment Reporting

In 2022					
Segment Reporting SAR Mn	Delivery Platforms	Logistics	Others	Eliminations	Total 2022
Gross Revenues	1,666.5	310.4	5.2	-310.4	1,671.7
Customer Compensations	-41.8	0.0	0.0	0.0	-41.8
Customer Promotions & Cash back	-27.4	0.0	0.0	0.0	-27.4
Net Revenues	1,597.3	310.4	5.2	-310.4	1,602.5
Direct Costs	-1,209.2	-336.6	-5.5	313.6	-1,237.6
Operating Costs (S&M and G&A)	-200.1	-3.0	-1.1	0.0	-204.2
Expected Credit Losses	3.8	0	0	0	3.8
Other Operating Income	2.7	0	0	0	2.7
Adj. EBITDA	194.5	-29.2	-1.4	3.2	167.1
	11.7%	-9.4%	-26.7%	-1.0%	10.0%
Other Drivers Costs (Idle Capacity)	0.0	-79.5	0.0	0.0	-79.5
Depreciation and Amortization	-6.9	-13.3	-3.2	0.0	-23.5
Other Income and Investment Results	21.6	0.6	1.8	0.0	24.0
Financing cost	-0.4	-2.4	-0.4	0.0	-3.2
Zakat	-28.3	0.0	0.0	0.0	-28.3
Net Income (Loss) for the Year	180.4	-123.9	-3.2	3.2	56.5

In 2021					
Segment Reporting SAR Mn	Delivery Platforms	Logistics	Others	Eliminations	Total 2021
Gross Revenues	1,246.2	110.7	1.5	-110.7	1,247.7
Customer Compensations	-34.8	0	0	0	-34.8
Customer Promotions & Cash back	-53.3	0	0	0	-53.3
Net Revenues	1,158.1	110.7	1.5	-110.7	1,159.6
Direct Costs	-906.5	-116.4	-1.8	110.7	-914.0
Operating Costs (S&M and G&A)	-116.9	-0.7	-0.1	0.0	-117.7
Expected Credit Losses	-2.5	0	0	0	-2.5
Other Operating Income	0.0	0	0	0	0.0
Adj. EBITDA	132.2	-6.4	-0.4	0.0	125.3
% of Gross Revenue	10.6%	-5.8%	-27.3%	0.0%	10.0%
Other Drivers Costs (Idle Capacity)	0.0	0.0	0.0	0.0	0.0
Depreciation and Amortization	-5.6	0.0	0.0	0.0	-5.6
Other Income and Investment Results	0.5	0.0	8.2	0.0	8.7
Financing cost	-0.5	0.0	-0.5	0.0	-0.9
IPO Expense	-6.2	0.0	0.0	0.0	-6.2
Zakat	-4.5	0.0	-0.1	0.0	-4.6
Net Income (Loss) for the Year	115.9	-6.4	7.3	0.0	116.7

Governance

The Jahez Group achieved an increase of 34% in its Gross Revenues for the year 2022 due to the increase in delivery fees by 32.9%, commission revenue by 37.3% and other revenues by 29.8%. This increase is mainly due to the increase in Gross Merchandise Value (GMV) in 2022 by 28.4% reaching SAR 4.3 Bn (SAR 5.8 Bn GOV) compared to SAR 3.3 Bn (SAR 4.5 Bn GOV) in 2021 due to the increase in number of orders by 33.8% in 2022 to reach 69.0 Mn orders, compared to 51.6 Mn orders in 2021 due to the increase by 35.3% in average number of users in 2022, compared to last year and the increase in the monthly average orders per user to reach 4.8 orders in 2022, compared to 4.7 orders in last year, while the Average Order Value (AOV) decreased in 2022 reaching SAR 62.2 compared to SAR 64.8 last year. Also, the average take rate increased in 2022 to reach 12.5%, compared to 11.6% in last year, in addition to increase in merchant number by Dec-22 to reach 10,648 restaurants compared to 7,061 restaurants of the same period last year.

As for the Adjusted Earnings before interest, taxes, depreciation and amortization (Adj.EBITDA) for 2022, it has reached SAR 167.1 Mn compared to SAR 125.3 Mn for last year, with an increase of 32.8%, which represents 10% of Gross Revenues at a steady rate for 2022 and 2021. Adjusted Earnings before interest, taxes, depreciation and amortization (Adj.EBITDA) are broken by the operating segments of the Group:

Adj.EBITDA (SAR Mn)	Delivery Platforms Segment	Logistic Segment	Others	Eliminations/ Amendments	Total
2022	194.5	-29.2	-1.4	3.2	167.1
2021	132.2	-6.4	-0.4	0	125.3

Delivery Platforms Segment :

Adj. EBITDA for the Platforms Segment reached SAR 194.5 Mn (11.7% of gross revenue and 3.4% of the GOV) with an increase of 47% in 2022 compared to SAR 132.2 Mn (10.6% of Gross Revenue and 2.9% of the GOV) in 2021. This was mainly driven by the growth of revenues and the geographical expansion around the Kingdom by increasing the number of cities in which the group operates in to reach

90 cities and the increase of efficiency in operations with a strong operational cost control and the effect of economies of scale through orders growth. This increase was achieved despite the costs related to the international expansion where the Group launched its operation in Bahrain and Kuwait during 2022, as well as the developments in Direct Commerce platforms (PIK, BLU Store) which will have material contribution in revenues starting 2023.

Logistic segment:

In line with the requirements of the concerned governmental entities, the Group started during 2022 the implementation of its own fleet for logistic services which resulted in an Adj. EBITDA in 2022 for the logistic segment around SAR -29.2 Mn. This loss was mainly due to the high costs related to the fleet and the limited productivity for new drivers during the training period. Currently, the Group has a fleet with a high level of professionalism and productivity, securing an important portion of orders for its delivery platforms and enabling the Group to be one of the major players in last-mile delivery segment.

Others:

Adj. EBITDA reached SAR -1.4 Mn related to the Group activities regarding cloud kitchens and the investments in Red Color Company.

As for the Net Profit of the year, the net profit attributable to the Shareholders of the Parent Company decreased by 49.6% reaching SAR 58.9 Mn in 2022 compared to SAR 117.0 Mn in 2021.

Net Profit of the Group also decreased by 52% reaching SAR 56.5 Mn compared to SAR 116.7 Mn in 2021. A breakdown of the reasons for the change in profits according to operating segments:

Net Income

(SAR Mn)	Platform Segment	Logistic Segment	Others	Eliminations/ Modifications	Total
2022	180.4	-123.9	-3.2	3.2	56.5
2021	115.9	-6.4	7.3	0.0	116.7

Platforms segment:

Net Income for the platforms segment reached SAR 180.4 Mn, increased by 56% compared to the previous year. The increase is due to the revenue growth and the effect of economies of scale based on the growth of orders and the continuous cost efficiency, in addition to the profit on short term deposit certificates (Murabaha). It is also worth noting that Zakat Expense for the year 2022 increased exceptionally reaching SAR 28.3 Mn due to the addition of proceeds from the initial Public Offering to the Zakat base.

In fact, after the COVID-19 pandemic, with the process of importing drivers frozen out, most manpower recruitment agencies faced a major competition and pressure due to the increased demand for the driver profession locally and in the Gulf in the same period resulting in a low level of commitment from the recruitment agencies to the agreed plans which led to an overlap in onboarding schedules and caused a disruption to car receiving plans in addition to the lack of appointments for issuing driver licenses.

Logistic segment:

Despite the increase in segment revenues by 180.4% compared to last year, the loss of the segment reached SAR -123.8 Mn in 2022 compared to SAR -6.4 Mn the previous year, due to non-recurring expenses amounting to SAR -79.5 Mn representing the value of salaries, wages and benefits of drivers for a period before the completion of the necessary procedures to join the operating team which took more time than expected for beyond our control reasons as well as other driver related governmental expenses.

Others:

Net Income from the Other Segment reached SAR -3.2 Mn and is related to the Group activities regarding cloud kitchens and investments in the Red Color Company.

The segment faced serious challenges related to the inability of existing stakeholders to absorb the pace of driver onboarding according to the agreed plan with regulators.


Board declarations

The Board of Directors declares that:

- The books of account have been maintained properly.
- The system of internal control is sound in design and has been effectively implemented.
- The Company's Consolidated Financial Statements were prepared during the fiscal year 2022 in accordance with the standards approved by the Saudi Organization for Certified Public Accountants (SOCPA).
- There are no qualifications in the Auditor's Report on the Annual Financial Statements during the fiscal year 2022. There is no recommendation from the Board of Directors to change the Auditor before the end of the period for which they were appointed, during the fiscal year 2022.
- There are no significant doubts concerning the Company's ability to continue as a going concern.
- There were 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 2022.
- No convertible debt instruments, contractual securities, memoranda of subscription rights or rights were issued or granted by the company during the fiscal year 2022.
- 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 2022.
- There was no redemption, purchase or cancellation by the Company of any redeemable debt instruments, during the fiscal year 2022.
- There is no deviation from the accounting standards approved and applied in the Kingdom of Saudi Arabia, during the fiscal year 2022.
- 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 2022.
- There are no procedures that may obstruct the shareholders' voting rights in 2022.
- There were no important events affecting the safety of the company's financial position after the end of the fiscal year 2022 that required disclosure, other than the available and announced information.
- The accounting records have been prepared and updated properly
- 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.

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→ Financial statements

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KPMG Professional Services

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Kingdom of Saudi Arabia
Commercial Registration No 1010425494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية

وأجهاة الرياض، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٥٤٩٤

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 2022, the consolidated statements of profit or loss and other comprehensive income, changes in shareholders equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, 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 auditors' 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 for Chartered and Professional Accountants (including International Independence Standards) that are endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

KPMG professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia. With the paid-up capital of SAR 40,000,000. (Previously known as "KPMG Al Fozan & Partners Certified Public Accountants") A non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة مقفلة، مسجلة في المملكة العربية السعودية، رأس مالها (٤٠,٠٠٠,٠٠٠) ريال سعودي مدفوع بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاه محاسبون ومراجعون قانونيون". وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.



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 (31) of the accounting policy related to revenue from contracts from customers, as well as Note (20) related to disclosure of revenue.

Key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 December 2022, revenue amounting to SR 1.602 billion was recognized (2021: SR 1.159 billion).</p> <p>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.</p>	<p>Our audit procedures performed with relation to revenue included, among others, the following:</p> <ul style="list-style-type: none"> ● 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; ● Assessing the design and implementation and tested the operating effectiveness of controls relating to processes over revenue recognition, including anti-fraud control procedures. ● Conducting a review for the settlements of the amounts collected against the services provided to costumers and the related commissions. ● Performing various analytical reviews of significant revenue streams; ● Conducting a sample-based review of revenue transactions with the supporting documents, to verify that the revenues are recorded in their correct periods. ● Inquired from the management representatives regarding fraud awareness and the existence of any actual fraud cases. ● Assessing the appropriateness of the disclosures made in the financial statements.



Independent Auditor's Report

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

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.

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 International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Al Dossari
License No. 469

Riyadh, 30 Sha'aban 1444H
Corresponding to: 22 March 2023

Consolidated Statement of financial position

For the year ended 31 December
(Saudi Riyal)

As at 31 December (Saudi Riyal)	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Property and equipment	4	40,355,671	7,783,014
Intangible assets	5	5,724,786	3,860,065
Right-of-use assets	6	133,504,502	27,101,347
Investments at FVTPL	7	22,728,737	19,837,032
Total non-current assets		202,313,696	58,581,458
Current assets			
Inventory		924,771	197,881
Trade receivables	8	22,759,260	6,674,849
Prepaid expenses and other receivables	9	82,184,561	36,636,636
Due from related parties	18.a	17,130	237,484
Cash and cash equivalents	10	902,685,742	391,688,002
Deposits with financial institutions	11	200,000,000	-
Total current assets		1,208,571,464	435,434,852
Total assets		1,410,885,160	494,016,310
EQUITY AND LIABILITIES			
Shareholders Equity			
Share capital	12	104,918,030	96,000,000
Statutory reserve	13	18,420,724	12,523,023
Share premium	12	740,175,504	-
Treasury shares	12	(1,920,000)	-
Employees' shares reserve	14	11,896,912	-
Retained earnings		131,634,562	78,744,619
Equity attributable to equity holders of the Parent Company		1,005,125,732	187,267,642
Non-controlling interests		(1,160,057)	1,048,659
Total shareholders equity		1,003,965,675	188,316,301
LIABILITIES			
Non-current liabilities			
Non-current portion of lease liabilities	6	96,833,791	21,199,200
Employees' benefits obligations	15	10,889,389	5,838,118
Total non-current liabilities		107,723,180	27,037,318
Current liabilities			
Proceeds due to customers	16	118,800,899	164,717,111
Current portion of lease liabilities	6	32,168,120	4,965,955
Trade payables		51,111,077	28,534,849
Accrued expenses and other current liabilities	17	68,257,264	75,265,700
Due to related parties	18.b	1,050,208	687,458
Zakat provision	19	27,808,737	4,491,618
Total current liabilities		299,196,305	278,662,692
Total liabilities		406,919,485	305,700,009
Total equity and liabilities		1,410,885,160	494,016,310

The accompanying notes from 1 to 33 form an integral part of these Consolidated Financial Statements.

HRH Mishal Bin Sultan Bin Abdulaziz Al Saud

Chairman

Ghassab Bin Salman Bin Mandeel

CEO

Heni A. Jallouli

CFO

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December
(Saudi Riyal)

For the year ended (Saudi Riyal)	Note	31 December 2022	31 December 2021 (Adjusted - note 32)
Revenue, net	20	1,602,476,839	1,159,567,962
Cost of revenue	21	(1,243,297,002)	(914,043,363)
Gross profit		359,179,837	245,524,599
Reversal/ impairment (loss) of trade receivables	8	3,755,826	(2,501,412)
Marketing & advertising expenses	22	(131,377,566)	(86,568,244)
General and administrative expenses	23	(136,449,562)	(26,176,559)
Research and development expenses		(33,784,069)	(10,985,616)
Other income		2,695,556	483,740
Operating profit		64,020,022	119,776,508
Unrealized gains on investments at FVTPL	7	1,766,705	8,212,032
Finance costs		(3,155,960)	(547,273)
Finance income		22,196,965	–
Public offering expenses		–	(6,243,469)
Net profit for the year before zakat		84,827,732	121,197,798
Zakat	19	(28,304,442)	(4,487,725)
Net profit for the year		56,523,290	116,710,073
Net profit for the year attributable to:			
Shareholders of the Parent Company		58,977,006	117,068,284
Non-Controlling interests		(2,453,716)	(358,211)
		56,523,290	116,710,073
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (losses)/gains from re-measurement of employees' end of service benefits	15	(189,362)	149,719
Total other comprehensive income		(189,362)	149,719
Total comprehensive income		56,333,928	116,859,792
Total other comprehensive income attributable to			
Shareholders of the parent company		58,787,644	117,218,003
Non-Controlling interests		(2,453,716)	(358,211)
		56,333,928	116,859,792
Earnings per share attributable to shareholders of the Company:			
Basic and diluted earnings per share	26	5.7	19.6

The accompanying notes from 1 to 33 form an integral part of these Consolidated Financial Statements.

HRH Mishal Bin Sultan Bin Abdulaziz Al Saud
Chairman

Ghassab Bin Salman Bin Mandeel
CEO

Heni A. Jallouli
CFO

Consolidated statement of changes in shareholders equity

For the year ended 31 December
(Saudi Riyal)

For the year ended 31 December (Saudi Riyal)	Equity attributable to the Parent Company's shareholders			
	Share capital	Statutory reserve	Share premium	Treasury shares
Balance as at 1 January 2021	5,000,000	1,500,000	–	–
Transactions with shareholders of the Company				
Transferred from shareholders' credit balances for share capital increase (note 12)	26,000,000	–	–	–
Transferred from statutory reserve and retained earnings for share capital increase (note 12)	65,000,000	(1,500,000)	–	–
Total transactions with shareholders of the Company	91,000,000	(1,500,000)	–	–
Net profit for the year	–	–	–	–
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	–	–
Transferred to statutory reserve	–	12,523,023	–	–
Balance as at 31 December 2021	96,000,000	12,523,023	–	–
Balance as at 1 January 2022	96,000,000	12,523,023	–	–
Capital increase	8,918,030	–	–	–
Net profit for the year	–	–	–	–
Other comprehensive income for the year	–	–	–	–
Total comprehensive income for the year	–	–	–	–
Share premium (note 12)	–	–	740,175,504	–
Treasury shares (note 12)	–	–	–	(1,920,000)
Share-based payments transactions (note 14)	–	–	–	–
Transferred to statutory reserve	–	5,897,701	–	–
Non-Controlling interests	–	–	–	–
Balance as at 31 December 2022	104,918,030	18,420,724	740,175,504	(1,920,000)

The accompanying notes from 1 to 33 form an integral part of these Consolidated Financial Statements.

HRH Mishal Bin Sultan Bin Abdulaziz Al Saud
Chairman

Ghassab Bin Salman Bin Mandeel
CEO

Heni A. Jallouli
CFO

For the year ended 31 December
(Saudi Riyal)

	Equity attributable to the Parent Company's shareholders			Non-controlling interests	Total
	Employees' shares reserve	Retained earnings	Total		
	–	37,549,639	44,049,639	1,406,870	45,456,509
	–	–	26,000,000	–	26,000,000
	–	(63,500,000)	–	–	–
	–	(63,500,000)	26,000,000	–	26,000,000
		117,068,284	117,068,284	(358,211)	116,710,073
	–	149,719	149,719	–	149,719
	–	117,218,003	117,218,003	(358,211)	116,859,792
	–	(12,523,023)	–	–	–
	–	78,744,619	187,267,642	1,048,659	188,316,301
	–	78,744,619	187,267,642	1,048,659	188,316,301
	–	–	8,918,030	–	8,918,030
	–	58,977,006	58,977,006	(2,453,716)	56,523,290
	–	(189,362)	(189,362)	–	(189,362)
	–	58,787,644	58,787,644	(2,453,716)	56,333,928
	–	–	740,175,504	–	740,175,504
	–	–	(1,920,000)	–	(1,920,000)
	11,896,912	–	11,896,912	–	11,896,912
	–	(5,897,701)	–	–	–
	–	–	–	245,000	245,000
	11,896,912	131,634,562	1,005,125,732	(1,160,057)	1,003,965,675

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Consolidated statement of cash flows

For the year ended 31 December (Saudi Riyal)

For the year ended (Saudi Riyal)	31 December 2022	31 December 2021
Cash flows generated from operating activities:		
Net profit for the year before zakat	84,827,732	121,197,798
Adjustments to reconcile net income for the year to cash flows generated from operating activities:		
(Reversal)/ impairment loss of trade receivables	(3,757,826)	2,501,412
Depreciation and amortization	23,530,731	6,043,719
Employees' benefits	5,574,726	2,885,590
Finance costs	3,155,960	456,352
Unrealized gains on investments at FVTPL	(1,766,705)	(8,212,032)
Share-based payments expenses	11,896,912	–
Returns from financial institutions	(22,196,965)	–
Changes in operating assets and liabilities:		
Inventory	(726,890)	(103,710)
Trade receivables	(12,328,585)	(6,995,458)
Prepaid expenses and other receivables	(45,547,925)	(32,626,419)
Due from related parties	220,354	252,352
Proceeds due to customers	(45,916,212)	58,823,237
Trade payables	22,576,228	23,444,671
Accrued expenses and other current liabilities	(7,008,436)	40,572,096
Due to related parties	362,750	(890,053)
Employees' benefits paid	(712,817)	(34,709)
Zakat paid	(4,987,323)	(1,136,479)
Net cash flows generated from operating activities	7,197,709	206,178,367
Cash flows from investing activities		
Payments for purchase of property and equipment	(37,165,475)	(3,878,688)
Payments to purchase and develop intangible assets	(2,962,556)	(1,416,462)
Payments to purchase investments at FVTPL	(1,125,000)	(11,625,000)
Addition of deposits with financial institutions	(200,000,000)	–
Proceeds from interests on short-term deposits	22,196,965	–
Net cash flows used in investing activities	(219,056,066)	(16,920,150)
Cash flows from financing activities		
Proceeds from initial public offering	749,093,534	–
Treasury shares	(1,920,000)	–
Repayments of lease liabilities on right-of-use assets	(24,562,437)	(3,294,171)
Changes in non-controlling interests	245,000	–
Net cash flows generated from / (used in) financing activities	722,856,097	(3,294,171)
Net change in cash and cash equivalents	510,997,740	185,964,046
Cash and cash equivalents as at the beginning of the year	391,688,002	205,723,956
Cash and cash equivalents as at the end of the year	902,685,742	391,688,002
Non-cash transactions		
Transferred from retained earnings to share capital	–	63,500,000
Transferred from projects under construction to intangible assets	–	2,813,039
Transferred from projects under construction to property and equipment	–	801,992
Transferred from retained earnings to statutory reserve	–	12,523,023
Transferred from due to related parties to share capital	–	26,000,000
Right-of-use assets against lease liabilities	124,243,233	22,317,810

The accompanying notes from 1 to 33 form an integral part of these Consolidated Financial Statements.

HRH Mishal Bin Sultan Bin Abdulaziz Al Saud

Chairman

Ghassab Bin Salman Bin Mandeel

CEO

Heni A. Jallouli

CFO

Notes to the consolidated financial statements

For the year ended 31 December (Saudi Riyal)

For the year ended 31 December 2022

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 software, and providing delivery services via e-platforms.

The Group’s head office is located at Riyadh.
B.O Box 2065, Riyadh 12444 – 18594
Kingdom of Saudi Arabia.

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

Branch name and location	Commercial registration number	Date
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 1440H
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

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For the year ended 31 December
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Branch name and location	Commercial registration number	Date
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 - Al Qunfodah Branch	5900127812	22 Safar 1444H

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 SAR 5 Mn by transferring SAR 4 Mn 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 share capital amounting to 500,000 shares with a nominal value of SAR 10 each.

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

capital to become SAR 96,000,000 by issuing new shares against transferring an amount of SAR 63,500,000 from the retained earnings, an amount of SAR 26,000,000 from due to related parties accounts (shareholders), and an amount of SAR 1,500,000 from the statutory reserve account.

On 2 Jumadah II 1443H (corresponding to 5 January 2022), the Company's shares were listed and started trading in the Parallel Market in the Kingdom of Saudi Arabia (Nomu) under code (9526). The Company's share capital has increased after the completion of the public offering from SAR 96 Mn (divided into 9,6 million shares) to SAR 104 Mn (divided into 10,4 million shares) through issuing 891 Mn shares at a nominal per value of SAR 8,9 Mn (Note 12).

For the year ended 31 December
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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:

	Legal entity	Country of Incorporation	% of ownership	
			31 December 2022	31 December 2021
Joint Preparation Company for Meals	Limited Liability Company	Kingdom of Saudi Arabia	60 %	60 %
PIK Options Trading Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100 %	100 %
Supportive Solutions Company for Logistic Services	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100 %	100 %
The Red Color Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100 %	100 %
Jahez International Company for Information Systems Technology	(A Limited Liability Company)	Kingdom of Bahrain	100 %	100 %
Jahez International Company for Wholesales and Retail Trading	A Single Shareholder Limited Liability Company	Kuwait	100 %	—
Blu Store Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	51 %	—

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 Mn where the cost of the acquisition amounted to SAR 2,4 Mn.

On 7 September 2020 (corresponding to 19 Muharram 1442H), The Company's Articles of Association and shareholding pattern have been amended to reflect the impact 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 SAR1,000,000. The company is engaged in online retail sales.

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 SAR10,000. The Company is engaged in other financial services activities, with the exception of insurance and pension financing.

Supportive Solutions Company for Logistic Services

On 8 February 2021, the Company incorporated a wholly owned subsidiary, which is Supportive Solutions Company for Logistic Services (a single shareholder limited liability company). The Company's capital is SAR1,000,000. The Company is engaged in directing vehicles, transporting goods, and providing delivery services via e-platforms.

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Jahez International Company for Information Systems Technology

On 25 November 2021, the Company incorporated Jahez International Company for Information Systems Technology (a limited liability company) a wholly owned subsidiary in the Kingdom of Bahrain. The Company’s capital is BHD 50,000 equivalent to SAR 497,345. The Company is engaged in food delivery, online selling, and call centers’ activities.

Jahez International Company for Wholesales and Retail Trading

On 1 August 2022, the Company incorporated Jahez International Company for Wholesales and Retail Trading (a single shareholder limited liability company) a wholly owned subsidiary in the State of Kuwait. The Company’s capital is KWD 100,000 equivalent to SAR 1,223,440. The Company is engaged in retail and wholesale trading.

Blu Store Company

On 11 August 2022, the Company incorporated Blu Store Company (a limited liability company). The Company holds 51% shareholding, and the Company’s capital is SAR 500,000. The company is engaged in retail sale of apparel, shoes and leather items in specialized stores.

2. Basis of preparation

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 historical cost convention, unless otherwise stated, using the accruals 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 following new standards are effective for subsequent annual periods, and earlier application is permitted. The Group has not early adopted the new or amended standards in preparing these financial statements. The impact of these standards on the Group is not expected to be material when the below standards and amendments are applied.

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB on 2022.

Effective for annual periods beginning on or after the date of new standards and amendments	
1 January 2022	<p>Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)</p> <hr/> <p>Annual Improvements to IFRS 2018 –2020</p> <hr/> <p>Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)</p> <hr/> <p>Reference to the Conceptual Framework (Amendments to IFRS 3)</p>

For the year ended 31 December
(Saudi Riyal)

New requirements that will be applied subsequently:

Effective for annual periods beginning on or after	
1 January 2023	<p>New Standards and Amendments</p> <p>Classification of liabilities as current/non-current (Amendments to IAS 1).</p> <p>IFRS 17- "Insurance Contracts" and amendments to IFRS 17- "Insurance Contracts".</p> <p>Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)</p> <p>Definition of accounting estimates (amendments to IAS 8)</p> <p>Deferred tax related to assets and liabilities arising from single transaction (amendments to IAS 12)</p>
Available for optional adoption/effective date deferred indefinitely	<p>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</p>

The management estimated that the application of the new standards and amendments has no significant impact on the Group's consolidated financial statements as at 31 December 2022.

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 amounts 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.

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 includes determination of discount rate, future salary increases and mortality rates.

Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The 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.

Financial Statements

For the year ended 31 December
(Saudi Riyal)

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.

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

a.1) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The consideration transferred at the acquisition is generally measured at fair value of the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are considered to be expenses when incurred, except if related to the issue of debt instruments or equity.

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.

a.2) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

a.3) Non-controlling interests

NCl's 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.

For the year ended 31 December
(Saudi Riyal)

a.4) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related 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.

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:

	Years
Tools and instruments	4
Computers	4
Furniture and fixtures	4
Electric equipment	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 from 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 capitalised development costs, are not capitalised 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.

For the year ended 31 December
(Saudi Riyal)

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.

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 months 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.

For the year ended 31 December
(Saudi Riyal)

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 classified at fair value through profit or loss.

- 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.

The financial assets (unless they are receivables without a significant financing component that is initially measured at

the transaction price) are initially measured at fair value, for an item not at FVTPL, plus transaction costs that are directly attributable to their acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. 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.
Investments in debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

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Impairment of financial assets

The financial assets recognized at amortized cost consist of trade receivables, cash and cash equivalents, deposits with financial institutions and other receivables.

Loss provisions are measured on the bases of ECLs over lifetime of a financial instrument: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all value shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

For trade receivables, the Group applies the simplified approach to estimate ECLs.

Presentation of impairment

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.

Loss provisions for financial assets are deducted from the gross carrying amount of the assets. Impairment losses related to trade receivables, if any, are presented in the consolidated statement of profit or loss under a separate item.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. Financial liabilities are classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or losses on derecognition are 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.

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.

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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) 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 unit credit method. Employees' benefits obligation plans are not funded. Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method and the liability is recorded based on an actuarial valuation.

The liability recognized in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

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 benefits obligations. 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.

i) 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.

j) Contingent liabilities

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.

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k) Foreign currency 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.

l) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is reduced by expected returns from customers and other discounts.

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

Step 1: Identify the 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 revenue from delivery services

Revenue is recognized when the delivery service is performed to the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is stated net of discounts and compensation offered to the customer.

Advertising and marketing revenue

Revenue 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.

l) Revenue recognition (continued)

Revenue from e-payment fees

Revenue is recognized when the collection service is performed on behalf of the customer and at the point in time at which the customer achieves control over the benefits associated with the service and the performance of service obligations, and is stated at net after discounts and compensation offered to the customer, if any.

Other income

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

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Customers cash back

Cash back to customers are treated as deduction of revenue. If the transaction price includes a variable amount, 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.

Customers' compensations

Any compensation payable to customers was treated as a reduction of revenue according to the requirements of IFRS 15.

Promotions to customers

Any promotions paid in the form of balances in customers' portfolios were treated as a reduction of revenue according to the requirements of IFRS 15.

m) 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.

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.
- b. The right to direct control over the use of the specified 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 decommissioning 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. Increase the carrying amount to reflect the interest rate on the lease liabilities;
- b. Reduce the carrying amount to reflect the lease payments made; and
- c. Remeasure 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.

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Group as a lessee

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 it is reasonably certain, at commencement date, that the extension options will be exercised. The Group reassesses whether it is reasonably certain to exercise the options if there was a significant event or major change in the circumstances that fall under its control.

n) 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.

o) Zakat

Provision for Zakat is calculated at the date of the consolidated statement of financial position in accordance with regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia ("ZATCA"). The resulting provision is recorded in the consolidated statement of profit or loss. Additional Zakat liability, if any, related to prior years' assessments arising from ZATCA are recognized in the period in which the final assessments are finalized.

p) Segments Reporting

An operating segment is a part of the Group's business activities from which revenue can be recognized and expenses are incurred and includes income and expenses relating to transactions with any of the other components. All operational results of the operating segments are reviewed by the operating decision makers to make decisions about the resources to be allocated to the segment and to assess its performance, which have separate financial information.

q) 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.

r) 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.

s) Projects in progress

Capital work-in-progress is stated at cost. Upon implementation, capital work in progress is transferred to the appropriate asset class within property, 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	Furniture and fixtures	Electric equipment	Central kitchens	Decorations and leasehold improvements	Motor vehicles	Projects in progress *	Total
Cost									
Balance as at 1 January 2021	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 projects 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
Additions	1,300	3,142,096	1,341,343	3,926,916	5,816,802	10,761,008	622,670	11,553,340	37,165,475
Balance as at 31 December 2022	146,688	5,786,105	3,506,854	5,283,404	7,019,077	14,125,550	761,022	12,325,363	48,954,063
Accumulated depreciation:									
Balance as at 1 January 2021	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
Depreciation for the year	22,598	983,569	497,556	462,779	680,385	1,824,918	121,013	-	4,592,818
Balance as at 31 December 2022	113,105	1,997,879	1,701,719	1,030,804	807,864	2,823,451	123,570	-	8,598,392
Net book value:									
As at 31 December 2022	33,583	3,788,226	1,805,135	4,252,600	6,211,213	11,302,099	637,452	12,325,363	40,355,671
As at 31 December 2021	54,881	1,629,699	961,348	788,463	1,074,796	2,366,009	135,795	772,023	7,783,014

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5. Intangible assets

	Software	Intellectual property rights	Projects in progress	Total
Cost				
Balance as at 1 January 2021	4,189,528	-	2,813,039	7,002,567
Additions	367,200	-	1,049,262	1,416,462
Transferred from projects under construction	2,813,039	-	(2,813,039)	-
Balance as at 31 December 2021	7,369,767	-	1,049,262	8,419,029
Additions	1,183,232	500,000	1,279,324	2,962,556
Balance as at 31 December 2022	8,552,999	500,000	2,328,586	11,381,585
Accumulated Amortization				
Balance as at 1 January 2021	2,866,012	-	-	2,866,012
Amortization for the year	1,692,952	-	-	1,692,952
Balance as at 31 December 2021	4,558,964	-	-	4,558,964
Amortization for the year	993,669	104,166	-	1,097,835
Balance as at 31 December 2022	5,552,633	104,166	-	5,656,799
Net carrying amount				
As at 31 December 2022	3,000,366	395,834	2,328,586	5,724,786
As at 31 December 2021	2,810,803	-	1,049,262	3,860,065

6. Right-of-use assets and lease liabilities

	Buildings	Motor vehicles	Lands	Total
Cost				
Balance as at 1 January 2022	12,668,711	17,679,324	-	30,348,035
Additions	28,716,419	95,340,098	186,716	124,243,233
Balance as at 31 December 2022	41,383,583	113,019,422	186,716	154,591,268
Depreciation				
Balance as at 1 January 2022	2,896,946	349,742	-	3,246,688
Depreciation for the year	5,038,705	12,752,946	48,427	17,840,078
Balance as at 31 December 2022	7,935,651	13,102,688	48,427	21,086,766
Net carrying amount				
As at 31 December 2022	33,449,479	99,916,734	138,289	133,504,502
As at 31 December 2021	9,771,765	17,329,582	-	27,101,347

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For the year ended	2022	2021
Amounts recognized in the consolidated statement of profit or loss and other comprehensive income		
Depreciation of right-of-use assets	17,840,078	2,121,240
Interest expense on lease liabilities	3,155,960	456,352
Lease liabilities recognized in the consolidated statement of financial position		
Current	32,168,120	4,965,955
Non-current	96,833,791	21,199,200
Total lease liabilities under right-of-use assets	129,001,911	26,165,155

7. Investments at FVTPL

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

Movement in investments is as follows:

	2022	2021
Balance at the beginning of the year	19,837,032	-
Additions during the year	1,125,000	11,625,000
Fair value differences	1,766,705	8,212,032
Balance at the end of the year	22,728,737	19,837,032

8. Trade receivables

	2022	2021
Trade receivables	23,788,440	11,459,855
Less: provision for impairment loss on trade receivables	(1,029,180)	(4,785,006)
	22,759,260	6,674,849

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

	2022	2021
Balance at the beginning of the year	4,785,006	2,283,594
(Reversal)/provided during the year	(3,755,826)	2,501,412
	1,029,180	4,785,006

9. Prepaid expenses and other receivables

	2022	2021
Prepaid expenses	65,231,190	33,671,956
Staff advances and custodies	1,477,414	606,853
Deposit of letters of guarantee	2,250,000	2,250,000
Other *	13,225,957	107,827
	82,184,561	36,636,636

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10. Cash and cash equivalents

	2022	2021
Current accounts with banks	602,173,952	391,328,588
Short term deposits*	300,000,000	–
Cash in hand	511,790	359,414
	902,685,742	391,688,002

The short-term deposits carry a constant rate of return (from 3% to 6%) and a maturity less than three months.

11. Deposits with financial institutions

This includes the investment in term deposit certificates (Murabaha) of with financial institutions with maturity of more than 3 months and less than 12 months at the rate of (from 3% to 6%) annually (31 December 2021: zero).

12. Share capital

Listing and commencement of trading of the Company's shares in the parallel market

On 2 Jumadah II 1443H (corresponding to 5 January 2022), the Company's shares were listed and started trading in the Parallel Market in Kingdom of Saudi Arabia (Nomu) under code (9526). The Company's share capital has increased after the completion of the public offering from SAR 96 Mn (divided into SAR 9,6 Mn shares) to SAR 104 Mn (divided into SAR 10,4 Mn shares) through issuing 891 Mn shares at a par value of SAR 8,9 Mn. The share value on the issue date was SAR 850 Mn and the movement in share capital and share premium is as follows:

	Number of shares	Share capital (Saudi Riyal)	Share premium (Saudi Riyal)
Balance at 1 January 2022	9,600,000	96,000,000	–
Issuance of new shares at SR 850 per share (SR 10 par value)	891,803	8,918,030	749,114,520
Transaction costs on new share issue	–	–	(10,339,835)
Additional contributions from Company's shareholders	–	–	1,400,819
Balance at 31 December 2022	10,491,803	104,918,030	740,175,504

Treasury shares

On 22 Jumada I 1443H (corresponding to 26 December 2021), the Company entered into an agreement to purchase 192 thousand shares of its shares from the Company's shareholders (115,2 thousand shares of its shares owned by ALAMAT International Company and 76,8 thousand shares of its shares owned by Hefz Osool Ta'atheer Company for Communications and Information Technology) at a cost of SAR 10 per share, with a cash consideration of SAR 1,9 Mn. The shares were allocated at the time of completion of the public offering process which is mentioned above, the Company held these shares as treasury shares to support future employees long term incentive scheme (Note 14).

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13. Statutory reserve

In accordance with the Regulations for Companies in Kingdom of Saudi Arabia and the Company's by-laws, the Group establishes a statutory reserve by the appropriation of 10% of net income until such reserve equals to 30% of the share capital. The statutory reserve is not available for distribution to the shareholders.

14. Share-based payments program

The Company granted share-based payments arrangements to employees at the beginning of April 2022. On 8 June 2021, the Board of Directors proposed shares options program which was approved by the shareholders on 9 June 2021. This plan objective is to distribute 192,000 treasury shares purchased by the Company from the Company's shareholders under purchase of shares contract dated on 26 December 2021 concluded on 5 January 2022 (115,2 thousand shares of its shares owned by ALAMAT International Company and 76,8 thousand shares of its shares owned by Hefz Osool Ta'atheer Company for Communications and Information Technology). The shares options will be granted through the plan in five cycles commencing on 1 April 2022, 1 April 2023, 1 April 2024, 1 April 2025 and 1 April 2026.

The Company formulated the vesting agreement for the first cycle and it was signed by the Company and the employees on 1 April 2022, which is the vesting date of the first cycle of shares options. The condition associated with realizing shares options under the first cycle is the employee's two-year service condition, which will be completed on 31 March 2024. At the end of the vesting period, the Company may elect to issue shares or cash equivalent to the fair value through the shares at the end of the vesting period.

During 2022, the Company has vested Tier 1 of the program as the following:

First Cycle	Tier 1
Vesting date	1 April 2022
Total number of shares granted	26,440
The average fair value per share on vesting date (*)	SR 1,116.5
Maturity date	31 March 2024
Settlement method	Equity

(*) The options are valued at the fair value on the vesting date of first cycle on 1 April 2022, using the Black Scholes method which takes into account the exercise price, option term, effect of reduction (where material), share price on the vesting date and expected fluctuation price of basic earnings per share, and expected dividend yield. Risk-free interest rate for the option term, contingencies and fluctuations for similar Group's companies. The fair value of the option as on 1 April 2022, based on the exercise price of SAR 10 is SAR 1,116.5.

Total expenses related to the program for the period ended 31 December 2022 amounts SAR 11,8 Mn, which were included in the expenses items in the consolidated statement of profit or loss and other comprehensive income, with the corresponding amount recorded in the share-based payments reserve item in the equity in accordance with the requirements of IFRS 2: share-based payments.

15. 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 Kingdom 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.

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(a) Changes in the present value of defined benefit obligations

Defined benefit obligations at 1 January 2021	3,136,956
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)
Defined benefit obligation at 31 December 2021	5,838,118
Interest cost	186,300
Current service cost	5,388,426
Amount recognized in profit and loss	5,574,726
Re-measurement loss recognized in other comprehensive income	189,362
Benefits paid during the year	(712,817)
Defined benefit obligations at 31 December 2022	10,889,389

A quantitative sensitivity analysis for significant assumptions as at 31 December 2022 and 31 December 2021 is shown below:

	Discount rate	
	Increase by 1%	1% Decrease
Defined benefit obligations as at 31 December 2022	9,681,083	12,366,576
Defined benefit obligations as at 31 December 2021	5,125,628	6,641,382
	Salary increase rate	
	Increase by 1%	1% Decrease
Defined benefit obligations as at 31 December 2022	12,412,918	9,622,338
Defined benefit obligations as at 31 December 2021	6,659,206	5,098,373

(b) Sensitivity analyses

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

	2022	2021
Discount rate	5,20%	3.35%
Future salary increases	5,00%	3%

The sensitivity analysis above has been based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the employees' benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

16. Proceeds due to customers

These amounts represent the value of proceeds due to customers less commission income and other income, and they are presented at net.

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17. Accrued expenses and other current liabilities

	2022	2021
Accrued expenses	42,078,075	39,957,588
Third party deposits	15,000,659	24,164,287
Accrued employees' benefits	11,178,530	11,143,825
	68,257,264	75,265,700

18. Related party transactions

In the ordinary course of its business, the Group transacts with the shareholders of the Group, affiliates owned by the shareholders, and the key management personnel, as the Group enters into contracts to obtain services and pay the expenses on the affiliates' behalf. These transactions are carried out in accordance with the terms specified with the related parties. The following table shows the value of the transactions made during the period and the resulting balances:

Related party transactions 31 December 2022

Related party	Nature of relationship	Nature of the transaction	Amount of transaction
Al Joudah Al-Mahaliyah Limited Company	A Company owned by a shareholder in a subsidiary	Collection on behalf	232,998
		Revenue from sale of services	46,000
		Revenue from contracting	41,034
The Eight Creations Agency for Advertising	A Company owned by a shareholder in a subsidiary	Advertisement and publicity services	1,595,855
Talal bin Saud Al Arifi	Shareholder of subsidiary	Expenses paid On behalf of a subsidiary	1,887
Tharwa Holding Company	A Company owned by the Chairman	Leases and maintenance services	1,366,205
Dar Al Fikrah Al-Mumaiyazah	Affiliate	Construction services	4,271,203
Halalah International Company	A company owned by Deputy CEO	Logistics services	6,391,146
		Payments on behalf of the Group	3,503,556
Halalah Trading Company	Affiliate	Purchases invoices	106,674

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Related party transactions 31 December 2021

Related party	Nature of relationship	Nature of the transaction	Amount of transaction
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 a subsidiary	1,110
Tharwa Holding Company	Affiliate	Leases and maintenance services	2,738,198
		Accruals repayment	2,682,362
		Maintenance	5,625
Dar Al Fikrah Al-Mumaiyazah	Affiliate	Construction services	1,027,951
Halalah International Company	A company owned by Deputy CEO	Logistics services	10,349,664
		Payments on behalf of the Group	7,066,225
Halalah Trading Company	Affiliate	Purchases invoices	157,717

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a) Due from related parties

	2022	2021
Tharwa Holding Company	5,625	5,625
ALAMAT International Company Limited	2,547	2,500
Halalah International Company	8,958	129,359
Talal bin Saud Al Arifi	-	100,000
	17,130	237,484

b) Due to related parties

	2022	2021
Bonat Company	-	207,000
Dar Al Fikrah Al-Mumaiyazah	543,919	-
Halalah International Company	54,386	202,932
Halalah Trading Company	264,390	157,717
The Eight Creations Agency for Advertising	151,513	69,000
Al Joudah Al-Mahaliyah Limited Company	-	12,922
Abdulaziz bin Abdul Rahman Al-Omaran	36,000	36,000
Talal bin Saud Al Arifi	-	1,887
	1,050,208	687,458

Compensation and benefits to key management personnel

	2022	2021
Salaries and short-term benefits	7,598,583	5,406,223
End-of-service benefits	407,861	277,500
Share based payment	5,588,741	-
Total compensation and benefits to key management personnel	13,595,185	5,683,723

19. Zakat

a) Zakat status

Until the end of 2021, 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 the Group's consolidated statement of profit or loss.

During 2022, the Group registered a tax group, and it was approved by Zakat, Tax and Customs Authority ("ZATCA") to provide consolidated accounts for the Company and its subsidiaries inside the Kingdom of Saudi Arabia as at 25 Dhul- Hijjah 1443H (corresponding to 24 July 2022), except for the two companies, Joint Preparation Company for Meals and BLU Store Company.

Jahez International Company for Information Systems Technology

The Company and its subsidiaries submitted its Zakat returns for all the years up to the year ended 31 December 2021 to the Zakat, Tax and Customs Authority ("ZATCA"), and obtained a valid Zakat certificate up to 29 Ramadan 1445H (corresponding to 30 April 2023).

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b) Zakat base

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

	2022	2021
Adjusted net income	86,428,698	118,372,768
Add:		
Share capital	96,000,000	5,000,000
Capital increase	8,795,865	-
Share Premium	730,036,114	-
Employees' shares reserve	12,523,023	-
Transferred from shareholders' credit balances and statutory reserve for share capital increase	-	27,500,000
Retained earnings	78,744,619	37,549,639
Non-controlling interests	1,048,659	-
Lease liabilities	129,001,911	26,165,155
Due to related parties	-	36,777
Provisions	10,286,494	5,385,841
Trade payables	-	88,249
Proceeds due to customers	118,800,899	81,565
Accrued expenses and other liabilities	-	7,855,954
Less:		
Property and equipment	40,355,671	7,783,014
Intangible assets	5,724,786	3,860,065
Right-of-use assets	133,504,503	27,101,347
Investments in subsidiaries	-	-
Investments at FVTPL	10,650,000	11,625,000
Total	995,002,624	59,293,754
Zakat base	995,002,624	179,508,983
Zakat expense	27,808,737	4,487,725
Zakat adjustments for prior years	495,705	-
Total Zakat expense	28,304,442	4,487,725

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c) Zakat provision

Movement in Zakat provision is as follows:

	2022	2021
Balance at the beginning of the year	4,491,618	1,140,372
Provided for	28,304,442	4,487,725
Repayments made	(4,897,323)	(1,136,479)
Balance at the end of the year	27,808,737	4,491,618

20. Revenue

	2022	2021 (Adjusted - Note 32)
Revenue from delivery fees	989,576,203	744,622,437
Revenue from commissions	534,226,310	389,096,459
Revenue from e-payment fees	72,522,725	56,542,251
Advertising and marketing revenue	70,026,807	53,815,852
Other income	5,319,450	3,599,002
Gross revenue	1,671,671,495	1,247,676,001
Customers' compensations	(41,775,506)	(34,819,159)
Promotional compensations	(25,493,258)	(26,489,663)
Customers cash back	(1,925,892)	(26,799,216)
Net revenue	1,602,476,839	1,159,567,962

21. Cost of revenue

	2022	2021 (Adjusted - Note 32)
Cost of delivery - Delivery companies and external delivery partners	1,004,337,340	799,181,298
Network servers	13,928,536	8,982,349
Salaries, wages and employees' benefits	102,022,856	43,498,933
Consumables	6,076,114	5,855,143
Tawseel platform	25,507,957	3,543,083
Depreciation and amortization	16,749,797	2,013,956
Platform services	41,919,011	50,764,615
Other	32,755,391	203,986
	1,243,297,002	914,043,363

22. Marketing and advertising expenses

	2022	2021 (Adjusted - Note 32)
Advertising and publicity	112,916,978	73,940,209
Salaries, wages and employees' benefits	18,460,588	12,628,035
	131,377,566	86,568,244

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23. General and administrative expenses

	2022	2021
Salaries, wages and employees' benefits	21,208,661	9,053,904
Depreciation and amortization	6,779,484	4,029,763
Other drivers related expenses *	79,528,187	-
Professional fees	10,143,563	2,894,178
Missions, maintenance and operation	6,962,978	2,870,637
Other	11,826,690	7,328,077
	136,449,563	26,176,559

* Other drivers related expenses item includes an amount of SAR 62,687,871 represent the value of salaries, wages and benefits of drivers for a period before the completion of the necessary procedures to join the operating team. This cost is considered as non recurring and is not expected to be incurred during the subsequent periods, and it includes other governmental charges with a total of SAR 16,840,316 represented in losses incurred by the Company in return for terminating the services of certain drivers.

24. Segment information

Information related to the Group's operating segments are presented below in accordance with IFRS 8 "operating segments", which the standard requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker ("CODM") and used to allocate resources to the segments and to assess their performance.

The following is a description of the company's activities that are reported under IFRS 8:

- a) Delivery platforms segment: This activity is represented in providing food and other goods delivery services through electronic platforms
- b) Logistics services segment: includes logistical support operations and overseeing transportation of goods.
- c) Other segment

The Group is mainly involved in delivery, logistics and other activities. The majority of the Group's revenue, profits and assets relate to the operations in the Kingdom of Saudi Arabia and both subsidiaries in Kingdom of Bahrain and Kuwait. However, the total assets, liabilities, obligations and results of operations of these subsidiaries are not of relative importance to the consolidated financial statements of the company as a whole.

The CODM used to collectively receive other operational information It is the same as the information that is provided to the Group's Board of Directors for the purposes of resource allocation and assessment of segment performance.

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2022	Delivery Platforms Segment SR	Logistics Services Segment SR	Others SR	Eliminations/ Amendments SR	Total SR
Revenue	1,597,310,265	310,371,872	5,166,573	(310,371,872)	1,602,476,838
Direct costs	(1,209,178,389)	(336,602,367)	(5,467,980)	313,608,484	(1,237,640,252)
Expenses	(200,124,535)	(3,008,776)	(1,077,266)	-	(204,210,577)
Other costs	-	(79,528,187)	-	-	(79,528,187)
Depreciation and amortization	(6,936,753)	(13,348,221)	(3,244,209)	-	(23,529,183)
Impairment loss of trade receivables	3,757,461	-	-	-	3,757,461
Other income/expenses	24,253,198	635,217	1,769,173	-	26,657,588
Finance costs	(376,589)	(2,391,059)	(388,312)	-	(3,155,959)
Zakat	(28,304,442)	-	-	-	(28,304,442)
Segment net income	180,400,216	(123,871,520)	(3,242,021)	3,236,612	56,523,287
Total assets	1,303,795,341	136,544,144	66,842,974	(96,297,299)	1,410,885,160
Total liabilities	329,788,749	264,028,273	59,276,198	(246,173,735)	406,919,485

2021	Delivery Platforms Segment	Logistics Services Segment	Others	Eliminations/ Amendments	Total
Revenue	1,158,080,136	110,677,161	1,487,827	(110,677,161)	1,159,567,962
Direct costs	(906,529,606)	(116,407,685)	(1,783,232)	110,677,161	(914,043,363)
Expenses	(123,110,963)	(708,409)	(110,796)	-	(123,930,168)
Depreciation and amortization	(5,586,009)	(244)	(457,467)	-	(6,043,720)
Impairment loss of trade receivables	(2,501,412)	-	-	-	(2,501,412)
Other income/expenses	480,365	-	8,215,407	-	(8,695,773)
Finance costs	(461,950)	-	(85,325)	-	(547,275)
Zakat	(4,487,725)	-	-	-	(4,487,725)
Segment net income	115,882,836	(6,439,177)	7,266,413	-	116,710,072
Total assets	491,950,900	22,178,538	29,039,390	(46,859,795)	496,309,033
Total liabilities	311,363,940	27,502,718	18,245,801	(49,119,727)	307,992,732

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25. 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, deposits with financial institutions, trade receivables, due from/to related parties, investments at FVTPL, other current assets, trade payables, accrued expenses, other current liabilities, proceeds 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 is offset and net amounts reported in the consolidated financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the assets and liabilities simultaneously.

a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, profit rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a.1 Currency risk

Currency risk is the risk that the value of a financial instruments will fluctuate due to changes in foreign exchange rates. The Group's transactions are principally in Saudi Riyals and US Dollars. The Saudi Riyal is pegged to the US Dollar. The management closely and continuously monitors the exchange rate fluctuations.

a.2) Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial position and cash flows.

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.

	2022	2021
Trade receivables	22,759,260	6,674,849
Prepaid expenses and other receivables	82,184,561	36,636,636
Due from related parties	17,130	237,484
Cash and cash equivalents	902,685,742	391,688,002
Deposits with financial institutions	200,000,000	-
Investments at FVTPL	22,728,737	19,837,032
	1,230,375,430	455,074,003

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

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	2022		2021	
	Balance	Impairment	Balance	Impairment
1 to 90 days	16,146,070	119,620	6,900,910	296,683
91 – 180 days	2,815,984	326,845	32,200	20,457
181 to 270 days	4,205,223	59,298	195,670	140,888
271 to 361 days	58,577	182,111	30,849	24,485
More than 361 days	562,586	341,306	4,300,226	4,300,226
Total	23,788,440	1,029,180	11,459,855	4,782,739

c) Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available to meet any future commitments.

The Board of Directors closely and continuously monitors the liquidity risk by performing regular review of available funds, present and future commitments, operating and capital expenditure. Moreover, the Group monitors the actual cash flows and seeks to match the maturity dates with its financial assets and liabilities.

The Group seeks continuously to comply with its legal obligations, including any obligations relating to its financing agreements.

The following represents the maturities of financial liabilities at the reporting date based on undiscounted contractual cash flows:

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31 December 2022	Less than 1 year	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount
Proceeds due to customers	118,800,899	-	-	118,800,899	118,800,899
Lease liabilities	32,168,120	95,105,639	1,728,152	129,001,911	129,001,911
Trade payables	51,111,081	-	-	51,111,081	51,111,081
Accrued expenses and other current liabilities	68,257,264	-	-	68,257,264	68,257,264
Due to related parties	1,050,208	-	-	1,050,208	1,050,208
	271,387,572	95,105,639	1,728,152	368,221,363	368,221,363

31 December 2021	Less than 1 year	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount
Proceeds due to customers	164,717,111	-	-	164,717,111	164,717,111
Lease liabilities	6,079,700	19,861,662	742,500	26,683,862	26,165,155
Trade payables	28,534,849	-	-	28,534,849	28,534,849
Accrued expenses and other current liabilities	75,265,700	-	-	75,265,700	75,265,700
Due to related parties	687,458	-	-	687,458	687,458
	275,284,818	19,861,662	742,500	295,888,980	295,370,273

26. Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing net income for the year attributable to the Group's ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2022	2021
Net profit	58,977,006	117,068,284
Weighted average number of shares	10,290,190	5,960,000
Basic earnings per share	5.7	19.6
Diluted earnings per share	5.7	19.6

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The breakdown of weighted-average numbers of shares are as follows:

a) Ordinary shares

	2022	2021
Outstanding shares at the beginning of the period	9,600,000	500,000
Weighted average of shares issued during the period	879,553	6,599,448
Weighted average of shares repurchased during the period	(189,363)	-
Weighted average of shares numbers at the end of the period	10,290,190	7,099,448

b) Diluted shares

	2022	2021
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share at the end of the period.	10,290,190	-
Effect of share options	10,504	-
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share.	10,300,694	-

27. 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:

	2022	2021
Total liabilities	406,919,485	305,700,009
Less: cash and cash equivalents	(902,685,742)	(391,688,002)
Net debt	(495,766,257)	(85,987,993)
Total equity	1,003,965,674	188,316,301
Net debt to equity ratio	(49%)	(46%)

28. 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.

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	Carrying amount		Total
	Amortized cost	Other financial assets and liabilities	
Financial assets			
Trade receivables	22,759,260	-	22,759,260
Other receivables	82,184,561	-	82,184,561
Cash and cash equivalents	902,685,742	-	902,685,742
Deposits with financial institutions	200,000,000	-	200,000,000
Investments at FVTPL	-	12,750,000	12,750,000
	1,207,629,563	12,750,000	1,220,379,563
Financial liabilities			
Proceeds due to customers	118,800,899	-	118,800,899
Accrued expenses and other current liabilities	68,257,264	-	68,257,264
Trade payables	51,111,078	-	51,111,078
Lease liabilities	129,001,911	-	129,001,911
	367,171,152	-	367,171,152

	Carrying amount		Total
	Amortized cost	Other financial assets and liabilities	
Financial assets			
Trade receivables	6,674,849	-	6,674,849
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
	434,999,487	11,625,000	446,624,487
Financial liabilities			
Proceeds 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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31 December 2022				
	Fair value			
	Level 1	Level 2	Level 3	Total
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	22,728,737	22,728,737
	-	-	22,728,737	22,728,737
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

31 December 2021				
	Fair value			
	Level 1	Level 2	Level 3	Total
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	19,837,032	19,837,032
	-	-	19,837,032	19,837,032
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

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29. Capital commitment and contingent liabilities

The Group does not have any capital commitments as at 31 December 2022. As at 31 December 2021, the Group had capital commitments in amount of SR 1 Mn, represent capital construction works for the Group's headquarter.

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 SAR 37,8 Mn as at 31 December 2022 (31 December 2021: SAR 58 Mn). 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 SAR 3.5 Mn per year.

The Group has contingent contractual commitments represent commitments to provide advertising services to third parties ending in 2023 amounting to SR 4,5 Mn as at 31 December 2022 (31 December 2021: SAR 12.4 Mn).

The Group has also contingent contractual commitments represent commitments to provide employment and other services ending in 2023 amounting to SAR 1.3 Mn as at 31 December 2022, (31 December 2021: SAR 14.3 Mn).

30. Significant events

On 5 Jumada I 1444H (corresponding to 29 November 2022), A purchase agreement was signed to acquire all shares of the owners of The Chefz SPV LTD by purchasing shares to acquire 100% of the Company's capital by repayment of a cash consideration of SAR 325 Mn and increase the Company's capital by issuing shares to selling shareholders in The Chefz SPV LTD, with an amount of SAR 325 Mn. In addition, the founding members of The Chefz are to receive an earn-out amount equal to SAR 100 Mn in cash, subject to various performance-related targets being attained over an earn-out period commencing from 1 January 2022 and ending on 31 December 2022. The acquisition procedures has not completed up to the date of issuance of the financial statements.

31. Subsequent events

The new Regulations for Companies issued by Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) entered into force on 26/6/1444H (corresponding to 19 January 2023). For certain provisions of the Regulations for Companies, full compliance is expected no later than two years from 26/6/1444H (corresponding to 19 January 2023). The management is currently evaluating the impact of the new Regulations for Companies and amending the Company's by-laws to align the Articles with the provisions of the Regulations for Companies (if any). Thereafter, the Company shall present its By-laws to the shareholders in the Extraordinary/Annual General Assembly meeting for their ratification.

Subsequent to the financial year ended 31 December 2022, on 11 Jumadah II 1444H (corresponding to 4 January 2023), the procedures for acquiring the full shares of the owners of Marn Business Information Technology have been completed, after fulfilling the preconditions mentioned in the purchase agreement, including obtaining approvals from the relevant government authorities. The total value of the transaction amounted to SAR 60 Mn.

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Subsequent to the financial year ended 31 December 2022, on 9 Rajab 1444H (corresponding to 31 January 2023), the procedures for acquiring the full shares of the owner of Joint Preparation Company for Meals have been completed. Jahez holds 60% of shareholding as at 31 December 2022- after fulfilling the preconditions mentioned in the purchase agreement, including obtaining approvals from the relevant government authorities. The total value of the transaction amounted to SR 4.8 Mn.

32. Change in prior period

During the year, the management assessed its contracts with customers and concluded that certain amounts in nature of variable consideration/consideration payable to customer were presented as an expense instead of being presented as reduction from the revenue. Accordingly, revenue, cost of revenue and marketing and advertising expenses in the Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021 have been impacted as presented in below table. The reclassification did not have any impact on the statement of financial position and the statement of cash flows for the period then ended.

Items	Amounts as reported earlier	Adjustments	Adjusted amounts
Revenue	1,220,876,785	(61,308,823)	1,159,567,962
Cost of revenue	(948,862,522)	34,819,159	(914,043,363)
Marketing & advertising expenses	(113,057,906)	26,489,662	(86,568,244)

33. Approval of the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors for issuance on 24 Sha'aban 1444H (Corresponding to 16 March 2023)

jahez

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