Transfer Document of Jahez International Company for Information Systems Technology to the Main Market

jahez Group

Transfer Document of Jahez International Company for Information Systems Technology to the Main Market

A Saudi listed joint-stock company converted by virtue of the Ministry of Commerce's Resolution No. 138, dated 05/05/1442H (corresponding to 20/12/2020G), and registered in the Riyadh Commercial Register under No. 1010895874, dated 01/01/1439H (corresponding to 21/09/2017G). The Company has been listed on the Parallel Market "Nomu" since 02/06/1443H (corresponding to 05/01/2022G).

Listing of two hundred nine million, eight hundred thirty-six thousand and sixty (209,836,060) ordinary shares representing the total shares of the Company, 52.27% of which is owned by the public, through the transfer of the listing of the Company's shares from the Parallel Market "**Nomu**" (hereinafter referred to as the "**Parallel Market**") to the Main Market (hereinafter referred to as the "**Main Market**") of the Saudi Stock Exchange (Tadawul) (hereinafter referred to as the "**Saudi Stock Exchange**" or "**Saudi Exchange Company**") (hereinafter referred to as the "**Transfer Process**") under Article 44 of the Listing Rules approved by CMA Board Resolution (hereinafter referred to as the "**CMA**") No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by its Resolution No. 4-114-2024, dated 04/04/1446H (corresponding to 07/10/2024G) (hereinafter referred to as the "**Listing Rules**").

Jahez International Company for Information Systems Technology (hereinafter referred to as the "**Company**" or the "**Issuer**") is a Saudi listed joint-stock company converted by virtue of the Ministry of Commerce's Resolution No. 138, dated 05/05/1442H (corresponding to 20/12/2020G), and registered in the Riyadh Commercial Register under No. 1010895874, dated 01/01/1439H (corresponding to 21/09/2017G). The Company's registered address is 2065 King Salman Neighborhood, King Abdullah bin Abdulaziz Road, P.O. Box 2065, Riyadh 12444, Kingdom of Saudi Arabia (hereinafter referred to as the "**Kingdom**" or "**Saudi Arabia**").

The Company was established on 01/01/1439H (corresponding to 21/09/2017G) as a limited liability company with a fully paid-up capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred (100) ordinary cash shares with a fully paid-up nominal value of ten thousand Saudi Riyals (SAR 10,000) per share. The Company was registered in the Commercial Register under No. 1010895874 on 01/01/1439H (corresponding to 21/09/2017G). On 10/03/1442H (corresponding to 27/10/2020G), the Company increased its capital from one million Saudi Riyals (SAR 1,000,000) to five million Saudi Riyals (SAR 5,000,000). The increase of four million Saudi Riyals (SAR 4,000,000) was met by capitalizing a portion of the shareholders' current accounts. On 05/05/1442H (corresponding to 20/12/2020G), the Company was converted from a limited liability company to a closed joint-stock company with a fully paid-up capital of five million Saudi Riyals (SAR 5,000,000), divided into five hundred thousand (500,000) ordinary shares with a fully paid-up nominal value of ten Saudi Riyals (SAR 10) per share. On 15/10/1442H (corresponding to 27/05/2021G), the Company's Extraordinary General Assembly approved an increase in the Company's capital from five million Saudi Riyals (SAR 5,000,000) to ninety-six million Saudi Riyals (SAR 96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid-up nominal value of ten Saudi Riyals (SAR 10) per share. The increase of ninety-one million Saudi Riyals (SAR 91,000,000) was met by capitalizing one million, five hundred thousand Saudi Riyals (SAR 1,500,000) from the Company's statutory reserve, capitalizing sixty-three million, five hundred thousand Saudi Riyals (SAR 63,500,000) from the retained earnings balance, and capitalizing twenty-six million Saudi Riyals (SAR 26,000,000) from the shareholders' credit balances. On 28/10/1442H (corresponding to 09/06/2021G), the Company's Extraordinary General Assembly approved an increase in the Company's capital from ninety-six million Saudi Riyals (SAR 96,000,000) to one hundred and four million, nine hundred and eighteen thousand and thirty Saudi Riyals (SAR 104,918,030), divided into ten million, four hundred and ninety-one thousand, eight hundred and three (10,491,803) ordinary shares (hereinafter referred to collectively as the "**Shares**") with a nominal value of ten Saudi Riyals (SAR 10) per share, and the offering of eight hundred and ninety-one thousand, eight hundred and three (891,803) new shares for subscription through an offering to qualified investors on the Parallel Market "Nomu" at an offering price of eight hundred and fifty Saudi Riyals (SAR 850) per share. On 02/06/1443H (corresponding to 05/01/2022G), the Company was listed on the Parallel Market. On 05/15/1445H (corresponding to 29/11/2023G), the Company's Extraordinary General Assembly approved dividing the nominal value per share of ten Saudi Riyals (SAR 10) per share into fifty Saudi Halalas (SAR 0.50) and to amend the number of shares from ten million, four hundred ninety-one thousand, eight hundred and three (10,491,803) ordinary shares to two hundred nine million, eight hundred thirty-six thousand and sixty (209,836,060) ordinary shares without amending the Company's capital. On 09/09/1445H (corresponding to 19/03/2024G) the Board of Directors approved the Company's transfer to the Main Market.

The Company's current capital is one hundred and four million, nine hundred and eighteen thousand and thirty Saudi Riyals (SAR 104,918,030), divided into two hundred nine million, eight hundred thirty-six thousand and sixty (209,836,060) ordinary shares with a nominal value of fifty Saudi Halalas (SAR 0.50) per share. All of the Company's Shares belong to one class of ordinary shares, and each share entitles its holder to one vote. Each shareholder in the Company (hereinafter referred to as a "**Shareholder**") has the right to attend and vote at meetings of the General Assembly of Shareholders (hereinafter referred to as the "**General Assembly**"), and no Shareholder shall have any preferential voting rights. The Shares are entitled to any dividends declared by the Company.

The transfer involves transferring the listing of two hundred nine million, eight hundred thirty-six thousand and sixty (209,836,060) ordinary Shares, representing the total Shares of the Company with a nominal value of fifty Saudi Halalas (SAR 0.50) per share from the Parallel Market "Nomu" to the Main Market.

The Company's activities, according to its Bylaws, are as follows: (1) wholesale and retail trade and repair of motor vehicles and motorcycles; (2) transportation and storage; (3) accommodation and food service activities; (4) information and communication; and (5) administrative and support services. The Company's activities in accordance with its commercial register also include the following: (1) provision of delivery services via electronic platforms; (2) guidance of goods transport vehicles; (3) systems analysis; (4) design and programming of special software; (5) wholesale sale of computers and supplies including the sale of printers and printer ink; (6) wholesale sale of software including importation; (7) retail sale of software; and (8) provision of wireless data services.

The Company has three (3) substantial shareholders who own 5% or more of the Company's shares directly, namely Alamat International Limited Company that owns fifty six million, twenty two thousand, three hundred and twelve (56,022,312) Shares, representing 26.698%, Tharwa Holding Company that owns fifteen million, twenty-two thousand, five hundred and sixty (15,022,560) Shares, representing 7.159%.and Abdulaziz bin Abdulrahman Al Omran who owns eleven million, seven hundred ninety-six thousand, six hundred ninety-eight (11,796,698) Shares, representing 5.622% (hereinafter referred to as the "**Substantial Shareholders**"), of the Company's Shares as of the date of this Transfer Document (hereinafter referred to as the "**Document**").

Prior to the transfer, the Company's Shares have never been listed or traded on any stock market, whether inside or outside the Kingdom, except for the Parallel Market. The Company has applied to the Saudi Exchange Company for transfer to the Main Market in accordance with the Listing Rules. This Document and all supporting documents requested by the Saudi Exchange Company have been approved. All the necessary official approvals for the transfer process have been obtained. Trading on the Main Market is expected to commence before 11/06/1446H (corresponding to 12/12/2024G) (for more information on the transfer timeline, please refer to the "**Timeline For the Transfer Process**" section on page (vii) of this Document.

Investing in the Shares subject to the transfer involves risks and uncertainties. Therefore, investors should carefully read and study the "**Important Notice**" section on page (i) and Section 2 "**Risk Factors**" of this Document before deciding to invest in the Shares after they have been listed on the Main Market and commenced trading.

Financial Advisor

HSBC

This Transfer Document contains information provided as part of the application for transfer to the Main Market in compliance with the Listing Rules of the Saudi Stock Exchange. The Directors whose names appear on page (iii) collectively and individually accept full responsibility for the accuracy of the information contained in this Transfer Document and confirm, having made all enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and the Saudi Stock Exchange assume no responsibility for the contents of this Transfer Document, do not make no representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Transfer Document.

This Document was issued on 16/05/1446H (corresponding to 18/11/2024G).

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Group

IMPORTANT NOTICE

This Document contains detailed information on the Company's transfer from the Parallel Market "Nomu" to the Main Market. It has been prepared and published in accordance with the requirements of the Listing Rules, a copy of which can be obtained from the websites of the Company (www.jahezgroup.com), the financial advisor HSBC Saudi Arabia (www.hsbcsaudi.com) and the Saudi Exchange Company (www.saudiexchange.sa).

The Company has appointed HSBC Saudi Arabia as its financial advisor (the "**Financial Advisor**") in connection with the transfer from the Parallel Market "Nomu" to the Main Market described herein.

The Document includes information provided as part of the application for transfer to the Main Market in compliance with the Listing Rules. The Directors, whose names appear on page (iii) of this Document, collectively and individually, accept full responsibility for the accuracy of the information contained in this Document and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading. The CMA and Saudi Exchange Company do not take any responsibility for the contents of this Document, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Document.

This Document has been prepared for the purpose of transferring only, and this Document and the information contained herein do not constitute a public offering of any securities, an offer to sell shares or an invitation to buy them by any person, nor is this Document a prospectus in accordance with the Rules on the Offer of Securities and Continuing Obligations issued by the CMA. The information contained in this Document on the date of its issuance is subject to change. In particular, the financial position of the Company and its subsidiaries (hereinafter referred to as the "**Group**") and the value of the Shares may be adversely affected by future developments related to inflation, interest rates, taxes or any other economic or political factors beyond the control of the Group (for more information, please refer to Section 2 "**Risk Factors**" of this Document). The publication of this Document and any oral, written or printed communications in relation to the Shares should not be considered, interpreted or relied upon in any way as a promise or statement regarding future profits, results or events.

This Document shall not be considered as a recommendation by the Company, its Directors or any of their advisors to invest in shares. The information contained in this Document is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or specific investment needs of persons wishing to invest in the Shares. Each recipient of this Document, before making a decision to invest in the Shares, bears the responsibility for obtaining professional advice from a financial advisor licensed by the CMA regarding investment in the Shares to assess the suitability of the investment opportunity and the information contained in this Document for their specific goals, circumstances and financial needs.

All investors should read this entire Document and the information contained herein without relying on any summary. In particular, all investors should carefully read Section 2 "**Risk Factors**" of this Document before making a decision to invest in the Shares after their listing on the Main Market and the start of trading.

Financial Information

The audited financial statements of the Company for the financial years ended 31 December 2021G, 2022G and 2023G and the accompanying notes thereto have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") adopted in the Kingdom and other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) in the Kingdom. The said financial statements have been audited by KPMG Professional Services (hereinafter referred to as the "**Auditor**") and the Company publishes its financial statements in Saudi Riyals. Also, the unaudited interim condensed financial statements for the six-month period ended 30 June 2024G, and the accompanying notes have been prepared in accordance with IAS 34 (Interim Financial Reports) as adopted in the Kingdom of Saudi Arabia.

Some of the financial and statistical information contained in this Document has been rounded to the nearest whole number. Therefore, if the figures in the tables are summed, their sum may not correspond to what is stated in the Document.

Forecasts and Forward-looking Statements

The forecasts contained in this Document have been prepared on the basis of specific and stated assumptions. The Group's future circumstances may differ from the assumptions currently used. Therefore, there is no guarantee or undertaking as to the accuracy or completeness of any such forecasts or estimates.

Certain forecasts and statements contained in this document constitute "forward-looking statements". Forward-looking statements can be generally identified by the use of words such as "plans", "intends", "aims", "estimates", "believes", "expects", "expected", "may", "possible", "likely", "could", "will", "might", and their negative forms and other words close or similar in meaning. These statements reflect the Group's current views on future events, but do not constitute a guarantee or confirmation of any actual future performance of the Group, as there are many factors that may affect the actual performance, achievements or results of the Group and lead to material differences from what is expressly or implicitly implied in these statements. The main risks and factors that could lead to such an impact have been reviewed in more detail in other sections of this Document (please refer to Section 2 "**Risk Factors**" of this Document). The actual results of the Group may significantly differ from those mentioned in this Document if one or more of these factors are realized, or if any of the expectations or estimates contained in this Document are proven to be incorrect or inaccurate.

As a result of these risks, uncertainties and estimates, the events, conditions and future projections addressed in this document may not occur as expected by the source or may not occur at all. Potential investors should examine all future statements in light of these clarifications while not relying primarily on future statements.

COMPANY DIRECTORY

Board of Directors

Table (1.1): Members of the Company's Board of Directors

No.	Name	Position	Membership Status	Direct Ownership Percentage[1]	Indirect Ownership Percentage[1]	Date of Appointment to the Current Term	Start Date of the Board Term	End Date of the Board Term
1	HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud[2]	Chairman	Non-independent/ Non-executive	N/A	22.95%	02/05/1442H (corresponding to 17/12/2020G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
2	Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran	Vice Chairman	Non-independent/ Non-executive	5.62%	N/A	02/05/1442H (corresponding to 17/12/2020G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
3	Ghassab Bin Salman Bin Ghassab Bin Mandeel[3]	Board Member	Non-independent/ Executive	2.39%	5.34%	02/05/1442H (corresponding to 17/12/2020G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
4	Hamad Bin Abdullah Bin Fahad Al Bakr[4]	Board Member	Non-independent/ Executive	2.44%	5.34%	02/05/1442H (corresponding to 17/12/2020G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
5	Abdullah Bin Saud Bin Marshoud Al Romaih	Board Member	Independent/ Non-executive	N/A	N/A	04/12/1443H (corresponding to 03/07/2022G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
6	Loulwa Bint Mohammed Bin Abdulkarim Bakr	Board Member	Independent/ Non-executive	N/A	N/A	09/09/1442H (corresponding to 21/04/2021G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)

(1) The provided figures are approximate figures.

(2) The indirect ownership of Mishal Bin Sultan Bin Abdulaziz Al Saud is the result of his ownership of 99% of the shares of Tharwa Holding Company, which in turn owns 60% of the shares of Alamat International Limited Company, and Alamat International Limited Company directly owns 26.698% of the Company's shares. Tharwa Holding Company also owns 7.159% of the Company's shares directly, and thus Mishal Bin Sultan Bin Abdulaziz Al Saud indirectly owns 22.95% of the Company's shares.

(3) The indirect ownership of Ghassab Bin Salman Bin Ghassab Bin Mandeel is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares.

(4) The indirect ownership of Hamad Bin Abdullah Bin Fahad Al Bakr is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares.

Source: The Company and Saudi Exchange Company

Address of the Company and its Representatives

Company Address
Jahez International Company for Information Systems Technology 2065 King Salman Neighborhood, King Abdullah bin Abdulaziz Road P.O. Box 2065 Riyadh 12444 Kingdom of Saudi Arabia Phone: +966 8001241220 Website: www.jahezgroup.com Email: IR@Jahez.net

Company Representatives	
Ghassab Bin Salman Bin Ghassab Bin Mandeel Chief Executive Officer and Board Member 2065 King Salman Neighborhood, King Abdullah bin Abdulaziz Road P.O. Box 2065 Riyadh 12444 Kingdom of Saudi Arabia Phone: +966 8001241220 ext. 300 Website: www.jahezgroup.com Email: gmandeel@jahez.net	**Abdulaziz Bin Saud Bin Abdulaziz Al Houti** Chief Investment Officer 2065 King Salman Neighborhood, King Abdullah bin Abdulaziz Road P.O. Box 2065 Riyadh 12444 Kingdom of Saudi Arabia Phone: +966 8001241220 ext. 314 Website: www.jahezgroup.com Email: aalhouti@jahez.net

Stock Exchange
Saudi Exchange Company Tawuniya Towers – North Tower King Fahd Road - Al Olaya 6897 Unit No: 15 Riyadh 12211-3388 Kingdom of Saudi Arabia Phone: +966 11 92000 1919 Fax: +966 11 218 9133 Website: www.saudiexchange.sa Email: csc@saudiexchange.sa

ADVISORS

Financial Advisor
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Legal Advisor
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Legal Advisor to the Financial Advisor
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Fax: +966 11 211 0401
Website: www.pwc.com/middle-east
Email: mer_project_evolve_ksa@pwc.com

Chartered Accountant
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Kingdom of Saudi Arabia
Phone: +966 11 8748500
Fax: +966 11 8748600
Website: www.kpmg.com/sa
Email: marketingsa@kpmg.com

Notice:

All of the above-mentioned advisors have given their written consent to the reference to their names, logos, and testimonials in this Document in the form and content contained herein, and this consent has not been withdrawn as at the date of this Document. It should be noted that all these entities and their employees – within the work team – or any of their relatives do not own shares or any interest of any kind in the Company which may affect their independence.

TIMELINE FOR THE TRANSFER PROCESS

Table (1.2): Expected Timeline For The Transfer Process

Event	Date
Board Approval of the Transfer Process to the Main Market	On Tuesday, 09/09/1445H (corresponding to 19/03/2024G).
Publication of the Board of Directors' Report	On Monday, 22/09/1445H (corresponding to 01/04/2024G), and the Board of Directors' Report was republished on Monday, 11/04/1446H (corresponding to 14/10/2024G).
Submission of the Application for the Transfer Process to the Main Market	On Sunday, 01/01/1446H (corresponding to 07/07/2024G).
Saudi Exchange Company Approval of the Transfer Application to the Main Market	On Monday, 16/05/1446H (corresponding to 18/11/2024G).
Public Review Period of the Transfer Document on the Websites of the Issuer, the Exchange, and the Financial Advisor	From Thursday, 19/05/1446H (corresponding to 21/11/2024G), until the end of Wednesday, 03/06/1446H (corresponding to 04/12/2024G).
Suspension/Pause of Trading of the Company's Shares for the Purpose of its Transfer to the Main Market	From Thursday, 04/06/1446H (corresponding to 05/12/2024G).
Last day of the Period of Suspension/Pause of Trading of the Company's Shares	Within a period not exceeding five trading days from the Date of Suspension/Pause of trading the Company's shares.
Expected Date of Listing and Commencement of Trading of the Company's Shares on the Main Market	The Transfer date to the Main Market will be announced on the Saudi Exchange Company website.

Dates will be announced on the websites of the Saudi Exchange Company (www.saudiexchange.sa), the Financial Advisor (www.hsbcsaudi.com), and the Company (www.jahezgroup.com).


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Jahez Group

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1. Definitions and Terms

Ad Display	These are marketing services that are billed to Merchants in exchange for displaying advertisements such as promotions and listing certain Merchants at the top of the list in a specific delivery area on Jahez Platform.
Advisors or Advisors of the Company	The advisors or the Company's advisors are the Company's advisors in relation to the transfer process whose names are listed on pages (v) and (vi) of this Document.
BluStore	BluStore Company, one of the Company's Substantial Subsidiaries.
"BluStore Platform"	"BluStore Platform" of Blu Store Company.
Board or Board of Directors	The Company's Board of Directors, which comprises the board members whose names appear on page (iii) of this Document.
Business Day	The business days in the Kingdom (Sunday to Thursday, excluding official holidays).
Bylaws	The Company's Bylaws approved by the General Assembly.
Capital Market Authority or CMA	The Capital Market Authority in the Kingdom of Saudi Arabia.
Capital Market Institution	A Capital Market Institution licensed by the CMA to conduct securities business.
Capital Market Law	The Capital Market Law promulgated by Royal Decree No. M/30, dated 02/06/1424H (corresponding to 31/07/2003G), as amended.
CEO	The Chief Executive Officer of the Company.
Chairman or Board Chairman	The Chairman of the Company's Board of Directors.
Chartered Accountant or Auditor	KPMG Professional Services.
Cloud Kitchens	Kitchens for restaurants that serve delivery customers only and serve their food exclusively through take-out delivery via delivery apps without indoor seating, whereby a number of different restaurants share a single shared kitchen.
Co	Joint Preparation Company for Meals, one of the Company's Substantial Subsidiaries.
Companies Law	The Companies Law promulgated by Royal Decree No. M/132, dated 01/12/1443H (corresponding to 30/06/2022G).
Company or Issuer	Jahez International Company for Information Systems Technology.
Control	According to the Glossary of Defined Terms used in the CMA Rules and Regulations issued by the CMA, control is the ability to influence the actions or decisions of another person, directly or indirectly, individually or jointly with a relative or affiliate, through any of the following: 1- Owning 30% or more of the voting rights in a company. 2- The right to appoint 30% or more of the members of the administrative body.
Cooperation Council	The Cooperation Council for the Arab States of the Gulf and its member states, namely the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar and the United Arab Emirates.
Corporate Governance Regulations	The Corporate Governance Regulations issued by the CMA Board based on the Companies Law, pursuant to Resolution No. 8-16-2017, dated 16/05/1438H (corresponding to 13/02/2017G), as amended by CMA Board Resolution No. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G).
Costs of Attracting New Customers	These represent sales and marketing expenses divided by the number of new customers during the period.
COVID-19	The novel coronavirus pandemic (COVID-19).
Customers or Active Customers	Active users for one hundred and eighty (180) days from the date of the last order on Jahez Platform.
Delivery Partners	Drivers who deliver orders via delivery apps, including through Jahez Platform, PIK Platform and "BluStore Platform", and who may be logistics drivers, independent drivers, or employees of delivery app operators.
Depository Center	The Saudi Arabian Securities Depository Center (Edaa).

Directors	Members of the Company's Board of Directors.
Extraordinary General Assembly (EGM)	An Extraordinary General Assembly of Shareholders held in accordance with the Bylaws.
Financial Advisor	HSBC Saudi Arabia.
Financial Year	The financial year ending on December 31 of each calendar year.
Financial Statements	The Company's audited financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2024G.
Food Delivery via Apps	This includes food delivery segments via apps and does not include restaurants' proprietary apps.
G	Gregorian.
General Assembly	The Ordinary or Extraordinary General Assembly. "General Assembly" means any general assembly of the Company.
Government	The government of the Kingdom of Saudi Arabia.
Group	The Company and its Subsidiaries.
Group Platforms	Jahez Platform, "PIK Platform" and "BluStore Platform".
H	Hijri.
Implementing Regulations of the Companies Law	The Implementing Regulations of the Companies Law for Listed Joint Stock Companies issued by CMA Board Resolution No. 8-127-2016, dated 16/01/1438H (corresponding to 17/10/2016G), as amended by CMA Board Resolution No. 8-5-2023, dated 25/06/1444H (corresponding to 18/01/2023G).
Investment Funds Regulations	The Investment Funds Regulations issued by CMA Board Resolution No. 1-219-2006, dated 03/12/1427H (corresponding to 24/12/2006G), as amended by CMA Board Resolution No. 2-22-2021, dated 12/07/1442H (corresponding to 24/02/2021G).
Jahez Bahrain	Jahez International Company W.L.L., one of the Company's Substantial Subsidiaries.
Jahez Egypt	Jahez for Information Technology, one of the Company's Substantial Subsidiaries.
Jahez Kuwait	Jahez International Company for Wholesales and Retail Trading, one of the Company's Substantial Subsidiaries.
Jahez Platform	The Company's Jahez electronic platform.
Jahez Qatar	Jahez International Company for Information Systems Technology, one of the Company's Substantial Subsidiaries.
Material Subsidiaries	(1) Joint Preparation Company for Meals; (2) PIK Option Trading Company; (3) Supportive Solutions Company for Logistic Services; (4) The Red Color Company; (5) Jahez International Company W.L.L.; (6) Jahez International Company for Wholesales and Retail Trading; (7) BluStore Company; (8) Marn Business Information Technology Company; (9) Sol Company for Trading.
Kingdom or Saudi Arabia	The Kingdom of Saudi Arabia.
Labor Law	The Labor Law promulgated by Royal Decree No. M/51, dated 23/08/1426H (corresponding to 27/09/2005G), as amended.
Last Mile Delivery	This refers to the final stage in the supply chain, which involves transporting products or parcels from the distribution point to the final destination.
Legal Advisor	The Law Firm of Latham & Watkins.
List of Defined Terms used in the Regulations of the Authority	The List of Defined Terms used in the CMA Rules and Regulations issued pursuant to Resolution No. 4-11-2004, dated 20/08/1425H (corresponding to 04/10/2004G), as amended by CMA Board Resolution No. 3-6-2024, dated 05/07/1445H (corresponding to 17/01/2024G).
Listing	Listing of the Company's Shares on the Main Market.
Listing Rules	The Listing Rules approved by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by CMA Board Resolution No. 4-114-2024, dated 04/04/1446H (corresponding to 07/10/2024G).
Logi	Support Solutions Logistics Services Company, one of the Company's Substantial Subsidiaries.

Logistics Companies	Companies that provide logistics services to the Group.
Main Market	The Main Market of the Saudi Exchange.
Marn	Marn Business Information Technology Company, one of the Company's Substantial Subsidiaries.
Ministry of Commerce	The Ministry of Commerce of the Kingdom of Saudi Arabia.
Ministry of Human Resources	The Ministry of Human Resources and Social Development of the Kingdom.
Nitaqat/Saudization program	Labor regulations in Saudi Arabia that require companies operating in the Kingdom to employ a certain percentage of Saudis. The Saudization Program (Nitaqat) was approved by the resolution of the Ministry of Human Resources and Social Development No. 4040, dated 12/10/1422H (corresponding to 10/09/2011G), based on Council of Ministers Resolution No. 50, dated 12/05/1415H (corresponding to 27/10/1994G). The Ministry of Human Resources and Social Development in the Kingdom launched the Nitaqat program to provide incentives for institutions to employ Saudi nationals. This program evaluates the performance of any institution on the basis of specific domains: platinum, green and red.
Official Gazette	Umm Al-Qura Newspaper, the official gazette of the Kingdom of Saudi Arabia.
On-Demand Services	Services that allow end users to order through the use of technology (cloud computing, storage, software, and other resources) and to obtain the product through them immediately or when needed.
Ordinary General Assembly	An Ordinary General Assembly of Shareholders held in accordance with the Bylaws.
Parallel Market	The Parallel Market "Nomu" of the Saudi Exchange.
PIK	PIK Option Trading Company, one of the Company's Substantial Subsidiaries.
Sol	Sol Company for Trading, one of the Company's Substantial Subsidiaries.
"PIK Platform"	The electronic platform of PIK.
Public	Persons other than those listed below: a- Subsidiaries of the Issuer. b- Substantial Shareholders in the Issuer. c- Directors and Senior Executives of the Issuer. d- Directors and senior executives of the Subsidiaries of the Issuer. e- Directors and senior executives of the Substantial Shareholders of the Issuer. f- Any relatives of the persons referred to in 1, 2, 3, 4 or 5 above. g- Any company controlled by any of the persons referred to in 1, 2, 3, 4, 5, or 6 above. Persons acting in concert and jointly owning 5% or more of the class of shares to be listed.
Quick Commerce	A new generation of e-commerce where consumers can order a wide range of products online and have them delivered in less than an hour or two, directly from Merchants or through dark stores.
Red Color	The Red Color Company, one of the Company's Substantial Subsidiaries.
Related Party	The term "Related Party" or "Related Parties" in this Document and under the Glossary of Defined Terms used in the CMA Regulations includes the following: a- Subsidiaries of the Issuer with the exception of companies fully-owned by the Issuer. b- Substantial Shareholders in the Issuer. c- Directors and Senior Executives of the Issuer. d- Directors of the Subsidiaries of the Issuer. e- Directors and senior executives of the Substantial Shareholders of the Issuer. f- Any relatives of the persons referred to in (a), (b), (c) or (e) above. Any company controlled by any person referred to (a), (b), (c), (e) or (f) above.
Relatives	Husbands, wives and minor children. For the purposes of the Corporate Governance Regulations: a- Parents, grandparents and great-grandparents. b- Children and their descendants. c- Full and half brothers and sisters. d- Husbands and wives.

Rules on the Offer of Securities and Continuing Obligations	The Rules on the Offer of Securities and Continuing Obligations issued by CMA Board Resolution No. 3-123-2017, dated 09/04/1439H (corresponding to 27/12/2017G), as amended by CMA Board Resolution No. 3-6-2024, dated 05/07/1445H (corresponding to 17/01/2024G).
Rules for Foreign Investment in Securities	The Rules for Foreign Investment in Securities issued by the CMA Board pursuant to Resolution No. 2-26-2023, dated 05/09/1444H (corresponding to 27/03/2023G).
SAR or Saudi Riyal	The Saudi Riyal, which is the official currency of the Kingdom of Saudi Arabia.
Saudi Stock Exchange or Saudi Exchange Company	The Saudi Stock Exchange (Tadawul).
Secretary	Secretary of the Board of Directors of the Company.
Senior Executives or Executive Management	Any natural person who is entrusted – alone or with others – by the Company's Board of Directors or by a member of the Company's Board of Directors with supervisory and management functions, and who reports directly to the Board of Directors, a member of the Company's Board of Directors or the CEO.
Share	An ordinary share with a nominal value of fifty Saudi Halalas (SAR 0.50) in the Company's capital.
Shares	The Company's fully paid ordinary Shares with a nominal value of fifty Saudi Halalas (SAR 0.50) per share.
Shareholder or Shareholders	A shareholder or shareholders of the Company at any given time.
SOCPA	The Saudi Organization for Chartered and Professional Accountants in the Kingdom.
Merchant	Merchants that are displayed on Jahez Platform, "PIK Platform" and "BluStore Platform", such as restaurants, home companies, department stores, retail stores, et cetera.
Merchant Branch	Branches of Merchants that are displayed in Jahez Platform, "PIK Platform" and "BluStore Platform", such as branches of restaurants, home companies, department stores, retail stores, et cetera.
Subsidiaries	(1) Joint Preparation Company for Meals; (2) PIK Option Trading Company; (3) Supportive Solutions Company for Logistic Services; (4) The Red Color Company; (5) Jahez International Company W.L.L.; (6) Jahez International Company for Wholesales and Retail Trading; (7) BluStore Company; (8) Marn Business Information Technology Company; (9) Sol Company for Trading; (10) Jahez for Information Technology; and (11) Jahez International Company for Information Systems Technology.
Substantial Shareholders	The Substantial Shareholders who own 5% or more of the Company's shares directly, namely Alamat International Limited Company that owns fifty six million, twenty two thousand, three hundred and twelve (56,022,312) Shares, representing 26.698%, Tharwa Holding Company that owns Fifteen million, twenty-two thousand, five hundred and sixty (15,022,560) Shares and Abdulaziz bin Abdulrahman Al Omran who owns eleven million, seven hundred ninety-six thousand, six hundred ninety-eight (11,796,698) Shares, of the Company's shares as at the date of this Document.
Transfer	The transfer of the Issuer's shares from the Parallel Market "Nomu" to the Main Market.
Transfer Process	The listing of two hundred nine million, eight hundred thirty-six thousand and sixty (209,836,060) ordinary shares representing all the Company's shares, 52.27% of which are owned by the public, through the transfer of the listing of the Company's shares from the Parallel Market to the Main Market.
Transfer Document or Document	This Document which is prepared by the Company in connection with the process of transfer to the Main Market.
Value Added Tax (VAT)	On 02/05/1438H (corresponding to 03/01/2017G), the Council of Ministers approved the Unified Agreement for Value Added Tax (VAT) for the Gulf Cooperation Council (GCC) countries, which came into effect on January 1st, 2018. This new tax is added to the existing tax and fee system applicable to specific sectors in the Kingdom as well as in the GCC countries. The amount of this tax will be 5%, and a number of products have been excluded (such as basic foods, services related to health care, education, and the residential rental sector). Starting from July 2020, the value added tax became 15% instead of 5%.
ZATCA	The Zakat, Tax and Customs Authority in the Kingdom.

2. Risk Factors

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

Prospective investors wishing to invest in the Shares subject to transfer and trade on the Main Market should carefully consider all of the information provided in this Document, including the following risk factors, prior to deciding to invest in the Shares to be listed on the Main Market. The risk factors described below are those that the Group currently believes could affect the Group and any investment in the Shares to be listed on the Main Market. The risks described below do not necessarily encompass all the risks affecting the Group or associated with an investment in its Shares. There may be additional risks that the Group is currently unaware of or that the Group currently believes are immaterial. The occurrence of any such risks may materially and negatively affect the Group's business, financial position, results of operations, prospects, the trading price of the Shares and the Group's ability to pay dividends to the Shareholders, which may cause investors to lose all or a portion of their investment in the Shares.

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

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

2.1 Risks Related to the Issuer

2.1.1 Risks Related to the Group's Limited Operational History and its Operation in an Evolving Industry Subject to Continuous Developments and its Ability to Achieve its Strategy Objectives in the Future

The Company operates in three (3) main sectors: the delivery sector, the logistics sector and the other services sector, which includes cloud kitchens, merchant support services and investments. In the delivery sector, the Group's Jahez Platform was launched in 2016G, while the soft launch of "PIK Platform" belonging to PIK, a fully owned subsidiary of the Company, was completed in 2021G. "BluStore Platform" of BluStore, 51% of which is owned by the Company, was also launched in 2022G in partnership with Al-Hilal Club Company. In the logistics sector, the Group established Logi in 2021G. In the other services sector, the cloud kitchen operations of Co, a 60% owned subsidiary of the Company, were launched in 2020G. In addition, during 2023G, the Company acquired a 35% stake in Sol, which in turn owns the Sol Platform. The Company also acquired Marn in January 2023G. Furthermore, the Company established Red Color in 2021G as its investment arm (for further information, please refer to Section 4.4 "**Overview of the Group's Operations**" of this Document). Since then, the Group has experienced rapid growth over the past few years in terms of the level of services it provides, the prices and features it presents across its platforms and the services it offers. As such, the Group has a short operating history in the three (3) sectors in which it operates, which represent emerging sectors subject to continuous development. As a result, the Group faces risks and challenges that limit its ability to accurately evaluate its business and prospects, particularly in light of the risks and challenges it faces, which include, but are not limited to, the following:

- Inability to accurately predict the Group's revenues or plan future operating expenses.
- Inability to increase or retain the number of merchants, customers or delivery partners on the Group's Platforms.
- Inability to successfully compete with current or future competitors.
- Inability to successfully grow and expand in the existing markets in which the Group operates or enter new markets.
- Inability to anticipate economic changes and fluctuations in the markets in which the Group operates and respond to them directly and in an appropriate manner.
- Inability to develop a high-performance and scalable technical infrastructure capable of efficiently and reliably handling increased usage and implementing new features and services.

- Inability to keep pace with new technologies and techniques used to interact with merchants, customers and delivery partners and apply them to the Group's Platforms.
- Managing the rapid growth and expansion of the Group's workforce and operational processes, as well as recruiting and retaining talent.
- Inability to comply with data protection and storage requirements (for further information, please refer to Section 2.2.3 "**Risks Related to Data Protection and Cybersecurity Systems**" of this Document).

The Group incurred losses in all its business sectors in the financial years 2022G and 2023G, with the exception of the delivery sector. This was due to the geographical and operational expansions undertaken by the Group in such sectors, which have not yet achieved profitability and are being financed by the profits generated by the delivery sector. If the Group is unable to effectively address the challenges and risks it faces, including those mentioned above, this would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

In addition, given the limited historical financial data and the Group's limited business in a market and sectors subject to continuous growth and regulatory changes (for further information regarding the regulatory environment of the sector in which the Company operates and the associated risks, please refer to Section 2.2.1 "**Risks Related to the Regulatory Environment**" of this Document), any forecasts regarding the Group's future revenues or expenses may not be as accurate compared to if the Group had a longer operating history or was operating in a different sector or market. If the Group's estimates regarding any of the risks or challenges it faces, upon which it bases its plans and operations, are found to be inaccurate or if the Group fails to successfully address such risks and challenges, the results of operations may differ materially from the Group's expectations, which would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

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

The Group has experienced rapid growth over the previous few years. The Group's net revenues have increased from one billion, one hundred and fifty-nine million, five hundred and sixty-seven thousand, nine hundred and sixty-two Saudi Riyals (SAR 1,159,567,962) in 2021G to one billion, six hundred and two million, four hundred and seventy-six thousand, eight hundred and thirty-nine Saudi Riyals (SAR 1,602,476,839) in 2022G and one billion, seven hundred and eighty-four million, seven hundred and fifty-five thousand, two hundred and eighty-three Saudi Riyals (SAR 1,784,755,283) in 2023G to one billion, twenty-one million, eight hundred ninety-four thousand, two hundred thirty-two Saudi riyals (SAR 1,021,894,232) in the six-month period ended 30 June 2024G, at a growth rate of 38.2% from 2021G to 2022G and 11.4% from 2022G to 2023G and 22.3% from 2023G to the six-month period ended 30 June 2024G. However, the growth rate of revenue and financial performance may not be indicative of the Group's future performance. The Group's revenues are impacted based on its delivery revenues, which accounted for an average of 59.7%, 59.2%, 54.4% and 48.1% of the total revenues for the financial years ended 31 December 2021G, 2022G, 2023G and the six-month period ended 30 June 2024G, respectively. Delivery revenues do not contribute to the overall profit margin. However, delivery revenues are not analyzed in isolation since they represent a part of rendering the overall services to customers. As such, delivery revenues should be viewed in conjunction with commission revenues. There can be no assurance that the Group's revenues and profits will continue to grow at historical rates. The Group's growth rate may decrease in the future due to several factors, including, but not limited to, slowing demand for the Group's Platforms or other businesses, its inability to charge higher commission rates to merchants, inability to sufficiently increase the number of merchants, customers or delivery partners using the Group's Platforms, higher competition in the market resulting in a decline in the Group's market share, overall market growth with the Group being unable to take advantage of growth opportunities, higher costs of the Group's businesses, an increase in investments made by the Group which may not result in higher revenues or growth, or a general decline in the growth of the delivery application sector and the transfer from traditional ordering methods to electronic ordering methods. As a result of the Company's initial public offering in 2022G, the Company received a significant cash infusion which it intended to use for an unrealized acquisition. Accordingly, cash was held in short- and long-term operational deposits, leading to the accumulation of interest. The financial income generated from these balances amounted to SAR nil, SAR 22.2 million, SAR 46.1 million, and SAR 25.8 million, in the financial years ended 2021G, 2022G, 2023G, and the six-month period ended June 30 2024G, respectively. The Company may not be able to retain these financial income amounts if deposits mature or if the cash balance from proceeds is reduced/used, which would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

In addition to the foregoing, the Group has experienced a growth in the number of employees, users of the Group's Platforms and geographical markets in which it operates since its establishment, with the number of employees increasing from 496 in 2021G to 2,983 as of 2023G (including Logi delivery partners). The number of cities in which the Group operates increased from fifty (50) cities in the Kingdom in 2021G to one hundred (100) cities in the Kingdom, in addition to the State of Kuwait and the Kingdom of Bahrain, as of 2023G. Consequently, the Group has witnessed a significant expansion in operations. This growth results in significant pressure on the Group's Management to properly manage such growth, including in terms of the operational and financial infrastructure. The Group's ability to manage its rapid growth depends on its success in business integration, recruitment of new employees, expansion of its operational and financial infrastructure, improvement of internal control systems and employee training and development. If the Group is unable to adequately manage its growth, this would affect its operational activities, the quality of Jahez Platform and the efficiency of its operations, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.3 Risks Related to the Reliance of the Group's Business on Attracting and Retaining Merchants, Delivery Partners and Customers

Given the Group role as a link between merchants, delivery partners and customers, the Group's Platforms are highly dependent on the business of merchants. As such, the growth of the Group's business and revenues depends on its ability to continue to attract and retain merchants, delivery partners and customers at favorable costs and fees. If the Group manages to increase the number of merchants on its platforms, it will be able to attract more customers, and vice versa. The availability of a sufficient number of delivery partners to enable the Group to fulfill orders placed through the Group's Platforms is also essential in attracting merchants and customers to the Group's Platforms. It takes considerable time to build a network of merchants, customers and delivery partners. Moreover, such a network may not grow as quickly as the Group has witnessed in the past. The growth in the number of merchants within the sectors in which the Group operates is key to the Group's growth and ability to attract more merchants to its platforms, which is beyond the Group's control. If the Group is unable to attract and retain merchants, delivery partners or customers for any reason, taking into account the ongoing regulatory changes such as the recent regulatory requirements related to the Saudization of the delivery sector (for further information regarding the risks related to Saudization requirements, please refer to Section 2.2.8 "**Risks Related to Compliance with Saudization Requirements**" of this Document), this will impair the Group's Platforms and their ability to grow in the future. The Group may also incur significant costs in attracting merchants, delivery partners and customers, particularly when entering new geographical markets, due to intense competition (for further information regarding the risks related to competition, please refer to Section 2.2.5 "**Risks Related to Competition**" of this Document). This would, in turn, have a material adverse effect on the Group's business, financial position, results of operations and prospects. The Group's ability to attract and retain merchants, delivery partners and customers is crucial to the Group's business and revenue growth. If the Group is unable to do so for any reason, this would have a material adverse effect on its business, financial position, results of operations and prospects.

2.1.4 Risks Related to Merchants

The Group's Platforms depend largely on merchants that offer their products to customers and use delivery services. The total gross merchandise value generated through the Group's Platforms increased from three billion, three hundred and forty-two million, five hundred and thirty-one thousand Saudi Riyals (SAR 3,342,531,000) in the financial year 2021G to five billion, ninety-two million, eight hundred and twenty-eight thousand Saudi Riyals (SAR 5,092,828,000) in the financial year 2023G to three billion, seventy-seven million, seven hundred sixty-seven thousand Saudi riyals (SAR 3,077,767,000) in the six-month period ended 30 June 2024G. Merchants use the Group's Platforms to increase their sales volumes. If merchants are dissatisfied with the sales volumes and margins achieved through the Group's Platforms or the commission rates they pay to the Group, if the Group fails to pay merchants their dues, if there is a discrepancy in the registered balances between the merchants and the Group, or if merchants are unwilling to associate their names with the Group's brands, this may lead to merchants ceasing to deal with the Group, working mainly or exclusively with the Group's competitors or seeking to establish their own delivery platforms. In such a case, the Group will not be able to provide a variety of suitable merchant options to customers across its platforms, and, therefore, the Group's revenues may be materially and adversely affected.

Additionally, if merchants on the Group's Platforms are subject to any operational risks that lead to the temporary or permanent suspension of their businesses, if they experience financial difficulties or additional operating expenses, or if they wish to negotiate the commercial terms of their dealings with the Group, this would affect the Group's relationship with such merchants. Consequently, the Group may be forced to offer fewer options to customers on its platforms, which could materially and adversely affect the Group's revenues. In addition, if the Group is unable to attract merchants with high customer demand for any reason, such as due to competitive factors, exclusive arrangements with other competing platforms, or the inability to negotiate favorable commercial terms, it may not be able to attract or retain such merchants, which in turn would lead to its inability to attract and retain customers. The occurrence of any of these risks would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Furthermore, Co depends on merchants leasing its cloud kitchens to offer their products to customers via a delivery-only model without dine-in options. As such, Co's business is affected by the extent to which this business model is attractive to merchants. If merchants do not lease Co's cloud kitchens, this would negatively impact Co's business, revenues and profitability. Cloud kitchens have inherent risks, such as the inability to build brands and reach customers due to their exclusive presence on online platforms as well as their reliance on technology. If merchants that lease kitchens from Co are unsuccessful or subject to operational risks that lead to a temporary or permanent suspension of their business or financial distress, this will result in such merchants terminating their contracts with Co or renegotiating their commercial terms. Accordingly, the occupancy rates of Co's kitchens and their profitability will be impacted, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.5 Risks Related to Delivery Partners

Orders from merchants are delivered to customers through delivery partners registered on the Group's Platforms. The Group's Platforms mainly rely on three (3) categories of delivery partners, namely (i) permanent delivery partners registered on Logi, who delivered 16% of the total orders as of the financial year 2023G; (ii) freelance delivery partners, who delivered 17% of the total orders as of the financial year 2023G; and (iii) delivery partners employed by logistics companies that the Group contracts with, who delivered 67% of the total orders as of the financial year 2023G. The total number of the Group's delivery partners was fifty thousand, eight hundred and fifty-four (50,854) as of the financial year 2021G. This number increased to sixty thousand, one hundred and eighty-five (60,185) as of the financial year 2022G and reached fifty-five thousand, nine hundred and forty-five (55,945) as of the financial year 2023G. A portion of the Group's revenues is based on delivery partners of all categories. The Group generates revenue through the delivery fees paid by customers for each order made via the Group's Platforms (for further information, please refer to Section 4.4 "**Overview of the Group's Operations**" of this Document). Delivery revenues represented an average of 59.7%, 59.2%, 54.4%, and 48.1% of overall revenue for the financial years 2021G, 2022G, 2023G, and the six-month period ended June 30 2024G, respectively. Logi's operations depend on attracting a sufficient number of delivery partners to enable it to fulfill its customers' orders. As such, the Group will have to attract and retain delivery partners at reasonable costs, while ensuring that they meet the terms set by the Group, Government entities, and the relevant laws and regulations. The Group's ability to attract delivery partners is affected by several factors, including the benefits provided to delivery partners in order to attract and recruit them to the Group's Platforms, the ability of logistics companies to provide delivery partners to the Group at reasonable prices, fuel prices, and other factors that are beyond the Group's control. It should be noted that freelance delivery partners and delivery partners employed by logistics companies do not provide their services exclusively to the Jahez, PIK or BluStore Platforms. They may also provide their services to other delivery applications and activities or carry out other independent delivery activities, which may include entering into employment contracts with public and private sector entities. Consequently, the Group is exposed to competitive factors in attracting and retaining delivery partners for its platforms. The Group also faces the risk of being unable to control delivery partners due to the fact that it does not directly employ them and they work as freelance delivery partners or delivery partners employed by logistics companies. In addition, the Ministry of Human Resources and Social Development issued a ministerial decision on 07/06/1442H (corresponding to 20/01/2021G), which came into effect on 13/02/1443H (corresponding to 20/09/2021G), requiring delivery platforms to limit direct dealing (i.e., dealing with freelance delivery partners) to Saudi delivery partners only. As for non-Saudi delivery agents, they can only be dealt with by the Group's Platforms through logistics companies or through Logi. Moreover, the Ministry of Human Resources and Social Development issued a ministerial resolution dated 07/02/1443H (corresponding to 14/09/2021G), which introduced a number of fines and penalties applicable to online platforms. These include, for example, a fine of twenty thousand Saudi Riyals (SAR 20,000) applicable to online platforms directly employing non-Saudi workers via the online platform. Thus, the Group may be subject to such fines if it does not comply with the requirements set by the Ministry of Human Resources and Social Development (for further information regarding the risks related to Saudization requirements, please see Section 2.2.8

"**Risks Related to Compliance with Saudization Requirements**" of this Document). If the Group is unable to attract and retain delivery partners for its platforms or for Logi, the Group's business would be adversely affected. This could result in the Group being unable to fulfill delivery orders made via its platforms or its inability to carry out logistics services provided by Logi. If the Group is unable to fulfill orders due to a lack of delivery partners, this will result in merchants and customers using other delivery applications that compete with the Group's Platforms or other logistics companies that compete with Logi, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is also exposed to risks related to collection from freelance delivery partners of logistics companies that are used by the Company, who collect amounts from customers and then provide them to the Group (in cases where electronic payment methods are not used). The total amount of the Company's bad debt (debt write-off) was three hundred and seventy-two thousand, eight hundred and twenty-two Saudi Riyals (SAR 372,822), zero Saudi Riyals (SAR 0), three million, three hundred and eighty-two thousand, seven hundred and twelve Saudi Riyals (SAR 3,382,712), and five hundred and fifteen thousand, four hundred and forty-two Saudi Riyals (SAR 515,442) as of the financial years 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. If the Group is unable to collect its dues from delivery partners for any reason, including due to delivery partners attempting to embezzle or misappropriate amounts collected from customers, this may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

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

2.1.6 Risks Related to Customers

Customers use the Jahez, PIK and BluStore Platforms to order and obtain food and other products they desire at an appropriate price (for further information regarding the revenues generated by each of the Group's Platforms, please refer to Section 7.7.1.1 "**Revenue by Subsidiary**" of this Document). Customers may not continue to use the Group's Platforms or their use may decrease if they are not satisfied with the services, prices, variety of options or quality of service provided. Customers may also use the Group's Platforms exclusively for the purpose of benefiting from promotions offered through them and cease using them when such promotions end. In addition, new customers may not use the Group's Platforms on an ongoing basis. Furthermore, due to the link between "BluStore Platform", Al Hilal Saudi Football Club and the sports sector in general, customer use of the platform may dwindle during the football off-season. The Group had fifty-one million, six hundred and two thousand and forty-two (51,602,042) orders, sixty-nine million, twenty-nine thousand, eight hundred and thirty-one (69,029,831) orders, eighty-four million, seven hundred and ninety-six thousand, eight hundred (84,796,800) orders, and fifty million, eighty-one thousand, eight hundred and seventeen (50,081,817) orders, as of the financial years 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. Moreover, customer compensation expenses increased from thirty-four million, eight hundred and nineteen thousand, one hundred and fifty-nine Saudi Riyals (SAR 34,819,159) in the financial year 2021G to seventy-two million, four hundred and forty-two thousand, two hundred and forty-one Saudi Riyals (SAR 72,442,241) in the financial year 2023G. Customer compensation expenses accounted for 1.04%, 0.98%, 1.42%, and 1.82% of the gross merchandise value in the financial years 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively.

The Group's ability to attract and maintain customers to use its platforms depends on the extent to which customers desire to continue or increase their use of electronic platforms to place orders for food and other products instead of using traditional methods such as telephone ordering, takeout from restaurants, or direct ordering through Merchant websites and online platforms. This also depends on the Group's ability to compete effectively in light of the increase in electronic platforms that offer similar services to customers. Moreover, the desire of such customers depends on several factors, including the ease of use and reliability of online platforms, the availability of a variety of product options and payment methods, and speed of delivery, among other benefits. Active customers on the Group's Platforms numbered one million, nine hundred and twenty-six thousand, three hundred and forty-three (1,926,343), two million, eight hundred and forty-one thousand, four hundred and thirty-eight (2,841,438), three million, five hundred and forty-nine thousand, four hundred and eighty (3,549,480) active customers, and three million, eight hundred and ninety five thousand, nine hundred and fifty three (3,895,953) active customers, as of the financial years 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. The Company's new customer acquisition costs were sixty-one Saudi Riyals (SAR 61), eighty-three Saudi Riyals (SAR 83), eighty-two Saudi Riyals (SAR 82), and ninety two Saudi Riyals (SAR 92), per new customer as of the financial years 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. New customer acquisition costs may be affected by several factors, including, but not limited to, the success of certain marketing campaigns adopted by the Company and Related Parties, such as Al Hilal Saudi Football Club, which provides marketing campaigns on "BluStore Platform". If the Group does not keep up with offering and innovating features and benefits that attract customers to use the Group's Platforms, it may not be able to attract new customers or maintain its existing customers, or it may incur additional costs in order to attract customers, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.7 Risks Related to the Reliance of the Group's Revenue on Merchants and Logistics Companies

As of 30 June 2024G, the average number of merchants on Jahez Platform was 16.0 thousand. In terms of the value of goods sold, the top ten (10) Merchants on Jahez Platform represented 16.8%, 17.8%, 19.2%, and 19.6% of the gross merchandise value during the financial years ended 31 December 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. The value of goods sold through one of the top ten (10) merchants represented 5.0% of the merchandise value during the six-month period ended 30 June 2024G, with the top ten (10) merchants representing approximately 14.6%, 18.0%, 19.4%, and 19.6% of commission revenue in 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively (for further information, please see Section 7.7.1 "**Consolidated Statement of Profit or Loss and Other Comprehensive Income**" of this Document). The Group provides its services in more than one hundred (100) cities and governorates across the Kingdom, with the Group's revenues being concentrated in the central region of the Kingdom, which represented more than 61.6% of commission revenue in the Kingdom in the six-month period ended 30 June 2024G. Commission revenue is concentrated on restaurants, which accounted for 99.5%, 99.4%, 99.3%, and 99.4% of commission revenue and delivery fees in the financial years 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. Other merchants such as supermarkets, pharmacies, toy stores and fashion stores represented only around 0.5%, 0.6%, 0.7%, and 0.6% of the Group's total commission revenue and delivery fees during the same periods. As its revenues depend on the merchants and logistics companies that it deals with, the Group considers them strategic partners in providing services. The Group is expected to continue to depend on continuing relationships with merchants and logistics companies. However, merchants and logistics companies may decide at any time to transfer all or part of their business with the Group to one or more of its competitors or require the Group to provide additional benefits or services that increase the Group's costs. Merchants and logistics companies may face financial difficulties or be forced to restructure their businesses or change their strategies, or they may be affected by factors related to their respective sectors or general economic circumstances. Any of these factors would negatively affect the ability or desire of merchants and logistics companies to continue to deal with the Group. The loss of any of merchants or logistics companies may also result in a decrease in the Group's revenues or a decrease in the number of users of the Jahez, PIK or BluStore Platforms and negatively affect customer demand for and satisfaction with the Group's services, which could also lead to the loss of such customers. Therefore, the loss of any merchants or logistics companies would have a material adverse effect on the Group's business, financial condition, results of operations and prospects (for further information, please see Section 2.1.5 "**Risks Related to Delivery Partners**" of this Document).

2.1.8 Risks Related to Maintaining the Service Levels of Merchants

In providing its services, the Group depends on the quality of merchants that are displayed on its platforms, including supermarkets such as multinational merchant chains and small and independent emerging local merchants. The Group is responsible for the delivery of orders and products prepared by the merchants which are provided through its platforms. If such merchants are unable to respond to customer orders, maintain the quality of services and products provided or meet the requirements and standards of the Group, this will affect the Group's reputation and the traffic to its platforms. For example, merchants may not prepare orders in a timely manner, which would lead to delays in the delivery of orders to customers. Merchants may also make errors when reading orders, and consequently, incorrect or incomplete orders may be delivered to customers. In addition, the Group cannot guarantee the continued quality of orders prepared by merchants. Customers may experience fluctuations in the quality of products provided by merchants, or products may not meet customer expectations. Pursuant to the agreements concluded between the Group and merchants, the Group shall provide the necessary technical support to customers to ensure that their orders are delivered. Customers may not be satisfied with the technical support services provided by the Group, which would lead to lower customer satisfaction levels and lower demand for the Group's Platforms. In addition, merchants may not maintain the required health and safety levels, which may lead to the outbreak of food-borne infectious diseases attributable to the health and safety of food provided through restaurants and other merchants. This, in turn, may lead to a decrease in customers' willingness to eat out, which in turn would lead to a decrease in customer demand for orders via Jahez Platform. Any of the above would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.9 Risks Related to the Pricing Method of the Group's Services

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

2.1.10 Risks Related to the Availability of the Group's Platforms and Failures in Electronic Systems

The success of the Group's business is dependent on the ability of merchants, customers and delivery partners to have access to the Group's Platforms at all times. The Group also relies on the availability of its technology systems to manage its operations, in addition to its third-party service providers. Furthermore, the Group relies on the development of its information technology systems and the availability of its platforms in order to attract and retain customers, enable them to access its various platforms, monitor its operations and costs, and compete effectively to support its growth strategy.

The Group's Platforms and the electronic systems on which it relies to manage its other business segments, including the services provided by Sol, Marn and third-party service providers, may be subject to failures or performance issues due to various external causes that the Group does not guarantee will not occur. The Group's Platforms and systems may be subject to hardware, software or infrastructure issues, human or software errors, update issues, service downtime or lags due to the failure to accommodate a large number of users or orders at the same time, interruptions in communications services or power supply, suspensions due to regulatory requirements or force majeure events.

The Group's business (including its electronic platforms and systems) may also be disrupted due to various factors, including fraud, cyberattacks, viruses, bugs, the unavailability of software updates or modifications, data leakage, security software vulnerabilities, human errors or other malfunctions and acts of sabotage.

In many cases (including where such events are caused by third parties), the Group may not be able to identify the cause of such performance issues and resolve them within an adequate timeframe, which may make it difficult for the Group to ensure the sustainability of the effectiveness, speed, availability and maintenance of its electronic platforms and systems, particularly during peak times. The Company may also be unable to adequately deal with any such cases, interruptions or incidents, which may lead to the unavailability of the Group's systems and technical platforms. The unavailability of the Group's Platforms or electronic systems or the unavailability of its services at the expected speed may require the Company to compensate customers or third parties affected by any failure in the electronic systems of the Group's Platforms. This may also expose the Group to other civil lawsuits, administrative procedures and other procedures, and could affect the Group's reputation. Moreover, this may lead to customers downloading other applications that compete with the Group's Platforms and lead to such customers not reusing the Group's Platforms at all in the future. Third-party service providers may increase their fees or negotiate contract terms that are unfavorable to the Group, including with respect to response time and other service standards, as well as liability caps for breaches by such service providers and indemnification on their part. All of these factors would affect the Group's ability to attract new merchants and retain existing merchants and may lead to fewer customers and low demand. The Group's operations, which are dependent on electronic systems may also be affected, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

If the Group fails to identify the causes of the issues in its platforms and address them effectively within an adequate timeframe, does not respond appropriately to service interruptions, fails to carry out the necessary maintenance to improve its systems according to evolving and projected needs, fails to rapidly respond to unexpected needs, or fails to compensate for damages caused by third parties (including third-party service providers), this would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the software and hardware on which the Group's Platforms rely are very complex and may include undetected errors or vulnerabilities that could affect the performance and availability of the Group's Platforms and lead to the Group performing continuous application updates, resulting in temporary service interruptions. Such errors or consequent interruptions may cause the Group to incur additional losses and costs, expose the Group to negative publicity regarding the reliability of the performance of its platforms, or lead to the Group being targeted by cyberattacks.

The occurrence of any of the above could negatively impact the Group's ability to attract and retain customers, merchants and delivery partners, which in turn would have a detrimental effect on the Group's revenue. Furthermore, the Group may incur significant expenses and operational burdens associated with updating its technology systems, networks and security arrangements. This could arise from the Group's business expansion, system upgrades, adoption of new systems or compliance with regulatory requirements. Accordingly, any failures in the Group's technology systems, networks or IT infrastructure could expose it to additional losses and costs. This could negatively impact the Company's revenue and profitability, tarnish its reputation with regard to platform performance and reliability or make it a target for cyberattacks. The occurrence of any of the aforementioned would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.1.11 Risks Related to Reliance on Third-Party Service Providers and Smartphone Operating Systems

The Group's Platforms depend on third-party service providers, such as third-party software and hardware providers and online payment service providers, including Google, Apple, Braze, Amazon, PayFort, Checkout.com and Tap Payment. For example, for its map features, which are an integral feature of the Group's Platforms, the Group relies on maps provided by a third-party provider. Consequently, the Group may not have full control over the features offered by its platform applications due to its reliance on the software and infrastructure of third-party providers. The Group may be involved in future disputes with third-party information technology service providers and face termination of the services provided to the Group, which may affect the Group's ability to find an alternative on appropriate terms and in a timely manner or to maintain the continuity of its business through its platforms temporarily, with the same quality, or at all. This would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

In addition, the Group's Platforms are dependent on the integration of certain software and products that represent their infrastructure, which are offered by multiple third-party providers. These software and products are subject to continuous development. The Group cannot guarantee the integration of such software and products and their ability to work effectively in the future due to their lack of compatibility and interoperability, which may lead to the Group replacing any such software or products to ensure the continuity of its platforms. This could lead to additional costs or temporary business suspension, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

On the other hand, third-party service providers may terminate their agreements with the Group, revoke their licenses or discontinue their services to the Group, either due to a breach by the Group or for reasons beyond the Group's control. In addition, third-party service providers may require the collection of additional information from the Group, impose higher or additional fees for their services or impose additional obligations on the Group, such as exclusivity agreements. The Group may not be able to maintain long-term relationships with third-party service providers, whether on favorable terms or at all. This would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Furthermore, the Group's Platforms depend on mobile operating systems such as Android and iOS, as well as the online stores of such operating systems that enable the Group to provide its platform applications to merchants, customers and delivery partners. Any change in such systems or their online stores that limits the performance of the Group's applications or grants preferential treatment to applications belonging to the Group's competitors will negatively affect the use of Jahez and PIK Platforms. If the operating systems and their online stores limit the availability of the Group's Platforms, increase usage costs, impose terms or conditions of use unfavorable for the Group, modify their ratings of the Group's Platform applications or their visibility on search engines to the detriment of the Group, this would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The availability of these operating systems and certain third-party services is largely based on the standard terms and conditions of service providers, which are designed to be supplier-friendly. For instance, standard service provider terms and conditions typically limit the legal liability of service providers but not of the companies receiving the services. They also often grant broad termination rights to suppliers. Additionally, it is worth noting that the Group's expenses include costs and fees paid to third-party service providers. Therefore, any increase in these costs will impact the Group's profitability. While the use of standard terms and conditions with service providers is common practice in this context, it also implies that the Group may not have adequate protection in the event of a breach by the service provider. Additionally, the Group may be obligated to pay significant sums to service providers in the event of any breaches on its part. This would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

On the other hand, the Group may incur significant costs and be forced to devote substantial efforts to comply with the requirements of third-party service providers or to find alternative service providers. Furthermore, the Group's ability to operate its platforms could be affected by the unavailability of services provided by third party service providers for any reason, such as failures, interruptions, or terminations of their services or the Group's inability to renew its contracts therewith. Additionally, the data and information provided by third-party service providers may not be accurate, complete or compliant with applicable regulations and laws. Third-party service providers may also fail to comply with service level requirements or the relevant regulatory requirements, including data protection standards. Consequently, the Group may be exposed to claims or penalties from regulatory bodies, customers or other parties, including in the event of service disruptions or the Group's inability to fulfill its obligations due to such disruptions. The occurrence of any of the foregoing could damage the Group's reputation and brand, which would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.1.12 Risks Related to Innovation and Technology Developments

The Group's success depends in part on its ability to continue to improve, innovate and develop its platforms, applications and other business operations, as well as its ability to utilize the latest technologies in its operations. This may necessitate updating, developing and enhancing the Group's technology systems and platforms, requiring the Group to adopt appropriate systems and maintain continuous connectivity, which could be costly and time-consuming. The Group needs to continue to improve its platforms and their features and benefits in order to continue to compete effectively in the market in a timely manner and at competitive pricing. This requires the Group to anticipate and respond to rapid and ongoing technological changes, keep pace with developments in the delivery app sector and services and features offered by competitors, and fund research and development initiatives to support innovation efforts in order to attract customers, merchants and delivery partners, which could lead to higher costs for the Group. If the Group does not adapt, expand and develop its services based on technological changes or the requests and needs of users through the continuous development and improvement of its platforms, the Group's ability to develop and maintain a competitive advantage and continue to grow may be adversely affected, and the Group may also be unable to retain merchants, customers, delivery partners and other stakeholders. If competitors introduce new technologies or features to their platforms that the Group may not be able to provide, the Group could lose its base of merchants, customers and delivery partners to those competitors, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the improvement and innovation of new services and features across the Jahez, PIK and BluStore Platforms could impose new operational challenges and costs for the Group in terms of implementing them as required or it may lead to high technology risks and costs. Large financial investments may be required to apply such innovations, features and new services, or investments may be required to acquire technologies and software that allow the Group to maintain and develop its services. The Group may also develop its platforms and applications and improve its user experience with the aim of supporting its long-term goals, which may not necessarily enhance short-term financial results. The Group may not be able to achieve its long-term goals without incurring significant costs or substantial time commitments, if at all. The occurrence of any of the above risks would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

2.1.13 Risks Related to Cyberattacks and Data Protection

Given the nature of its business, the Group relies heavily on its technological systems and platforms to operate its business and generate revenue. The Group's business includes the collection, storage, processing and transfer of a large amount of data, including personal and sensitive data of merchants, customers, delivery partners and other stakeholders. The Group utilizes this data to operate its platforms, verify the identities of its users, enhance its business operations and market its products and services through its marketing channels. Therefore, the Group, like other companies operating in the sector, is vulnerable to cyberattacks targeting its systems and data, including systems and data owned, operated or hosted by third-party service providers. These cyberattacks may include viruses, hacking attempts and data theft, et cetera.

Such attacks may result in outages, delays or shutdowns of the Group's systems and networks, including the Jahez, PIK and BluStore Platforms and applications, which may lead to the loss of critical data, unauthorized disclosure, leakage, or use of users' personal data or other confidential information. If such attacks result in the disclosure of personal data of users of the Group's electronic systems, including the Jahez, PIK and BluStore Platforms and applications, then the users of the Group's electronic systems, including the Jahez, PIK and BluStore Platforms and applications, may lose their confidence in the Group and may reduce or cease their use of the Group's systems, including the Jahez, PIK and BluStore Platforms and applications.

In addition, it may impact the Group's ability to attract new merchants or maintain existing merchants on its platforms and applications. The Group may not be able to implement adequate preventive measures against such attacks or proactively manage the technologies used to access users' personal data, or the services of its electronic systems may become degraded or disabled, including the Jahez, PIK and BluStore Platforms and applications. Furthermore, the Group may incur significant costs in connection with the implementation of such preventive measures and additional actions.

Preventive measures or promptly dealing with these attacks can often be difficult due to the rapid evolution of such technologies. Moreover, cyberattacks are usually not detectable until they have been deployed against a specific target. If the Group is subject to cyberattacks and the leakage of user data from the Group's Platforms, this may lead to a loss of customer confidence in the Group and reduce their use of its platforms. The Group's reputation and trademarks may also be significantly affected. The Company may not be able to take the necessary steps to protect data or manage such cyberattacks on its systems in a timely manner.

If the Group is subject to cyberattacks and the leakage of user data from the Group's Platform, this may harm the Group's reputation and users' trust in it, as well as its ability to attract customers. and lead to the Group being subject to litigation or regulatory penalties and fines, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.14 Risks Related to Online Payments and Payment Processing by Third-Party Providers

The Group accepts payments through its platforms using various methods, including cash on delivery, electronic payment via credit cards, Mada cards and Apple Pay. In addition, each customer has a wallet on the Group's Platforms through which the Group compensates its customers if there is a fault or disruption in their orders. The Group's customers, particularly corporate, institutional and retail customers, are also able to deposit amounts in their wallets and the wallets of their employees using the Jahez, PIK and BluStore Platforms. Customers may face problems in using their wallets on the Group's Platforms. Amounts deposited in their wallets may be suspended, and it is possible customers will not be able to use such amounts to make their orders, which, if not swiftly resolved, may have an adverse effect on customer satisfaction rates, the Group's reputation, and demand levels. Cash payments accounted for 20.5%, 16.7%, 14.7%, and 14.8% of gross order value via Jahez Platform for the financial years 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. Electronic payments accounted for 79.5%, 83.4%, 85.3%, and 85.2% of the total orders processed through Jahez Platform for the same periods, respectively (for further information regarding electronic payments by payment method as of 31 December 2021G, 2022G, 2023G, and 30 June 2024, please refer to Section 4.4.1(a) "**Jahez Platform**" of this Document). The Group also utilizes electronic payment methods to make payments to delivery partners, including through the digital wallet service. When the Group accepts payments via electronic means, it pays certain fees for each transaction to a third-party provider. Such fees may increase in the future, which would affect the Group's operating expenses and profit margins. The Group also depends on third-party providers to process electronic payments, and therefore its business depends significantly on such providers. The Group also relies on third-party licensed encryption and authentication technologies, which ensure that personal data is securely transferred. If service providers are unable to provide services reliably and securely, if the relationship between third-party providers and the Group is terminated or if third-party providers refuse to renew their services on terms favorable to the Group, the Group may have difficulties finding an alternative service provider on similar terms and within an acceptable time frame. Consequently, the Group may not be able to process electronic payments. In the event that third-party payment service providers fail to deliver their services in a reliable and secure manner, customer data may be exposed to leakage or theft due to the third-party service provider's failure to adhere to the necessary security protocols and respond to cyberattacks. Additionally, customers may be unable to complete electronic payments in the event of service disruptions, which would affect their experience on the Group's Platforms. As a result, any such disruption in electronic payments may adversely affect the appeal of the Group's Platforms to customers, merchants and delivery partners and lead to reduced traffic on such platforms, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the Group collects payments made by customers on behalf of merchants for orders placed through its platforms. The Group collects such amounts within 1-4 days from the date of the order before making payment thereof to merchants on a weekly basis after deduction of the related commissions and fees. Until the amounts due to merchants are paid, the Group is responsible therefor and is exposed to the risk of theft with respect to cash amounts collected at collection points. Therefore, any loss of such amounts for any reason, including those beyond the control of the Group, will lead to adverse effects on the profitability of the Group, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.15 Risks Related to the Group's Reputation and Brands

The reputation of the Group and its brands is key to its ability to attract and maintain its large base of merchants, customers and delivery partners (for further information regarding the Group's brands, please refer to Section 6.8 "**Intangible Assets**" of this Document). Therefore, in maintaining, protecting and improving its reputation and brands, the Group relies on the success of its marketing activities, its ability to consistently provide high-quality services and its ability to protect its brands from any legal infringements. The Group's future marketing activities may not be successful or cost-effective. Furthermore, the Group's reputation and brands may be affected by customer complaints and negative publicity surrounding the Jahez, PIK and BluStore Platforms, the Group's other businesses, the merchants featured on such platforms, or the delivery partners with whom the Group deals, even if such negative publicity is based on misinformation or isolated incidents. Any negative perception of the Group may affect its reputation and brands, including any negative perception resulting from, among other things:

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

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

2.1.16 Risks Related to Negative Coverage in the Media and on Social Media

The Group is subject to media coverage from time to time, whether in traditional media or on social media. Any negative publicity about the Group's business model, payment model, customer support, merchants, delivery partners, technologies used on the Jahez, PIK and BluStore Platforms or their quality, delivery issues, or information security and privacy issues may adversely affect the Group's reputation, the demand for its platforms, and the size of its base of merchants, customers and delivery partners. The Group may not be able to control coverage of its business in the media and on social media. For example, if a user of the Group's Platforms (whether a merchant, customer or delivery partner) publicly posts a complaint on a social media channel, or reports a negative experience due to the Group's services, this may affect the opinions of customers and may harm the level of demand, particularly if such person is influential and has a fan base on social media. The Group's presence on social media is also important for direct communication with customers to promote the Group's services, communicate clarifications to customers, or effectively address any problems or complaints that may arise. Where the Group finds a complaint posted via social media, it aims to reach out to the individual raising such a complaint via its customer service team to rectify any error that may have occurred. On the other hand, where the Group finds a false allegation (complaint) displayed on social media, the Group reserves its right to raise a claim before the relevant authority with regards to such false allegation. Therefore, the Group's approach and manner of dealing with problems through social media either encourages others to deal with the Group or discourages them from using the Group's services at all. This could lead to the Group being unable to effectively contain all complaints and issues through social media. Consequently, the negative experiences of merchants, customers or delivery partners, as well as complaints and issues that may be raised on social media, could result in negative publicity about the Group that harms its reputation, especially if the Group does not deal with it positively. This would affect the volume of demand for its services and the results of its operations, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.17 Risks Related to the Protection of the Group's Intellectual Property Rights

The Group's business and success depend on its intellectual property rights. The protection of such rights is crucial to the success of the Group's business. The Group has registered Jahez as a trademark under its name in the Kingdom, the State of Kuwait, Qatar, the United Arab Emirates, the Sultanate of Oman, and Bahrain. It has also registered the trademarks BluStore, Marn, Co Shelving, Co Kitchens, Co, Al Outlet and "Jahez Sweets" as trademarks under the Group's name in the Kingdom, under Classes 9, 35, 39, 38, 30, and 43. Trademarks provide protection in various countries for the specific classes of products and services for which they are registered. The Group's sale of goods or provision of services outside of its registered classes or in countries where it is not registered may result in a lack of trademark protection. This leaves the Group vulnerable to potential misuse of its trademarks by third parties or its misuse of third-party trademarks, which may not adequately safeguard the Group.

The Group has not registered any other intellectual property rights inside or outside the Kingdom, including Jahez Platform application, which has not been registered with the relevant authorities in the Kingdom in accordance with the Regulations for the Optional Registration of Copyright Works issued by the board of directors of the Saudi Authority for Intellectual Property under Decision No. 3/7/2019, dated 07/06/1440H (corresponding to 12/02/2019G).

Third parties might obtain, duplicate, reverse engineer or utilize the intellectual property of the Group without its permission. This includes applications, software, trademarks associated with the Group's brand, products and services, registered domain names, trade secrets and other intellectual property rights and licenses. The non-registration of intellectual property rights may lead to violations against unregistered intellectual property rights, which include unregistered applications and software developed or used by the Group. Competitors might also use names or brands similar to the Group's brand names and trademarks, thus impeding the Group's ability to build a distinct brand identity for its own brands and possible confusion among users over the Group's brands.

The Company depends on both internal and third-party resources to carry out various activities related to its intellectual property. These resources are responsible for tasks such as designing, developing, creating, troubleshooting, modifying, debugging and managing crises related to software and other intellectual property as required. Employment contracts and third-party service provider contracts must include adequate clauses to govern the Group's ownership of the intellectual property rights that result therefrom. Failure to do so may result in the Group being unable to establish its ownership of the intellectual property rights to such software. The employment contracts of the Group may lack adequate clauses to regulate its ownership of intellectual property rights that result from employees carrying out their duties. The Group does not sign agreements that assign intellectual property rights to its employees. The Group also engages third-party software developers who may not provide adequate protection for the Group's intellectual property rights. Moreover, the Group may lack sufficiently advanced procedures to accurately track and maintain documentation of intellectual property created by third parties or Group employees in order to establish its ownership of said intellectual property. Without appropriate provisions and procedures in place, the Group might struggle to identify intellectual property assets that it owns. The Group's failure to secure intellectual property rights may result in challenges in managing, developing and operating essential trademarks and information technology, which would have a material adverse effect on its business, financial condition, results of operations and prospects.

In addition, the Group be forced to enter into lawsuits to protect its intellectual property rights, since any such rights (whether registered or not) may be infringed upon or challenged extra-judicially or through litigation by third parties, including parties which deal with the Group. This encompasses legal actions such as objections, reviews and interventions, as well as any other comparable procedures or claims. Protecting intellectual property rights requires substantial expenses and the allocation of significant resources to address any claims or disputes.

The intellectual property rights of the Group may not have been properly registered, thus making it difficult for the Group to protect them. The Group might also fail to identify instances of others misusing its intellectual property rights. Furthermore, even if the Group identifies such occurrences, it may not be able to effectively implement the required actions or pursue legal action to protect its rights. The Group faces the possibility of losing its intellectual property rights in the event of unfavorable court rulings being issued, which could also cause the Group to incur significant expenses.

The Group's ability to assert, register and protect its intellectual property rights may be compromised for various reasons. Additionally, third parties could potentially misuse the Group's intellectual property, posing a risk to the Group's brand value and reputation. This could result in damages, disputes and legal proceedings that require significant time and resources to settle. Furthermore, any harm to the Company's reputation as a result of such misuse will negatively affect demand for its services, which in turn would have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The occurrence of any of the above risks would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.18 Risks Related to Third Party Intellectual Property Rights

The Group might infringe upon the intellectual property rights of third parties with whom the Group deals when it integrates the services and software of third parties into its platforms and the services that it provides to users. The Group cannot guarantee that its products, services, content and brand names will not violate third-party intellectual property rights. The Group could face legal action and claims from time to time with respect to third-party intellectual property rights.

Third parties may file claims against the Group in the future for actual or alleged infringement, misuse or violation of patents, copyrights, trademarks or other intellectual property rights. Such claims could harm the Group's reputation, result in liability for the Group or prevent the Group from offering certain services or software.

Any claims against the Group that its services or software infringe the intellectual property rights of third parties, regardless of the merit or resolution of such claims, may result in the Group incurring significant costs to defend itself and settle such claims, and may divert the efforts and attention of the Group's Management and technical team from the Group's business. In addition, the Group may have to stop using certain services, software, technologies or processes that are the subject of infringement claims, or it may have to cease licensing or offering them or develop other technology that is not subject to infringement claims, which may be costly or unfeasible. The Group may have to enter into contracts to obtain rights to use intellectual property rights or enter into settlement negotiations with third parties who bring infringement claims against the Group. The occurrence of any of the above risks may lead to an unexpected increase in expenses or negatively impact the Group's revenues, which would have a material adverse effect on its business, financial condition, results of operations and prospects.

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

Additionally, the Group may utilize certain open-source technologies in order to develop or operate its platforms. While it is standard corporate practice to utilize open-source code, doing so can potentially subject the Group to a range of risks, such as property rights issues and data security vulnerabilities. Certain open-source licenses may impose restrictions on the use of software for commercial purposes, and user failure to comply with such restrictions may result in legal action from the authors of the code. Open-source technology users may face significant data protection risks as a result of the widespread availability of open-source software code. This enables any entity to exploit known vulnerabilities and access user data. Open source software code also presents challenges in terms of maintenance. Due to irregular updates and a lack of technical support services, users may encounter difficulties in maintaining and developing the software.

Furthermore, any infringement of such intellectual property rights and licenses by the Group or its counterparts, for example, by not obtaining the correct number of licenses or by exceeding the scope of such licenses, could lead to the Group incurring substantial costs and have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.1.19 Risks Related to the Group's Material Agreements

The success of the Group's business is significantly influenced by the contracts it concludes with its customers. These encompass subscription contracts for the provision of Jahez Platform services to merchants, investment contracts for acquiring stakes in various companies and logistics contracts for engaging delivery partners from third-party service providers. The Group's business heavily relies on such agreements as they are crucial for the proper operation of its various business segments (for further details regarding the Group's material agreements, please see Section 6.6 "**Material Agreements**" of this Document). Consequently, parties entering into contracts with the Group under various material agreements are not contractually bound to renew or enter into new agreements or to continue operating under existing agreements. As per the agreement concluded with Elm and the agreements for subscription to Jahez Platform, the parties contracting with the Group are entitled to terminate such agreements without cause. Should these parties opt to terminate any or all such agreements for any reason, or decline to renew them under favorable terms for the Group or at all, the Group may be unable to compensate for any losses incurred. This could disrupt its operations and have a negative impact on the Group's revenues and profitability. Furthermore, the Group might breach the terms and conditions outlined in its material agreements. Moreover, future agreements may introduce commercial terms with additional restrictions beyond those already in place. This could impact the Group's operational capabilities across its business segments, as well as its revenues and profitability, which would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.1.20 Risks Related to the Group's Growth and Expansion Strategy

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

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

Furthermore, the Group may expand into additional areas and businesses complementary to its main business. The success of its expansion strategy in such areas will depend on its ability to expand at the right time and at the appropriate cost. The Group's new expansion projects, such as "PIK Platform", its cloud kitchens (through Co Kitchens) which were launched in 2020G, "BluStore Platform" which was launched in 2022G, the acquisitions of Marn and Sol in 2023G or other future projects, may not be as successful as desired and may not achieve the required profitability. Given the large investments made by the Group for such expansion businesses, including large capital expenditures, which limit the Group's resources that can be used in other businesses, the failure of the Group's expansion plans and growth projects to achieve the required goals would have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.1.21 Risks Related to Expansion Outside the Kingdom

The Group currently operates in the Kingdom and has geographically expanded its operations outside the Kingdom, commencing operations in the Kingdom of Bahrain in 2022G and in the State of Kuwait in 2023G. If the Group wishes to expand its services to international markets outside the Kingdom, it may face certain insurmountable challenges or may not succeed in its business abroad as required and at the appropriate costs. The challenges that the Group may face when expanding to international markets outside the Kingdom include, but are not limited to:

- Failure to understand foreign markets and trends in the technology and online delivery app sector in such markets, including the availability of delivery partners.
- Failure to understand customer preferences in international markets.
- An increase in the Group's operating expenses due to changes in foreign exchange rates, which may result in the inability to execute expansion plans in accordance with projected timelines and estimated costs.
- Change in tax policies or their application.
- Restrictions on transferring profits from the Group's business outside the Kingdom to its accounts within the Kingdom.
- Regulatory requirements in markets outside the Kingdom, including licensing and industry requirements.
- Varying laws and regulations that may be difficult for the Group to understand and deal with in the event of litigation.
- Security stability in countries where the Group may consider expanding into and their exposure to political or civil unrest or terrorism, or the outbreak of conditions or circumstances such as epidemics and the like.
- The stability of the Kingdom's international relationships with countries to which the Group desires to expand.

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

2.1.22 Risks Related to Future Acquisitions and Investments

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

- Intense competition for acquisition targets, which may raise prices and affect the Group's ability to complete acquisitions on favorable terms.
- Inability to complete or delays in acquisition processes.
- Lawsuits associated with acquisitions.
- Difficulty in integrating the business, technology, operations, contracts and employees of acquired companies.
- Difficulty in retaining key employees and business partners of acquired companies.
- Difficulty in integrating the identity and trademarks of acquired companies with those of the Group.
- Distraction of Management from day-to-day operations due to acquisition opportunities.
- Inability to achieve the desired results from acquisitions or business integrations.

- Inability to identify the problems, obligations, challenges and risks related to the acquired companies, including matters pertaining to intellectual property, compliance with regulatory requirements, litigation, revenue recognition and other accounting, personnel or user issues.
- Risks related to the introduction of new laws and regulations which are detrimental to the business of acquired companies.
- Risks related to the failure to obtain, or delays in obtaining approvals from the regulatory authorities with respect to acquisitions or mergers.
- Theft of business information that is shared with acquisition candidates.
- Risks related to the business of the acquired companies harming the Group's business due to cannibalization.
- Negative market reactions to acquisitions.

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

Given the Company's numerous acquisitions as part of its growth strategy, goodwill amounting to approximately SAR 64.7 million was recorded following the Group's acquisition of Marn and Sol. The Group is currently allocating the purchase price for these acquisitions. In addition, the Group conducts annual goodwill impairment tests, which may result in a decrease in the value of goodwill. This, in turn, could have a negative impact on the Company's business, results of operations, financial position and prospects.

In addition, the Group currently has investments through strategic partnerships and may enter into similar investments and strategic partnerships in the future (for further information, please refer to Section 4.4.3(d) "**Red Color**" of this Document). The Group may not have a controlling interest in the investments and strategic partnerships that it enters into, which does not provide the Group with any guarantees as to whether it will achieve its investment objectives. The Group's objectives may not be compatible with those of its partners, and such partners may breach their obligations under the agreements concluded with the Group. Moreover, the financial or operational results of the investments the Group has entered into may not be as expected, which could harm the Group's financial performance and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.23 Risks Related to the Group's Marketing Activities

The Group believes that the high brand awareness of its platforms and of the Co, Logi and Marn trademarks is key to developing its business, attracting and retaining merchants, customers and delivery partners to the Group's Platforms, and dealing with Co, Logi and Marn. The Group's marketing initiatives are necessary to spread awareness and increase use of its brands, services and products. The Group's current marketing endeavors encompass a diverse array of initiatives and promotional activities. These include partnering with Al Hilal Saudi Football Club to promote the club's merchandise on "BluStore Platform", offering attractive discounts, engaging in strategic marketing partnerships, sponsoring prominent sporting events and executing a variety of social media marketing campaigns. The Group may have to pay large sums for marketing campaigns and recruit a highly qualified marketing team, which may lead to higher operating expenses for the Group. None of these campaigns and marketing activities may achieve the desired results, or they may not be as successful as the marketing campaigns of the Group's competitors. If the Group is not able to effectively market Jahez Platform at reasonable costs, this will have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.24 Risks Related to the Quality of the Group's Customer Services and Technical Support

In order to maintain its user base and attract more users, the Group depends on the provision of high-quality support services when needed. Users of the Group's Platforms, including merchants, customers and delivery partners, may face certain issues, such as slow service, order delays or cancellations, errors in orders or in the amounts paid or the inability to reach or locate delivery partners. The occurrence of such issues leads to concerned customers who turn to the Group for support services and solutions. The cost of free meals and orders that the Company incurred in lieu of customers, merchants and delivery partners as a result of technical errors in the application, among other reasons (such as tardiness of delivery partners or customers not being at the specified delivery location) increased from thirty-four million, eight hundred and nineteen thousand, one hundred and fifty-nine Saudi Riyals (SAR 34,819,159) in the financial year 2021G to forty-one million, seven hundred and seventy-five thousand, five hundred and six Saudi Riyals (SAR 41,775,506) in the financial year 2022G, to seventy-two million, four hundred and forty-two thousand, two hundred and forty-one Saudi

Riyals (SAR 72,442,241) in the financial year 2023G and to fifty-six million, sixty-five thousand, four hundred seventy-two Saudi Riyals (SAR 56,065,472) in the six-month period ended 30 June 2024G, in line with the increase in total orders. On average, the cost of free meals and orders represented 2.8%, 2.5%, 3.8% and 5.1% of revenue in the financial years 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. The cost of free meals and orders is classified under the Group's cost of revenue. The Group's ability to provide effective solutions and support services depends on the availability of specialized customer-facing staff and expert technicians to provide support services. The necessary talent to provide the Group's support services may not be available, or the Group may not be able to contract with third parties to undertake customer service and support tasks efficiently and at an appropriate price. If the Group is unable to respond to user orders or provide solutions to users, or if it loses key employees who provide support services or third-party providers who perform such tasks at an appropriate price, the Group may lose its credibility and user trust. This would affect the appetite of current and future users for the Group's services, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.25 Risks Related to Managing Logistics Operations

Logi provides logistics services to the Group's Platforms and to other third-party platforms. Logi's success will depend on its ability to successfully manage and expand its operations in a way that supports the Group's business, including delivery and warehousing operations, and the reliability of the electronic systems that support Logi's logistics operations. Logistics operations are typically complex and require expertise, knowledge and a robust electronic infrastructure. Therefore, any failure or interruption in Logi's logistics operations, including due to technological reasons or the inability of Logi to adequately manage its operations and procedures, will affect its ability to provide services to third parties and thus affect the Group's business and profitability. Logi may not be able to verify the contents of all the packages that it delivers. Therefore, it may be exposed to the risks of delivering packages with products that are in violation of laws and, consequently, it may be subject to legal liability. Logi may not be able to successfully and effectively manage and expand its operations. Moreover, the costs of logistics solutions provided by Logi are affected by several risks, some of which may be beyond the control of the Group, such as the prices of fuel, labor and rent. Logi may not be able to pass on such costs to customers, which would affect its profitability. Logi commenced operations in 2022G. The Group incurred one-time startup costs of SAR 79.5 million to establish Logi. The average cost per order exceeded the average delivery revenue per order, resulting in a loss of SAR 3.2 per order as of 30 June 2024G. This is due to the Group's use of delivery fees as a marketing tool to enhance its competitive value proposition in order to attract more orders from users. Consequently, the Group may not be able to generate sufficient revenue from its other businesses to offset the losses incurred from delivery revenue, which could have a material adverse effect on the Group's profitability. The occurrence of any of these risks would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.26 Risks Related to Misconduct and Errors of Employees and Users of the Group's Platforms

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

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

2.1.27 Risks Related to the Management of Cash and Theft by Delivery Partners

Given that the Group's operations rely on freelance delivery partners and delivery partners employed by logistics companies, the Group may be subject to risks related to the management and theft of cash by such delivery partners, particularly in relation to the collection of cash payments. Given that the Group's Platforms offer cash and electronic payment options to their customers, the collection and monitoring of cash payments may be more challenging than the collection and monitoring of electronic payments, given that delivery partners collect cash payments directly from the customers before providing them to the Company, which may result in delays and deductions in the delivery of cash payments, or the non-delivery of cash payments at all (for further information, please refer to Section 2.1.5 "**Risks Related to Delivery Partners**" of this Document). As of 30 June 2024G, the Group recognized a loss of SAR 9.1 million in accounts receivable and wrote off SAR 0.5 million related to cash balances held by non-employed freelance delivery partners. The total net cash amounts that have not been received from freelance delivery partners and for which no credit loss provision has been formed amounted to SAR 3.8 million as of 30 June 2024G. As a result, the Group's inability to manage and collect cash in full, without delay or at all may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.28 Risks Related to the Company's Reliance on Third-Party Service Providers

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

2.1.29 Risks Related to the Reliance on Senior Management and Key Personnel

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

2.1.30 Risks Related to the Newly Appointed Board Committees

The Audit Committee, the Nomination and Remuneration Committee and the Investment Committee were established by the Company pursuant to the Board of Directors' resolutions dated 01/11/1445H (corresponding to 09/05/2024G), 09/09/1445H (corresponding to 19/03/2024G) and 29/11/1445H (corresponding to 06/06/2024G), respectively (for further information regarding the committees of the Company's Board of Directors, please see Section 5.4 "**Board Committees**" of this Document). If Committee members fail to fulfill their responsibilities and establish a framework that safeguards the Company's interests and those of its Shareholders, it will impact the Company's adherence to corporate governance and continuing disclosure obligations. This, in turn, will impede the Board of Directors' ability to oversee the Company's operations through such Committees, which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

2.1.31 Risks Related to Compliance with the Companies Law and Corporate Governance Regulations

In its management and the conduct of its various operations and activities, the Group is subject to the provisions of the Companies Law. Following its transfer to the Main Market, the Group will be subject to the Corporate Governance Regulations. The Companies Law and Corporate Governance Regulations impose certain corporate governance requirements that the Group must comply with. This means the Group will have to take certain measures to ensure compliance with such requirements. The Companies Law and the Corporate Governance Regulations also impose strict penalties for violations of their mandatory provisions and rules. Accordingly, the Group may be subject to such penalties, including financial penalties and/or imprisonment. For example, the Companies Law stipulates that every manager, official, director, auditor or liquidator who records false or misleading data shall be punished with imprisonment of no more than three (3) years and a fine of no more than five million Saudi Riyals (SAR 5,000,000). It is worth noting that the Companies Law was promulgated by Royal Decree No. M/132, dated 01/12/1443H (corresponding to 30/06/2022G), and entered into force on 26/06/1444H (corresponding to 19/01/2023G). The extent of the impact of implementing the New Companies Law on companies in general and on the Group and its operations in particular may not be apparent at present, and the Group may incur additional costs in order to take the necessary steps to ensure compliance therewith. In the event that the Group does not comply with such provisions and rules, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

The Board of Directors adopted the Group's Internal Corporate Governance Manual and governance policies on 09/09/1442H (corresponding to 21/04/2021G) and 01/09/1445H (corresponding to 11/03/2024G), respectively. On 16/05/1445H (corresponding to 30/11/2023G), the Group's General Assembly approved the updated Audit Committee Charter, the Nomination and Remuneration Committee Charter, the Board Membership Standards and Procedures Regulation and the Remuneration Policy (for further details regarding the Corporate Governance Manual, please see Section 5.6 "**Corporate Governance**" of this Document). The Corporate Governance Manual incorporates provisions derived from the Corporate Governance Regulations issued by the CMA. The Group's success in properly implementing the Corporate Governance Regulations and procedures will depend on the extent to which the Board, its Committees and the Senior Executives comprehend and understand these rules and properly execute such rules and procedures, particularly with regard to rules related to conflicts of interest and disclosure requirements. Failure to comply with the mandatory provisions of the Corporate Governance Regulations issued by the CMA could subject the Group to regulatory penalties that may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Failure to adhere to these provisions and rules may subject the Group to penalties and fines, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Directors are obliged to uphold duties of care and loyalty to the Group and its Shareholders and ensure that their actions serve the best interests thereof. These duties require the Directors to exercise due diligence and prioritize the interests of the Group over their personal interests and the interests of other stakeholders, including in situations where a conflict of interest arises, such as when a Director is involved in a transaction with a Related Party or engaged in a competing activity. Failure by Directors to fulfill their duties of care and loyalty could result in liability to the Group for their actions or inaction, as well as any associated claims. The occurrence of any of the above typically leads to the resignation or removal of the respective Director, leaving their seat vacant on the Board of Directors. This could impede the Board's capacity to discuss issues and make decisions effectively, as well as redirect the Group's resources towards locating and selecting a suitable replacement, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.32 Risks Related to Lack of Experience in Managing a Joint-Stock Company Listed on the Main Market

The Company has been listed on the Parallel Market "Nomu" since 02/06/1443H (corresponding to 05/01/2022G). As such, while the Company's Executive Management has experience managing the Company as a joint-stock company listed on the Parallel Market, their experience may be somewhat limited when it comes to managing it as a company listed on the Main Market, particularly in terms of complying with the laws and regulations pertaining to joint-stock companies listed on the Main Market and the continuing disclosure requirements applicable to such companies. Accordingly, the Executive Management will need to exert further efforts to guarantee compliance with the rules and regulations that apply to companies listed on the Main Market. If the Company does not comply with such rules or governance and disclosure requirements, it will be exposed to regulatory sanctions, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.33 Risks Related to Transactions with Related Parties

In the ordinary course of its business, the Company engages with numerous Related Parties and has entered into several transactions with Related Parties. As of the date of this Document, the Company has entered into a lease contract with HRH Prince Mishal bin Sultan Bin Abdulaziz Al Saud and a lease contract with Tharwa Holding Company. Additionally, the Company engages with Halalah Trading Company to process its transactions as well as Dar Al-Fikrah Al-Mumayazah for interior design services. All the aforementioned entities are classified as Related Parties (for further information regarding transactions with Related Parties, please see Section 6.6.3 "**Material Agreements with Related Parties**" of this Document). The total value of the Group's transactions with Related Parties was two hundred and one million, six hundred and sixty-one thousand, nine hundred and fourteen Saudi Riyals (SAR 201,661,914), thirty-one million, eight hundred and twenty-three thousand, eight hundred and seventy-six Saudi Riyals (SAR 31,823,876), thirteen million, two hundred and eighty-five thousand, three hundred and fifty-five Saudi Riyals (SAR 13,285,355) and thirty-six million, one hundred and forty-four thousand, two hundred and seventy-five Saudi Riyals (SAR 36,144,275) and twenty-nine million, six hundred sixteen thousand, four hundred eighty-two Saudi riyals (SAR 29,616,482) for the financial years ended 31 December 2020G, 2021G, 2022G and 2023G, and the six-month period ended 30 June 2024G, respectively, representing 43.90%, 2.74%, 0.83%, 2.03%, and 2.9% of the total net revenues, respectively, for the same periods.

Entering into contracts and transactions with Related Parties is subject to the provisions of the applicable laws and regulations. Pursuant to Articles 27 and 71 of the Companies Law, transactions in which any of the Company's Directors have a direct or indirect interest must be submitted to the General Assembly for approval. Directors who have an interest in such transactions are prohibited from voting thereon, whether at the level of the Board of Directors or the Shareholders' assemblies. Therefore, the Company might not be able to renew contracts concluded with Related Parties once they expire, since the Company's Board of Directors or General Assembly may not authorize such transactions. In addition, in the event that future Related Party transactions are not entered into on an arm's length basis, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.34 Risks Related to the Participation of Certain Directors in Business Competing with the Group's Business

Some of the Company's Directors compete with the Group through owning interests in businesses that compete with the Group in one of its activities. Such businesses are either directly or indirectly similar to or competitive with the Group's business. As of the date of this Document, Director Abdulaziz bin Abdulrahman Alomran engages in business which competes with the Group's business, since he owns shares in several funds through Impact46, which in return invests in delivery applications that compete with the Group's businesses, such as The Chefz and Nana. This could lead to a direct or indirect conflict of interest existing or arising as a result of the joint interests of the Director in applications competing with the Group. On 06/12/1445H (corresponding to 12/06/2024G), the General Assembly issued its approval for the participation of Director Abdulaziz bin Abdulrahman Alomran in such competing business.

The participation of Directors in competing businesses must be authorized by the Ordinary General Assembly under Article 27 of the Companies Law. Any Director involved in business competing with the Company may not participate in voting on the relevant resolutions. Potential risks include the possibility that the Board of Directors or the General Assembly may not agree to the Directors' participation in a business which competes with the Company. In such case, Directors who have an interest in such transactions must resign or take measures to ensure that they no longer have any interest therein, including through the termination of the relevant transaction or assignment of rights arising from the said interest. Certain Directors have access to the Group's inside information, and they may use such information for their own interests or to the detriment of the Group's interests and objectives. If Directors whose interests are in conflict with those of the Group negatively influence the Group's decisions or use the information available about the Group in a way which harms its interests, this would have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Directors and the current Shareholders have an influence on the Group's decisions, and sometimes their interests are in conflict with the interests of the Group's other Shareholders. There are no contractual arrangements between the current Shareholders and the Company to ensure that the current Shareholders do not engage in any activity that may result in a conflict of interest or that competes with the Company's business. As of the date of this Prospectus, none of the Directors, Senior Management or current Shareholders is party to any agreement, arrangement or understanding under which they are subject to any obligation preventing them from competing with the Company's business or any other similar obligation in relation to the Company's business. If such Shareholders or Directors do not comply with the continuing disclosure requirements, this will have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.35 Risks Related to Internal Control Systems and Accounting Errors

The Group's business has expanded rapidly over the past few years since its incorporation. The accounting and internal control systems of the Group may not be able to accommodate such rapid expansion in a timely manner and ensure the Group's compliance with legal, financial and administrative requirements. For example, the Company cannot provide details on the aging of trade payables due to restrictions on its current accounting systems. The Group must improve its accounting and internal control systems and procedures to ensure that no accounting errors occur and that it complies with financial reporting requirements. The Group, as a company listed on the Parallel Market, is subject to the financial information disclosure requirements applicable to listed companies. The Company is required to issue its annual financial statements within three (3) months from the end of the annual financial period and its semi-annual statements within thirty (30) days from the end of the period, in accordance with Article 107 of the Rules on the Offer of Securities and Continuing Obligations. Upon transfer to the Main Market, the Company will be subject to stricter financial information disclosure requirements, as it will be required to issue its annual financial statements within a period not exceeding three (3) months from the end of the annual financial period and its interim financial statements for the first, second and third quarters of the financial year within thirty (30) days after the end of the respective period in accordance with Article 81 of the Rules on the Offer of Securities and Continuing Obligations. If the Group is unable to maintain robust internal control systems and clear financial reporting standards, this may lead to errors in the Group's financial reporting. Such accounting errors may have a material adverse effect on the Group's business, financial position, results of operations and prospects.

2.1.36 Risks Related to the Reliance of the Group's Operations on Leased Locations

As of the date of this Document, the Group currently relies on leased real estate property to conduct its business across the Kingdom. The Group utilizes eighteen (18) leased properties for the Company's offices, eighteen (18) leased properties for Logi's offices, employee accommodation and warehouses across the Kingdom, twenty-four (24) properties leased by Co for commercial purposes and employee accommodation, and one (1) leased property for Marn's warehouses as of the date of this Document. The Group has also entered into lease agreements in both Bahrain and Kuwait for its offices (for further information regarding the lease agreements concluded by the Group, please see Section 6.7 "**Real Estate**" of this Document). The Group's leases generally have fixed terms ranging from one (1) to seven (7) years and typically involve automatic renewal clauses or are renewed upon signing new lease agreements. The Group may not be able to renew all of its lease contracts, or such contracts may be renewed under different terms, conditions or lease amounts that may not be favorable to the Group. If the Group decides to vacate any of its leased properties due to the termination or non-renewal of such contracts or because the renewal terms are not favorable to the Group, the Group will incur additional costs for the purpose of relocation to a new property, including the costs of increased rental fees and expenses for acquiring the required equipment for the new location. The occurrence of any of the above risks would have a material adverse effect on the Group's business, financial condition, results of operations and prospects. As of the date of this Document, the lease for one of the Company's offices in Al-Majmah has expired. Accordingly, there is currently no agreement governing the relationship between the involved parties concerning this space. This could result in disagreements between the parties regarding the legal basis for the Company's use of this space, the lease amounts or the mechanism for the accrual and payment of lease amounts, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Furthermore, on 29/06/1441H (corresponding to 23/02/2020G), a standard lease contract was issued for the commercial real estate sector by the Minister of Commerce and the Minister of Municipalities and Housing. Consequently, this contract became mandatory pursuant to Ministerial Resolution No. 405, dated 22/09/1437H (corresponding to 28/06/2016G), which requires the registration of all residential and commercial leases on the Ejar platform to be approved as execution documents. In addition, as of the date of this Document, there are two (2) leases which have not been registered on the Ejar platform by Logi. It is worth noting that a circular has been issued by His Excellency the Minister of Justice to all courts stipulating that lease agreements that are not registered on the lease service e-network are not considered valid contracts and are administratively and judicially ineffective, in accordance with Ministerial Resolution No. 292, dated 16/05/1438H (corresponding to 13/02/2017G). Consequently, the Company may not be able to file lawsuits in order to claim the rights arising from unregistered leases concluded after 04/05/1440H (corresponding to 10/01/2019G). The Ministry of Municipal and Rural Affairs and Housing intends to link registered electronic rental contract services to the Balady platform, under which commercial municipal licenses are issued and renewed. If these services are linked, the Group will not be able to obtain municipal licenses or renew the Group's unregistered electronic leases, which may lead to the disruption of the Group's operations or expose it to penalties and fines for non-compliance with the applicable regulations. Moreover, the existence of standard contracts for leases may not give the Group the freedom to include all of the terms and conditions it wishes. It is also worth noting that Jahez (Bahrain) has not registered its lease agreement with the relevant authorities in the Kingdom of Bahrain. Consequently, the lease may not be enforceable in the courts of the Kingdom of Bahrain. Therefore, if the Group fails to comply with the relevant regulations and requirements, it may be subject to fines or penalties or its ability to conclude lease agreements may be impacted, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.1.37 Risks Related to Potential Litigation

As of the date of this Document, the Company is a defendant in one commercial claim. This has a potential financial impact of one hundred thousand Saudi Riyals (SAR 759,000) with respect to public claims lodged against the Company. In addition, Logi is a defendant in three (3) pending labor lawsuits with a potential financial impact of eighty-seven thousand, three hundred and forty-eight Saudi Riyals (SAR 87,348). Furthermore, Jahez (Kuwait) is a plaintiff in two commercial lawsuits with an undetermined potential financial impact as of the date of this Document (for further information, please refer to Section 6.11 "**Litigation and Claims**" of this Document). In the future, the Group may be subject to lawsuits, claims and other legal and non-legal proceedings related to its assets and business operations, which could expose it to risks related to enforcement and collection procedures. The Group may also face third-party lawsuits, including those from merchants, customers, delivery partners and employees, as well as legal proceedings related to the products that the Group delivers. For instance, legal proceedings may be brought against the Group in connection with injuries related to food poisoning, food tampering, or other issues associated with food safety or the safety of products delivered through the Group's Platforms, the safety of delivery partners who deliver orders through the Group's Platforms, or the food prepared in Co's kitchens or services provided through Logi or Marn. Litigation proceedings are inherently uncertain in nature, and their outcome may not be in the Group's interest. Such proceedings may also preoccupy Management, resulting in significant costs and diversion of resources. The Group may not be able to counter any litigation proceedings in the future. Any unfavorable outcome in any future legal or regulatory proceedings or high litigation costs incurred by the Group in defending such claims would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.38 Risks Related to Funding

a- Current Financing and Facilities

As of the date of this Document, Sol entered into one Financing Agreement with Riyad Bank with an amount of two million, five hundred thousand Saudi Riyals (SAR 2,500,000) (For further details, please refer to Section 6.6.2 "**Financing Agreements**" of this document). This Financing Agreement includes a number of guarantees provided by Sol, whereby Sol undertakes to provide the following guarantees: (1) a 90% warranty of the financing amount, (2) warranty under a joint payment and performance bond, and (3) any other guarantees requested by Riyad Bank from time to time. If Sol fails to fulfill any of its obligations under this Financing Agreement, this will constitute a breach event whereby the Lender shall be entitled to terminate the Financing Agreement and demand payment of all amounts due. If Riyad Bank decides to expedite the repayment date of the debt due to it, Sol may not have sufficient assets to repay such debt, which may lead Sol to declare bankruptcy or liquidation or to the enforcement of creditors against any of the guarantees provided by Sol. The occurrence of any of the aforementioned factors has a material adverse impact on the Group's business, results of operations, financial position, and future prospects.

b- Future Financing and Facilities

Aside from the financing agreement concluded by Sol, the Group has no financing from commercial banks, Government lenders or other financiers. The Group has entered into an agreement to purchase land in Riyadh, which it intends to partially finance through bank financing. However, the Group has not yet entered into any definitive financing agreements for this transaction. In the future, the Group may need to obtain financing from commercial banks, Government lenders or other financiers, as of 30 June 2024G, to cover working capital requirements or to implement future growth plans. The Group's ability to obtain loans and facilities from lenders at lower costs or under acceptable terms depends on its future financial position, global economic conditions, financial market conditions, interest rates, credit available from banks or third-party lenders, and lenders' trust in the Group. The Group may not be able to obtain such financing on reasonable terms or at all for any reason, such as restrictions on financing, lenders' perceptions of the Group, or the Group's future results of operations, financial position and cash flows. Variable-rate loans may also make the Group vulnerable to increases in interest and/or commission rates, which may be significantly affected by factors beyond the Group's control, such as monetary and tax policies and global economic and political conditions. The Group may not be able to guarantee that it will be able to obtain such financing on reasonable terms or at all when necessary. Any increases in interest or commission rates, whether fixed or variable, applied by banks will lead to higher financing costs incurred by the Group, which would negatively affect its future profitability and ability to pay and fulfill its obligations to lenders. As a result, it may not be able to take advantage of business opportunities, such as acquisition opportunities, or respond to changes in market or industry conditions. The occurrence of any of the above events would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.39 Risks Related to the Aging of Receivables

The Group's trade receivables amounted to six million, six hundred and seventy-four thousand, eight hundred and forty-nine Saudi Riyals (SAR 6,674,849), twenty-two million, seven hundred and seventy-six thousand, three hundred and ninety Saudi Riyals (SAR 22,776,390) and thirty-six million, four hundred and twenty-five thousand, three hundred and ninety-nine Saudi Riyals (SAR 36,425,399) and sixty million, three hundred and ninety-nine thousand, eight hundred and sixty-four Saudi Riyals (SAR 60,399,864) as of 31 December 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. The provision for impairment of trade receivables was fifteen million one hundred and seventy thousand seven hundred and thirteen Saudi Riyals (15,170,713) on 30 June 2024G. The provision is calculated based on the expected credit loss method. If the Group does not obtain these receivables, it may write them off, which would result in a decrease in the Group's revenues. This will reduce the Group's profitability, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects (for further information regarding the aging and maturity of accounts receivable, please refer to Section 7.7.2 "**Consolidated Statements of Financial Position**" of this Document).

Delays in the Company's collection of its financial claims, in whole or in part, may limit the Group's liquidity and thus lead to difficulties in financing the Group's working capital or future projects. This may result in the Group being unable to fulfill its financial obligations to third parties, including obligations towards employees, drivers and contractors. This may also limit the Group's ability to complete its future expansion plans or distribute dividends to Shareholders. The occurrence of any of the above events would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.1.40 Risks Related to the Inadequacy of Insurance Coverage

As of the date of this Document, the Company holds four (4) insurance policies to cover its operations, namely employee health insurance, general liability insurance, directors and officers (D&O) liability insurance and property risk insurance. In addition, the Material Subsidiaries maintain a number of insurance policies, including in the Kingdom, Bahrain, and Kuwait. However, the insurance coverage may not be sufficient to cover all cases or risks to which the Group may be exposed. Uninsured losses may occur, or their amount may exceed the limits of insurance coverage. The Group's insurance policies may also include exceptions or restrictions that exclude certain types of loss, damage and liability from coverage. In such cases, the Group would incur losses that could have an adverse effect on its business and results of operations. In addition, if the insurance policies are not renewed with the current scope of coverage and under commercially acceptable terms, if they are not renewed at all, or if there is no insurance or insufficient insurance for the various areas of the Group's business, this would have a material adverse effect on the Group's business, financial condition, results of operations and prospects (for further information regarding the Company's insurance policies, please refer to Section 6.10 "**Insurance**" of this Document).

2.1.41 Risks Related to Increases in the Group's Operating Expenses and the Ability to Estimate Fixed Costs

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

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

2.1.42 Risks Related to Zakat and Taxation

The Group is subject to Zakat and tax requirements in the Kingdom. Any increase in Zakat and/or tax requirements applicable to the Group may adversely affect its profitability. The Kingdom issued the VAT Law, which came into effect on 14/04/1439H (corresponding to 01/01/2018G). This law imposes a 5% value-added tax on a number of products and services. On 17/09/1441H (corresponding to 10/05/2020G), in response to the economic impact of the COVID-19 pandemic, the Kingdom announced an increase in VAT to 15%, which came into effect on 10/11/1441H (corresponding to 01/07/2020G). This increase or any future increases in Zakat liabilities or applicable tax requirements could have a negative impact on the Group's profitability. The Group may make errors in complying with regulatory requirements, which could lead to penalties being imposed by the Zakat, Tax, and Customs Authority (ZATCA) under the VAT Law. These penalties could have an adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, the Group has submitted Zakat and tax returns for the financial years up to 2023G, and has paid its Zakat and tax dues within the required timeframe. The Group has not yet received the final Zakat assessments from ZATCA for any of the previous years. However, it has received the final Zakat certificates up to the year 2023G. However, there is a risk that ZATCA may reassess returns for any of the previous five (5) years in the event of a lack of Zakat reconciliation if ZATCA objects to the submitted returns. Accordingly, the Company or any of its Subsidiaries may be required to pay additional Zakat amounts. Any difference in ZATCA's assessment of the Zakat and tax amounts due from the Group could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2 Risks Related to the Market and the Sector in which the Issuer Operates

2.2.1 Risks Related to the Regulatory Environment

The regulatory environment of the food delivery app sector is relatively new in the Kingdom and is subject to continuous change. The Group is currently subject to a range of applicable laws and regulations in the Kingdom whose application is managed by various regulatory authorities within the Kingdom in accordance with Government policies and directives. Such laws and regulations include those of the Communications, Space & Technology Commission, the Public Transport Authority, and the Ministry of Transport, in addition to the Competition Law, the VAT Law, the Companies Law and the Labor Law, among other regulations. In addition, the regulatory environment of the food delivery app sector is characterized by a lack of clarity as to the relevant regulatory authorities. The Communications, Space & Technology Commission and the Public Transport Authority have each passed a set of regulations governing the Group's business, which include several requirements imposed by each of these two entities on the Group's business, leading to an overlap in the powers of the regulatory authorities. The Group's business depends on its ability to comply with the requirements of these laws and regulations imposed by the regulatory authorities. The Group may not be able to comply with the regulatory requirements in the event that they lack clarity or are contradictory, or due to the Group lacking administrative and legal capacity or competence to comply therewith. This would affect the continuity of the Group's business. It should be noted that the Public Transport Authority issued the Regulations for Directing Vehicles to Transport Goods by virtue of Decision No. 01/15 of

HE the Minister of Transport, dated 10/02/1442H (corresponding to 27/09/2020G), which may be interpreted as applicable to the Group's business. Under these regulations, the Company has obtained a license to route goods transport vehicles, and Logi has obtained a license for light freight transport via road. The aforementioned regulatory requirements of the Public Transport Authority may overlap with those of the Communications, Space & Technology Commission, which may require the Group to obtain a number of licenses from different regulatory authorities in order to practice the same activity. The Transport General Authority has also issued a number of requirements that apply to the Group's business, including requiring applications to activate the facial recognition feature in order to verify the identity of drivers, determining the requirements and controls for delivery motorcycles in coordination with the General Department of Traffic, adopting a uniform for non-Saudis working in delivery, and allowing advertisements on light transport vehicles in coordination with the Ministry of Municipalities and Housing. The Group is also subject to laws and regulations in the State of Kuwait and the Kingdom of Bahrain. It should be noted that according to the rules set by the Ministry of Industry and Commerce in the Kingdom of Bahrain, the commercial activities carried out by Jahez (Bahrain) require a specific percentage of ownership by GCC nationals. As of the date of this Document, the ownership structure of Jahez (Bahrain) is not compliant with the requirements of the Ministry of Industry and Commerce in Bahrain. This non-compliance could expose the Company to fines and penalties if the Bahraini Ministry of Industry and Commerce takes action. Regulatory penalties may also be imposed on the Group if it violates any of the laws and regulations to which it is subject, any of which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, the relevant authorities, including the Transport General Authority, have imposed additional Saudization requirements on the delivery app sector (for further information regarding the risks related to Saudization requirements, please refer to Section 2.2.8 "**Risks Related to Compliance with Saudization Requirements**" of this Document).

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

Furthermore, changes in the regulatory environment could affect the Group's operations in several ways. Such changes may impose restrictions that could limit the development of the Group or its customers or their operations or services. Additionally, regulatory changes could intensify competition, cause the Group to incur high costs to ensure compliance therewith, or negatively affect the Group's financial performance. For example, there may be restrictions in Saudization requirements and data protection regulations in the Kingdom, the Group may be required to employ delivery partners of the Jahez, PIK and BluStore Platforms in accordance with labor laws. A limit may be placed on the percentage of commissions and fees that can be deducted from merchants, customers or delivery partners, or strict regulatory requirements may be imposed to deal with the effects of the COVID-19 pandemic or any future events. The Ministry of Human Resources and Social Development issued a Ministerial Resolution dated 07/06/1442H (corresponding to 20/01/2021G), which entered into force on 13/02/1443H (corresponding to 20/09/2021G), requiring delivery platforms to limit direct dealing to Saudi delivery agents only. As such, the Group may only deal with non-Saudi delivery agents through logistics companies. Moreover, the Ministry of Human Resources and Social Development issued a Ministerial Resolution dated 07/02/1443H (corresponding to 14/09/2021G) introducing a number of fines and penalties applicable to online platforms, which include, for example, a fine of twenty thousand Saudi Riyals (SAR 20,000) applicable to online platforms directly employing non-Saudi workers via the online platform. Thus, the Group may be subject to such fines where it does not comply with the requirements set by the Ministry of Human Resources and Social Development.

Furthermore, the Group is subject to various data protection laws, particularly the recent Personal Data Protection Law in the Kingdom issued by the Saudi Authority for Data and Artificial Intelligence (SDAIA) and the General Principles for Personal Data Protection in the Telecommunications, Information Technology and Postal Sectors as mandated by the Communications, Space & Technology Commission (CST), in addition to other cybersecurity requirements (for further information, please see Section 2.2.3 "**Risks Related to Data Protection and Cybersecurity Systems**" of this Document).

Moreover, on 22/01/1443H (corresponding to 30/08/2021G), the CST issued a requirement that all online delivery platforms registered with it observe a host of sanitary requirements when delivering goods to their customers, including banning the transport of foods and beverages that are not adequately wrapped or sealed and barring delivery platforms from dealing with restaurants and similar establishments that are not in compliance with the sanitary requirements approved by the relevant authorities. The CST brought the foregoing sanitary requirements into force on 08/02/1443H (corresponding to 15/09/2021G), whereby it canceled the registration of all delivery applications that were non-compliant with such requirements. Furthermore, the CST adopted the Regulations for Delivery Service Provision via E-Platforms on 16/09/1441H (corresponding to 09/05/2020G). This document imposes various regulatory requirements on delivery service providers operating via electronic platforms in the Kingdom, which the Group must comply with. These regulations supersede the previous Controls and Guidelines for Providing Delivery Services via Digital Platforms. The Group's noncompliance with the relevant regulations and its inability to rapidly respond to regulatory changes or to respond to such changes at all may limit the Group's business development or result in additional costs to the Group would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.2 Risks Related to Licenses, Certificates, Permits and Approvals

The Group is subject to numerous laws and regulations that require it to obtain the necessary licenses and permits from the competent legal and regulatory authorities in the Kingdom in order to conduct its business. The Group has obtained majority of the licenses, certificates, permits and approvals related to its business which are valid as of the date of this Document, including, but not limited to, a license to route freight vehicles issued by the Transport General Authority to the Company, a license for light freight transport via road issued by the Transport General Authority to Logi, a license for designing and programming specialized software issued by the General Authority of Media Regulation (Gmedia), commercial registration certificates obtained by the Group from the Ministry of Commerce, and a membership certificate from the Chamber of Commerce. Sol's commercial registration lists several activities that necessitate a license from the Saudi Food and Drug Authority (SFDA), and the Ministry of Municipalities and Housing (MoMH), which it has not obtained. One of the Company's commercial licenses and one (1) of Logi's housing permits issued by the Ministry of Municipalities and Housing have expired in the ordinary course of business. Both the Company and Logi are currently in the process of renewing them as of the date of this Document. It should be mentioned that Jahez (Bahrain) failed to renew its commercial registration in order to accurately reflect all of its activities. If the Group fails to obtain all of the required licenses for its activities, this could subject it to regulatory fines and penalties (for further information regarding the Company's key licenses, please see Section 6.4 "**Company Licenses**" of this Document).

If the Group wishes to renew or amend the scope of such licenses, certificates or permits, the competent authority may not renew or amend such documents, and if renewed or amended, the competent authority may impose additional conditions that may negatively impact the Group's performance. The Group may believe that it has fulfilled all the necessary requirements and obtained the necessary licenses to operate. However, the relevant Government entity may require the Group to obtain additional licenses, fulfill further requirements in the future or amend the current requirements. For example, the Group is currently required to register with the Transport General Authority. The Transport General Authority may impose further requirements other than the current requirements. This may require the Group to expend time, effort and costs to comply with such additional requirements, which could hinder the registration renewal process. The Transport General Authority may change the type of registration and licenses required from the Group or it may impose separate registration or licensing requirements for each feature provided by the Group. Furthermore, the Transport General Authority may revoke the issued licenses and temporarily halt business being conducted in accordance therewith if it determines that it is in the best interest of the public. The Group may be required to cease certain operations if it is unable to renew a license, if a license is suspended, canceled, revoked or renewed on unfavorable terms, or if the Group fails to obtain additional licenses that may be required in the future, which may cause interruptions and/or result in the Group incurring additional costs, which in turn may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, delivery partners of all categories must meet the relevant regulatory requirements, and they must be registered with the Transport General Authority on the Tawseel and Sharik platforms in accordance with the relevant regulations. If any of the delivery partners registered on the Group's Platforms violate any applicable laws, regulations or other regulatory rules, the Group may be held liable for such violations, which could expose the Group to such regulatory penalties as may be determined by the relevant authorities. This would have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, if any of the logistics companies with which the Group deals do not meet the regulatory requirements to which they are subject, restrictions may be imposed on them by the relevant regulatory authorities or their licenses may be canceled, which could impair the Group's ability to use their delivery partners.

Consequently, the Group may be exposed to the risk of not being able to fulfill orders due to the lack of delivery partners, which would affect the Group's business continuity and thus have a material adverse effect on the Group's business, financial condition, results of operations and prospects (for further information regarding the risks related to delivery partners, please see Section 2.1.5 "**Risks Related to Delivery Partners**" of this Document).

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

2.2.3 Risks Related to Data Protection and Cybersecurity Systems

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

New and evolving regulations regarding data protection, data localization, cybersecurity and other standards governing the collection, processing, storage, transfer, export, disclosure and use of personal data may impose additional burdens on the Group due to increased compliance standards that could restrict the use and adoption of the Group's solutions and applications.

In particular, the Group is subject to the Personal Data Protection Law in the Kingdom issued under Royal Decree No. M/19, dated 09/02/1443H (corresponding to 16/09/2021G), as amended pursuant to Royal Decree number M/148 dated 05/09/1444H. (corresponding to 27/03/2023G), which came into effect on 29/02/1445H (14/09/2023G). In general, the Personal Data Protection Law grants organizations a grace period until 10/03/1446H (corresponding to 13/09/2024G) to comply with the provisions thereof. The Saudi Authority for Data and Artificial Intelligence (SDAIA) shall be the relevant competent regulatory authority, since it issued the data transfer regulations that supplement the Personal Data Protection Law. The provisions of the Personal Data Protection Law are applicable to the processing of all personal data within the Kingdom, as well as the processing of personal data of any individual inside the Kingdom by an entity outside the Kingdom. The Personal Data Protection Law is the first of its kind in the Kingdom in terms of the comprehensiveness of its provisions and penalties. It imposes several obligations on the parties subject to it, such as the requirement for a legal basis for the processing of personal data. Furthermore, the aforementioned law restricts the transfer of personal data outside the Kingdom unless certain conditions are met. The Personal Data Protection Law also requires a data protection impact assessment be conducted when processing personal data or entering into data processing agreements with third parties, as well as notifying them of data breaches and maintaining data processing records, among other obligations. Prior to sending marketing communications, the Personal Data Protection law requires that the consent of individuals is obtained. As of the date of this Document, the Group is in the process of formulating policies and procedures to comply with data protection laws. The Group's operations may also be subject to a number of laws and directives issued by the competent authorities in the Kingdom and the other countries in which it operates, including the National Cybersecurity Authority, which include, for example, the Essential Cybersecurity Controls with respect to the storage of the Group's data within the Kingdom. The regulations of the Communications, Space & Technology Commission and the National Cybersecurity Authority impose requirements related to the governance, management, risk management, compliance, operations, information technology and information security of external parties, which generally require taking the necessary actions in order to ensure compliance therewith, including establishing dedicated information security departments and adopting internal policies that comply with and meet the requirements imposed by the aforementioned authorities.

The Group is currently transferring customer data located outside the Kingdom to servers within the Kingdom in order to comply with the relevant regulatory requirements issued by the Communications, Space & Technology Commission. Additionally, the Group is required to establish various policies and procedures to meet all relevant requirements. If the Group is unable to comply with any of the aforementioned requirements, the supervisory authorities may impose penalties on the Group, including fines or the recovery of financial gains obtained as a result of the violation, all of which could lead to the Group incurring additional expenses or experiencing disruptions in its business continuity.

The Group depends on several third parties to support its business operations (for further information regarding the risks related thereto, please see Section 2.1.11 "**Risks Related to Reliance on Third-Party Service Providers and Smartphone Operating Systems**" of this Document). Several of these parties are involved in processing personal data on behalf of the Group. Any failure by the Group or its third-party partners to comply with the applicable data privacy laws and regulations, cybersecurity controls and standards and the relevant corporate safeguards and measures could negatively impact the Group's success in conducting its operations and achieving its commercial objectives.

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

2.2.4 Risks Related to Internet Access

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

2.2.5 Risks Related to Competition

The Group operates in the delivery app sector in the Kingdom, Bahrain and Kuwait, which is a highly competitive sector that is subject to changing user preferences and the introduction of new services and products. The Group competes with other delivery applications operating in the Kingdom, in addition to merchants that have their own delivery services, whether through their own websites and applications or through traditional methods such as phone ordering services. The Group expects that competition will increase in the markets in which it operates due to the rapid and constant entry of new competitors, including international competitors. For instance, fierce competition in the delivery app sector resulted in a decrease in the number of new users in 2023G compared to the number of new users in 2022G. Additionally, the order rate per registered user decreased in the financial years ended 31 December, 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G. This is attributed to expansion outside Riyadh and changes in new user behavior (for further information, please see Section 7.7 "**Results of Operations**" of this Document).

The Group's current and future competitors may have competitive advantages such as market reputation, a longer operating history, greater market share in certain markets in which the Group operates, greater marketing capabilities and stronger relationships with merchants, bigger customer bases and greater financial or technical resources. In particular, competitors having financial resources and product development capabilities may result in their ability to respond more quickly to new or emerging technologies or changes in the preferences of merchants, customers or delivery partners, which may affect the appeal of the Group's platforms. If any of the merchants with which the Group deals wishes to enter into partnerships with any of the Group's competitors in a specific geographic market or enter into exclusive arrangements with any of the Group's competitors, the Group may not be able to diversify the options offered through its platforms or display options requested by customers, thus reducing the appeal of the Group's platforms. In addition, the Group's competitors may conduct acquisitions or mergers, enter into strategic partnerships among themselves or with merchants, or obtain significant funding from investors, enabling them to expand and obtain a greater market share. The Group's competitors may also offer new features, provide competitive offers, launch huge marketing campaigns, reduce commissions to attract more merchants, or diversify payment options, all of which may be more attractive than those offered by the Group. These competitive pressures may result in the Group having to reduce commission rates or fees charged to merchants, customers or delivery partners or increase marketing offers to remain competitive in the market. The strong competition faced by the Group may also increase costs and expenses due to spending on advertising, marketing, future sales, research and development costs, product discounts and marketing support, which could affect the Group's profitability. For example, in June 2022G, the Company introduced the "Prime" membership, enabling customers to pay a fixed monthly fee instead of a delivery charge for each order. This resulted in a decrease in the average revenue per order. The Group also raised marketing expenditures in order to maintain its current customers and accelerate expansion into new markets, with the average user acquisition cost increasing from SAR 60.6 to SAR 92.0 in the six-month period ended 30 June 2024G. The Group also experienced an increase in cashback offers, which increased from 2.6% of total merchandise revenue in 2021G to 2.7% in 2023G. Accordingly, it is crucial that the Group increases its user base, order volume and merchandise revenue in order to sustain the Company's profitability amidst the challenges posed by high customer acquisition and retention costs due to competition. The occurrence of any of these factors would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group has recently expanded into other fields that support its business in the food delivery app sector, such as quick commerce platforms, cloud kitchens, logistics services and payment solution services. As the Group expands into new areas, whether through current or future initiatives, it will face competition from companies and entities operating in those fields, such as leading e-commerce companies with vast resources and strong reputations, as well as companies with well-established reputations and longer operational histories in such fields, giving them competitive advantages over the Group. Consequently, the Group may not be able to compete effectively in the areas into which it is expanding, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Due to all of the above factors, the Group may not be able to compete effectively in the market or attract or maintain merchants, customers and delivery partners for the Jahez, PIK or BluStore Platforms. Furthermore, the Group may not be able to maintain the commission rates and fees currently applicable, or it may reduce prices due to intense competition, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.6 Risks Related to the Competition Law and its Implementing Regulations

If the Group occupies a dominant position in the market or is so classified by the General Authority for Competition, the Group's operational activities will be subject to the terms and conditions stipulated in the Competition Law issued pursuant to Royal Decree No. M/75, dated 29/06/1440H (corresponding to 06/03/2019G), and its Implementing Regulations issued by the board of directors of the General Authority for Competition pursuant to Resolution No. 337, dated 25/01/1441H (corresponding to 24/09/2019G). The Competition Law aims at protecting legitimate competition in Saudi markets, as well as establishing and strengthening market rules along with free and transparent pricing. In the event that the Group violates the provisions of the Competition Law and a judgment is issued against it in relation to the said violation, the Group may be exposed to substantial fines subject to the discretion of the General Authority for Competition. In addition, the General Authority for Competition has the right to request a temporary or permanent suspension (whether partial or total) of the Group's activities in the event of repeated violations by the Group. Moreover, the defense and litigation procedures in such cases would be lengthy and expensive for the Group. The occurrence of any of these risks could have a material adverse effect on the Group's revenue, financial position, results of operations and prospects.

In addition, pursuant to Article 7 of the Competition Law, entities participating in any economic concentration activity must notify the General Authority for Competition for approval of such concentration at least ninety (90) days prior to the completion of the relevant transaction. The Competition Law defines "economic concentration" broadly to include, among other things, any total or partial transfer of ownership of shares, and stipulates that the Implementing Regulations shall specify the application procedures to be followed. The Implementing Regulations of the Competition Law set a new limit with respect to transactions that require the approval of the General Authority for Competition. If the total revenues of the entities participating in the merger or sale and purchase transaction exceed SAR 100 million, the relevant parties must submit a request to the General Authority for Competition at least ninety (90) days prior to the completion of the transaction. The General Authority for Competition issued certain guidelines regarding specification of the entities that will be taken into account when determining whether the above-mentioned limit has been exceeded or not. In practical terms, the parties to the relevant transaction (along with any other controlled entity within their groups) shall be taken into account. Due to the size of the Group and its significant participation in the Saudi market, any commercial transaction completed by Group members could reach the limit of SAR 100 million. As a result, it may be necessary to notify the General Authority for Competition of such a transaction for approval thereof. This applies even if such a transaction is conducted outside the Kingdom, regardless of its size.

In addition, the General Authority for Competition must be notified of all mergers and acquisitions conducted by the Group that are considered economic concentrations. The General Authority for Competition has the right under the Competition Law to deny any such transaction if it deems it harmful to competition in the Kingdom. The General Authority for Competition has a period of ninety (90) days to submit its response thereto. If it is proven that notification is required and the parties proceed with completing the proposed transaction without requesting the approval of the General Authority for Competition, the General Authority for Competition may impose (1) a fine of up to 10% of the annual sales that are in violation, or (2) a fine of up to three times the amounts profited by the violators as a result of the transaction. In addition, the General Authority for Competition may require the violator(s) (as the case may be) to take all necessary steps to correct the violation, including cancellation of the entire transaction, and daily penalty fees of up to ten thousand Saudi Riyals (SAR 10,000) may be imposed until the violation is fully corrected.

Based on the aforementioned, there is a risk that the necessary notification for economic concentration deals will not be provided to the General Authority for Competition, or that the General Authority for Competition will issue a conditional approval for a transaction for which notice is submitted that the Group cannot fulfill or abide by, or that the General Authority for Competition will reject certain transactions or delay completion thereof until it issues its decision. The General Authority for Competition may impose the abovementioned penalties and fines on any of the Group companies if they do not comply with the provisions of the Competition Law and its Implementing Regulations.

If any of the risks mentioned above were to occur, this may have a material adverse effect on the Group's business, financial position and results of operations.

2.2.7 Risks Related to Seasonal Factors

The Group's profits and revenues depend significantly on customer traffic, demand for the Group's platforms, and consumer behavior. Historically, the percentage of customer traffic has increased or decreased depending on the time period and seasonal factors. The Group expects that the results of its operations will continue to fluctuate due to seasonal factors that are beyond the control of the Group. For example, orders via Jahez Platform decrease in certain seasons such as during Eid holidays and Ramadan. During Ramadan, the majority of customers fast and people rely heavily on cooking and preparing food at home or dining out. In addition, there is only a short time period during which orders are made during Ramadan. On the other hand, customer traffic on the Group's platforms tends to increase during marketing campaigns, which typically take place after the end of Ramadan. Accordingly, the Group's revenues are significantly impacted by seasonal fluctuations in customer traffic on its platforms. The Group's inability to accurately predict and effectively respond to these seasonal factors poses a challenge in forecasting future performance. This, in turn, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.8 Risks Related to Compliance with Saudization Requirements

Compliance with Saudization requirements is a regulatory requirement in the Kingdom. All companies operating in the Kingdom, including the Group and its material Subsidiaries, must employ and maintain a certain percentage of Saudi nationals amongst their workforce. The percentage of Saudi employees varies on the basis of a company's activities, as described in the Nitaqat program. As of the date of this Document, the Company is in compliance with the Saudization requirements (for further information regarding the Group's Saudization percentages, please refer to Section 4.9 "**Employees**" of this Document). Failure to comply with the Saudization and Nitaqat program requirements will expose the Group to penalties from the relevant Government agencies, including suspension of work visa applications, suspension of sponsorship transfer applications for non-Saudi employees, and exclusion from Government tenders and loans. The Group may not be able to recruit Saudi employees under favorable conditions, if at all, or retain its current Saudi employees, which would affect its ability to meet the required Saudization percentages. There may be a significant increase in the cost of salaries if the Group employs a larger number of Saudi employees. The occurrence of any of the above risks would have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Furthermore, the Consultative Council recently urged the Transport General Authority to collaborate with relevant authorities in order to develop the necessary legislative and regulatory tools to localize delivery application activities. Consequently, the Transport General Authority issued a number of mandatory regulatory resolutions on 12/07/1445H (corresponding to 23/01/2024G) aimed at increasing Saudization rates in the transportation sector in general. These decisions will be implemented in phases starting from 22/09/1445H (corresponding to 01/04/2024G). In addition, the Transport General Authority launched an initiative to localize bus and heavy goods vehicle drivers. Given the increasing demands and initiatives to raise Saudization rates in the sector, the Group may find it difficult to comply with the additional Saudization requirements that have been issued. This could have an adverse effect on the Group's business, results of operations, financial position and prospects.

In addition, the Kingdom has implemented a number of reforms aimed at increasing the participation of Saudi employees in the labor market, including imposing fees on non-Saudi employees employed at Saudi institutions as well as fees on residency permits for family members of non-Saudi employees. The non-Saudi employee fee came into effect on 14/04/1439H (corresponding to 01/01/2018G) while the residency permit fees came into effect on 07/10/1438H (corresponding to 01/07/2017G), noting that such fees increased gradually to nine thousand, six hundred Saudi Riyals (SAR 9,600) annually per employee in 2020G. The application and increase of such fees led to an increase in Government fees paid by the Group for its non-Saudi employees. Government fees amounted to five hundred and ninety-six thousand, two hundred and fifty-seven Saudi Riyals (SAR 596,257), twenty-seven million, two hundred and twenty-two thousand, six hundred and fifty-eight Saudi Riyals (SAR 27,222,658), thirty-two million, two hundred and forty-six thousand, four hundred and sixty-one Saudi Riyals (SAR 32,246,461), and twelve million, fifty-eight thousand, five hundred and forty-three Saudi Riyals (SAR 12,058,543), in the financial years ended 31 December 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively. In addition, an increase in fees payable by non-Saudi employees for their family members resulted in higher living expenses, which may affect the attractiveness of the Kingdom for such employees, who may seek to relocate to other countries with lower living expenses. Consequently, high Government fees and difficulty retaining non-Saudi employees would have an adverse effect on the Group's business, results of operations, financial condition and prospects.

The Ministry of Human Resources and Social Development issued a Ministerial Resolution dated 07/06/1442H (corresponding to 20/01/2021G), which entered into effect on 13/02/1443H (corresponding to 20/09/2021G) requiring delivery platforms to limit direct dealing (i.e., dealing with freelance delivery partners) to Saudi delivery partners only. Non-Saudi delivery partners can be dealt with by the Group's platforms only through logistics companies or Logi. Moreover, the Ministry of Human Resources and Social Development issued a Ministerial Resolution dated 07/02/1443H (corresponding to 14/09/2021G) introducing a number of fines and penalties applicable to online platforms, which include, for example, a fine of twenty thousand Saudi Riyals (SAR 20,000) applicable to online platforms directly employing non-Saudi workers via the online platform. Thus, the Group may be subject to such fines where it does not comply with the requirements set by the Ministry of Human Resources and Social Development. The relevant authorities may apply additional Saudization requirements for app delivery partners, which may include the Group's delivery partners. In such case, the Group may not be able to find a sufficient number of Saudi delivery partners to deliver orders through the Jahez, PIK and BluStore platforms, or, if it finds them, may not be able to contract with them on appropriate terms. In addition, the Group may not be able to retain its existing Saudi delivery partners due to intense competition from other delivery applications for Saudi delivery partners, which could negatively affect the Group's operations. There may be a significant increase in costs if the Group deals with a larger number of Saudi delivery partners. The occurrence of any of the above risks would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.9 Risks Related to the Implementation of Value-Added Tax and E-Invoicing

The Government imposed a value-added tax of 5% commencing on 14/04/1439H (corresponding to 01/01/2018G). In response to the economic impact of COVID-19, the Kingdom announced an additional increase in value-added tax to 15% as of 10/11/1441H (corresponding to 01/07/2020G). Value-added tax is typically borne by the end consumer, and, therefore, the Group witnessed an increase in the selling price of products. Such an increase or any future increases may affect customer spending, which could lead to a decrease in demand for the Group's platforms and merchants that use Co's cloud kitchens, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Furthermore, the possibility of the Group committing errors during the implementation of the regulatory requirements cannot be ruled out. Such errors could lead to penalties being imposed by the Zakat, Tax and Customs Authority (ZATCA) in accordance with the VAT Law, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

ZATCA also adopted the E-Invoicing Regulations on 19/02/1442H (corresponding to 04/12/2020G), with Phase 2 of these regulations coming into effect on 08/06/1444H (corresponding to 01/01/2023G). The E-Invoicing Regulations require businesses subject thereto to issue electronic invoices and notifications in accordance with the regulatory requirements. The E-Invoicing Regulations also include additional provisions mandating the integration of taxpayers' systems with ZATCA's systems. Furthermore, given the relatively recent implementation of the VAT Law, the announced VAT rate increase and the E-Invoicing Regulations, the Group may make errors in applying the provisions outlined above or any other applicable VAT and e-invoicing provisions in the relevant law. This may lead to penalties being imposed by ZATCA in accordance with the VAT Law, which would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.10 Risks Related to Changes in the Mechanism for Calculating Zakat and Income Tax

ZATCA issued Circular No. 6768/16/1438, dated 05/03/1438H (corresponding to 05/12/2016G), which requires Saudi companies listed on the Exchange to calculate income and Zakat on the basis of shareholder nationality and the actual ownership of Saudi, GCC and other citizens as listed in the Tadawulaty system at the end of the year. Prior to the Circular, companies listed on the Exchange were generally subject to paying Zakat or tax on the basis of the ownership of their founders in accordance with their articles of association. The fact that shares were listed was not a consideration in determining the Zakat base. This circular was to be applied in the financial year ended 31 December 2016G and subsequent years. However, ZATCA issued Letter No. 12097/16/1438, dated 19/04/1438H (corresponding to 17/01/2017G), postponing the implementation of this Circular for the financial year ended 31 December 2017G and subsequent years.

Under the Income Tax Law issued by Royal Decree No. M/1, dated 15/01/1425H (corresponding to 07/03/2004G), as amended, income tax applies to (1) any resident capital company with respect to shares owned directly or indirectly by non-Saudi or non-GCC nationals and persons engaged in the production of oil and hydrocarbons, except for the following (in which case the relevant resident company is subject to Zakat): (2) shares owned in any resident capital company listed on the Exchange and purchased for the purpose of speculation through trading on the Exchange, and (3) shares owned directly or indirectly by persons working in the field of oil and hydrocarbon production in resident capital companies listed on the Exchange, as well as shares owned directly or indirectly by such companies in capital companies; (b) any non-Saudi resident natural person who undertakes business activities in the Kingdom; (c) any non-resident person who undertakes activities in the Kingdom through a permanent establishment; (d) any non-resident person who has other taxable income from sources within the Kingdom without having a permanent project,; (e) any person working in the areas of investment in natural gas; and (f) any person working in the production of oil and other hydrocarbons.

Therefore, the Group cannot anticipate the changes made by ZATCA to the mechanisms for calculating both Zakat and income tax. If any future changes are applied to the Group that cause the Group to incur additional costs, this would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.11 Risks Related to General Economic Conditions

The Group's operations are located in the Kingdom, including merchants, customers and delivery partners of the platforms of the Group, Co, Logi, Marn Business and Sol. The Group has expanded geographically beyond the Kingdom, branching out to Bahrain and Kuwait as of 2022G and 2023G, respectively. Accordingly, the Group's performance, results of operations and growth prospects are affected by the general economic conditions in the Kingdom in addition to the global economic conditions that affect the Saudi economy. Furthermore, negative developments in international relations or economic and political conditions arising in other countries, irrespective of whether or not they host the Group's operations, may negatively affect the Kingdom's economy, foreign direct investment therein, or the financial markets in the Kingdom in general. As a result, this will have a material adverse effect on the Group's business, results of operations, financial position and prospects. The Group may be affected by an economic slowdown in the Kingdom, particularly in the oil and gas sector, which could affect the rate of consumer spending and thus lead to a decrease in customer traffic to the Group's platforms. This would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Moreover, the Kingdom's economy is highly dependent on oil-based revenues, which play a significant role in the Kingdom's economic plan and gross domestic product. Any decrease in oil prices would lead to an economic slowdown and/or a slowdown in Government spending plans, which would affect all sectors of the Kingdom's economy and consumer spending per capita. This would have an adverse effect on the Group's business, financial position, results of operations and prospects.

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

2.2.12 Risks Related to Political Instability and Security Concerns in the Middle East Region

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

2.2.13 Risks Related to Outbreaks of Infectious Diseases

An outbreak of an infectious disease in the Kingdom or elsewhere, or any other serious public health concern, may have a material adverse effect on economies, financial markets and commercial activities worldwide, including the Group's business. For example, the COVID-19 global pandemic caused by the SARS-CoV-2 novel strain of coronavirus, as declared by the World Health Organization, led to the adoption of certain preventative measures by governments, businesses and individuals, resulting in global business disruptions. The COVID-19 pandemic adversely affected global economies, financial markets, global demand for oil and oil prices, as well as the overall environment in which the Group operates due to strict precautionary measures and limits on travel and public transport, requirements for people to remain at home and practice social distancing and prolonged closures of workplaces and economic activities, which severely disrupted the Kingdom's economy and the economies of the countries in which the Group operates. Furthermore, any reintroduction of preventative measures or the introduction of additional measures due to outbreaks of infectious diseases, whether COVID-19 or otherwise, may result in a prolonged or further decline in oil prices or a prolonged adverse effect on the Kingdom's economy or the economies of the countries in which the Group operates, which would have a material adverse effect on the Group's business, results of operations, financial position and prospects.

Furthermore, there may be outbreaks of food-borne infectious diseases that are linked to the health and safety of food provided by restaurants and other merchants. Such outbreaks may lead to a decrease in customers' willingness to eat out, which, in turn, would lead to a decrease in customer demand for orders via Jahez Platform. This would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.14 Risks Related to Reduced Consumer Spending and Consumer Behavior

The Group's performance depends on the level of consumer spending, which is affected by economic factors, unemployment rates, debt per capita, taxation, energy prices, interest rates and other macroeconomic factors, as well as natural disasters that may affect the economy (for further information regarding economic risks, please see Section 2.2.11 "**Risks Related to General Economic Conditions**" of this Document). Consumer spending typically declines during periods of economic downturn when disposable income is affected. In such a case, consumer behavior is affected by refraining from non-essential consumption, including orders from restaurants, in order to save money, which includes the Group's services. If consumer spending declines in general in response to economic conditions, the Group may not be able to maintain demand levels through its platforms, which would lead to a decline in the Group's revenues. This would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.2.15 Risks Related to Increased Food, Labor and Fuel Costs

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

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

2.2.16 Risks Related to Floods, Earthquakes and Other Natural Disasters or Disruptive Acts

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

2.3 Risks Related to Securities Listed on the Main Market

2.3.1 Risks Related to Failure in Meeting Liquidity Requirements in the Main Market Following the Transfer

The Company must fulfill the liquidity requirements for transferring to the Main Market and ensure complying with them following the transfer. The Issuer is continuously bound by liquidity requirements. Any failure in meeting the liquidity requirements could result in the suspension of trading of the Company's Shares, which would contradict the liquidity requirements of the Main Market. In the event of such an occurrence, the Company is required to promptly inform the Saudi Exchange Company thereof and implement the necessary corrective measures to fulfill the requirements within the deadline specified by the Saudi Exchange Company, following coordination with the CMA.

2.3.2 Risks Related to Potential Fluctuations in the Price of the Shares

The market price of the Company's Shares may be volatile following the transfer from the Parallel Market "Nomu" to the Main Market due to several factors, including, but not limited to, Stock Market conditions, poor Company performance, failure to execute future plans, the emergence of new competitors within the market, changes in the outlooks or estimates of securities research experts and analysts, as well as announcements regarding mergers, acquisitions or strategic partnerships by the Company or its competitors.

2.3.3 Risks Related to Forward-Looking Statements

The Company's future results and performance data cannot be accurately predicted and may vary from the information provided in this Document. The Company's achievements and development capabilities determine its actual results, which cannot otherwise be predicted or determined. The inaccuracy of statements and results is one of the risks that prospective investors should consider so that their investment decisions are not impacted by them.

2.3.4 Risks Related to Foreign Currencies and Exchange Rates

The Group is exposed to foreign exchange risks since it engages in operational transactions that are not denominated in Saudi Riyals. Furthermore, the Saudi Riyal is pegged at a fixed rate to the US dollar. The Kingdom may, in the future, remove or adjust the peg, causing the value of the Group's assets and liabilities denominated in US dollars to fluctuate. Any measures adopted by the Group to hedge against foreign exchange fluctuations may not be sufficient to manage all of the associated risks, and fluctuations in foreign exchange rates and interest rates could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.3.5 Risks Related to the Possible Issuance of New Shares

If the Company decides to issue new shares in the future, this may negatively affect the Share price on the Exchange or dilute the ownership of the Company's Shareholders if they choose not to purchase the new shares during such period.

2.3.6 Risks Related to Dividend Distribution to Shareholders

The Group may not be able to distribute dividends, or the Board of Directors may not recommend or the Shareholders may not approve dividend distributions for any reason. Future distribution of dividends will depend on several factors, including, among other things, the Group's future earnings, financial condition, cash flow, working capital requirements, capital expenditures and distributable reserves.

2.3.7 Risks Related to Effective Control Post-Transfer by Current Shareholders

After completion of the transfer process, the current Shareholders, together or along with other Shareholders, will have the ability to control decisions and actions that require Shareholder approval, including, without limitation, mergers and acquisitions, the sale of assets, the election of Directors, the increase or decrease of share capital, the issuance or non-issuance of additional shares, the distribution of dividends, or any change in the Company. In cases where the interests of the current Shareholders conflict with the interests of minority Shareholders, the minority Shareholders may be disadvantaged and the current Shareholders may otherwise exercise their control over the Company in a manner that will have a material adverse effect on the Company's business, financial position, results of operations and prospects.

2.3.8 Risks Related to the Sale of a Substantial Number of Shares on the Exchange After transferring to the Main Market

The sale of a substantial number of the Issuer's Shares on the Stock Exchange after the completion of the transfer process, or the perception that such a sale will occur, could negatively affect the market price of the Shares. The sale of a substantial number of Shares by the current Shareholders, (especially Substantial Shareholders holding 5% or more of the Company's shares), would have an adverse effect on the Company's Shares and may result in their price falling on the Exchange.

2.3.9 Risks Related to the Suspension of Trading or Cancellation of the Company's Shares Due to Failure to Publish its Financial Statements Within the Statutory Period

If the Company is unable to publish its financial information within the statutory period applicable to the Main Market (i.e., thirty (30) days from the end of the financial period for the interim financial statements and three (3) months from the end of the financial period for the annual financial statements), the procedures for suspending listed securities shall be applied in accordance with the Listing Rules issued by the CMA, which stipulate that the Exchange shall suspend the trading of securities for one trading session following the expiration of the statutory period. In the event the Company's financial information is not published within twenty (20) trading sessions following the first suspended trading session, the Exchange shall announce the re-suspension of the Company's securities until the Company announces its financial results. If the suspension of trading of the Company's shares continues for a period of six (6) months without the Company taking the appropriate measures to correct such suspension, the CMA may delist the Company's securities. The Exchange shall lift the suspension after one trading session following the announcement of the Company's financial results. However, if the Company delays in announcing its financial results or if it is unable to publish them within the said statutory period, this will result in the suspension or delisting of the Company's shares, which would have a material adverse effect on the interests of the Company's Shareholders, the Company's reputation and the results of its operations.

2.3.10 Risks Related to Research Published About the Group

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

2.3.11 Risks Related to the Inability of Non-Qualified Foreign Investors to Hold Shares Directly

Under the applicable laws and regulations, non-qualified foreign investors (excluding foreign strategic investors) wishing to purchase the Shares must enter into swap agreements with Capital Market Institutions, pursuant to which they acquire an economic benefit in the Offer Shares. Non-qualified foreign investors are able to trade these Shares through Capital Market Institutions that hold the legal title thereto. Accordingly, non-qualified foreign investors will not hold the legal title to the Shares nor will they be able to vote for the Shares in which they hold an economic benefit. Thus, these factors may have an adverse effect on the expected returns of investors or result in the loss of all or a portion of their investment in the Company.


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3. Purpose of Transfer to the Main Market

On 09/09/1445H (corresponding to 19/03/2024G), the Issuer's Board of Directors approved the transfer of the Issuer's shares from the Parallel Market "Nomu" to the Main Market in accordance with the Listing Rules issued by the Saudi Exchange Company and approved by Resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G) as amended, and the Rules on the Offer of Securities and Continuing Obligations issued by the Board of Directors pursuant to resolution No. 3-123-2017 dated 09/04/1439H (corresponding to 27/12/2017G), as amended and based on the Capital Market Authority Resolution No. 1-94-2022 dated 24/01/1444H (corresponding to 22/08/2022G), where the Board of Directors considered that it is in the interest of the issuer and its shareholders to take advantage of the options available legislatively and move to the Main Market. Since the Issuer's shares were listed in the Parallel Market on 02/06/1443H (corresponding to 05/01/2022G), the Issuer has fulfilled the statutory requirement contained in Article 44 of the Listing Rules related to the lapse of a period of two (2) calendar years from the date of listing in the Parallel Market. The Issuer has also met all other statutory requirements set forth in this Article in terms of meeting the liquidity and total market value requirement during the twelve (12) months preceding the submission of the transfer application. In addition, the Issuer has met the governance requirements of the Main Market.

4. Background of the Group and nature of Its Business

4.1 Introduction

The Company is a Saudi listed joint-stock company that was converted pursuant to Ministry of Commerce Resolution No. 138, issued on 05/05/1442H (corresponding to 20 December 2020G), and registered in the Commercial Register of Riyadh under No. 1010895874, dated 01/01/1439H (corresponding to 21 September 2017G). Its registered address is 2065 King Salman District, King Abdullah Bin Abdulaziz Road, P.O. Box 2065, Riyadh 12444, Kingdom of Saudi Arabia. The Company has been listed on the Parallel Market "Nomu" since 02/06/1443H (corresponding to 05/01/2022G).

The Company was established on 01/01/1439H (corresponding to 21/09/2017G) as a limited liability company with a fully paid share capital of one million Saudi Riyals (1,000,000), divided into one hundred (100) ordinary cash shares with a fully paid nominal value of ten thousand Saudi Riyals (SAR 10,000) per share, and registered under Commercial Registration No. 1010895874, dated 01/01/1439H (corresponding to 21/09/2017G). On 10/03/1442H (corresponding to 27/10/2020G), the Company increased its share capital from one million Saudi Riyals (SAR 1,000,000) to five million Saudi Riyals (SAR 5,000,000). The increase of four million Saudi Riyals (SAR 4,000,000) was met by capitalizing a portion of the Shareholders' current accounts. On 05/05/1442H (corresponding to 20/12/2020G), the Company was converted from a limited liability company into a closed joint stock company with a fully paid share capital of five million Saudi Riyals (SAR 5,000,000), divided into five hundred thousand (500,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. On 15/10/1442H (corresponding to 27/05/2021G), the Extraordinary General Assembly of the Company approved an increase in the Company's share capital from five million Saudi Riyals (SAR 5,000,000) to ninety-six million Saudi Riyals (SAR 96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. The increase of ninety-one million Saudi Riyals (SAR 91,000,000) was met by capitalizing one million, five hundred thousand Saudi Riyals (SAR 1,500,000) from the Company's statutory reserve, capitalizing an amount of sixty-three million, five hundred thousand Saudi Riyals (63,500,000) from the retained earnings balance, and capitalizing an amount of twenty-six million (26,000,000) from the Shareholders' credit balances. On 28/10/1442H (corresponding to 09/06/2021G), the Extraordinary General Assembly of the Company approved an increase in the Company's share capital from ninety-six million Saudi Riyals (SAR 96,000,000) to one hundred and four million, nine hundred and eighteen thousand and thirty Saudi Riyals (SAR 104,918,030), divided into ten million, four hundred and ninety-one thousand, eight hundred and three (10,491,803) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share, and the offering of eight hundred and ninety-one thousand, eight hundred and three (891,803) new shares for subscription by offering them to qualified investors on the Parallel Market "Nomu" at an Offering Price of eight hundred and fifty Saudi Riyals (SAR 850) per share. On 02/06/1443H (corresponding to 05/01/2022G), the Company was listed on the Parallel Market. On 15/05/1445H (corresponding to 29/11/2023G), the Extraordinary General Assembly of the Company approved a split of the nominal value of each share from ten (10) Saudi Riyals (SAR 10) per share to fifty Saudi halalas (SAR 0.50), and adjustment of the number of shares from ten million, four hundred and ninety-one thousand, eight hundred and three (10,491,803) ordinary shares to two hundred and nine million, eight hundred and thirty-six thousand and sixty (209,836,060) ordinary shares without amending the Company's share capital. On 09/09/1445H (corresponding to 19/03/2024G), the Board of Directors approved the Company's transfer to the Main Market.

4.2 Shareholder Structure and Organizational Structure

The following table shows the Company's ownership structure as of the date of this Document:

Table (4.1): The Company's Ownership Structure as of 23/03/1445H (corresponding to 29/09/2024G)

#	Shareholder	Number of Shares	Total Nominal Value of Shares Owned (SAR)	Direct Ownership Percentage(1)	Indirect Ownership Percentage(1)
1.	Alamat International Limited Company	56,022,312	28,011,156	26.698%	N/A
2.	Tharwa Holding Company	15,022,560	7,511,280	7.159%	16.02%(2)
3.	Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran	11,796,698	5,898,349	5.622%	N/A
4.	Treasury shares	7,098,017	3,549,009	3.38%	N/A
5.	Senior Management(3)	10,220,755	5,110,378	4.87%	10.68%
6.	The Public	109,675,718	54,837,859	52.27%	N/A
Total		**209,836,060**	**104,918,030**	**100%**	**26.7%**

(1) The provided figures are approximate figures.

(2) The indirect ownership of Tharwa Holding Company resulted from its ownership of 60% of Alamat International Limited Company, which in turn owns 26.298% of the Company's shares as of the date of the Transfer Document.

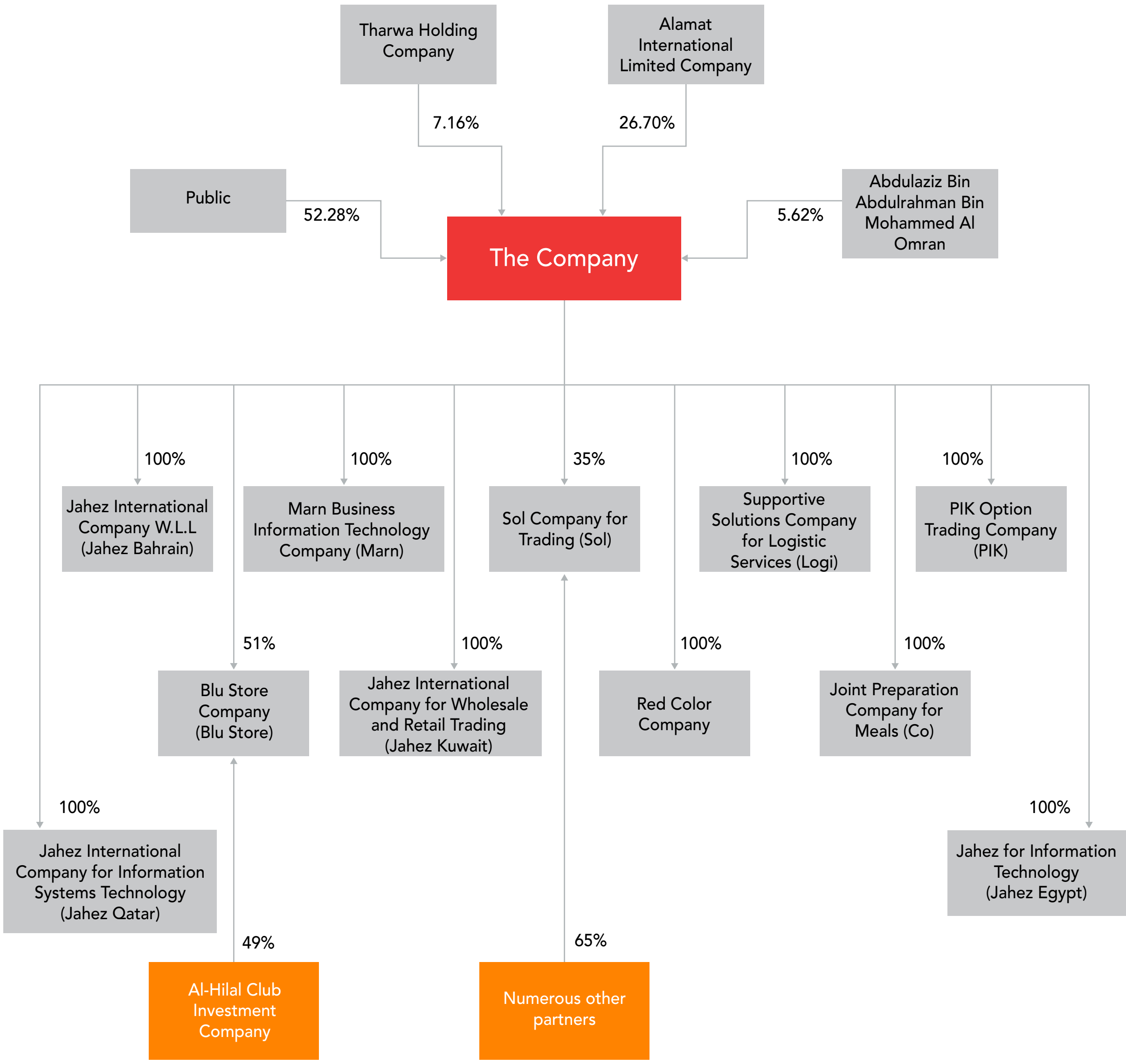
(3) The indirect ownership of Ghassab Bin Salman Bin Ghassab Bin Mandeel is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares, while the indirect ownership of Hamad Bin Abdullah Bin Fahad Al Bakr is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares.

Source: The Company and the Saudi Exchange Company

As of the date of this Document, the Company owns eleven (11) Subsidiaries, namely: (1) Joint Preparation Company for Meals (hereinafter referred to as "**Co**"); (2) PIK Option Trading Company (hereinafter referred to as "**PIK**"); (3) Supportive Solutions Company for Logistic Services (hereinafter referred to as "**Logi**"); (4) Red Color Company (hereinafter referred to as "**Red Color**"); (5) Jahez International Company W.L.L. (hereinafter referred to as "**Jahez Bahrain**"); (6) Jahez International Company for Wholesales and Retail Trading (hereinafter referred to as "**Jahez Kuwait**"); (7) BluStore Company (hereinafter referred to as "**BluStore**"); (8) Marn Business Information Technology Company (hereinafter referred to as "**Marn**"); (9) Sol Company for Trading (hereinafter referred to as "**Sol**"); (10) Jahez for Information Technology (hereinafter referred to as "**Jahez Egypt**"); and (11) Jahez International Company for Information Systems Technology (hereinafter referred to as "**Jahez Qatar**") (collectively referred to as the "**Subsidiaries**") (the Company and the Subsidiaries are collectively referred to as the "**Group**"). It is worth noting that the Company has acquired a 35% ownership interest in Sol as an investment in the Sol platform operated by Sol.

The following figure shows the Company's ownership structure as of the date of this Document:

Figure (1): Organizational Structure of the Group as of the Date of this Document



Source: The Company

4.3 Overview of the Group's Business

The Group operates primarily in three (3) main segments represented in the following:

- **Delivery Platforms:** The Group develops and operates several technology platforms specializing in e-commerce and quick commerce (q-commerce), as follows:
    - **Jahez Platform:** A food delivery platform launched by the Group in 2016G. It is a core component of the Group's operations in terms of revenues and based on its advanced technical functionalities, serving as a source of orders for merchants and providing comprehensive logistics support and payment collection. The objective of Jahez Platform is to connect merchants, customers and delivery partners through a user-friendly mobile application, providing a comprehensive, fast, seamless, and almost fully automated delivery experience. Jahez Platform connects customers, merchants and delivery partners in over one hundred (100) cities across the Kingdom, as well as in the Kingdom of Bahrain and the State of Kuwait. As of 30 June 2024G, Jahez Platform has a network of 41.6 thousand merchant branches, 3.9 million customers, and 53 thousand delivery partners.
    - **PIK Platform:** A quick commerce (Q-commerce) platform, representing a new generation of e-commerce. Its objective is to connect customers with brands and deliver requested products within one to three hours directly from the store through delivery partners. In 2020G, the Group established PIK, and the platform was launched in 2021G with the aiming of expanding its operations beyond food delivery. Accordingly, PIK is now able to provide customers with various products, from fashion and cosmetics to computer equipment and appliances.
    - **BluStore Platform:** In 2022G, the Group established "BluStore Platform" in partnership with Al-Hilal Club Investment Company. The Group owns a 51% stake in BluStore, which in turn owns "BluStore Platform". "BluStore Platform" is a platform specializing in the sale and marketing of sports products and services from various leading brands. The launch of "BluStore Platform" aimed to allow customers to purchase products and have them delivered to their homes within a short period through a dual model that combines on-demand services with e-commerce. Al-Hilal Club Investment Company's ownership of "BluStore Platform" transferred to Al-Hilal Club Company in the first quarter of 2024G.
- **Logistics Services:** The Group's operations encompass logistics support, cargo vehicle routing, last-mile delivery, and fulfilment. In 2021G, the Group established Logi to serve as an enabler for the e-commerce and delivery sectors by providing logistics solutions.
- **Other Activities:** The Group has a number of other activities:
    - **Co:** In 2020G, the Company acquired a 60% stake in Co, a cloud kitchens platform that aims to provide restaurants with kitchen spaces to prepare their meals and then sell them to their customers exclusively through delivery platforms. Co also offers cloud shelving and fulfilment services to its business partners and online stores. Cloud kitchens are a new business model for restaurants. Restaurants are increasingly relying on online food delivery as a way to increase their reach without the added costs of higher rent and increased staff. The Group acquired the remaining minority shares in 2024G to become 100% owner of Co.
    - **Sol Platform:** In 2023G, the Company acquired a 35% stake in Sol, which in turn owns the Sol platform, which provides wholesale of essential items to the hotel, restaurant, café and catering sectors. The Sol platform enables customers to order their diverse product needs and have them delivered promptly.
    - **Marn:** The Company acquired Marn in January 2023G. Marn offers several modern technology services that support the growth of merchants. Marn enables merchants to build their own unique environment by developing systems for business owners through the provision of a variety of digital solutions that work in conjunction with various service providers and companies. Marn's solutions include payment solutions and integrated sales and administrative systems that include cloud-based kiosks and e-invoicing. Marn also offers several integrated products that allow its customers to work more productively, including a point of sales (POS) system, retail cashier system, kitchen screen system, and order status screen.
    - **Red Color:** The Group established Red Color as its investment arm in order to achieve its investment goals. The Group aims to invest in sectors that capitalize on the Group's customers, merchants and delivery partners, and that are technology-driven.

4.3.1 Material Developments

Table (4.2): The Group's Key Milestones

Year	Milestone
2016G	Jahez Platform launched its operations in Riyadh under the umbrella of Alamat International Limited Company.
2017G	Jahez Platform expanded its operations outside of Riyadh, including in Jeddah, Dammam and Hail.
2017G	One million orders delivered through Jahez Platform.
2017G	The Company was incorporated as a limited liability company.
2018G	Alamat International Limited Company transferred ownership of Jahez Platform to the Company.
2019G	10 million orders delivered through Jahez Platform.
2019G	The Company signed a sponsorship agreement with Al Hilal Saudi Football Club.
2020G	20 million orders delivered through Jahez Platform.
2020G	The Group established PIK as a wholly-owned Subsidiary to be its q-commerce platform.
2020G	The Company acquired 60% of Co as an investment in cloud kitchens.
2020G	Jahez Platform expanded its reach to forty-seven (47) cities.
2020G	Co launched its first cloud kitchens website.
2021G	The launch of "PIK Platform" in 2021G to expand its business beyond food delivery.
2021G	The Group established Logi as a wholly owned Subsidiary to serve as its logistics arm.
2021G	The Group established Red Color as a wholly owned Subsidiary to serve as its investment arm.
2021G	More than 42 million orders delivered through Jahez Platform.
2022G	Offering of eight hundred and ninety-one thousand, eight hundred and three (891,803) of the Company's shares for public subscription through an initial public offering (IPO) to qualified investors on the Parallel Market "Nomu". The Offering Price was set at eight hundred and fifty Saudi Riyals (SAR 850) per share, and the Company was subsequently listed on the Parallel Market "Nomu".
2022G	The Group established Jahez Bahrain and expanded Jahez Platform business to Bahrain.
2022G	The Group established Jahez Kuwait.
2022G	The Group established BluStore in partnership with Al-Hilal Club Investment Company.
2022G	More than 150 million orders delivered through Jahez Platform.
2023G	Jahez Platform expands to Kuwait.
2023G	The Group received the Best IPO Award in the Parallel Market "Nomu" from the Saudi Exchange Company.
2023G	The nominal value of the Company's shares was split from ten million, four hundred and ninety-one thousand, eight hundred and three (10,491,803) shares to two hundred and nine million, eight hundred and thirty-six thousand and sixty (209,836,060) shares.
2023G	Acquisition of Marn is finalized.
2023G	Acquisition of 35% of Sol is finalized.
2023G	The Group established Jahez Qatar.
2023G	The Group established Jahez Egypt.
2024G	The acquisition of all shares of Co is finalized.

Source: The Company

4.3.2 Vision and Mission

a- Vision

To become the leading brand from the Kingdom that provides an integrated system of on-demand services that contribute to improving customers' lifestyle and empowers merchant and restaurant partners.

b- Mission

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

c- Values

The Group's core values include:

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

4.3.3 Strategic Position

The Group has established a unique position for itself in the market through its consumer-centric approach, user-friendly platforms, and long-term partnership philosophy with merchants. The Group's business volume serves as a significant competitive advantage, allowing it to outpace other industry rivals and paving the way for numerous opportunities capable of fostering long-term growth. A summary of the Group's strengths and the opportunities available to it is set out below:

a- Regional Growth Driven by Strong Identity and Brand Awareness

The Group has established itself as a household name in the Kingdom and in Bahrain and Kuwait, garnering strong brand awareness among all stakeholders. This has been achieved through providing users with a simple and rich food delivery platform, excellent customer experience, an effective business model, strong relationships with merchants and partners, and thoughtful sponsorship of sporting and community events. With an understanding of local consumer behaviour, the Group quickly adapts to the latest market trends. Proven flexibility and responsiveness enable swift capitalization on new opportunities in regional markets.

b- Loyal User Base

Addressing the issue of poor customer experience in this sector was inherent in the Group's goal when it launched its business, as the Group identified an opportunity to expand in the market by improving the quality and attention it could provide to users in comparison to existing companies. Operating under a customer-centric model and delivering exceptional customer experience, the Group has expanded its reach to serve over 3.9 million loyal and engaged active users across its platforms (with an average of 4.5 monthly orders per user and an average order value of approximately sixty Saudi Riyals (SAR 60)).

c- Strong Relationships with Merchants and Partners

The Group adopts a long-term vision in its relationships with merchants, offering them attractive commercial terms and encouraging ongoing dialog to ensure alignment with their interests. Jahez Platform has successfully attracted over 16,000 merchants with approximately 40,000 branches listed on Jahez Platform. The Group's unique delivery model continues to attract more merchants, thanks to its easy and efficient presentation. Merchants benefit from a streamlined onboarding process, seamless menu integration, and insightful analytics that provide key data for executing highly effective marketing campaigns and logistics services, as well as increased brand awareness for such merchants through a cost-effective advertising platform.

d- Innovative Business Development

Innovation has been deeply ingrained into the Group's culture since its inception. It was among the first platforms on the market to introduce fully managed logistics services as part of its offerings for Merchants, and live tracking of the delivery process to enhance transparency for users. As the Group's business grew and the market evolved, the Group worked quickly to capitalize on opportunities that set it apart from other companies. For example, the Group was the first food delivery company to launch a subsidiary specializing in logistics services for quick end-user access, which quickly became one of the companies with the largest fleets in the Kingdom. In addition, the Group's successful sponsorship of Al-Hilal Football Club has evolved into a strategic partnership in the form of "BluStore Platform", the first interactive platform of its kind in the region, which is marketed as the one-stop shop for everything related to sports in the Kingdom.

e- Strong Financial Position and Consistent Profitable Growth

During the financial year 2023G, the Group generated approximately SAR 9.2 million in cash from operating activities and held more than SAR 1,103 million in cash, cash equivalents and deposits with financial institutions as of 30 June 2024G. The Group's strong financial position provides it with sufficient capital to continue to grow its core business and seize growth opportunities in other sectors.

From 2019G to 2023G, the Group was able to increase gross value added and net revenues at a compound annual growth rate of over 60% and 50% respectively, while maintaining an excellent adjusted EBITDA margin.

4.3.4 Growth Strategy

a- Continued Growth and Expansion of the Food Delivery Platforms

The Group intends to expand the scope of its business and operations in its core business, i.e., food delivery, by introducing enhanced technological solutions, empowering Merchants with business tools and commercial arrangements, and continuously elevating customer experience and engagement.

b- Merchant Services and Solutions

The Group will continue to maintain a win-win relationship with Merchants to help them run a sustainable business. Moreover, it will continue to introduce new solutions and services that will bring Merchants success and grow their business. The Group's suite of services to Merchants encompasses the Jahez food delivery platform, which has become a prominent sales channel for merchants, commission-based cloud kitchen facilities and marketing and advertising services. The Group will continue to develop these existing solutions to ensure their ongoing improvement. It will also continue to introduce innovative solutions that will foster mutual success and integration across various sectors. This includes, but is not limited to, advanced data and analytics, customer acquisition and engagement tools, and financing and credit solutions.

c- User Engagement and Retention

The Group has played a pivotal role in transforming the consumer food and beverage industry by facilitating seamless access to restaurants through its Jahez Platform and fully managed logistics services. Jahez Platform provides users with convenient and easy access to meals from local restaurants on demand. Users enjoy attractive offers from Merchants and benefit from a convenient monthly subscription plan that offers free deliveries. In addition, users can redeem their loyalty points earned from key partners to use for their purchases. The Group intends to continue providing users with a premium experience by further expanding offerings through new merchants, enhancing user engagement through personalization and the introduction of further lifestyle services.

d- Expansion into New Markets

The Group will continue to expand into new markets in the MENA region through both organic and inorganic means, adopting a balanced approach and well-thought-out capital investment, with the aim of driving business growth, expanding operations and creating value. The Group has a framework for assessing market penetration that includes assessing market attractiveness, clear understanding of integration with the Group, the necessary expertise and capabilities, and the preparation of a feasibility study on growth potential and the path to profitability.

e- Leveraging and Expanding Existing Infrastructure and Resources

The Group looks forward to leveraging its established infrastructure and accumulated resources to build new business segments and products that offer broad reach and generate fresh revenue sources with attractive capital requirements.

f- Activating Further Tools to Attract and Engage Consumers

There are over 1.5 million user touchpoints on Jahez Platform daily, offering an attractive opportunity to leverage the widespread reach and accessibility of apps in order to engage with and reach consumers. The Group intends to develop engagement solutions, as well as existing products and services, such as a retail media network and ad engine, which will allow merchants, brands and partners to use Jahez Platform for marketing and advertising purposes. These new solutions will offer the Group an opportunity to generate fresh revenue flows with an attractive cost structure and a favorable marginal contribution.

g- Expanding Logistics and Last-mile Capabilities

The Group currently boasts a network of over 56,000 representatives, with approximately two thousand (2,000) employees directly employed by Logi, making it one of the largest last-mile service providers in the Kingdom in the long term in terms of fleet size. Logi's services are currently exclusively dedicated to the food delivery platform. However, the Group is in the process of launching new solutions for e-commerce and multi-channel retailers to provide on-demand delivery and last-mile delivery solutions.

To remain at the forefront of logistics services providers, the Group has developed the organizational capabilities necessary to overcome the unique regional market challenges with unmatched efficiency and scalability.

h- Building the Jahez Ecosystem, Enhancing Customer Lifestyle and Empowering Businesses

The Group looks to achieve its vision of becoming the most loved lifestyle platform by offering users the best services available, merchants the best partnerships available, and delivery personnel the best opportunities available. The Group will continue to develop its network and platform by continuously introducing new and innovative solutions that deliver benefits to all stakeholders and a sustainable business model that fosters mutual benefit and shared growth. The Group also plans to leverage the network of users, merchants and delivery partners it has established to launch new verticals that synergize with its existing portfolio of offerings. This should grant the Group access to new frontiers in e-commerce and q-commerce with its PIK and BluStore Platforms allowing the realization of incremental sale revenues through complementary offerings.

With a redoubled focus on the aforementioned success factors, strategic innovation and cutting-edge technologies will remain the cornerstone of growth.

4.4 Overview of the Group's Operations

In the context of consolidating its position as a leader in its sector over the previous two years following its initial public offering, the Group has focused on transforming into a unique, multi-faceted brand. This shift in the Group's growth strategy as a listed company deeply rooted in startup culture heralds continued evolution: transforming from a high-tech delivery company into a broader business given the expansion of the Group's activities into an increasing number of sectors. Accordingly, as of the date of this Document, the Group operates primarily in three (3) key segments: (1) delivery platforms, (2) logistics services, and (3) other activities. These segments, in turn, serve the Group's interests in the areas of food delivery, e-commerce, and logistics, and also include takeovers, mergers, venture capital investments and integrated products that complement the Group's ecosystem.

A description of the Group's key business segments is set out below.

4.4.1 Delivery Platforms

The Group develops and operates several specialized technology platforms for electronic commerce (E-commerce) and quick commerce (Q-commerce), namely: (1) Jahez, (2) PIK, and (3) BluStore. Initially, the Group offered delivery services through Jahez Platform. However, over the years, customer demand for online delivery services has grown significantly, expanding to include products other than food delivery. In response to this growing demand for online delivery services driven by changing customer behaviour, and to meet the evolving needs and demands of customers, the Group has expanded its delivery services beyond restaurants. Accordingly, the Company established PIK in November 2020G, and "PIK Platform" was launched in 2021G to meet the needs of its customers. The Group also has established "BluStore Platform" in partnership with the Al Hilal Saudi Football Club in the third quarter of 2022G.

Delivery platforms are the core of the Group's business, with delivery platforms representing the Group's largest source of revenue. The Group prides itself on the fact that its platforms meet the needs of millions of customers in the Kingdom, with a focus on the delivery of food and other goods through advanced digital platforms that connect end users with business partners through a growing network of delivery partners. Below is a description of the Group's delivery platforms.

a- Jahez Platform

Jahez is the main platform through which the Group runs its business, connecting merchants, customers and delivery partners. The Group provides comprehensive, on-demand, fast delivery services from merchants to customers through its mobile application. Jahez Platform provides all the necessary logistical requirements to meet the needs of the three key partners: customers, Merchants and Delivery Partners, in an integrated solution that caters to the logistical needs of all three parties as follows:

- **Merchants:** As of 30 June 2024G, the Group serves 41.6 thousand merchant branches, including upscale restaurants, fast-food chains, supermarkets, bakeries, and convenience stores. Jahez Platform offers attractive opportunities for Merchants to grow their businesses at a relatively lower cost compared to traditional expansion methods, in addition to other marketing opportunities.
- **Customers:** Through Jahez Platform, the Group provides its services to customers across all regions of the Kingdom, as well as in Bahrain and Kuwait (for further information regarding the Group's geographical reach, please refer to Section 4.4.1(ii) "**Geographical Spread**" of this Document), enabling them to access a wide range of merchants and discover a variety of dining options with ease and convenience, based on their location and preferences. Jahez Platform covers one hundred (100) cities in the Kingdom, whose population represented approximately 95% of the Kingdom's population as of 30 June 2024G. The proliferation of mobile devices and the culture of delivery over the past few years have led to a significant increase in the Group's reach and the value of its platform. As of 30 June 2024G, the number of active customers on Jahez Platform reached 3.9 million customers, who interact with the network of merchants offered by the Group and purchase goods from them. Jahez Platform is one of the favourite delivery platforms for customers across the Kingdom, with more than 286 million orders completed on Jahez Platform from its launch in 2016G until the six-month period ended 30 June 2024G.
- **Delivery Partners:** As of 30 June 2024G, the Group serves over 53 thousand delivery partners to whom it provides income-earning opportunities through Jahez Platform. The fleet of delivery partners is connected to the available Merchants via Jahez Platform where orders are sent from each Merchant location to the customer's doorstep in an efficient and timely manner.

Through Jahez Platform, customers can choose from the available merchant branches or utilize the Group's innovative recommendation feature to select a merchant. Once the order is placed and accepted by the merchant, customers can pay using their preferred method from a variety of digital payment options or opt to pay with cash on delivery. Each order is then assigned to a delivery partner who picks up the order from the Merchant site and takes it to the customer's location. Jahez Platform offers features that allow customers to track their orders through the website and follow up on the order status in real time.

The Group aims to make Jahez Platform the favourite for all three stakeholders (customers, merchants and delivery partners). It strives to provide a rewarding and enriching environment and an exceptional customer experience to continue attracting and retaining loyal customers, local merchants and delivery partners. As such, it strives to make Jahez Platform as efficient and reliable as possible. Jahez Platform is powered by cutting-edge technology that delivers a seamless, comprehensive and enjoyable experience for the Group's three key stakeholders (for further information regarding the Group's technology, please refer to Section 4.7 "**Information Technology**" of this Document). While developing Jahez Platform, the Group focused on raising the level of automation. This has been reflected in the efficiency of order management, and has also allowed operations to be managed in a centralized manner with the least amount of resources, thus granting the Group the ability to expand quickly and efficiently.

i- Business Model

Jahez Platform offers comprehensive delivery services from Merchants to customers through its robust online order management capabilities. The contractual relationship between the Group and the Merchants is an agent (i.e., the Group) with a service provider (i.e., the merchant). The contract between the Group and the Merchants stipulates that the Merchant subscribes to Jahez Platform services, which involve connecting the Merchant to Jahez Platform customers. The average duration of these contracts is one (1) year, automatically renewable for a similar period (for further information, please refer to Section 6.6 "**Material Agreements**" of this Document). The subscription process is carried out according to the steps detailed in the procedures manual approved by the Group's Management, as summarized below:

- **Partnership:** Contracting with merchants after the terms are negotiated and approved by Executive Management.
- **Activation:** Entering Merchant data, including images and designs, followed by review thereof before account activation and commencement of training in preparation for operational launch.
- **Support:** Monitoring the implementation of a smooth and successful partnership by ensuring that requests comply with the required procedures.

The Group relies on its logistics and delivery services as an extension of the core business cycle of merchants. Jahez Platform acts as a marketplace that connects the supply side (merchant products) with the demand side (customers) and facilitates logistics and collection processes.

The Group's revenue is primarily generated from merchants and customers, with the main revenue sources consisting of the following:

- **Commissions:** The Group generates revenue through commissions on each order collected from merchants every time a customer places an order with a merchant through Jahez Platform. Commissions are based on a contractually agreed upon percentage of the order value, determined by the Company based on market conditions and business objectives. These commissions are calculated based on the value of the order before tax and excluding delivery fees.
- **Advertisements:** The Group generates revenue through the fees it charges in connection with the display of advertisements such as promotions and the featuring certain merchants at the top of the list in a particular delivery zone on Jahez Platform.
- **E-Payment Transaction Fees:** The Group generates other revenue in the form of epayment fees, which are fees that the Group collects from merchants for payments made via credit or debit card.
- **Order Delivery Fees:** The Group generates revenue through order delivery fees paid by customers for each order placed through Jahez Platform or in the form of monthly subscriptions. Delivery fees are calculated based on the distance between the customer's location and the merchant branch where the order is placed.

The following table details the revenue generated by the Group by source and type for the financial years ended 31 December 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G.

Table (4.3): Breakdown of the Group's Revenue for the Financial Years Ended 31 December 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G

No.	Type of Revenue	Revenue (SAR '000)				Percentage of Gross Revenue			
		31 December 2021G	31 December 2022G	31 December 2023G	30 June 2024G	31 December 2021G	31 December 2022G	31 December 2023G	30 June 2024G
1.	Revenue from commissions	389,096	534,226	689,408	447,967	31.2%	32.0%	35.9%	40.8%
2.	Advertising and marketing revenue	53,816	70,027	74,851	31,037	4.3%	4.2%	3.9%	2.8%
3.	E-payment transaction fees and other revenue	60,141	77,841	111,508	90,131	4.8%	4.7%	5.8%	8.2%
4.	Revenue from delivery fees	744,622	989,576	1,043,998	527,692	59.7%	59.2%	54.4%	48.1%
Gross Revenue		**1,247,675**	**1,671,670**	**1,919,765**	**1,096,827**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: The Company

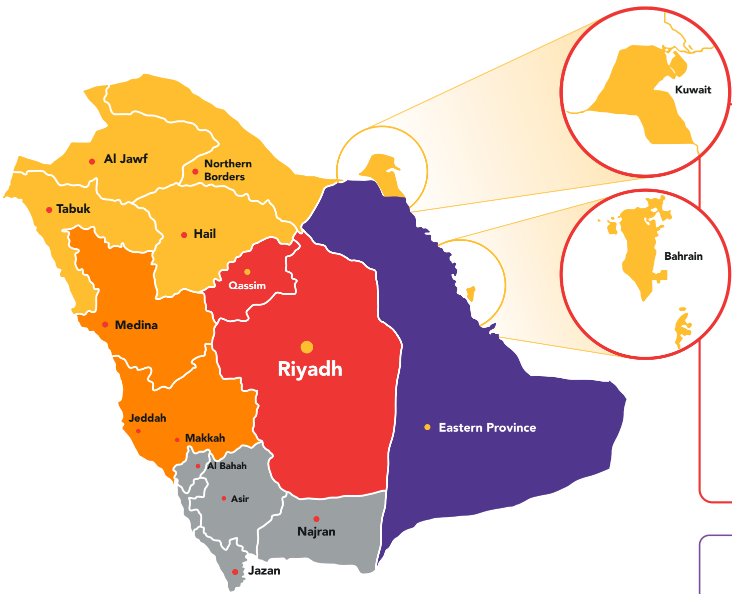
In addition, it is worth noting that business development is based on:

- **Network Effect:** As more customers join the platform and their engagement increases, the number of orders grows, attracting popular restaurant and merchant brands. Furthermore, the larger order volume and increased number of merchants present greater earning opportunities for delivery partners, who work with the Group more frequently and in larger numbers. This, in turn, leads to more efficient and high-performing logistics services. Thus, customers receive a higher level of service, increased options and availability in terms of cuisine, products and price range, as well as a faster and more reliable service. As a result of having a wider selection and a more efficient and reliable delivery network, customers order more frequently and for a broader range of occasions and circumstances, creating a dynamic growth cycle that is continuously reinforced for the benefit of all partners.
- **Increased Brand Engagement:** By enhancing the value proposition for all three partners – merchants, customers and delivery partners – the Group's network continues to grow and benefits from increased brand awareness and positive brand association. As brand association strengthens, the Group anticipates lower customer acquisition costs for all three partners in the long run.

ii- Geographical Spread

Through Jahez Platform, the Group provides fast, reliable and diverse delivery options to customers across the Kingdom. As of the date of this Document, the Group operates Jahez Platform in over one hundred (100) cities across the Kingdom, as well as in Bahrain and Kuwait. The following figure shows the geographical spread of the Group's Merchants as of 30 June 2024G.

Figure (2): Geographical Spread of the Company as of 30 June 2024G



Central Province

Al Badayea
Al Kharj
Al Bukayriyah
Dawadmi
Al Quwaiiyah
Al Houtah
Al Majma'ah
Al Muzahimiyah
Ar Rass
Az Zulfi
Al-Thumama
Al-Ghat
Al-Ha'it
Naajan
Riyadh Al-Khabra
Saqr
Uqlat Asugour
Buraidah
Riyadh
Shaqra
Unaizah
Wadi ad-Dawasir
Afif
Al-Aflaj

Eastern Province

Al Jubail
Khafji
Qatif
Ranyah
Alak
Dammam
Dhahran
Hafr Al-Batin
Qaryat Al Ulya
Buqayq
An Nawwariyyah
Saihat
Ras Tanura
Al Khobar
Al Hofuf

Northern Province

Rafha
Tubarjal
Tayma
Tarif
Al Wajh
Baqaa
Dumat Al Jandal
Duba
Al Qurayyat
Arar
Hail
Sakaka
Tabuk

Southern Province

Tanomah
Tathleeth
Umm Al Melh
Wadi Ibn
Hashbal
Bariq
Dhahran Al Janub
Hubuna
Rijal Almaa
Sapt Al Alaya
Samtah
Sharorah
Al Makhwah
Al Mandaq
Al Namas
Al Qura
Al Shuqaiq
Al Widyan
Baljurashi
Najran
Sabya
Sarat Abidah
Al Aqiq
Al Aridhah
Ad Darb
Al Majaridah
Abha
Abu Arish
Al Bahah
Bisha
Jazan
Khamis Mushait
Muhayil Asir

Western Province

Al Ula
Al Qunfudhah
Khaybar
Ranyah
Turbah
Umluj
Jeddah
Mecca
Medina
Rabigh
Taif
Yanbu
Al Lith

Source: The Company

The following table shows gross revenue by geographic region for the financial years ended 31 December 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G.

Table (4.4): Gross Revenue by Geographic Region for the Financial Years Ended 31 December 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G

No.	Region	Financial Year 2021G (SAR '000)	Financial Year 2022G (SAR '000)	Financial Year 2023G (SAR '000)	Six-Month Period Ended 30 June 2024G (SAR '000)
1.	Within the Kingdom	1,159,568	1,667,883	1,847,398	993,616
2.	Outside the Kingdom	–	4,129	72,366	103,211

Source: The Company

Table (4.5): Total Merchandise Value by Geographic Region for the Financial Years Ended 31 December 2021G, 2022G, 2023G, and the six-month period ended 2024G

No.	Region	Gross Merchandise Value as of 31 December 2021G (SAR '000)	Gross Merchandise Value as of 31 December 2022G (SAR '000)	Gross Merchandise Value as of 31 December 2023G (SAR '000)	Six-Month Period Ended 30 June 2024G (SAR '000)
1.	Within the Kingdom	3,342,531	4,264,331	4,850,436	2,738,453
2.	Outside the Kingdom	0	26,965	242,392	339,314
Total		**3,342,531**	**4,291,296**	**5,092,828**	**3,077,767,258**

Source: The Company

With such a large and diverse geographical spread, the Group is able to reach a diverse customer base and utilize a wide network of merchants. In addition, the Group plans to expand its geographical reach as it actively seeks to follow its regional expansion plans (for further information regarding the Group's future expansion strategy, please refer to Section 4.3.3 "**Strategic Position**" of this Document).

- **Expansion into Bahrain**

In December 2021G, the Group established Jahez Bahrain, through which the Group offers Jahez Platform in the Kingdom of Bahrain. Jahez Platform offers its services to all regions of Bahrain, including the capital Manama, Muharraq, and the Northern and Southern governorates. An important measure taken in 2023G was increasing the number of delivery partners in the Kingdom of Bahrain. By the end of 2023G, Jahez Platform in Bahrain had onboarded over 4,400 delivery partners. The Group continued to expand its delivery partner base each month, enabling it to ensure timely deliveries and meet customer expectations. By optimizing its operational processes, the Group effectively managed the growing volume of customer orders in the Kingdom of Bahrain while maintaining high-quality service standards.

In 2023G, Jahez Platform in the Kingdom of Bahrain witnessed a remarkable 156% growth in its customer base, indicating a significant rise in brand awareness and platform popularity among Bahraini consumers. Jahez Platform in the Kingdom of Bahrain also managed to double its merchant base in 2023G, demonstrating growing trust in partnering with Jahez Platform in the Bahraini market. During 2023G, Jahez Platform in the Kingdom of Bahrain recorded increasingly strong financial performance and implemented various strategies to enhance profitability.

- **Expansion into Kuwait**

The Group established Jahez Kuwait in 2022G and commenced offering Jahez Platform in the State of Kuwait during the second quarter of 2023G. The commercial expansion of Jahez in Kuwait was comprehensive, covering major areas from the outset and later extending to the northern regions, reaching nearly 90% of Kuwait's population.

Since the launch of Jahez Platform in the State of Kuwait, the Group has focused on streamlining its operations, involving process optimization and efficiency enhancement. The Group's goal was to provide a seamless experience for all stakeholders involved in the food delivery ecosystem. Recognizing the importance of availability and on-demand availability, Jahez Platform in Kuwait has introduced a 24/7 service model. This move caters to the diverse needs of customers, ensuring that they can order at any time, day or night. The convenience of non-stop service has become a key selling point of Jahez Platform.

To maintain a robust team of delivery partners in Kuwait, the Group offered them competitive compensation packages that included attractive pricing and a commitment to fulfil orders promptly. By prioritizing the satisfaction of delivery partners, the Group aims to ensure a reliable and efficient delivery network. The Group has also adopted a unique policy of partnering with merchants, incentivizing restaurants and merchants to join its platform by offering attractive commission rates during the first year of contracting. The appeal of increased visibility and access to a broader customer base has encouraged rapid merchant sign-ups.

In its path to profitability, the Group remains committed to offering competitive commission rates even after their increase, aiming to strike a balance between profitability and competitiveness, which benefits the Group, merchants and customers alike. The Group's profitability strategy in Kuwait includes reducing delivery costs to align with market averages, along with enhancements to dynamic delivery fees.

The Group has also harnessed its marketing capabilities to attract new users in Kuwait. The Group has started charging merchants marketing fees and continues to explore creative advertising solutions, optimize user engagement and strengthen partnerships to achieve further revenue growth. Through partnerships with restaurants and other businesses, the Group displays targeted advertisements within its app. These advertisements reach a target audience of users who are constantly browsing for food options. Through targeted campaigns, the advertisements highlight the benefits of using Jahez Platform, namely convenience, variety and fast service. Moreover, successful cashback initiatives have incentivized users to place repeat orders and have helped attract new users. Both digital and non-digital channels have played a crucial role in Jahez Platform's marketing strategy in Kuwait. Online advertisements, social media promotions and push notifications have effectively reached tech-savvy users, while partnerships with local businesses, flyers and community events have expanded the reach of Jahez Platform to a broader audience.

iii- Merchants

As of 30 June 2024G, the Group served 41.6 thousand merchant branches, enabling them to manage and grow their businesses through Jahez Platform. Merchants benefiting from Jahez Platform include restaurants, home-based entrepreneurs, supermarkets and retail merchants. These merchants generally relied on the distribution of flyers and menus to market their products and services, which provided them with limited exposure. Today, mobile delivery apps are a convenient and ideal alternative to offer delivery services to customers. Through Jahez Platform, the Group provides delivery support, payment collection and access to new markets, enabling merchants to reach a wider customer base and grow their businesses regardless of their activity size, business model or location. This eliminates the need for merchants to develop their own delivery services, effectively saving them upfront and ongoing costs. While the profit margin per order may be higher for in-house delivery services (i.e., through the restaurant itself), the volume of orders fulfilled through Jahez Platform makes Merchants willing to pay a commission to achieve wider reach and higher sales, especially since the Group's commission rate is highly competitive compared to other market competitors. The Group's average commission rate was 11.6% in 2021G, 12.4% in 2022G, 13.5% in 2023G, and 14.6% in the six-month period ended 30 June 2024G. In the period up to 30 June 2024G, Jahez Platform partnered with 4.0 thousand merchants, ranging from high-end restaurants to supermarkets, bakeries and small stores. Throughout the year, the Company began working to renew the merchant portal in an attempt to accelerate the setup process for restaurants and other businesses and facilitate their use of the services and solutions offered through the portal to expand their sales reach and accelerate their growth.

In addition, Jahez Platform is an attractive site for merchants due to several reasons, including the following:

- Merchants are able to leverage the automated order management process of Jahez Platform, which in turn creates efficiencies for merchants compared to phone orders by reducing the number of employees handling orders, minimizing communication errors and reducing busy phone lines. This includes providing merchants with real-time information on order fulfilment efficiency from order receipt to delivery as well as branch performance.
- The Group does not require merchants to enter into exclusive arrangements with it through Jahez Platform, allowing merchants to pursue any other sales methods they deem appropriate.
- Jahez Platform enables merchants to easily reach customers without incurring large expenses, allowing them to reach new customers outside of their immediate coverage area.
- Jahez Platform provides marketing support to merchants by offering competitive marketing opportunities. Participating merchants are able to benefit from increased orders, enhanced visibility and improved brand awareness. For example, merchants can become more findable and searchable on Jahez Platform by running advertisements on Jahez Platform that offer priority to appear at the top of the list in exchange for a marginal Group fee. In addition, merchants are able to target marketing towards regular customers and offer customer loyalty programs.

- Jahez Platform offers business-enabling services to merchants, such as market data and demand and consumption patterns to support both their operational efficiency and growth plans. For example, Jahez Platform provides merchants with data on where high-value customers are concentrated and which products sell faster, along with customer reviews. These services are provided at no cost to merchants, as coordination is made with merchants to provide these services in support of the strategic relationship with them.
- Jahez Platform offers multiple solutions to connect with merchants' point of sales systems, eliminating the need for merchants to track orders via tablets and optimizing the delivery experience. Merchants that have connected their systems with Jahez Platform generally have less waiting time for delivery partners and fewer missing or incorrect items in orders.

Over 255.5 million orders were placed through Jahez Platform between 2021G and 30 June 2024G. These orders have helped the Group build a database that provides uniquely valuable market intelligence. For instance, the Group is able to provide recommendations and insights to merchants regarding their menu options, product offerings, business hours and branch opening locations based on customer preferences and trends on Jahez Platform, while maintaining the confidentiality of both merchant and customer data. In addition, data related to the preparation time of various products assists the Group in enhancing the efficiency of its delivery partners by reducing in-store waiting times and consequently improving delivery times.

iv- Customers

The Group conducts its business within the Kingdom, serving a diverse customer base with varying backgrounds and tastes. For this reason, the Group focuses on offering a wide variety of merchants, including fast-food chains and independent local stores, to cater to the diverse needs of customers and to help maintain the customer base. The Group believes that the key driver of its success lies in its extensive merchant offerings which empower its customers to discover local restaurants and other merchants through Jahez Platform. This is achieved through an easy-to-use order placement system, a simple interface, and its operational excellence. The latter encompasses prompt order fulfilment and delivery, along with real-time performance indicators that enable proactive problem-solving. This contributes to high customer satisfaction rates, as any order not delivered by the Merchant within thirty (30) minutes is automatically escalated to the customer service team. The team then coordinates with the relevant parties, contacting the delivery partner, the merchant and the customer to identify and resolve the issue promptly.

Using Jahez Platform's mobile app, customers are able to navigate through a range of options offered by restaurants and merchants, or through an easy-to-use search function. Once customers have made their selection, they can place their orders and track the delivery process through the mobile app to ensure greater level of satisfaction with the experience. Jahez Platform's mobile app provides customers with live updates through push notifications and map tracking, leading customers to expect fast and reliable service at all times from Jahez Platform. From this standpoint, the Group invests in developing and increasing its efficiency through the advancement of its technology and the utilization of data stored through Jahez Platform (for further information regarding the same, please refer to Section 4.7.1 "**Overview of the Group's Technologies**" of this Document).

Other distinctive features of Jahez Platform include:

- A diverse range of payment options that facilitate the ordering process, including cash or e-payment upon receipt, payment via bank card, payment through the Apple Pay service, or by depositing amounts into customer wallets on Jahez Platform, for instance, in cases where the Group compensates its customers for any errors or disruptions in their orders.
- A user-friendly interface that allows customers to browse merchants based on distance (with wide coverage up to a 25-kilometer radius across the city).
- The introduction of the "Prime" monthly subscription model, which offers free delivery service and exclusive meal options from a wide range of merchants.
- A search feature that allows customers to sort and categorize results by merchant, product type and cuisine.
- Merchant listings that include photos and descriptions of dishes and other goods offered through Jahez Platform.
- Sorting and categorization tools that allow customers to navigate through merchants and promotions and receive personalized suggestions.
- The utilization of artificial intelligence and algorithms to assist customers in selecting merchants through the "Quick Select" feature, which automatically chooses the best available merchants for the customer.

- An order tracking system that allows the customer to view live updates on a map and receive instant notifications when their orders are dispatched or arrive, including expected arrival times. The customer receives a push notification when their order is accepted by the merchant, when the delivery partner receives their order, when the order is approaching and arriving at their location and when they receive the order.
- The customer service department serves as a primary point of contact for customers, with a focus on service levels and enhancing customer loyalty. The Group believes that customer support is a fundamental element of its business, enabling it to deliver a unique customer experience that fosters customer retention. To this end, the Group maintains a dedicated customer service team focused on providing customer support through phone lines, social media channels and an online instant messaging system.
- Jahez Platform features an "Explore" icon that provides links to the PIK and BluStore Platforms, alongside other features such as targeted campaigns from restaurants. The 'Explore' icon also displays new meals and offers available to customers in an effort to keep them on Jahez Platform and also to promote new offers.

v- Delivery Partners

Jahez Platform utilizes a network of contracted delivery partners to handle deliveries in accordance with pre-defined operational and quality standards. This enhances control and reliability by providing a comprehensive overview of orders, enabling order tracking, quality monitoring and the resolution of any potential issues. As of 30 June 2024G, Jahez Platform utilizes a network of more than 53 thousand delivery partners available to deliver orders to the various locations in which the Group operates. The Group mainly relies on the following categories of delivery partners: (1) employees of third-party logistics companies with whom the Group has entered into contractual agreements (for further information regarding such agreements, please refer to Section 6.6 "**Material Agreements**" of this Document), (2) independent Delivery Partners, and (3) employees of Logi, the Group's logistics arm.

The Group has a well-defined process for recruiting independent delivery partners. This process begins with delivery partners submitting an application electronically through the Company's e-channels. Once an application is submitted, a dedicated team contacts the applicant partner and directs them to the nearest Group branch to finalize their application, which includes the partner providing the relevant Group employee with copies of their national ID or residency permit, driving license, vehicle registration and a signup form and agreeing to abide by the Group's operational terms and conditions. Logistics companies provide the Company with a signed promissory note representing a credit limit presented to the Company, as well as a security deposit amount or the issuance of a bank guarantee letter in return for the cash amounts that they will collect from Jahez Platform customers in exchange for the delivered meals. Logistics companies then pay the Company based on monthly reports issued by the Company or if the promissory note reaches the credit limit. The promissory note is renewed periodically to ensure that it covers at least 100% of the Company's weekly sales (for further information, please refer to Section 6.6 "**Material Agreements**" of this Document.)

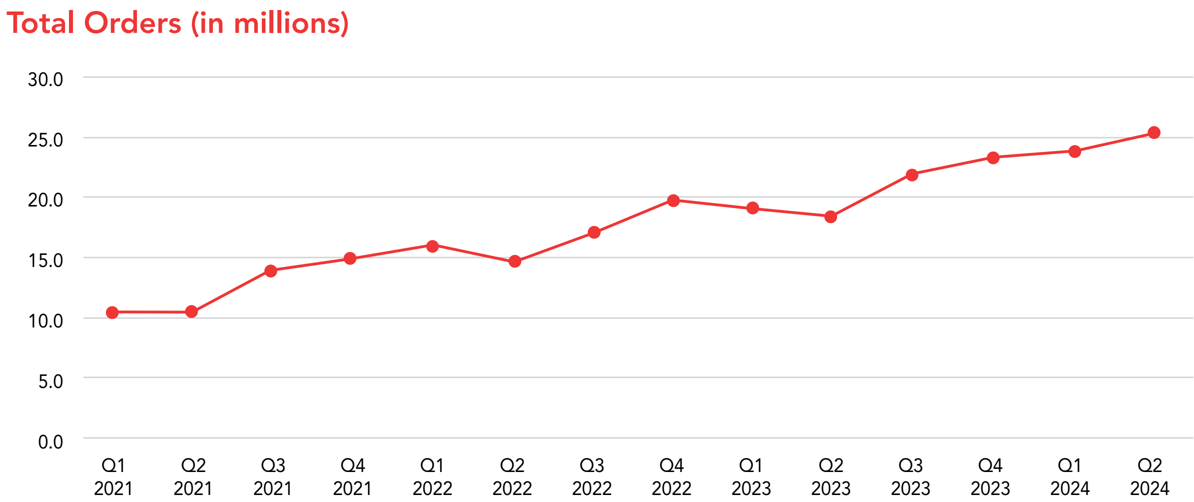
The Group deems delivery partners to be a fundamental pillar of its success. Satisfying and motivating these partners is considered a key factor in attracting and retaining highly trained delivery partners. The Group aims to achieve high satisfaction rates among its delivery partners by implementing well-designed policies to protect and reward them and adopting incentive programs to increase their productivity. For example, if a delivery partner completes more than a certain number of orders during peak times such as holidays, they receive an incentive payment. In addition, during peak periods, the Group establishes daily performance indicators measured by average completed orders. Moreover, the Group offers special discounts for delivery partners at many merchants. All Jahez Platform's delivery partners must meet certain requirements, such as having a valid ID, driver's license and vehicle registration, as well as registration with the Transport Authority. The registration of delivery partners with the Transport Authority is completed automatically when the delivery partner's information is registered on Jahez Platform. The onboarding process takes less than two (2) days and includes a customized training program prepared to support delivery partners in various aspects, including training them on how to use the app and how to handle any issues they may encounter with merchants and customers alike. The Group is keen on ensuring that delivery partners deliver customer orders in accordance with the highest standards and as quickly as possible. To achieve this, delivery partners are responsible for the value of the order if the delivery is delayed beyond the specified time, if the food delivery bag provided by the Group is not used or if the order is delivered in an improper manner that results in damage to the order.

Furthermore, Jahez Platform aims to optimize and organize the presence of delivery partners. In this regard, the Company employs a highly analytical approach to define delivery zones using fully automated technology. This enables it to make precise estimates of travel and arrival times, providing overall oversight of the dispatch and delivery process, alongside real-time tracking. In addition, the Group uses the data collected through its operations to optimize the efficiency of Jahez Platform delivery and time-of-arrival estimates.

vi- Growth

The Group's journey began in the Central Region, which was and still is the Group's largest market. The Group did not rush to expand and grow in other regions, instead deciding to tighten its grip on its core market before expanding into new regions. The Group was able to increase the number of orders from approximately 1 million in 2017G to 51.6 million and the total value of goods from SAR 3,343 million in 2021G, in addition to exceeding 50.1 million orders and SAR 3,078 million in terms of the total value of goods in the six-month period ended 30 June 2024G. It was also able to attract more merchants to Jahez Platform, with the average number of merchants increasing from 7.2 thousand Merchants at the start of 2021G to 16.0 thousand Merchants by 30 June 2024G. The following figure shows the quarterly growth in the number of orders between 2021G and 30 June 2024G.

Figure (3): Growth in the Number of Orders for the Company from 2021G to 30 June 2024G



Source: The Company

At the same time, the Group increased its average merchant commission rate from 11.6% in early 2021G to an average of 14.6% in the six-month period ended 30 June 2024G. The majority of the Group's merchants paid more than 13% as of 30 June 2024G. The number of active users increased from 1.9 million at the beginning of 2021G to more than 3.9 million by 30 June 2024G. Customer gross merchandise value has experienced continuous growth year-over-year. Customer gross merchandise value for 2021G increased by approximately 1.5x compared to the period ended 30 June 2024G, while customer gross merchandise value for 2022G increased by approximately 1.2x compared to the period ended 30 June 2024G. The following table shows the average commission rate, the number of active customers and the average number of monthly orders between the financial years 2021G and 2023G.

Table (4.6): Average Commission Rate, Number of Active Customers and Average Number of Monthly Orders Between the Financial Years 2021G, 2023G, and the six-month period ended 30 June 2024G

	Financial Year 2021G (Management Information)	Financial Year 2022G (Management Information)	Financial Year 2023G (Management Information)	Six-Month Period Ended 30 June 2024G (Management Information)
Average commission rate	11.6%	12.4%	13.5%	14.6%
Number of active users (million)	1.9	2.8	3.5	3.9
Average number of monthly orders per customer	4.7	4.8	4.5	4.3

Source: Management information

The Group believes that the reliability of Jahez Platform, the wide variety of options and the exceptional customer service all contribute to a seamless experience that enhances customer engagement and repeat orders. As the Group expands its network of merchants, this will lead to a higher level of customer engagement, which will translate into increased sales for its merchants and create more opportunities to increase delivery partner earnings. This creates appeal for Jahez Platform among independent delivery partners and also gives the Group greater leverage in negotiating with logistics companies.

The Group will continue to invest in improving its platforms for all its users in line with its expansion. It will continue to add new restaurants and merchants from outside the restaurant sector, which will increase the amounts spent by customers on its platform. It is well known that adding more segments means better utilization and more efficient delivery partners. Orders from non-food sectors can be scheduled and delivered outside of the restaurant industry's peak hours.

Table (4.7): Number of Orders and Adjusted Total Value of Goods in the Kingdom Between the Financial Year 2021G, Financial Year 2023G, and the Six-Month Period Ended 30 June 2024G

	Financial Year 2021G (Management Information)	Financial Year 2022G (Management Information)	Financial Year 2023G (Management Information)	Six-Month Period Ended 30 June 2024G (Management Information)
Number of Orders (Million)				
Number of orders	51.6	69	84.8	50.1
Gross Merchandize Value (GMV) (SAR '000)				
Gross Merchandize Value (GMV)	3,342,531	4,291,296	5,092,828	3,077,767
Value Added Tax on the value of the goods	486,816	643,199	736,557	419,411
Delivery fees	604,764	730,045	1,041,610	524,165
Value Added Tax on deliveries	90,715	109,621	153,340	73,226
Total order value	**4,524,826**	**5,774,161**	**7,024,335**	**4,094,570**

Source: The Company

Geographically, the Group intends to cover all high-density population areas within the Kingdom and expand regionally into the GCC countries.

b- PIK Platform

PIK operates a quick commerce (q-commerce) platform under the name "PIK" that serves as a platform for local merchants, which was launched in 2021G. It aims to connect customers with their favourite brands and deliver their orders of various products within a period ranging from one to three hours directly from the merchant. "PIK Platform" was the Group's first stop in its quest to diversify its product offering to customers.

This platform aims at enabling Merchants to have an online presence without incurring high expenses, allowing them to quickly and easily display a variety of goods to their customers via a mobile application that focuses on fashion, shoes, cosmetics, computer equipment, electrical and electronic appliances. Moreover, the platform represents some of the well-known local and international brands. "PIK Platform" provides a digital shopping platform to meet the needs of customers who prefer to order through electronic platforms while providing prompt delivery of products.

This platform connects customers with retail merchants over a distance of up to one hundred (100) kilometres, including in major cities and villages. Similar to Jahez Platform, it offers all logistics services, including the ability to select and display orders, online payment options and delivery of products to customer locations. The main features of the platform include an easy-to-use mobile application that includes a product guide which allows products and Merchants to be easily filtered and classified. It also features electronic payment services, real-time tracking, direct customer support and the ability to offer return policies through the platform. Merchants on the platform can benefit from it to reach a broader customer base, identify customer tendencies and behaviour, participate in numerous marketing opportunities and increase awareness of their brand. In addition, "PIK Platform" allows for the use of delivery partners available on Jahez Platform. This makes it possible to benefit from the network of partners available on Jahez Platform when scheduling orders and for their delivery outside of peak hours for food orders. It should be noted that there is no conflict between the peak periods for orders submitted via the Jahez and PIK Platforms, with the average delivery time for "PIK Platform" orders ranging between one and three hours, compared to thirty minutes for orders from Jahez Platform customers.

A redesigned version of "PIK Platform" was launched in the first quarter of 2023G, with the aim of improving the user experience through seamless searches and reduced steps, thus leading to enhancing the customer journey. The new features which were introduced include:

- An itinerary for each page as you navigate between products, merchants or categories.
- A sorting option for price at merchant level.
- Order invoice summaries.
- New online payment options, cash on delivery, order tracking and the option to cancel before final merchant acceptance.

"PIK Platform" mainly caters to the needs of the women's market, with most of merchant partners offering cosmetics through the platform. Despite the novelty of the business model and users not being accustomed to it, the demand for it has recorded a noticeable improvement. PIK has taken initiatives to include more merchants and have more brands join "PIK Platform" during 2024G.

"PIK Platform" generates its revenues through various sources, including: (1) commissions on orders which are charged to merchants every time a customer places an order from that merchant through the platform; (2) fees charged in connection with ad displays, such as promotions and priority to feature at the top of the list on the platform; (3) electronic payment fees charged when paying via credit card or electronic payment cards obtained from merchants; and (4) delivery fees charged to customers.

c- BluStore Platform

The Company owns 51% of BluStore, which operates "BluStore Platform" in cooperation with Al-Hilal Club Investment Company. BluStore is a platform specialized in selling and marketing sports products and services from various leading brands. "BluStore Platform" was launched in order to allow customers to purchase products and have them delivered to their homes within a few hours, through a dual model that combines services on demand and e-commerce. Al-Hilal Club Investment Company's ownership of "BluStore Platform" transferred to Al-Hilal Club Company in the first quarter of 2024G.

The Group has a broad customer base through its partnership with Al Hilal Saudi Football Club, which boasts the largest fan base in the field of sports within the Kingdom. Al Hilal also has fans throughout the Gulf region and worldwide.

"BluStore Platform" is the first interactive platform of its kind in the region. It is marketed as the one-stop shop for everything related to sports in the Kingdom, providing goods, services and news to sports professionals, amateurs and fans alike. Customers can purchase tickets via the app to attend prominent sporting and non-sporting events, as well as various other sporting products. "BluStore Platform" has also concluded partnerships with local and international brands to enable customers to purchase sports clothing and accessories. Moreover, "BluStore Platform" focuses on facilitating access for sports fans to book and purchase tickets to attend their favourite sporting events. In addition, BluStore provides an interactive virtual museum for Al Hilal Saudi Football Club in order to maintain the club's fan base and enable fans to view the club's historical victories on various occasions.

BluStore features an innovative business model that aims to provide a "one-stop shop" for all sporting needs, in addition to investing in robust technical solutions through the BluStore application. "BluStore Platform" highlights the Group's exceptional capabilities by virtue of it being the first interactive application of its kind in the Gulf countries and the region as a whole, allowing sports fans all over the world to shop through its platform. Leveraging of the number of its customers, which stood at 1.4 million in 2023G, "BluStore Platform" has expanded its operations and delivered its products in more than seventy (70) countries worldwide during 2023G. In 2023G, the app was downloaded in over one hundred and seventy (170) countries and facilitated the rental of over one thousand stadiums for more than ten (10) different sports. Additionally, through "BluStore Platform", the Group has sold over 700,000 match tickets.

4.4.2 Logistics Services

The logistics services provided by the Group include logistical support operations, freight vehicle routing, last mile delivery and fulfilment. To this end, the Group established Logi in 2021G as an enabler for the e-commerce and delivery sectors by providing logistics solutions.

Logi provides its services as an enabler for the e-commerce and delivery sector in general within the Kingdom. In its quest to become the market leader in the field of last mile delivery within urban areas, Logi offers a fleet of delivery partners to meet the needs of the Group's companies primarily. The Group also aspires to provide Logi's services to e-commerce companies and postal services in the future.

Logi is a centralized platform which supports the Group with all its logistics and operational needs and integrates with the Group's operations. It aims to reduce the gap between customers and merchants and provide the Group with continuous logistical support through the appointment of logistics employees, including the delivery partners necessary for the Group's operations through Jahez Platform, as well as other platforms not affiliated with the Group. The key features of Logi include its around-the-clock availability, short delivery times, ability to schedule multiple shipments and its tracking features. The Logi platform caters not only to food delivery apps, but also to business-to-business (B2B) e-commerce deliveries. Other key features also include reduced operational costs, scalability, and the ability to maintain high quality service provision.

Logi's revenue sources are primarily from (1) delivery fees, (2) distance-based prepaid pricing for e-commerce merchants, and (3) monthly and annual subscription fees. Logi's revenues amounted to SAR 110.7 million, SAR 310.4 million, SAR 404.1 million, and SAR 189.8 million, as of the years ended 31 December 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively.

Logistics services have always presented a number of challenges to the Group. Despite this, in 2023G, the Group witnessed an increase in productivity and profitability in the logistics services sector. As of the date of this Document, the logistics sector has become of vital importance to the Group and is a sector which the Group is determined to develop, with logistics covering approximately 31% on the Kingdom's Jahez platform as of 30 June 2024G.

In addition to Logi , the Group has invested in new logistics companies, namely (1) RedBox, (2) Parcel, (3) Barq and (4) Cloud Shelf, which indicates the Group's eagerness to invest in this sector as it is a major component of the business (for further information, please refer to Section 4.5 "**Group Investment Policy**" of this Document).

4.4.3 Other Activities

In addition to delivery platforms and logistics services, the Group has a number of other activities, namely (1) Co, (2) the Sol platform, and (3) Marn. Below is a description of the other activities of the Group.

a- Co

In 2020G, the Company acquired a 60% ownership stake in Co and completed full takeover thereof during the first quarter of 2024G. Co is a limited liability company focused on establishing and operating cloud kitchens in the Kingdom based on the cloud kitchens business model. Co opened its first cloud kitchen in Riyadh during December 2020G, hosting four (4) restaurants. As of the date of this Document, Co hosts more than two hundred (200) brands and restaurants in seven (7) different cities. Co is the first of its kind in the Kingdom to adopt a full-kitchen model. Moreover, as of 2023G, Co has expanded into the field of cloud shelving and also provides cloud shelving and fulfilment services for business partners and e-stores, focusing mainly on the rapid delivery of chocolate and cold drinks to customers. Co's shelving service can be used by any business partner of the PIK or BluStore platforms which does not have the physical space to store their goods. As of the date of this Document, Co is one of the few companies offering both cloud kitchen and store facilities.

Cloud kitchens are commercial kitchens dedicated to supplying food exclusively via delivery platforms. The cloud kitchens business model involves renting and equipping commercial space and then subletting this space to restaurants. These restaurants then sell their meals to customers exclusively via delivery platforms. Cloud kitchens provide turnkey solutions for restaurant operation, in addition to providing restaurants with all the food preparation and cooking facilities required to prepare delivery meals. This model provides flexibility in sharing the same site infrastructure for multiple brands at the same time.

The growing rate of demand for online food delivery has contributed to supporting cloud kitchens, allowing restaurants to increase their customer base and their spread without having to open their doors for customers to dine within the restaurant. As such, they save on high rental costs and convert them into variable expenses that align with order volume. As a result of the above, according to market study reports, many restaurants are turning to the cloud kitchens model due to it being a cost-effective option. Focusing exclusively on delivery platform orders leads to shorter delivery times and a better customer experience.

The cloud shelving service is a service that grants customers and merchants the ability to store and sell their goods in the event that those customers or merchants do not have the ability or space to store the relevant goods.

In addition to Jahez Platform, Co works with other parties, including delivery applications which compete with the Group. As of 30 June 2024G, Co owns fifteen (15) locations, three (3) of which exist solely as cloud shelving spaces. Co plans to expand to sixteen (16) locations across seven (7) cities during 2024G. There is also a cloud warehousing center to help with growth plans in the shelving and distribution sector in Riyadh. Co's revenues are made up of the commissions charged on the value of orders executed through Jahez Platform. These commissions are based on a percentage contractually agreed upon with each restaurant. Co concludes agreements with restaurants in which a variable commission rate is determined for the restaurant based on monthly order volume and transaction processing.

The Group's strategy with respect to the development of new cloud kitchens is to rent locations under long-term lease agreements with various parties at negotiated rates. As of the date of this Document, Co has entered into twenty (20) lease contracts with a number of lessors (for further information regarding lease contracts, please refer to Section 6.7 "**Real Estate**" of this Document). Thereafter, Co fits out these locations and prepares them for operation as follows:

1- Selection of Cloud Kitchen Locations

The selection of locations for cloud kitchen occurs as follows:

- Area selection: Co's management is responsible for identifying potential locations based on a study of high demand areas for food and the target restaurants, in accordance with the data available through Jahez Platform.
- Pinpointing locations and initial survey: Locations in the selected area are determined based on several criteria including ease of access and size of the location.
- Management review and profitability analysis: The final list of potential locations is reviewed in detail by members of senior management, along with conducting a detailed analysis of expected profitability.
- Approval of the board of directors: Following a profitability review and analysis, the board of directors examines the study submitted by management and provides its remarks thereon. Once finalized and approved, Co begins implementing the cloud kitchen development according to the approved study and holds discussions with site owners with the aim of negotiating and signing lease agreements.

Co seeks to conclude lease contracts with terms ranging from three (3) to ten (10) years or more as necessary.

2- Kitchen Development and Expansion

Co has an in-house projects team that acts as a supervision and coordination team with the main contractors hired to execute new cloud kitchen projects. Co has developed a set of preliminary plans and specifications which serve as a model for such projects. These can easily be modified depending on the specific location, allowing Co to increase the flexibility of the design process and control the costs and timing of projects. Development of cloud kitchens takes between three (3) and five (5) months. The development process includes designing kitchen spaces, preparing gas, ventilation and electricity connections and installing the necessary furniture and equipment.

b- Sol Platform

In 2023G, the Company acquired a 35% stake in Sol, which in turn operates the Sol platform, a B2B food and beverage supply platform focusing on supply chain management for hotels, restaurants and cafes. The Sol platform leverages technology to streamline operations and improve customer service. The Sol platform offers a wide range of products to cater to corporate needs, including meats, poultry, fish, vegetables, fruit, dairy products and cleaning supplies. The Sol platform enables customers to order their diverse product needs and have them delivered promptly.

The core operations of the Sol platform include merchandising and operations. The Sol team negotiates deals with suppliers, manages inventory within its own warehouses and delivers orders to customers using its own fleet of trucks. The Sol platform serves multiple suppliers across different categories, including dry, frozen, chilled and fresh foods, snacks and beverages.

The partnership with Sol seeks to leverage the extensive data and customer base of Jahez Platform to expand Sol's market reach. Jahez Platform, with its large sales volume, provides valuable data and resources for the partnership. Sol plans to target Jahez Platform's restaurant customers to obtain food supplies and explore opportunities in the grocery market. By investing in the Sol platform, the Group also aims to achieve its desired targets in the region by serving partners and streamlining logistics operations, thereby establishing an integrated technical connection, from ordering essential goods and food commodities with deferred payment options to delivering orders to customers through Jahez Platform. The acquisition also helps expand the Group's range of customers from individuals to institutions and companies.

c- Marn

The Group completed the procedures for acquisition of all of the partners' shares in Marn during January 2023G. Marn is a leading company in the field of providing digital solutions for businesses, offering many modern technical services that support merchants in their growth. This takeover strengthened the Group's offerings, resulting in improved services to various stakeholders. Furthermore, it helped merchants by developing systems through various digital solutions, such as point of sale systems which work in tandem with various service providers and partnerships.

Marn enables merchants to build their own unique environment by developing systems for business owners through the provision of a variety of digital solutions that work in conjunction with various service providers and companies. Marn's solutions include payment solutions and integrated sales and administrative systems that include cloud-based kiosks and e-invoicing. Marn also offers several integrated products that allow its customers to work more productively, including a point of sales (POS) system, retail cashier system, kitchen screen system, and order status screen.

d- Red Color

In line with the Group's mission of providing the best value to its stakeholders, the Company established Red Color in 2021G in order to achieve the Group's investment goals. Red Color began operating during the first quarter of 2021G. Red Color targets investments that maximize its corporate value through three (3) main objectives:

- Strategic partnerships that add value and align with the existing solutions provided by the Group.
- Financial returns that generate future gains or minimize costs.
- Leveraging bold investments to keep pace with the latest technical and commercial developments.

Red Color aims to invest in opportunities that employ technology and verticals that utilize the existing assets of the Group's customers, merchants and delivery partners in order to benefit from its position. The verticals that Red Color's investments focus on include, for example, automated marketing solutions, supply chain solutions, fintech solutions, direct-to-consumer services and lifestyle improvement services.

Red Color targets investments that increase the Group's returns through the following:

- **Contributing to Growth:** By creating innovations that lead to more efficient development capabilities, providing access to new markets and/or enabling increased access to community engagement.
- **Financial Returns:** Obtaining financial returns that exceed the cost of the Group's capital.
- **Developing Competitive Capabilities:** By leveraging bold investment to keep pace with technical and commercial developments.
- **Strategic Alliances:** Creating strategic alliances and partnerships in order to benefit from new technologies and ideas.

4.5 Group Investment Policy

a- Objectives

The Group aims at achieving inorganic growth opportunities through investments or acquisitions of startups and emerging technologies that the Group considers as complementary to its business. The Group invests in technology opportunities and in verticals that rely on the assets of the Group's existing customers, merchants and delivery partners to benefit from its position. The Group also aims to invest in technology companies in a manner consistent with the investment policy approved by the Board of Directors to achieve the following objectives:

- Creating strategic alliances that enable it to benefit from new technologies and ideas that integrate with the existing services provided by the Group to its customers and contribute to achieving profitable returns for the Group.
- Developing the Group's competitive capabilities.

b- Target Markets

Red Color seeks to enhance the Group's returns through investments that contribute to growth, primarily through acquiring new customers, providing access to new markets and increasing community participation. Takeovers and venture capital investments are sought for companies in five (5) key sectors:

- Logistics services.
- E-commerce.
- Merchants ecosystem.
- Fintech.
- Marketing and advertising technology.

c- Criteria and Methodology for Selecting Investments

The Group applies a methodology when selecting new investments in order to identify investment opportunities for the Group in the Kingdom and the MENA region in general which align with the growth plan developed by the Group. This methodology includes the following key stages:

- An initial review of the target company, in line with the investment conditions and criteria set by the Group for investments, as well as an initial evaluation of the target company.
  - If the investment is consistent with the Group's investment policy and target markets, it is presented to the Investment Committee for review and initial approval is obtained to submit a non-binding offer, conclude a memorandum of understanding or the like.
  - If it does not meet the Group's standards, the investment is not completed.
  - In the event that initial approval for investment is obtained from the Investment Committee, the Group conducts due diligence through consultancy firms. This stage includes, but is not limited to, the financial, legal and market due diligence, as deemed appropriate by the Investment Committee for each investment opportunity. Upon completion, the Group reviews the due diligence reports and prepares a final assessment of the target company. The need for due diligence is determined based on several criteria, including, but not limited to, the stage of the company's development, the maturity of its business, its legal structure, the regulatory legislation within its sector and whether it is required to obtain a license in order to undertake its business.
  - If the outputs of the due diligence research confirm the initial investment decision of the Investment Committee and are consistent with the investment criteria and strategic directions of the Group, a final recommendation is submitted to the Investment Committee for review and approval before being submitted to the Board of Directors.
  - If the outputs of the due diligence research include points that materially contradict with the initial investment decision of the Investment Committee, the investment is not completed.
- Based on the results of the due diligence research and completion of internal procedures, a final investment recommendation is submitted to the Board of Directors for final approval.
- Based on the approval of the Board of Directors, the Group completes the necessary legal procedures and completes the transaction.

d- Value Added by the Group to the Target Companies

The Group enables target companies for investment or takeover to benefit from the following advantages:

- An integrated logistics platform that is among the largest in the Kingdom.
- Integration of the business within the Group's operations and the ability to benefit from a growing network of customers, merchants and delivery partners.
- The ability to understand customer behaviours according to data analysis.

e- The Group's Current Investments

The table below includes a summary of the investments made by the Group through Red Color, in addition to the objectives it aspires to achieve by investing in such companies:

Table (4.8): Criteria for Selecting Companies for the Purpose of Investment and Acquisition

Investments	Activity of the Investee Company	Investment Objectives
Hala Limited	A company established in the Abu Dhabi Global Market and investing through a Mudaraba (profit-sharing partnership) agreement in a Saudi company licensed by the Saudi Central Bank to manage a platform that provides distinctive digital payment solutions for small and medium enterprises.	To benefit from digital payment solutions in order to facilitate payments for delivery partners and merchants, in addition to the possibility of benefiting as a partner as a result of the development of Hala's business in the future.
Bonat Holding Company*	A company specializing in the loyalty system sector by developing digital tools that enhance customer interaction and loyalty.	To benefit from user-friendly systems for a fully automated customer loyalty program and linkage thereof to the Group's systems, in addition to the possibility of benefiting as a partner as a result of the development of Bonat Holding Company's business.
Nana Direct	A company that operates a platform for delivery of purchases from supermarkets, pharmacies and meat stores, as well as through dedicated retail stores, via electronic platforms to customers.	To benefit from the partnership as a result of the development of Nana Company's business in the future, in addition to benefiting from the stores dedicated for retail sale exclusively through electronic platforms.
RedBox Technologies	A company that provides solutions for delivering last mile orders from electronic stores to smart lockers distributed throughout the Kingdom.	To leverage the modern and qualitative last mile solutions of RedBox in order to establish Jahez's position in the logistics sector as a leading player in modern technologies within the sector.
Barq Holding Limited*	A company that owns a fleet to provide shipment management and delivery solutions for the first, middle and last miles in the logistical land transport sector.	To leverage the large fleet of Barq, one of the most prominent providers of last mile delivery services for the Group prior to the investment. This investment will contribute to the Group's access to a larger logistics fleet.
Omniful Inc.	A company that provides systems as a service to enable traditional stores to appear and sell electronically.	Driven by a spirit of collaboration with all leading companies in their respective fields, this investment aims to uncover specific technologies and systems that enable digital transformation within the e-commerce sector.
Cloud Shelf e-Fulfilment*	A company that provides quality solutions for electronic stores in terms of storage and order processing services within small order fulfilment centers spread across the Kingdom.	Exposure to the latest technologies in light of the complexity of the last mile sector and the difficulty of achieving same-day delivery faced by electronic stores, in addition to benefiting from the partnership to offer the Company's services to electronic stores within the Group's investment portfolio in order to create additional value.
Parcel Holding	A company that provides last mile delivery services in the Kingdom of Bahrain.	To leverage the partnership in order to facilitate the expansion of Jahez Platform's provision of its services in the Kingdom of Bahrain.
Soum L.L.C	A company that offers a safe and easy-to-use platform for trading and selling used electronic devices.	To capitalize on orders originating from the Soum platform in order to increase the utilization rate of the Group's delivery partners in light of the complexities associated with logistics within customer-to-customer sales services.
Grub Tech Limited	A company that provides a system to unify various electronic sales channels within the food sector into one channel.	To benefit from the partnership in order to raise the level of services provided when receiving orders from various electronic channels within the food sector.
Moyasar L.L.C	A company licensed by the Saudi Central Bank that designs and develops a variety of financial payment products which enable stores and electronic platforms to manage all payment requirements digitally.	To benefit from the partnership by processing the Group's electronic payments, and to provide new and diverse fintech solutions related to improving the experience of customers and partners.

Source: The Company

* A Simple Agreement for Future Equity (SAFE) instrument convertible into shares.

4.6 Sales and Marketing

To capitalize on the rapidly growing market opportunities locally and regionally, the Group strives to keep pace with the evolving expectations of its target audience (customers, merchants and delivery partners). The Group aims to align its vision, mission and values sustainably by developing its approach and methods of interacting with platform users and providing comprehensive and exceptional services. This strategy aims to attract new customers, engage them with the existing customer base and expand the scope of its platform while ensuring the retention of its existing customers. The efforts of the sales and marketing divisions within the commercial department fall within the framework of an integrated marketing strategy that the Group has been implementing since its inception in 2017G. Clear frameworks and strategic objectives have been established through the organization and management of promotional transactions for the Group's services, which can be summarized as follows:

- Commitment to being one step ahead of competitors in providing and developing the offered services.
- Not basing the value of services provided to customers on price competition.
- Striving to attract as many merchants and restaurants as possible to provide the required diversity to customers.
- Acquiring a stake of the market share to ensure continuity in this field.
- Effectively updating internal practical procedures and policies for use of the relevant applications and platform and finding solutions to user problems.
- Attracting new customers, ensuring the continued satisfaction and loyalty of existing customers and monitoring results and indicators daily in order to activate business decisions directly.
- Building mutual trust among all parties using and providing support services by honoring commitments and upholding agreements, ensuring flexibility in dealings, delivering the highest levels of standard quality, responding promptly to urgent problems and avoiding lengthy routines that lead to boredom.
- Streamlining the procedures for the establishment of any service offered, whether related to merchants, delivery partners, delivery companies or customers.
- Continuously innovating to improve the experience of customers, merchants and delivery partners on the Jahez, PIK and BluStore Platforms through cutting-edge modern technologies that ensure ease and convenience throughout all stages of service.
- Increasing public awareness of the availability of services that measure up to and surpass market levels, as well as the Group's earnest approach to providing value-added services. By achieving customer expectations and fulfilling their aspirations, customers are transformed into unpaid advocates who promote services that have met their needs and achieved their ambitions.

In addition, advertising and promotional means have proven to be highly effective in enhancing marketing performance. Service companies are increasingly competing in utilizing advertising channels to promote their services and products, ensuring a constant presence in customer minds.

Advertising channels include posters, commercials and mass media, as well as social influencers and internet applications which are used for social media, influencing content, competitions and public relations, in addition to leveraging public events to promote service offerings. Accordingly, the Group has sponsored certain public events in order to promote its name and presence. At the same time, the Group's services are announced on such occasions, which include sports sponsorships, partnerships with Government entities, social responsibility initiatives, as well as marketing through traditional media, such as television advertisements, radio, billboards and online marketing. Total advertising expenses amounted to approximately SAR 87 million, SAR 131.4 million and SAR 150 million for the financial years ended 31 December 2021G, 2022G and 2023G, representing 7.5%, 8.2% and 8.4% of the Group's total revenues, respectively.

Building upon its positive results over the previous years, the Group is further enhancing its expertise to provide a comprehensive range of marketing and commercial capabilities and capacities, aiming to achieve the following outcomes:

- **Strong Online Presence:** The Group has launched several successful marketing campaigns in order to expand its reach to different customer segments and gain deeper insights into its existing and potential customers. These campaigns utilize a variety of channels, including social media and search engine optimization. The Group achieves online presence through marketing campaigns that increase its visibility to its current and potential customer base through various channels such as social media and online search results. To this end, the Group has launched numerous marketing, awareness-raising and charitable campaigns with the aim of spreading awareness of social responsibility and providing assistance to families and individuals in need, in addition to fundraising campaigns and certain other promotional campaigns.

- **Boosting Omni-Channel Brand Awareness:** The Group believes that its brands, including the Jahez brand, are one of its key assets. As such, it focuses on promoting awareness of its brands, which it believes is essential in attracting customers and merchants in order to maintain a leading position in the market. Through brand awareness, the Group aims to be at the forefront of customers' minds in order to increase orders and achieve repeat orders. Brand awareness goals are set by the Company's Management based on specific presence and awareness enhancement criteria. The Group has invested in brand awareness initiatives through campaigns targeting the markets in which it operates, with the aim of increasing the number of orders and reducing the associated costs. These campaigns utilize social media and influencers, as well as marketing materials through television, radio, billboards and sponsorships. For example, in 2022G, the Group invested in several corporate social responsibility (CSR) activities including awareness campaigns and charitable works, which had a significant impact on the Jahez brand. Sponsorship activities and partnerships with the most famous events and conferences in the Kingdom also helped expand the Group's reach to the general public. These efforts have contributed to building a strong, memorable brand and have fostered a closer connection the national community as a whole.
- **Attracting New Users to the Group's Platforms:** The Group conducts marketing campaigns via social media to encourage new users to use the Jahez, PIK and BluStore Platforms in order to win them over as customers, in addition to regaining the interest of previous users. These campaigns are focused on specific times of the year and are tailored to specific cities and seasons. Marketing campaigns are carried out through social media such as Twitter, Instagram, Facebook, YouTube, TikTok, LinkedIn and Snapchat, depending on their spread in the target cities and among the target groups.
- **Retaining Existing Customers:** In cases where customers may not be responsive to the aforementioned marketing initiatives, direct communication is pursued through various communication channels to invite such customers to continue using Jahez Platform services and to provide them with offers presented to their private wallets within Jahez Platform application. The Group launched a database system to activate artificial intelligence with the aim of identifying customer segments and consumption patterns to predict results and make business decisions that will maintain a positive customer experience and journey with respect to the services provided. In 2023G, the Group took a number of additional measures to retain existing customers, including loyalty programs and further updated and innovative offers. These measures included the addition of the "Explore" icon, which contains links to the PIK and BluStore Platforms, among other features such as targeted campaigns from restaurants. The "Explore" icon also displays new foods and offers available to customers in an attempt to keep them on Jahez Platform and to promote new offers. Work is also currently underway to activate the single basket ordering feature from 2024G. The pilot phase of this project has already begun, allowing users to order food from four (4) or more different restaurants using a single driver, eliminating the cost of paying for four (4) different drivers, thus benefiting restaurants and consumers, while ensuring that quality of service provided to customers is maintained.

In addition, the Group's sales activities aim at attracting new merchants to its platforms in various categories. The Group has a main sales team in Riyadh which is supported by sales teams in each of the key regions and countries in which it operates in order to expand its Merchant base by conducting geographical market research to develop a targeted sales plan. The sales team coordinates directly with Merchants throughout the setup process, while at the same time working closely with the Group's customer service team to follow up on the offers and services provided.

From the outset, the Group's sales department has developed clear policies by adopting meticulously crafted, systematic strategies to align with the following trends:

- Attracting merchants and restaurants with an excellent reputation that have a large fan base in each target city.
- Diversifying the target audience of merchants to serve all tastes and customer requests in accordance with their preferences.
- Providing priority to merchants with multiple branches within the cities in which the Group's platforms operate.
- Implementing full support, including training and operation for Merchants to ensure their compliance with the service level agreement according to the terms and conditions specified by the Group.
- Securing the necessary content for each merchant (product lists and images) while ensuring data and pricing consistency across the Group's platforms, as well as ensuring customers are kept updated with regard to developments.
- Ensuring the professional adequacy and quality of the products and the ability of merchants to continue providing services to their customers within the predefined geographical area.

- Organizing follow-up roles and supervising the activation of merchant accounts and data within the relevant systems of the Group upon contract conclusion, in order to facilitate future dealings with the operations, accounting and marketing departments.
- Monitoring the renewal of contracts and agreed terms to be applied annually with merchants.

Comprehensive supervision and monitoring of the commercial merger of merchants is carried out by the central administration in Riyadh for all various branches in the cities of the Kingdom. Periodic reports are submitted to the concerned department to inspect the required development in terms of keeping pace with the number of customers and delivery partners required to be recruited and provided on an ongoing basis. Based on the aforementioned, sales team targets are set monthly based on the number of new contracts and branches in each city and inner city area, as well as the number of branches actively handling customer requests on a monthly basis.

The sales department has a dedicated team for managing partner relations (merchants) in the central administration in Riyadh, in order to communicate and coordinate with all departments of the Group, provide appropriate solutions and immediate responses to facilitate all daily routine procedures for successful business and achieve the business goals of all parties involved in the service. In addition, the team provides ongoing suggestions and constructive guidance to merchants and the relevant departments to continue promoting sales of the required products and proposed discounts for the end customer on a regular basis based on monthly results. One of the primary goals of the team is to monitor and ensure consistent adherence to the conditions stipulated in relation to the level of service provision to customers. This includes ensuring prompt responses from merchants and their branches in the Kingdom to requests as well as the commitment to provide the required products as requested by customers, all of which contribute to customer satisfaction.

On the other hand, the Group's operations are subject to seasonal fluctuations in the number of orders, with the number of orders increasing during the first and last quarter of each financial year. Within these periods, customers place orders due to weather conditions, with the number of orders increasing at times when customers do not go out to eat or due to shorter daylight hours. The number of orders may also decrease during certain seasons, such as the month of Ramadan, the Hajj season, the back-to-school season and the summer season, or in the dry or hot months of the year, during which customers prefer to eat outdoors and travel more frequently.

4.7 Information Technology (IT)

4.7.1 Overview of the Group's Technologies

a- Technology Systems

The Group exerts great efforts in anticipating the needs, goals and aspirations of success partners (customers, merchants and delivery partners) and drawing a clear understanding of the optimal solution to serve them. This is of high importance in formulating and devising updates and new features for technical platforms that are ultimately transformed into effective collaboration tools for the Group's partners. The technologies developed by the Group provide powerful, flexible and automated technology platforms that are constantly subject development and innovation. The Jahez, PIK and BluStore Platforms rely on three (3) main components which interact with merchants, customers and delivery partners. These components, along with a micro-service architecture, have been formed as follows:

- **Mobile Application for Customers:** The Group provides customers with the Jahez, PIK and BluStore Platforms, which are designed from the perspective of the Group's value of simplicity, through easy-to-use mobile applications that provide customers with a simple and smooth interface through which they can easily navigate between merchants and offers, place orders, make payments and track delivery in real time. The Group is also in the process of working on many growing opportunities in digital transformation that will benefit stakeholders, in line with the value of ease adopted by the Group. For example, the Group's initiatives in 2022G included the launch of a new interface for Jahez Platform, which was enhanced to improve the user experience and increase customer satisfaction. Contacting live customer support using the built-in chatbot expedites customer inquiries with just a few clicks. Jahez Platform also offers subtle features and distinctive touches, such as a game that has been integrated into Jahez Platform application which entertains customers while they wait for their order to arrive. This helps enhance customer interaction, in turn maintaining customer loyalty to Jahez Platform application.

- **Online Merchant Portal:** The Group offers the Jahez, PIK and BluStore Platforms to merchants through its comprehensive online portals that enable merchants to streamline operations and focus on food preparation or the preparation of products for their customers. The electronic portals of merchants provide customer orders, allowing them to manage their branches, inventories and goods. These portals include a number of features and configurations that merchant administrators can benefit from, such as display, and billing tools linked to Merchant point of sales. This allows for the fast and secure exchange of data between merchants and the Jahez, PIK and BluStore Platforms, thus contributing to enhanced digital efficiency and providing flexibility and control capabilities for business planning processes and financial reporting. At the same time, the Merchant page is simplified in order to enable all users to manage orders and view order details. The portal also includes other features such as a control panel and data reports, which helps merchants measure and improve their performance at the brand and branch levels.
- **Mobile Application for Delivery Partners:** The Group provides a platform for delivery partners through the user-friendly "Saned" application for mobile phones which covers all logistical aspects of the delivery process, from sending of the order and delivery thereof to payment settlement with the delivery partners for orders via the Jahez, PIK and BluStore Platforms. The main features of this application include:
  - The application includes tools that improve the process of distributing orders to delivery partners, while accounting for numerous factors, including the distance between merchants and the pickup point, the number of orders in progress, the category of the delivery partner, etc. These factors allow the Jahez, PIK and BluStore Platforms to select the most appropriate Delivery Partner to deliver the order within an acceptable period.
  - The application allows for easy tracking and monitoring of order status. It also includes an escalation tool that alerts the Group's operations team to proactively take action and provide support to the delivery partner in the event of any problems, as they are able to communicate with them through the application.
  - It allows delivery partners to use a heatmap that displays the density of orders in different areas and residential districts within their city, which helps them optimize each delivery process and deliver more orders.
  - The "Saned" application allows the settlement of balances between the delivery partners and the Group with a few clicks, with the amounts being transferred to the electronic wallets of the delivery partners or vice versa without any intervention from the operations team. Through this integration between automation and the electronic wallet, the Group is able to save time for delivery partners, eliminating the need for them to travel to physical logistics offices and wait for their accounts to be settled in cash.
  - The "Saned" application verifies that all delivery partners are authorized by the Communications and Space Technology Commission (CST) through linkage therewith in accordance with the regulatory requirements.
- **Administration System:** The Group has a comprehensive administration system that includes various control panels which provide real-time performance monitoring and are linked to the Group's various platforms and applications. The administration system covers the entire journey, including merchant registration, a customer support desk, reports and dashboards. Through this system, the Group's operations team are able to manage and support merchants, customers and delivery partners in one place. Using the built-in escalation tool, it can also avoid order delays, identify the causes thereof and easily resolve such issues in a proactive manner. Automated procedures have been introduced into the technical support process to support the team in facilitating the order journey.

The Group believes that its technical systems are robust and provide scalability, availability and reliability. Over the years, the Group has managed to develop and improve its system to include reliable components capable of continuing to provide services even in the face of high demand or the inability of other parties to provide such services. The Group also performs application and data backup operations, enabling easy recovery in the event of any unexpected failure. Moreover, the approach taken by the Group in developing its technical system allows it to reduce the risks of operating in a different environment. All of the Group's platforms and systems are also supported by cloud computing technologies (via Amazon Web Services and Google). This ensures high reliability and flexibility, enabling the Group to achieve rapid expansion within the ever-evolving delivery and logistics services sector. Additionally, it enables the Group to innovate and modernize its services to keep pace with the expected growth in the sector, thus furthering the Group's vision to become the most loved platform and supporting its expansion plans in the delivery sector through electronic platforms and supporting verticals.

The Group has also invested in data and artificial intelligence infrastructure by introducing an advanced data platform that not only simplifies and accelerates the data life cycle, but also aligns with strategic objectives by enabling smarter decision-making, promoting innovation in artificial intelligence and enhancing a culture of cooperation. In addition, the Group has invested in a transformational analytics engine platform that directly contributes to the Group's growth, agility and competitiveness from a data perspective. This enables real-time analytics and insights, as well as providing the latest comprehensive data management and security features, ensuring that data across the organization is accurate, consistent and used responsibly. It also supports the development of policies, standards and procedures for data management in order to comply with regulations and support the Group's business objectives.

b- Data

The Group generates and collects a large amount of data in its daily operations and strives to use this data to improve its services and operations, along with the services of its partners. The Group, through its data teams, regularly analyzes its data using artificial intelligence and machine learning in order to improve its solutions and come up with innovative ways to enhance its business. For instance, by predicting surges in demand for the Jahez, PIK and BluStore Platforms, the Group is able to make better use of resources.

In addition, the Group uses data to refine customer recommendations, calibrate its operations and marketing activities and help merchants understand customer needs and preferences. For example, the Group uses artificial intelligence and machine learning to generate in-depth data reports for internal use. It also provides such reports and data to merchants in order to help them improve their operations.

Data products are among the most remarkable results achieved by the Group, as they help in many areas, including the following:

- **Supporting Delivery Partners:** A product that directs delivery partners to delivery zones using artificial intelligence and machine learning.
- **Merchant Data:** Merchant data helps merchants improve their services and predict product consumption to offer the right deals.
- **Recommendation Tool:** Personalized customer offers, and targeted campaigns based on artificial intelligence and machine learning models.

In general, the Group constantly analyses the data it monitors from multiple perspectives. With respect to customers, the Group tracks their preferences with respect to the ordering experience, including payment methods and their preferred restaurants. In connection with merchants, the reports generated by the Group enable it to track the top-selling categories offered by merchants and their most popular branches. As for delivery partners, the Group's data has contributed to generating key performance indicators, which allows better use of delivery partners' time, which in turn improves their income.

c- Cybersecurity

The Group considers cybersecurity one of the fundamental pillars of its infrastructure. This reflects its commitment to protecting the privacy, resilience and security of institutional and individual data. The Group is gradually complying with cybersecurity systems in various fields. The Group applies critical security measures across its systems to verify users of the Jahez, PIK and BluStore Platforms. This includes customers, delivery partners, merchants and administrative users. In addition, encryption and obfuscation processes are applied to secure all mobile data via a secure network. Moreover, the use of managed security services helps protect the Group from cyber attacks and security risks. With respect to cybersecurity policies, the Group ensures that all security measures are followed from the development stage to the final stage, across all departments of the Group.

4.7.2 Data Privacy and Security

The Group's data and information technology systems are essential in ensuring that its operations run smoothly and without any disruption. Therefore, the Group gives high priority to maintaining data privacy and system security at high levels in order to maintain reliability at all times. The Group implements procedures and technologies which aim at preventing and addressing disasters at all levels of the Group's platforms, including penetration testing, multi-factor authentication, token security standards and environment separation. In fact, the Group has a dedicated team responsible for the Group's platforms and their around-the-clock availability. The Group has also established high security standards and data management policies that are implemented to reduce any risks related to security or breaches.

Since the Group manages a large portfolio of customer data, protecting personal data is a top priority. The Group seeks to ensure that all customer data is adequately protected from the risks of piracy. Thus, it regularly invests in the development of systems, infrastructure and employees. The Group also develops plans to facilitate compliance with the requirements of the Communications, Space and Technology Commission (CST) and the relevant regulations and laws.

4.8 Research and Development

a- Research and Development Department

The Group recognizes the importance of research and development and its role in providing the best services and improving quality. For this reason, the Research and Development Department was established. It studies products and services in the local market and follows up on global developments in the field in terms of ideas and technologies. The research and development process consists of several stages, starting with ideas, followed by analysis, and ending with development. The role of the Company's Research and Development Department is to gather ideas from various sources, including customers, employees, partners and others, as well as ideas generated internally by the Research and Development Department.

In addition to paying attention to systems and projects, the Research and Development Department focuses on improving the environment and management cultures, fostering a culture concerned with the development of employees and Management. This leads to the development of the Group, thus attracting expert talent and maintaining employee continuity. The Research and Development Department has contributed to improving and developing numerous services, leading to improved service levels and the introduction of additional features, such as a game while waiting for orders. These achievements demonstrate the effectiveness of research and development, expanding the scope of areas and ideas, which in turn has led to the strengthening of the team and tools.

b- Software Development Methodology

The Group works to develop services using the scrum methodology, which is an agile method for managing software development. Scrum is a fast and flexible methodology that aligns with the nature of the Group's systems and projects. Consequently, scrum contributes to accelerating development and improvement while maintaining the fundamentals of the software life cycle, which is concerned with the quality of outputs across all phases as follows:

- **Planning Phase:** The main objectives of each project are arranged, and alternative plans are developed for each solution in order to avoid potential risks at each stage, in addition to identifying the main sources of requirements.
- **Requirements Collection and Analysis Phase:** Following identification of the various sources, which include departments such as operations, logistics management, sales, etc., requirements are collected from these departments, in addition to the Research and Development Department and customer visuals. The final output is the requirements document, which is the main reference in the system testing stage.
- **Design Phase:** Requirements are analysed and the best ways to develop them are examined, taking into account numerous factors, including ease of use, security and privacy, while maintaining the main direction of the project. After conducting the analysis, the system is designed in a way that ensures the delivery of complete requirements in the final output.
- **Development Phase:** The system is developed by writing code, preparing databases and designing interfaces that align with the system's identity, in accordance with the basics of programming in development management in order to ensure system quality and security. During this phase, linkage to other systems is completed, whether internally or with external parties, if required in the requirements document.
- **System Testing Phase:** During this phase, the system is tested for several factors, including ensuring its conformity to requirements and its compatibility with security controls and permissions. This is done in several ways, including user testing and testing with tools.
- **Launch and Operation Phase:** During this phase, the system is launched after its quality has been fully verified. Coordination is also carried out among departments in order to ensure user readiness, training of users if necessary, and synchronization of the system with appropriate marketing campaigns. After the launch, the operations team monitors the system and ensures that all services are easily accessible and available.

This development methodology is characterized by ease of communication among analysts, programmers and quality specialists. Additionally, it features shorter development cycles, resulting in high flexibility for changes and improvements. Services and features are meticulously analyzed to ensure their quality and rapid deployment in order to synchronize updates.

4.9 Employees

4.9.1 The Company

The following table provides a detailed summary of the Company's employees based on their primary activities and Saudization rates for the financial years ended 31 December 2021G, 2022G, 2023G, and the six-month period ended 30 June 2024G:

Table (4.9): Employees of the Company in the Financial Years Ended 31 December 2021G, 2022G, 2023G, and the Six-Month Period Ended 30 June 2024G

No.	Department	Financial Year 2021G			Financial Year 2022G			Financial Year 2023G			Six-Month Period Ended 30 June 2024G		
		Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
1.	Senior Management	5	1	6	7	3	10	9	3	12	10	3	13
2.	Operations Department	168	16	184	230	99	329	248	145	393	259	171	430
3.	Logistics Department	51	8	59	79	51	130	72	60	132	69	58	127
4.	Commercial Department	83	5	88	132	32	164	158	63	221	174	86	260
5.	Information Technology (IT)	26	8	34	68	14	82	93	28	121	89	99	11
6.	Human Resources, Administrative and Financial Affairs	21	12	33	48	26	74	67	31	98	91	33	124
7.	Delivery Partners	18	74	92	13	2,811	2,824	1	2,008	2,009	0	2,122	2,122
Total		**372**	**124**	**496**	**576**	**3,034**	**3,610**	**647**	**2,336**	**2,983**	**6898**	**2,506**	**3,195**

Source: The Company

4.9.2 Saudization and Nitaqat

The Saudization program was approved pursuant to Resolution No. 4040 of HE the Minister of Human Resources and Social Development, dated 12/10/1432H (corresponding to 10/09/2011G), based on Council of Ministers' Resolution No. 50, dated 21/05/1415H (corresponding to 27/10/1994G). The "Nitaqat" program came into effect on 12/10/1432H (corresponding to 10/09/2011G), coinciding with the launch of the "Nitaqat" program by the Ministry of Human Resources and Social Development, which aims at encouraging institutions to employ Saudi citizens. The "Nitaqat" program assesses the performance of companies based on specific categories (classifications), namely platinum, green (which is further subdivided into low, medium and high green) and red. Companies in the platinum or green category are deemed to be compliant with the Saudization requirements and are therefore entitled to a number of benefits, such as the ability to obtain and renew employment visas or otherwise change the professions of their foreign employees (except for professions reserved exclusively for Saudi citizens). Companies falling within the red category (due to their non-compliance with specific requirements) are deemed to be non-compliant with the Saudization requirements and may be subject to certain punitive measures, such as a limited ability to renew work visas for foreign employees or complete inability to obtain or renew work visas for foreign employees.

The Company is compliant with the Saudization requirements in accordance with the "Nitaqat" program and was classified within the "Platinum" category as of the date of this Document.

4.9.3 Attracting and Retaining Talent

Information technology companies and technology startups in the Kingdom have witnessed rapid growth over the previous years. The Group believes that its employees are its most valuable assets. Accordingly, the Group invests time, money and effort in attracting talent that it believes will add significant value to the Group and its culture.

Having received the "Best Place to Work" certification over the past two consecutive years, the Group continues to invest in its strengths as a preferred employer, attracting and hiring young talent with technical capabilities from all over the Kingdom, while investing in the development of the Group and maintaining employee loyalty. In line with the Group's human resources strategy, 2023G witnessed the Group's continued focus on creating a culture of excellence, whereby all employees are empowered, motivated and qualified to contribute to the success and growth of the Group and are duly appreciated for their loyalty and commitment.

As a relatively new organization, the Group continues to value and commit to gender equality, both in terms of equality ideals and return on investment. One of the most notable events in 2023G was the significant year-on-year increase of female employees within the Group's workforce, with the number of the Company's female employees increasing from one hundred and eighty-six (186) female employees to two hundred and thirty-eight (238) female employees, as a result of the increasing number of qualified female candidates who applied for technical jobs from various regions of the Kingdom.

In addition, the Group invests in ensuring that its existing employees have access to the necessary processes, support and benefits that will help motivate and retain them. As such, the Group has adopted the following initiatives and programs to help attract and retain talent:

- Providing a supportive and encouraging environment for creativity and adopting new ideas, even if there is a degree of risk involved.
- Providing a highly flexible environment that creates a cohesive, highly interconnected team and fostering a space for embracing all perspectives while upholding the highest standards of communication.
- Adopting a remote work mechanism and flexible working hours:
  - The Group's Management offers a remote work option upon employee request when necessary, ensuring that remote work does not disrupt the workflow or cause delays in certain outputs.
  - The Group offers the option of flexible working hours in terms of attendance and departure for employees whose work and productivity are not time sensitive.
- Rewards:
  - The Management of the Group is committed to motivating employees through an evaluation and rewards scheme.
  - The Group's Management rewards the exceptional efforts of its employees by allocating special rewards to certain business projects and tasks.
- An employee share scheme.

The Group also explored multiple employee recruitment channels in 2023G to proactively search for qualified candidates and engage with them with the aim of filling current vacant positions, in addition to planned positions that will meet the expected growth of the Group. The key channels in this regard include agreements concluded with major local universities throughout the Kingdom, such as King Saud University, King Fahd University of Petroleum and Minerals, Prince Sultan University and other universities, as well as initiatives with the Prince Mohammed bin Salman bin Abdulaziz Foundation (Misk Foundation), Saudi Digital Academy and Tuwaiq Academy to help the Group attract distinguished talent.

4.10 Social Responsibility

The Group recognizes the impact of its business and operations on its employees, shareholders, the local community and the environment. It is aware of the importance of the responsibility it bears towards the various components that make up the geography of the local economy. As such, it prioritizes compliance with applicable laws and regulations in its social and environmental orientation, while ensuring the continued prosperity of the economy and society. The Group has adopted an environmental, social and corporate governance (ESG) roadmap to serve as a guide outlining its responsibilities and strategies in corporate social responsibility towards all stakeholders. The roadmap sets out the guiding principles for the Group to fulfill its responsibility towards its employees and the local community, such as investing in development and environmental projects, providing direct and indirect support to charitable institutions, managing carbon emissions and providing job opportunities for all members of society regardless of race, disability and social or economic status.

Furthermore, four (4) global sustainable development goals have been identified to be promoted through the Group's corporate social responsibility actions in order to create social and environmental impact in line with local and global trends. As a continuation of the Group's sustainability work, the Environment, Social and Governance (ESG) Framework Strategy 2023G-2026G was developed. This strategy is based on creating environmental and social impact through a combined approach of sustainability and social responsibility actions and initiatives, reinforced by governance practices and policies that support the Group's direction in creating a sustainable social, environmental and economic impact. The strategy is centred on ESG practices, the management of carbon emissions and related activities, as well as initiatives designed to achieve the social and environmental impact that the Group desires.

Examples of measures taken by the Group as part of its corporate social responsibility and sustainability strategy include:

- Leveraging the widespread use of Jahez Platform to promote charities and local causes by allowing customers to make donations to charities and local causes using Jahez Platform, including its social and charitable initiatives during the month of Ramadan and on both Eids through the "Jahez AlKhair (Jahez for Good)" campaign.
- Introducing initiatives aimed at supporting local businesses and home-based businesses, including:
  - A series of entrepreneurship training courses in cooperation with leading educational and training institutes.
  - Supporting Saudi families and small and medium-sized enterprises by devoting a dedicated section within its apps comprising three hundred and sixty-six (366) merchants with reduced commission rates.
  - Giving preference to local goods when purchasing materials required to run its business.
- Enabling donations through its platforms in order to provide suitable housing for orphans. Fundraisers were launched on two occasions through the Group's platforms, one during Eid al-Fitr and the other during Zakat al-Fitr.
- Increasing the representation of women in leadership positions within the Group.
- Localization of the delivery sector.
- An initiative to support local organic agriculture supply chains and implementation of a tree planting program aimed at reducing carbon emissions.
- Highlighting and encouraging healthy food consumption by promoting healthy Merchants and restaurants.
- Establishing the "Jahez Data Bootcamp" initiative, which involved training more than 50,000 male and female students and empowering them by educating them about data.
- Supporting the sports sector and contributing to sporting events.

Stakeholder engagement is also an integral part of the Group's ESG strategy and values. The Group recognizes that its success is linked to the needs and expectations of its stakeholders. Therefore, the Group earnestly seeks to establish effective cooperation and participation relationships with stakeholders in order to understand their views and address their concerns. The Group identifies stakeholders and arranges them based on their influence and interests, in addition to their potential benefit to the results and actions of the Group. This includes both internal and external stakeholders (i.e., customers, employees, suppliers, investors, communities, etc.). By leveraging the opinions and expectations of stakeholders, the Group improves its sustainability practices and ensures that its decisions are in line with their expectations. Accordingly, the Group is seeking serious opportunities to cooperate and build partnerships with stakeholders who share common values and who embrace sustainable solutions that benefit all concerned parties.

The Group also recognizes the importance of tracking waste generation to identify areas that require improvement, setting goals to reduce waste and implementing appropriate strategies and procedures to achieve such goals. In 2022G, the Group obtained initial approval to initiate a waste recycling system as part of the Group's strategy and commitment towards environmental sustainability. The Group also aims to reduce the amount of waste and integrate waste separation and recycling programs through careful planning and environmental follow-up. During 2023G, the Group introduced an internal awareness campaign for employees and cleaners as a means of promoting an environmental stewardship culture. Furthermore, the Group is also developing initiatives with reverse vending machine (RVM) partners that recycle vending machines, sustainable fashion and environmental art. Through social media programs and regular training, the Group hopes to raise stakeholder awareness of the importance of waste management and encourage sustainable practices, including promoting recycling initiatives, reducing single-use materials and implementing waste separation systems. The Group is also able to make rational decisions and implement effective measures to reduce waste through ongoing monitoring of waste generation and data analysis. The Group's main goal is to reduce waste at its source and promote more sustainable practices such as recycling and reuse in all its operations. These efforts contribute to reducing the Group's environmental impact and enable it to contribute to a more sustainable future.

In addition, the Group spares no effort in conducting its business while adhering to the highest standards, ethical values and governance. The Group is keen to adopt ethical business practices, through which it ensures close cooperation with the community and business leaders and supports and develops local communities. The Group is firmly committed to a set of principles in order to ensure that its commitment to ethical practices is fulfilled. The Group believes in continuous and transparent communication with the community to continually educate it regarding its operational activities and their tangible impacts, as this will help build trust with the community and ensure that it bears full responsibility for its actions. Moreover, the Group spares no effort in developing initiatives aimed at promoting local development and offering sustainable opportunities for neighboring communities. At the forefront of these initiatives is its investment in local development projects, the provision of direct and indirect support to charitable institutions and the offering of job opportunities to individuals within the local community. The Group seeks to create social impact through actions and initiatives based on:

- Spreading a culture of innovation and community entrepreneurship.
- Contributing to creating entrepreneurial opportunities for individuals which contribute to serving the community.
- Contributing to activities in the field of business analysis.
- Providing consultations to entrepreneurs.
- Encouraging sectors to adopt entrepreneurial projects.
- Adopting, supporting and developing ideas, projects and initiatives.
- Raising general societal awareness of the social sector and companies over the coming years.
- Supporting the success of ventures belonging to creators, innovators and talented individuals through social business incubators and accelerators.
- Qualification, training and capacity development of individuals and institutions in their fields of specialization.

By giving priority to the development of local communities, the Group hopes to contribute to achieving social and economic growth in these areas. Recognizing how its employees, shareholders and the local community are affected by its operations and business, the Group spares no effort in following the relevant laws and regulations while ensuring the continued prosperity of the local economy and community.

5. Organizational Structure and Corporate Governance

5.1 Company Information and Date of Establishment

5.1.1 Corporate History and Capital Development

The Company was established on 01/01/1439H (corresponding to 21/09/2017G) as a limited liability company with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred (100) ordinary cash shares with a fully paid nominal value of ten thousand Saudi Riyals (SAR 10,000) per share, and it was registered under Commercial Registration No. 1010895874, dated 01/01/1439H (corresponding to 21/09/2017G). On 10/03/1442H (corresponding to 27/10/2020G), the Company increased its share capital from one million Saudi Riyals (SAR 1,000,000) to five million Saudi Riyals (SAR 5,000,000). The increase of four million Saudi Riyals (SAR 4,000,000) was met by capitalizing a portion of the Shareholders' current accounts. On 05/05/1442H (corresponding to 20/12/2020G), the Company was transformed from a limited liability company into a closed joint stock company with a fully paid share capital of five million Saudi Riyals (SAR 5,000,000), divided into five hundred thousand (500,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. On 15/10/1442H (corresponding to 27/05/2021G), the Extraordinary General Assembly of the Company approved an increase in the Company's share capital from five million Saudi Riyals (SAR 5,000,000) to ninety-six million Saudi Riyals (96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. The increase of ninety-one million Saudi Riyals (SAR 91,000,000) was met by capitalizing an amount of one million, five hundred thousand Saudi Riyals (SAR 1,500,000) from the Company's statutory reserve, an amount of sixty-three million, five hundred thousand Saudi Riyals (SAR 63,500,000) from the retained earnings balance, and twenty-six million Saudi Riyals (SAR 26,000,000) from the credit balances of Shareholders. On 28/10/1442H (corresponding to 09/06/2021G), the Extraordinary General Assembly of the Company approved an increase in the Company's share capital from ninety-six million Saudi Riyals (SAR 96,000,000) to one hundred and four million, nine hundred and eighteen thousand and thirty Saudi Riyals (SAR 104,918,030), divided into ten million, four hundred and ninety-one thousand, eight hundred and three (10,491,803) ordinary shares with a nominal value of ten Saudi Riyals (10) per share, in addition to the offering of eight hundred and ninety-one thousand, eight hundred and three (891,803) new shares for subscription through offering them to qualified investors in the Parallel Market "Nomu" at an offer price of eight hundred and fifty Saudi Riyals (SAR 850) per share. On 02/06/1443H (corresponding to 05/01/2022G), the Company was listed on the parallel market. On 15/05/1445H (corresponding to 29/11/2023G), the Extraordinary General Assembly of the Company approved a split in the nominal value of the shares from ten Saudi Riyals (SAR 10) per share to fifty Saudi halalas (SAR 0.50), along with an adjustment in the number of shares from ten million, four hundred and ninety one thousand, eight hundred and three (10,491,803) ordinary shares to two hundred and nine million, eight hundred and thirty-six thousand and sixty (209,836,060) ordinary shares with no change to the Company's capital. On 09/09/1445H (corresponding to 19/03/2024G), the Board of Directors approved the Company's transfer to the main market.

The following table shows the Company's ownership structure as of the date of this Document:

Table (5.1): The Company's Ownership Structure as of 26/03/1445H (corresponding to 29/09/2024G)

#	Shareholder	Number of Shares	Total Nominal Value of Shares Owned (SAR)	Direct Ownership Percentage(1)	Indirect Ownership Percentage(1)
1.	Alamat International Limited Company	56,022,312	28,011,156	26.698%	N/A
2.	Tharwa Holding Company	15,022,560	7,511,280	7.159%	16.02%(2)
3.	Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran	11,796,698	5,898,349	%5.622	N/A
4.	Treasury Shares	7,098,017	3,549,009	3.38%	N/A
5.	Senior Management(3)	10,220,755	5,110,378	4.87%	10.68%
6.	The Public	109,675,718	54,837,859	52.27%	N/A
Total		**209,836,060**	**104,918,030**	**100%**	**26.7%**

(1) The provided figures are approximate figures.

(2) The indirect ownership of Tharwa Holding Company results from its ownership of 60% of Alamat International Limited Company, which in turn owns 26.298% of the Company's shares as of the date of this document.

(3) The indirect ownership of Ghassab Bin Salman Bin Ghassab Bin Mandeel is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares, while the indirect ownership of Hamad Bin Abdullah Bin Fahad Al Bakr is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares.

Source: The Company and the Saudi Exchange Company

5.1.2 Activities of the Company

The Company's activities, in accordance with its Bylaws, are as follows:

1- Wholesale and retail trade, as well as repair of motor vehicles and motorcycles.
2- Transportation and storage.
3- Accommodation and food services activities.
4- Information and communication.
5- Administrative and support services.

The Company shall practice its activities in accordance with the applicable laws and after obtaining the necessary licenses from the competent authorities, if any.

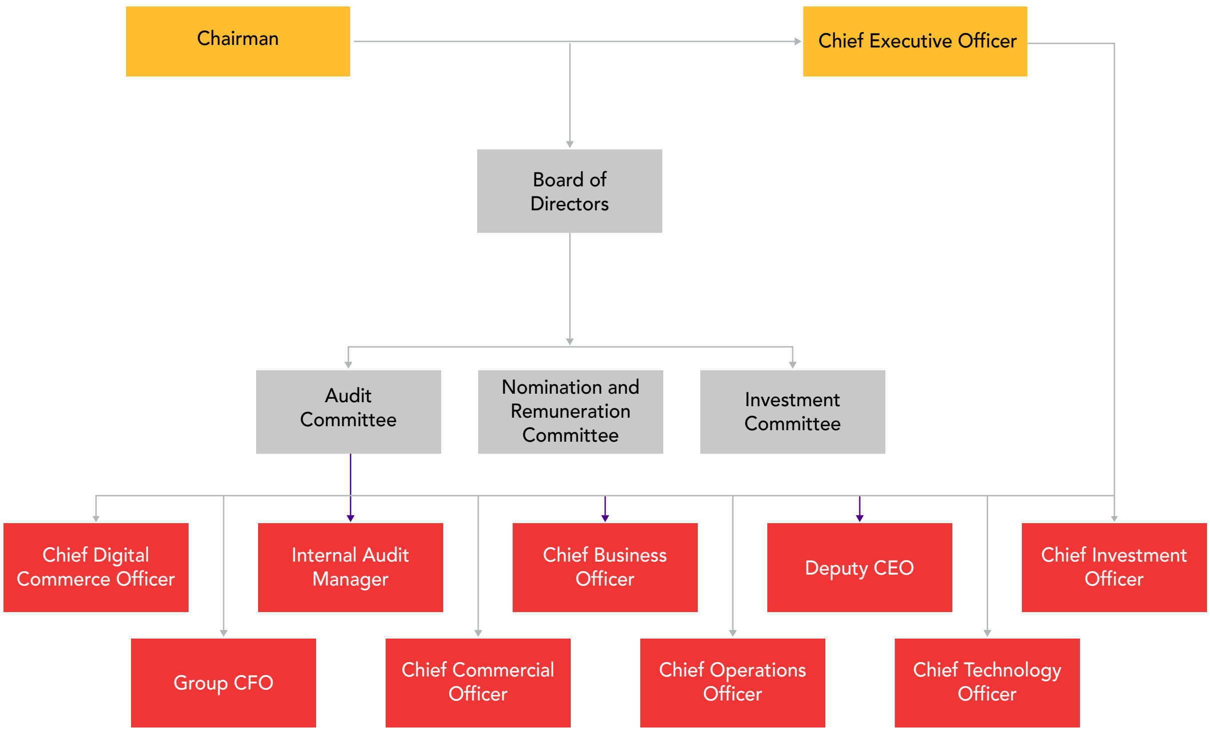
5.1.3 Term of the Company

The term of the Company is ninety-nine (99) calendar years starting from the date of registration in the commercial register. The term of the Company may always be extended pursuant to a resolution issued by the Extraordinary General Assembly at least one year prior to its expiration.

5.2 Administrative Structure

The Company's Shareholders entrust the Board of Directors with responsibility for the general direction, supervision and control of the Company. The Board of Directors also entrusts the Company's Executive Management, particularly the CEO, with the responsibility of managing the Company's general daily business. The following figure shows the Company's administrative structure, including the Board of Directors, supervisory committees, and the functions performed by members of the Executive Management:

Figure (4): Administrative Structure of the Company



Source: The Company

5.3 Board of Directors and Secretary

5.3.1 Composition of the Board of Directors

The Company shall be managed by a Board of Directors consisting of six (6) members, who must be natural persons elected by the Ordinary General Assembly of Shareholders, provided that the number of its independent members is not less than two (2). The Company's Bylaws and internal governance regulations specify the tasks and responsibilities of the Board of Directors. The term of office of the Board Members, including the Chairman of the Board, shall be a maximum of four (4) years per term, and Board Members may be re-elected more than once. The current four (4) year term of the Board of Directors commenced on 02/05/1442H (corresponding to 17/12/2020G).

The following table shows the Board Members as of the date of this Prospectus:

Table (5.2): Members of the Company's Board of Directors*

No.	Name	Position	Membership Status	Direct Ownership Percentage(1)	Indirect Ownership Percentage(1)	Date of Appointment to the Current Term	Start Date of the Board Term	End Date of the Board Term
1.	HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud(2)	Chairman	Non-independent/ Non-executive	N/A	22.95%	02/05/1442H (corresponding to 17/12/2020G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
2.	Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran	Vice Chairman	Non-independent/ Non-executive	5.62%	N/A	02/05/1442H (corresponding to 17/12/2020G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
3.	Ghassab Bin Salman Bin Ghassab Bin Mandeel(3)	Board Member	Non-independent/ Executive	2.39%	5.34%	02/05/1442H (corresponding to 17/12/2020G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
4.	Hamad Bin Abdullah Bin Fahad Al Bakr(4)	Board Member	Non-independent/ Executive	2.44%	5.34%	02/05/1442H (corresponding to 17/12/2020G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
5.	Abdullah Bin Saud Bin Marshoud Al Romaih	Board Member	Independent/ Non-executive	N/A	N/A	04/12/1443H (corresponding to 03/07/2022G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)
6.	Loulwa Bint Mohammed Bin Abdulkarim Bakr	Board Member	Independent/ Non-executive	N/A	N/A	09/09/1442H (corresponding to 21/04/2021G)	02/05/1442H (corresponding to 17/12/2020G)	15/06/1446H (corresponding to 16/12/2024G)

(1) The provided figures are approximate figures.

(2) The indirect ownership of Mishal Bin Sultan Bin Abdulaziz Al Saud is the result of his ownership of 99% of the shares of Tharwa Holding Company, which in turn owns 60% of the shares of Alamat International Limited Company, and Alamat International Limited Company directly owns 26.698% of the Company's shares. Tharwa Holding Company also owns 7.159% of the Company's shares directly, and thus Mishal Bin Sultan Bin Abdulaziz Al Saud indirectly owns 22.95% of the Company's shares.

(3) The indirect ownership of Ghassab Bin Salman Bin Ghassab Bin Mandeel is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares.

(4) The indirect ownership of Hamad Bin Abdullah Bin Fahad Al Bakr is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares.

* On 05/05/1446H (corresponding to 07/11/2024G), the Ordinary General Assembly of Shareholders appointed the new members of the Board of Directors for its upcoming term starting on 16/06/1446H (corresponding to 17/12/2024G) for a term of four (4) years ending on 29/07/1450H (corresponding to 16/12/2028G).

Source: Saudi Exchange Company and the Company

5.3.2 Responsibilities and Duties of the Board of Directors

The Board of Directors shall represent all Shareholders, and must exercise the duties of care and loyalty in managing the Company and exert all efforts to maintain its interests, develop it, and maximize its value.

The Company's Board of Directors shall be responsible for its work, even if it authorizes committees, entities or individuals to exercise some of its competencies. In all cases, the Board of Directors may not issue a general or indefinite-term authorization.

Taking into account the competencies assigned to the General Assembly in the Companies Law, its Implementing Regulations and the Company's Bylaws, the Board of Directors shall have the broadest powers in managing the Company and directing its work in a way that achieves its purposes. The duties and competencies of the Board of Directors shall include the following:

a- Developing the Company's main plans, policies, strategies and objectives, supervising their implementation and reviewing them periodically, and ensuring the availability of the necessary human and financial resources to achieve them, including:
  1- Developing, reviewing and directing the Company's comprehensive strategy, main business plans, and risk management policies and procedures.
  2- Determining the Company's optimal capital structure, strategies and financial objectives, and approving all types of estimated budgets.
  3- Supervising the Company's major capital expenditures, owning and disposing of assets.
  4- Setting performance goals and monitoring implementation and overall performance in the Company.
  5- Periodically reviewing and approving the Company's organizational and functional structures.
  6- Verifying the availability of the human and financial resources necessary to achieve the Company's goals and main plans.

b- Establishing systems and controls for internal control and general supervision thereof, including:
  1- Developing a written policy to address cases of actual and potential conflicts of interest for Board Members, Executive Management, and Shareholders. This includes misuse of the Company's assets and facilities, and misconduct resulting from dealings with related parties.
  2- Ensuring the soundness of financial and accounting systems, including systems related to the preparation of financial reports.
  3- Ensuring the implementation of appropriate control systems to measure and manage risks. This shall be done by developing a general vision of the risks that the Company may face, creating an environment familiar with the culture of risk management at the Company level, and presenting it transparently with stakeholders and parties related to the Company.
  4- Annual review of the effectiveness of the Company's internal control procedures.

c- Preparing clear and specific policies, standards and procedures for membership of the Board of Directors in a way that does not conflict with the mandatory provisions of the Corporate Governance Regulations, and implementing them after their approval by the General Assembly.

d- Developing a written policy that regulates the relationship with stakeholders in accordance with the provisions of the Corporate Governance Regulations.

e- Establishing policies and procedures that ensure the Company's compliance with laws and regulations and its commitment to disclosing essential information to shareholders and stakeholders, and verifying the Executive Management's compliance therewith.

f- Supervising the Company's financial management, its cash flows, and its financial and credit relationships with third parties.

g- Proposing to the Extraordinary General Assembly what it deems appropriate regarding the following:
  1- Increasing or decreasing the Company's share capital.
  2- Deciding on the continuation or dissolution of the Company prior to the term specified in the Company's Bylaws.

h- Proposing to the Ordinary General Assembly what it deems appropriate regarding the following:
  1- Using the Company's reserves if they are not allocated for a specific purpose in the Company's Bylaws.
  2- Creating additional financial reserves or allocations for the Company.
  3- The method of distributing the Company's net profits.

i- Preparing the Company's interim and annual financial statements and approving them before publishing them.

j- Preparing and approving the Board of Directors' report before publishing it.

k- Ensuring the accuracy and integrity of the data and information that must be disclosed in accordance with applicable disclosure and transparency policies and systems.

l- Establishing effective communication channels that allow Shareholders to continuously and periodically review aspects of the Company's various activities and any fundamental developments.

m- Forming specialized committees pursuant to resolutions specifying the term of the committee, its powers and responsibilities, and how the Board will oversee it, provided that the formation resolution shall include naming the members and determining their tasks, rights and duties, along with an evaluation of the performance and work of these committees and their members.

n- Determining the types of bonuses granted to the Company's employees, such as fixed bonuses, performance-related bonuses, and bonuses in the form of shares, in a manner that does not conflict with the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.

o- Notifying the Ordinary General Assembly when it is held of the business and contracts in which a Board Member has a direct or indirect interest, provided that this notification includes the information provided by the Board of Directors, in accordance with Paragraph 14 of Article 28 of the Corporate Governance Regulations. This notification shall be accompanied by a report from the Company's external auditor.

p- Establishing values and standards that govern work in the Company.

The Board of Directors shall establish governance rules for the Company that do not conflict with the mandatory provisions in Article 91 of the Corporate Governance Regulations. Also, it must monitor their application, verify their effectiveness, and amend them when needed. In doing so, it must adhere to the following:

a- Verifying the Company's compliance with the rules of the Corporate Governance Regulations.

b- Reviewing and updating the rules in accordance with regulatory requirements and best practices.

c- Reviewing and developing a code of professional conduct that represents the Company's values and other internal policies and procedures to meet the Company's needs and are consistent with best practices.

d- Keeping Board Members informed of developments in the field of corporate governance and best practices, or delegating this to the Audit Committee or any other committee or department.

The Board of Directors shall be responsible for forming the Executive Management of the Company, organizing how it operates, monitoring and supervising it, and verifying its performance of the tasks assigned thereto. In doing so, it must adhere to the following:

a- Establishing the necessary administrative and financial policies.

b- Verifying that the Executive Management is working in accordance with the policies approved by it.

c- Selecting and appointing the CEO of the Company and supervising their work.

d- Appointing the manager of the Internal Audit Unit or Department or the Internal Auditor, dismissing them and determining their remuneration.

e- Holding periodic meetings with Executive Management to discuss the course of work, the obstacles and problems it faces, and to review and discuss important information regarding the Company's activity.

f- Establishing performance standards for Executive Management that are consistent with the Company's goals and strategy.

g- Reviewing and evaluating the performance of Executive Management.

h- Developing succession plans for the Company's management.

The Board of Directors shall establish a policy of professional conduct and ethical values in the Company, taking into account in particular the following:

a- Ensuring all Board Members, Executive Management members and Company employees exercise their duties of care and loyalty towards the Company and perform everything that will maintain the Company's interests, develop them, and maximize its value, and that they do not give precedence to their personal interests over the Company's interests in any circumstances.

b- Board Members shall represent all Shareholders in the Company and shall be committed to achieving the interests of the Company and the Shareholders, while taking into account the rights of other stakeholders, not just the interests of the group that elected them.

c- Reinforcing the principle of commitment of Board Members and Senior Executives to all relevant rules, regulations and instructions.

d- Preventing Board Members or members of the Executive Management from exploiting their job positions for the purpose of achieving their own interests or the interests of others.

e- Emphasizing limiting the use of the Company's assets and resources to achieving the Company's purposes and objectives, and not exploiting those assets or resources to achieve personal interests.

f- Establishing precise, strict and clear rules that regulate the authority and timing of access to the Company's internal information in a way that prevents Board Members, Executive Management and others from benefiting from it or disclosing it to any person, except within the limits prescribed or permitted by law.

Each Board Member shall be committed to the principles of honesty, trustworthiness, loyalty, care and concern for the interests of the Company and Shareholders and shall prioritize them over their personal interests, including in particular the following:

a- **Honesty:** The Board Member's relationship with the Company shall be honest and professional. The Board Member shall disclose any influential information to the Company before executing any deal or contract with the Company or any of its subsidiaries.

b- **Loyalty:** The Board Member shall avoid dealings that involve a conflict of interest, while ensuring the fairness of the dealing, and taking into account the provisions regarding conflicts of interest in these regulations.

c- **Care and concern:** This is done by performing the duties and responsibilities stipulated in the Companies Law, the Capital Market Law, their Implementing Regulations, the Company's Bylaws, and other relevant regulations.

5.3.3 Duties of the Secretary of the Board of Directors

The responsibilities and competencies of the Secretary of the Board of Directors include the following:

a- Documenting the Board of Directors' meetings and preparing minutes for them that include discussions and deliberations that took place, indicating the place, date, start and end times of the meeting, documenting the Board's decisions and voting results, and keeping them in a special and organized record, recording the names of the Board Members present and the reservations they expressed, if any, and having these minutes signed by the Chairman of the meeting and all attending Board Members.

b- Maintaining reports submitted to the Board of Directors and the reports prepared by the Board.

c- Providing Board Members with the Board's agenda, business papers, documents and information related thereto, as well as any additional documents or information requested by any Board Member related to the topics included in the meeting agenda.

d- Verifying that Directors adhere to the procedures approved by the Board.

e- Informing Board Members of the dates of Board meetings sufficiently before the specified date.

f- Presenting draft minutes to Board Members to express their opinions thereon before signing them.

g- Ensuring that Board Members fully and promptly obtain a copy of the minutes of Board meetings and information and documents related to the Company.

h- Coordinating between Board Members.

i- Organizing the register of disclosures of Board Members and Executive Management in accordance with Article 89 of the Corporate Governance Regulations.

j- Providing assistance and advice to Board Members.

5.3.4 Board Remuneration

1- Board remuneration consists of a certain amount, an attendance allowance for meetings, benefits in kind, or a certain percentage of net profits.

2- The Board of Directors' report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of everything that each Board Member received or was entitled to receive during the financial year in terms of bonuses, expense allowances, and other benefits. It should also include a statement of what Board Members received in their capacity as employees or administrators, or what they received in exchange for technical or administrative work or consultations. It should also include a statement of the number of Board sessions and the number of sessions attended by each Board Member as of the date of the last meeting of the General Assembly.

5.3.5 Attendance of Board Meetings

The Board of Directors shall meet at least four (4) times a year at the invitation of its Chairman. The invitation shall be in writing and accompanied by the agenda. The Chairman of the Board must invite the Board to a meeting whenever two Board Members request him to do so. The invitation shall be sent to each member by registered mail, courier, fax, or by email, at least five (5) days before the scheduled date of the meeting, provided that all Board Members sign the minutes of each meeting.

The Board of Directors shall determine the location of its meetings, and they may be held electronically.

Board meetings shall not be valid unless they are attended by at least four (4) Board Members, provided that the number of in-person attendees is not less than three (3) Board Members. In the event that a Board Member acts as a proxy for another Board Member in attending Board meetings, the proxy must be in accordance with the following controls:

a- A Board Member may not act as a proxy for more than one member in attending the same meeting.

b- The proxy must be confirmed in writing and for a specific meeting.

c- The proxy may not vote on decisions which the law prohibits the principal from voting on.

If the quorum for the first meeting is not met, which is the presence of at least four (4) Board Members, then this meeting must be postponed for at least one day, provided that the postponed meeting is held at the same time and place specified for the original meeting. The second Board meeting will not be held unless the necessary quorum is met. If the quorum required for holding the meeting is not met within one hour from the start of the meeting, this meeting must be postponed for two working days, provided that the postponed meeting is held at the same time and place specified for the original meeting. The third Board meeting shall not be held unless the necessary quorum is met, which is the presence of at least three (3) members in person.

Each Board Member has one (1) vote when voting on any matter presented to the Board for a resolution. Board resolutions shall be issued by the affirmative vote of a simple majority of the Board Members present.

The Chairman of the Board shall have a vote equal to the vote of any other member of the Board of Directors, and shall not exceed that in any case. The vote of the Chairman of the Board shall be casting in the event of a tie votes. The Board of Directors may issue resolutions on urgent matters by circulation by presenting them to all Board Members separately unless any Board Member requests in writing that the Board convenes in person to deliberate such matter(s). Resolutions on urgent matters shall be issued with the approval of the majority of the Board Members and shall be presented to the Board of Directors at its first subsequent meeting.

Board of Directors' resolutions shall be effective as of the date of their issuance, unless it is stipulated that they shall take effect at another time or when certain conditions are met.

5.4 Board Committees

5.4.1 Audit Committee

a- Formation of the Audit Committee

The Audit Committee consists of three (3) members who were appointed pursuant to the Board of Directors' resolution dated 01/11/1445H (corresponding to 09/05/2024G). The Company also prepared the Audit Committee Charter, which was approved by the Company pursuant to the General Assembly's resolution dated 15/05/1445H (corresponding to 29/11/2023G). The following table shows the names of the members of the Audit Committee:

Table (5.3): Audit Committee

#	Name	Position	Designation
1.	Loulwa Bint Mohammed Bin Abdulkarim Bakr	Chairman of the Audit Committee	Independent/Non-executive
2.	Hammam Bin Mustafa Bin Muhammed Salama	Member of the Audit Committee	Member from Outside the Board
3.	Amin Abderraouf Hariz	Member of the Audit Committee	Member from Outside the Board

Source: The Company

b- Responsibilities of the Audit Committee

The Audit Committee shall be concerned with monitoring the Company's business and verifying the soundness and integrity of its reports, financial statements and internal control systems. The duties and responsibilities of the Audit Committee shall include in particular the following:

1- Financial Reports:

1- Studying the Company's interim and annual financial statements before presenting them to the Board of Directors and expressing an opinion and recommendation regarding them, to ensure their integrity, fairness and transparency.
2- Expressing a technical opinion - at the request of the Board of Directors - as to whether the annual report of the Board of Directors and the Company's financial statements are fair, balanced, and understandable and include information that allows Shareholders and investors to evaluate the Company's financial position, performance, business model, and strategy.
3- Studying any significant or unusual issues included in financial reports.
4- Thoroughly investigating any issues raised for clarification by the Chief Financial Officer, their designee, the Company's Compliance Officer, or the Auditor.
5- Verifying accounting estimates on material matters contained in the financial reports.
6- Studying the accounting policies followed in the Company and expressing an opinion and recommendation to the Board of Directors regarding them.

2- Supervising Internal Audit and Internal Monitoring Controls:

1- Studying and reviewing the Company's internal control, financial and risk administrative systems.
2- Studying internal audit reports and following up on the implementation of corrective measures with respect to the observations contained therein.
3- Monitoring and supervising the performance and activities of the Internal Auditor or (the Internal Audit Department in the Company, if any), to verify the availability of the necessary resources and their effectiveness in performing the work and tasks assigned thereto. If the Company does not have an Internal Auditor, the Committee must submit its recommendation to the Board regarding the need to appoint one.
4- Recommending to the Board of Directors to appoint a manager of the Internal Audit Unit or Department or the Internal Auditor and proposing their remuneration.
5- The Committee shall meet periodically with the Company's Internal Auditor during the year.

3- Supervising the External Audit Process:

1- Recommending to the Board of Directors to nominate auditors, dismiss them, determine their fees, and evaluate their performance, after verifying their independence and reviewing the scope of their work and the terms of their contract.
2- Verifying the independence, objectivity and fairness of the Auditor, and the effectiveness of the audit work, taking into account the relevant rules and standards.
3- Reviewing the plan and work of the Company's Auditor, verifying that they do not provide technical or administrative work that falls outside the scope of audit work, and expressing its views thereon.
4- Replying to the inquiries of the Company's Auditor.
5- Studying the Auditor's report and its observations on the financial statements and following up on the steps taken in this regard.
6- The Committee shall meet periodically with the Company's Auditor during the year.

4- Ensuring Compliance

1- Reviewing the results of the regulatory authorities' reports and verifying that the Company has taken the necessary measures regarding them.
2- Verifying the Company's compliance with the laws, regulations, policies and relevant instructions.
3- Reviewing contracts and transactions proposed to be conducted by the Company with related parties, and presenting its views regarding the same to the Board of Directors.
4- Raising any issues it deems necessary to take action on to the Board of Directors, and express its recommendations on the measures that must be taken.

5- Other Duties:

1- The Committee may meet with members of the Executive Management, the Chief Financial Officer, Internal Auditors, and external Auditors in independent sessions to discuss any matters worthy of discussion from the point of view of the Committee or the other parties.
2- Inviting the Company's competent employees to attend Committee meetings to discuss matters with them whenever necessary.

5.4.2 Nomination and Remuneration Committee

a- Formation of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three (3) members who were appointed pursuant to the Board of Directors' resolution dated 09/09/1445H (corresponding to 19/03/2024G). The Company also prepared the Nomination and Remuneration Committee Charter, which was approved by the Company pursuant to the General Assembly's resolution dated 15/05/1445H (corresponding to 29/11/2023G). The following table shows the names of the members of the Nomination and Remuneration Committee:

Table (5.4): Formation of the Nomination and Remuneration Committee

#	Name	Position	Designation
1.	Abdullah Bin Saud Bin Marshoud Al Romaih	Chairman of the Nomination and Remuneration Committee	Independent/Non-executive
2.	Musaed Bin Abdullah Bin Hamad Al Qasim	Member of the Nomination and Remuneration Committee	Member from Outside the Board
3.	Abdulmajed Bin Abdulmohsen Bin Ibrahim Al Shaikh	Member of the Nomination and Remuneration Committee	Member from Outside the Board

Source: The Company

b- Responsibilities of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is concerned with the following:

1- Preparing a clear policy for the remuneration of the Board Members and the Committees emanating from the Board of Directors and Executive Management, and submitting it to the Board of Directors for consideration in preparation for its approval by the General Assembly, provided that this policy takes into account following standards related to performance and disclosure, and verifying their implementation.
2- Clarifying the relationship between the remunerations granted and the applicable remuneration policy and indicating any material deviation from such policy.
3- Periodically reviewing the remuneration policy and evaluating its effectiveness in achieving the desired objectives.
4- Recommending to the Board of Directors the remuneration of Board Members, Board Committee members, and the Company's Senior Executives in accordance with the approved policy.
5- Proposing clear policies and standards for membership of the Board of Directors and Executive Management.
6- Recommending to the Board of Directors to nominate and re-nominate Board Members in accordance with the approved policies and standards, taking into account not to nominate anyone who has previously been convicted of a crime involving breach of trust.
7- Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and filling Executive Management positions.
8- Determining the time that a Board Member must devote to the work of the Board of Directors.
9- Annual review of the necessary skills or appropriate experience requirements for membership of the Board of Directors and Executive Management positions.
10- Reviewing the structure of the Board of Directors and Executive Management and making recommendations to the Board regarding possible changes.
11- Annually verifying the independence of independent Board Members, and the absence of any conflict of interests if a Board Member also serves on the board of directors of another company.
12- Developing job descriptions for executive, non-executive and independent Board Members and Senior Executives.
13- Establishing special procedures in the event that the position of a Board Member or a Senior Executive becomes vacant.
14- Identifying the weaknesses and strengths of the Board of Directors, and proposing solutions to address them in accordance with the Company's interest.

5.4.3 Investment Committee

a- Formation of the Investment Committee

The Investment Committee consists of three (3) members who were appointed pursuant to the Board of Directors' resolution dated 29/11/1445H (corresponding to 06/06/2024G). The Company also prepared the Investment Committee Charter, which was approved by the Company pursuant to the Board's resolution dated 01/09/1445H (corresponding to 11/03/2024G). The following table shows the names of the members of the Investment Committee:

Table (5.5): Formation of the Investment Committee

#	Name	Position	Designation
1.	HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	Chairman of the Investment Committee	Non-independent/Non-executive
2.	Abdulaziz Bin Abdulrahman Bin Mohammed AlOmran	Member of the Investment Committee	Non-independent/Non-executive
3.	Loulwa Bint Mohammed Bin Abdulkarim Bakr	Member of the Investment Committee	Independent/Non-executive

Source: The Company

b- Competencies of the Investment Committee

The Committee's competences and responsibilities include the following:

a- The Committee shall study the issues within its competencies or those referred thereto by the Board of Directors, and submit its recommendations to the Board for decision-making, or take decisions if the Board authorizes it to do so, provided that Paragraph (b) of Article 20 of the Corporate Governance Regulations is taken into account.

b- Working with the Executive Management to propose the Company's investment strategy and policy to the Board of Directors for approval, in a manner consistent with the nature of its business and activities.

c- Reviewing the investment strategy periodically to ensure its suitability to changes that may occur in the external environment in which the Company operates, or the legislation regulating its business, its strategic objectives or other factors, and making recommendations to the Board of Directors regarding the proposed changes to this policy.

d- General supervision of the Company's investment activities and establishing appropriate procedures for measuring and evaluating investment performance.

e- Studying and evaluating the investment opportunities proposed by the Company's management regarding the following transactions and recommending them:

  1- Mergers or acquisitions of companies, businesses or assets.

  2- Any expiration, sale, transfer of ownership, exit from or disposal of an existing investment.

  3- Joint projects under a partner or joint venture agreement.

  4- Investing in new or existing projects or in expansion projects and expansions of projects in which the Company has an interest.

  5- Any investment opportunity that the Company's management wishes to enter into.

f- Studying the financing possibilities for the above-mentioned transactions.

g- Ensuring that the proposed investment opportunities comply with the relevant laws, regulations and instructions.

h- Determining and prioritizing the proposed investment offers.

i- Studying periodic reports from Executive Management on the progress of approved investment opportunities.

j- The Committee may seek assistance from any experts and specialists it deems appropriate from within or outside the Company within the limits of its powers, provided that this is included in the minutes of the Committee meeting, mentioning the expert's name and his relationship with the Company or Executive Management.

k- Studying the investment opportunities proposed by the Company's management and submitting recommendations regarding them to the Board of Directors.

5.5 Executive Management

5.5.1 Members of the Executive Management

The following table shows details of the Company's Executive Management members:

Table (5.6): Members of Executive Management

#	Name	Position	Nationality	Age	Date of Joining the Company	Percentage of Shares Directly Owned in the Company(1)	Percentage of Shares Indirectly Owned in the Company(2)
1.	Ghassab Bin Salman Bin Ghassab Bin Mandeel	Chief Executive Officer	Saudi	54 years	01/01/1439H (corresponding to 21/09/2017G)	2.39%	5.34%
2.	Mishal Bin Ibrahim Bin Salem Al Mishari	Deputy Chief Executive Officer	Saudi	40 years	01/01/1439H (corresponding to 21/09/2017G)	N/A	N/A
3.	Heni Abdul Hakeem Mohamed Jallouli	Chief Financial Officer	Tunisian	44 years	29/03/1442H (corresponding to 15/11/2020G)	0.024%	N/A
4.	Hamad Bin Salem Bin Hamad Al Saghir	Chief Commercial Officer	Saudi	49 years	05/03/1445H (corresponding to 20/09/2023G)	N/A	N/A
5.	Hamad Bin Abdullah Bin Fahad Al Bakr	Chief Business Officer	Saudi	57 years	11/12/1441H (corresponding to 01/08/2020G)	2.44%	5.34%
6.	Abdulaziz Bin Mohammad Bin Saleh Al Faris	Chief Operations Officer	Saudi	44 years	04/11/1440H (corresponding to 07/07/2019G)	N/A	N/A
7.	Mohammad Bin Abdulaziz Bin Mohammad Al Barrak	Chief Technical Officer	Saudi	35 years	19/05/1442H (corresponding to 03/01/2021G)	N/A	N/A
8.	Saed Bin Bashir Bin Nouh Basseet	Chief Digital Commerce Officer	Saudi	43 years	19/06/1445H (corresponding to 01/01/2024G)	N/A	N/A
9.	Abdulaziz Bin Saud Bin Abdulaziz Al Houti	Chief Investment Officer	Saudi	34 years	20/12/1443H (corresponding to 19/07/2022G)	0.019%	N/A
10.	Hebah Bint Mohammad Bin Hassan Al Zeer	Internal Audit Director	Saudi	40 years	26/02/1443H (corresponding to 03/10/2021G)	N/A	N/A

(1) The provided figures are approximate figures.

(2) The indirect ownership of Ghassab Bin Salman Bin Ghassab Bin Mandeel is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares, while the indirect ownership of Hamad Bin Abdullah Bin Fahad Al Bakr is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares.

Source: The Company

5.5.2 Summary Biographies of Members of the Executive Management

Below is a summary of the biographies of members of the Executive Management:

Table (5.7): Summary Biography of Ghassab Bin Salman Bin Ghassab Bin Mandeel

Name	Ghassab Bin Salman Bin Ghassab Bin Mandeel
Age	54 years
Nationality	Saudi
Current Position	Chief Executive Officer and Board Member
Date of Appointment	01/01/1439H (corresponding to 21/09/2017G)
Educational Qualifications	• Bachelor's degree in Computer Science, King Saud University, Kingdom of Saudi Arabia, 1995G.
Current Positions	• Member of the Company's Board of Directors, from 2020G to date. • CEO of the Company, from 2017G to date. • General Manager, Jahez International Company for Wholesales and Retail Trading (State of Kuwait), a one-person Kuwaiti limited liability company operating in the field of order delivery, customer service and online sales services, from 2023G to date. • General Manager, Jahez for Information Technology (Arab Republic of Egypt), an Egyptian limited liability company operating in the field of order delivery, customer service and online sales services, from 2023G to date. • General Manager, Jahez International Company for Information Systems Technology (State of Qatar), a Qatari limited liability company operating in the field of order delivery, customer service and online sales services, from 2023G to date. • General Manager, Jahez International Company W.L.L. (Kingdom of Bahrain), a Bahraini limited liability company operating in the field of order delivery, customer service and online sales services, from 2022G to date. • Deputy Chairman of the Board of Directors, BluStore Company, a Saudi limited liability company operating in the field of displaying, marketing and selling various sports products, from 2022G to date. • Director, Supportive Solutions Company for Logistic Services (Logi), a one-person Saudi limited liability company operating in the field of logistics services, from 2021G to date. • Director, Red Color Company, a one-person Saudi limited liability company operating in the field of investment, from 2021G to date. • CEO, PIK Option Trading Company, a one-person Saudi limited liability company operating in the field of fast e-commerce, from 2020G to date. • Member of the Delivery Applications Companies Committee, a committee affiliated with the Chamber of Commerce and Industry in Riyadh operating in the field of supporting delivery applications, from 2020G to date. • Director and Partner, Alamat International Limited Company, a Saudi limited liability company operating in the field of information technology, from 2014G to date.
Key Previous Professional Experience	• CEO, Red Crescent Authority, a Saudi government entity operating in the field of emergency medical services, from 2012G to 2014G. • Director of Planning and Development, EMS, a Saudi limited liability company operating in the field of express transportation, from 2011G to 2012G. • Director of the Emergency Communications and Operations Center, Ministry of Interior, a Saudi government agency operating in the field of supervision of the security sector, from 2008G to 2011G. • Integration Project Manager, Saudi Telecom Company, a Saudi listed joint stock company operating in the field of communications and information technology, from 2004G to 2008G. • Principal Engineer of the Peace Shield Project, Command Operations Center, a Saudi government agency operating in the military field, from 2002G to 2004G.

Source: The Company

Table (5.8): Summary Biography of Mishal Bin Ibrahim Bin Salem Al Mishari

Name	Mishal Bin Ibrahim Bin Salem Al Mishari
Age	40 years
Nationality	Saudi
Position	Deputy Chief Executive Officer
Date of Appointment	01/01/1439H (corresponding to 21/09/2017G)
Educational Qualifications	• Graduate course in Innovation and Entrepreneurship, Stanford University, USA, 2021G. • Graduate course in Business Administration, Babson College, USA, 2018G. • Graduate course in International Business Management, University of California-Irvine, USA, 2010G. • Bachelor's degree in Business Administration, King Saud University, Kingdom of Saudi Arabia, 2007G.
Current Positions	• Deputy Chief Executive Officer of the Company, from 2017G to date. • Member of the Board of Directors, BluStore Company, a limited liability company operating in the field of displaying, marketing and selling various sports products, from 2022G to date. • Member of the Board of Directors, Leejam Sports Company, a Saudi public joint stock company operating in the field of establishing, managing and operating sports centers, from 2021G to date. • Member of the Board of Directors, Supportive Solutions Company for Logistic Services (Logi), a one-person limited liability company operating in the field of logistics services, from 2021G to date. • Committee Member, Riyadh Chamber of Commerce, a Saudi government agency operating in the field of commercial and industrial services, from 2020G to date.
Key Previous Professional Experience	• Business Development Manager, Alamat International Limited Company, a Saudi limited liability company operating in the field of information technology, from 2014G to 2016G. • Project Manager, FedEx Company, a limited liability company operating in the field of express transportation, from 2010G to 2012G.

Source: The Company

Table (5.9): Summary Biography of Heni Abdul Hakeem Mohamed Jallouli

Name	Heni Abdul Hakeem Mohamed Jallouli
Age	44 years
Nationality	Tunisian
Current Position	Chief Financial Officer
Date of Appointment	29/03/1442H (corresponding to 15/11/2020G)
Educational Qualifications	• Fellowship Certificate, Certified Public Accountant specializing in Accounting, Higher Institute of Accounting and Business Administration, Manouba University, Tunisia, 2012G. • Master's degree in Auditing and Accounting, Higher Institute of Accounting and Business Administration, Manouba University, Tunisia, 2003G. • Bachelor's degree in Accounting, University of Tunis, Republic of Tunisia, 2002G.
Current Positions	• Chief Financial Officer of the Company, from 2020G to date. • Member of the Board of Directors, Sol Company for Trading, a Saudi limited liability company operating in the field of wholesale trade, from 2023G to date. • Member of the Board of Directors, Supportive Solutions Company for Logistic Services (Logi), a one-person limited liability company operating in the field of logistics services, from 2021G to date.

Key Previous Professional Experience	• Director of Financial Control and Reporting, Theeb Car Rental Company, a Saudi listed joint stock company operating in the field of car rental, from 2019G to 2020G. • Director of Accounts and Reporting, Theeb Car Rental Company, a Saudi listed joint stock company operating in the field of car rental, from 2016G to 2018G. • Executive Director, Optimal Decision, a limited liability company operating in the field of consulting, from 2012G to 2015G. • Financial Controller, Aviation Information Technology Services Company - Africa, a Tunisian joint stock company operating in the field of information technology, from 2009G to 2012G. • Audit Manager, CSB Expert Accountants, a Tunisian limited liability company operating in the field of consulting and auditing, from 2003G to 2009G.

Source: The Company

Table (5.10): Summary Biography of Hamad Bin Salem Bin Hamad Al Saghir

Name	Hamad Bin Salem Bin Hamad Al Saghir
Age	49 years
Nationality	Saudi
Current Position	Chief Commercial Officer
Date of Appointment	05/03/1445H (corresponding to 20/09/2023G)
Educational Qualifications	• Sales Management Program Certificate, University of Toledo, USA, 2001G. • Bachelor of Science in Marketing, King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1999G.
Current Positions	• Chief Commercial Officer of the Company, from 2023G to date.
Key Previous Professional Experience	• Chief Marketing and Customer Experience Officer, Global Digital Financial Solutions Company (New Leap), a Saudi closed joint stock company operating in the field of financial technology solutions, from 2021G to 2023G. • General Manager of the Business Unit, Saudi Mobile Telecommunications Company (Zain Saudi Arabia), a Saudi listed joint stock company operating in the field of communications and digital services, from 2018G to 2020G. • General Manager, International Data Corporation (IDC), a global limited liability company operating in the field of information and communication technology consulting, from 2017G to 2018G. • Senior Director of Sales, Cisco Saudi Arabia, a multinational joint stock company operating in the field of technology solutions, from 2006G to 2016G. • Director of Sales and Business Alliance, Saudi Telecom Company (STC), a Saudi listed joint stock company operating in the field of communications and digital services, from 2004G to 2005G. • Director of National Marketing and Sales, Al Faisaliah Group, a Saudi closed joint stock company operating in the field of technology solutions, from 1999G to 2004G.

Source: The Company

Table (5.11): Summary Biography of Hamad Bin Abdullah Bin Fahad Al Bakr

Name	Hamad Bin Abdullah Bin Fahad Al Bakr
Age	57 years
Nationality	Saudi
Current Position	Chief Business Officer and Member of the Board of Directors
Date of Appointment	05/03/1445H (corresponding to 20/09/2023G)
Educational Qualifications	• Course in Advanced Management and Leadership, University of Oxford, United Kingdom, 2010G. • Course in Entrepreneurship and New Management, Massachusetts Institute of Technology, USA, 2008G. • Bachelor's degree in Industrial Engineering, King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1991G.

Current Positions	• Chief Business Officer at the Company, from 2023 to date. • Member of the Company's Board of Directors, from 2020G to date. • Member of the Board of Directors, BluStore Company, a Saudi limited liability company operating in the field of displaying, marketing and selling various sports products, from 2022G to date. • Member of the Board of Directors, Supportive Solutions Company for Logistic Services (Logi), a one-person limited liability company operating in the field of logistics services, from 2021G to date. • Partner and Member of the Board of Directors, Al Jazeera Payments Company, a limited liability company operating in the field of wholesale sales via the internet, from 2020G to date. • Partner, Alamat International Limited Company, a Saudi limited liability company operating in the field of information technology, from 2014G to date. • President, Sol Company for Trading, a limited liability company operating in the field of wholesale trade, from 2023G to date.
Key Previous Professional Experience	• Chief Commercial Officer at the Company, from 2020G to 2023G. • Advisor to His Excellency the Minister of Communications, Ministry of Communications, a Saudi government agency operating in the field of supervision of the communications sector, from 2018G to 2020G. • Member of the Board of Directors, Saudi Post, a Saudi institution operating in the field of postal services, from 2018 to 2020G • Chairman of the Executive Committee, Saudi Post, a Saudi institution operating in the field of postal services, from 2018G to 2020G. • CEO, National Distribution Company, a Saudi limited liability company operating in the field of distribution, from 2014G to 2018G. • Director General of the Express Mail Service, Saudi Post, a unit affiliated with the Saudi Post Corporation operating in the field of postal services, from 2006G to 2014G. • Member, International General Postal Services Association, an international association operating in the field of postal services, from 2012G to 2014G • Director of the Committees Department, Hail Chamber of Commerce and Industry, a Saudi government agency operating in the field of commercial and industrial services, from 2004G to 2006G. • General Manager of Paid Communications, Zajoul Communications Company, a Saudi limited liability company operating in the field of communications, from 2000G to 2004G. • Regional Director, Al Jabr Company, a Saudi limited liability company operating in several fields including contracting and trade, from 1997G to 2000G. • Assistant Manager, Al-Firq Company, a Saudi sole proprietorship operating in the field of real estate marketing, from 1995G to 1997G. • Marketing Manager, Sismo Company, a Saudi limited liability company operating in the field of contracting, from 1993G to 1995G.

Source: The Company

Table (5.12): Summary Biography of Abdulaziz Bin Mohammad Bin Saleh Al Faris

Name	Abdulaziz Bin Mohammad Bin Saleh Al Faris
Age	44 years
Nationality	Saudi
Current Position	Chief Operations Officer
Date of Appointment	04/11/1440H (corresponding to 07/07/2019G)
Educational Qualifications	• Bachelor's degree in Supply Chain Management, Boise State University, USA, 2016G. • Bachelor's degree in Accounting, Boise State University, USA, 2016G.
Current Positions	• Chief Operations Officer of the Company, from 2019G to date.
Key Previous Professional Experience	• Assistant General Manager of Operations, National Distribution Company, a Saudi limited liability company operating in the field of distribution, from 2016G to 2019G.

Source: The Company

Table (5.13): Summary Biography of Mohammad Bin Abdulaziz Bin Mohammad Al Barrak

Name	Mohammad Bin Abdulaziz Bin Mohammad Al Barrak
Age	35 years
Nationality	Saudi
Position	Chief Technical Officer
Date of Appointment	19/05/1442H (corresponding to 03/01/2021G)
Educational Qualifications	• Bachelor's degree in Computer Software Engineering, King Fahd University of Petroleum and Minerals, Kingdom of Saudi Arabia, 2013G.
Current Positions	• Chief Technical Officer of the Company, from 2021G to date.
Key Previous Professional Experience	• Development Manager, Leen Business Services Company, a Saudi limited liability company operating in the field of information systems technology, from 2018G to 2021G. • Development Manager, ZeeSofts Information Technology, a sole proprietorship operating in the field of developing systems and applications, from 2016G to 2018G. • Senior Software Engineer, Recycalize, an American company operating in the field of advertising networks in Silicon Valley, from 2015G to 2016G. • Software Engineer, Elm Information Technology Company, a Saudi public joint stock company operating in the field of information systems technology, from 2013G to 2015G. • Independently managed and developed applications in several fields, including food delivery and shopping platforms, from 2012G to 2017G.

Source: The Company

Table (5.14): Summary Biography of Saed Bin Bashir Bin Nouh Basseet

Name	Saed Bin Bashir Bin Nouh Basseet
Age	43 years
Nationality	Saudi
Position	Chief Digital Commerce Officer of the Company, from 2024G to date.
Date of Appointment	19/06/1445H (corresponding to 01/01/2024G)
Educational Qualifications	• Master's degree in Knowledge and Information Systems Management, University of Southampton, United Kingdom, 2010G. • Bachelor's degree in Computer Information Systems, Applied Science Private University, Hashemite Kingdom of Jordan, 2006G.
Current Positions	• Chief Digital Commerce Officer at the Company, from 2024G to date.

Key Previous Professional Experience	• Executive General Manager of Marketing and Digital Experience, Leen Business Services Company, a Saudi limited liability company operating in the field of information systems technology, from 2023G to 2024G. • Senior Manager in the Marketing Department, Al Rajhi Bank, a Saudi listed joint stock company operating in the field of banking and investment business, from 2019G to 2023G. • Director of the Commercial Planning Department, Channels by STC, a Saudi limited liability company operating in the field of recharge card services, telecommunications devices and equipment, computer services, the sale of fixed and mobile telecommunications services, and the maintenance and operation of commercial centers affiliated with the Saudi Telecom Group, from 2018G to 2019G. • Director of Digital Innovation, Arabian Centers Company (currently known as Cenomi Centers), a Saudi listed joint stock company operating in the field of purchasing land for the construction and commercial use of buildings through selling or leasing, as well as maintaining, operating and managing malls, commercial and residential complexes, managing, operating and developing land, residential complexes and neighborhoods and constructing residential buildings, in addition to maintenance and operation thereof, and digital advertising, from 2017G to 2018G. • Senior Digital Communication Specialist, Capital Market Authority, a Saudi government agency operating in the field of supervising the organization and development of the capital market and governing the issuance of the necessary regulations, rules and instructions to implement the provisions of the Capital Market Law, from 2016G to 2017G. • Director of Electronic Projects, Matrix Company, a Saudi closed joint stock company operating in the field of marketing and advertising, from 2015G to 2016G. • Director of the Digital Marketing Unit, Bank Albilad, a Saudi public joint stock company operating in the field of banking and investment business, from 2012G to 2015G. • Website Administrator, Security Forces Hospital Program, a Saudi national company operating under the supervision and monitoring of representatives of the Ministry of Interior operating in the field of medical care services for employees of the Ministry of Interior, from 2007G to 2012G.

Source: The Company

Table (5.15): Summary Biography of Abdulaziz Bin Saud Bin Abdulaziz Al Houti

Name	Abdulaziz Bin Saud Bin Abdulaziz Al Houti
Age	34 years
Nationality	Saudi
Current Position	Chief Investment Officer
Date of Appointment	20/12/1443H (corresponding to 19/07/2022G)
Educational Qualifications	• Master's degree of Science in Financial Management, George Washington University, USA, 2014G. • Bachelor's degree in Business Administration, Embry-Riddle Aeronautical University, USA, 2012G.
Current Positions	• Chief Investment Officer of the Company, from 2022G to date. • President, Sol Company for Trading, a limited liability company operating in the field of wholesale trade, from 2023G to date.
Key Previous Professional Experience	• Associate Director, HSBC Saudi Arabia, a Saudi closed joint stock company operating in the field of financial product arrangements, investment fund management, brokerage, custody, and dealing in securities, from 2017G to 2022G. • Analyst, BSF Capital, a closed joint stock company licensed by the Capital Market Authority operating in the field of financial product arrangements, investment fund management, brokerage, custody, and dealing in securities, from 2015G to 2017G. • Economic Researcher and Advisor, Supreme Economic Council (defunct), a government agency affiliated with the Royal Court operating in studying, analyzing, reviewing and developing the economic policies of the Kingdom of Saudi Arabia, from 2014G to 2015G.

Source: The Company

Table (5.16): Summary Biography of Hebah Bint Mohammad Bin Hassan Al Zeer

Name	Hebah Bint Mohammad Bin Hassan Al Zeer
Age	40 years
Nationality	Saudi
Position	Internal Audit Director
Date of Appointment	26/02/1443H (corresponding to 03/10/2021G)
Educational Qualifications	• Master's degree in Business Administration, Arab East Colleges, Kingdom of Saudi Arabia, 2014G. • Bachelor's degree in Public Administration, King Saud University, Kingdom of Saudi Arabia, 2008G.
Current Position	• President of the Internal Audit Department at the Company, from 2021G to date. • Secretary of the Audit Committee at the Company, from 2021G to date.
Key Previous Professional Experience	• Senior Internal Audit Specialist, Leejam Sports Company, a Saudi public joint stock company operating in the field of establishing, managing and operating sports centers, from 2018G to 2021G. • Internal Audit Lead, Dur Hospitality Company, a Saudi public joint stock company operating in the field of establishing, managing and operating hotel, real estate and tourism facilities, in 2018G. • Principal Consultant in Risk Consulting and Internal Audit, KPMG Al-Fozan & Partners, a Saudi closed joint stock company operating in the field of audit, tax and consulting, from 2015G to 2018G.

Source: The Company

5.6 Corporate Governance

The Company approved its Internal Governance Manual pursuant to the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G) as per Article 91 of the Corporate Governance Regulations. The Company also approved the Audit Committee Charter pursuant to the resolution of the Ordinary General Assembly dated 15/05/1445H (corresponding to 29/11/2023G) as per Article 51 of the Corporate Governance Regulations, and the Nomination and Remuneration Committee Charter pursuant to the resolution of the Ordinary General Assembly dated 15/05/1445H (corresponding to 29/11/2023G) as per Articles 57 and 61 of the Corporate Governance Regulations, in addition to the Investment Committee Charter pursuant to the Board of Directors' resolution dated 01/09/1445H (corresponding to 11/03/2024G). The following is a summary of all of the internal governance regulations approved by the Company as of the date of this Prospectus:

- The Internal Governance Manual approved by the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).
- The Audit Committee Charter approved by the Ordinary General Assembly resolution dated 15/05/1445H (corresponding to 29/11/2023G).
- The Nomination and Remuneration Committee Charter approved by the resolution of the Ordinary General Assembly dated 15/05/1445H (corresponding to 29/11/2023G).
- The Investment Committee Charter approved by the Board of Directors' resolution dated 01/09/1445H (corresponding to 11/03/2024G).
- The Executive Committee Charter approved by the Board of Directors' resolution dated 01/09/1445H (corresponding to 11/03/2024G).
- The Whistleblowing Policy approved by the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).
- The Risk Management Policy approved by the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).
- The Disclosure Policy approved pursuant to the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).
- The Compliance Policy approved by the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).

- The Insider Trading Policy approved by the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).
- The Social Responsibility Policy approved by the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).
- The Criteria and Procedures Policy for Membership of the Board of Directors approved by the Ordinary General Assembly resolution dated 15/05/1445H (corresponding to 29/11/2023G).
- The Remuneration Policy approved by the Ordinary General Assembly resolution dated 15/05/1445H (corresponding to 29/11/2023G).
- The Conflicts of Interest and Business Ethics Policy approved by the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).
- The Dividend Distribution Policy approved by the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).
- The Stakeholder Protection Policy approved by the Board of Directors' resolution dated 09/09/1442H (corresponding to 21/04/2021G).
- The Work Policy of the Board of Directors approved by the Board of Directors' resolution dated 01/09/1445H (corresponding to 11/03/2024G).
- The Internal Control Policy approved by the Board of Directors' resolution dated 01/09/1445H (corresponding to 11/03/2024G).

The Company's Internal Governance Manual includes provisions related to the following:

- Shareholders' rights as per Chapter 2 of the Corporate Governance Regulations.
- Rights related to General Assemblies as per Chapter 2 of Part 2 of the Corporate Governance Regulations.
- The Board of Directors, its composition, competencies, and procedures as per Chapter 3 of the Corporate Governance Regulations.
- Executive Management, its competencies and responsibilities as per Article 25 of the Corporate Governance Regulations.
- The Company's Committees, membership and meetings as per Chapter 4 of the Corporate Governance Regulations.

5.7 Employees Stock Program (the "ESOP").

We understand that the Company has set up an ESOP 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. The ESOP includes employees who are identified by the Board based on performance evaluations, where the Company's extraordinary general assembly resolved on 28/10/1442H (corresponding to 09/06/2021G) to set up the ESOP and authorize the Board to put in place the relevant terms and conditions, including the allocation price for each share offered to the employee. After completing the initial public offering of the Company, the selling shareholders sold 192,000 shares of the Company with a nominal value of SAR 10 to be used for the Company's ESOP, in accordance with the relevant Board resolution.


Logi

6. Legal information and Directors' declarations

6.1 Legal Declarations

The Directors of the Company acknowledges the following:

1- The Transfer does not constitute a breach of any contract/agreement entered into by the Issuer.

2- All material legal issues concerning the Issuer have been disclosed in the Transfer Document.

3- The Issuer complies with the Corporate Governance Regulations and the disclosure requirements set out in the Corporate Governance Regulations, the Companies Law and the regulatory rules and procedures issued pursuant to the Companies Law relating to Listed Joint Stock Companies.

4- Other than what has been mentioned in Section 6.11 "**Litigation and Claims**" of this Document, the Issuer and its Subsidiaries are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively, have a material effect on the business of the Issuer or its Subsidiaries or their financial position.

5- Other than what has been mentioned in Section 6.11 "**Litigation and Claims**" of this Document, the Directors are not subject to any claims, litigious cases or any other type of legal proceedings that could individually or collectively, have a material effect on the business of the Issuer or its Subsidiaries or their financial position.

6- Other than what has been mentioned in Section 2.1 "**Risks Related to the Issuer**" of this Document, there has not been any interruption in the business of the Issuer or any of the Issuer's Subsidiaries (if applicable) which may have or has had a significant effect on the financial position in the last (12) months.

7- Other than what is mentioned in Section 6.6.3 "**Material Agreements with Related Parties**" and Section 5 "**Organizational Structure and Corporate Governance**" of this Document, the board of Directors do not have any shareholding or interest of any kind in the Issuer or any of the Issuer's Subsidiaries (if applicable), and nor does any relative of theirs.

6.2 Corporate History and Evolution of Share Capital

The Company was established on 01/01/1439H (corresponding to 21/09/2017G) as a limited liability company with a fully paid share capital of one million Saudi Riyals (SAR 1,000,000), divided into one hundred (100) ordinary cash shares with a fully paid nominal value of ten thousand Saudi Riyals (SAR 10,000) per share, and registered under Commercial Registration No. 1010895874, dated 01/01/1439H (corresponding to 21/09/2017G). On 10/03/1442H (corresponding to 27/10/2020G), the Company increased its share capital from one million Saudi Riyals (SAR 1,000,000) to five million Saudi Riyals (SAR 5,000,000). The increase of four million Saudi Riyals (SAR 4,000,000) was met by capitalizing a portion of the Shareholders' current accounts. On 05/05/1442H (corresponding to 20/12/2020G), the Company was converted from a limited liability company into a closed joint-stock company with a fully paid share capital of five million Saudi Riyals (SAR 5,000,000), divided into five hundred thousand (500,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. On 15/10/1442H (corresponding to 27/05/2021G), the Extraordinary General Assembly of the Company approved an increase in the Company's share capital from five million Saudi Riyals (SAR 5,000,000) to ninety-six million Saudi Riyals (SAR 96,000,000), divided into nine million, six hundred thousand (9,600,000) ordinary shares with a fully paid nominal value of ten Saudi Riyals (SAR 10) per share. The capital increase of ninety-one million Saudi Riyals (SAR 91,000,000) was met by capitalizing one million, five hundred thousand Saudi Riyals (SAR 1,500,000) from the Company's statutory reserve, capitalizing an amount of sixty-three million, five hundred thousand Saudi Riyals (SAR 63,500,000) from the retained earnings balance and capitalizing an amount of twenty-six million Saudi Riyals (SAR 26,000,000) from the Shareholders' credit balances. On 28/10/1442H (corresponding to 09/06/2021G), the Extraordinary General Assembly of the Company approved an increase in the Company's share capital from ninety-six million Saudi Riyals (SAR 96,000,000) to one hundred and four million, nine hundred and eighteen thousand and thirty Saudi Riyals (SAR 104,918,030), divided into ten million, four hundred and ninety-one thousand, eight hundred and three (10,491,803) ordinary shares with a nominal value of ten Saudi Riyals (SAR 10) per share, and the offering of eight hundred and ninety-one thousand, eight hundred and three (891,803) new shares for subscription through offering them to qualified investors in the Parallel Market "Nomu" at an offer price of eight hundred and fifty Saudi Riyals (SAR 850) per share. On 02/06/1443H (corresponding to 05/01/2022G), the Company was listed on the Parallel Market. On 15/05/1445H (corresponding to 29/11/2023G), the Extraordinary General Assembly of the Company approved a split in the nominal value of each share from ten Saudi Riyals (SAR 10) per share to fifty Saudi halalas (SAR 0.50), along with an adjustment in the number of shares from ten million, four hundred and ninety one thousand, eight hundred and three (10,491,803) ordinary shares to two hundred and nine million, eight hundred and thirty-six thousand and sixty (209,836,060) ordinary shares, without any change in the Company's share capital. On 09/09/1445H (corresponding to 19/03/2024G), the Board of Directors approved the Company's transfer to the Main Market.

Table (6.1): The Company's Ownership Structure as of 26/03/1445H (corresponding to 29/09/2024G)

#	Shareholder	Number of Shares Owned	Total Nominal Value of Shares Owned (SAR)	Direct Ownership Percentage[(1)]	Indirect Ownership Percentage[(1)]
1.	Alamat International Limited Company	56,022,312	28,011,156	26.698%	N/A
2.	Tharwa Holding Company	15,022,560	7,511,280	7.159%	16.02%[(2)]
3.	Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran	11,796,698	5,898,349	5.622%	N/A
4.	Treasury Shares	7,098,017	3,549,009	3.38%	N/A
5.	Senior Management[(3)]	10,220,755	5,110,378	4.87%	10.68%
6.	The Public	109,675,718	54,837,859	52.27%	N/A
Total		**209,836,060**	**104,918,030**	**100%**	**26.7%**

(1) The provided figures are approximate figures.

(2) The indirect ownership of Tharwa Holding Company results from its ownership of 60% of Alamat International Limited Company, which in turn owns 26.298% of the Company's shares as of the date of the Transfer Document.

(3) The indirect ownership of Ghassab Bin Salman Bin Ghassab Bin Mandeel is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares, while the indirect ownership of Hamad Bin Abdullah Bin Fahad Al Bakr is the result of his ownership of 20% of the shares of Alamat International Limited Company, which directly owns 26.698% of the Company's shares.

Source: The Company and Saudi Exchange Company

Objects of the Company

The Company's activities, in accordance with its Bylaws, are as follows:

1- Wholesale and retail trade, as well as repair of motor vehicles and motorcycles.
2- Transportation and storage.
3- Accommodation and food services activities.
4- Information and communication.
5- Administrative and support services.

The Company shall practice its activities in accordance with applicable laws and after obtaining the necessary licenses from the competent authorities, if any.

6.3 Company Branches

The Company has twenty-two (22) branches in the Kingdom, which serve as the Company's sales and logistics offices. The following table sets out the details of the Company's registered branches as of the date of this Document:

Table (6.2): Company Branches

#	Location	Commercial Registration No.	Commercial Register Date	Commercial Register Expiration Date	Description
1.	Al Hofuf	2251497695	10/03/1442H (corresponding to 27/10/2020G)	10/03/1449H (corresponding to 12/08/2027G)	Sales and logistics offices
2.	Buraidah	1131297057	19/06/1440H (corresponding to 24/02/2019G)	19/06/1449H (corresponding to 18/11/2027G)	Sales and logistics offices
3.	Al Bahah	5800106200	09/05/1442H (corresponding to 24/12/2020G)	09/05/1449H (corresponding to 09/10/2027G)	Sales and logistics offices
4.	Tabuk	3550135159	29/03/1442H (corresponding to 15/11/2020G)	29/03/1449H (corresponding to 31/08/2027G)	Sales and logistics offices

#	Location	Commercial Registration No.	Commercial Register Date	Commercial Register Expiration Date	Description
5.	Yanbu	4700112396	11/03/1442H (corresponding to 28/10/2020G)	11/03/1449H (corresponding to 13/08/2027G)	Sales and logistics offices
6.	Sakaka	3400120435	09/04/1442H (corresponding to 24/11/2020G)	09/04/1449H (corresponding to 10/09/2027G)	Sales and logistics offices
7.	Al Majma'ah	1122103468	21/09/1442H (corresponding to 03/05/2021G)	21/09/1446H (corresponding to 21/03/2025G)	Sales and logistics offices
8.	Al Kharj	1011146000	21/09/1442H (corresponding to 03/05/2021G)	21/09/1446H (corresponding to 21/03/2025G)	Sales and logistics offices
9.	Dawadmi	1116625257	21/09/1442H (corresponding to 03/05/2021G)	21/09/1446H (corresponding to 21/03/2025G)	Sales and logistics offices
10.	Bisha	5851876969	30/08/1442H (corresponding to 12/04/2021G)	29/08/1446H (corresponding to 28/02/2025G)	Sales and logistics offices
11.	Jizan	5900127812	30/08/1442H (corresponding to 12/04/2021G)	29/08/1446H (corresponding to 28/02/2025G)	Sales and logistics offices
12.	Hafr Al-Batin	2511120829	30/08/1442H (corresponding to 12/04/2021G)	29/08/1446H (corresponding to 28/02/2025G)	Sales and logistics offices
13.	Mecca	4031249230	30/08/1442H (corresponding to 12/04/2021G)	29/08/1446H (corresponding to 28/02/2025G)	Sales and logistics offices
14.	Najran	5950123043	21/09/1442H (corresponding to 03/05/2021G)	21/09/1446H (corresponding to 21/03/2025G)	Sales and logistics offices
15.	Wadi ad-Dawasir	1185103225	21/09/1442H (corresponding to 03/05/2021G)	21/09/1446H (corresponding to 21/03/2025G)	Sales and logistics offices
16.	Taif	4032245135	10/03/1442H (corresponding to 27/10/2020G)	10/03/1449H (corresponding to 12/08/2027G)	Sales and logistics offices
17.	Al Qunfudhah	4603157286	22/02/1444H (corresponding to 18/09/2022G)	17/04/1450H (corresponding to 07/09/2028G)	Sales and logistics offices
18.	Jeddah	4030323208	06/06/1440H (corresponding to 11/02/2019G)	06/06/1449H (corresponding to 05/11/2027G)	Sales and logistics offices
19.	Abha	5850122780	13/06/1440H (corresponding to 18/02/2019G)	17/07/1448H (corresponding to 26/12/2026G)	Sales and logistics offices
20.	Dammam	2050122490	14/06/1440H (corresponding to 19/02/2019G)	18/07/1448H (corresponding to 27/12/2026G)	Sales and logistics offices
21.	Medina	4650207633	19/06/1440H (corresponding to 24/02/2019G)	23/07/1448H (corresponding to 01/01/2027G)	Sales and logistics offices
22.	Hail	3350142538	06/06/1440H (corresponding to 11/02/2019G)	10/07/1448H (corresponding to 19/12/2026G)	Sales and logistics offices

Source: The Company

6.4 Company Licenses

a- The Company

Except as disclosed in Section 2.2.2 "**Risks Related to Licenses, Certificates, Permits and Approvals**" of this Document, the Company has obtained all the necessary material licenses from the competent authorities that enable it to undertake its business. The following is a summary of the material licenses obtained by the Company in the Kingdom:

Table (6.3): Licenses Issued as of the Date of this Document

#	License Type	Issuing Authority	Purpose	License No.	Date of Issue	Expiration Date
1.	License to route freight transport vehicles	Transport General Authority	Routing freight transport vehicles	00000379/29	29/03/1444H (corresponding to 25/10/2022G)	29/03/1447H (corresponding to 21/09/2025G)
2.	Commercial activity license for Abha branch	Ministry of Municipalities and Housing - Assir Municipality	Operating systems	43026188060	N/A	04/08/1446H (corresponding to 03/02/2025G)
3.	Commercial activity license for Bisha branch	Ministry of Municipalities and Housing - Assir Municipality	Provision of delivery services via electronic platforms	43026179248	N/A	10/08/1446H (corresponding to 09/02/2025G)
4.	Commercial activity license for Hafr Al-Batin branch	Ministry of Municipalities and Housing - Hafr Al-Batin Municipality	Provision of delivery services via electronic platforms	43079326808	N/A	21/08/1446H (corresponding to 20/02/2025G)
5.	Commercial Activity License	Ministry of Municipalities and Housing - Tabuk Municipality	Designing and Programming of Special Software	43016107594	N/A	29/01/1448H (corresponding to 15/07/2026G)
6.	Commercial Activity License	Ministry of Municipalities and Housing - Qassim Municipality	Designing and Programming of Special Software	43026192653	N/A	09/02/1447H (corresponding to 04/08/2025G)
7.	Commercial Activity License	Ministry of Municipalities and Housing - Taif Municipality	Designing and Programming of Special Software	43016104293	N/A	29/01/1447H (corresponding to 25/07/2025G)
8.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Providing Delivery Services via e-platforms	43016039745	N/A	25/01/1447 (corresponding to 21/07/2025G)*

* This license has expired in the ordinary course of the Company's business and it is being renewed as of the date of this Document.
Source: The Company

b- Subsidiaries

Except as stated in Section 2.2.2 "**Risks Related to Licenses, Certificates, Permits and Approvals**" of this Document, the Subsidiaries have obtained all the necessary material licenses from the competent authorities that enable them to undertake their businesses. The following is a summary of the material licenses obtained by the Subsidiaries in the Kingdom:

Table (6.4): Licenses Issued as of the Date of this Document

#	License Type	Issuing Authority	Purpose	License No.	Date of Issue	Expiration Date
Logi						
1.	License for light road freight transportation	Transport General Authority	Light road freight transportation	00001242/38	06/09/1444H (corresponding to 28/03/2023G)	06/09/1446H (corresponding to 06/03/2025G)
2.	Housing permit	Ministry of Municipalities and Housing - Jeddah Municipality	N/A	440711641025	08/08/1444H (corresponding to 28/02/2023G)	10/08/1446H (corresponding to 09/02/2025G)

#	License Type	Issuing Authority	Purpose	License No.	Date of Issue	Expiration Date
3.	Housing permit	Ministry of Municipalities and Housing - Riyadh Municipality	N/A	440310719402	26/03/1444H (corresponding to 22/10/2022G)	11/08/1446H (corresponding to 10/02/2025G)
4.	Housing permit	Makkah Municipality	N/A	440611226658	05/06/1444H (corresponding to 29/12/2022G)	05/06/1445H (corresponding to 18/12/2023G)*
5.	Housing permit	Riyadh Municipality	N/A	460116341208	23/03/1446H (corresponding to 27/09/2024G)	23/03/1447H (corresponding to 16/09/2025G)
Marn						
1.	Media license	General Authority of Media Regulation (Gmedia)	Design and programming of custom software	153621	15/10/1445H (corresponding to 24/04/2024G)	15/10/1448H (corresponding to 23/03/2027G)
Co						
1.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Provision of marketing services on behalf of third parties	440911890228	N/A	06/09/1449H (corresponding to 02/02/2028G)
2.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Management of closed stores	441112493579	N/A	15/01/1450H (corresponding to 08/06/2028G)
3.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Cloud kitchens for takeout only	43079371677	N/A	19/07/1448H (corresponding to 29/12/2026G)
4.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Cloud kitchens for takeout only	431210163661	N/A	29/03/1446H (corresponding to 01/09/2027G)
5.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Provision of marketing services on behalf of third parties	43079368597	N/A	20/07/1446H (corresponding to 20/01/2025G)
6.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Provision of marketing services on behalf of third parties	450814841317	N/A	11/08/1450H (corresponding to 28/12/2028G)
7.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Cloud kitchens (takeout)	42034116499	N/A	14/03/1450H (corresponding to 05/08/2028G)
8.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	General storage space for various merchandise	451015338747	N/A	11/11/1448H (corresponding to 18/04/2027G)
9.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Packaging of gifts and goods	43079377475	N/A	20/07/1446H (corresponding to 20/01/2025G)
10.	Commercial activity license	Ministry of Municipalities and Housing - Riyadh Municipality	Provision of marketing services on behalf of third parties	4307936597	N/A	20/07/1446H (corresponding to 20/01/2025G)
11.	Commercial activity license	Ministry of Municipalities and Housing - Jeddah Municipality	Provision of marketing services on behalf of third parties	450112843263	N/A	19/01/1447H (corresponding to 15/07/2025G)
12.	Commercial activity license	Ministry of Municipalities and Housing - Hail Municipality	Cloud kitchens (takeout)	441212604294	N/A	09/02/1450H (corresponding to 02/07/2028G)
13.	Commercial activity license	Ministry of Municipalities and Housing - Eastern Province Municipality	Cloud kitchens (takeout)	44041836360	N/A	19/10/1449H (corresponding to 16/03/2028G)

#	License Type	Issuing Authority	Purpose	License No.	Date of Issue	Expiration Date
14.	Commercial activity license	Ministry of Municipalities and Housing - Jeddah Municipality	Cloud kitchens (takeout)	440210575370	N/A	17/06/1449H (corresponding to 17/11/2027G)
15.	Commercial activity license	Ministry of Municipalities and Housing - Eastern Province Municipality	Cloud kitchens (takeout)	440210575137	N/A	11/05/1449H (corresponding to 12/10/2027G)
16.	Commercial activity license	Ministry of Municipalities and Housing - Qassim Municipality	Cloud kitchens (takeout)	43109822682	N/A	02/01/1450H (corresponding to 26/05/2027G)
SOL						
1.	Food establishment license	Saudi Food and Drug Authority (SFDA)	Food and beverage activities license	WL-2024-FO-0583	13/11/1445H (corresponding to 21/05/2024G)	13/12/1448H (corresponding to 07/08/2026G)
Jahez Kuwait						
1.	Commercial license	Ministry of Commerce and Industry in Kuwait	Wholesale and retail trade	12301/2022	10/01/1444H (corresponding to 08/08/2022G)	24/02/1448H (corresponding to 07/08/2026G)
2.	Registration certificate	Kuwait Chamber of Commerce and Industry	Registration with the Kuwait Chamber of Commerce and Industry	238151	24/03/1444H (corresponding to 20/10/2022G)	24/02/1448H (corresponding to 07/08/2026G)

* This license has expired in the ordinary course of the Company's business and it is being renewed as of the date of this Document.

Source: The Company

6.5 Subsidiaries

The Company has eleven (11) Subsidiaries in the Kingdom, Kuwait, Bahrain, Qatar and Egypt. The following table sets out the details of the Subsidiaries and the Company's ownership therein as of the date of this Document.

Table (6.5): Subsidiaries as of the Date of this Document

#	Subsidiary	Country of Incorporation	Commercial Registration No.	Commercial Registration Date	Commercial Registration Expiration Date	Company Ownership (%)	Other Partners (if any)
1.	Co	Kingdom of Saudi Arabia	1010617274	18/04/1441H (corresponding to 15/12/2019G)	11/05/1450H (corresponding to 30/09/2028G)	100%	N/A
2.	Logi	Kingdom of Saudi Arabia	1010686125	26/06/1442H (corresponding to 08/02/2021G)	26/06/1448H (corresponding to 06/12/2026G)	100%	N/A
3.	PIK	Kingdom of Saudi Arabia	1010666280	19/03/1442H (corresponding to 05/11/2020G)	19/03/1447H (corresponding to 11/09/2025G)	100%	N/A
4.	Red Color	Kingdom of Saudi Arabia	1010686134	26/06/1442H (corresponding to 08/02/2021G)	26/06/1446H (corresponding to 27/12/2024G)	100%	N/A
5.	Jahez Bahrain	Kingdom of Bahrain	1-149828	20/04/1443H (corresponding to 25/11/2021G)	23/05/1446H (corresponding to 25/11/2024G)	100%	N/A
6.	Jahez Kuwait	State of Kuwait	465148	03/01/1444H (corresponding to 01/08/2022G)	N/A	100%	N/A
7.	Marn	Kingdom of Saudi Arabia	1010426988	02/01/1436H (corresponding to 26/10/2014G)	19/08/1447H (corresponding to 07/02/2026G)	100%	N/A

#	Subsidiary	Country of Incorporation	Commercial Registration No.	Commercial Registration Date	Commercial Registration Expiration Date	Company Ownership (%)	Other Partners (if any)
8.	BluStore	Kingdom of Saudi Arabia	1010819688	18/01/1444H (corresponding to 16/08/2022G)	18/01/1447H (corresponding to 13/07/2025G)	51%	Al-Hilal Club Investment Company
9.	Sol	Kingdom of Saudi Arabia	2051225723	16/08/1440H (corresponding to 21/04/2019G)	15/08/1446H (corresponding to 14/02/2025G)	35%	Other shareholders
10.	Jahez Qatar	State of Qatar	189164	12/01/1445H (corresponding to 30/06/2023G)	07/01/1446H (corresponding to 02/08/2024G)	100%	N/A
11.	Jahez Egypt	Egypt	0466315-0466316-0466317	16/01/1445H (corresponding to 03/08/2023G)	07/03/1450H (corresponding to 29/07/2028G)	100%	N/A

Source: The Company

6.6 Material Agreements

The Company and its Subsidiaries have entered into a number of material agreements and contracts with numerous parties. This section sets out a summary of the agreements and contracts that the Directors believe are material in relation to the business of the Company or may affect investors' decisions to subscribe for the shares. The summary of the agreements and contracts described below does not include all of the terms and conditions of such agreements and contracts, nor should it be deemed as a substitute for the terms and conditions contained in such agreements. The following table sets out the material agreements concluded by the Company and its Subsidiaries:

Table (6.6): Material Agreements Concluded by the Company as of the Date of this Document

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
Subscription Contracts for Jahez Services							
1.	The Company and a customer	17/07/1442H (corresponding to 01/03/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	Either party has the right to terminate the Agreement at any time by providing fifteen (15) days' notice to the other party.	The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within fifteen (15) days.
2.	The Company and a customer	25/06/1445H (corresponding to 07/01/2024G)	One year, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	• Either party has the right to terminate the Agreement at any time by providing fifteen (15) days' notice to the other party. • The Agreement contains confidentiality provisions that limit the ability of the parties to disclose its terms to third parties.	The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within fifteen (15) days.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
3.	The Company and a customer	25/06/1445H (corresponding to 07/01/2024G)	The Agreement is valid until 30/06/1446H (corresponding to 31/12/2024).	The Agreement annex specifies additional payment terms applicable to the Agreement.	N/A	• The Company shall provide the "Top of the List" service for the term and locations specified in the Agreement. • The Company shall bear the cost of offering delivery at an amount specified in the Agreement. • The Company shall offer a set discount when the customer books the "Top of the List" service, as specified in the Agreement. • The Company shall provide the customer with advertising services for any exclusive services offered by the Company. • During the term of the Agreement annex, participation fees shall be charged at a percentage specified in the Agreement for all orders.	N/A
4.	The Company and a customer	21/06/1445H (corresponding to 03/01/2024G)	One year, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	• Either party has the right to terminate the Agreement at any time by providing fifteen (15) days' notice to the other party. • The Agreement contains confidentiality provisions that limit the ability of the parties to disclose its terms to third parties.	The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within fifteen (15) days.
5.	The Company and a customer	16/03/1442H (corresponding to 01/11/2020G)	Five (5) years, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	Either party has the right to terminate the Agreement at any time by providing one hundred and eighty (180) days' notice to the other party.	The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
6.	The Company and a customer	26/04/1443H (corresponding to 01/12/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	Either party has the right to terminate the Agreement at any time by providing fifteen (15) days' notice to the other party.	The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
7.	The Company and a customer	19/03/1444H (corresponding to 15/10/2022G)	Five (5) years, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	Either party has the right to terminate the Agreement at any time by providing fifteen (15) days' notice to the other party.	The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within fifteen (15) days.
8.	The Company and a customer	19/06/1445H (corresponding to 01/01/2024G)	One year, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	• Either party has the right to terminate the Agreement at any time by providing fifteen (15) days' notice to the other party. • The Agreement contains confidentiality provisions that limit the ability of the parties to disclose its terms to third parties.	The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within fifteen (15) days.
9.	The Company and a customer	N/A	One year, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	Either party has the right to terminate the Agreement at any time by providing fifteen (15) days' notice to the other party.	The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within fifteen (15) days.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
10.	The Company and a customer	N/A	One year, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	• Either party has the right to terminate the Agreement at any time by providing fifteen (15) days' notice to the other party. • The Agreement contains confidentiality provisions that limit the ability of the parties to disclose its terms to third parties.	• The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform. • During each month, the Company makes weekly payments to the customer based on a percentage of the value of the previous week's orders, as specified in the Agreement. At the end of each month, the Company settles all amounts owed to the customer net of the weekly payments and invoices for services provided by the Company.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within fifteen (15) days.
11.	The Company and a customer	26/04/1443H (corresponding to 01/12/2021G)	Two years, automatically renewable.	A cooperation agreement between the Company and a customer under which the customer subscribes to the Company's Jahez Platform and the Company displays the customer's products on Jahez Platform.	Either party has the right to terminate the Agreement at any time by providing thirty (30) days' notice to the other party.	The Company receives a commission as agreed upon in the Agreement on all orders submitted through Jahez Platform.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within fifteen (15) days.
Logistics Agreements							
1.	The Company and Al Thamerya Co. Limited	18/11/1441H (corresponding to 09/07/2020G)	One year, automatically renewable.	A cooperation agreement between the Company and Al Thamerya Co. Limited, under which Al Thamerya Co. Limited provides logistical services to the Company.	N/A	Al Thamerya Co. Limited shall be entitled to a delivery commission for each order that is successfully delivered through Jahez Platform to the end customer, as determined by the Company through the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
2.	The Company and Al Thamerya Co. Limited	03/04/1442H (corresponding to 18/11/2020G)	One year, automatically renewable.	A cooperation agreement between the Company and Al Thamerya Co. Limited, under which Al Thamerya Co. Limited provides logistical services to the Company in Qassim.	N/A	Al Thamerya Co. Limited shall be entitled to a delivery commission for each order that is successfully delivered through Jahez Platform to the end customer, as determined by the Company through the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
3.	The Company and Al Thamerya Co. Limited	14/11/1442H (corresponding to 24/06/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Al Thamerya Co. Limited, under which Al Thamerya Co. Limited provides logistical services to the Company in Qassim.	N/A	• Al Thamerya Co. Limited shall be entitled to a delivery commission for every order that is successfully delivered through Jahez Platform to the end customer, as determined by the Company through the application, at a set amount for each order as defined in the Agreement. • The Company shall submit a claims report to Al Thamerya Co. Limited one or more times per month that includes the transactions, amounts and commissions due to both parties during the period specified in the report. • The amounts due to the Company shall be deposited by Al Thamerya Co. Limited into its bank account within twenty-four (24) hours.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
4.	The Company and Al Thamerya Co. Limited	12/05/1442H (corresponding to 27/12/2020G)	One year, automatically renewable.	A cooperation agreement between the Company and Al Thamerya Co. Limited, under which Al Thamerya Co. Limited provides logistical services to the Company in Jazan.	N/A	• Al Thamerya Co. Limited shall be entitled to a delivery commission for every order that is successfully delivered through Jahez Platform to the end customer, as determined by the Company through the application, at a set amount for each order as defined in the Agreement. • The Company shall submit a claims report to Al Thamerya Co. Limited one or more times per month that includes the transactions, amounts and commissions due to both parties during the period specified in the report. • The amounts due to the Company shall be deposited by Al Thamerya Co. Limited into its bank account within twenty-four (24) hours.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
5.	The Company and Happiness Gem Trading Services Est.	17/11/1442H (corresponding to 27/06/2021G)	Three years, automatically renewable.	A cooperation agreement between the Company and Happiness Gem Trading Services Est., under which Happiness Gem Trading Services Est. provides logistical services to the Company in Riyadh.	N/A	Happiness Gem Trading Services Est. shall be entitled to the monthly delivery fees specified in the Agreement upon the fulfilment of specific conditions in the Agreement linked to the number of orders per month. Happiness Gem Trading Services Est. shall be entitled to the monthly delivery fees specified in the Agreement for each order after completing three hundred and ninety (390) monthly orders. If Happiness Gem Trading Services Est. does not fulfill the above-mentioned number of completed orders in one month, it shall be entitled to receive the monthly delivery fees specified in the Agreement for each order.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or related to the Agreement shall be settled by the competent court in Riyadh.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
6.	The Company and Happiness Gem Trading Services Est.	04/01/1443H (corresponding to 12/08/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Happiness Gem Trading Services Est., under which Happiness Gem Trading Services Est. provides logistical services to the Company in Jeddah.	N/A	Happiness Gem Trading Services Est. shall be entitled to a delivery commission for every order that is successfully delivered through Jahez Platform to the end customer, as determined by the Company through the application, at a set amount for each order as defined in the Agreement.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be ultimately settled by the competent court in Riyadh.
7.	The Company and Masar International Trading Company	04/12/1442H (corresponding to 14/07/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Masar International Trading Company, under which Masar International Trading Company provides logistical services to the Company.	N/A	Masar shall be entitled to a delivery commission for every order that is successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as determined by the Company in the application. The amounts payable to the Company shall be deposited directly into its bank account within twenty-four (24) hours of it being officially notified thereof. The approved method for invoicing shall either be (i) via email, (ii) through a system mutually agreed upon by both parties, or (iii) through the accountant of Masar International Trading Company for review at the Company's headquarters.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or related to the Agreement shall be settled by the competent court in Riyadh.
8.	The Company and Saudi Ta'asees Commercial Corporation	14/11/1442H (corresponding to 24/06/2021G)	Two years, automatically renewable.	A cooperation agreement between the Company and Saudi Ta'asees Commercial Corporation, under which Saudi Ta'asees Commercial Corporation provides logistical services to the Company in Riyadh.	N/A	Saudi Ta'asees Commercial Corporation shall be entitled to a delivery commission for every order that is successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as determined by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or related to the Agreement shall be settled by the competent court in Riyadh.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
9.	The Company and Easy Delivery for Electronics	14/11/1442H (corresponding to 24/06/2021G)	Two years, automatically renewable.	A cooperation agreement between the Company and Easy Delivery for Electronics, under which Easy Delivery for Electronics provides logistical services to the Company in Riyadh.	N/A	Easy Delivery shall be entitled to a delivery commission for every order successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as determined by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or related to the Agreement shall be settled by the competent court in Riyadh.
10.	The Company and Baba Delivery for Parcel Transportation	11/04/1443H (corresponding to 16/11/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Baba Delivery for Parcel Transportation, under which Baba Delivery for Parcel Transportation provides logistical services to the Company in the Kingdom.	N/A	Baba Delivery for Parcel Transportation shall be entitled to a delivery commission for every order successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as determined by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
11.	The Company and Barq Bullet Information Technology Services	29/10/1443H (corresponding to 30/05/2022G)	One year, automatically renewable.	A cooperation agreement between the Company and Barq Bullet Information Technology Services, under which Barq Bullet Information Technology Services provides logistical services to the Company in the Kingdom.	N/A	Barq Bullet Information Technology Services shall be entitled to a delivery commission for every order successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as determined by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
12.	The Company and Delivery Time Ltd.	26/04/1441H (corresponding to 23/12/2019G)	One year, automatically renewable.	A cooperation agreement between the Company and Delivery Time Ltd., under which Delivery Time Ltd. provides logistical services to the Company in Riyadh.	N/A	Delivery Time Ltd. shall be entitled to a delivery commission for every order successfully delivered through Jahez Platform to the end customer, at an amount specified in the Agreement for each order, as determined by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
13.	The Company and Easy Delivery for E-Marketing	14/11/1442H (corresponding to 24/06/2021G)	Two years, automatically renewable.	A cooperation agreement between the Company and Easy Delivery for E-Marketing, under which Easy Delivery for E-Marketing provides logistical services to the Company in Riyadh.	N/A	Easy Delivery for E-Marketing shall be entitled to a delivery commission for every order successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
14.	The Company and AlJeyad Alawal for Information Technology	24/03/1441H (corresponding to 25/11/2019G)	One year, automatically renewable.	A cooperation agreement between the Company and AlJeyad Alawal for Information Technology, under which AlJeyad Alawal for Information Technology provides logistical services to the Company in the Kingdom.	N/A	AlJeyad Alawal for Information Technology shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
15.	The Company and Al Suqur for Parcel Delivery	07/06/1442H (corresponding to 20/01/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Al Suqur for Parcel Delivery, under which Al Suqur for Parcel Delivery provides logistical services to the Company in Riyadh.	N/A	Al Suqur for Parcel Delivery shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
16.	The Company and Fonoon Al Wasata Trading Est.	09/07/1441H (corresponding to 04/03/2020G)	One year, automatically renewable.	A cooperation agreement between the Company and Fonoon Al Wasata Trading Est., under which Fonoon Al Wasata Trading Est. provides logistical services to the Company in the Kingdom.	N/A	Fonoon Al Wasata Trading Est. shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
17.	The Company and Future Cadres for Operation and Maintenance	29/01/1441H (corresponding to 29/09/2019G)	One year, automatically renewable.	A cooperation agreement between the Company and Future Cadres for Operation and Maintenance, under which Future Cadres for Operation and Maintenance provides logistical services to the Company in the Kingdom.	N/A	Future Cadres for Operation and Maintenance shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
18.	The Company and Madoom for Mail Transportation	24/11/1441H (corresponding to 15/07/2020G)	One year, automatically renewable.	A cooperation agreement between the Company and Madoom for Mail Transportation, under which Madoom for Mail Transportation provides logistical services to the Company in the Kingdom.	N/A	Madoom for Mail Transportation shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
19.	The Company and Manqool for Parcel Transportation	10/07/1442H (corresponding to 23/02/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Manqool for Parcel Transportation, under which Manqool for Parcel Transportation provides logistical services to the Company in Riyadh.	N/A	Manqool for Parcel Transportation shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
20.	The Company and Mahran Commercial Services Est.	26/12/1441H (corresponding to 16/08/2020G)	One year, automatically renewable.	A cooperation agreement between the Company and Mahran Commercial Services Est., under which Mahran Commercial Services Est. provides logistical services to the Company in Riyadh.	N/A	Mahran Commercial Services Est. shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
21.	The Company and Ontime Logistics	01/12/1442H (corresponding to 11/07/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Ontime Logistics, under which Ontime Logistics provides logistical services to the Company in the Kingdom.	N/A	Ontime Logistics shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as determined by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
22.	The Company and Bander Trading Company	14/04/1441H (corresponding to 11/12/2019G)	One year, automatically renewable.	A cooperation agreement between the Company and Bander Trading Company, under which Bander Trading Company provides logistical services to the Company in the Kingdom.	N/A	Bander Trading Company shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
23.	The Company and Edge Human Resources Est.	28/05/1441H (corresponding to 23/01/2020G)	One year, automatically renewable.	A cooperation agreement between the Company and Edge Human Resources Est., under which Edge Human Resources Est. provides logistical services to the Company in the Kingdom.	N/A	Edge Human Resources Est. shall be entitled to a delivery commission for each order successfully delivered through Jahez Platform to the end customer, as specified by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
24.	The Company and Barak Shaaf Shaifan Al Otaibi Transport Est.	08/01/1443H (corresponding to 16/08/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Barak Shaaf Shaifan Al Otaibi Transport Est., under which Barak Shaaf Shaifan Al Otaibi Transport Est. provides logistical services to the Company in Riyadh.	N/A	Barak Shaaf Shaifan Al Otaibi Transport Est. shall be entitled to a delivery commission for every order successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as determined by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
25.	The Company and Sahel Al Amal Est. for Transportation and Storage	18/04/1443H (corresponding to 23/11/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Sahel Al Amal Est. for Transportation and Storage, under which Sahel Al Amal Est. for Transportation and Storage provides logistical services to the Company in the Kingdom.	N/A	Sahel Al Amal Est. for Transportation and Storage shall be entitled to a delivery commission for every order successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as determined by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
26.	The Company and Success Partner Logistics Services Company	27/05/1442H (corresponding to 11/01/2021G)	One year, automatically renewable.	A cooperation agreement between the Company and Success Partner Logistics Services Company, under which Success Partner Logistics Services Company provides logistical services to the Company in the Kingdom.	N/A	Success Partner Logistics Services Company shall be entitled to a delivery commission for every order successfully delivered through Jahez Platform to the end customer at an amount specified in the Agreement for each order, as determined by the Company in the application.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within thirty (30) days.
Agreement for Subscription to the Order Delivery Platform							

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
27.	The Company and Elm	N/A	One year, automatically renewable.	Elm shall provide subscription services to the Company, which consist of verifying the data used in the delivery of orders and applying the necessary requirements in order to carry out the same.	• Elm may terminate the Agreement with the Company pursuant to a thirty (30)-day termination notice. • Elm shall also have the right to terminate the Agreement immediately upon obtaining prior written approval from the Communications, Space & Technology Commission in the event that: (1) the Company misuses the service or the information contained therein or uses the same for a purpose other than their intended purpose; (2) the Company violates the subscription conditions; (3) the Company fails to pay invoices issued within the period specified therefor; (4) the information submitted or updated by the Company or the documents and licenses provided by it prove to be inaccurate; (5) the competent authorities request discontinuation or suspension of the service; or (6) the Company fails to comply with the directives received from the competent authorities. • In addition, the Company may terminate the subscription at any time upon a written notice.	The cost of the service provided by Elm is calculated for each delivery order made through the application at an amount of thirty-seven Saudi Halalas (SAR 37) per order, excluding canceled orders for which the application did not receive payment. Elm shall issue monthly invoices subject to value-added tax, which the Company shall pay within thirty (30) days from the date of issuance of the respective invoice.	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably.
Partnership Agreement							

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
1.	The Company and Al-Hilal Club Investment Company	19/12/1443H (corresponding to 18/07/2022G)	N/A	A partnership agreement between the Company and Al-Hilal Club Investment Company to establish a company and develop an application to sell and promote Al-Hilal Club products.	• Throughout the term of the Agreement, as well as for a period of two years from the date of either party's withdrawal from the Agreement, Al-Hilal Club Investment Company shall not, directly or indirectly, or through its subsidiaries, compete with BluStore in the same business activity within the Kingdom. • Al-Hilal Club Investment Company undertakes not to enter into any agreement similar to this Agreement or any agreement with an information systems technology company whose activity is similar to the Company's activity in the Kingdom throughout the term of the Agreement and the term of BluStore.	The parties agreed that the share capital of BluStore shall be five hundred thousand Saudi Riyals (SAR 500,000), divided into fifty thousand (50,000) shares with a nominal value of ten Saudi Riyals (SAR 10) per share, as follows: The Company shall pay an amount of two hundred and fifty five thousand, Saudi Riyals (SAR 255,000). Al-Hilal Club Investment Company shall pay an amount of two hundred and forty-five thousand, Saudi Riyals (SAR 245,000).	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh.
Simple Agreement for Future Equity							

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
1.	The Company and Barq Holding Ltd.	24/11/1444H (corresponding to 13/06/2023G)	N/A	Barq Holding Ltd. shall grant the Company the right to purchase future equity in the share capital of Barq Holding Ltd. in exchange for a set payment provided by Red Color at a discount of 50% of the value of the payment due.	• The Agreement concluded between the Company and Barq Holding is subject to automatic termination, without relieving Barq Holding Ltd. of any obligations arising from any prior breach or non-compliance with the provisions of the Agreement, in the event of: (1) the automatic transfer of Red Color's future right in the share capital of Barq Holding Ltd. for all preferred shares issued therein at a value equal to USD 2,000,000 divided by the discount rate in accordance with the Agreement concluded between the parties; or (2) payment or allocation of the amounts owed by Red Color under the Agreement concluded between the parties, whichever is earlier. • The Company may not assign its rights under the Agreement concluded between the two parties without obtaining the prior written consent of Barq Holding Ltd.	USD 2,000,000	The provisions of the Agreement are subject to the regulations of the Abu Dhabi Global Market (ADGM). The courts of the Abu Dhabi Global Market shall have jurisdiction to consider any disputes related to the Agreement concluded between the two parties.
Real Estate Sale Agreement							

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
1.	The Company and Wathba Investment Co.	05/11/1445H (corresponding to 11/06/2024G)	Wathba Investment Co. shall complete the construction of the real estate within a period not exceeding one hundred and eighty (180) days from the date of signing of the Agreement.	Wathba Investment Co. shall sell a plot to the Company and develop the real estate according to the specifications required by the Company.	Wathba Investment Co. shall guarantee that the construction of the real estate will be completed in accordance with the provisions of the Agreement prior to the handover period. If handover is delayed during such period, it shall be extended for an additional ninety (90) days. In the event of a delay in handover after the handover extension period, Wathba Investment Co. shall compensate the Company in the amount of thirty thousand Saudi Riyals (SAR 30,000) for each day of delay.	• An amount of one hundred and thirty-five million Saudi Riyals (SAR 135,000,000) shall be paid by the Company upon the transfer of the plot title. • An amount of fifteen million Saudi Riyals (SAR 15,000,000) shall be paid by the Company in exchange for the development works carried out by Wathba Investment Co.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh.

Source: The Company

The following table sets out the material agreements concluded by the Subsidiaries:

Table (6.7): Material Agreements Concluded by the Subsidiaries as of the Date of this Document

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
Red Color Agreements							
1.	Red Color, Halalah Company Limited and other shareholders	28/04/1445H (corresponding to 12/11/2023G)	N/A	The Agreement regulates the relationship between shareholders and certain affairs and dealings in relation thereto, in addition to regulating the purchase of shares by new investors.	• Non-disclosure of any of the terms of this Agreement without obtaining the prior written consent of Halalah Company Limited and the other shareholders. • This Agreement may be terminated with the prior written consent of Halalah Company Limited and the remaining shareholders, including shareholders holding 50% of the preferred shares. • Red Color may not assign any of its rights under this Agreement without obtaining the prior written consent of Halalah Company Limited.	N/A	The provisions of the Agreement shall be governed by the laws of England and Wales, and any disputes arising out of or in connection with the Agreement shall be settled by the courts of England and Wales.

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
2.	Red Color and Omniful, Inc.	18/06/1444H (corresponding to 11/01/2023G)	N/A	The Agreement regulates the process of Omniful, Inc.'s subscription for 879,167 preferred shares in Red Color through its participation in a Seed 3 investment round valued at USD 351,667.	Red Color may not assign any of its rights under this Agreement without obtaining the prior written consent of Omniful, Inc.	USD 351,667	The provisions of the Agreement shall be governed by the laws of England and Wales.
3.	Red Color, Nana Direct and other shareholders	N/A	N/A	The Agreement regulates the relationship between shareholders and certain affairs and dealings in relation thereto.	• This Agreement contains confidentiality provisions that prevent Red Color from disclosing the terms of this Agreement without obtaining prior written consent from Nana Direct. • This Agreement may be terminated: (1) upon the written consent of all shareholders to terminate the Agreement; (2) if all shares become beneficially or legally owned by a single shareholder; (3) in the event a shareholder disposes of such shares as a result of a transfer of ownership made pursuant to this Agreement and the constitutional documents; and (4) upon the initial public offering of the shares of Nana Direct. • Red Color may not assign its rights under this Agreement without obtaining the prior written consent of Nana Direct.	N/A	The provisions of the Agreement shall be governed by the laws of England and Wales. Any disputes arising out of or in connection with the Agreement shall be settled by arbitration in accordance with the rules of the London Court of International Arbitration (LCIA).

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
4.	Red Color and Cloud Shelf	20/11/1444H (corresponding to 09/06/2023G)	N/A	Cloud Shelf grants Red Color the right to purchase future equity in the share capital of Cloud Shelf at a discount of 85% of the value of the payment due.	• The Agreement concluded between the Company and Cloud Shelf is subject to automatic termination, without relieving Barq Holding Ltd. of any obligations arising from any previous violation or non-compliance with the provisions of the Agreement, in the event of: (1) the automatic transfer of Red Color's future right in the share capital of Cloud Shelf for all issued preferred shares in the share capital of Barq Holding Ltd. At a value equal to USD 1,000,000 divided by the discount rate in accordance with the Agreement concluded between the parties; or (2) payment or allocation of the amounts owed by Red Color under the Agreement concluded between the parties, whichever is earlier. • The Company may not assign its rights under the Agreement concluded between the two parties without obtaining the prior written consent of Cloud Shelf.	USD 1,000,000	The provisions of the Agreement shall be governed by the laws of England, and any disputes arising out of or relating to the Agreement shall be settled by the competent court in the Cayman Islands.
5.	Red Color, Soum and other shareholders	24/05/1445H (corresponding to 08/12/2023G)	N/A	The Agreement regulates the relationship between shareholders and certain affairs and dealings in relation thereto, in addition to regulating the purchase of shares by new investors.	The Agreement shall remain in force and effect with respect to each party until the Agreement is terminated with respect to the party concerned. Any party that has transferred all of its shares to a third party in accordance with the terms of this Agreement shall not be bound by its terms and conditions after the date of the relevant transfer, provided that the party to whom the shares have been transferred has become (or was already) a party to the Agreement, which shall be deemed terminated in respect of the party disposing of its shares as of the date of transfer of ownership. The Agreement shall be automatically terminated in case of an approved sale or liquidation event once all proceeds have been distributed and/or following completion of the initial public offering. Red Color may not assign its rights under this Agreement without obtaining the prior written consent of Soum.	N/A	The provisions of the Agreement shall be governed by the laws of England and Wales. Any disputes arising out of or in connection with the Agreement shall be settled by arbitration in accordance with the rules of the London Court of International Arbitration (LCIA).

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
6.	Red Color, Grub Tech Limited and other shareholders	03/08/1445H (corresponding to 13/02/2024G)	N/A	The Agreement regulates the relationship between shareholders and certain affairs and dealings in relation thereto, in addition to regulating the purchase of shares by new investors.	The Agreement shall remain in force and effect with respect to each party until the Agreement is terminated with respect to the party concerned. Any party that has transferred all of its shares to a third party in accordance with the terms of this Agreement shall not be bound by its terms and conditions after the date of the relevant transfer, provided that the party to whom the shares have been transferred has become (or was already) a party to the Agreement, which shall be deemed terminated in respect of the party disposing of its shares as of the date of transfer of ownership. The Agreement shall be automatically terminated in case of an approved sale or liquidation event once all proceeds have been distributed and/or following completion of the initial public offering. This Agreement contains confidentiality provisions that prevent Red Color from disclosing its provisions without obtaining the prior written consent of Grub Tech Limited. Red Color may not assign its rights under this Agreement without obtaining the prior written consent of Grub Tech Limited.	N/A	The provisions of the Agreement shall be governed by the laws of England and Wales. Any disputes arising out of or in connection with the Agreement shall be settled by arbitration in accordance with the rules of the London Court of International Arbitration (LCIA).
Cooperation Agreement							
1.	Logi and 6Meem Trading Company	05/11/1445H (corresponding to 13/05/2024G)	Six (6) months, automatically renewable.	A cooperation agreement between Logi and 6Meem Trading Company, under which Logi provides delivery vehicles to 6Meem Trading Company for the purpose of installing posters and advertising screens.	• If 6Meem Trading Company advertises for Logi competitors, it shall pay a fine of six thousand Saudi Riyals (SAR 6,000) per vehicle for each day of advertising. • The Agreement contains confidentiality provisions that limit the ability of the parties to disclose its terms to third parties. • The parties shall have the right to terminate the Agreement at any time by providing fifteen (15) days' notice to the other party.	6Meem Trading Company shall pay the rental value of each vehicle owned by Logi in the amount of six hundred Saudi Riyals (SAR 600) per month, excluding tax.	Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably.
Ewaa Storage Agreement							

#	Parties	Effective Date	Term and Renewal Provisions (if any)	Overview of the Agreement Purpose	Material Provisions and Restrictions	Value and Payment Terms	Governing Law and Jurisdiction
1.	Logi and Ewaa Services Company	28/05/1444H (corresponding to 21/12/2022G)	Three (3) months, renewable.	A vehicle storage agreement under which Ewaa provides Logi with space to store its vehicles.	N/A	SAR 130,000	The provisions of the Agreement are subject to the laws of the Kingdom. Any disputes arising from or relating to the Agreement shall be settled by the competent court in Riyadh if they are not resolved amicably within forty-five (45) days.
Logistics Services Agreement Template - Jahez Kuwait							
1.	Jahez Kuwait and other parties	As per the date of each agreement.	One year, automatically renewable unless either party provides notice of non-renewal at least thirty (30) days prior to the end of the term or renewal term.	An agreement to provide a delivery service to consumers, pursuant to which the consumer delivery service is activated on Jahez Platform.	Neither party has rights to the trademarks owned by the other party. Either party may terminate this Agreement if any obligations or rights are assigned to a third party.	Delivery fees per order as specified in the Agreement.	The provisions of the Agreement are subject to the laws of Kuwait. Any disputes arising from or related to the Agreement shall be settled by the competent court in Kuwait.
Jahez Bahrain Agreements							
1.	Jahez Bahrain and Collectively Debt Collection L L C	13/10/1444H (corresponding to 03/05/2023G)	One (1) year, with automatic renewal unless notice of non-renewal provided by either party at least thirty (30) days prior to the end of a term or renewal term.	Collectively Debt Collection L L C shall provide debt collection services to Jahez Bahrain under the Agreement.	N/A	Commission payable by Jahez Bahrain to the Collectively Debt Collection LLC based on rates in light of the claim amount.	The provisions of the Agreement are subject to the laws of Bahrain. Any disputes arising from or related to the Agreement shall be settled by the competent court in Bahrain.
2.	Jahez Bahrain and CrediMax	21/08/1443H (corresponding to 24/03/2022G)	N/A	CrediMax shall provide electronic payment services to Jahez Bahrain.	N/A	A commission shall be paid to CrediMax for each transaction as specified in the Agreement.	The provisions of the Agreement are subject to the laws of Bahrain.
3.	Jahez Bahrain and Tap Payments	05/11/1444H (corresponding to 25/05/2023G)	The term of the Agreement shall be one (1) year, starting on 05/11/1444H (corresponding to 25/05/2023G), and is automatically renewable after the expiration of the term unless it is terminated earlier.	The company shall provide electronic payment processing services to Jahez Bahrain.	N/A	Jahez Bahrain shall pay a set percentage as transaction fees as agreed upon between the two parties in the Tap Payments Portal Agreement.	The provisions of the Agreement are subject to the laws of Bahrain.

Source: The Company

6.6.1 Contract for Subscription to Jahez Services

The Company concludes contracts for subscription to Jahez Platform services with most merchants according to standard terms and conditions. The total revenues resulting from contracts concluded with all merchants for subscription to Jahez Platform services amounted to approximately four hundred and forty-five million, six hundred and thirty-eight thousand, seven hundred and ten Saudi Riyals (SAR 445,638,710), six hundred and six million and seven hundred and forty-nine thousand and thirty five Saudi Riyals (SAR 606,749,035), and seven hundred and seventy-four million, two hundred and twenty-three thousand, five hundred and ninety-five Saudi Riyals (SAR 774,223,595) as of the financial years ended 31 December 2021G, 2022G and 2023G. Such amounts represent the sum of revenues from commissions and electronic payment fees. As of 31 December 2023G, the Company has concluded approximately seventeen thousand (17,000) subscription contracts for Jahez Platform services.

Under the standard subscription contract template for Jahez Platform services, the Company, as the owner of the Jahez system and application, facilitates the display of participating merchants' products to customers through Jahez Platform. The application is able to place, track and receive orders through an integrated business system. The Company also delivers orders received by merchants through Jahez Platform and application to customers as quickly as possible, while exerting efforts electronically to verify the credibility of the order source, minimize lost and fraudulent orders and track such orders. Furthermore, the Company offers training to merchants on how to use Jahez Platform and provides the necessary technical support for the operational continuity of Jahez Platform in order to ensure the successful delivery of customer orders. In addition, the Company enables merchants to view reports and review daily, weekly and monthly order reports and merchant revenue through Jahez Platform.

The merchant receives and prepares orders received through Jahez Platform and hands them over to authorized delivery team representatives after verifying the accuracy of the data contained in Jahez Platform. If the customer does not accept the order upon delivery due to a mistake or delay in preparing the order or the poor quality of the order, the Company shall compensate the customer at the merchant's expense, and the merchant shall bear the full amount of the order.

The Company is entitled to a commission representing a certain percentage of the value of orders placed through Jahez Platform for the benefit of the participating merchant. Such commission shall be deducted by the Company from the value of the orders made through the application. The commission rate payable to the Company shall be as agreed upon between the Company and the merchant, noting that the agreed-upon commission rate may vary. As of 31 December 2023G, the commission rate was 13%, representing 26% of the value of orders for merchants.

The term of the contract shall be one (1) calendar year, effective and valid as of the date of contract conclusion. The contract shall automatically renew for a similar term unless either party notifies the other of its unwillingness to renew in writing. The contract may be terminated prior to the end of its term at the request of either party, provided that the party wishing to terminate sends a notice of termination of the contract 15 days before the date on which it wishes for the termination to take effect. Both parties shall settle all amounts due until the date of termination.

In the event of a dispute between the two parties regarding the implementation or interpretation of this contract, they shall attempt to resolve such dispute amicably within fifteen (15) days of the date thereof. If the dispute is not resolved amicably within such period, the relevant courts in the city of Riyadh shall be the competent authority to consider the dispute.

6.6.2 Financing Agreements

Sol concluded a single Financing Agreement with a commercial bank in the Kingdom. The following is a summary of the Financing Agreement concluded:

a- Islamic Financing Agreement between Sol and Riyad Bank

Table (6.8): Islamic financing agreement between Sol and Riyad Bank

Parties	• Sol; and • Riyad Bank.
Date	14/07/1444H (corresponding to 05/02/2023G).
Type of financing	Tawarruq Facilities with a maximum of two million five hundred thousand Saudi riyals (SAR 2,500,000).
Duration	Three (3) years.
Purpose	Financing Sol's various projects.
Guarantees	• A 90% warranty of the total facility amount. • A joint payment and performance bond. • Riyad Bank may request additional guarantees at any time, and shall be entitled to use all of Sol's accounts with Riyad Bank as collateral.
Termination and breaches	Riyad Bank may terminate the agreement in the event of the occurrence of any of the following events by Sol: • Inaccuracy of the guarantees or statements provided by Sol, its subsidiaries or associate companies to Riyad Bank. • Beach by Sol or its guarantors, subsidiaries, or associate companies of any of their obligations under any other financing agreements or guarantees. • Any change in the control or management of Sol or its guarantors or subsidiaries without the prior written consent of Riyad Bank. • Breach by any of the guarantors of their obligations under the agreement.
Fundamental limitations	• Sol must notify Riyad Bank in the event of any change in its ownership structure. • All amounts shall become payable upon the occurrence of any of the following events by Sol: - Delay in the repayment of amounts due for seven (7) days or breach of any of the guarantees or obligations under this agreement. - Initiation of any legal proceeding that place Sol in liquidation proceedings. - Notification by Sol to Riyad Bank of its desire to cease its activities or in the event that it becomes unable to meet its obligations to third parties. - Sol failing to pay any financial dues after being notified unless Sol provides a guarantor acceptable to Riyad Bank.

Source: The Company

6.6.3 Material Agreements with Related Parties

In the ordinary course of its business, the Company deals with the Shareholders of the Group and the affiliates of the Company which are owned by the Shareholders and Senior Management, whereby the Company concludes contracts to obtain services and pay expenses on behalf of its sister companies. These transactions are carried out in accordance with the terms agreed upon with the relevant Related Parties. The following is a statement of the value of the transactions conducted during the financial years ended 31 December 2021G, 2022G and 2023G:

Table (6.9): Related Party Transactions During the Financial Years Ended 31 December 2021G, 2022G and 2023G

Related Party	Nature of the Relationship	Nature of the Transaction	Transaction Size in 2021G (SAR)	Transaction Size in 2022G (SAR)	Transaction Size in 2023G (SAR)
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	Chairman of the Board	Lease contract	N/A	N/A	2,651,000
Tharwa Holding Company	A sister company in which the Board member, HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud, has an indirect interest.	Lease contracts	2,738,198	1,366,205	1,509,325
Halalah Trading Company	A sister company in which the Board member, Abdulaziz Al Omran, has an indirect interest.	Purchase invoices	157,717	106,674	145,107
Dar Al-Fikrah Al-Mumayazah	A sister company in which the Board member, HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud, has an indirect interest.	Building and construction services	1,027,951	4,271,203	2,721,610
Al-Hilal Club Investment Company	Partner in a Subsidiary (BluStore)	Collection on behalf of the Company	N/A	N/A	17,386,812
		Purchase of goods	N/A	N/A	12,587,226

Source: The Company

6.7 Real Estate

6.7.1 Real Estate of the Company

a- Real Estate Owned by the Company

As of the date of this Document, the Company owns one (1) property in the Kingdom. The following table sets out the details of the real estate owned by the Company:

Table (6.10): Real Estate Owned by the Company

#	Deed Number and Date	Real Estate Owner	Real Estate Location	Purpose	Area (square meters)
1.	382180000178 dated 07/12/1445H (corresponding to 13/06/2024G)	The Company	Plot No. 1758/B in Al Muhammadiyah District, Riyadh	N/A	5,265

Source: The Company

b- Real Estate Leased by the Company

The Company has entered into twenty-one (21) leases with a number of lessors for use as offices and accommodation for the Company's employees. The Directors declare that all of the leases are in effect as of the date of this Document. The following table sets out the details of the real estate leased by the Company:

Table (6.11): Real Estate Leased by the Company

#	Lessee	Lessor	Location	Effective Date of the Lease	Annual Lease Amount (SAR)	Lease Term
1.	The Company	HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud*	Office premises with an area of 700 square meters, First Floor, Unit 01, King Abdullah Road, Riyadh Office premises with an area of 600 square meters, Third Floor, Unit 03, King Abdullah Road, Riyadh Office premises with an area of 350 square meters, Fourth Floor, Unit 04, King Abdullah Road, Riyadh	08/06/1444H (corresponding to 01/01/2023G)	2,651,000 annually, plus VAT	Two (2) years
2.	The Company	Individual	Office premises, First Floor, Unit 4, Al Qunfudhah, Mecca	03/01/1444H (corresponding to 01/08/2022G)	27,500 annually, inclusive of VAT	Three (3) years
3.	The Company	Individual	Office premises with an area of 100 square meters, Unit 01, Al Salam District, Al Kharj	03/05/1444H (corresponding to 27/11/2022G)	16,000 annually, inclusive of VAT	One (1) year, automatically renewable
4.	The Company	Individual	Office premises with an area of 100 square meters, Unit 2, King Fahd Road, Al Bahah	13/12/1444H (corresponding to 01/07/2023G)	30,000 annually, inclusive of VAT	One (1) year, automatically renewable
5.	The Company	Individual	Office premises with an area of 100 square meters, Third Floor, Unit 6, King Abdulaziz Road, Buraidah	13/02/1446H (corresponding to 19/08/2024G)	31,304.35 annually, inclusive of VAT	One (1) year
6.	The Company	Individual	Office premises with an area of 100 square meters, First Floor, Unit B2, Hail	28/01/1445H (corresponding to 07/03/2024G)	35,000 annually, inclusive of VAT	One (1) year
7.	The Company	Individual	Office premises with an area of 90 square meters, Second Floor, Unit 202, Hail	09/08/1444H (corresponding to 01/03/2023G)	69,000 annually, plus VAT	One (1) year, automatically renewable
8.	The Company	Individual	Office premises with an area of 80 square meters, Third Floor, Unit 28, Airport Road, Taif	26/01/1446H (corresponding to 01/08/2024G)	20,000 annually, plus VAT	One (1) year

#	Lessee	Lessor	Location	Effective Date of the Lease	Annual Lease Amount (SAR)	Lease Term
9.	The Company	Individual	Office premises with an area of 40 square meters, Unit 3, King Abdulaziz Road, Al Majmaah	03/04/1445H (corresponding to 18/10/2023G)	13,600 annually, inclusive of VAT	One (1) year**
10.	The Company	Company	Office premises with an area of 110 square meters, Unit 11, King Abdullah Street, Medina	26/04/1443H (corresponding to 01/12/2021G)	40,000 annually, inclusive of VAT	Five (5) years
11.	The Company	Individual	Office premises with an area of 70 square meters, Third Floor, Unit 303, Prince Mamdouh, Tabuk	28/01/1446H (corresponding to 04/08/2024G)	40,500 annually, inclusive of VAT	One (1) year
12.	The Company	Individual	Residential property with an area of 180 square meters, Unit 205, King Fahd Road, Sakaka	29/04/1446H (corresponding to 01/11/2024G)	25,000 annually, inclusive of VAT	Sixty (60) days
13.	The Company	Individual	Office premises with an area of 100 square meters, Unit 206, Mecca	02/04/1445H (corresponding to 17/10/2023G)	40,000 annually, inclusive of VAT	One (1) year, automatically renewable
14.	The Company	Charity organization	Office premises with an area of 24 square meters, Second Floor, Unit 10, Al Lidam South District, Wadi ad-Dawasir	19/06/1445H (corresponding to 01/01/2024G)	23,000 annually, inclusive of VAT	One (1) year
15.	The Company	Individual	Office premises with an area of 85 square meters, Unit 3, Jazan	02/09/1445H (corresponding to 12/03/2024G)	31,000 annually, inclusive of VAT	One (1) year
16.	The Company	Individual	Office premises with an area of 60 square meters, Unit 10, King Abdulaziz Road, Najran	29/08/1443H (corresponding to 01/04/2022G)	28,000 annually, plus VAT	Five (5) years
17.	The Company	Individual	Office premises with an area of 156 square meters, Unit 203, Khalid bin Al Walid Road, Dammam	05/03/1444H (corresponding to 01/10/2022G)	68,640 annually, inclusive of VAT	One (1) year, automatically renewable
18.	The Company	Individual	Office premises with an area of 90 square meters, Unit 007, Riyadh Street, Bisha	11/04/1444H (corresponding to 05/11/2022G)	23,000 annually, inclusive of VAT	Three (3) years

* The lease is deemed a Related Party transaction (for further information, please refer to Section 6.6.3 "**Material Agreements with Related Parties**" of this Document).

** The lease term has expired in the ordinary course of the Company's business, and the Company is in the process of renewing it as of the date of this Document.

*** The contract is not registered on the Ejar platform.

Source: The Company

6.7.2 Real Estate of the Subsidiaries

a- Real Estate Owned by the Subsidiaries

The Group Directors confirm that the Subsidiaries do not own any real estate as of the date of this Document.

b- Real Estate Leased by the Subsidiaries

The Subsidiaries have entered into forty-nine (49) leases with a number of lessors for use as offices and storage spaces for the Company. The Directors declare that all of the leases are in effect as of the date of this Document. The Company also declares that each of the Subsidiaries, namely Co, PIK and BluStore, does not have any leased real estate as of the date of this Document. The following table sets out the details of the real estate leased by the Company:

Table (6.12): Real Estate Leased by the Subsidiaries

#	Lessee	Lessor	Location	Effective Date of the Lease	Annual Lease Amount	Lease Term
Marn						
1.	Marn	Company	Storage space with an area of 505 square meters, King Abdulaziz Road, Riyadh	23/01/1445H (corresponding to 10/08/2023G)	SAR 727,274 annually, inclusive of VAT	Three (3) years
Logi						
2.	Logi	Individual	Residential units with an area of 11 square meters, King Fahd Road, Abu Arish	18/10/1445H (corresponding to 27/04/2024G)	SAR 8,400	One year, automatically renewable*
3.	Logi	Omsiyati Serviced Apartments	Residential units with an area of 200 square meters, King Fahd Road, Abu Arish	16/10/1445H (corresponding to 25/04/2024G)	SAR 34,800	One year, automatically renewable*
4.	Logi	Individual	Ten (10) residential units	01/05/1444H (corresponding to 25/11/2022G)	SAR 333,333	1,095 days
5.	Logi	Individual	Residential units, Badr bin Amer Street, Jeddah	06/04/1444H (corresponding to 01/11/2022G)	SAR 550,000	1,825 days
6.	Logi	Individual	Commercial office units, Saba Street, Riyadh	24/03/1444H (corresponding to 20/10/2022G)	SAR 650,000	1,825 days
7.	Logi	Al-Ameen Global for Investment	Commercial office units with an area of 25 square meters per unit, Muhammad Abu Nuqtah Street, Riyadh	04/02/1444H (corresponding to 01/09/2022G)	SAR 17,250	364 days
8.	Logi	Individual	Residential units, Muhammad Al Ajaji Street, Riyadh	04/02/1444H (corresponding to 01/09/2022G)	SAR 278,000	1,825 days***
9.	Logi	Ewaa Services Company	Storage space with an area of 5,000 square meters	27/05/1444H (corresponding to 21/12/2022G)	SAR 130,000	Three years, automatically renewable
10.	Logi	Masic Logistics	Residential units, Laam Residential Complex, Riyadh	05/04/1444H (corresponding to 06/04/2022G)	SAR 3,076,982	One year, automatically renewable

#	Lessee	Lessor	Location	Effective Date of the Lease	Annual Lease Amount	Lease Term
11.	Logi	Masic Logistics	Residential units, Laam Residential Complex, Riyadh	17/08/1443H (corresponding to 21/03/2022G)	SAR 41,400	One year*
12.	Logi	Individual	Residential units with an area of 200 square meters, Abu Bakr Al Wakil Road, Jeddah	17/04/1445H (corresponding to 01/11/2023G)	SAR 92,000	One year
13.	Logi	Individual	Residential units with an area of 600 square meters, Jeddah	15/02/1445H (corresponding to 01/09/2023G)	SAR 169,000	One year
14.	Logi	Individual	Residential units with an area of 100 square meters, Hail	27/03/1446H (corresponding to 30/09/2024G)	SAR 76,000	One year
15.	Logi	Individual	Residential units with an area of 100 square meters, Hail	26/03/1446H (corresponding to 29/09/2024G)	SAR 60,000	729 days
16.	Logi	Individual	Residential units, Abu Hadriyah Street, Al-Khobar	17/01/1444H (corresponding to 15/08/2022G)	SAR 100,000	1,825 days
17.	Logi	Individual	Residential units, Ain Al-Dhiba, Abha	08/12/1445H (corresponding to 15/06/2024G)	SAR 12,000	364 days
18.	Logi	Individual	Residential units, Badr Bin Ammar Street, Jeddah	04/03/1445H (corresponding to 19/09/2023G)	SAR 130,000	1,460 days
19.	Logi	Individual	Residential units, Al-Rimal District, Riyadh	29/02/1445H (corresponding to 15/09/2023G)	SAR 800,000	1,825 days
20.	Logi	Individual	Residential units with an area of 550 square meters, Dammam	17/05/1445H (corresponding to 10/12/2023G)	SAR 280,000	730 days
Co						
21.	Co	Individual	Residential units, Al Khobar	27/02/1444H (corresponding to 24/09/2022G)	SAR 12,000	1,825 days, automatically renewable
22.	Co	Individual	Residential units, Al Manar District, Qassim	27/02/1444H (corresponding to 11/10/2022G)	SAR 6,000	730 days, automatically renewable
23.	Co	Individual	Two commercial centers, Prince Faisal Al Saud Street, Buraidah	15/03/1444H (corresponding to 25/11/2023G)	SAR 300,000	2,191 days
24.	Co	Individual	Residential and commercial units, Al Rabwa District, Riyadh	29/02/1445H (corresponding to 15/09/2023G)	SAR 350,000	2,191 days
25.	Co	Etmam Arabia Real Estate Development Company	Residential and commercial units, Prince Faisal Al Saud Street, Buraidah	15/12/1443H (corresponding to 15/07/2022G)	SAR 800,000	1,825 days

#	Lessee	Lessor	Location	Effective Date of the Lease	Annual Lease Amount	Lease Term
26.	Co	Individual	Two floors with an area of 1,000 square meters, Riyadh Street, Al Khobar	27/09/1443H (corresponding to 29/04/2022G)	SAR 235,715	2,556 days
27.	Co	Al Hussaini & Al Yahya Real Estate Investment Company	Commercial units, King Fahd Road, Al Khobar	30/11/1444H (corresponding to 19/06/2023G)	SAR 126,500	1,460 days
28.	Co	Areen Al-Nokhba Real Estate Development Company	Commercial units with an area of 255 square meters, Hafsa Bint Omar Street, Riyadh	16/10/1444H (corresponding to 07/05/2023G)	SAR 306,600	2,191 days
29.	Co	Individual	Commercial and residential units, As Sulaymaniyah District, Riyadh	08/06/1444H (corresponding to 01/01/2023G)	SAR 300,000	1,825 days
30.	Co	Individual	Commercial units with an area of 22 square meters, Al-Suwaidi District, Riyadh	25/07/1445H (corresponding to 05/02/2024G)	SAR 435,000	3,652 days
31.	Co	Individual	Commercial showroom with an area of 128 square meters, As Sahafah District, Riyadh	17/10/1444H (corresponding to 08/05/2023G)	SAR 125,000	1,826 days
32.	Co	Individual	Commercial showrooms with an area of 128 square meters, As Sahafah District, Riyadh	17/10/1444H (corresponding to 08/05/2023G)	SAR 437,100	1,826 days
33.	Co	Individual	Residential and commercial units with an area of 65 square meters, Al Aqiq District, Riyadh	17/12/1443H (corresponding to 15/12/2022G)	SAR 47,555	1,644 days
34.	Co	Individual	Residential and commercial units with an area of 96 square meters, Al Aqiq District, Riyadh	17/12/1443H (corresponding to 15/12/2022G)	SAR 71,333	1,644 days
35.	Co	Individual	Storage space with an area of 526.7 square meters, Al Qairawan District, Riyadh	17/10/1445H (corresponding to 01/11/2023G)	SAR 226,912	1,095 days
36.	Co	Individual	Office space with an area of 182.63 square meters, Riyadh	08/10/1443H (corresponding to 10/05/2022G)	SAR 225,000	1,825 days
37.	Co	Individual	Three (3) floors containing residential units, Umm Al Hamam District, Riyadh	06/03/1444H (corresponding to 02/10/2022G)	SAR 45,000	2,652 days
38.	Co	Individual	Commercial showroom, King Faisal District, Hail	12/12/1444H (corresponding to 01/07/2023G)	SAR 100,000	1,460 days
39.	Co	Individual	Residential unit with an area of 65 square meters, Qassem Zeinal Street, Jeddah	28/03/1446H (corresponding to 01/10/2024G)	SAR 18,000	364 days

#	Lessee	Lessor	Location	Effective Date of the Lease	Annual Lease Amount	Lease Term
40.	Co	Individual	Residential units with an area of 67 square meters, Qassem Zeinal Street, Jeddah	14/01/1445H (corresponding to 01/08/2023G)	SAR 110,000	730 days
41.	Co	Individual	Residential units with an area of 80 square meters, Muzdalifah Street, Al Ahsa	29/12/1445H (corresponding to 05/07/2024G)	SAR 10,000	364 days
42.	Co	Individual	Residential units with an area of 40 square meters, Dammam	06/01/1445H (corresponding to 14/05/2024G)	SAR 21,600	364 days
43.	Co	Individual	Residential units with an area of 114 square meters, King Faisal Road, Hail	27/03/1446H (corresponding to 01/10/2024G)	SAR 60,000	1,825 days
44.	Co	Individual	Residential units with an area of 25 square meters, Cordoba district, Riyadh	21/03/1446H (corresponding to 25/09/2024G)	SAR 300,000	729 days
Jahez Kuwait						
45.	Jahez Kuwait	Company	Commercial office, Hawally, Block 5, Area 2417	07/04/1444H (corresponding to 01/11/2022G)	KWD 11,790, in addition to KWD 7,860 as a security deposit	Seven (7) years, renewable upon submission a renewal notice six (6) months prior to the end of the contract term.
Jahez Bahrain						
46.	Jahez Bahrain	Individual	Ground Floor, Al Saffar House, Municipal Unit No. 2, Building 1042, Road 3621, Block 436, Al Seef District, Bahrain	17/12/1443H (corresponding to 06/07/2022G)	BHD 37,101.300 (BHD 2,688.500 as monthly rent and BHD 403.274 as monthly service fees)	Three (3) years, renewable for a period of one to three years if Jahez Bahrain so desires, upon submission of a notification of renewal three months prior to the end of the contract term.

* The contract has not been registered on the Ejar platform

** The lease term has expired in the ordinary course of the Company's business, and the Company is in the process of renewing it as of the date of this Document.

Source: The Company

6.8 Intangible Assets

The Company has registered twenty-five (25) trademarks within the Kingdom, Qatar, the United Arab Emirates, the Sultanate of Oman, Kuwait and Bahrain as of the date of this Document. The Company relies heavily on its trademarks and intellectual property rights to maintain its business, reputation and quality standards. The Company's success and ability to compete depend on its ability to protect its intellectual property, including its trademarks (for further details, please refer to Section 2.1.17 "**Risks Related to the Protection of the Group's Intellectual Property Rights**" of this Document).

Except as disclosed above, the Directors confirm that the Company does not own any trademarks, patents or intellectual property rights inside or outside the Kingdom as of the date of this Document. The following table sets out the key details of the trademarks registered by the Company:

Table (6.13): Trademarks Registered Under the Name of the Company

#	Trademark	Owner	Registration No.	Protection Date	Protection Expiration Date	Category
The Kingdom						
1.	jahez جاهز	The Company	1442001897	14/01/1442H (corresponding to 02/09/2020G)	13/01/1452H (corresponding to 16/05/2030G)	39
2.	blu store	The Company	1443036796	15/11/1443H (corresponding to 14/06/2022G)	14/12/1453H (corresponding to 25/02/2032G)	35
3.	Blu STORE	The Company	1443039564	08/12/1443H (corresponding to 08/07/2022G)	07/12/1453H (corresponding to 19/03/2032G)	38
4.	جاهز تحلي؟	The Company	1444001265	04/01/1444H (corresponding to 02/08/2022G)	03/01/1454H (corresponding to 14/04/2032G)	30
Qatar						
5.	jahez جاهز	The Company	154134	Registration Date: 19/11/1444H (corresponding to 08/06/2023G) Protection Start Date: 20/06/1443H (corresponding to 23/01/2022G)	09/10/1453H (corresponding to 22/01/2032G)	35
6.	jahez جاهز	The Company	154133	Registration Date: 19/11/1444H (corresponding to 08/06/2023G) Protection Start Date: 20/06/1443H (corresponding to 23/01/2022G)	09/10/1453H (corresponding to 22/01/2032G)	39
7.	jahez جاهز	The Company	154126	Registration Date: 19/11/1444H (corresponding to 08/06/2023G) Protection Start Date: 20/06/1443H (corresponding to 23/01/2022G)	09/10/1453H (corresponding to 22/01/2032G)	9

#	Trademark	Owner	Registration No.	Protection Date	Protection Expiration Date	Category
United Arab Emirates						
8.	jahez جاهز	The Company	368907	Registration Date: 09/11/1443H (corresponding to 08/06/2022G) Protection Start Date: 14/06/1443H (corresponding to 17/01/2022G)	04/10/1453H (corresponding to 17/01/2032G)	9
9.	jahez جاهز	The Company	368909	Registration Date: 09/11/1443H (corresponding to 08/06/2022G) Protection Start Date: 14/06/1443H (corresponding to 17/01/2022G)	04/10/1453H (corresponding to 17/01/2032G)	35
10.	jahez جاهز	The Company	368912	Registration Date: 09/11/1443H (corresponding to 08/06/2022G) Protection Start Date: 14/06/1443H (corresponding to 17/01/2022G)	04/10/1453H (corresponding to 17/01/2032G)	39
Sultanate of Oman						
11.	jahez جاهز	The Company	151989	Registration Date: 04/05/1444H (corresponding to 28/11/2022G) Protection Start Date: 17/06/1443H (corresponding to 20/01/2022G)	07/10/1453H (corresponding to 20/01/2032G)	35
12.	jahez جاهز	The Company	151990	Registration Date: 03/05/1444H (corresponding to 27/11/2022G) Protection Start Date: 17/06/1443H (corresponding to 20/01/2022G)	07/10/1453H (corresponding to 20/01/2032G)	39
13.	jahez جاهز	The Company	151987	Registration Date: 04/05/1444H (corresponding to 28/11/2022G) Protection Start Date: 17/06/1443H (corresponding to 20/01/2022G)	07/10/1453H (corresponding to 20/01/2032G)	9
Kuwait						
14.	jahez جاهز	The Company	KW1634787	Submission Date: 01/04/1443H (corresponding to 06/11/2021G)	20/07/1453H (corresponding to 06/11/2031G)	35
15.	jahez جاهز	The Company	KW1636788	Submission Date: 01/04/1443H (corresponding to 06/11/2021G)	20/07/1453H (corresponding to 06/11/2031G)	39
16.	jahez جاهز	The Company	KW1634788	Submission Date: 01/04/1443H (corresponding to 06/11/2021G)	20/07/1453H (corresponding to 06/11/2031G)	9

#	Trademark	Owner	Registration No.	Protection Date	Protection Expiration Date	Category
Bahrain						
17.	jahez جاهز	The Company	133690	Registration Date: 15/06/1443H (corresponding to 18/01/2022G) Registration Application Date: 29/03/1443H (corresponding to 04/11/2021G)	18/07/1453H (corresponding to 04/11/2031G)	35
18.	jahez جاهز	The Company	133691	Registration Date: 15/06/1443H (corresponding to 18/01/2022G) Registration Application Date: 29/03/1443H (corresponding to 04/11/2021G)	18/07/1453H (corresponding to 04/11/2031G)	39
19.	jahez جاهز	The Company	133689	Registration Date: 15/06/1443H (corresponding to 18/01/2022G) Registration Application Date: 29/03/1443H (corresponding to 04/11/2021G)	18/07/1453H (corresponding to 04/11/2031G)	9

Source: The Company

Table (6.14): Trademarks Registered Under the Names of the Subsidiaries

#	Trademark	Owner	Registration No.	Protection Date	Protection Expiration Date	Category
The Kingdom						
1.	marn	Marn	1441001336	06/01/1441H (corresponding to 05/09/2019G)	16/01/1451H (corresponding to 25/02/2032G)	9
2.	CO SHELVING كو شيلفنق	Co	1443012476	09/04/1443H (corresponding to 15/11/2021G)	08/04/1453H (corresponding to 28/07/2031G)	43
3.	CO KITCHENS كو كتشنز	Co	1444002279	12/01/1444H (corresponding to 19/08/2022G)	11/01/1454H (corresponding to 11/01/2032G)	30
4.	CO	Co	1444041715	22/11/1444H (corresponding to 11/06/2023G)	21/11/1454H (corresponding to 21/02/2033G)	43
5.	كو كتشن CO KITCHENS DELIVERY KITCHENS شركة الاعداد المشترك	Co	1441027153	20/10/1441H (corresponding to 12/06/2020G)	19/10/1451H (corresponding to 23/09/2030G)	43
6.	الأوتليت AL OUTLET	Co	1445006065	18/02/1445H (corresponding to 04/09/2023G)	17/02/1455H (corresponding to 17/05/2033G)	43

Source: The Company

6.9 Website Domains

Table (6.15): Website Domains Registered Under the Name of the Group

#	Domain Name	Protection Expiration Date
1.	www.bluportal.net	24/10/1447H (corresponding to 12/04/2026G)
2.	www.blustore.net	13/03/1449H (corresponding to 15/08/2027G)
3.	www.jahezgroup.com	07/04/1447H (corresponding to 29/09/2025G)
4.	www.jahez.net	21/03/1446H (corresponding to 24/09/2025G)
5.	www.pik.sa	-
6.	www.saned.io	27/03/1446H (corresponding to 07/03/2025G)
7.	www.marn.com	-
8.	www.cokitchens.space	-
9.	www.sol.sa	-
10.	www.solstores.com	-

Source: The Company

6.10 Insurance

a- Insurance Policies of the Company

The Company maintains insurance policies that cover various types of risks related to its business. The table below sets out the key details of the Company's insurance policies:

Table (6.16): Insurance Policies of the Company

#	Coverage Type	Insurer	Insured	Policy No.	Coverage Expiration Date	Insured Value/Coverage Limit
1.	Comprehensive General Liability Insurance	Wataniya Insurance Company	The Company	P – 02-2022-6-603-045220/R1	14/05/1446H (corresponding to 16/11/2024G)	SAR 4,000,000.00
2.	Health Insurance	Company for Cooperative Insurance (Tawuniya)	The Company	34807172	17/06/1446H (corresponding to 19/12/2024G)	(1) SAR 1,000,000 for the VVIP category; (2) SAR 1,000,000 for the VVIPP category; and (3) SAR 1,000,000 for category C.
3.	Directors and Officers (D&O) Liability Insurance	Al Sagr Insurance	The Company	F-SAGR – 1-C-21-040	12 months from the agreed date	SAR 15,000,000 for anyone (1) claim and annual aggregate limit.
4.	All-Risk Property Insurance	Wataniya Insurance Company	The Company	P – 02-2022-2-205-045522/R1	14/05/1446H (corresponding to 16/11/2024G)	SAR 22,665,369.27

Source: The Company

b- Insurance Policies of the Subsidiaries

The Subsidiaries maintain insurance policies that cover various types of risks related to their business. The following table sets out the key details of the Subsidiaries' insurance policies:

Table (6.17): Insurance Policies of the Subsidiaries

#	Coverage Type	Insurer	Insured	Policy No.	Coverage Expiration Date	Insured Value/Coverage Limit
PIK						
1.	Health Insurance	Company for Cooperative Insurance (Tawuniya)	PIK	34812043	17/06/1446H (corresponding to 19/12/2024G)	(1) SAR 1,000,000 for the VVIP category; (2) SAR 1,000,000 for the VVIPP category; and (3) SAR 1,000,000 for category C.
BluStore						
2.	Health Insurance	Company for Cooperative Insurance (Tawuniya)	BluStore	34812042	17/06/1446H (corresponding to 19/12/2024G)	(1) SAR 1,000,000 for the VVIP category; (2) SAR 1,000,000 for the VVIPP category; and (3) SAR 1,000,000 for category C.
Logi						
3.	Health Insurance	Company for Cooperative Insurance (Tawuniya)	Logi	34812041	17/06/1446H (corresponding to 19/12/2024G)	(1) SAR 1,000,000 for the VVIP category; (2) SAR 1,000,000 for the VVIPP category; and (3) SAR 1,000,000 for category C.
4.	All-Risk Property Insurance	Wataniya Insurance Company	Logi	P – 02-2022-2-205-043976/R1	14/05/1446H (corresponding to 16/11/2024G)	SAR 3,150,000
5.	Money Insurance	Wataniya Insurance Company	Logi	P – 02-2022-2-205-043972/R1	14/05/1446H (corresponding to 16/11/2024G)	Cash in safes: Total number of safes: 24 Maximum amount in any safe: SAR 400,000 Total cash in safes: SAR 2,350,000 Money in transit: Maximum amount held by any person: SAR 600,000 Estimated total annual amount carried: SAR 12,000,000

#	Coverage Type	Insurer	Insured	Policy No.	Coverage Expiration Date	Insured Value/Coverage Limit
6.	Vehicle Insurance	Medgulf Insurance	Logi	MOC – 6025050	16/09/1446H (corresponding to 16/03/2025G)	(a) a maximum of SAR 10,000 for costs of treating bodily injuries afflicted to a third party inside or outside the vehicle for Ministry of Health claims, (b) SAR 10,000,000 (within the maximum limit) for costs of treating bodily injuries afflicted to a third party inside or outside the vehicle for non-Ministry of Health claims, (c) SAR 10,000,000 (within the maximum limit) for costs of treating bodily injuries afflicted to a third party outside the vehicle, and (d) SAR 10,000,000 (within the maximum limit) for expenses.
Co						
7.	Health Insurance	Company for Cooperative Insurance (Tawuniya)	Co	37488631	07/10/1446H (corresponding to 05/04/2025G)	(1) SAR 500,000 for the VIP A category; and (2) SAR 500,000 for the Bronze A category.
8.	All-Risk Property Insurance	Wataniya Insurance Company	Co	P – 02-2022-2-205-045527/R1	14/05/1446H (corresponding to 16/11/2024G)	SAR 54,290,000
Marn						
9.	Group Medical Expenses Insurance	Company for Cooperative Insurance (Tawuniya)	Marn	35664721	26/07/1446H (corresponding to 26/01/2025G)	(1) SAR 500,000 for Bronze A Category and Basic Tier; and (2) SAR 600,000 for Silver A Category
10.	All-Risk Property Insurance	Wataniya Insurance Company	Marn	P – 02-2023-2-205-149923	14/05/1446H (corresponding to 16/11/2024G)	SAR 3,890,000
Jahez Kuwait						
11.	Group Medical Insurance	Enaya Insurance Co.	Jahez Kuwait	P01900224/00014	10/07/1446H (corresponding to 10/01/2025G)	The annual financial limit per insured member is KWD 10,000. The policy stipulates different rates depending on the member's service type (Category A or VIP members) (i.e., patient benefits, outpatient services, routine dental treatment, chronic diseases, maternity and pregnancy)

#	Coverage Type	Insurer	Insured	Policy No.	Coverage Expiration Date	Insured Value/Coverage Limit
12.	Life Insurance Policy	Enaya Insurance Co.	A declared full-time permanent employee of Jahez Kuwait, who works at least 34 hours per week at the employer's workplace or any other location required by the employer and receives regular earnings from the employer. The policyholder must be at least 18 years old but less than 64 years old.	P01950224/00015	10/07/1446H (corresponding to 10/01/2025G)	KWD 599,504.400
13.	All-Risk Property Insurance	Enaya Insurance Co.	Jahez Kuwait	P/2/01/1002/24/00034	20/09/1446H (corresponding to 20/03/2025G)	KWD 212,000
14.	Group Life and Accident Insurance	Bahrain Kuwait Insurance Company	Jahez (Bahrain)	B/GIG/HB/FGRP/00000030/24-00	02/11/1446H (corresponding to 30/04/2025G)	BHD 1,426,675,600
15.	Group Health Insurance	Bahrain Kuwait Insurance Company	Jahez (Bahrain)	Category (A): 19010547 (B/GIG/HB/HGRP/00000384/24-01), and Category (B): 19010546 (B/GIG/HB/HGRP/00000383/24-01)	02/11/1446H (corresponding to 30/04/2025G)	Category (A) BHD 16,011.000 + BHD 1,601.100 (10% VAT) = BHD 17,612.100 and Category (B) BHD 51,579.000 + BHD 5,157.900 (10% VAT) = BHD 56,736.900
16.	Comprehensive Office Insurance and Third-Party Liability Insurance	Bahrain Kuwait Insurance Company	Jahez (Bahrain)	B/G/I/G/H/B/B/B/K/00000961/24-01	22/11/1446H (corresponding to 20/06/2025G)	(a) BHD 108,237.800 for material damages, and (b) BHD 100,000 for third-party liability.
17.	Group Life and Accident Insurance	Bahrain Kuwait Insurance Company	Jahez (Bahrain)	B/GIG/HB/FGRP/00000030/24-00	02/11/1446H (corresponding to 30/04/2025G)	BHD 1,426,675,600
18.	Glass Insurance	Bahrain Kuwait Insurance Company	Jahez (Bahrain)	B/G/I/G/H/B/B/B/K/G/00000961/24-01	N/A	N/A
19.	All-Risk Insurance	Bahrain Kuwait Insurance Company	Jahez (Bahrain)	B/G/I/G/H/B/B/B/K/G/00000961/24-01	N/A	N/A

#	Coverage Type	Insurer	Insured	Policy No.	Coverage Expiration Date	Insured Value/Coverage Limit
20.	Money Insurance	Bahrain Kuwait Insurance Company	Jahez (Bahrain)	B/G/I/G/H/B/B/B/K/G/00000961/24-01	N/A	N/A
Jahez Bahrain						
21.	All-Risk Property Insurance, Money Insurance and Third-Party Liability Insurance	Bahrain National Insurance	Jahez Bahrain	230186000419	14/12/1445H (corresponding to 20/06/2024G)	(1) All-Risk Property Insurance: BHD 102,420; (2) Money Insurance: BHD 1,000 for money in transit, BHD 8,000 for cash in safes and BHD 12,000 for withdrawn funds; and (3) Third-Party Liability Insurance: BHD 100,000 for any single accident or series of accidents arising from any incident.
Sol						
22.	Employee Health Insurance*	Bupa Arabia for Cooperative Insurance Company	Raz Holding Company	N/A	11/03/1446H (corresponding to 14/09/2024G)**	SAR 1,000,000 per individual

Source: The Company

* This policy covers Sol employees.

** This policy has expired in the normal course of business and is being renewed as of the date of this document.

6.11 Litigation and Claims

The following table sets out a summary of the pending lawsuits and claims filed by or against the Company as of the date of this Transfer Document.

a- The Company

Table (6.18): Summary of Litigation and Claims Filed by or Against the Company as of the Date of This Document

#	Plaintiff	Defendant	Dispute Summary	Status	Expected Financial Impact (SAR)
Claims Filed Against the Company					
1.	Plaintiff	The Company	A commercial claim for SAR 759,000, filed by the plaintiff with the Commercial Court.	Pending	SAR 759,000
Expected Total Financial Impact of Claims Filed Against the Company					**SAR 759,000**

Source: The Company

b- Subsidiaries

The following table sets out a summary of litigation and claims filed by or against the Subsidiaries as of the date of this Document.

Table (6.19): Summary of Litigation and Claims Filed by or Against the Subsidiaries as of the Date of This Document

#	Plaintiff	Defendant	Dispute Summary	Status	Expected Financial Impact (SAR)
Claims Filed Against the Subsidiaries					
Claims Filed Against Logi					
1.	Plaintiff	Logi	A claim related to labor rights for SAR 23,848, filed by the plaintiff with the Labor Court.	Pending	SAR 23,848
2.	Plaintiff	Logi	A claim related to labor rights for SAR 13,100, filed by the plaintiff with the Labor Court.	Pending	SAR 13,100
3.	Plaintiff	Logi	A claim related to labor rights for SAR 50,400, filed by the plaintiff with the Labor Court.	Pending	SAR 50,400
Expected Total Financial Impact of Claims Filed Against the Subsidiaries					**SAR 87,438**
Claims Filed by the Subsidiaries					
Claims filed by Jahez Kuwait					
1.	Jahez Kuwait	Defendant 1	The defendant claims that the plaintiff terminated the Agreement prior to its expiration. Accordingly, the defendant claims moral and material compensation incurred as a result of the unilateral termination.	The claim is under review by the Court.	Not specified as of the date of this Document.
2.	Jahez Kuwait	Defendant 2	The defendant claims that the plaintiff terminated the Agreement prior to its expiration. Accordingly, the defendant claims moral and material compensation incurred as a result of the unilateral termination.	The claim is under review by the Court.	Not specified as of the date of this Document.
Expected Total Financial Impact of Claims Filed by the Subsidiaries					**N/A**

Source: The Company

Except as stated above, the Directors confirm that the Company is not a party, as of the date of issuance of this Document, to any judicial dispute, arbitration, administrative proceeding or investigation that would, individually or collectively, have an adverse impact on its financial position or results of operations. The Directors further declare that they are not aware of any lawsuits or claims that are threatened to be filed.


jahez

7. Financial information and Management's Discussion and Analysis

7.1 Introduction

The Financial Information and Management's Discussion and Analysis section provides an analysis of the operating performance of Jahez International Company for Information Systems Technology ("**The Company**") and its subsidiaries ("**The Group**") and its financial position as of and for the Financial Years ended 31 December 2021G, 31 December 2022G, 31 December 2023G and as for the six-month period ended 30 June 2023G and 2024G. This section and the accompanying notes have been prepared based on the audited consolidated financial statements of the Group for the financial years ended 31 December 2023G, containing the audited consolidated financial statements of the Group for the comparative period ended 31 December 2022G and the audited consolidated financial statements of the Group for the financial years ended 31 December 2022G, containing the restated consolidated financial statements of the Group for the comparative period ended 31 December 2021G, and the interim condensed consolidated financial statements for the six-month period ended 30 June 2024G, including the financial statements for the comparative period ended 30 June 2023G.

The Group prepared its financial statements for the financial years ending on 31 December, 2021G, 2022G, and 2023G in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board (IFRS), in addition to other publications and standards approved by the Saudi Organization for Auditors and Accountants (SOCPA). The Financial statements were audited by the Group's statutory auditor, KPMG Professional Consulting ("KPMG" or the "Auditor") according to the reports issued by the Auditor. The interim condensed consolidated financial statements for the six-month period ended 30 June 2024G along with its accompanying notes, have been prepared in accordance with requirements of IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and have been reviewed by the auditor of the Group as per the reports issued by the auditor, together referred to as the "Financial statements".

The financial statements are included in Section 8 ("**Chartered Accountant's Report**") of this transfer document. The Group has restated some amounts included in the audited financial statements for the financial year ending 31 December, 2021G to improve the presentation and disclosures provided. For more details about the restatement, please refer to Section 7.7.6 ("**Adjustment of the Financial Statements**").

Neither KPMG nor any of its subsidiaries nor affiliates nor sister companies nor employees (who form part of the team responsible for providing services to the Group) or their relatives, own any shares or interest of any kind in the Group that would affect their independence as at the date of the independent audit report of the consolidated financial statements of the Group. KPMG has provided its written consent, as at the date of the transfer document, to refer in this transfer document to its role as the independent auditor for the Group's consolidated financial statements for the Financial Years ended 31 December 2021G, 2022G and 2023G and for the six-month period ended 30 June 2024G they have not withdrawn that approval as of the date of issuance of this transfer document.

The amounts presented in this section have been rounded to the nearest thousand Saudi Riyal, if not stated otherwise, and the amounts and percentages presented in this section have been rounded to the nearest decimal. As such, the sum of those rounded numbers may differ from the totals shown in the tables. Accordingly, all margins, Key Performance Indicators, yearly expenditures, and variances are based on rounded numbers.

The financial information for the financial year ending on 31 December 2021G was extracted from the comparative period for the financial year ending on 31 December 2021G presented in the Group's audited consolidated financial statements for the financial year ending on 31 December 2022G. The financial information for the financial year ending on 31 December 2022G was extracted comparative period for the financial year ending on 31 December 2022G presented in the Group's audited consolidated financial statements for the financial year ending on 31 December 2023G, and the financial statements for the six-month period ended 30 June 2023G was extracted from the comparative period financial information presented in the unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2024G.

This section may include statements of a forward-looking nature relating to the future capabilities of the Group, based on management's plans and expectations in regard to the Group's growth, results of operations and financial position, as well as the risks and uncertainties associated therewith. The Group's actual results may differ materially from the expectations of the Group's management, as a result of various factors, risks and future events, including those discussed in this section of the document or elsewhere, as well as in Section 2 ("**Risk Factors**") in this transfer document.

7.2 Board of Directors' Declaration for Financial Information

The members of the Board of Directors acknowledge that the financial information contained in this section has been prepared on a consolidated basis, extracted without material amendments, and presented in a format consistent with the audited consolidated financial statements for the financial years ending on 31 December 2021G, 2022G and 2023G and their accompanying notes, which were prepared in accordance with international financial reporting standards, and the interim condensed consolidated financial statements for the six-month period ended 30 June 2024G and their accompanying notes, which were prepared in accordance with requirements of IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia. These financial statements have been reviewed in accordance with international financial reporting standards adopted in the Kingdom of Saudi Arabia and other standards and publications approved by the Saudi Organization for Certified Public Accountants.

The members of the Board of Directors acknowledge that there has been no material adverse change in the financial and commercial position of the Group, during the three years immediately preceding the date of submission of the transfer request, in addition to the end of the period covered by the certified public accountant's report, up until the approval of the transfer document.

The members of the Board of Directors acknowledge that all material facts regarding the issuer and its financial performance have been disclosed in this transfer document, and that there are no other facts, information or documents whose omission might lead the statements, included in this transfer document, to be considered misleading.

The members of the Board of Directors acknowledge that the issuer does not have any assets, including contractual financial securities or other assets, whose value is subject to fluctuations or is considered difficult to ascertain, which would significantly affect the assessment of the financial position, excluding financial instruments at fair value from profit or loss and financial instruments at fair value through other comprehensive income, which are disclosed in Section 7.7.2 ("**Consolidated Statement of Financial Position**") of this transfer document.

The members of the Board of Directors acknowledge that there are no commissions, discounts, brokerage fees, or any non-cash compensation granted by the issuer or its subsidiaries during the three years immediately preceding the date of submitting the transfer request in relation to the shares being transferred.

The members of the Board of Directors acknowledge that the capital of the issuer and its subsidiaries is not subject to any option rights.

7.3 Group overview

Jahez International Company for Information Systems Technology was established as a limited liability company, registered in the Kingdom of Saudi Arabia under Commercial Registration No. 1010895874 dated 1 Muharram 1439H corresponding to 21 September 2017G issued in the city of Riyadh and having its headquarters in the city of Riyadh. The Company's shares were listed on the Parallel Market "Nomu" on 5 January 2022G.

The company's activities according to the commercial register include network extensions, e-commerce, online trading, operating systems, selling wired and wireless equipment and devices, system analysis, custom software design and programming, software maintenance, and website design.

The accompanying consolidated financial statements include the financial statements of Jahez International for Information Systems Technology and its subsidiaries (collectively referred to as the 'Group').

The following table presents the subsidiaries of Jahez International Company for Information Systems Technology included in the consolidated financial statements:

Table (7.1): Subsidiaries of Jahez International Company for Information Systems Technology

Subsidiaries	Legal entity	Country of incorporation	% of ownership			
			As at 31 December 2021G	As at 31 December 2022G	As at 31 December 2023G	As at 30 June 2024G
Joint Preparation Company for Meals	Limited Liability Company	Kingdom of Saudi Arabia	60%	60%	60%	100%
PIK Options Trading Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100%	100%	100%	100%
Supportive Solutions Company for Logistic Services	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100%	100%	100%	100%
The Red Color Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100%	100%	100%	100%
Jahez International Company for Information Systems Technology	A Limited Liability Company	Kingdom of Bahrain	100%	100%	100%	100%
Jahez International Company for Wholesales and Retail Trading	A Single Shareholder Limited Liability Company	Kuwait	-	100%	100%	100%
Blu Store Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	-	51%	51%	51%
Marn Business Information Technology Company	Limited Liability Company	Kingdom of Saudi Arabia	-	-	100%	100%
Jahez for Information Technology	A Limited Liability Company	Egypt	-	-	100%	100%
Jahez International Company for Information Systems Technology	A Limited Liability Company	Qatar	-	-	100%	100%
SOL Company for Trading	Limited Liability Company	Kingdom of Saudi Arabia	-	-	35%	35%

Source: The audited financial statements for the financial years ended 31 December 2021G, 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Joint Preparation Company for Meals:

On 20 July 2020G, the Company signed an acquisition agreement to acquire shares that represent 60% of share capital of Joint Preparation Company for Meals (a limited liability company) amounting to SAR 25,000 where the cost of the acquisition amounted to SAR 2.4 million. On 7 September 2020G (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.

On 9 Rajab 1444H (corresponding to 31 January 2023G), a purchase agreement was signed for acquiring the full shares of the owner of the Joint Preparation Company for Meals through purchasing shares to acquire 100% of the Company share capital by paying a cash consideration of SAR 4.8 million after fulfilling the conditions mentioned in the purchase agreement, including obtaining approvals from the relevant government authorities. The acquisition has been completed on 24 February 2024G.

PIK Options Trading Company

On 5 November 2020G, the Company incorporated a wholly owned subsidiary which is PIK Options Trading Company (a single shareholder limited liability company). The company's capital is SAR 1,000,000. The company is engaged in online retail sales.

Supportive Solutions Company for Logistic Services

On 8 February 2021G, the Company incorporated a wholly owned subsidiary, which is Supportive Solutions Company for Logistic Services (a single shareholder limited liability company), a wholly owned subsidiary in the Kingdom of Saudi Arabia. The Company's capital is SAR 1,000,000. The Company is engaged in directing vehicles, transporting goods, and providing delivery services via e-platforms.

The Red Color Company

On 8 February 2021G, the Company incorporated a wholly owned subsidiary, which is the Red Color Company (a single shareholder limited liability company). The Company's capital is SAR 10,000. The Company is engaged in other financial services activities, with the exception of insurance and pension financing.

Jahez International Company for Information Systems Technology

On 25 November 2021G, 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 2022G, the Company incorporated Jahez International Company for Wholesales and Retail Trading (a single shareholder limited liability company) a wholly owned subsidiary in 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 2022G, the Company incorporated Blu Store Company (a limited liability company). The Company holds 51% shareholding, and the Blu Store Company's capital is SAR 500,000. The company is engaged in retail sale of apparel, shoes and leather items in specialized stores.

Marn Business Information Technology Company

On 28 September 2022G (corresponding to 2 Rabi'ual-Awwal 1444H), the Company signed an agreement to acquire shares that represent 100% of share capital of Marn Business Information Technology Company (A Single Shareholder Limited Liability Company) amounting to SAR 1,000,000 and the cost of the acquisition was SAR 60 million. On 2 January 2023G (corresponding to 9 Jumada II 1444H), the Articles of Association of Marn Business Information Technology Company and its shareholding structure have been amended to reflect the impact of the acquisition. The Marn Business Information Technology Company is primarily engaged in designing and developing special software, whole selling of software, including importing as well as retail selling of computers and its accessories (including printers and their inks) and retail selling of software.

Jahez For Information Technology

On 30 July 2023G, the Company established a wholly owned subsidiary in Egypt (limited liability company). The company's capital is EGP 10,000 (equivalent to SAR 1,215). Jahez International for Information Systems Technology is engaged in software development, database management, and application design.

Jahez International Company for Information Systems Technology

On 3 August 2023G, the Company established a wholly owned subsidiary in Qatar (limited liability Company), the share capital is QAR 500,000 (equivalent to SAR 514,930). Jahez International Company for Information Systems Technology activities include online commerce and delivery of consumer goods.

SOL Company for Trading

On 13 Jumada II 1445H (corresponding to 26 December 2023G), the Company signed an agreement to acquire shares that represent 35% of share capital of SOL Company for Trading (A Limited Liability Company) amounting to SAR 35,000 and the cost of the acquisition was SAR 5 million. On 20 Jumada II 1445H (corresponding to 23 December 2023G), the Articles of Association of SOL Company for Trading and its shareholding structure have been amended to reflect the impact of the acquisition. SOL Company for Trading is primarily engaged in refrigerated food stores, hygiene suppliers' stores, frozen food stores and dry food stores.

7.4 Basis of Preparation of the financial statements and Summary of Significant Accounting Policies

7.4.1 Basis of Preparation

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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). These interim condensed consolidated financial statements for the six-month period ended 30 June 2024G have been prepared in accordance with requirements of IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for 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.

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022G) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023G). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023G). The management has assessed the impact of the New Companies Law and amended its bylaws for any changes to align the company's by law with the new Law after the approval of the Extraordinary General Assembly for the meeting held on 15 Jamada Alawal (Corresponding to 29 November 2023G), The management estimated that the application of the new bylaw has no significant impact on the Group's consolidated financial statements as at 31 December 2023G.

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.

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.

7.4.2 New standards and amendments issued

Several amendments and interpretations apply for the first time in the consolidated financial statements for the year ended 31 December 2023G, which are effective for annual periods beginning on or after 1 January 2023G which do not have a material effect on these consolidated financial statements except for amendments to IAS 1 "Disclosure of Accounting Policies" the effect of which have been reflected in these consolidated financial statements.

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

Effective date	New accounting standards or amendment
1 January 2023G	IFRS 17 Insurance contract Disclosure of accounting policies – Amendments to IAS 1 and IFRS practice statement 2 Definition of accounting estimates- Amendments to IAS 8 Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12
23 May 2023G	International Tax Reform – Pillar two model rules - Amendment to IAS 12
1 January 2024G	Non-current Liabilities with Covenants -Amendments to IAS 1 and classification of liabilities as Current or Non-current –Amendments to IAS 1 Lease Liability in a Safe and Leaseback -Amendments to IFRS16 Supplier finance Arrangements-Amendments to IAS 7 and IFRS 7

Source: The consolidated audited financial statements for the financial year ended 31 December 2023G

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 2023G.

New requirements that will be applied subsequently:

Standards issued but not yet effective are as follows:

The Company has not early adopted the following new and amended IFRSs and that were issued but not yet effective:

Effective date	New accounting standards or amendment
1 January 2025G	Lack of Exchangeability - Amendments to IAS 21
Available for optional adoption/effective date deferred indefinitely	Safe or Contribution of Assets between an Investor and its Assonate or Joint Venture -Amendments to IFRS 10 and /IAS 28

Source: The interim condensed consolidated financial statements for the six-month period ended 30 June 2024G

7.4.3 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 valuation involves making various assumptions which may differ from actual developments in the future. Such assumptions include determination of discount rate, future salary increases and mortality rates.

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

The discount rate is the factor most subject to changes and when determining the appropriate discount rate, the management considers the interest rates of corporate bonds in currencies consistent with the currencies of the end-of-service benefits obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

Provision for expected credit loss (ECLs) on accounts receivable

The Group uses a model in estimating lifetime ECLs that have not been credit-impaired or credit-impaired based on a change in the credit risk associated with the financial instrument.

Trade receivables are combined based on the common credit risk characteristics and the days in which they are due to measure the ECLs. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic activity indicators affecting the ability of the customers to settle the receivables.

Lease's discount rate

The management of the Group uses estimates in determining the incremental borrowing rate in computing the present value of minimum lease payments, as well as the expected lease term in the event of extension options.

Revenue recognition

Whether revenue is recognised over time or at a point in time, revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

Impairment test of intangible assets and goodwill

key assumptions underlying recoverable amounts, including the recoverability of development costs;

Consolidation whether the Group has defacto control over an investee;

Subsidiaries are entities controlled by the Group. The Group 'controls' is 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 on which control commences until the date on which control ceases.

MATERIAL ACCOUNTING POLICES

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Group adopted the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023G. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

Basis of consolidation

a- Business combinations

The Group accounts for business commotions under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentrations test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar identifiable assets.

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent change in the fair value of the contingent consideration are recognized in profit or loss.

If share- based payment awards (replacement awards} are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

b- 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 on which control commences until the date on which control ceases.

c- Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d- Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Property and equipment

Property and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost 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:

Property and equipment	Years
Tools and instruments	4
Computers	4
Furniture and fixtures	4
Electric equipment	4
Central kitchens	10
Decorations and leasehold improvements	10
Motor vehicles	4

Source: The consolidated audited financial statements for the financial year ended 31 December 2023G

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.

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 capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in 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.

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated in1pairment losses.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term liquid investments with original maturities of three month or less, if any, which are available to the Company without any restrictions.

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.

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.

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 amortised 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.

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.

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.

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.

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.

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.

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.

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.

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

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 revenue 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.

The control for commission revenue is passes at point in time when the merchant accepts the order, the control over the delivery services passes at point in time when the order is delivered.

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.

The control for e-payment fees revenue is passes at point in time when the merchant accepts the order.

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.

Other revenue

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

Variable consideration

Any voucher, cash back and customer compensations are treated as a reduction in revenue. If the transaction price includes a variable amount, the transaction price is estimated and recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

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 underling asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in 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.

Group as a lessee

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.

Any remeasurement is settled in the lease liability against the carrying amount of right-of-use asset or charged to the statement of income if the carrying amount of the related asset is Zero.

Short-term leases

The Group elected not to recognize right-of-use assets and lease liabilities for the short-term leases for which their terms are 12 months or less. The Group recognizes lease payments associated with those leases as expenses on a straight line basis over the lease term.

Extension options

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

Segments Reporting

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

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic 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 the weighted average number of ordinary shares outstanding, adjusted for the number of expected vested shares granted for share based payment program.

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.

Share-based payments

Employees of the Company (including senior executives) will be awarded incentives under share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) or cash equivalents of the shares fair value (i.e., cash-settled transactions) The Company measures the cost of cash-settled transactions by reference to the fair value of share options under share-based payment arrangements. For share-based payment transactions, this valuation refers to the fair value at the vesting date. For cash-settled transactions, this refers to the fair value at each reporting date using an appropriate valuation model.

That cost is recognized in expenses, together with a corresponding increase in equity (Share-based payment reserve), for equity-settled transactions or together with increase in cash-settled transactions liability during the period which the service was provided and fulfillment of performance conditions (if any) where appropriate (vesting period). The cumulative expense recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the vesting date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the vesting date fair value. Any other conditions attached to an award, but without a required service, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognized is the vesting date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. For cash-settled transactions, the fair value remeasurement at each reporting date is considered to be the opposite of the modified conditions and circumstances (except for market conditions). Under equity-settled transactions, where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately in the statement of profit or loss and other comprehensive income.

Pursuant to the grant letters signed by the Chairman of the Board of Directors and employees, and the Share-based Payment Program Policy, the Board of Directors has the right at any time to make a decision to settle the consideration with grants by equity instruments (i.e., equity-settled transactions) or cash equivalent of shares fair value (ie., cash-settled transactions).

The Company's management determined the accounting treatment by settling the consideration with grants by equity instruments, and accordingly that cost was recognized under the expenses with a corresponding increase in equity (the share-based payment program).

7.5 Group Subsidiaries Financial Information

This section presents the revenues, net profit/(loss), assets and liabilities for each subsidiary of the Group.

The following table summarizes the revenues and net profit / (loss) for each subsidiary of the Group for the fiscal years ended 31 December 2021G, 2022G and 2023G and for the six-month periods ended 30 June 2024G:

Table (7.2): Revenues and net profit/(loss) by subsidiary

SAR'000s	2021G (Mgmt. info)		2022G (Mgmt. info)		2023G (Mgmt. info)		30 June, 2024G (Mgmt. info)	
Subsidiaries	Revenues	Net profit/ loss	Revenues	Net profit/ loss	Revenues	Net profit/ loss	Revenues	Net profit/ loss
Jahez International Company for Information Systems Technology- KSA	1,158,179	123,563	1,591,274	208,751	1,701,881	261,388	888,717	129,562
Joint Preparation Company for Meals	1,488	(896)	5,167	(4,922)	7,858	(15,001)	5,598	(6,200)
PIK Options Trading Company	(99)	(7,638)	1,150	(10,182)	(2,046)	(14,232)	74	(8,232)
Supportive Solutions Company for Logistic Services- Logi	110,677	(6,439)	310,372	(122,883)	404,126	(4,879)	189,826	(14,448)
Red color Company	-	8,162	-	1,680	-	3,197	-	(4,333)
Jahez International Company for Information Systems Technology – Bahrain	-	(43)	3,788	(13,766)	27,677	(24,502)	28,527	(8,550)
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	-	(1)	(1,153)	20,796	(72,644)	62,150	(39,192)
Blu Store Company	-	-	1,099	(1,002)	17,229	(1,116)	10,616	2,840
Marn Business Information Technology Company	-	-	-	-	6,482	(13,322)	3,757	(6,742)
Jahez for Information Technology-Egypt	-	-	-	-	-	(45)	-	(53)
Jahez International Company for Information Systems Technology- Qatar	-	-	-	-	-	(42)	-	-
Sol Company for Trading	-	-	-	-	280	(34)	17,607	(1,621)
Eliminations/ Modifications	(110,677)	-	(310,372)	-	(399,528)	-	(184,978)	-
Total	**1,159,568**	**116,710**	**1,602,477**	**56,523**	**1,784,755**	**118,768**	**1,021,894**	**43,031**

Source: Management information

Table (7.3): Revenues and net profit/(loss) as a percentage of total after eliminations and adjustments

SAR'000s	2021G (Mgmt. info)		2022G (Mgmt. info)		2023G (Mgmt. info)		30 June, 2024G (Mgmt. info)	
Subsidiaries	Revenues	Net profit/ loss	Revenues	Net profit/ loss	Revenues	Net profit/ loss	Revenues	Net profit/ loss
Jahez International Company for Information Systems Technology-KSA	99.9%	105.9%	99.3%	369.3%	95.4%	220.1%	87.0%	301.1%
Joint Preparation Company for Meals	0.1%	(0.8%)	0.3%	(8.7%)	0.4%	(12.6%)	0.5%	(14.4%)
PIK Options Trading Company	0.0%	(6.5%)	0.1%	(18.0%)	(0.1%)	(12.0%)	0.0%	(19.1%)
Supportive Solutions Company for Logistic Services- Logi	9.5%	(5.5%)	19.4%	(217.4%)	22.6%	(4.1%)	18.6%	(33.6%)
Red color Company	-	7.0%	0.0%	3.0%	0.0%	2.7%	0.0%	(10.1%)
Jahez International Company for Information Systems Technology – Bahrain	-	-	0.2%	(24.4%)	1.6%	(20.6%)	2.8%	(19.9%)
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	-	(0.0%)	(2.0%)	1.2%	(61.2%)	6.1%	(91.1%)
Blu Store Company	-	-	0.1%	(1.8%)	1.0%	(0.9%)	1.0%	6.6%
Marn Business Information Technology Company	-	-	-	-	0.4%	(11.2%)	0.4%	(15.7%)
Jahez for Information Technology-Egypt	-	-	-	-	-	(0.0%)	-	(0.1%)
Jahez International Company for Information Systems Technology-Qatar	-	-	-	-	-	(0.0%)	-	-
Sol Company for Trading	-	-	-	-	0.1%	(0.0%)	1.7%	(3.8%)
Eliminations/ Modifications	(9.5%)	-	(19.4%)	-	(22.4%)	-	(18.1%)	-
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Management information

The following table summarizes the assets and liabilities for each subsidiary of the Group as at 31 December 2021G, 2022G and 2023G and as at 30 June 2024G:

Table (7.4): Assets and liabilities by subsidiary

SAR'000s	2021G (Mgmt. info)		2022G (Mgmt. info)		2023G (Mgmt. info)		30 June, 2024G (Mgmt. info)	
Subsidiaries	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Jahez International Company for Information Systems Technology-KSA	486,323	299,055	1,279,290	274,744	1,461,253	309,735	1,441,612	305,430
Joint Preparation Company for Meals	9,092	6,471	44,061	46,346	50,941	68,227	70,515	93,830
PIK Options Trading Company	5,625	12,262	11,179	27,998	3,254	34,306	4,834	44,117
Supportive Solutions Company for Logistic Services- Logi	19,886	25,210	136,544	264,028	115,070	248,012	80,384	227,775
Red color Company	19,947	11,775	22,782	12,930	85,995	72,947	187,594	178,933
Jahez International Company for Information Systems Technology – Bahrain	3	46	7,114	20,422	13,471	51,281	12,634	58,994
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	-	3,131	3,041	19,577	92,130	33,245	145,291
Blu Store Company	-	-	3,081	3,584	54,935	56,553	28,499	27,278
Marn Business Information Technology Company	-	-	-	-	10,786	26,244	12,191	34,361
Jahez for Information Technology-Egypt	-	-	-	-	144	188	301	399
Jahez International Company for Information Systems Technology-Qatar	-	-	-	-	473	-	473	-
Sol Company for Trading	-	-	-	-	33,992	31,345	30,228	29,249
Eliminations/ Modifications	(46,860)	(49,120)	(96,297)	(246,174)	(200,866)	(485,733)	(288,626)	(669,168)
Total	**494,016**	**305,700**	**1,410,885**	**406,919**	**1,650,796**	**505,237**	**1,613,884**	**476,489**

Source: Management information

Table (7.5): Assets and liabilities as a percentage of total after eliminations and adjustments

SAR'000s	2021G (Mgmt. info)		2022G (Mgmt. info)		2023G (Mgmt. info)		30 June, 2024G (Mgmt. info)	
Subsidiaries	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Jahez International Company for Information Systems Technology-KSA	98.4%	97.8%	90.7%	67.5%	88.6%	61.3%	89.3%	64.1%
Joint Preparation Company for Meals	1.8%	2.1%	3.1%	11.4%	3.1%	13.5%	4.4%	19.7%
PIK Options Trading Company	1.1%	4.0%	0.8%	6.9%	0.2%	6.8%	0.3%	9.3%
Supportive Solutions Company for Logistic Services- Logi	4.0%	8.2%	9.7%	64.9%	7.0%	49.1%	5.0%	47.8%
Red color Company	4.0%	3.9%	1.6%	3.2%	5.2%	14.4%	11.6%	37.6%
Jahez International Company for Information Systems Technology – Bahrain	0.0%	0.0%	0.5%	5.0%	0.8%	10.1%	0.8%	12.4%
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	-	0.2%	0.7%	1.2%	18.2%	2.1%	30.5%
Blu Store Company	-	-	0.2%	0.9%	3.3%	11.2%	1.8%	5.7%
Marn Business Information Technology Company	-	-	-	-	0.7%	5.2%	0.8%	7.2%
Jahez for Information Technology-Egypt	-	-	-	-	0.0%	0.0%	0.0%	0.1%
Jahez International Company for Information Systems Technology-Qatar	-	-	-	-	0.0%	0.0%	0.0%	0.0%
Sol Company for Trading	-	-	-	-	2.1%	6.2%	1.9%	6.1%
Eliminations/ Modifications	(9.9%)	(16.1%)	(17.4%)	(60.5%)	(25.4%)	(96.1%)	(17.9%)	(140.4%)
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**1000.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Management information

7.6 The main factors affecting the group's performance and operations

Operational Factors

Merchants: The Jahez, PIK, and Blu Store platforms rely mainly on merchants that display their products to customers and benefit from delivery services. The total value of goods sold through the group's platforms increased from SAR 3,342,531 for 2021G to SAR 5,092,828 for 2023G. Merchants use the Jahez platform, the PIK platform, and the Blu Store platform to increase their sales volume, in case of dissatisfaction of the merchants on the volume of sales and margins achieved through the Jahez platform, the PIK platform, and the Blu Store platform, or on the amount of commissions paid to the group, or in the event that the group fails to pay the merchants' dues or does not match the registered balances between the merchants and the group, or if the merchants don't want to associate their name with the group's trademarks, this may lead them to stop dealing with the Group or moving towards increasing their work volumes with the Group's competitors or to deal with them exclusively and work to create special delivery platforms for the merchants. In that case, the group will not be able to provide many suitable store options for customers through the Jahez, PIK, and Blu Store platforms, and the group's revenues may be adversely and materially affected as a result.

Delivery representatives: Orders are delivered from merchants to customers through delivery representatives registered on the Jahez, PIK, and Blu Store platforms. The Jahez, PIK, and Blu Store platforms rely mainly on three (3) categories of delivery agents, which are the permanent delivery representatives employed by Logi, who delivered 16% of the total orders during 2023G, independent delivery representatives, who delivered 17% of the total orders during 2023G and the delivery representatives of the logistics services companies that the group contracts with, who delivered 67% of the total orders during 2023G. If the group is unable to attract or maintain delivery representatives for the Jahez, PIK, and Blu Store platforms, or Logi, the group's business will be adversely affected, as this may lead to the group's inability to fulfill the delivery requests it provides through the Jahez, PIK, and Blu Store platforms, or fulfilling the logistical services provided by Logi.

Customers: Customers use the Jahez, PIK, and Blu Store platforms to order and obtain food and other products they want at a reasonable price. Customers may not continue to use the Jahez, PIK, and Blu Store platforms, or they may use them less often if they are not satisfied with the services, prices, diversity of options, or quality of service provided. Customers may also use the Jahez, PIK, and Blu Store platforms only for the purpose of benefiting from promotional offers offered through the platforms and therefore stop using them once the promotional campaigns end. New customers may also not use the Jahez, PIK, and Blu Store platforms on a consistent basis. If the Group does not provide the features and advantages that attract customers to use the Jahez, PIK, and Blu Store platforms, the Group may not be able to attract new customers or maintain its current customers, or may incur additional costs to attract customers, which will have a material adverse impact on the Group's business, financial position, results of operations and future prospects.

Geographic Factors

The Group currently operates in the Kingdom of Saudi Arabia and has also expanded its business geographically outside of the Kingdom of Saudi Arabia, as its operations expanded into the Kingdom of Bahrain starting in 2022G and the State of Kuwait starting in 2023G. If the group wishes to expand and provide its services in other international markets, it may face some challenges and may not be able to overcome those challenges or render its expanded operations successful in the required manner and at the appropriate costs. The challenges that the Group may face when expanding to international markets outside the Kingdom of Saudi Arabia include - but are not limited to - the following:

- Lack of understanding of foreign markets and trends in the technology sector and e-delivery applications in those markets, including the availability of delivery agents.
- Lack of understanding customer preferences in international markets.
- An increase in the Group's operating expenses due to the change in the foreign exchange rate, which leads to the inability to implement expansion plans according to the specified schedule and estimated costs.
- Change in tax policies or their implementation.
- Restrictions on transferring profits from the group's business outside the Kingdom Saudi Arabia to its accounts in the Kingdom of Saudi Arabia.
- Regulatory requirements for markets outside the Kingdom in terms of licensing and sector requirements.

- The Group might face difficulties in understanding and dealing with different regulations and laws in the event of litigation.
- Security stability in those countries in which the group may consider the possibility of expansion, and which are exposed to political or civil unrest, terrorism, or outbreaks of conditions or circumstances such as epidemics or the like.
- The stability of the Kingdom of Saudi Arabia's international relations with the countries to which the group wishes to expand.
- The inability of the Group to manage the market risks and operational risks associated with the Group's operations expansion outside the Kingdom of Saudi Arabia as necessary, will reduce the future growth of the group's business, which will have an adverse and material impact on its business, financial position, results of operations, and future expectations.

Competitive Factors

The Group operates in the delivery sector through applications in the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the State of Kuwait. The sector is highly competitive and is subject to changing user preferences and the development of new services and products. The Group competes with other delivery applications operating in the region, in addition to merchants that have developed their own delivery services, whether through their own websites and electronic applications or through traditional means such as phone ordering services. The group expects that competition will increase in the markets in which it operates due to the continuous and fast entry of new competitors, including the entry of international competitors. The Group's current and future competitors may have competitive traits such as their reputation in the market, a longer operating history, a larger market share in some of the markets in which the Group operates, marketing capabilities, relationships with merchants, the size of the customer base, and the amount of financial or technical resources available. The Group may not be able to compete effectively in the market or may not be able to attract and/or maintain merchants, customers, and delivery representatives to the Jahez, PIK, and Blu Store platforms, or may not be able to maintain the commission rate and fees currently applied or might be forced to make concessions in terms of prices as a result of the competition, which will have an adverse and material impact on the Group's business, financial position, results of operations and future prospects.

Health Factors

An outbreak of an infectious disease in the Kingdom of Saudi Arabia or elsewhere, or any other serious public health concern, could have a material adverse impact on the economies, financial markets and business activities around the world, including the Group's operations. For example, the global COVID-19 pandemic caused by a new strain of the SARS-CoV-2 coronavirus, as announced by the World Health Organization, has led to some preventive measures by governments, companies, and individuals that have led to global business disruptions. The COVID-19 pandemic has adversely impacted global economies, financial markets, global oil demand and prices, and the general environment in which the Group operates due to strict precautionary measures, restrictions on travel and public transportation, stay-at-home requirements, social distancing practices, and prolonged closure of workplaces and economic activities, which caused great damage to the Kingdom of Saudi Arabia's economy and the economies of the countries in which the Group operates. Furthermore, the re-instauration of precautionary restrictions and safeguards or the instauration of additional measures as a result of the outbreak of infectious diseases, whether it is the Covid-19 pandemic or other, may result in a long lasting decline in oil prices or an exacerbation of the decline, or a long-term adverse impact on the Kingdom of Saudi Arabia's economy or the economies of the countries in which the Group operates, which will have an adverse and material impact on the Group's business, results of operations and financial position, and its future expectations.

Additionally, outbreaks of food-borne infectious diseases related to the health and safety of food served through restaurants and other merchants may occur. Outbreaks of this type may lead to a decrease in customers' interest in consuming food from restaurants, which in turn will lead to a decrease in customers' interest in ordering through the Jahez platforms, which will have an adverse and material impact on the group's business, results of operations, financial position, and future expectations.

Seasonal Factors

The Group's profits and revenues primarily depend on customer turnout and demand for the Jahez, PIK, and Blu Store platforms, as well as consumer behavior. Historically, customer demand has increased or decreased, based on periods and seasonal factors. The group expects the results of its operations to continue to fluctuate, affected by seasonal factors that are beyond the group's control. For example, many of the group's clients resort to traveling to spend their vacations outside the Kingdom of Saudi Arabia during the summer season, and thus the demand for the Jahez, PIK, and Blu Store platforms may decrease. Furthermore, the demand for orders through the Jahez platform may decrease in some seasons, such as the holiday seasons and Ramadan, due to the majority of customers fasting during the month of Ramadan, and people's heavy reliance on home cooking and preparation, or eating in restaurants, and due to the short period available for ordering during the month of Ramadan. Demand for the Jahez, PIK, and Blu Store platforms may also decrease during times of tourism and entertainment events, as customers prefer to take a break, eat out, and shop. Accordingly, the Group's revenues are affected by seasonal factors that affect the rate of customer orders through the Jahez, PIK, and Blu Store platforms, and the Group may not be able to anticipate and respond to seasonal factors, which makes it challenging for the Group to anticipate its future performance. This will have an adverse and material impact on the Group's business, financial position, results of operations and future expectations.

Economic Factors

The group's operations are mainly located in the Kingdom of Saudi Arabia, including merchants, customers, and delivery representatives affiliated with the Jahez, PIK, and Blu Store platforms, the Logi company, the Marn business company, and the Sol company. The group has expanded geographically outside the Kingdom of Saudi Arabia, as the Group's business expanded to the Kingdom of Bahrain starting 2022G, and the state of Kuwait during 2023G. Therefore, the Group's performance, the results of its operations, and its growth expectations are affected by the general economic conditions in the Kingdom of Saudi Arabia and the countries in which the group operates, in addition to regional and global economic conditions, which in turn affect the Kingdom of Saudi Arabia's economy. Furthermore, adverse developments in international relations or economic and political conditions emerging in other countries, whether they host the group's operations or otherwise, may adversely affect the Kingdom of Saudi Arabia's economy, foreign direct investment in it, or the financial markets in the Kingdom of Saudi Arabia in general, which will have an adverse and material impact on the group's business, results of operations, financial position and future prospects. Any economic slowdown in the Kingdom of Saudi Arabia or in the oil and gas sector may also adversely affect the group, as it may harm consumer spending and thus lead to a decrease in customer turnout to the Jahez, PIK, and Blu Store platforms, which will have an adverse and material impact on the Group's business, financial position, results of operations and future expectations.

In addition, the Kingdom of Saudi Arabia's economy relies heavily on oil revenues, which play an important role in the Kingdom of Saudi Arabia's economic plan and gross domestic product. Any decline in oil prices will lead to an economic slowdown and/or a slowdown in government spending plans, which will affect all sectors of the Kingdom of Saudi Arabia's economy and the rate of per capita consumer spending, and thus having an adverse impact on the group's business, financial condition, results of its operations and future expectations.

Investing in securities in emerging markets - such as the Kingdom of Saudi Arabia - generally involves a high degree of risk as compared to investments in securities of issuers from more developed countries. In general, investments in emerging markets are only suitable for experienced investors who know and fully appreciate the risks involved in investing in these markets. The economy of the Kingdom of Saudi Arabia may be exposed to future adverse factors similar to those experienced by emerging market countries. The Kingdom of Saudi Arabia could be adversely affected by adverse economic or financial developments in other emerging market countries.

Political Factors

The Group's operations, including the merchants, customers, and delivery representatives of the Jahez, PIK, and Blu Store platforms, the operations of the Joint Preparation Company for Meals, the Logi company, and Marn Business Information Technology Company, are located in the Kingdom and the Middle East region. The region is exposed to a number of political and security risks that affect the countries of the Gulf Cooperation Council and the Middle East, including the Kingdom. As the political, economic and social environments in the Middle East region in which the Group operates remain subject to continuous developments, investments in this region are characterized by a high degree of uncertainty. Any unexpected changes in the political, social, economic, or other conditions in countries located in the Middle East region may have a material adverse impact on the markets in which the group operates and on its ability to retain and attract merchants, customers, and delivery representatives in these regions and the investments it has made and investment the Group might undertake in the future. This in turn will have an adverse and material impact on the Group's business, financial position, results of its operations and future expectations.

Technical Factors

The group operates in the delivery through applications sector in the Kingdom of Saudi Arabia, so its business depends heavily on users' ability to access the Jahez, PIK, and Blu Store platforms, and the Sol Company for Trading platform via the Internet and smart phone devices. Internet services are provided to smart phone devices by telecommunications companies licensed in the Kingdom of Saudi Arabia, which operate the infrastructure of the communications network and internet services in the Kingdom of Saudi Arabia and connect them to the global internet. If the infrastructure of the telecommunications network and internet services in the Kingdom of Saudi Arabia is affected by any adverse factors that lead to the cessation, interruption or slowness of the service, even if temporary, this will lead to the inaccessibility of the Jahez, PIK, and Blu Store platforms, and the Sol Company for Trading platform, thus stopping the group's business, which will have an adverse and material impact on the group's business, financial position, results of its operations, and future expectations.

The group's work includes collecting, storing, processing and transferring a large number of data, which includes personal and sensitive data of merchants, customers, delivery representatives and group employees. Therefore, the group - like other companies operating in the sector - is vulnerable to electronic attacks targeting its systems and data, including systems owned, operated and hosted by external service providers, such as computer viruses, hacking attacks, data misappropriation, etc. Such attacks may lead to interruptions, delays, or shutdowns of the Group's systems and networks, including in particular the Jahez, PIK, and Blu Store platforms and applications. Which may cause loss of important data, unauthorized disclosure, leakage or use of users' personal data or other confidential information. In the event of such attacks that result in the spread of personal data of users of the group's electronic systems, including the Jahez, PIK, and Blu Store platforms and applications. Users of the group's electronic systems, including the Jahez, PIK, and Blu Store platforms and applications, may lose their trust in the Group and may reduce or stop using the Group's systems, including the Jahez, PIK, and Blu Store platforms and applications. In addition, the Group's ability to attract new merchants to its platforms and applications or maintain the existing merchants may be affected. The Group may not be able to implement adequate preventive measures against such attacks or proactively address the technologies used to access users' personal data or disrupt or deteriorate the services of its electronic systems, including the Jahez, PIK, and Blu Store platforms and applications, or the Group will incur significant costs to implement these preventive and additional measures. It may be difficult to take preventive measures or quickly address these attacks, as these technologies change quickly every time, and often cannot be detected until they are launched against a specific target. The Group's exposure to electronic attacks and the leakage of the Group's platform users' data may harm the Group's reputation and users' confidence and expose it to litigation or regulatory penalties and fines, which will have an adverse and material impact on the Group's business, financial position, results of its operations and future expectations.

7.7 Results of Operations

7.7.1 Consolidated statement of profit and loss and other comprehensive income

The following table summarizes the consolidated income statement for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.6): Consolidated Income Statements

SAR'000s	2021G (Adjusted)	2022G (Audited)	2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Var H1'23G-H1'24G
Revenue, net	1,159,568	1,602,477	1,784,755	38.2%	11.4%	24.1%	835,611	1,021,894	22.3%
Cost of revenue	(914,043)	(1,243,297)	(1,378,878)	36.0%	10.9%	22.8%	(650,902)	(804,977)	23.7%
Gross profit	**245,525**	**359,180**	**405,878**	**46.3%**	**13.0%**	**28.6%**	**184,713**	**216,918**	**17.4%**
General and administrative expenses	(26,177)	(136,450)	(106,195)	421.3%	(22.2%)	101.4%	(42,352)	(61,171)	44.4%
Marketing & advertising expenses	(86,568)	(131,378)	(149,968)	51.8%	14.2%	31.6%	(75,517)	(89,274)	18.2%
Research and development expenses	(10,986)	(33,784)	(41,867)	207.5%	23.9%	95.2%	(24,266)	(25,064)	3.3%
Impairment (loss)/ Reversal of trade receivables	(2,501)	3,756	(5,031)	N/A	N/A	41.8%	(332)	(9,111)	2644.3%
Other (expense)/ income	484	2,696	(922)	457.0%	N/A	N/A	219	222	1.4%
Operating Profit	**119,777**	**64,020**	**101,895**	**(46.3%)**	**59.2%**	**(7.6%)**	**42,466**	**32,518**	**(23.4%)**
Unrealized gains on investments at FVTPL	8,212	1,767	3,327	(78.5%)	88.3%	(36.4%)	8,184	(2,502)	(130.6%)
Finance costs	(547)	(3,156)	(5,457)	476.7%	72.9%	215.8%	(2,991)	(2,357)	(21.2%)
Interest revenue	-	22,197	46,068	N/A	107.5%	N/A	21,542	25,847	20.0%
Offering expenses	(6,243)	-	-	(100.0%)	N/A	N/A	-	-	N/A
Net Profit for the year before Zakat	**121,198**	**84,828**	**145,833**	**(30.0%)**	**71.9%**	**9.7%**	**69,200**	**53,507**	**(22.7%)**
Zakat	(4,488)	(28,304)	(27,066)	530.7%	(4.4%)	145.6%	(11,091)	(10,476)	(5.5%)
Net Profit for the year	**116,710**	**56,523**	**118,768**	**(51.6%)**	**110.1%**	**0.9%**	**58,109**	**43,031**	**(25.9%)**
Other comprehensive income that will not be reclassified to profit or loss									
Actuarial gains/ (losses) from re-measurement of employees' end of service benefits	150	(189)	1,571	N/A	N/A	223.6%	-	-	N/A
Total comprehensive income	**116,860**	**56,334**	**120,339**	**(51.8%)**	**113.6%**	**1.5%**	**58,109**	**43,031**	**(25.9%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Table (7.7): Key Performance Indicators

KPIs	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30June 2024G (Mgmt. info)	Var H1'23G-H1'24G
Key Performance Indicators									
Gross Merchandise Value (SAR 000's)	3,342,531	4,291,296	5,092,828	28.4%	18.7%	23.4%	2,342,467	3,077,767	31.4%
Total value of orders (SAR 000's)	4,685,364	6,071,081	7,024,335	29.6%	15.7%	22.4%	3,266,168	4,094,570	25.4%
# of orders	51,602,042	69,029,831	84,796,800	33.8%	22.8%	28.2%	38,620,914	50,081,817	29.7%
Average monthly # of orders per users	4.7	4.8	4.5	1.1%	(6.2%)	(2.6%)	4.5	4.4	(3.8%)
Average monthly # of merchants	5,550	8,967	12,952	61.6%	44.4%	52.8%	11,832	15,999	35.2%
KPI's					**Percentage point (pp.)**			**KPI's**	**pp.**
Average take rate	11.6%	12.4%	13.5%	0.8	1.1	1.9	12.7%	14.6%	1.8
As a % of total Group revenue					**Percentage point (pp.)**			**As a % of total Group revenue**	**PP.**
Gross profit	21.2%	22.4%	22.7%	1.2	0.3	1.5	22.1%	21.2%	(0.9)
General and administrative expenses	2.3%	8.5%	6.0%	6.3	(2.6)	3.7	5.1%	6.0%	0.9
Marketing & advertising expenses	7.5%	8.2%	8.4%	0.7	0.2	0.9	9.0%	8.7%	(0.3)
Operating Profit	10.3%	4.0%	5.7%	(6.3)	1.7	(4.6)	5.1%	3.2%	(1.9)
Profit before Zakat and Income Tax	10.5%	5.3%	8.2%	(5.2)	2.9	(2.3)	8.3%	5.2%	(3.0)
Profit for the year	10.1%	3.5%	6.7%	(6.5)	3.1	(3.4)	7.0%	4.2%	(2.7)

Source: Management information

Revenue, net

The Group's revenues mainly consist of revenues from delivery fees and commissions, which constituted an average percentage of 90.9%, 91.2%, and 90.3% of the group's total revenues during 2021G, 2022G, and 2023G.

Net revenues increased by 38.2% from SAR 1,159.6 million in 2021G to SAR 1,602.5 million in 2022G, as a result of an increase in revenues from delivery fees by SAR 245.0 million and revenues from commissions by SAR 145.1 million, due to the increase in the number of orders from 51.6 million in 2021G to 69.0 million in 2022G. This is mainly due to the increase in the number of users on the platform. The increase in revenues from commissions by 37.3% from SAR 389.1 million in 2021G to SAR 534.2 million in 2022G, was mainly due to (1) the increase in the number of orders, in light of the growth in the number of users (2) and the imposition of a higher average commission rate on existing and newly added merchants, which led to an increase in the average commission rate from 11.6% in 2021G to 12.4% in 2022G.

Net revenue increased by 11.4% from SAR 1,602.5 million in 2022G to SAR 1,784.8 million in 2023G, due to an increase in revenue from commissions by SAR 155.2 million during the same period, this is in line with (1) the continuous growth in orders to reach 84.8 million orders during 2023G, and (2) the increase in the average commission rate from 12.4% in 2022G to 13.5% in 2023G. Revenue from delivery fees increased at a slower rate compared to the increase in revenue from commissions, as the Group's delivery cost decreased due to the growth of the operations of the Supportive Solutions Company for Logistics Services and the renegotiation with freelance drivers and logistics companies "3PLs" regarding their delivery cost. As a result, management decided to reduce the delivery fees imposed on the users of the application due to the increasing competitive landscape of the sector. This was accompanied by an increase in the adoption of the "Prime" monthly subscription model of the users of the Group's platforms, whereby subscribers to this service are exempted from delivery fees on orders in exchange for paying a monthly fee.

Net revenue increased by 22.3%, from SAR 835.6 million during the six-month period ended on 30 June 2023G to SAR 1,021.9 million during the six-month period ended on 30 June 2024G. This was due to an increase in revenue from commissions by SAR 149.8 million, in line with the increase in the number of orders from 38.6 million during the six-month period ended on 30 June 2023G, to 50.1 million orders during the six-month period ended on 30 June 2024G. Despite the increase in the number of orders, revenue from delivery fees grew at a slower rate compared to the increase in commission revenue, increasing by SAR 24.1 million, due to a decrease in the delivery fee per order from SAR 13.0 to SAR 10.5 as a result of the geographic expansion of the Group and the increased user adoption of the monthly subscription model "Prime".

Cost of Revenue

The cost of revenues mainly consists of the cost of delivery, which constituted an average of 87.2% of the total cost of revenues during 2021G, 2022G, and 2023G. The cost of revenue also includes the cost of salaries, wages, and employee benefits (not related to drivers), delivery platform costs, network server costs, etc. Delivery costs relate to the costs incurred against the provision of delivery services from external service providers (freelance drivers and logistics companies "3PLs"), salaries and wages related to drivers, in addition to other costs related to the fleet, which in turn are mainly related to the Supportive Solutions Company for Logistics Services, the group's delivery service provider.

Cost of revenues increased by 36.0% from SAR 914.0 million in 2021G to SAR 1,243.3 million in 2022G, due to an increase in the cost of delivery by SAR 300.8 million during the same period, in line with the increase in the number of orders by 33.8%, coupled with the increase in the average cost of delivering an order from SAR 15.5 in 2021G to SAR 15.9 in 2022G. This is mainly due to the increase in costs incurred associated with the ramp up of Supportive Solutions Company for Logistics Services, after its establishment in late 2021G.

Cost of revenues increased by 10.9% from SAR 1,243.3 million in 2022G to SAR 1,378.9 million in 2023G, as a result of the total delivery cost increasing by SAR 81.7 million, in line with an increase in the total number of orders during the same period, despite the decrease in the group's external delivery costs by SAR 22.3 million, as the group increased its reliance on the Supportive Solutions Company for logistics services inside Riyadh. The group renegotiated the delivery costs charged by freelance drivers and logistics companies "3PLs", on the back of the increased reliance on the Supportive Solutions Company for Logistics Services. This has led to a decrease in the average cost of delivering an order from SAR 15.9 in 2022G to SAR 13.9 in 2023G.

Cost of revenue increased by 23.7%, from SAR 650.9 million during the six-month period ended on 30 June 2023G to SAR 805.0 million during the six-month period ended on 30 June 2024G. This was due to an increase in delivery costs from SAR 457.6 million to SAR 598.4 million in line with the rise in the total number of orders during the same period. External delivery costs for the group increased, particularly at Jahez International Company for Wholesale and Retail Trading - Kuwait, by SAR 61.1 million in line with the group's expanding operations in Kuwait. This was accompanied by an increase in external delivery costs at Jahez International Company Information Systems Technology - Saudi Arabia by SAR 49.0 million in line with the increase in the number of orders and growth outside the city of Riyadh. This was partially offset by a decrease in internal delivery costs for the group by SAR 15.6 million despite the increase in the number of orders delivered by drivers from the Supportive Solutions Company for Logistic Services.

Gross Profit

Gross profit increased by 46.3% from SAR 245.5 million in 2021G to SAR 359.2 million in 2022G in line with the increase in (1) the number of orders from 51.6 million orders to 69.0 million orders during the same period, as a result of the increase in the number of platform users, and (2) the increase of the average commission rate imposed by the group on merchants from 11.6% to 12.4% during the same period.

Gross profit increased by 13.0% from SAR 359.2 million in 2022G to SAR 405.9 million in 2023G due to an increase in the number of orders from 69.0 million orders to 84.8 million orders coupled with the increase in the average commission rate to 13.5% during the same period. This was partly offset by a decrease in the average gross profit per order from SAR 5.2 in 2022G to SAR 4.8 in 2023G as a result of the group's expansion in the Kingdom of Saudi Arabia (outside the city of Riyadh) and the Gulf Cooperation Council countries. This is mainly due to:

The increasing contribution of other cities, except for the city of Riyadh, within the Kingdom of Saudi Arabia, while the residents of these cities in general have less purchasing power, and;

1- Following an expansionary pricing strategy in Bahrain and Kuwait.
2- Accordingly, the profit margin increased from 21.2% in 2021G to 22.4% in 2022G and then to 22.7% in 2023G.

Gross profit increased by 17.4%, from SAR 184.7 million during the six-month period ended on 30 June 2023G to SAR 216.9 million during the six-month period ended on 30 June 2024G, in line with the growth in the number of orders delivered during the period. The average gross profit per order decreased from SAR 4.8 during the six-month period ended on 30 June 2023G to SAR 4.3 during the six-month period ended on 30 June 2024G. Profit margin decreased from 22.1% during the six-month period ended on 30 June 2023G to 21.2% during the six-month period ended on 30 June 2024G due to an increase in the average loss incurred by the group for order deliveries, in line with the pricing strategy adopted to support the group's expansion.

General and administrative expenses

General and administrative expenses mainly consist of salaries, wages, and employee benefits (which constituted an average of 28.9% of the total general and administrative expenses in 2021G, 2022G, and 2023G), depreciation and amortization costs, professional fees, and costs of missions, maintenance, and operation.

General and administrative expenses increased from SAR 26.2 million in 2021G to SAR 136.5 million in 2022G as a result of:

1- Incurring an exceptional expense amounting to SAR 79.5 million during 2022G related to drivers under the item "Other expenses related to drivers". The Supportive Solutions Company for Logistics Services incurred these costs due to the delay in securing driving license test dates for the group's drivers, which led to their inability to carry out their tasks, despite being paid full time employees, during the same period. The group has completed the recruitment procedures for these drivers and incurred accommodation and salary fees during their idle period. The group was able to obtain an exception from the relevant authorities, as drivers were allowed to drive using their international license for the first three months from the date of issuance of their residency. Consequently, the employment of drivers who were employed for more than 3 months had to be terminated and replaced.
2- The increase in salaries, wages and employee benefits amounted to SAR 12.2 million in line with the increase in the number of employees from 33 in 2021G to 77 employees in 2022G as a result of the expansion of the group's business and the establishment of new subsidiaries.

General and administrative expenses decreased by 22.2% from SAR 136.5 million in 2022G to SAR 106.2 million in 2023G as a result of incurring exceptional costs related to drivers during 2022G. This was partly offset by an increase in salaries, wages and employee benefits by SAR 17.5 million in line with the increase in the number of employees from 77 employees in 2022G to 107 employees in 2023G as a result of the expansion of the group's operations and its subsidiaries. This was accompanied by an increase in the average monthly salary for each employee from SAR 23.0 thousand in 2022G to SAR 30.1 thousand in 2023G due to new appointments at the senior management level and recording the costs of granted employee stock options.

General and administrative expenses increased by 44.4%, from SAR 42.4 million during the six-month period ended on 30 June 2023G to SAR 61.2 million during the six-month period ended on 30 June 2024G. This was due to an increase in salaries, wages, and employee benefits from SAR 18.1 million during the six-month period ended on 30 June 2023G to SAR 27.1 million during the six-month period ended on 30 June 2024G primarily in PIK Options Trading Company, Sol Company for Trading, and Red color Company, in line with the ongoing expansion of the Group's operations and its subsidiaries. This was accompanied by an increase in professional fees from SAR 4.8 million during the six-month period ended on 30 June 2023G to SAR 10.4 million during the six-month period ended on 30 June 2024G due to strategic consulting expenses incurred during the period amounting to SAR 4.5 million and related to the group's vision and strategy for the next five years.

Accordingly, general and administrative expenses constituted 2.3% of the Group's total revenues in 2021G, then increased to 8.5% in 2022G, then decreased to 6.0% in 2023G and during the six-month period ended on 30 June 2024G.

Marketing & advertising expenses

Marketing and advertising expenses consist of advertising and publicity expenses, salaries, wages, and employee benefits for the sales and marketing teams of the Group.

Marketing and advertising expenses increased by 51.8% from SAR 86.6 million in 2021G to SAR 131.4 million in 2022G as a result of an increase in costs related to sponsorship of Al Hilal Football Club by SAR 26.7 million in addition to an increase in digital advertising by SAR 18.1 million in line with the group's expansion plans.

Marketing and advertising expenses increased by 14.2% from SAR 131.4 million in 2022G to SAR 150 million in 2023G due to the increase in salaries, wages, and employee benefits from SAR 18.5 million in 2022G to SAR 34.1 million in 2023G. In line with the increase in the number of employees from 50 employees to 223 employees during the same period due to the expansion of the group's operations inside and outside the Kingdom of Saudi Arabia.

Marketing and advertising expenses increased by 18.2%, from SAR 75.5 million during the six-month period ended on 30 June 2023G to SAR 89.3 million during the six-month period ended on 30 June 2024G. This was due to an increase in salaries, wages, and employee benefits from SAR 16.4 million during the six-month period ended on 30 June 2023G to SAR 24.8 million during the six-month period ended on 30 June 2024G in line with the rise in the number of employees from 195 to 261. This was accompanied by an increase in digital advertising expenses of SAR 3.2 million, marketing and public relations expenses for brand promotion by SAR 2.6 million and costs related to sponsoring Al-Hilal Football Club by SAR 1.5 million, aligned with the group's expansion efforts. This was partially offset by a decrease in gift expenses of SAR 2.6 million due to the non-recurrence of major marketing campaigns such as car raffles and "Code Million", which had contributed to higher marketing and advertising expenses during the six-month period ended on 30 June 2023G.

Accordingly, marketing and advertising expenses constituted 7.5% of the group's total revenues in 2021G and increased to 8.2% in 2022G and then to 8.4% in 2023G, and then to 8.7% during the six-month period ended on 30 June 2024G.

Research and development expenses

Research and development expenses relate to the expenses of employees working in the IT department, and the costs of developing the Group's platforms through external resources.

Research and development expenses increased by 207.5% from SAR 11.0 million in 2021G to SAR 33.8 million in 2022G in line with the increase in the number of employees associated with the IT department as a result of the upgrade that was made to the platform in line with the increase in the traffic of the application due to the growth in the number of users.

Research and development expenses increased by 23.9% from SAR 33.8 million in 2022G to SAR 41.9 million in 2023G due to the continued growth in the number of IT department employees, in line with the expansion of the group's business geographically and new business activities.

Research and development expenses increased by 3.3%, from SAR 24.3 million during the six-month period ended on 30 June 2023G to SAR 25.1 million during the six-month period ended on 30 June 2024G due to the rise in the number of employees from 111 to 122 during the period, in line with the group's geographic expansion and new business activities.

Accordingly, research and development expenses represented 0.9% of the group's total revenues in 2021G and increased to 2.1%, 2.3%, and 2.5% in 2022G and 2023G, and the six-month period ended on 30 June 2024G, respectively.

Impairment (loss)/ Reversal of trade receivables

Impairment (loss)/reversal of trade receivables relates to the allowance for expected credit losses recorded by management against the Group's total trade receivables. The Group's trade receivables mainly relate to cash collected by freelance drivers and logistics companies ("3PLs") on behalf of the Group. The provision is calculated according to the expected credit loss model at the end of each period.

Impairment (loss)/reversal of trade receivables increased from a loss of SAR 2.5 million in 2021G to a reversal of SAR 3.8 million in 2022G. The group reversed a provision of SAR 4.0 million related to aged trade receivables, as the group and the concerned party reached an agreement in 2022G. As per the agreement the Group is granted the lease of one of the properties of the concerned party in exchange for an amount equivalent to the value of these receivables.

Impairment (loss)/reversal of trade receivables decreased from a reversal of SAR 3.8 million in 2022G to a loss of SAR 5.0 million in 2023G due to the formation of a provision for uncollected cash balances, which have not yet been recovered from freelance drivers.

Impairment (loss)/reversal of trade receivables increased from a loss of SAR 332 thousand during the six-month period ended on 30 June 2023G to a loss of SAR 9.1 million during the six-month period ended on 30 June 2024G due to the formation of a provision for uncollected cash balances, which have not yet been recovered from freelance, 3PLs and Logi drivers.

Other (expense)/ income

Other income increased from SAR 0.5 million in 2021G to SAR 2.7 million in 2022G due to the reversal of a provision against expected IPO expenses amounting to SAR 1.7 million in 2022G.

Other income decreased from SAR 2.7 million in 2022G to a loss of SAR 0.9 million in 2023G due to the reversal of a provision against expected IPO expenses amounting to SAR 1.7 million in 2022G.

Other income remained stable at SAR 0.2 million during both the six-month period ended on 30 June 2023G and the six-month period ended on 30 June 2024G. This income is related to exchange rate differences as well as other miscellaneous income.

Finance costs

Finance costs relate to the interest cost of the Group's lease obligations relating to the lease of vehicles and buildings.

Finance costs increased from SAR 0.5 million in 2021G to SAR 3.2 million in 2022G and then to SAR 5.5 million in 2023G, respectively, due to additions to lease contracts as a result of the expansion of the operations of the Joint Preparation Company for Meals and Supportive Solutions Company for Logistic Services during the same period.

Finance costs decreased from SAR 3.0 million during the six-month period ended on 30 June 2023G to SAR 2.4 million during the six-month period ended on 30 June 2024G due to the cancellation of certain vehicle lease contracts, resulting from the increased efficiency achieved by Supportive Solutions Company for Logistic Services- Logi.

Interest revenue

Interest revenue relates to interest earned on Murabaha term deposit certificates in which the Group has invested.

The group did not record any interest income in 2021G.

Interest income increased from SAR 22.2 million in 2022G to SAR 46.1 million in 2023G in line with the increase in the value of Murabaha term deposit certificates from SAR 300.0 million to SAR 550.0 million during the same period.

Interest revenue increased from SAR 21.5 million during the six-month period ended on 30 June 2023G, to SAR 25.8 million during the six-month period ended on 30 June 2024G in line with the increase in short-term deposit rates held by the group during the period. The average returns on deposits ranged from 5% to 5.5% during the six-month period ended on 30 June 2023G, and from 6.0% to 6.5% during the six-month period ended on 30 June 2024G.

Offering expenses

Offering expenses related to the various expenses incurred by the group in 2021G due to the group's initial public offering in the Parallel Market "Nomu". These expenses included the fees of all consultants, advisors and legal services.

Zakat

The provision for zakat is made in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia on an accrual basis. During 2022G, the group registered as a tax group, and was granted the approval for the submission of unified accounts for the Company and its subsidiaries by the Zakat, Tax and Customs Authority within the Kingdom of Saudi Arabia as of 25 Dhu al-Hijjah 1443H (corresponding to 24 July 2022G) except for the following companies: Joint Preparation Company for Meals, Blu Store Company, Marn Business Information Technology Company, and Sol Company for Trading.

Zakat expense increased by 530.7% from SAR 4.5 million in 2021G to SAR 28.3 million in 2022G as a result of the increase in the zakat base in line with the group's submission of its zakat returns in a unified manner during 2022G.

Zakat expense decreased by 4.4% from SAR 28.3 in 2022G to SAR 27.1 million in 2023G as a result of zakat adjustments related to previous years and the change in the zakat base calculation rule.

Zakat expenses decreased by 5.5% from SAR 11.1 million during the six-month period ended on 30 June 2023G to SAR 10.5 million during the six-month period ended on 30 June 2024G due to the decrease in the zakat base of the group, in line with the increase in the tax exempted assets of the Group.

Net Profit for the year

Net profit for the year decreased by 51.6% from SAR 116.7 million in 2021G to SAR 56.5 million in 2022G, in line with the decrease in operating profit during the same period as the Group incurred the exceptional drivers related expense amounting to SAR 79.5 million during 2022G, in addition to the increase in zakat expenses. This was offset by an increase in interest income during the same period. This led to a decrease in the profit margin from 10.1% in 2021G to 3.5% in 2022G.

Net profit for the year increased by 110.1% from SAR 56.5 million in 2022G to SAR 118.8 million in 2023G due to the increase in operating profit during the same period in addition to an increase in interest income during the same period. This led to an increase in the profit margin from 3.5% in 2022G to 6.7% in 2023G.

Net profit for the year decreased by 25.9% from SAR 58.1 million during the six-month period ended on 30 June 2023G to SAR 43.0 million during the six-month period ended on 30 June 2024G due to the decrease in operating profit during the same period, along with the unrealized gains on investments at FVTPL, which shifted from a gain of SAR 8.2 million during the six-month period ended on 30 June 2023G to a loss of SAR 2.5 million during the six-month period ended on 30 June 2024G. This was partially offset by a 20.0% increase in the interest revenue generated by the Group.

7.7.1.1 Revenue by Subsidiary

The following table summarizes the revenue by subsidiary for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.8): Revenue by Subsidiary

SAR'000s	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30June 2024G (Mgmt. info)	Var H1'23G-H1'24G
Jahez International Company for Information Systems Technology- KSA	1,158,179	1,591,274	1,701,881	37.4%	7.0%	21.0%	812,652	888,717	9.4%
Supportive Solutions Company for Logistic Services- Logi	110,677	310,372	404,126	180.4%	30.2%	91.1%	188,210	189,826	0.9%

SAR'000s	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30June 2024G (Mgmt. info)	Var H1'23G-H1'24G
Jahez International Company for Information Systems Technology – Bahrain	-	3,788	27,677	100.0%	630.6%	0.0%	8,692	28,527	228.2%
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	(1)	20,796	100.0%	(100.0%)	0.0%	1,452	62,150	4181.1%
Blu Store Company	-	1,099	17,229	100.0%	1,467.7%	0.0%	3,060	10,616	246.9%
Joint Preparation Company for Meals	1,488	5,167	7,858	247.2%	52.1%	129.8%	3,254	5,598	72.0%
Marn Business Information Technology Company	-	-	6,482	N/A	(100.0%)	0.0%	1,900	3,757	97.7%
Sol Company for Trading	-	-	280	N/A	(100.0%)	0.0%	-	17,607	N/A
PIK Options Trading Company	(99)	1,150	(2,046)	1,261.6%	277.9%	(355.0%)	350	74	(78.7%)
Eliminations/ Modifications	(110,677)	(310,372)	(399,528)	180.4%	28.7%	90.0%	(183,954)	(184,978)	0.6%
Total	**1,159,568**	**1,602,477**	**1,784,755**	**38.2%**	**11.4%**	**24.1%**	**835,616**	**1,021,894**	**22.3%**

Source: Management information

Table (7.9): As a Percentage of Total Group Revenue

KPIs	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30June 2024G (Mgmt. info)	Var H1'23G-H1'24G
As a % of total Group revenue				**Percentage point (pp.)**			**As a % of total Group revenue**		**pp.**
Jahez International Company for Information Systems Technology- KSA	99.9%	99.3%	95.4%	(1.0)	(3.9)	(4.5)	97.3%	87.0%	(10.3)
Supportive Solutions Company for Logistic Services- Logi	9.5%	19.4%	22.6%	9.8	3.3	13.1	22.5%	18.6%	(3.9)
Jahez International Company for Information Systems Technology – Bahrain	0.0%	0.2%	1.6%	0.2	1.3	1.6	1.0%	2.8%	1.8
Jahez International Company for Wholesale and Retail Trading – Kuwait	0.0%	0.0%	1.2%	(0.0)	1.2	1.2	0.2%	6.1%	5.9
Blu Store Company	0.0%	0.1%	1.0%	0.1	0.9	1.0	0.4%	1.0%	0.7
Joint Preparation Company for Meals	0.1%	0.3%	0.4%	0.2	0.1	0.3	0.4%	0.5%	0.2
Marn Business Information Technology Company	0.0%	0.0%	0.4%	0.0	0.4	0.4	0.2%	0.4%	0.1
Sol Company for Trading	0.0%	0.0%	0.0%	0.0	0.0	0.0	0.0%	1.7%	1.7
PIK Options Trading Company	0.0%	0.1%	(0.1%)	0.0	(0.2)	(0.1)	0.0%	0.0%	0.0
Eliminations/ Modifications	(9.5%)	(19.4%)	(22.4%)	(10.0)	3.0	(12.9)	(22.0%)	(18.1%)	3.9
Total	**100.0%**	**100.0%**	**100.0%**	**0.0**	**0.0**	**0.0**	**100.0%**	**100.0%**	**0.0**

Source: Management information

Jahez International Company for Information Systems Technology- Kingdom of Saudi Arabia

The revenues of Jahez International Company for Information Systems Technology "Jahez" - Kingdom of Saudi Arabia increased by 30.5% from SAR 1,219.1 million in 2021G to SAR 1,591.3 million in 2022G and mainly relates to delivery and commission revenues. The revenues of Jahez International Company for Information Systems Technology represented 99.3% of the group's total revenues in 2022G.

The revenues of Jahez International Company for Information Systems Technology "Jahez" - Kingdom of Saudi Arabia increased by 7.0% from SAR 1,591.3 million in 2022G to SAR 1,701.9 million in 2023G as a result of the increase in revenues from delivery and commissions in line with the increase in the number of orders during the same period. The revenues of Jahez International Company for Information Systems Technology represented 95.4% of the group's total revenues in 2023G.

The revenues of Jahez International Company for Information Systems Technology "Jahez" - Kingdom of Saudi Arabia increased by 9.4% from SAR 812.7 million during the six-month period ended on 30 June 2023G to SAR 888.7 million during the six-month period ended on 30 June 2024G due to the increase in revenue from commissions in line with the increase in the number of orders during the same period. The revenues of Jahez International Company for Information Systems Technology accounted for 87.0% of the total revenue of the group during the six-month period ended on 30 June 2024G.

Supportive Solutions Company for Logistic Services- Logi

The main activities of Supportive Solutions Company for Logistic Services- Logi are routing vehicles, transporting goods, and providing delivery services via electronic platforms.

The revenues of Supportive Solutions Company for Logistic Services- Logi amounted to SAR 110.7 million, SAR 310.4 million, SAR 404.1 million, and SAR 189.8 million in 2021G, 2022G, 2023G, and the six-month period ended on 30 June 2024G, respectively.

The revenues of the Support Solutions Company for Logistics Services are eliminated when the Group's financial statements are consolidated, as these are considered as part of the delivery costs of Jahez International Information Systems Technology Company "Jahez" - Kingdom of Saudi Arabia.

Jahez International Company for Information Systems Technology – Bahrain

Jahez International Company for Information Systems Technology "Jahez" is a wholly owned subsidiary in the Kingdom of Bahrain. Its main activity is wholesale and retail trade.

The revenues of Jahez International Company for Information Systems Technology "Jahez" - Bahrain increased from SAR 3.8 million in 2022G to SAR 27.7 million in 2023G as a result of the increase in the number of orders during the same period.

The revenues of Jahez International Company for Information Systems Technology "Jahez" – Bahrain increased from SAR 8.7 million during the six-month period ended on 30 June 2023G to SAR 28.5 million during the six-month period ended on 30 June 2024G, due to the increase in the number of orders during the same period.

Jahez International Company for Wholesale and Retail Trading – Kuwait

Jahez International Company for Wholesale and Retail Trading – Kuwait is a wholly owned subsidiary in the State of Kuwait. Its main activity is wholesale and retail trade.

The revenues of Jahez International Company for Wholesale and Retail Trading – Kuwait amounted to SAR 20.8 million in 2023G.

The revenues of Jahez International Company for Wholesale and Retail Trading – Kuwait increased from SAR 1.5 million during the six-month period ended on 30 June 2023G to SAR 62.2 million during the six-month period ended on 30 June 2024G, due to the increase in the number of orders during the same period.

Blu Store Company

The main activity of Blu Store Company is the retail sale of clothing, shoes and leather goods in specialized merchants.

The revenues of the Blu Store Company increased from SAR 1.1 million in 2022G to SAR 17.2 million in 2023G due to the increase in sales and the ramp up in operations, as the activity of the Blu Store Company began in August 2022G.

The revenues of the Blu Store Company increased from SAR 3.1 million during the six-month period ended on 30 June 2023G, to SAR 10.6 million during the six-month period ended on 30 June 2024G due to the increase in sales and the ramp up in operations.

Joint Preparation Company for Meals

The main activity of Joint Preparation Company for Meals is food services.

The revenues of Joint Preparation Company for Meals increased from SAR 1.5 million in 2021G to SAR 5.2 million in 2022G due to the increase in revenues from cloud restaurant services.

The revenues of the Joint Preparation Company for Meals increased by 52.1% from SAR 5.2 million in 2022G to SAR 7.9 million in 2023G due to the increase in revenues from cloud restaurant services.

The revenues of the Joint Preparation Company for Meals increased from SAR 3.3 million during the six-month period ended on 30 June 2023G, to SAR 5.6 million during the six-month period ended on 30 June 2024G due to the increase in revenues from cloud restaurant services.

Marn Business Information Technology Company

The main activities of Marn Business Information Technology Company are the design and programming of software and the wholesale sale of software, including the import and retail sale of computers and their accessories (including printers and their inks) and the retail sale of software.

The revenues of Marn Business Information Technology Company amounted to SAR 6.5 million in 2023G.

The revenues of Marn Business Information Technology Company increased from SAR 1.9 million during the six-month period ended on 30 June 2023G, to SAR 3.8 million during the six-month period ended on 30 June 2024G due to the increase in sales and the ramp up in operations.

Sol Company for Trading

The main activities of Sol Company for Trading are the storage of refrigerated food, hygiene, frozen food, and dry food products.

The revenues of Sol Company for Trading recorded in the Group's financials amounted to SAR 0.3 million in 2023G, as the acquisition of Sol Company for Trading took place during the month of December 2023G.

The revenues of Sol Company for Trading reached SAR 17.6 million during the six-month period ended on 30 June 2024G following the acquisition deal that took place in December 2023G.

PIK Options Trading Company

The main activity of PIK Options Trading Company is online retail sales.

PIK Options Trading Company's revenues increased from SAR 0.3 million in 2021G to SAR 1.2 million in 2022G due to the ramp up and the full year impact of operations, as the operations of PIK Options Trading Company were launched at the end of the first quarter of 2021G.

PIK Options Trading Company's revenues decreased from SAR 1.2 million in 2022G to negative SAR 2.0 million in 2023G due to the costs of promotional compensation and cash back provided to customers, recorded under net revenues, in line with the expansionary policy undertaken by the Group.

PIK Options Trading Company's revenues declined from SAR 0.4 million during the six-month period ended on 30 June 2023G, to SAR 74 thousand during the six-month period ended on 30 June 2024G. This decrease is attributed to promotional compensation costs and cash refunds provided to customers in line with the company's expansion policy, which are classified net under the net revenue item.

7.7.1.2 Revenue by Type

The following table summarizes the revenue by type for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.10): Revenue by Type:

SAR'000s	2021G (Restated)	2022G (Audited)	2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Var H1'23G-H1'24G
Revenue from Delivery fees	744,622	989,576	1,043,998	32.9%	5.5%	18.4%	503,565	527,692	4.8%
Revenue from commissions	389,096	534,226	689,408	37.3%	29.0%	33.1%	298,144	447,967	50.3%
Revenue from e-payment fees	56,542	72,523	84,816	28.3%	17.0%	22.5%	38,639	56,517	46.3%
Advertising and marketing revenue	53,816	70,027	74,851	30.1%	6.9%	17.9%	36,562	31,037	(15.1%)
Other revenue	3,599	5,319	26,692	47.8%	401.8%	172.3%	9,801	33,614	242.9%
Gross Revenue	**1,247,676**	**1,671,671**	**1,919,765**	**34.0%**	**14.8%**	**24.0%**	**886,711**	**1,096,827**	**23.7%**
Customers' compensations	(34,819)	(41,776)	(72,442)	20.0%	73.4%	44.2%	(51,096)	(74,933)	46.7%
Promotional Compensations	(26,490)	(25,493)	(33,186)	(3.8%)	30.2%	11.9%	-	-	N/A
Cash back	(26,799)	(1,926)	(29,382)	(92.8%)	1,425.5%	4.7%	-	-	N/A
Net revenue	**1,159,568**	**1,602,477**	**1,784,755**	**38.2%**	**11.4%**	**24.1%**	**835,616**	**1,021,894**	**22.3%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Table (7.11): Key Performance Indicators

KPIs	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30June 2024G (Mgmt. info)	Var H1'23G - H1'24G
Key Performance Indicators									
Gross Merchandise Value (SAR 000's)	3,342,531	4,291,296	5,092,828	28.4%	18.7%	23.4%	2,342,467	3,077,767	31.4%
Total value of orders (SAR 000's)	4,685,364	6,071,081	7,024,335	29.6%	15.7%	22.4%	3,266,168	4,094,570	25.4%
# of orders	51,602,042	69,029,831	84,796,800	33.8%	22.8%	28.2%	38,620,914	50,081,817	29.7%
Average order value (SAR)	64.8	62.2	60.1	(4.0%)	(3.4%)	(3.7%)	60.7	61.5	1.3%
Average monthly # of merchants	5,550	8,967	12,952	61.6%	44.4%	52.8%	11,832	15,999	32.2%

KPIs	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30June 2024G (Mgmt. info)	Var H1'23G - H1'24G
Average delivery fee per order (SAR)	14.4	14.3	12.3	(0.7%)	(14.1%)	(27.2%)	13.0	10.5	(19.2%)
Average commission per order (SAR)	7.5	7.8	8.1	4.0%	12.8%	8.3%	7.7	8.9	7.6%
Key Performance Indicators					**Percentage point (pp.)**		**KPIs**		**pp.**
Average take rate	11.6%	12.4%	13.5%	0.8	1.1	1.9	12.7%	14.6%	1.8
As a % of total Group revenue					**Percentage point (pp.)**		**As a % of total Group revenue**		**pp.**
Revenue from Delivery fees	59.7%	59.2%	54.4	(0.5)	(4.8)	(5.3)	56.8%	48.1%	(8.7)
Revenue from commissions	31.2%	32.0%	35.9%	0.8	4.0	4.7	33.6%	40.8%	7.2
Revenue from e-payment fees	4.5%	4.3%	4.4%	(0.2)	0.1	(0.1)	4.4%	5.2%	0.8
Advertising and marketing revenue	4.3%	4.2%	3.9%	(0.1)	(0.3)	(0.4)	4.1%	2.8%	(1.3)
Other revenue	0.3%	0.3%	1.4%	0.0	1.1	1.1	1.1%	3.1%	2.0

Source: Management information

Revenue from Delivery fees

Revenues from delivery fees represented 54.4% of total Group revenues in 2023G and related to the delivery fees charged to the application users against delivering orders. The fee charged is based on the distance between the store and the user.

Revenues from delivery fees increased by 32.9% from SAR 744.6 million in 2021G to SAR 989.6 million in 2022G as a result of the increase in the number of orders from 51.6 million orders in 2021G to 69.0 million orders in 2022G, in line with the increase in the number of users, while the average delivery fee for each order decreased from SAR 14.4 to SAR 14.3 during the same period.

Revenues from delivery fees increased by 5.5% from SAR 989.6 million in 2022G to SAR 1,044.0 million in 2023G as a result of the growth in the number of orders from 69.0 million orders in 2022G to 84.8 million orders in 2023G. This was partly offset by a decrease in the average delivery fee per order from SAR 14.3 in 2022G to SAR 12.3 in 2023G. The Group's delivery cost decreased due to the growth of Supportive Solutions Company for Logistic Services- Logi operations and the renegotiation of delivery costs with freelance drivers and logistics companies "3PLs". As a result, Management decided to reduce the delivery fees charged to users due to the competitive landscape of the market. This was accompanied by an increase in the adoption of the "Prime" monthly subscription model of the users of the Group's platforms, whereby subscribers to this service are exempted from delivery fees on orders in exchange for paying a monthly fee.

Revenue from delivery fees increased by 4.8% from SAR 503.6 million during the six-month period ended 30 June 2023G to SAR 527.7 million during the six-month period ended 30 June 2024G driven by a 29.7% increase in the number of orders, which grew from SAR 38.6 million orders during the six-month period ended 30 June 2023G to SAR 50.1 million orders during the six-month period ended 30 June 2024G, in line with user growth. This was partially offset by a decrease in the average delivery fee per order, which fell from SAR 13.0 to SAR 10.5 due to the pricing strategy adopted by the group to expand its operations into new markets such as Kuwait and Bahrain, this was coupled with an increased adoption on the subscription model "Prime," where subscribers are exempt from delivery fees on their orders in exchange for a monthly fee.

Revenue from commissions

Revenue from commissions represented 35.9% of total Group revenues in 2023G. Revenues from commissions consist of the Group receiving a percentage of the total value of the goods (i.e. the average take rate), representing the total value of orders, minus the value added tax and delivery fees. The average commission rate increased from 11.6% in 2021G to 13.5% in 2023G.

Revenue from commissions increased by 37.3% from SAR 389.1 million in 2021G to SAR 534.2 million in 2022G, due to (1) the increase in the number of orders, in light of the growth in the number of users (2) and the increase of the commission rate charged to existing and newly added merchants, coupled with the higher commission rate charged to restaurants outside the Kingdom of Saudi Arabia as compared to the commissions applied to merchants and restaurants in the Kingdom of Saudi Arabia, leading to an increase in the average commission rate from 11.6% in 2021G to 12.4% in 2022G.

Revenue from commissions increased by 29.0% from SAR 534.2 million in 2022G to SAR 689.4 million in 2023G, in line with the continuous increase in the number of orders and the increase in the average commission per order from SAR 7.8 to SAR 8.1. As a result of the increase in the average commission rate charged to merchants, which led to an increase in the average commission rate from 12.4% in 2022G to 13.5% in 2023G.

The revenue from commissions increased by 50.3% from SAR 298.1 million during the six-month period ended 30 June 2023G, to SAR 448.0 million during the six-month period ended 30 June 2024G due to the rise in the number of orders, in line with the growth in the number of users and the implementation of a higher average commission rate on existing and newly added merchants, resulting in an increase in the average commission rate from 12.7% during the six-month period ended 30 June 2023G to 14.6% during the six-month period ended 30 June 2024G.

Revenue from e-payment fees

Revenues from e-payments fees represented 4.4% of total Group revenues in 2023G. Revenue from e-payments fees related to the fees charged by the Group to the merchants, to cover the processing fees when the user chooses to pay by credit card or bank card. The fees charged are based on the total value of goods serviced through the Group's platforms when paying with credit and bank cards.

Revenues from e-payments fees increased by 28.3% from SAR 56.5 million in 2021G to SAR 72.5 million in 2022G, in line with the increase in the total value of goods serviced through the Group's platforms, as well as the increase adoption of online payments by users as opposed to cash payments.

Revenues from e-payments fees increased by 17.0% from SAR 72.5 million in 2022G to SAR 84.8 million in 2023G, in line with the continued growth in the total value of goods serviced through the Group's platforms.

Revenues from e-payments fees increased by 46.3% from SAR 38.6 million during the six-month period ended 30 June 2023G to SAR 56.5 million during the six-month period ended 30 June 2024G in line with the continued growth in the total value of goods serviced through the Group's platforms.

Advertising and marketing revenue

Advertising and marketing revenue represented 3.9% of total Group revenues in 2023G. Revenues from advertising and marketing relate to the advertising features that the Group provides to merchants on its platforms, such as listing some merchants at the top of the list within a specific delivery radius area, on the Jahez platform. The group charges additional fees for these services, which are calculated on the basis of a daily price and vary according to the cities and the number of branches that the merchant wishes to promote.

Advertising and marketing revenue increased by 30.1% from SAR 53.8 million in 2021G to SAR 70.0 million in 2022G and then by 6.9% to SAR 74.9 million in 2023G, in line with the increase in the number of active merchants on the Group's platform.

Advertising and marketing revenue decreased by 15.1% from SAR 36.6 million during the six-month period ended 30 June 2023G to SAR 31.0 million during the six-month period ended ended 30 June 2024G, due to the provision of free marketing services to key merchants during the same period, aiming to strengthen relationships with the merchants.

Other revenues

Other revenues relate to revenues generated from registration fees for delivery agents and revenues from subsidiaries, most notably from the Blu Store Company as a result of the sale of sports uniforms for the Al Hilal Saudi Football Team. The Group uses its "Blu" platform for sales of fashion and sports products, and recognizes the full value of the goods sold as revenue.

Other revenues increased by 47.8% from SAR 3.6 million in 2021G to SAR 5.3 million in 2022G due to an increase in registration fees for delivery agents in line with the increase in registration of external agents.

Other revenues increased from SAR 5.3 million in 2022G to SAR 26.7 million in 2023G. The increase is mainly due to the increase in sales of sports products through the Blu Store Company.

Other revenues increased by 242.9% from SAR 9.8 million during the six-month period ended 30 June 2023G to SAR 33.6 million during the six-month period ended 30 June 2024G due to the increase in other revenues from Sol Company for Trading by SAR 17.6 million, as the acquisition took place during December 2023G, related to the sale of goods to restaurants. Additionally, revenues from Blu Store Company increased due to higher sales of sports products.

Customer compensation

Customer compensation relates to the costs of meals or orders that the group bears on behalf of the customer, the store, or the delivery representative as a result of a technical error in the application or any other reason (such as the delay of the delivery person, for example).

Customer compensation increased by 20.0% from SAR 34.8 million in 2021G to SAR 41.8 million in 2022G, then by 73.4% to SAR 72.4 million in 2023G in line with the increase in the number of orders and the expansion of the group's activity into new regions inside and outside the Kingdom of Saudi Arabia. This led to an increase in customer compensation as a percentage of the total value of goods serviced through the Group's platforms from 1.0% in 2021G and 2022G to 1.4% in 2023G.

Customer compensation increased by 46.7% from SAR 51.1 million during the six-month period ended 30 June 2023G to SAR 74.9 million during the six-month period ended 30 June 2024G, in line with the growth in the number of users, along with the new initiative launched by the Group that allows users to earn Qitaf points and rewards after completing an order.

Promotional compensation

Promotional costs relate to free meals provided to customers due to complaints or delays in service, which are often subject to refunds deposited in the customer's wallet within the application, in addition to other promotional efforts to increase market share and attract new users.

Promotional compensation decreased by 3.8% from SAR 26.5 million in 2021G to SAR 25.5 million in 2022G as a result of Management's efforts to control these costs.

Promotional compensation increased by 30.2% from SAR 25.5 million in 2022G to SAR 33.2 million in 2023G in line with the group's expansion plan, due to the marketing plan the Group adopted to increase user satisfaction.

Cashback

Cashback relates to a marketing campaign carried out in 2021G and 2023G, in an effort to increase the number of users. Some campaigns were cooperated with a number of banking institutions and a number of merchants, and entitled customers to cash back from the Group's platforms when meeting certain conditions.

Cashback decreased by 92.8% from SAR 26.8 million in 2021G to SAR 1.9 million in 2022G due to the lack of cashback campaigns during the same period.

Cashback increased from SAR 1.9 million in 2022G to SAR 29.3 million in 2023G due to the relaunch of cashback campaigns in 2023G, in line with the Group's expansion policy inside and outside the Kingdom of Saudi Arabia.

7.7.1.3 Revenue from commissions by geographical region

The following table summarizes the 6.7.1.3 Revenue from commissions of the Group by geographical region for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.12): Revenue from Commissions by Geographical Region

SAR'000s	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30June 2024G (Mgmt. info)	Var H1'23G-H1'24G
KSA Total	387,340	524,127	635,950	35.3%	21.3%	169.6%	291,198	401,138	37.8%
Outside KSA	1,757	10,100	53,458	474.9%	429.3%	451.6%	6,947	46,829	574.1%
Total	**389,096**	**534,226**	**689,408**	**37.3%**	**29.0%**	**213.9%**	**298,144**	**447,967**	**50.3%**

Source: Management information

Table (7.13): As a percentage of total revenue from commissions

Percentage	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30June 2024G (Mgmt. info)	Var H1'23G-H1'24G
As a % of total revenue from commissions				**Percentage point (pp.)**			**As a % of total revenue from commissions**		**pp.**
KSA	99.5%	98.1%	92.2%	(1.4)	(5.9)	(7.3)	97.7%	89.5%	(8.1)
Outside KSA	0.5%	1.9%	7.8%	1.4	5.9	7.3	2.3%	10.5%	8.1
Total	**100.0%**	**100.0%**	**100.0%**	**0.0**	**(0.0)**	**0.0**	**100.0%**	**100.0%**	**0.0**

Source: Management information

KSA

Revenue from Commissions for the Kingdom of Saudi Arabia represented 99.5%, 98.1%, and 92.2% of the total Group Revenue from Commissions for 2021G, 2022G, and 2023G, respectively.

Revenue from Commissions for the Kingdom of Saudi Arabia increased by 35.3% from SAR 387.3 million in 2021G to SAR 524.1 million in 2022G due to (1) the increase in the number of orders, in light of the growth in the number of users (2) and the application of a higher average commission rate on existing and newly added merchants, which led to an increase in the Group's average commission rate from 11.6% in 2021G to 12.4% in 2022G.

Revenue from Commissions for the Kingdom of Saudi Arabia increased by 21.3% from SAR 524.1 million Saudi riyals in 2022G to SAR 636.0 million in 2023G in line with the continuous increase in the number of orders and the increase in the average commission per order as a result of the increase in the average commission rate applied on merchants, which led to the increase in the Group's average commission rate from 12.4% in 2022G to 13.5% in 2023G.

Revenue from Commissions for the Kingdom of Saudi Arabia increased by 37.8% from SAR 291.2 million during the six-month period ended 30 June 2023G to SAR 401.1 million during the six-month period ended 30 June 2024G due to the continuous increase in the number of orders and the increase in the average commission per order resulting from the increase in the average commission rate applied on merchants, leading to an increase in the Group's average commission rate from 12.7% during the six-month period ended 30 June 2023G, to 14.6% during the six-month period ended 30 June 2024G.

Outside KSA

Commission revenues outside the Kingdom of Saudi Arabia related to commissions generated from orders in the Kingdom of Bahrain and the state of Kuwait. The number of orders outside the Kingdom of Saudi Arabia reached 6.5 million in 2023G, while the average commission revenue for each order reached SAR 6.2 in 2023G.

Commission revenues outside the Kingdom of Saudi Arabia increased from SAR 1.8 million in 2021G to SAR 10.1 million in 2022G and then to SAR 53.5 million in 2023G due to the geographical expansion and the launch of the platform in these countries.

Commission revenues outside the Kingdom of Saudi Arabia increased by 574.1% from SAR 6.9 million during the six-month period ended 30 June 2023G, to SAR 46.8 million during the six-month period ended 30 June 2024G, due to the increase in the number of orders from 1.4 million orders during the six-month period ended 30 June 2023G to 7.0 million orders during the six-month period ended 30 June 2024G.

7.7.1.4 Cost of Revenue

The following table summarizes the cost of revenue of the Group for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.14): Cost of Revenue

SAR'000s	2021G (Adjusted)	2022G (Audited)	2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Var H1'23G-H1'24G
Cost of delivery - Delivery companies and freelance drivers	799,181	1,004,337	970,929	25.7%	(3.3%)	10.2%	457,571	598,364	30.8%
Salaries, wages and employees' benefits	43,499	102,023	207,554	134.5%	103.4%	118.4%	97,364	95,177	(2.2%)
Platform services	50,765	41,919	61,111	(17.4%)	45.8%	9.7%	28,992	34,133	17.7%
Depreciation and amortization	2,014	16,750	36,268	731.7%	116.5%	324.4%	19,436	15,519	(20.2%)
Delivery platform	3,543	25,508	30,055	620.0%	17.8%	191.3%	13,520	14,939	10.5%
Network servers	8,982	13,929	22,238	55.1%	59.7%	57.3%	10,334	12,562	21.6%
Other Drivers related Cost	-	-	11,150	N/A	N/A	N/A	-	-	N/A
Cost of goods sold	-	-	6,774	N/A	N/A	N/A	-	18,987	N/A
Car maintenance	-	-	-	N/A	N/A	N/A	16,769	10,475	(37.5%)
Consumables	5,855	6,076	5,244	3.8%	(13.7%)	(5.4%)	2,921	2,369	(18.9%)
Others	204	32,755	27,554	15,956.4%	(15.9%)	1,062.2%	2,894	2,453	(15.2%)
Total	**914,043**	**1,243,297**	**1,378,878**	**36.0%**	**10.9%**	**22.8%**	**650,902**	**804,977**	**23.7%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Table (7.15): As a percentage of total Group revenue

Percentage	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '21G-'22G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30 June 2024G (Mgmt. info)	Var H1'23G-H1'24G
As a % of total Group revenue				**Percentage point (pp.)**			**As a % of total Group revenue**		**pp.**
Cost of delivery - Delivery companies and freelance drivers	68.9%	62.7%	54.4%	(6.2)	(8.3)	(14.5)	54.8%	58.6%	3.8
Salaries, wages and employees' benefits	3.8%	6.4%	11.6%	2.6	5.3	7.9	11.7%	9.2%	(2.3)
Platform servers	4.4%	2.6%	3.4%	(1.8)	0.8	(1.0)	3.5%	3.3%	(0.1)
Depreciation and amortization	0.2%	1.0%	2.0%	0.9	1.0	1.9	2.3%	1.5%	(0.8)
Tawseel platform	0.3%	1.6%	1.7%	1.3	0.1	1.4	1.6%	1.5%	(0.2)
Network services	0.8%	0.9%	1.2%	0.1	0.4	0.5	1.2%	1.2%	0.0
Other Drivers related Cost	N/A	N/A	0.6%	N/A	N/A	N/A	N/A	N/A	N/A
Cost of goods sold	N/A	N/A	0.4%	N/A	N/A	N/A	N/A	1.9%	N/A
Consumables	0.5%	0.4%	0.3%	(0.1)	(0.1)	(0.2)	0.3%	0.2%	(0.1)
Others	0.0%	2.0%	1.5%	2.0	(0.5)	1.5	2.5%	1.3%	(1.2)
Total	**78.8%**	**77.6%**	**77.3%**	**(1.2)**	**(0.3)**	**(1.6)**	**77.9%**	**78.8%**	**0.9**

Source: Management information

Cost of delivery - Delivery companies and freelance drivers

Cost of delivery - Delivery companies and freelance drivers relate to the fees paid by the Group to logistics companies and freelance drivers to deliver orders. The cost of delivery is based on the geographical location and distance between users and merchants on the one hand, and the agreements in place with delivery representatives on the other hand.

The cost of delivery - Delivery companies and freelance drivers increased by 25.7% from SAR 799.2 million in 2021G to SAR 1,004.3 million in 2021G in line with the increase in the number of orders.

The cost of delivery - Delivery companies and freelance drivers decreased by 3.3% from SAR 1,004.3 million in 2022G to SAR 970.9 million in 2023G, as a result of renegotiating the fees charged by freelance drivers and logistics companies "3PLs", based on the growth of the operations of the Support Solutions Company for Logistics Services. The Group also imposed a daily fee on freelance drivers to be able to use the application. This has led to a decrease in the average cost of an order executed by logistics companies from SAR 14.5 to SAR 13.1 and the average cost of an order executed by freelance drivers from SAR 13.9 to SAR 12.2 during the same period.

The cost of delivery - Delivery companies and freelance drivers increased by 30.8% from SAR 457.6 million during the six-month period ended 30 June 2023G to SAR 598.4 million during the six-month period ended 30 June 2024G in line with the increase in the number of orders from 38.6 million to 50.1 million during the period. This increase was primarily driven by Jahez International Company for Wholesale and Retail Trading – Kuwait

Accordingly, the cost of delivery - delivery companies and freelance drivers decreased from 68.9% of total Group revenues 2021G to 58.6% of total Group revenues during the six-month period ended 30 June 2024G.

Salaries, wages and employees' benefits

Salaries, wages, and employee benefits include the cost of operations management and logistics management employees, including the costs of Supportive Solutions Company for Logistic Services- Logi's employees. Staff costs relate to employees' basic salaries, housing allowance, government costs, medical insurance costs, bonuses and end-of-service expenses as well as other employee-related costs and benefits.

Salaries, wages, and employee benefits increased from SAR 43.5 million in 2021G to SAR 102.0 million in 2022G due to the increase in the number of employees from 405 employees to 3,400 employees associated with the growth of the business of Supportive Solutions Company for Logistic Services- Logi. Accordingly, salaries, wages, and employee benefits increased as a percentage of the group's total revenues from 3.8% in 2021G to 6.4% in 2022G.

Salaries, wages, and employee benefits increased from SAR 102.0 million in 2022G to SAR 207.6 million in 2023G, due to the growth in the group's operations and the establishment of new companies.

Salaries, wages, and employee benefits decreased by 2.2% from SAR 97.4 million during the six-month period ended 30 June 2023G to SAR 95.2 million during the six-month period ended 30 June 2024G due to the decrease in the number of drivers employed by Supportive Solutions Company for Logistic Services- Logi from an average of 1.9 thousand to 1.7 thousand during the period, despite delivering a higher number of orders.

Accordingly, salaries, wages, and employee benefits increased as a percentage of the group's total revenues from 6.4% in 2022G to 9.2% during the six-month period ended 30 June 2024G.

Platform services

Platform services costs relate to fees paid to platforms supporting the delivery operations in addition to fees relating to the processing of online payments with banks, whether from Mada payments or credit cards.

Platform services costs decreased by 17.4% from SAR 50.8 million in 2021G to SAR 42.0 million in 2022G due to the Group's renegotiation of fees charged with service providers during 2022G.

Platform services costs increased by 45.8% from SAR 42.0 million in 2022G to SAR 61.1 million in 2023G in line with the increase in the number of orders in the Kingdom of Saudi Arabia and the increase in fees for processing online payments in Bahrain and Kuwait. This led to an increase in platform services costs as a percentage of total Group revenues from 2.6% in 2022G to 3.4% in 2023G.

Platform service costs increased by 17.7% from SAR 29.0 million during the six-month period ended 30 June 2023G to SAR 34.1 million during the six-month period ended 30 June 2024G, in line with the increase in the number of orders in the Kingdom of Saudi Arabia, Bahrain, and Kuwait.

Depreciation and amortization

Depreciation and amortization costs are primarily related to the depreciation of fixed assets and the amortization of the Group's right-of-use assets for the lease contracts of the Joint Preparation Company for Meals and Supportive Solutions Company for Logistic Services- Logi.

Depreciation and amortization costs increased from SAR 2.0 million in 2021G to SAR 16.8 million 2022G as a result of leasing new spaces and making improvements to leased properties.

Depreciation and amortization costs increased from SAR 16.8 million in 2022G to SAR 36.3 million in 2023G in line with the increase in fixed assets and right-of-use assets.

Depreciation and amortization costs decreased from SAR 19.4 million during the six-month period ended 30 June 2023G to SAR 15.5 million during the six-month period ended 30 June 2024G due to the cancellation of some vehicle lease contracts, resulting from the increased efficiency achieved by Supportive Solutions Company for Logistic Services- Logi.

Tawseel platform

Tawseel platform fees related the fees imposed per order within the Kingdom of Saudi Arabia by the "Tawseel" platform for integration in accordance with regulatory requirements.

Tawseel platform costs increased by 620.0% from SAR 3.5 million in 2021G to SAR 25.5 million in 2022G and then by 17.8% to SAR 30.1 million in 2023G, in line with the growth in the number of orders in the Kingdom of Saudi Arabia.

Tawseel platform costs increased by 10.5% from SAR 13.5 million during the six-month period ended 30 June 2023G to SAR 14.9 million during the six-month period ended 30 June 2024G, in line with the growth in the number of orders in the Kingdom of Saudi Arabia.

Network servers

Network servers costs relate primarily to Amazon Web Services costs, which include integrated platform hosting and cloud storage services. These charges depend on the use of the Group's platform by users and online operations and therefore vary according to usage.

Network servers costs increased by 55.1% from SAR 9.0 million in 2021G to 14.0 million in 2022G, then by 59.7% to SAR 22.2 million in 2023G, in line with the increase in the number of users and the number of orders.

Network server costs increased by 21.6% from SAR 10.3 million during the six-month period ended 30 June 2023G to SAR 12.6 million during the six-month period ended 30 June 2024G, in line with the increase in the number of users and orders.

Other Drivers related costs

Other drivers related costs relates to the expenses of a promotional campaign in Kuwait where the Group incurred the expenses of drivers in order to promote the Group's services. Other drivers related cost amounted to SAR 11.1 million in 2023G.

Cost of goods sold

The cost of goods sold amounted to SAR 6.8 million in 2023G and related to the sale of sports uniforms for the Al Hilal Saudi football team. During 2023G, changes were made to the agency-based model for certain products sold by Blu Store Company and moved to the principal based model, where the Group fully bears the cost of goods sold.

The cost of goods sold amounted to SAR 19.0 million during the six-month period ended 30 June 2024G, related to Sol Company for Trading and Blu Store Company. It is worth noting that Sol Company for Trading operates on a principal based model for the products sold through it, where the group bears the full cost of goods sold.

Consumables

Consumables costs relate to delivery bags and uniforms bearing the Jahez application logo that are provided to delivery representatives during the registration process, in addition to the costs of smart devices sold to merchants.

Consumables costs increased by 3.8% from SAR 5.9 million in 2021G to SAR 6.1 million in 2022G in line with the increase in the average monthly number of drivers.

Consumables decreased by 13.7% from SAR 6.1 million in 2022G to SAR 5.2 million in 2023G in line with the decrease in the average monthly number of drivers.

Consumable material costs decreased by 18.9% from SAR 2.9 million during the six-month period ended 30 June 2023G to SAR 2.4 million during the six-month period ended 30 June 2024G, in line with the decline in the average monthly number of drivers.

Others

The other costs are mainly related to the cost of fuel, cell phone, internet costs, shipping, etc.

The other cost increased from SAR 0.2 million in 2021G to SAR 32.8 million in 2022G as a result of the increase in the number of drivers for the Supportive Solutions Company for Logistic Services- Logi during the same period.

Then, the other cost decreased from SAR 32.8 million in 2022G to SAR 27.6 million in 2023G as a result of the decrease in the number of drivers for the Supportive Solutions Company for Logistic Services- Logi during the same period.

The other cost decreased from SAR 20.8 million during the six-month period ended 30 June 2023G to SAR 12.9 million during the six-month period ended 30 June 2024G in line with the decrease in the number of drivers for the Supportive Solutions Company for Logistic Services- Logi during the same period.

7.7.1.5 General and Administrative Expenses

The following table summarizes the general and administrative expenses for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.16): General and Administrative Expenses

SAR'000s	2021G (Restated)	2022G (Audited)	2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Var H1'23G-H1'24G
Salaries, wages and employees' benefits	9,054	21,209	38,702	134.3%	82.5%	106.8%	18,099	27,068	49.6%
Professional fees	2,894	10,144	18,033	250.5%	77.8%	149.6%	4,776	10,424	118.3%
Depreciation and amortization	4,030	6,779	13,221	68.2%	95.0%	81.1%	5,202	8,461	62.6%
Missions, maintenance and operation	2,871	6,963	10,646	142.5%	52.9%	92.6%	5,044	5,327	5.6%
Other expenses related to drivers	-	79,528	-	N/A	N/A	N/A	-	-	N/A
Others	7,328	11,827	25,593	61.4%	116.4%	86.9%	9,231	9,892	7.2%
Total	**26,177**	**136,450**	**106,195**	**421.3%**	**(22.2%)**	**101.4%**	**42,352**	**61,171**	**44.4%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Table (7.17): As a percentage of total Group revenue

Percentage	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '21G-'22G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30 June 2024G (Mgmt. info)	Var H1'23G-H1'24G
As a % of total Group revenue				**Percentage point (pp.)**			**As a % of total Group revenue**		**pp.**
Salaries, wages and employees' benefits	0.8%	1.3%	2.2%	0.5	0.8	1.4	2.2%	2.6%	0.5
Professional fees	0.2%	0.6%	1.0%	0.4	0.4	0.8	0.6%	1.0%	0.4
Depreciation and amortization	0.3%	0.4%	0.7%	0.1	0.3	0.4	0.6%	0.8%	0.2
Missions, maintenance and operation	0.2%	0.4%	0.6%	0.2	0.2	0.3	0.6%	0.5%	(0.1)
Other expenses related to drivers	N/A	5.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Others	0.6%	0.7%	1.4%	0.1	0.7	0.8	1.1%	1.0%	(0.1)
Total	**2.3%**	**8.5%**	**6.0%**	**6.3**	**(2.6)**	**3.7**	**5.1%**	**6.0%**	**0.9**

Source: Management information

Salaries, wages and employees’ benefits

Salaries, wages and employee benefits relate mainly to basic salaries, housing allowance, government costs, the cost of medical insurance, bonuses and end-of-service expenses in addition to other costs and benefits related to administrative and public employees.

Salaries, wages and employee benefits increased by 134.3% from SAR 9.1 million in 2021G to SAR 21.2 million in 2022G, in line with the increase in the number of employees from 33 employees to 77 employees during the same period.

Salaries, wages, and employee benefits increased by 82.5% from SAR 21.2 million in 2022G to SAR 38.7 million in 2023G, in line with the increase in the number of employees from 77 employees in 2022G to 107 employees in 2023G, as a result of the expansion of the operations of the group and its subsidiaries. This was accompanied by an increase in the average monthly salary for each employee from SAR 23.0 thousand in 2022G to SAR 30.1 thousand in 2023G due to new appointments at senior management level and recording the costs of employee stock options granted.

Salaries, wages, and employee benefits increased by 49.6% from SAR 18.1 million during the six-month period ended 30 June 2023G to SAR 27.1 million during the six-month period ended 30 June 2024G in line with the increase in the number of employees from 95 during the six-month period ended 30 June 2023G to 129 during the six-month period ended 30 June 2024G resulting from the expansion of the group’s operations and its subsidiaries. This was accompanied by an increase in the average monthly salary per employee from SAR 31.8 thousand during the six-month period ended 30 June 2023G to SAR 35.0 thousand during the six-month period ended 30 June 2024G.

Professional fees

Professional fees costs relate mainly to the costs of auditors and the costs of legal consultancies and external recruitment firms.

Professional fees increased by 250.5% from SAR 2.9 million in 2021G to SAR 10.1 million in 2022G as a result of the increased costs related to professional fees for hiring drivers and other professional fees for external workers for Supportive Solutions Company for Logistic Services- Logi.

Professional fees increased by 77.8% from 10.1 million Saudi riyals in 2022G to SAR 18.0 million in 2023G as a result of the increased expenses related to acquisitions, in addition to expenses related to structuring the group’s investment arm.

Professional fees increased by 118.3% from SAR 4.8 million during the six-month period ended 30 June 2023G to SAR 10.4 million during the six-month period ended 30 June 2024G due to the group incurring strategic consulting expenses amounting to SAR 4.5 million related to the group’s vision and strategy for the next five years.

Depreciation and amortization

Depreciation and amortization costs mainly relate to the amortization of right-of-use assets and the depreciation of fixed assets related to the Group’s administrative operations.

Depreciation and amortization costs increased by 68.2% from SAR 4.0 million in 2021G to SAR 6.8 million in 2022G, then by 95.0% to SAR 13.2 million in 2023G, in line with the additions made during the periods due to the expansion of the group’s operations.

Depreciation and amortization costs increased by 62.6% from SAR 5.2 million during the six-month period ended 30 June 2023G to SAR 8.5 million during the six-month period ended 30 June 2024G, in line with the additions made during the period due to the expansion of the group’s operations.

Missions, maintenance and operation

Missions, maintenance and operating expenses relate to telephone, electricity and building maintenance costs for the Group’s offices.

Missions, maintenance and operating expenses increased by 142.5% from SAR 2.9 million in 2021G to SAR 7.0 million in 2022G due to the launch of the operations of the Supportive Solutions Company for Logistic Services- Logi and the move to the new Jahez head offices.

Missions, maintenance and operating expenses increased by 52.9% from SAR 7.0 million in 2022G to SAR 10.6 million in 2023G due to the expansion of the group's operations across subsidiaries and geographic regions.

Missions, maintenance and operating expenses increased by 5.6% from SAR 5.0 million during the six-month period ended 30 June 2023G to SAR 5.3 million during the six-month period ended 30 June 2024G, as a result of the expansion of the group's operations through subsidiaries and geographic regions.

Other expenses related to drivers

Other expenses related to the drivers item include an amount of SAR 62.7 million as of 2022G, which represents the drivers' salaries, wages and benefits for the period before completing the necessary procedures to become operational, it also includes other government fees, with a total amount of SAR 16.8 million, representing the losses incurred by the group in exchange for terminating driver services. The Group did not incur these expenses in 2023G.

The Group incurred exceptional expense amounting to SAR 79.5 million during 2022G related to drivers under the item "Other expenses related to drivers". The Supportive Solutions Company for Logistics Services incurred these costs due to the delay in securing driving license test dates for the group's drivers, which led to their inability to carry out their tasks, despite being paid full time employees, during the same period. The group has completed the recruitment procedures for these drivers and incurred accommodation and salary fees during their idle period. The group was able to obtain an exception from the relevant authorities, as drivers were allowed to drive using their international license for the first three months from the date of issuance of their residency. Consequently, the employment of drivers who were employed for more than 3 months had to be terminated and replaced.

Others

Other expenses mainly include transportation expenses, subscription fees, fines, hospitality, cleaning, etc.

Other expenses increased by 61.4% from SAR 7.3 million in 2021G to SAR 11.8 million in 2022G, due to an increase in hospitality and cleaning expenses during the same period.

Other expenses increased by 116.4% from SAR 11.8 million in 2022G to SAR 25.6 million in 2023G as a result of the high expenses of fines and accidents related to logistic activities.

Other expenses amounted to SAR 9.2 million during the six-month period ended 30 June 2023G and SAR 9.9 million during the six-month period ended 30 June 2024G.

7.7.1.6 Marketing and Advertising Expenses

The following table summarizes the marketing and advertising Expenses for the fiscal years ended 31 December 2021G, 2022G and 2023G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.18): Marketing and Advertising Expenses

SAR'000s	2021G (Adjusted)	2022G (Audited)	2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Var H1'23G-H1'24G
Advertising and publicity	73,940	112,917	115,873	52.7%	2.6%	25.2%	59,146	64,428	8.9%
Salaries, wages and employees' benefits	12,628	18,460	34,096	46.2%	84.7%	64.3%	16,371	24,846	51.8%
Total	**86,568**	**131,378**	**149,968**	**51.8%**	**14.2%**	**31.6%**	**75,517**	**89,274**	**18.2%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Table (7.19): As a percentage of total Group revenue

Percentage	2021G (Mgmt. info)	2022G (Mgmt info)	2023G (Mgmt info.)	Var '21G-'22G	Var '21G-'22G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30 June 2024G (Mgmt. info)	Var H1'23G-H1'24G
As a % of total Group revenue					**Percentage point**		**As a % of total Group revenue**		**pp.**
Advertising and publicity	6.4%	7.0%	6.5%	0.7	(0.6)	0.1	7.1%	6.4%	(0.8)
Salaries, wages and employees' benefits	1.1%	1.2%	1.9%	0.1	0.8	0.8	2.0%	2.4%	0.5
Total	**7.5%**	**8.2%**	**8.4%**	**0.7**	**0.2**	**0.9**	**9.0%**	**8.7%**	**(0.3)**

Source: Management information

Advertising and Publicity

Advertising and publicity expenses consist of the Group's sponsorship of Al Hilal Football Club, branding in relation to video production and media production, and digital marketing related to social media campaigns, external events to promote Jahez such as banners, billboards, etc. which mainly consists of marketing agencies and gifts from Jahez.

Advertising and publicity expenses increased by 52.7% from SAR 73.9 million in 2021G to SAR 112.9 million in 2022G, due to an increase in sponsorship expenses from SAR 33.6 million to SAR 60.3 million due to the focus on the sports activities and the promotion of the brand to the youth user segment.

Advertising and publicity expenses increased by 2.6% from SAR 112.9 million in 2022G to SAR 115.8 million in 2023G as a result of the expansion of operations in Kuwait and Bahrain.

Advertising and publicity expenses increased by 8.9% from SAR 59.1 million during the six-month period ended 30 June 2023G to SAR 64.4 million during the six-month period ended 30 June 2024G due to the increase in digital advertisements amounting by SAR 3.2 million, marketing and public relations expenses for the brand amounting by SAR 2.6 million, and costs related to sponsoring Al Hilal Football Club amounting by SAR 1.5 million, in line with the group's expansion efforts. This was offset by a decrease in gift expenses by SAR 2.6 million due to the non-recurrence of large marketing campaigns, such as car giveaways and "Code Million", which had contributed to increased marketing and advertising expenses during the six-month period ended 30 June 2023G.

Salaries, wages and employees' benefits

Salaries, wages and employee benefits relate primarily to the salaries of sales, marketing and vendors relations personnel.

Salaries, wages, and employee benefits increased by 46.2% from SAR 12.6 million in 2021G to SAR 18.5 million in 2022G, due to an increase in the number of employees from 32 employees to 50 employees during the same period.

Salaries, wages and employee benefits increased by 84.7% from SAR 18.5 million in 2022G to SAR 34.1 million in 2023G, due to an increase in the number of employees from 50 employees to 223 employees in line with operational expansion outside the Kingdom of Saudi Arabia.

Salaries, wages, and employee benefits increased by 51.8% from SAR 16.4 million during the six-month period ended 30 June 2023G to SAR 24.8 million during the six-month period ended 30 June 2024G due to the increase in the number of employees from 195 to 261 in line with the operational expansion of the Group.

7.7.1.7 Research and Developments Expenses

The following table summarizes the research and developments Expenses for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.20): Research and Developments Expenses

SAR'000s	2021G (Adjusted)	2022G (Audited)	2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Var H1'23G-H1'24G
Salaries, wages and employees' benefits	7,777	23,253	37,315	199.0%	60.5%	119.0%	19,242	20,203	5.0%
External resources	3,209	10,531	4,551	228.2%	(56.8%)	19.1%	5,024	4,862	(3.2%)
Total	**10,986**	**33,784**	**41,867**	**207.5%**	**23.9%**	**95.2%**	**24,266**	**25,064**	**3.3%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Table (7.21): As a percentage of total Group revenue

Percentage	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30June 2024G (Mgmt. info)	Var H1'23G-H1'24G
As a % of total Group revenue					**Percentage point (pp.)**		**As a % of total Group revenue**		**pp.**
Salaries, wages and employees' benefits	0.7%	1.5%	2.1%	0.8	0.6	1.4	2.3%	2.0%	(0.3)
External resources	0.3%	0.7%	0.3%	0.4	(0.4)	(0.0)	0.6%	0.5%	(0.1)
Total	**0.9%**	**2.1%**	**2.3%**	**1.2**	**0.2**	**1.4**	**2.9%**	**2.5%**	**(0.5)**

Source: Management information

Research and development expenses relate to the expenses of employees working in managing and improving the information system, and the costs of developing the application through external resources.

Research and development expenses increased by 207.5% from SAR 11.0 million in 2021G to SAR 33.8 million in 2022G in line with the increase in the number of employees associated with the technical department as a result of the upgrade that was made to the Group platform, in line with the increased use of the application due to the growth in the number of users and the launch of Blu and the updated Pik applications.

Research and development expenses increased by 23.9% from SAR 33.8 million in 2022G to SAR 41.9 million in 2023G due to continued growth in the number of technical department employees, in line with the group's geographical expansion and the launch of new services and features on the Group's platforms, in addition to the Group's focus on IT governance and cybersecurity.

Research and development expenses increased by 3.3% from SAR 24.3 million during the six-month period ended 30 June 2023G to SAR 25.1 million during the six-month period ended 30 June 2024G due to the increase in the number of employees from 111 to 122 during the period, in line with the geographical expansion of the group's operations and new business activities.

Accordingly, research and development expenses represented 0.9% of the group's total revenues in 2021G and increased to 2.1%, 2.3%, and 2.5% in 2022G, 2023G, and the six-month period ended 30 June 2024G, respectively.

7.7.1.8 Net Profit

The following table shows the Group Net profit for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.22): Net Profit

SAR'000s	2021G (Adjusted)	2022G (Audited)	2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	30 June 2023G (Unaudited)	30 June 2024G (Unaudited)	Var H1'23G-H1'24G
Net Profit for the year before Zakat	**121,198**	**84,828**	**145,833**	**(30.0%)**	**71.9%**	**9.7%**	**69,200**	**53,507**	**(22.7%)**
Zakat	(4,488)	(28,304)	(27,066)	530.7%	(4.4%)	145.6%	(11,091)	(10,476)	(5.5%)
Net Profit for the year	**116,710**	**56,523**	**118,768**	**(51.6%)**	**110.1%**	**0.9%**	**58,109**	**43,031**	**(25.9%)**
Actuarial gains/ (losses) from re-measurement of employees' end of service benefits	150	(189)	1,571	(226.0%)	(931.2%)	223.6%	-	-	N/A
Total comprehensive income	**116,860**	**56,334**	**120,339**	**(51.8%)**	**113.6%**	**1.5%**	**58,109**	**43,031**	**(25,9%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Net Profit/ (loss) for the year before Zakat

Net profit/(loss) for the year before Zakat decreased by 30.0% from SAR 121.2 million in 2021G to SAR 84.8 million in 2022G, in line with a decrease in operating profit during the same period due to the incurrence of exceptional costs amounting to SAR 79.5 million during 2022G. This was offset by an increase in interest income during the same period.

Net profit/(loss) for the year before Zakat increased by 71.9% from SAR 84.8 million in 2022G to SAR 145.8 million in 2023G due to the increase in operating profit in addition to the increase in interest income during the same period.

Net profit/(loss) for the year before Zakat decreased by 22.7% from SAR 69.2 million during the six-month period ended 30 June 2023G to SAR 53.5 million during the six-month period ended 30 June 2024G due to the decline in operating profit alongside the increase in the impairment loss on trade receivables by SAR 8.8 million and the recording of an unrealized gains on investments at FVTPL during the period.

Zakat

The provision for zakat is made in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia on an accrual basis. During 2022G, the group registered as a tax group, and was granted the approval for the submission of unified accounts for the Company and its subsidiaries by the Zakat, Tax and Customs Authority within the Kingdom of Saudi Arabia as of 25 Dhu al-Hijjah 1443H (corresponding to 24 July 2022G) except for the following companies: Joint Preparation Company for Meals, Blu Store Company, Marn Business Information Technology Company, and Sol Company for Trading.

Zakat expense increased by 530.7% from SAR 4.5 million in 2021G to SAR 28.3 million in 2022G as a result of the increase in the zakat base in line with the group's submission of its zakat returns in a unified manner during 2022G.

Zakat expense decreased by 4.4% from SAR 28.3 in 2022G to SAR 27.1 million in 2023G as a result of zakat adjustments related to previous years and the change in the zakat base calculation rule.

Zakat expenses decreased by 5.5% from SAR 11.1 million during the six-month period ended 30 June 2023G to SAR 10.5 million during the six-month period ended 30 June 2024G due to the decrease in the zakat base of the group, in line with the recorded decline in net income.

Net Profit for the year

Net profit for the year decreased by 51.6% from SAR 116.7 million in 2021G to SAR 56.5 million in 2022G, in line with the decrease in operating profit during the same period as the Group incurred the exceptional drivers related expense amounting to SAR 79.5 million during 2022G, in addition to the increase in zakat expenses. This was offset by an increase in interest income during the same period. This led to a decrease in the profit margin from 10.1% in 2021G to 3.5% in 2022G.

Net profit for the year increased by 110.1% from SAR 56.5 million in 2022G to SAR 118.8 million in 2023G due to the increase in operating profit during the same period in addition to an increase in interest income during the same period. This led to an increase in the profit margin from 3.5% in 2022G to 6.7% in 2023G.

Net profit for the year decreased by 25.9% from SAR 58.1 million during the six-month period ended 30 June 2023G to SAR 43.0 million during the six-month period ended 30 June 2024G due to the decline in operating profit during the same period, in addition to recording an unrealized gains on investments at FVTPL, which shifted from a gain of SAR 8.2 million during the six-month period ended 30 June 2023G to a loss of SAR 2.5 million during the six-month period ended 30 June 2024G. This was partially offset by a 20.0% increase in interest revenue.

Total Comprehensive income

Total comprehensive income relates to actuarial gains and losses resulting from the remeasurement of defined benefit obligations to employees by external actuaries. This is done using the expected credit method and taking into account the provisions of the Saudi Labor and Workers Law and the group's policy. The gain/(losses) resulting from the remeasurement of employee defined benefit amounted to gains of SAR 150 thousand in 2021G, losses amounted to SAR 189 thousand in 2022G, and then a gain of SAR 1.6 million in 2023G.

Total comprehensive income decreased by 51.8% from SAR 116.9 million in 2021G to SAR 56.3 million in 2022G, in line with the decrease in net profit for the year during the same period.

Total comprehensive income increased by 113.6% from SAR 56.3 million in 2022G to SAR 120.3 million in 2023G, in line with the increase in net profit for the year during the same period.

Total comprehensive income decreased by 25.9% from SAR 58.1 million during the six-month period ended 30 June 2023G to SAR 43.0 million during the six-month period ended 30 June 2024G in line with the decrease in net profit for the year during the same period.

7.7.1.9 Net profit/(loss) by subsidiary

The following table shows the Net profit/(loss) by subsidiary for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2023G and 2024G:

Table (7.23): Net profit / (loss) by subsidiary

SAR'000s	2021G (Mgmt. infor)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '21G-'22G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30 June 2024G (Mgmt. info)	Var H1'23G-H1'24G
Jahez International Company for Information Systems Technology	123,563	208,751	261,388	68.9%	25.2%	45.4%	122,400	129,562	5.9%
Joint Preparation Company for Meals	(896)	(4,922)	(15,001)	449.3%	204.8%	309.2%	(6,080)	(6,200)	2.0%
Pik Options Trading Company	(7,638)	(10,182)	(14,232)	33.3%	39.8%	36.5%	(4,987)	(8,232)	65.1%
Supportive Solutions Company for Logistic Services	(6,439)	(122,883)	(4,879)	1,808.4%	(96.0%)	(13.0%)	(9,124)	(14,448)	58.4%
Red Color Company	8,162	1,680	3,197	(79.4%)	90.3%	(37.4%)	8,161	(4,333)	(153.1%)
Jahez International Company for Information Systems Technology – Bahrain	(43)	(13,766)	(24,502)	31,914.0%	78.0%	2,287.1%	(12,142)	(8,550)	29.6%

SAR'000s	2021G (Mgmt. infor)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '21G-'22G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30 June 2024G (Mgmt. info)	Var H1'23G-H1'24G
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	(1,153)	(72,644)	N/A	6,200.4%	N/A	(28,970)	(39,192)	35.3%
Blu Store Company	-	(1,002)	(1,116)	N/A	11.4%	N/A	(4,398)	2,840	(164.6%)
Marn Business Information Technology Company	-	-	(13,322)	N/A	N/A	N/A	(5,129)	(6,742)	31.4%
Jahez for Information Technology -Egypt	-	-	(45)	N/A	N/A	N/A	-	(53)	N/A
Jahez International Company for Information Systems Technology -Qatar	-	-	(42)	N/A	N/A	N/A	-	-	N/A
Sol Company for Trading	-	-	(34)	N/A	N/A	N/A	-	(1,621)	N/A
Total	**116,710**	**56,523**	**118,768**	**(51.6%)**	**110.1%**	**0.9%**	**58,109**	**43,031**	**(25.9%)**

Source: Management information

Table (7.24): Profit/ (loss) margin by subsidiary

Percentage	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '21G-'22G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30 June 2024G (Mgmt. info)	Var H1'23G-H1'24G
As a % of revenue					**Percentage point (pp.)**		**As a % of revenue**		**pp.**
Jahez International Company for Information Systems Technology	10.7%	13.1%	15.4%	2.4	2.4	4.7	15.1%	14.6%	(0.5)
Joint Preparation Company for Meals	(60.2%)	(95.3%)	(190.9%)	(35.0)	(95.6)	(130.7)	(186.8%)	(110.8%)	76.0
Pik Options Trading Company	(7,715.2%)	(885.4%)	695.6%	1,943.5	1,581.0	3,524.5	(1,429.9%)	(11,124.3%)	(9,699.5)
Supportive Solutions Company for Logistic Services	(5.8%)	(39.6%)	(1.2%)	(33.8)	38.4	4.6	(4.8%)	(7.6%)	(2.8)
Red Color Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jahez International Company for Information Systems Technology – Bahrain	N/A	(363.4%)	(88.5%)	(363.4)	279.4	(88.5)	(139.7%)	(30.0%)	109.7
Jahez International Company for Wholesale and Retail Trading – Kuwait	N/A	115,300.0%	(349.3%)	115,300.0	(115,649.3)	(349.3)	(1,995.5%)	(63.1%)	1,932.4
Blu Store Company	N/A	(91.2%)	(6.5%)	N/A	84.7	N/A	(143.7%)	(26.8%)	170.5
Marn Business Information Technology Company	N/A	N/A	(205.5%)	N/A	N/A	N/A	(269.9%)	(179.5%)	90.5
Jahez for Information Technology -Egypt	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Percentage	2021G (Mgmt. info)	2022G (Mgmt. info)	2023G (Mgmt. info)	Var '21G-'22G	Var '21G-'22G	CAGR '21G-'23G	30 June 2023G (Mgmt. info)	30 June 2024G (Mgmt. info)	Var H1'23G-H1'24G
Jahez International Company for Information Systems Technology -Qatar	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sol Company for Trading	N/A	N/A	(12.1%)	N/A	N/A	N/A	N/A	(9.2%)	N/A
Total	**10.1%**	**3.5%**	**6.7%**	**(6.5)**	**3.1**	**(3.4)**	**7.0%**	**4.2%**	**(2.7)**

Source: Management information

Jahez International Company for Information Systems Technology

The net profit of Jahez International Company for Information Systems Technology "Jahez" increased by 68.9% from SAR 123.6 million in 2021G to SAR 208.8 million in 2022G, in line with the growth of the company's activity and an increase in interest income during the period itself.

The net profit of Jahez International Company for Information Systems Technology "Jahez" increased by 25.2% from SAR 208.8 million in 2022G to SAR 261.4 million in 2023G due to the increase in operating profit during the same period, in addition to the increase in interest income during the same period.

Net profit for Jahez International Company for Information Systems Technology "Jahez" increased by 5.9% from SAR 122.4 million during the six-month period ended 30 June 2023G to SAR 129.6 million during the six-month period ended 30 June 2024G due to the increase in operating profit, alongside the increase in interest revenue during the same period.

Joint Preparation Company for Meals

The net loss of the Joint Preparation Company for serving meals increased from SAR 0.9 million in 2021G to SAR 4.9 million in the 2022G in line with the expansionary investments made for Joint Preparation Company for serving meals.

The net loss of the Joint Preparation Company for serving meals increased from SAR 4.9 million in 2022G to SAR 15.0 million in 2023G in line with the expansionary investments made for Joint Preparation Company for serving meals.

The net loss of the Joint Preparation Company for serving meals amounted to SAR 6.1 million during the six-month period ended 30 June 2023G and SAR 6.2 million during the six-month period ended 30 June 2024G.

Pik Options Trading Company

The net loss of Pik Options Trading Company increased by 33.2% from SAR 7.6 million in 2021G to SAR 10.2 million in the 2022G, in line with the expansionary investments made for Pik Options Trading Company.

The net loss of Pik Options Trading Company increased by 39.8% from SAR 10.2 million in 2022G to SAR 14.2 million in 2023G, in line with the expansionary investments made for Pik Options Trading Company.

The net loss of Pik Options Trading Company increased by 65.1% from SAR 5.0 million during the six-month period ended 30 June 2023G to SAR 8.2 million during the six-month period ended 30 June 2024G, in line with the expansionary investments made for Pik Options Trading Company.

Supportive Solutions Company for Logistic Services

The net loss of Supportive Solutions Company for Logistic Services increased from SAR 6.4 million in the 2021G to SAR 122.9 million in 2022G due to the exceptional driver related cost incurred during 2022G, amounting to SAR 79.5 million.

The net loss of Supportive Solutions Company for Logistic Services decreased from SAR 122.9 million in 2022G to SAR 4.9 million in 2023G, in line with the increase in the number of delivery orders during the same period.

The net loss of Supportive Solutions Company for Logistic Services increased from SAR 9.1 million during the six-month period ended 30 June 2023G to SAR 14.4 million during the six-month period ended 30 June 2024G, due to expected credit losses during the same period.

The net (loss)/profit of Supportive Solutions Company for Logistic Services is eliminated upon the consolidation of the Group's financial statements.

Red Color Company

Red Color Company's net profit decreased by 79.4% from SAR 8.2 million in 2021G to SAR 1.7 million in 2022G in line with the change in the fair value of Red Color Company's investments.

The net profit of the Red Company increased by 90.3% from SAR 1.7 million in 2021G to SAR 3.2 million in 2022G, in line with the change in the fair value of the Red Color Company's investments.

The net profit of the Red Company decreased from SAR 8.1 million during the six-month period ended 30 June 2023G to a loss of SAR 4.3 million during the six-month period ended 30 June 2024G in line with the change in the fair value of the Red Color Company's investments.

Jahez International Company for Information Systems Technology – Bahrain

The net loss of Jahez International Company for Information Systems Technology "Jahez" - Bahrain increased from SAR 43 thousand in 2021G to SAR 13.8 million in 2022G and then to SAR 24.5 million in 2023G in line with the expansionary investments made for Jahez International Company for Information Systems Technology "Jahez" – Bahrain.

The net loss of Jahez International Company for Information Systems Technology "Jahez" - Bahrain increased from SAR 12.1 million during the six-month period ended 30 June 2023G to SAR 8.5 million during the six-month period ended 30 June 2024G in line with the expansionary investments made for Jahez International Company for Information Systems Technology "Jahez" – Bahrain.

Jahez International Company for Wholesale and Retail Trading – Kuwait

The net loss of Jahez International Company for Wholesale and Retail Trading – Kuwait increased from SAR 1.2 million in 2022G to SAR 72.6 million in 2023G, in line with the expansionary investments made for Jahez International Company for Wholesale and Retail Trading – Kuwait.

The net loss of Jahez International Company for Wholesale and Retail Trading – Kuwait increased from SAR 29.0 million during the six-month period ended 30 June 2023G to SAR 39.2 million during the six-month period ended 30 June 2024G in line with the expansionary investments made for Jahez International Company for Wholesale and Retail Trading – Kuwait.

Blu Store Company

The net loss of Blu Store Company increased by 11.4% from SAR 1.0 million in 2022G to SAR 1.1 million in 2023G, in line with the pace of growth in operations, as the platform was launched during the month of August 2022G.

The net loss of Blu Store Company increased from SAR 4.4 million during the six-month period ended 30 June 2023G to a profit of SAR 2.8 million during the six-month period ended 30 June 2024G, in line with the increase in revenues during the same period.

Other Companies

The net loss of Marn Business Information Technology Company, Jahez for Information Technology -Egypt, Jahez International Company for Information Systems Technology -Qatar, and Sol Company for Trading amounted to SAR 13.3 million, SAR 45 thousand, SAR 42 thousand, and SAR 34 thousand, respectively. The group acquired Marn Business Information Technology Company and Sol Company for Trading during 2023G, while it established Jahez for Information Technology -Egypt and Jahez International Company for Information Systems Technology -Qatar during the same period.

The net loss of Marn Business Information Technology Company, Jahez for Information Technology -Egypt, Jahez International Company for Information Systems Technology -Qatar, and Sol Company for Trading amounted to SAR 6.7 million, SAR 53 thousand and SAR 1.6 million respectively during the period ended 30 June 2024G.

7.7.1.10 Operational Segments

The Group monitors its financial performance through three operational sectors (1) Delivery Platforms Sector: This activity represents the provision of food and other goods delivery services via electronic platforms inside and outside the Kingdom of Saudi Arabia, (2) Logistics Services Activity: includes logistical support operations and directing goods transport vehicles, (3) other activities: such as cloud kitchens and other software services.

Information relating to the Group's operating segments is presented below in accordance with IFRS 8 "Operating Segments". The standard requires that operating segments be identified based on internal reports that are reviewed on a regular basis by the Group's chief operating decision maker - the Chairman of the Board of Directors - and used in allocating resources to the segments. and evaluate its performance.

The following table shows the net profit for the year by operating sector for the six-month period ended 30 June 2024G:

Table (7.25): Net Profit for the year by operating sector for the six-month period ended 30 June 2024G

30 June 2024G SAR'000s	Delivery Platform Segment		Logistics Activity	Other Activities		Exclusions/ Amend-ments	Total
	Inside the Kingdom	Outside the Kingdom	Inside the Kingdom	Inside the Kingdom	Outside the Kingdom		
External Revenue	961,805	103,211	10,254	26,963	-	(5,406)	1,096,827
Inter-Segment revenue	-	-	179,572	-	-	(179,572)	-
Customer promotions and cash back	(62,398)	(12,534)	-	(1)	-	-	(74,933)
Other Deductions	-	-	-	-	-	-	-
Net revenue	**899,407**	**90,677**	**189,826**	**26,962**	**-**	**(184,978)**	**1,021,894**
Direct Costs	(657,004)	(115,867)	(179,900)	(21,664)	-	184,978	(789,457)
Impairment loss on trade receivables	(3,230)	(178,030)	(5,703)	-	-	-	(9,111)
Expenses	(123,794)	(20,953)	(6,103)	(16,199)	-	-	(167,049)
Depreciation and amortization	(6,352)	(1,377)	(11,289)	(4,962)	-	-	(23,980)
Other income / (expenses)	25,918	6	(16)	(2,339)	-	-	23,567
Finance costs	(152)	(49)	(1,264)	(893)	-	-	(2,357)
Zakat	(10,476)	-	-	-	-	-	(10,476)
Net Segment profit	**124,317**	**(47,742)**	**(14,448)**	**(19,096)**	**-**	**-**	**43,031**

Source: The interim condensed consolidated financial statements for the six-month period ended 30 June 2024G

The following table shows the net profit for the year by operating sector for the fiscal year ended 31 December 2023G.

Table (7.26): Net Profit for the year by operating sector for the Fiscal Year Ended 31 December 2023G

31 December 2023G SAR'000s	Delivery Platform Segment		Logistics Activity	Other Activities		Exclusions/ Amend-ments	Total
	Inside the Kingdom	Outside the Kingdom	Inside the Kingdom	Inside the Kingdom	Outside the Kingdom		
External Revenue	1,828,171	72,367	9,460	9,767	-	-	1,919,765
Inter-Segment revenue	-	-	394,666	4,862	-	(399,528)	-
Customer promotions and cash back	(111,108)	(11,072)	-	(8)	-	-	(122,188)
Other Deductions	-	(12,822)	-	-	-	-	(12,822)

31 December 2023G SAR'000s	Delivery Platform Segment		Logistics Activity	Other Activities		Exclusions/ Amend-ments	Total
	Inside the Kingdom	Outside the Kingdom	Inside the Kingdom	Inside the Kingdom	Outside the Kingdom		
Net revenue	1,717,064	48,473	404,126	14,620	-	(399,528)	1,784,755
Direct Costs	(1,254,240)	(108,729)	(363,535)	(22,710)	-	399,528	(1,349,687)
Impairment loss on trade receivables	(1,023)	-	(4,078)	-	-	-	(5,101)
Expenses	(205,559)	(35,749)	(16,831)	(19,592)	-	-	(277,731)
Depreciation and amortization	(17,615)	(1,252)	(21,383)	(9,239)	-	-	(49,489)
Other income / (expenses)	47,384	88	(17)	(1,019)	-	-	48,473
Finance costs	(401)	(18)	(4,272)	(767)	-	-	(5,457)
Zakat	(27,066)	-	-	-	-	-	(27,066)
Net Segment profit	**258,545**	**(97,188)**	**(5,990)**	**(36,669)**	**-**	**-**	**118,698**

Source: The audited financial statements for the financial years ended 31 December 2023G

The following table shows the net profit for the year by operating sector for the fiscal year ended 31 December 2022G.

Table (7.27): Net Profit for the year by operating sector for the Fiscal Year Ended 31 December 2022G

31 December 2022G SAR'000s	Delivery Platform Segment		Logistics Activity	Other Activities		Exclusions/ Amend-ments	Total
	Inside the Kingdom	Outside the Kingdom	Inside the Kingdom	Inside the Kingdom	Outside the Kingdom		
External Revenue	1,662,717	4,129	-	5,167	-	-	1,672,012
Inter-Segment revenue	-	-	310,372	-	-	(310,372)	-
Customer promotions and cash back	(69,195)	(341)	-	-	-	-	(69,536)
Other Deductions	-	-	-	-	-	-	-
Net revenue	**1,593,522**	**3,788**	**310,372**	**5,167**	**-**	**(310,372)**	**1,602,477**
Direct Costs	(1,196,633)	(12,545)	(336,602)	(5,468)	-	313,608	(1,237,640)
Impairment loss on trade receivables	3,757	-	-	-	-	-	3,757
Expenses	(195,255)	(4,870)	(3,009)	(1,077)	-	-	(204,211)
Other Expenses	-	-	(79,528)	-	-	-	(79,528)
Depreciation and amortization	(6,819)	(118)	(13,348)	(3,244)	-	-	(23,529)
Other income / (expenses)	24,253	-	635	1,769	-	-	26,658
Finance costs	(377)	-	(2,391)	(388)	-	-	(3,156)
Zakat	(28,304)	-	-	-	-	-	(28,304)
Net Segment profit	**194,145**	**(13,745)**	**(123,872)**	**(3,242)**	**-**	**3,237**	**56,523**

Source: The audited financial statements for the financial years ended 31 December 2023G

The following table shows the net profit for the year by operating sector for the fiscal year ended 31 December 2021G.

Table (7.28): Net Profit for the year by operating sector for the Fiscal Year Ended 31 December 2021G

31 December 2022G SAR'000s	Delivery Platform Segment		Logistics Activity	Other Activities		Exclusions/ Amendments	Total
	Inside the Kingdom	Outside the Kingdom	Inside the Kingdom	Inside the Kingdom	Outside the Kingdom		
Revenue	1,158,080	-	(110,677)	1,488	-	(110,677)	1,159,568
Direct Costs	(906,530)	-	(116,408)	(1,783)	-	110,677	(914,043)
Expenses	(123,111)	-	(708)	(111)	-	-	(123,930)
Depreciation and amortization	(5,586)	-	(244)	(547)	-	-	(6,044)
Impairment loss on trade receivables	(2,504)	-	-	-	-	-	(2,501)
Other income / (expenses)	480	-	-	8,215	-	-	8,696
Finance costs	(462)	-	-	(85)	-	-	(547)
Zakat	(4,488)	-	-	-	-	-	(4,488)
Net Segment profit	**115,883**	**-**	**(6,439)**	**7,266**	**-**	**-**	**116,710**

Source: The audited financial statements for the financial years ended 31 December 2022G

7.7.2 Consolidated statements of financial position

The following table summarizes the consolidated statements of financial position for the fiscal years ended 31 December 2021G,2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.29): Consolidated statements of financial position

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Assets								
Non-current assets								
Property and equipment	7,783	40,356	53,839	418.5%	33.4%	163.0%	201,649	274.5%
Intangible assets and Goodwill	3,860	5,725	81,002	48.3%	1314.9%	358.1%	88,970	9.8%
Right-of-use assets	27,101	133,505	96,915	392.6%	(27.4%)	89.1%	82,987	(14.4%)
Investments at FVTPL	19,837	22,729	84,097	14.6%	270.0%	105.9%	99,717	18.6%
Equity accounted investments	-	-	-	N/A	N/A	N/A	75,613	N/A
Total Non-Current Assets	**58,581**	**202,314**	**315,853**	**245.4%**	**56.1%**	**132.2%**	**548,936**	**73.8%**
Current assets								
Inventory	198	925	9,819	367.3%	961.8%	604.4%	9,626	(2.0%)
Trade receivables	6,675	22,776	36,425	241.2%	59.9%	133.6%	60,400	75.9%
Prepaid expenses and other receivables	36,637	82,185	72,075	124.3%	(12.3%)	40.3%	69,073	(4.2%)
Due from Related Parties	237	-	-	(100.0%)	N/A	N/A	-	N/A
Cash and cash equivalents	391,688	902,686	1,109,060	130.5%	22.9%	68.3%	819,165	(26.1%)

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Deposits with financial institutions	-	200,000	107,564	N/A	(46.2%)	N/A	106,684	(0.8%)
Total Current Assets	**435,435**	**1,208,571**	**1,334,943**	**177.6%**	**10.5%**	**75.1%**	**1,064,948**	**(20.2%)**
Total Assets	**494,016**	**1,410,885**	**1,650,796**	**185.6%**	**17.0%**	**82.8%**	**1,613,884**	**(2.2%)**
Equity and Liabilities								
Equity								
Share capital	96,000	104,918	104,918	9.3%	0.0%	4.5%	104,918	0.0%
Statuary reserve	12,523	18,421	18,421	47.1%	0.0%	21.3%	18,421	0.0%
Share premium	-	740,176	740,176	N/A	0.0%	N/A	740,176	0.0%
Treasury shares	-	(1,920)	(1,920)	N/A	0.0%	N/A	(43,914)	2,187.2%
Employees' shares reserve	-	11,897	31,381	N/A	163.8%	N/A	23,231	(26.0%)
Retained earnings	78,745	131,635	258,543	67.2%	96.4%	81.2%	293,351	13.5%
Equity Attributable to Shareholders of Parent	**187,268**	**1,005,126**	**1,151,518**	**436.7%**	**14.6%**	**148.0%**	**1,136,182**	**(1.3%)**
Non-controlling interests	1,049	(1,160)	(6,039)	(210.6%)	420.6%	N/A	1,213	(120.1%)
Total Equity	**188,316**	**1,003,966**	**1,145,479**	**433.1%**	**14.1%**	**146.6%**	**1,137,395**	**(0.7%)**
Liabilities								
Non-Current Liabilities								
Non-current portion of lease liabilities	21,199	96,834	63,002	356.8%	(34.9%)	72.4%	57,501	(8.7%)
Employees' benefits obligations	5,838	10,889	17,256	86.5%	58.5%	71.9%	21,617	25.3%
Total Non-Current Liabilities	**27,037**	**107,723**	**80,258**	**298.4%**	**(25.5%)**	**72.3%**	**79,118**	**(1.4%)**
Current Liabilities								
Proceeds due to customers	164,717	118,801	161,550	(27.9%)	36.0%	(1.0%)	181,176	12.1%
Current portion of lease liabilities	4,966	32,168	32,971	547.8%	2.5%	157.7%	27,606	(16.3%)
Short-term loan	-	-	1,917	N/A	N/A	N/A	345	(82.0%)
Trade payables	28,535	52,161	83,573	82.8%	60.2%	71.1%	64,083	(23.3%)
Accrued expenses and other current liabilities	75,266	68,257	115,786	(9.3%)	69.6%	24.0%	111,184	(4.0%)
Due to Related Parties	688	-	-	(100%)	N/A	N/A	78	N/A
Zakat Provision	4,492	27,809	29,263	519.1%	5.2%	155.2%	12,900	(55.9%)
Total Current Liabilities	**278,663**	**299,196**	**425,059**	**7.4%**	**42.1%**	**23.5%**	**397,371**	**(6.5%)**
Total Liabilities	**305,700**	**406,919**	**505,317**	**33.1%**	**24.2%**	**28.6%**	**476,489**	**(5.7%)**
Total Equity and Liabilities	494,016	1,410,885	1,650,796	185.6%	17.0%	82.8%	1,613,884	(2.2%)

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Table (7.30): Key performance indicators of the consolidated statements of financial position

	As of 31 December, 2021G (Mgmt. info)	As of 31 December, 2022G (Mgmt. info)	As of 31 December, 2023G (Mgmt. info)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Mgmt. info)	Var 31 December 2023G-H1'24G
DSO (days) (1)	2	5	7	3	2	5	11	4
DPO (days) (2)	11	15	19	4	4	8	14	(5)
As a percentage								
ROA (3)	23.6%	4.0%	7.2%	(19.6)	3.2	(16.4)	5.3%	(1.9)
ROE (4)	62.0%	5.6%	10.4%	(56.3)	4.7	(51.6)	7.6%	(2.8)

Source: Management information

(1) DSO was calculated based on total trade receivables/net revenue * 365 days for the fiscal years ended 31 December 2021G, 2022G, and 2023G. While it was calculated based on total trade receivables/net revenue * 180 days for the six-month period ended 30 June 2024G.

(2) DPO was calculated based on total trade payables/total cost of revenue * 365 days for the fiscal years ended 31 December 2021G, 2022G and 2023G. While it was calculated based on total trade payables/net revenue * 180 days for the six-month period ended 30 June 2024G.

(3) ROA was calculated based on profit for the year / total assets for the current period as at 31 December 2021G, 2022G, and 2023G.

(4) ROE was calculated based on profit for the year/total equity for the current period as at 31 December 2021G, 2022G, and 2023G.

Non-current assets

Non-current assets increased from SAR 58.6 million as of 31 December 2021G to SAR 202.3 million as of 31 December 2022G due to an increase in (1) right-of-use assets by SAR 106.4 million as a result of additions amounting to SAR 124.2 million. These additions mainly relate to the fleet of cars as a result of the launch of operations of Supportive Solutions Company for Logistic Services, and to the buildings as a result of the expansion of Jahez International Company for Information Systems Technology, the Joint Preparation Company for Meals, and the Supportive Solutions Company for Logistic Services, in addition to the rented spaces to launch the cloud kitchens, which were offset by amortization costs amounting to SAR 17.8 million during the same period, (2) Property and equipment by SAR 32.6 million in line with additions relating to electric equipment, furniture and fixtures, decorations and leasehold improvements to leased buildings amounting to SAR 758 thousand, SAR 563 thousand and SAR 384 thousand, respectively, during the same period.

Non-current assets increased from SAR 202.3 million as of 31 December 2022G to SAR 315.9 million as of 31 December 2023G due to the increase in (1) intangible assets and goodwill by SAR 75.3 million during the same period. This is mainly due to the recognition of goodwill amounting to SAR 66.4 million as a result of the acquisition of Marn Business Information Technology Company and Sol Company for Trading during 2023G. 2) Investments at FVTPL by SAR 66.4 million, resulting primarily from additions to the Group's investments in shares of unlisted companies. This was offset by a decrease in right-of-use assets amounting to SAR 36.6 million as a result of amortization costs and disposals during the same period.

Non-current assets increased from SAR 315.9 million as of 31 December 2023G to SAR 548.9 million as of 30 June 2024G, due to the increase in (1) property and equipment by SAR 147.8 million in line with additions in the projects under construction category totaling SAR 149.6 million related to the group's new headquarters; (2) Investments at FVTPL by SAR 91.2 million, resulting primarily from additions to the Group's investments in shares of unlisted companies. This was partially offset by a decrease in right-of-use assets by SAR 13.9 million due to amortization costs and disposals during the same period.

Current Assets

Current assets increased from SAR 435.4 million as of 31 December 2021G to SAR 1,208.6 million as of 31 December 2022G due to an increase in cash and cash equivalents by SAR 511.0 million and an increase in deposits with financial institutions by SAR 200.0 million, as a result of proceeds of the initial public offering.

Current assets increased from SAR 1,208.6 million as of 31 December 2022G to SAR 1,334.9 million as of 31 December 2023G due to an increase in cash and cash equivalents by SAR 206.4 million driven by an increase in cash flows from operating activities. Accordingly, the Group increased its short-term deposits from SAR 300.0 million to SAR 550.0 million.

Current assets decreased from SAR 1,334.9 million as of 31 December 2023G to SAR 1,064.9 million as of 30 June 2024G primarily due to a decrease in cash and cash equivalents resulting from the acquisition of the group's new headquarters and additions to Investments at FVTPL.

Equity

Total equity increased from SAR 188.3 million as of 31 December 2021G to SAR 1,004.0 million as of 31 December 2022G due to recognizing share premium, which amounted to SAR 740.2 million. The Group issued 17,836,060 shares with a nominal value of SAR 8.9 million. The value of the share on the date of issuance was SAR 42.5, in addition to the employee shares reserve, which amounted to SAR 11.9 million. The capital also increased from SAR 96.0 million as of 31 December 2021G to SAR 104.9 million as of 31 December 2022G due to the initial public offering.

Total equity increased from SAR 1,004.0 million as of 31 December 2022G to SAR 1,145.5 million as of 31 December 2023G due to the increase in retained earnings from SAR 131.6 million to SAR 258.5 million and employee shares reserve from SAR 11.9 million to SAR 31.4 million during the same period.

Total equity decreased from SAR 1,145.5 million as of 31 December 2023G to SAR 1,137.4 million as of 30 June 2024G primarily due to the acquisition of treasury shares amounting to SAR 42.0 million during the same period.

Non-current liabilities

Non-current liabilities increased from SAR 27.0 million as of 31 December 2021G to SAR 107.7 million as of 31 December 2022G driven by the increase in the non-current portion of lease liabilities and employee benefit obligations by SAR 75.6 million and SAR 5.1 million, respectively, during the same period.

Non-current liabilities decreased from SAR 107.7 million as of 31 December 2022G to SAR 80.3 million as of 31 December 2023G due to a decrease in the non-current portion of lease liabilities by SAR 33.8 million during the same period. This was offset by an increase in employee benefits obligations by SAR 6.4 million due to the increase in the number of employees during the same period.

Non-current liabilities decreased from SAR 80.3 million as of 31 December 2023G to SAR 79.1 million as of 30 June 2024G due to a decrease in the non-current portion of lease liabilities by SAR 5.5 million during the same period. This was partially offset by an increase in employee benefit obligations by SAR 4.4 million due to the increase in the number of employees during the same period.

Current liabilities

Current liabilities increased from SAR 278.7 million as of 31 December 2021G to SAR 299.2 million as of 31 December 2022G as a result of an increase in (1) the current portion of lease liabilities by SAR 27.2 million, (2) zakat provision by SAR 23.3 million due to the increase in the zakat base, (3) trade payables by SAR 23.6 million driven by the increase in trade receivables related to logistic services, during the same period. This was offset by a decrease in (1) proceeds due to customers by SAR 45.9 million, and (2) accrued expenses and other current liabilities by SAR 7.0 million during the same period.

Current liabilities increased from SAR 299.2 million as of 31 December 2022G to SAR 425.1 million as of 31 December 2023G due to an increase in (1) accrued expenses and other current liabilities by SAR 47.5 million, and (2) proceeds due to customers by SAR 42.7 million driven by the increase in the Group's business, (3) trade payables by SAR 31.4 million as a result of the increase in receivables related to logistics services, during the same period.

Current liabilities decreased from SAR 425.1 million as of 31 December 2023G to SAR 397.4 million as of 30 June 2024G resulting from a decline in (1) trade payables by SAR 19.5 million and (2) zakat provisions by SAR 16.4 million. This was partially offset by an increase in proceeds due to customers by SAR 19.6 million due to the growth in the group's business activities during the same period.

7.7.2.1 Non-Current Assets by Company

The following table summarizes the non-current assets by Company as of 31 December 2021G, 2022G and 2023G:

Table (7.31): Non-Current Assets by Company

SAR'000s	As of 31 December, 2021G (Mgmt. info)	As of 31 December, 2022G (Mgmt. info)	As of 31 December, 2023G (Mgmt. info)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Mgmt. info)	Var 31 December 2023G- H1'24G
Jahez International Company for Information Systems Technology	29,952	59,236	47,091	97.8%	(20.5%)	25.4%	191,079	305.8%
PIK Options Trading Company	2,392	1,640	885	(31.4%)	(46.0%)	(39.2%)	508	(42.6%)
Joint Preparation Company for Meals	6,389	36,422	39,583	470.1%	8.7%	148.9%	56,404	42.5%
Supportive Solutions Company for Logistic Services	11	79,598	62,700	723518.2%	(21.2%)	7,449.8%	40,388	(35.6%)
The Red Color Company	19,837	22,729	84,097	14.6%	270.0%	105.9%	175,329	108.5%
Jahez International Company for Information Systems Technology – Bahrain	-	1,348	1,387	N/A	2.9%	N/A	1,155	(16.7%)
Blu Store Company	-	-	2,435	N/A	N/A	N/A	3,269	34.3%
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	1,340	5,385	N/A	301.9%	N/A	7,300	35.6%
Marn Business Information Technology Company	-	-	4,571	N/A	N/A	N/A	5,004	9.5%
Sol Company for Trading	-	-	1,132	N/A	N/A	N/A	1,517	34.0%
Jahez for Information Technology - Egypt	-	-	144	N/A	N/A	N/A	301	109.0%
Jahez International Company for Information Systems Technology - Qatar	-	-	-	N/A	N/A	N/A	-	N/A
Eliminations/ Modifications	-	-	66,444	N/A	N/A	N/A	66,680	0.4%
Total	**58,581**	**202,314**	**315,853**	**245.4%**	**56.1%**	**132.2%**	**548,936**	**73.8%**

Source: Management information

Non-current assets increased from SAR 58.6 million as of 31 December 2021G to SAR 202.3 million as of 31 December 2022G due to the increase in non-current assets of Supportive Solutions Company for Logistic Services by SAR 79.6 million driven by additions mainly related to the car fleet given the launch of the Supportive Solutions Company for Logistic Services, and buildings due to the expansion of Jahez International Company for Information Systems Technology and the Joint Preparation Company for Meals.

Non-current assets increased from SAR 202.3 million as of 31 December 2022G to SAR 315.9 million as of 31 December 2023G due to the increase in intangible assets and goodwill by SAR 75.3 million during the same period. This is due to investments at FVTPL amounting to SAR 66.4 million, stemming from The Red Color Company, in shares of unlisted companies.

Non-current assets increased from SAR 315.9 million as of 31 December 2023G to SAR 548.9 million as of 30 June 2024G primarily due to the increase in property and equipment by SAR 147.8 million, in line with additions to the projects under construction totaling SAR 149.6 million related to the new headquarters of the group. Additionally, investments at FVTPL increased by SAR 91.2 million from Red color Company in shares of unlisted companies.

7.7.2.2 Non-Current Assets

The following table summarizes the non-current assets by Company as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.32): Non-Current Assets

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Property and equipment	7,783	40,356	53,839	418.5%	33.4%	163.0%	201,649	274.5%
Intangible assets and Goodwill	3,860	5,725	81,002	48.3%	1314.9%	358.1%	88,970	9.8%
Right-of-use assets	27,101	133,505	96,915	392.6%	(27.4%)	89.1%	82,987	(14.4%)
Investments at FVTPL	19,837	22,729	84,097	14.6%	270.0%	105.9%	99,717	18.6%
Equity accounted investments	-	-	-	N/A	N/A	N/A	75,613	N/A
Total Non-Current Assets	58,581	202,314	315,853	245.4%	56.1%	132.2%	548,936	73.8%

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Non-current assets increased from SAR 58.6 million as of 31 December 2021G to SAR 202.3 million as of 31 December 2022Gs a result of an increase in (1) right-of-use assets amounting to SAR 106.4 million as a result of additions amounting to SAR 124.2 million. These additions relate mainly to the fleet of cars as a result of the launch of the work of the Support Solutions Company for Logistics Services, and to the buildings as a result of the expansion of Jahez International Company for Information Systems Technology, the Joint Preparation Company for Meals Delivery, and the Support Solutions Company for Logistics Services, in addition to the rented spaces for establishing cloud kitchens, which were offset by amortization costs amounting to SAR 17.8 million during the same period, (2) Property and equipment valued at SAR 32.6 million in line with additions to the items of electrical appliances, furniture, furnishings, decorations and improvements to leased buildings amounting to SAR 758 thousand, SAR 563 thousand and SAR 384 thousand, respectively, during the same period.

Non-current assets increased from SAR 202.3 million as of 31 December 2022G to SAR 315.9 million as of 31 December 2023G as a result of the increase in (1) intangible assets and goodwill by SAR 75.3 million Saudi riyals during the same period. This is mainly due to the recognition of goodwill amounting to SAR 66.4 million as a result of the acquisition of Marn Business Information Technology Company and Sol Company for Trading during 2023G. 2) Investments at fair value through profit or loss amounting to SAR 66.4 million, resulting primarily from additions to the Group's investments in shares of unlisted companies. This was offset by a decrease in right-of-use assets amounting to SAR 36.6 million as a result of amortization costs and disposals during the same period.

Non-current assets increased from SAR 315.9 million as of 31 December 2023G to SAR 548.9 million as of 30 June 2024G primarily due to the increase in property and equipment by SAR 147.8 million, in line with additions to the projects under construction totaling SAR 149.6 million related to the new headquarters of the group. Additionally, investments at FVTPL increased by SAR 91.2 million from Red color Company in shares of unlisted companies. This was partially offset by a decrease in right-of-use assets by SAR 13.9 million due to amortization costs and disposals during the same period.

a- Property and equipment

The following table summarizes the net book value of the property and equipment as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.33): Net Book value of the property and equipment

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Decorations and leasehold Improvements	2,366	11,302	12,250	377.7%	8.4%	127.5%	14,845	26.5%
Central kitchens	1,075	6,211	10,854	477.9%	74.7%	217.8%	9,118	(16.0%)
Furniture and fixtures	961	1,805	3,132	87.8%	73.5%	80.5%	3,675	17.3%
Computers	1,630	3,788	8,401	132.4%	121.8%	127.0%	8,392	(0.1%)
Electric equipment	788	4,253	5,982	439.4%	40.7%	175.4%	6,641	11.0%
Motor vehicles	136	637	974	369.4%	52.8%	167.8%	814	(16.4%)
Tools and instruments	55	34	246	(38.8%)	623.5%	111.9%	596	142.3%
Projects under construction	772	12,325	12,000	1496.5%	(2.6%)	294.3%	157,568	1213.1%
Total	**7,783**	**40,356**	**53,839**	**418.5%**	**33.4%**	**163.0%**	**201,649**	**274.5%**

Source: The audited financial statements for the financial years ended 31 December 2021G,2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

The following table summarizes the additions of the property and equipment as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.34): Additions to the property and equipment

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Decorations and leasehold Improvements	384	10,761	2,467	2,702.3%	(77.1%)	153.0%	1,600	(35.1%)
Central kitchens	58	5,817	8,727	9,929.3%	50.0%	1.127.0%	2,231	(74.4%)
Furniture and fixtures	563	1,341	2,173	138.2%	62.0%	96.0%	1,175	(45.9%)
Computers	1,166	3,142	6,947	169.5%	121.1%	144.0%	1,123	(83.8%)
Electric equipment	758	3,927	2,654	418.1%	(32.4%)	87.0%	1,866	(29.7%)
Motor vehicles	138	623	669	351.4%	7.4%	120.0%	(45)	(106.7%)
Tools and instruments	39	1	277	(97.4%)	27,600.0%	167.0%	434	56.7%
Projects under construction	772	11,553	(325)	1,396.5%	(102.8%)	(82.3%)	145,567	N/A
Total	**3,879**	**37,165**	**23,588**	**858.1%**	**(36.5%)**	**146.6%**	**153,951**	**552.7%**

Source: The audited financial statements for the financial years ended 31 December 2021G,2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

The following table summarizes the accumulated depreciation of property and equipment as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.35): Accumulated depreciation of property and equipment

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Decorations and leasehold Improvements	999	2,824	4,343	182.8%	53.8%	108.6%	7,785	79,3
Central kitchens	128	808	4,892	531.3%	505.6%	518.2%	2,794	(42,9%)
Furniture and fixtures	1,204	1,702	2,547	41.3%	49.7%	45.4%	3,139	23,2%
Computers	1,014	1,998	4,332	97.0%	116.8%	106.7%	6,088	40,5%
Electric equipment	568	1,031	1,956	81.5%	89.7%	85.5%	2,890	47,8%
Motor vehicles	3	124	456	4,860.0%	269.3%	1,250.6%	572	25,4%
Tools and instruments	91	113	177	24.2%	56.7%	39.5%	261	47,5%
Total	**4,006**	**8,598**	**18,704**	**114.7%**	**117.5%**	**116.1%**	**23,529**	**25,8%**

Source: The audited financial statements for the financial years ended 31 December 2021G,2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

The following table summarizes the property and equipment by company as of 31 December 2021G, 2022G and 2023G:

Table (7.36): Property and equipment by company

SAR'000s	As of 31 December, 2021G (Mgmt. info)	As of 31 December, 2022G (Mgmt. info)	As of 31 December, 2023G (Mgmt. info)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Mgmt. info)	Var 31 December 2023G-H1'24G
Jahez International Company for Information Systems Technology	4,685	11,045	14,288	135.8%	29.4%	74.6%	158,942	1012.4%
PIK Options Trading Company	8	5	3	(37.5%)	(40.0%)	(38.8%)	2	(33.3%)
Joint Preparation Company for Meals	3,090	24,571	26,648	695.2%	8.5%	193.7%	30,830	15.7%
Supportive Solutions Company for Logistic Services	-	2,741	5,066	N/A	84.8%	N/A	3,686	(27.2%)
Jahez International Company for Information Systems Technology – Bahrain	-	653	603	N/A	(7.7%)	N/A	566	(6.1%)
Blu Store Company	-	-	867	N/A	N/A	N/A	92	(89.4%)
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	1,340	4,944	N/A	269.0%	N/A	5,311	7.4%
Marn Business Information Technology Company	-	-	1,184	N/A	N/A	N/A	1,171	(1.1%)
Sol Company for Trading	-	-	91	N/A	N/A	N/A	748	722.0%
Jahez for Information Technology - Egypt	-	-	144	N/A	N/A	N/A	301	109.0%
Total	**7,783**	**40,356**	**53,839**	**418.5%**	**33.4%**	**163.0%**	**201,649**	**274.5%**

Source: Management information

Decorations and leasehold Improvements

Decorations and leasehold improvements relate to decorations, renovations and improvements made to leased buildings and offices.

Decorations and leasehold improvements net book value increased from SAR 2.4 million as of 31 December 2021G to SAR 11.3 million as of 31 December 2022G due to additions of SAR 10.8 million relating to improvements made on the Joint Preparation Company for Meals Company and Jahez International Company for Information Systems Technology - Kingdom of Saudi Arabia in line with the expansion of the operations of the two companies.

Decorations and leasehold improvements net book value increased from SAR 11.3 million as of 31 December 2022G to SAR 12.3 million as of 31 December 2023G driven by additions of SAR 2.5 million related to the expansion of businesses of several companies with the Group. This was offset by depreciation costs amounting to SAR 1.8 million during the same period.

Decorations and leasehold improvements net book value increased from SAR 11.7 million as of 31 December 2023G to SAR 14.8 million as of 30 June 2024G due to additions amounting to SAR 1.6 million related to the expansion of several companies within the group.

Central Kitchens

Central kitchens mainly relate to the locations of Joint Preparation Company for Meals Company.

Central kitchens net book value increased from SAR 1.1 million as of 31 December 2021G to SAR 6.2 million as of 31 December 2022G due to additions worth of SAR 5.8 million related to the expansion of the Joint Preparation Company for Meals' business.

Central kitchens net book value increased from SAR 6.2 million as of 31 December 2022G to SAR 10.9 million as of 31 December 2023G driven by additions worth of SAR 8.7 million related to the Joint Preparation Company for Meals Company due to the expansion of the Company's operations.

Central kitchens net book value decreased from SAR 10.9 million as of 31 December 2023G to SAR 9.1 million as of 30 June 2024G due to disposals totaling SAR 6.0 million related to a fire at one of the branches. This decline was partially offset by additions of SAR 2.2 million.

Furniture and Fixtures

Furniture and fixtures net book value increased from SAR 1.0 million as of 31 December 2021G to SAR 1.8 million as of 31 December 2022G driven by additions worth of SAR 1.3 million due to furnishing the offices of a number of newly established subsidiaries of the Group. This was offset by depreciation costs amounting to SAR 0.5 million during the same period.

Furniture and fixtures net book value increased from SAR 1.8 million as of 31 December 2022G to SAR 3.1 million as of 31 December 2023G driven by additions worth of SAR 2.5 million due to the expansion of the Group's operations. This was offset by depreciation costs amounting to SAR 0.9 million during the same period.

Furniture and fixtures net book value increased from SAR 3.1 million as of 31 December 2023G to SAR 3.7 million as of 30 June 2024G due to additions amounting to SAR 1.2 million related to the furniture for the group's headquarters. This was partially offset by depreciation costs of SAR 0.6 million during the same period.

Computers

Computer hardware relate to network servers, computers and other equipment related to information systems.

Computers net book value increased from SAR 1.6 million as of 31 December 2021G to SAR 3.8 million as of 31 December 2022G driven by additions of SAR 3.1 million due to the increase in the number of employees during the same period. This was offset by depreciation costs amounting to SAR 1.0 million during the same period.

Computers net book value increased from SAR 3.8 million as of 31 December 2022G to SAR 8.4 million as of 31 December 2023G driven by additions of SAR 6.9 million due to the establishment of new subsidiaries of the Group and the increase in the number of employees during the same period. This was offset by depreciation costs amounting to SAR 2.3 million during the same period.

Computers net book value remained stable at SAR 8.4 million as of both 31 December 2023G and 30 June 2024G.

Electric Equipment

Electric equipment mainly relates to air conditioners and smart TVs.

Electric equipment net book value increased from SAR 0.8 million as of 31 December 2021G to SAR 4.3 million as of 31 December 2022G driven by additions of SAR 3.9 million, mainly related to equipment for the Joint Preparation Company for Meals Company in line with the expansion of the business. This was offset by depreciation costs amounting to SAR 0.5 million during the same period.

Electric equipment net book value increased from SAR 4.3 million as of 31 December 2022G to SAR 6.0 million as of 31 December 2023G driven by additions worth of SAR 2.7 million, mainly related to equipment for the Joint Preparation Company for Meals Company in line the expansion of the business. This was offset by depreciation costs amounting to SAR 0.9 million during the same period.

Electric equipment net book value increased from SAR 6.0 million as of 31 December 2023G to SAR 6.6 million as of 30 June 2024G, due to additions totaling SAR 1.9 million primarily related to equipment for Joint Preparation Company for Meals in line with business expansion, partially offset by depreciation costs of SAR 1.0 million during the same period.

Tools and Instruments

Tools and instruments mainly relate to delivery bags and other tools.

Tools and instruments net book value decreased from SAR 55 thousand as of 31 December 2021G to SAR 34 thousand as of 31 December 2022G driven by depreciation costs amounting to SAR 23 thousand during the same period.

Tools and instruments net book value increased from SAR 34 thousand as of 31 December 2022G to SAR 246 thousand as of 31 December 2023G due to additions of SAR 277 thousand during the same period.

Tools and instruments net book value increased from SAR 246 thousand as of 31 December 2023G to SAR 596 thousand as of 30 June 2024G due to additions amounting to SAR 434 thousand during the same period.

Projects under construction

Projects under construction include cloud kitchen projects to expand the operations of the Group, mainly related to the Joint Preparation Company for Meals Company.

Projects under construction net book value increased from SAR 0.8 million as of 31 December 2021G to SAR 12.3 million as of 31 December 2022G driven by the Group’s expansions in cloud kitchens.

Projects under construction net book value decreased from SAR 12.3 million as of 31 December 2022G to SAR 12.0 million as of 31 December 2023G due to the transfers from projects under construction of SAR 0.3 million to other asset classes of property and equipment.

Projects under construction net book value increased significantly from SAR 12.0 million as of 31 December 2023G to SAR 157.6 million as of 30 June 2024G due to the purchase of a new headquarters for the Jahez group.

b- Intangible assets and Goodwill

The following table summarizes the intangible assets and goodwill as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.37): Net book value of intangible assets and goodwill

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Software and intellectual property rights	3,860	5,725	14,558	48.3%	154.3%	94.2%	22,290	53.1%
Goodwill	-	-	66,444	N/A	N/A	N/A	66,680	0.4%
Total	**3,860**	**5,725**	**81,002**	**48.3%**	**1,314.9%**	**358.1%**	**88,970**	**9.8%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Software and Intellectual property rights

Software and intellectual property rights relate to computer programs and application development costs used by the Group's management in its main operations and activities. It is worth noting that the Group capitalizes the cost of developing new software projects only during the development phase.

Software and intellectual property rights net book value increased from SAR 3.9 million as of 31 December 2021G to SAR 5.7 million as of 31 December 2022G driven by additions of SAR 3.0 million due to the development of the application of the Blu Store Company. This was offset by amortization costs amounting to SAR 1.1 million during the same period.

Software and intellectual property rights net book value increased from SAR 5.7 million as of 31 December 2022G to SAR 14.6 million as of 31 December 2023G due to additions of SAR 14.9 million during the same period, related to various software projects as a result of the expansion of the Group's business. This was offset by amortization costs amounting to SAR 6.1 million during the same period.

Software and intellectual property rights net book value increased from SAR 14.6 million as of 31 December 2023G to SAR 22.3 million as of 30 June 2024G, due to additions amounting to SAR 9.9 million during the same period, related to various software projects resulting from the group's business expansion. This was partially offset by amortization costs of SAR 2.8 million during the same period.

Goodwill

Goodwill relates to the acquisition of Marn Business Information Technology Company and Sol Company for Trading in 2023G and amounted to SAR 66.7 million as of 30 June 2024G.

Goodwill is subject to annual impairment testing. Assets are tested for impairment by comparing the carrying amount of each CGU to the fair value amount which has been determined based on fair value calculation using cash flow projections based on financial forecasts approved by management covering a six-year period. The discount rate is applied to cash flow projections for respective CGUs that varies in the range of 33% to 35%.

c- Right-of-Use Assets

The following table shows the Right-of-Use assets as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.38): Right-of-Use assets

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
At the beginning of the year	6,905	27,101	133,505	292.5%	392.6%	339.7%	96,915	(27.4%)
Additions during the year	22,318	124,243	19,361	392.6%	(84.4%)	(6.9%)	17,461	(9.8%)
Disposals during the year	-	-	(9,937)	N/A	N/A	N/A	(15,251)	53.5%
Depreciation during the year	(2,121)	(17,840)	(46,013)	741.1%	157.9%	365.8%	(16,138)	(64.9%)
Balance at the end of the year	27,101	133,505	96,915	392.6%	(27.4%)	89.1%	82,987	(14.4%)

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Right-of-use assets relate to motor vehicles rented for delivery and offices of the Group's companies, in addition to rented kitchens.

Right-of-use assets balance increased from SAR 27.1 million as of 31 December 2021G to SAR 133.5 million as of 31 December 2022G driven by additions amounting to SAR 124.2 million during the same period. These additions mainly relate to the fleet of cars due to the launch of operations of Supportive Solutions Company for Logistic Services, and to buildings given the expansion of Jahez International Company for Information Systems Technology, the Joint Preparation Company for Meals, and the Supportive Solutions Company for Logistic Services. This was offset by amortization costs amounting to SAR 17.8 million during the same period.

Right-of-use assets balance increased from SAR 133.5 million as of 31 December 2022G to SAR 96.9 million as of 31 December 2023G driven by amortization costs amounting to SAR 46.0 million during the same period. This was offset by additions amounting to SAR 19.3 million related to buildings due to the Group's continuous expansion during the same period.

Right-of-use assets balance decreased from SAR 96.9 million as of 31 December 2023G to SAR 83.0 million as of 30 June 2024G due to amortization costs of SAR 16.1 million during the same period, along with disposals of SAR 15.2 million related to the termination of vehicle lease contracts for Supportive Solutions Company for Logistic Services. This was partially offset by additions amounting to SAR 17.5 million related to buildings, reflecting the ongoing expansion of the group during the same period.

d- Investments at FVTPL

The following table summarizes the investments at FVTPL as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.39): Investments at FVTPL

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Balance at the beginning of the year	-	19,837	22,729	N/A	14.6%	N/A	84,097	270.0%
Additions during the Year	11,625	1,125	58,041	(90.3%)	5,059.2%	123.4%	28,125	(51,5%)
Disposal	-	-	-	N/A	N/A	N/A	(9,691)	N/A
Fair value differences	8,212	1,767	3,327	(78.5%)	88.3%	(36.3%)	(2,502)	(175.2%)
Balance at the End of the Year	19,837	22,729	84,097	14.6%	270.0%	105.9%	99,717	18,6%

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

The Group's investments represent equity shares in non-listed company "Halalah Company LTD", "Omniful Inc.", "Parcel Holding Company W.L.L." and "Red Box Technologies Global". "SOUM Trading Platform Company (SOUM)" and debt instruments convertible into equity shares in "Bonat Holding LTD", "Nana Direct Company" and "Cloud Shelves Company" (CLOUDSHELF) and "Barq Holding Company Limited" and "Grubtech Company"

Investments at FVTPL increased from SAR 19.8 million on 31 December 2021G to SAR 22.7 million on 31 December 2022G due to additions of SAR 1.1 million.

Investments at FVTPL increased from SAR 22.7 million as of 31 December 2022G to SAR 84.1 million as of 31 December 2023G due to additions of SAR 58.0 million during the period.

Investments at FVTPL increased from SAR 84.1 million as of 31 December 2023G to SAR 99.7 million as of 30 June 2024G due to additions amounting to SAR 28.1 million during the period.

7.7.2.3 Current Assets by Company

The following table shows the current assets by Company as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.40): Current Assets by Company

SAR'000s	As of 31 December, 2021G (Mgmt. info)	As of 31 December, 2022G (Mgmt. info)	As of 31 December, 2023G (Mgmt. info)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Mgmt. info)	Var 31 December 2023G-H1'24G
Jahez International Company for Information Systems Technology	458,631	1,369,930	1,634,355	198.7%	19.3%	88.8%	1,564,395	(4.3%)
PIK Options Trading Company	3,233	9,539	2,369	195.1%	(75.2%)	(14.4%)	4,326	82.6%

SAR'000s	As of 31 December, 2021G (Mgmt. info)	As of 31 December, 2022G (Mgmt. info)	As of 31 December, 2023G (Mgmt. info)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Mgmt. info)	Var 31 December 2023G-H1'24G
Joint Preparation Company for Meals	2,703	7,639	11,359	182.6%	48.7%	105.0%	14,110	24.2%
Supportive Solutions Company for Logistic Services	19,875	56,946	52,370	186.5%	(8.0%)	62.3%	39,995	(23.6%)
The Red Color Company	110	53	1,899	(51.8%)	3483.0%	315.5%	12,264	545.8%
Jahez International Company for Information Systems Technology – Bahrain	3	5,766	12,084	192,100.0%	109.6%	6,246.7%	11,479	(5.0%)
Blu Store Company	-	3,081	52,500	N/A	1604%	N/A	25,230	(51.9%)
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	1,791	14,191	N/A	692.4%	N/A	25,945	82.8%
Marn Business Information Technology Company	-	-	6,216	N/A	N/A	N/A	7,187	15.6%
Sol Company for Trading	-	-	32,859	N/A	N/A	N/A	28,711	(12.6%)
Jahez for Information Technology - Egypt	-	-	-	N/A	N/A	N/A	-	N/A
Jahez International Company for Information Systems Technology (Qatar)	-	-	473	N/A	N/A	N/A	473	0.0%
Eliminations/ Modifications	(49,120)	(246,174)	(485,733)	401.2%	97.3%	214.5%	(669,168)	37.8%
Total	**435,434**	**1,208,571**	**1,334,943**	**177.6%**	**10.5%**	**75.1%**	**1,064,948**	**(20.2%)**

Source: Management information

Current assets increased from SAR 435.4 million as of 31 December 2021G to SAR 1,208.6 million as of 31 December 2022G due to an increase in cash and cash equivalents amounting by SAR 511.0 million and an increase in deposits with financial institutions by SAR 200.0 million due to the proceeds from the initial public offering generated by Jahez International Company for Information Systems Technology.

Current assets increased from SAR 1,208.6 million as of 31 December 2022G to SAR 1,334.9 million as of 31 December 2023G due to the growth of the activity of Jahez International Company for Information Systems Technology.

Current assets decreased from SAR 1,334.9 million as of 31 December 2023G to SAR 1,064.9 million as of 30 June 2024G due to a decline in net cash flows generated from operating activities.

7.7.2.4 Current Assets

The following table summarizes the current assets as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.41): Current Assets

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Inventory	198	925	9,819	367.3%	961.8%	604.4%	9,626	(2.0%)
Trade receivables	6,675	22,776	36,425	241.2%	59.9%	133.6%	48,916	34.3%
Prepaid expenses and other receivables	36,637	82,185	72,075	124.3%	(12.3%)	40.3%	69,073	(4.2%)
Due from Related Parties	237	-	-	(100.0%)	N/A	N/A	11,484	N/A
Cash and cash equivalents	391,688	902,686	1,109,060	130.5%	22.9%	68.3%	819,165	(26.1%)
Deposits with financial institutions	-	200,000	107,564	N/A	(46.2%)	N/A	106,684	(0.8%)
Total Current Assets	435,435	1,208,571	1,334,943	177.6%	10.5%	75.1%	1,064,948	(20.2%)

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Current assets increased from SAR 435.4 million as of 31 December 2021G to SAR 1,208.6 million as of 31 December 2022G due to an increase in cash and cash equivalents by SAR 511.0 million and an increase in deposits with financial institutions by SAR 200.0 million, as a result of proceeds of the initial public offering.

Current assets increased from SAR 1,208.6 million as of 31 December 2022G to SAR 1,334.9 million as of 31 December 2023G due to an increase in cash and cash equivalents by SAR 206.4 million driven by an increase in cash flows from operating activities. Accordingly, the Group increased its short-term deposits from SAR 300.0 million to SAR 550.0 million.

Current assets decreased from SAR 1,334.9 million as of 31 December 2023G to SAR 1,064.9 million as of 30 June 2024G due to a decline in cash and cash equivalents resulting from the acquisition of a new headquarters for the group and additions to investments at FVTPL.

Inventory

Inventory items relate to smart devices that are sold to merchants in addition to the clothes and sports products of the Blu Store Company, as it acts as a principal with regard to the mentioned products.

Inventory balance increased from SAR 0.2 million as of 31 December 2021G to SAR 1.0 million as of 31 December 2022G in line with the increase in the number of merchants registered on the platform.

Inventory balance increased from SAR 1.0 million as of 31 December 2022G to SAR 9.8 million as of 31 December 2023G in line with the increase in the number of merchants registered on the platform and the increase in the business of the Blu Store Company.

Inventory balance remained stable at SAR 9.8 million as of 31 December 2023G and SAR 9.6 million as of 30 June 2024G.

Trade receivables

Trade receivables are related to amounts collected in relation to deliveries carried out from freelance drivers or logistics companies contracted with the Group.

Trade receivables balance increased from SAR 6.7 million as of 31 December 2021G to SAR 22.8 million as of 31 December 2022G in line with the increase in the Group's operations during the same period.

Trade receivables balance increased from SAR 22.8 million as of 31 December 2022G to SAR 36.4 million as of 31 December 2023G due to the expansion of the Group's operations, especially in Bahrain and Kuwait, which led to an increase in the receivables collection period from 5 days as of 31 December 2022G to 7 days as of 31 December 2023G.

Trade receivables balance increased from SAR 36.4 million as of 31 December 2023G to SAR 48.9 million as of 30 June 2024G due to the expansion of the group's operations, which led to an increase in the collection period for receivables from 7 days as of 31 December 2023G to 11 days as of 30 June 2024G.

Prepaid expenses and other receivables

Prepaid expenses and other current receivables relate to payments made to suppliers, staff advances and custodies, deposit of letters of guarantee, and other various prepaid expenses.

Prepaid expenses and other current receivables balance increased from SAR 36.6 million as of 31 December 2021G to SAR 82.2 million as of 31 December 2022G due to the increase in prepaid expenses relating to iqama fees driven by the increase in the number of non-Saudi employees (delivery workers) at Supportive Solutions Company for Logistic Services, the Group's subsidiary during the same period.

Prepaid expenses and other current receivables balance decreased from SAR 82.2 million as of 31 December 2022G to SAR 72.1 million as of 31 December 2023G due to the decrease in prepaid expenses relating to iqama fees driven by the change of the frequency of payments to be on a quarterly basis starting from 2023G. The balance of deposit of letters of guarantee also decreased due to the termination of a contract with a labor outsourcing company.

Prepaid expenses and other current receivables balance decreased from SAR 72.1 million as of 31 December 2023G to SAR 69.1 million as of 30 June 2024G primarily due to a decline in prepaid visa expenses by SAR 7.5 million, which consisted of prepayments for unused visas. During the six-month period ended 30 June 2024G the group recovered a partial amount from the unused prepaid visa fees amounting to SAR 6.0 million. This was partially offset by an increase in subscription expenses by SAR 4.4 million.

Due from Related Parties

Due from related parties balance amounted to SAR 0.2 million as of 31 December 2021G mainly due from Halalah International Company and Talal bin Saud Al Arifi. The item was reclassified to trade receivables as of 31 December 2022G and 2023G.

Due from related parties balance amounted to SAR 17 thousand as of 31 December 2022G stemming from Tharwa Holding Company, Alamat International Company Limited, and Halalah International Company.

Due from related parties balance amounted to SAR 6.4 million as of 31 December 2023G mainly stemming from Raz Catering Company, Nutria Restaurant, and Abdullah AlZamil.

Due from related parties balance amounted to SAR 11.5 million as of 30 June 2024G primarily from Raz Catering Company.

Cash and cash equivalents

Cash and cash equivalents balance increased from SAR 391.7 million as of 31 December 2021G to SAR 902.7 million as of 31 December 2022G due to the proceeds from the initial public offering amounting to SAR 749.1 million during the same period. This was offset by cash flows used in investing activities related to placing deposits with financial institutions amounting to SAR 200.0 million.

Cash and cash equivalents balance increased from SAR 902.7 million as of 31 December 2022G to SAR 1,109.1 million as of 31 December 2023G due to the increase in cash flows generated from operating activities. Accordingly, the Group increased the amount of the short-term deposits at banks from SAR 300.0 million to SAR 550.0 million during the same period. It is worth noting that the short-term deposits carry a constant rate of return (ranging from 4% to 8% in the financial year 2023G) and a maturity less than three months.

Cash and cash equivalents balance decreased from SAR 1,109.1 million as of 31 December 2023G to SAR 819.2 million as of 30 June 2024G due to the purchase of a new headquarters for the group, treasury shares, and additions to investments at FVTPL.

Deposits with financial institutions

This includes the investment in term deposit certificates (Murabaha) of financial institutions with maturity of more than 3 months and less than 12 months at the rate of 3% to 5% annually in 2022G and from 4% to 8% annually in 2023G.

Deposits with financial institutions balance decreased from SAR 200.0 as of 31 December 2022G to SAR 107.6 million as of 31 December 2023G due to the maturity of these deposits.

Deposits with financial institutions balance decreased from SAR 107.6 million as of 31 December 2023G to SAR 106.7 million as of 30 June 2024G due to the maturity of these deposits.

a- Trade Receivables

The following table summarizes the trade receivables as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.42): Trade Receivables

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Trade receivables	11,460	23,788	36,097	107.6%	51.7%	77.5%	64.087	35.5%
Less: provision for impairment loss on trade receivables	(4,785)	(1,029)	(6,060)	(78.5%)	488.9%	12.5%	(15,171)	150.3%
Total	**6,675**	**22,759**	**30,037**	**241.0%**	**32.0%**	**112.1%**	**48,916**	**101.1%**
DSO (days) (1)	2	5	7	3	2	5	11	214.3%

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

(1) DSO was calculated based on total trade receivables/net revenue * 365 days for the fiscal years ended 31 December 2021G, 2022G, and 2023G. While it was calculated based on total trade receivables/net revenue * 180 days for the six-month period ended 30 June 2024G.

Trade receivables are related to amounts collected in relation to deliveries carried out from freelance drivers or logistics companies contracted with the Group.

Trade receivables balance increased from SAR 6.7 million as of 31 December 2021G to SAR 22.8 million as of 31 December 2022G in line with the increase in the Group's operations during the same period.

Trade receivables balance increased from SAR 22.8 million as of 31 December 2022G to SAR 30.0 million as of 31 December 2023G due to the expansion of the Group's operations, especially in Bahrain and Kuwait, which led to an increase in the receivables collection period from 5 days as of 31 December 2022G to 7 days as of 31 December 2023G.

Trade receivables balance increased from SAR 30.0 million as of 31 December 2023G to SAR 48.9 million as of 30 June 2024G due to the expansion of the group's operations, which resulted in an increase in the collection period of trade receivables from 7 days as of 31 December 2023G to 11 days as of 30 June 2024G.

The following table summarizes the trade receivables by party as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.43): Trade Receivables by party

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Trade Receivables	6,675	22,759	30,037	241.0%	32.0%	112.1%	48,916	62.9%
Related Parties	-	17	6,388	N/A	37,476.5%	N/A	11,484	79.8%
Total	**6,675**	**22,776**	**36,425**	**241.2%**	**59.9%**	**133.6%**	**60,400**	**65.8%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Due from related parties balance amounted to SAR 0.2 million as of 31 December 2021G mainly due from Halalah International Company and Talal bin Saud Al Arifi. The item was reclassified to trade receivables as of 31 December 2022G and 2023G.

Due from related parties balance amounted to SAR 17 thousand as of 31 December 2022G stemming from Tharwa Holding Company, Alamat International Company Limited, and Halalah International Company.

Due from related parties balance amounted to SAR 6.4 million as of 31 December 2023G mainly stemming from Raz Catering Company, Nutria Restaurant, and Abdullah AlZamil.

Due from related parties balance amounted to SAR 11.5 million as of 30 June 2024G primarily stemming from Raz Catering Company.

The following table summarizes the movement in provision for impairment loss on trade receivables as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.44): Movement in in provision for impairment loss on trade receivables

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Balance at the beginning of the year	2,284	4,785	1,029	109.5%	(78.5%)	(32.9%)	6,060	488.9%
Provided / (reversal) during the year	2,501	(3,756)	5,031	(250.2%)	(233.9%)	41.8%	9,111	81.1%
Total	**4,785**	**1,029**	**6,060**	**(78.5%)**	**488.9%**	**12.5%**	**15,171**	**150.3%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

The Group applies the expected credit loss (ECL) model in line with IFRS 9.

The provision for impairment loss on trade receivables decreased from SAR 4.8 million as of 31 December 2021G to SAR 1.0 million as of 31 December 2022G due to the reversal of an allowance amounting to SAR 3.8 million related to aged trade receivables as the Group and the relevant party reached an agreement in 2022G, whereby, the Group rents one of the concerned party's properties in exchange for an amount equivalent to the value of these outstanding receivables.

The Group has provided for a provision for expected credit losses of SAR 5.0 million as of 31 December 2023G due to the formation of a provision for uncollected cash balances, which have not been recovered from the freelance drivers of Supportive Solutions Company for Logistic Services.

The Group has provided for a provision for expected credit losses amounting to SAR 9.1 million as of 30 June 2024G due to the formation of a provision for uncollected cash balances, which have not been recovered from the freelance drivers of Supportive Solutions Company for Logistic Services.

It is worth noting that the Group collects promissory notes or financial or bank guarantee from its logistics services companies and freelance drivers totalling the value of the credit limit agreed upon with the service provider. The Group temporarily suspends the service of the delivery company when the uncollected amounts reach the credit limit until the due amount is deposited.

Aging of trade receivables

The following table summarizes the aging of trade receivables as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.45): Aging of trade receivables

Days	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
1 to 90 Days	6,901	16,146	25,458	134.0%	57.7%	92.1%	50,892	99.9%
91 to 180 Days	32	2,816	2,495	8700.0%	(11.4%)	783.0%	3,953	58.4%
181 to 270 Days	196	4,205	2,321	2045.4%	(44.8%)	244.1%	3,055	31.6%
271 to 360 Days	31	58	2,565	58.1%	5134.7%	809.6%	1,554	(39.4%)
Above 361 Days	4,300	563	3,258	(86.9%)	478.7%	(13.0%)	4,633	42.2%
Total	**11,460**	**23,788**	**36,097**	**107.6%**	**51.7%**	**77.5%**	**64,087**	**77.5%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

b- Prepaid expenses and other current receivables

The following table summarizes the prepaid expenses and other receivables as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.46): prepaid expenses and other receivables

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G- '22G	Var '22G- '23G	CAGR '21G- '23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Prepaid expenses	33,672	65,231	58,500	93.7%	(10.3%)	31.8%	55,483	(5,2%)
Staff advances and custodies	607	1,477	1,326	143.3%	(10.2%)	47.8%	2,365	78,4%
Deposit of letters of guarantee	2,250	2,250	-	0.0%	N/A	N/A	-	N/A
Other	108	13,226	12,249	12,146.3%	(7.4%)	965.0%	11,225	(8,4%)
Total	**36,637**	**82,185**	**72,075**	**124.3%**	**(12.3%)**	**40.3%**	**69,073**	**(4,2%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Prepaid expenses

Prepaid expenses relate to payments made to medical insurance companies, visa fees, etc.

Prepaid expenses balance increased from SAR 33.7 million as of 31 December 2021G to SAR 65.2 million as of 31 December 2022G due to the increase in prepaid residency and visa expenses in line with the launch of Supportive Solutions Company for Logistic Services, which relies heavily on non-Saudi employees.

Prepaid expenses balance decreased from SAR 65.2 million as of 31 December 2022G to SAR 58.5 million as of 31 December 2023G driven by the change of the frequency of payments to be on a quarterly basis starting from 2023G.

Prepaid expenses balance decreased from SAR 58.5 million as of 31 December 2023G to SAR 55.5 million as of 30 June 2024G due to a decrease in visa expenses by SAR 7.5 million. This balance consists of advance payments for unused visas. During the six months ended 30 June 2024G the Group recovered SAR 6.0 million of its unused prepaid visa balance. This decrease was partially offset by an increase in subscription expenses of SAR 4.4 million during the period.

Staff advances and custodies

Staff advances and custodies relate to the custodies provided to employees in accordance with the policy approved by the Group.

Staff advances and custodies balance increased from SAR 0.6 million as of 31 December 2021G to SAR 1.5 million as of 31 December 2022G in line with the increase in the number of employees in the Group.

Staff advances and custodies balance decreased from SAR 1.5 million as of 31 December 2022G to SAR 1.3 million as of 31 December 2023G driven by the repayment of some of these advances.

Staff advances and custodies balance increased from SAR 1.3 million as of 31 December 2023G to SAR 2.4 million as of 30 June 2024G in line with the increase in the number of employees in the Group.

Deposit of letters of guarantee

Deposit of letters of guarantee relates to deposits against letters of guarantee issued to Samasco, manpower solution company.

Deposit of letters of guarantee balance decreased from SAR 2.3 million as of 31 December 2021G and 2022G to nil as of 31 December 2023G due to the termination of the contract during 2023G.

Others

Others relate to VAT receivables for subsidiaries that are not wholly owned by the Group or operating outside the Kingdom of Saudi Arabia.

Others balance increased from SAR 0.1 million as of 31 December 2021G to SAR 13.2 million as of 31 December 2022G due to VAT dues to subsidiaries that are not wholly owned by the Group (Joint Preparation Company for Meals and the Blu Store Company) or operating outside the Kingdom. Saudi Arabia, in addition to accrued revenues.

Others balance decreased from SAR 13.2 million as of 31 December 2022G to SAR 12.2 million as of 31 December 2023G due to changes in VAT dues to subsidiaries that are not wholly owned by the Group or operating outside the Kingdom of Saudi Arabia and accrued revenues.

Others balance decreased from SAR 12.2 million as of 31 December 2023G to SAR 11.2 million as of 30 June 2024G.

c- Due from related parties

The following table summarizes the due from related parties as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.47): Due from related parties

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G- '23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Tharwa Holding Company	6	6	21	0.0%	250.0%	87.1%	6	(71.4%)
Alamat International Company Limited	3	3	3	0.0%	0.0%	0.0%	3	0.0%
Halalah International Company	129	9	-	(93.0%)	N/A	N/A	-	N/A
Nutria Restaurant	-	-	821	N/A	N/A	N/A	951	15.8%
Raz Catering Company	-	-	5,150	N/A	N/A	N/A	9,152	77.7%
The hundred Innovation institution for providing meals	-	-	14	N/A	N/A	N/A	-	(100.0%)
Abdullah AlZamil	-	-	330	N/A	N/A	N/A	340	3.0%
Hisham Abdu Al Hazza		-	51	N/A	N/A	N/A	-	(100.0%)
Talal bin Saud Al Arifi	100	-	-	N/A	N/A	N/A	-	N/A
Global Fintech	-	-	-	N/A	N/A	N/A	848	N/A
Alhilal Investment Company	-	-	-	N/A	N/A	N/A	115	N/A
Raz Holding Company	-	-	-	N/A	N/A	N/A	70	N/A
Total	**237**	**17**	**6,388**	**(92.8%)**	**37,476.5%**	**419.2%**	**11,484**	**79.8%**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Due from related parties balance amounted to SAR 0.2 million as of 31 December 2021G. The item was reclassified to trade receivables as of 31 December 2022G and 2023G.

Due from related parties balance decreased from SAR 0.2 million as of 31 December 2021G to SAR 17 thousand as of 31 December 2022G as a result of a decrease in the balance of Halalah International Company related to logistical services.

Due from related parties balance increased from SAR 17 thousand as of 31 December 2023G to SAR 6.4 million as of 31 December 2023G as a result of the increase in the balance of Raz Catering Company given the increase in the volume of transactions with Raz Catering Company during the same period.

Due from related parties balance increased from SAR 6.4 million as of 31 December 2023G to SAR 11.5 million as of 30 June 2024G due to the increase in the balance of Raz Catering Company, given the increase in the volume of transactions with Raz Catering Company during the same period.

d- Cash and cash equivalent

The following table summarizes the cash and cash equivalent as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.48): Cash and cash equivalent

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Current accounts at banks	391,329	602,174	558,341	53.9%	(7.3%)	19.4%	216,976	(61.1%)
Short-term deposits	-	300,000	550,000	N/A	83.3%	N/A	600,000	9.1%
Cash in hand	359	512	719	42.6%	40.4%	41.4%	2,189	204.5%
Total	**391,688**	**902,686**	**1,109,059**	**130.5%**	**22.9%**	**68.3%**	**819,165**	**(26.1%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Cash and cash equivalents consist of (1) current accounts with banks, which are amounts collected on behalf of customers and are settled from the collections due from customers on a weekly basis, (2) short-term deposits, which carry a fixed rate of return and are due less than three months, and (3) cash in hand.

Cash and cash equivalents balance increased from SAR 391.7 million as of 31 December 202G1 to SAR 902.7 million as of 31 December 2022G as a result of proceeds from the initial public offering of SAR 749.1 million during the same period.

Cash and cash equivalents balance increased from SAR 902.7 million as of 31 December 2022G to SAR 1,109.1 million as of 31 December 2023G due to the increase in cash flows generated from operating activities. Accordingly, the Group increased the amount of short-term deposits from SAR 300.0 million to SAR 550.0 million during the same period. It is worth noting that the rate of return on short-term deposits ranged between 4% to 8% in 2023G, with a maturity less than three months.

Cash and cash equivalents balance decreased from SAR 1,109.1 million as of 31 December 2023G to SAR 819.2 million as of 30 June 2024G due to the acquisition of a new group headquarters and additions to fair value through profit or loss investments. During the same period, the group increased the value of short-term deposits from SAR 550.0 million to SAR 600.0 million.

7.7.2.5 Equity

The following table summarizes the equity as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.49): Equity

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Share capital	96,000	104,918	104,918	9.3%	0.0%	4.5%	104,918	0.0%
Statuary reserve	12,523	18,421	18,421	47.1%	0.0%	21.3%	18,421	0.0%
Share premium	-	740,176	740,176	N/A	0.0%	N/A	740,176	0.0%
Treasury shares	-	(1,920)	(1,920)	N/A	0.0%	N/A	(43,914)	2187.2%
Employees' shares reserve	-	11,897	31,381	N/A	163.8%	N/A	23,231	(26.0%)

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Var '21G-'22G	Var '22G-'23G	CAGR '21G-'23G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Retained earnings	78,745	131,635	258,543	67.2%	96.4%	81.2%	293,351	13.5%
Equity Attributable to Shareholders of Parent	**187,268**	**1,005,126**	**1,151,518**	**436.7%**	**14.6%**	**148.0%**	**1,136,182**	**(1.3%)**
Non-controlling interests	1,049	(1,160)	(6,039)	(210.6%)	420.6%	N/A	1,213	(120.1%)
Total shareholders' equity	188,316	1,003,966	1,145,479	433.1%	14.1%	146.6%	1,137,395	(0.7%)

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Total equity increased from SAR 188.3 million as of 31 December 2021G to SAR 1,004.0 million as of 31 December 2022G due to recognizing share premium, which amounted to SAR 740.2 million. The Group issued 17,836,060 shares with a nominal value of SAR 8.9 million. The value of the share on the date of issuance was SAR 42.5, in addition to the employee shares reserve, which amounted to SAR 11.9 million. The capital also increased from SAR 96.0 million as of 31 December 2021G to SAR 104.9 million as of 31 December 2022G due to the initial public offering.

Total equity increased from SAR 1,004.0 million as of 31 December 2022G to SAR 1,145.5 million as of 31 December 2023G due to the increase in retained earnings from SAR 131.6 million to SAR 258.5 million and employee shares reserve from SAR 11.9 million to SAR 31.4 million during the same period.

Total equity decreased from SAR 1,145.5 million as of 31 December 2023G to SAR 1,137.4 million as of 30 June 2024G due to the acquisition of treasury shares worth SAR 42.0 million during the same period.

Share Capital

Share capital amounted to SAR 104.9 million as of 30 June 2024G consisting of 209.8 million shares with a par value of SAR 0.5 per share.

On 5 January 2022G, the Group'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 million as of 31 December 2021G (divided into 192 million shares) to SAR 104.9 million as of 31 December 2022G and 2023G (divided into 209.8 million shares) through issuing 17.8 million shares at a par value of SR 8.9 million. The share value on the issue date was SAR 42.5.

Statutory Reserve

A statutory reserve of SAR 18.4 million was established as of 31 December 2023G in accordance with the Group's bylaws. The Group transfers 10% of the net profit to the statutory reserve until this reserve reaches 30% of share capital, noting that this reserve is not distributable on shareholders.

The statutory reserve increased from SAR 12.5 million as of 31 December 2021G to SAR 18.4 million as of 31 December 2022G and 2023G, and as of 30 June 2024G as a result of transferring SAR 5.9 million from retained earnings to the statutory reserve.

On 15 Jamada Alawal 1445H (corresponding to 29 November 2023G) the Extraordinary General Assembly approved amendment of the Group's Bylaws in accordance with the new Companies Law which became effective as at 19 January 2023G. As per the new Company's Bylaws and in light of the new Companies Law and the amended by laws, the company is not required to transfer net profit to statutory reserve.

Share Premium

Share premium balance amounted to SAR 740.2 million as of 31 December 2022G and 2023G, and as of 30 June 2024G due to the difference between the nominal value of the share (SAR 0.5 per share) and the value of the share upon issuance (SAR 42.5 per share).

Treasury Shares

On 22 Jumada I 1443H (corresponding to 26 December 2021G), the Group entered into an agreement to purchase 3.8 million shares of its shares from the Group's shareholders (2.3 million shares of its shares owned by ALAMAT International Company and 1.5 million shares of its shares owned by Hefz Osool Ta'atheer Company for Communications and Information Technology) at a cost of SR 0.5 per share, with a cash consideration of SR 1,9 million. 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.

During the six-month period ended 30 June 2024G the company completed the purchase of shares valued at SAR 42.0 million to support future employees long term incentive scheme and others.

Employees' shares reserve

The Group granted share-based payments arrangements to employees at the beginning of April 2022G. On 8 June 2021G, the Board of Directors proposed shares options program which was approved by the shareholders on 9 June 2021G. This plan objective is to distribute 3.8 million treasury shares purchased by the Company from the Company's shareholders under purchase of shares contract dated on 26 December 2021G concluded on 5 January (115.2 million shares of its shares owned by Alamat International Company and 76.8 million 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 2022G, 1 April 2023G, 1 April 2024G, 1 April 2025G and 1 April 2026G.

The Group formulated the vesting agreement for the first cycle and it was signed by the Group and the employees on 1 April, 2022G, while the vesting agreements for second and third cycle were signed on 15 May, 2023G and 14 May, 2024G, respectively. The condition associated with realizing shares options under the first, second, and third cycles is the employee's two-year service condition, which will be completed on 31 March 2024G for the first cycle, 14 May 2025G for the second cycle, and 13 May 2026G for the third cycle. 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.

The employee share reserve amounted to SAR 11.9 million as of 31 December 2022G and SAR 31.4 million as of 31 December 2023G, then decreased to SAR 23.2 million as of 30 June 2024G.

The options are valued at the fair value on the vesting date of the cycles, the first cycle on 1 April 2022G, the second cycle on 15 May 2023, and the third cycle on 14 May 2024G, 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 based on the exercise price of SAR 0.5 price as at 1 April 2022G, 15 May 2023G, and 14 May 2024G, is SAR 55,83, SAR 24,79, and SAR 29.26, respectively.

Total expenses related to the plan for the period ended 30 June 2024G amounts to SAR 7.8 million, 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.

At the end of period ended on 31 March 2024G, the first cycle of employees' shares vested, and the Company paid the shares due to employees in the form of cash payments or shares during the period ended 30 June 2024G.

Retained Earnings

Retained earnings increased from SAR 78.7 million as of 31 December 2021G to SAR 131.6 million as of 31 December 2022G and then to SAR 258.5 million as of 31 December 2023G, respectively, in line with the net income achieved during the same period.

Retained earnings increased from SAR 258.5 million as of 31 December 2023G to SAR 293.4 million as of 30 June 2024G in line with the net income achieved during the same period.

Non-Controlling Interest

Non-controlling interests relate to the proportion of profits attributable to minority shareholders in the companies partly owned by the Group such as Blu Store Company, Sol Company for Trading and Joint Preparation Company for Meals.

The non-controlling interests amounted to a profit of SAR 1.0 million, a loss of SAR 1.2 million, a loss of SAR 6.0 million, and a profit of SAR 1.2 million as of 31 December 2021G, 2022G, 2023G, and 30 June 2024G, respectively.

a- Share Capital

The following table summarizes the share capital as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.50): Share Capital

SAR'000s	Number of Shares	Share Capital (SAR)	Share Premium (SAR)
Balance as of 31 December 2021G	192,000,000	96,000	-
Balance as of 1 January 2022G	192,000,000	96,000	-
Issuance of new shares at SR 42.5 per share (SAR 0.5 par value)	17,836,060	8,918	749,114
Transaction costs on new share issue	-	-	(10,340)
Additional contributions from Company's shareholders	-	-	1,401
Balance as of 31 December 2022G	**209,836,060**	**104,918**	**740,176**
Balance as of 31 December 2023G	**209,836,060**	**104,918**	**740,176**
Balance as of 30 June 2024G	209,836,060	104,918	740,176

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

On 5 January 2022G (corresponding to 2 Jumada II 1443H), the Group'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 million (divided into 192 million shares) to SAR 104.9 million (divided into 209.8 million shares) through issuing 17.8 million shares at a par value of SR 8.9 million. The share value on the issue date was SAR 42.5.

7.7.2.6 Non-current Liabilities by Company

The following table summarizes the non- current liabilities by Company as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.51): Non- current liabilities by Company

SAR'000s	As of 31 December, 2021G (Mgmt. info)	As of 31 December, 2022G (Mgmt. info)	As of 31 December, 2023G (Mgmt. info)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Mgmt. info)	Var 31 December 2023G-H1'24G
Jahez International Company for Information Systems Technology	23,663	38,197	22,495	61.4%	(41.1%)	(2.5%)	20,752	(7.7%)
PIK Options Trading Company	-	-	262	N/A	N/A	N/A	342	30.5%
Joint Preparation Company for Meals	2,915	9,745	13,543	234.3%	39.0%	115.5%	25,981	91.8%
Supportive Solutions Company for Logistic Services	460	59,486	39,897	12,831.70%	(32.9%)	831.3%	26,102	(34.6%)
The Red Color Company	-	-	-	N/A	N/A	N/A	-	N/A
Jahez International Company for Information Systems Technology – Bahrain	-	295	286	N/A	(3.1%)	N/A	1	(99.7%)
Blu Store Company	-	-	198	N/A	N/A	N/A	249	25.8%
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	-	287	N/A	N/A	N/A	2,210	670.0%
Marn Business Information Technology Company	-	-	2,910	N/A	N/A	N/A	2,998	3.0%
Sol Company for Trading	-	-	380	N/A	N/A	N/A	483	27.1%
Jahez for Information Technology - Egypt	-	-	-	N/A	N/A	N/A	-	N/A
Jahez International Company for Information Systems Technology (Qatar)	-	-	-	N/A	N/A	N/A	-	N/A
Eliminations/ Modifications	-	-	-	N/A	N/A	N/A	-	N/A
Total	**27,037**	**107,723**	**80,258**	**298.4%**	**(25.5%)**	**72.3%**	**79,118**	**(1.4%)**

Source: Management information

Non-current liabilities increased from SAR 27.0 million as of 31 December 2021G to SAR 107.7 million as of 31 December 2022G mainly driven from the Supportive Solutions Company for Logistic Services due to the increase in the non-current portion of lease liabilities for the delivery fleet.

Non-current liabilities decreased from SAR 107.7 million as of 31 December 2022G to SAR 80.3 million as of 31 December 2023G due to the disposal of lease liabilities stemming from Jahez International Company for Information Systems Technology.

Non-current liabilities decreased from SAR 80.3 million as of 31 December 2023G to SAR 79.1 million as of 30 June 2024G due to a decrease in the non-current portion of lease liabilities by SAR 5.5 million during the same period. This was offset by an increase in employee benefits obligations by SAR 4.4 million, driven by the increase in the number of employees during the period.

7.7.2.7 Non-current Liabilities

The following table summarizes the non-current liabilities as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.52): Non- current liabilities

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Non-current portion of lease liabilities	21,199	96,834	63,002	356.8%	(34.9%)	72.4%	57,501	(8.7%)
Employees' benefits obligations	5,838	10,889	17,256	86.5%	58.5%	71.9%	21,617	25.3%
Total Non-Current Liabilities	**27,037**	**107,723**	**80,258**	**298.4%**	**(25.5%)**	**72.3%**	**79,118**	**(1.4%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Non-current liabilities increased from SAR 27.0 million as of 31 December 2021G to SAR 107.7 million as of 31 December 2022G driven by the increase in lease liabilities related to delivery vehicles for the Supportive Solutions Company for Logistic Services and the lease contracts for cloud kitchen spaces for the Joint Preparation Company for Meals.

Non-current liabilities decreased from SAR 107.7 million as of 31 December 2022G to SAR 80.3 million as of 31 December 2023G due to a decrease in the non-current portion of lease liabilities by SAR 33.8 million during the same period. This was offset by an increase in employee benefits obligations by SAR 6.4 million due to the increase in the number of employees during the same period.

Non-current liabilities decreased from SAR 80.3 million as of 31 December 2023G to SAR 79.1 million as of 30 June 2024G due to a decrease in the non-current portion of lease liabilities by SAR 5.5 million during the same period. This was offset by an increase in employee benefits obligations by SAR 4.4 million, driven by the increase in the number of employees during the period.

a- Lease Liabilities

The following table shows the Lease liabilities as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.53): Lease liabilities

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Balance as at 1 January	6,658	26,165	129,100	293.0%	393.4%	340.3%	95,973	(25,7%)
Additions during the year	22,318	124,243	19,307	456.7%	(84.5%)	(7.0%)	16,728	(13,4%)
Paid during the year	(3,294)	(24,562)	(37,104)	645.7%	51.1%	235.6%	(14,720)	(60.3%)
Disposals during the year	-	-	(20,692)	N/A	N/A	N/A	(15.228)	(26.4%)
Annual interest cost	456	3,156	5,459	592.1%	73.0%	246.0%	2,354	(56.9%)
Balance as at 31 December	**26,165**	**129,000**	**95,973**	**393.0%**	**(25.6%)**	**91.5%**	**85,107**	**(11.3%)**
Non-current	21,199	96,834	63,002	356.8%	(34.9%)	72.4%	57,501	(8.7%)
Current	4,966	32,168	32,971	547.8%	2.5%	157.7%	27,606	(16.3%)

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Lease liabilities relate to the estimated present value of the Group's operating lease payments.

Lease liabilities balance increased from SAR 26.2 million as of 31 December 2021G to SAR 129.0 million as of 31 December 2022G due to the additions of lease contracts related to the Group's delivery vehicles and lease contracts of buildings, in line with the expansion of the operations of Supportive Solutions Company for Logistic Services and Joint Preparation Company for Meals which amounted SAR 124.2 million during the same period.

Lease liabilities balance decreased from SAR 129.0 million as of 31 December 2022G to SAR 96.0 million as of 31 December 2023G due to lease payments made during the period amounting to SAR 37.1 million and disposals of lease contracts amounting to SAR 20.7 million related to the termination of lease car contracts with some suppliers.

Lease liabilities balance decreased from SAR 96.0 million as of 31 December 2023G to SAR 85.1 million as of 30 June 2024G due to lease payments made during the period amounting to SAR 14.7 million and disposals of lease contracts amounting to SAR 15.2 million in line with the requirements of Supportive Solutions Company for Logistic Services- Logi.

b- Employee's benefit obligation

The following table summarizes the employees' benefit obligation as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.54): Employee's benefit obligation

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Balance as of 1 January	3,137	5,838	10,889	86.1%	86.5%	86.3%	17,256	58.5%
Amount recognized in profit and loss	2,886	5,575	9,438	93.2%	69.3%	80.9%	4,669	(50.5%)
Re-measurement loss / gain recognized in other comprehensive income	(150)	189	(1,571)	(226.5%)	(931.2%)	223.9%	-	(100.0%)
Benefits paid during the year	(35)	(713)	(1,501)	1,937.1%	110.5%	554.9%	(308)	(79.5%)
Total	**5,838**	**10,889**	**17,256**	**86.5%**	**58.5%**	**71.9%**	**21,617**	**25.3%**

Source: The audited financial statements for the financial years ended 31 December 2021G,2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

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.

Employee's benefits obligations increased from SAR 5.8 million as of 31 December 2021G to SAR 10.9 million as of 31 December 2022G, and then to SAR 17.3 million as of 31 December 2023G, mainly as a result of the increase in the number of the Group's employees.

Employee's benefits obligations increased from SAR 17.3 million as of 31 December 2023G to SAR 21.6 million as of 30 June 2024G due to the increase in the number of the Group's employees.

7.7.2.8 Current Liabilities by Company

The following table summarizes the current liabilities by Company as of 31 December 2021G, 2022G and 2023G and 2023G and the six-month period ended 30 June 2024G:

Table (7.55): Current liabilities by Company

SAR'000s	As of 31 December, 2021G (Mgmt. info)	As of 31 December, 2022G (Mgmt. info)	As of 31 December, 2023G (Mgmt. info)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Mgmt. info)	Var 31 December 2023G-H1'24G
Jahez International Company for Information Systems Technology	275,392	236,547	287,239	(14.1%)	21.4%	2.1%	284,678	(0.9%)
PIK Options Trading Company	12,262	27,998	34,044	128.3%	21.6%	66.6%	43,776	28.6%
Joint Preparation Company for Meals	3,556	36,601	54,684	929.3%	49.4%	292.1%	67,848	24.1%
Supportive Solutions Company for Logistic Services	24,750	204,542	208,116	726.4%	1.7%	190.0%	201,671	(3.1%)
The Red Color Company	11,775	12,930	72,947	9.8%	464.2%	148.9%	178,933	145.3%
Jahez International Company for Information Systems Technology – Bahrain	46	20,126	50,995	43,652.2%	153.4%	3,229.5%	58,993	15.7%
Blu Store Company	-	3,584	56,355	N/A	1,472.4%	N/A	27,029	(52.0%)
Jahez International Company for Wholesale and Retail Trading – Kuwait	-	3,041	91,843	N/A	2,920.2%	N/A	143,081	55.8%
Marn Business Information Technology Company	-	-	23,335	N/A	N/A	N/A	31,363	34.4%
Sol Company for Trading	-	-	30,965	N/A	N/A	N/A	28,767	(7.1%)
Jahez for Information Technology - Egypt	-	-	188	N/A	N/A	N/A	399	112.2%
Jahez International Company for Information Systems Technology (Qatar)	-	-	-	N/A	N/A	N/A	-	N/A
Eliminations/ Modifications	(49,120)	(246,174)	(485,652)	401.2%	97.3%	214.5%	(669,168)	37.8%
Total	**278,663**	**299,196**	**425,059**	**7.4%**	**42.10%**	**23.5%**	**397,371**	**(6.5%)**

Source: Management information

Current liabilities increased from SAR 278.7 million as of 31 December 2021G to SAR 299.2 million as of 31 December 2022G due to an increase in receivables related to logistic services for freelance drivers and logistic services companies and proceeds due to customers due to the growth of the operations of Supportive Solutions Company for Logistic Services.

Current liabilities increased from SAR 299.2 million as of 31 December 2022G to SAR 425.1 million as of 31 December 2023G due to the increase in proceeds due to customers by SAR 42.7 million driven by of the increase in the volume of business of Jahez International Company for Information Systems Technology and the increase in trade payables by SAR 31.4 million due to the growth of the operations of the Supportive Solutions Company for Logistic Services during the same period.

Current liabilities decreased from SAR 425.1 million as of 31 December 2023G to SAR 397.4 million as of 30 June 2024G due to a decline in trade payables by SAR 19.5 million and zakat provisions by SAR 16.4 million.

The majority of the current liabilities balance is related to due to related parties of the Group's subsidiaries, with the exception of Jahez International Company for Information Systems Technology, which are eliminated at the level of consolidation of the Group's financial statements.

7.7.2.9 Current Liabilities

The following table summarizes the current liabilities as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.56): Current liabilities

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Proceeds due to customers	164,717	118,801	161,550	(27.9%)	36.0%	(1.0%)	181,176	12.1%
Current portion of lease liabilities	4,966	32,168	32,971	547.8%	2.5%	157.7%	27,606	(16.3%)
Short term loan	-	-	1,917	N/A	N/A	N/A	345	(82.0%)
Trade payables	28,535	52,161	83,573	82.8%	60.2%	71.1%	64,160	(23.2%)
Accrued expenses and other current liabilities	75,266	68,257	115,786	(9.3%)	69.6%	24.0%	111,184	(4.0%)
Due to related parties	688	-	-	(100.0%)	N/A	N/A	-	N/A
Zakat provision	4,492	27,809	29,263	519.1%	5.2%	155.2%	12,900	(55.9%)
Total current liabilities	**278,663**	**299,196**	**425,059**	**7.4%**	**42.1%**	**23.5%**	**397,371**	**(6.5%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Current liabilities increased from SAR 278.7 million as of 31 December 2021G to SAR 299.2 million as of 31 December 2022G as a result of an increase in (1) the current portion of lease liabilities by SAR 27.2 million, (2) zakat provision by SAR 23.3 million due to the increase in the zakat base, (3) trade payables by SAR 23.6 million driven by the increase in trade receivables related to logistic services, during the same period. This was offset by a decrease in (1) proceeds due to customers by SAR 45.9 million, and (2) accrued expenses and other current liabilities by SAR 7.0 million during the same period.

Current liabilities increased from SAR 299.2 million as of 31 December 2022G to SAR 425.1 million as of 31 December 2023G due to an increase in (1) accrued expenses and other current liabilities by SAR 47.5 million, and (2) proceeds due to customers by SAR 42.7 million driven by the increase in the Group's business, (3) trade payables by SAR 31.4 million as a result of the increase in receivables related to logistics services, during the same period.

Current liabilities decreased from SAR 425.1 million as of 31 December 2023G to SAR 397.4 million as of 30 June 2024G due to a decline in (1) trade payables by SAR 19.5 million and (2) zakat provisions by SAR 16.4 million. This was partially offset by an increase in proceeds due to customers by SAR 19.6 million, driven by the group's expanding operations during the same period.

Proceeds due to customers

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

Proceeds due to customers balance decreased from SAR 164.7 million as of 31 December 2021G to SAR 118.9 million as of 31 December 2022G, as the Group changed the payment terms to merchants in the Kingdom of Saudi Arabia from a semi-monthly basis to Weekly basis.

Proceeds due to customers balance increased from SAR 118.9 million as of 31 December 2022G to SAR 161.6 million as of 31 December 2023G, in line with the increase in the number of orders and the total value of the goods delivered through the Group's platforms.

Proceeds due to customers balance increased from SAR 161.6 million as of 31 December 2023G to SAR 181.2 million as of 30 June 2024G in line with the growth in order volume and the total value of the goods delivered through the Group's platforms.

Current portion of lease liabilities

The current portion of lease liabilities represents the current liability and principal amount payable during the financial year, plus any accrued interest.

Current portion of lease liabilities balance increased from SAR 4.9 million as of 31 December 2021G to SAR 32.2 million as of 31 December 2022G and then to SAR 32.9 million as of 31 December 2023G.

The current portion of lease liabilities balance decreased from SAR 33.0 million as of 31 December 2023G to SAR 27.6 million as of 30 June 2024G.

Short-Term Loan

The short-term loan relates to a short-term facility transferred from Sol Company for Trading, which was obtained prior to the Group's acquisition of Sol Company for Trading. The outstanding value of the loan amounted to SAR 1.9 million as of 31December 2023G.

The short-term loan balance decreased from SAR 1.9 million as of 31 December 2023G to SAR 345 thousand as of 30 June 2024G in line with the repayment of due installments during the period.

Trade Payables

Trade payables mainly relate to payables to freelance drivers, logistics companies, advertising and sponsorship suppliers, vehicle leasing companies, and insurance companies.

Trade payables balance increased from SAR 28.5 million as of 31 December 2021G to SAR 52.1 million as of 31 December 2022G, due to the increase in the balance due to freelance drivers in the Supportive Solutions Company for Logistic Services and Jahez International Company for Information Systems Technology, in line with the growth in the Group's operations.

Trade payables balance increased from SAR 52.1 million as of 31 December 2022G to SAR 83.6 million as of 31 December 2023G, in line with the increase in business volume and diversification of activities.

Trade payables balance decreased from SAR 83.6 million as of 31 December 2023G to SAR 64.2 million as of 30 June 2024G due to a SAR 5.4 million decrease in outstanding payments related to network services caused by the accounting cut-off in June, along with a SAR 14.7 million reduction in one-off transactions with suppliers.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities relate primarily to accrued expenses, counterparty deposits, and accrued employee benefits.

Accrued expenses and other current liabilities balance decreased from SAR 75.3 million as of 31 December 2021G to SAR 68.3 million as of 31 December 2022G due to a decrease in deposits from freelance drivers and logistics companies as these amounts were returned by the Group with the termination of their contracts in line with the launch of the Supportive Solutions Company for Logistic Services.

Accrued expenses and other current liabilities balance increased from SAR 68.3 million as of 31 December 2022G to SAR 115.7 million as of 31 December 2023G, as a result of an increase in accrued expenses of SAR 28.6 million, due to the increase of the (1) accrual of the expenses due to Elm Company (2) e-wallet balances in line with the growth of the number of platform users, and (3) unearned revenues, in line with the growth in the number of application users of the "Prime" monthly subscription model. We note that the subscriber to this service is exempted from delivery fees on orders in exchange for paying a monthly subscription fee, this was coupled with the growth of the business of Marn Business Information Technology Company, which is based on annual subscriptions.

Accrued expenses and other current liabilities balance decreased from SAR 70.8 million as of 31 December 2023G to SAR 64.7 million as of 30 June 2024G due to a SAR 4.1 million decrease in accrued VAT-related expenses.

Due to Related Parties

Due to related parties' balances amounted to SAR 0.7 million as of 31 December 2021G, and the item was reclassified to trade payables as of 31 December 2022G and 2023G. It amounted to SAR 1.1 million as of 31 December 2022G, SAR 6.9 million as of 31 December 2023G, and SAR 78 thousand as of 30 June 2024G.

Zakat Provision

The provision for zakat is made in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia on an accrual basis. During 2022G, the group registered as a tax group, and was granted the approval for the submission of unified accounts for the Company and its subsidiaries by the Zakat, Tax and Customs Authority within the Kingdom of Saudi Arabia as of 25 Dhu al-Hijjah 1443H (corresponding to 24 July 2022G) except for the following companies: Joint Preparation Company for Meals, Blu Store Company, Marn Business Information Technology Company, and Sol Company for Trading.

The zakat provision increased from SAR 4.9 million as of 31 December 2021G to SAR 27.9 million as of 31 December 2022G with the Group submitting its zakat returns in a consolidated manner during the fiscal year 2022G.

The provision for zakat increased from SAR 27.9 million as of 31 December 2022G to SAR 29.3 million as of 31 December 2023G due to the creation of provisions amounting to SAR 29.2 million during the year. This was offset by payments of SAR 25.6 million and an excess from previous years amounting to SAR 2.1 million during the same period.

The provision for zakat decreased from SAR 29.3 million as of 31 December 2023G to SAR 12.9 million as of 30 June 2024G due to the creation of provisions amounting SAR 10.5 million in provisions during the period, which was offset by payments totaling SAR 26.8 million during the same period.

a- Trade Payables

The following table summarizes the trade payables as of 31 December 2021G, 2022G and 2023G and 2023G and the six-month period ended 30 June 2024G:

Table (7.57): Trade payables

SAR'000s	As of 31 December, 2021G (Audited)	As 31 December, 2022G (Audited)	As 31 December, 2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Trade Payables	28,535	51,111	76,674	79.1%	50.0%	63.9%	64,083	(16.4%)
Related Parties	-	1,050	6,899	N/A	557.0%	N/A	78	(98.9%)
Total	**28,535**	**52,161**	**83,573**	**82.8%**	**60.2%**	**71.1%**	**64,160**	**(23.2%)**
DPO (days) (1)	11	15	19	4	4	8	14	(5)

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

(1) DPO was calculated based on total trade payables / total cost of revenue * 365 days for the fiscal years ended 31 December 2021G, 2022G and 2023G. While it was calculated based on total trade payables/net revenue * 180 days for the six-month period ended 30 June 2024G.

Trade payables mainly relate to payables to freelance drivers, logistics companies, advertising and sponsorship suppliers, vehicle leasing companies, and insurance companies.

Trade payables balance increased from SAR 28.5 million as of 31 December 2021G to SAR 52.1 million as of 31 December 2022G, due to the increase in the balance due to freelance drivers in the Supportive Solutions Company for Logistic Services and Jahez International Company for Information Systems Technology, in line with the growth in the Group's operations.

Trade payables balance increased from SAR 52.1 million as of 31 December 2022G to SAR 83.6 million as of 31 December 2023G in line with the increase in operations and activities. Accordingly, DPO increased from 15 days as of 31 December 2022G to 19 days as of 31 December 2023G.

Trade payables balance decreased from SAR 83.6 million as of 31 December 2023G to SAR 64.2 million as of 30 June 2024G due to a decrease in outstanding payments related to network services by SAR 5.4 million as a result of the accounting cut-off period in June, in addition to a decrease in other balances amounting to SAR 14.7 million related to transactions with one-time suppliers. As a result, DPO decreased from 19 days as of 31 December 2023G to 14 days as of 30 June 2024G.

Due to related parties balances amounted to SAR 0.7 million as of 31 December 2021G and the item was reclassified to trade payables as of 31 December 2022G and 2023G. It amounted to SAR 1.1 million as of 31 December 2022G, SAR 6.9 million as of 31 December 2023G, and SAR 78 thousand as of 30 June 2024G.

b- Accrued Expenses and Other Current Liabilities

The following table summarizes the Accrued Expenses and Other Current Liabilities as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.58): Accrued Expenses and Other Current Liabilities

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Accrued expenses	39,958	42,078	70,805	5.3%	68.3%	33.1%	65,661	(9.1%)
Third party deposits	24,164	15,001	14,944	(37.9%)	(0.4%)	(21.4%)	14,869	(0,5%)
Accrued employees' benefits	11,144	11,179	30,037	0.3%	168.7%	64.2%	31,653	5,0%
Total	**75,266**	**68,257**	**115,785**	**(9.3%)**	**69.6%**	**24.0%**	**111,183**	**(4.0%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Accrued expenses

Accrued expenses relate to accrued marketing and sponsorship expenses, unearned revenue, subscriptions, and customer e-wallets.

Accrued expenses balance increased from SAR 40.0 million as of 31 December 2021G to SAR 42.1 million as of 31 December 2022G, in line with the establishment of new subsidiaries by the Group.

Accrued expenses increased from SAR 42.1 million as of 31 December 2022G to SAR 70.8 million as of 31 December 2023G due to the increase of the (1) accrual of the expenses due to Elm Company (2) e-wallet balances in line with the growth of the number of platform users, and (3) unearned revenues in line with the growth in the number of application users of the "Prime" monthly subscription model. We note that the subscriber to this service is exempted from delivery fees on orders in exchange for paying a monthly subscription fee, this was coupled with the growth of the business of Marn Business Information Technology Company, which is based on annual subscriptions.

Accrued expenses decreased from SAR 115.8 million as of 31 December 2023G to SAR 111.2 million as of 30 June 2024G due to a SAR 4.1 million decrease in accrued VAT-related expenses.

Third party deposits

Third party deposits relates to freelance drivers and logistics companies.

Third-party deposits balance decreased from SAR 24.2 million as of 31 December 2021G to SAR 15.0 million as of 31 December 2022G and to SAR 14.9 million as of 31 December 2023G and as of 30 June 2024G as these amounts were returned by the Group with the termination of their contracts in line with the launch of the Supportive Solutions Company for Logistic Services.

Accrued employees' benefits

Accrued employee benefits primarily relate to vacation pay expenses and accrued bonuses.

Accrued employee benefits balance remained stable at SAR 11.1 million and SAR 11.2 million as of 31 December 2021G and 2022G, respectively. Accrued employee benefits balance increased to SAR 30.0 million as of 31 December 2023G and to SAR 31.7 million as of 30 June 2024G due to the increase in vacation allowance entitlements for drivers of the Supportive Solutions Company for Logistic Services, in line with the rise in the number of employees.

c- Due to related Parties

The following table summarizes the Due to related Parties as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.59): Due to related Parties

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
AlHilal Investing Company	-	-	6,337	N/A	N/A	N/A	-	N/A
Hisham Abdu Al Hazza	-	-	100	N/A	N/A	N/A	10	(90.0%)
Abdullah Suliman Alzamil	-	-	7	N/A	N/A	N/A	-	N/A
Abdulaziz Talal Al Tamimi	-	-	328	N/A	N/A	N/A	-	N/A
RAZ holding company	-	-	14	N/A	N/A	N/A	-	N/A
Bonat Company	207	-	-	N/A	N/A	N/A	-	N/A
Dar AllFikrah	-	544	41	N/A	(92.5%)	N/A	41	0.0%
Halala International Transport Vehicles Steering Company	203	54	-	(73.4%)	N/A	N/A	-	N/A
Halalah Trading Company	158	264	-	67.1%	N/A	N/A	-	N/A
The Eight Creations Agency for Advertising	69	152	72	120.3%	(52.6%)	2.2%	21	(70.8%)
Al Joudah Al-Mahaliyah Limited Company	13	-	-	N/A	N/A	N/A	-	N/A
Abdulaziz bin Abdul Rahman Al-Omaran	36	36	-	0.0%	N/A	N/A	-	N/A
Talal bin Saud Al Arifi	2	-	-	N/A	N/A	N/A	-	N/A
The hundred Innovation institution for providing meals	-	-	-	N/A	N/A	N/A	6	N/A
Total	**687**	**1,050**	**6,899**	**52.8%**	**557.0%**	**216.9%**	**78**	**(98.9%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

The balance due to related parties amounted to SAR 0.7 million as of 31 December 2021G and the line item was reclassified in the statement of financial position of the Group under trade payables as of 31 December 2022G and 2023G.

The balance due to related parties increased from SAR 0.7 million as of 31 December 2021G to SAR 1.1 million as of 31 December 2022G, mainly due to the balance due to Dar Al Fikrah Company, relating to building and construction services in line with the Group's expansion.

The balance due to related parties increased from SAR 1.1 million as of 31 December 2022G to SAR 6.9 million as of 31 December 2023G, mainly due to the balance due to Al Hilal Investing Company relating to the increase in the volume of business with the Blu Store Company.

The balance due to related parties decreased from SAR 6.9 million as of 31 December 2023G to SAR 78 thousand as of 30 June 2024G due to the settlement of the balance owed to Al-Hilal Investment Company during the same period.

d- Zakat Provision

The following table shows the Zakat Provision as of 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.60): Zakat Provision

SAR'000s	As of 31 December, 2021G (Audited)	As of 31 December, 2022G (Audited)	As of 31 December, 2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	As of 30 June, 2024G (Unaudited)	Var 31 December 2023G-H1'24G
Balance at the beginning of the year	1,140	4,492	27,809	294.0%	519.1%	393.9%	29,263	5.2%
Provided for the year	4,488	28,304	29,214	530.7%	3.2%	155.1%	10,476	(64.1%)
Additions from acquisitions	-	-	(0.3)	N/A	N/A	N/A	-	N/A
Payments made during the year	(1,136)	(4,987)	(25,612)	339.0%	413.6%	374.8%	(26,839)	4.8%
Zakat excess for prior years	-	-	(2,148)	N/A	N/A	N/A	-	N/A
Balance at the end of the year	**4,492**	**27,809**	**29,263**	**519.1%**	**5.2%**	**155.2%**	**12,900**	**(55.9%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

The provision for zakat is made in accordance with the regulations of the Zakat, Tax and Customs Authority in the Kingdom of Saudi Arabia on an accrual basis. During 2022G, the group registered as a tax group, and was granted the approval for the submission of unified accounts for the Company and its subsidiaries by the Zakat, Tax and Customs Authority within the Kingdom of Saudi Arabia as of 25 Dhu al-Hijjah 1443H (corresponding to 24 July 2022G) except for the following companies: Joint Preparation Company for Meals, Blu Store Company, Marn Business Information Technology Company, and Sol Company for Trading.

The zakat provision increased from SAR 4.5 million as of 31 December 2021G to SAR 27.8 million as of 31 December 31 2022G, with the Group submitting its zakat returns in a consolidated manner during the fiscal year 2022G.

The provision for zakat increased from SAR 27.8 million as of 31 December 2022G to SAR 29.3 million as of 31 December 2023G, as a result of the creation of provisions amounting to SAR 29.2 million during the year. This was offset by payments of SAR 25.6 million and an excess from previous years amounting to SAR 2.1 million during the same period.

The provision for zakat decreased from SAR 29.3 million as of 31 December 2023G to SAR 12.9 million as of 30 June 2024G due to the creation of provisions amounting to SAR 10.5 million during the period, which was offset by payments of SAR 26.8 million during the same period.

7.7.3 Consolidated statement of Cash Flow

The following table summarizes the consolidated statement of Cash Flow for the fiscal years ended 31 December 2021G, 2022G and 2023G and the six-month period ended 30 June 2024G:

Table (7.61): Consolidated statement of Cash Flow

SAR'000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	30 June 2023G (Unaudited)	30June 2024G (Unaudited)	Var H1'23G-H1'24G
Cash flows generated from operating activities:									
Net profit for the year before zakat	121,198	84,828	145,833	(30.0%)	71.9%	9.7%	69,200	53,507	(22.7%)
Adjustments to reconcile net income for the year to cash flows generated from operating activities:									
Impairment loss / (reversal) of trade receivables	2,501	(3,758)	5,031	(250.2%)	(233.9%)	41.8%	332	9,111	2644.3%
Depreciation and amortization	6,044	23,531	51,971	289.3%	120.9%	193.2%	27,505	23,980	(12.8%)
Employees' benefits	2,886	5,575	7,960	93.2%	42.8%	66.1%	2,983	4,669	56.5%
Finance costs	456	3,156	6,025	591.6%	90.9%	263.4%	3,013	2,353	(21.9%)
Unrealized gains on investments at FVTPL	(8,212)	(1,767)	(3,327)	(78.5%)	88.3%	(36.4%)	(8,184)	2,501	N/A
Gains from equity-accounted investments	-	-	-	N/A	N/A	N/A	-	(392)	N/A
Share-based payments expenses	-	11,897	19,484	N/A	63.8%	N/A	8,027	4,282	(46.7%)
Interest revenue	-	(22,197)	(46,068)	N/A	107.5%	N/A	(21,542)	(25,847)	20.0%
Losses from property and equipment	-	-	-	N/A	N/A	N/A	-	5,188	N/A
Loss on disposal of right of use assets	-	-	529	N/A	N/A	N/A	-	23	N/A
Changes in operating assets and liabilities									
Inventory	(104)	(727)	(8,537)	600.9%	1,074.4%	806.0%	(1,598)	193	N/A
Trade receivables	(6,995)	(12,108)	(9,300)	73.1%	(23.2%)	15.3%	(4,519)	(27,990)	519.4%
Prepaid expenses and other receivables	(32,626)	(45,548)	10,676	39.6%	(123.4%)	N/A	(13,210)	3,002	N/A
Due from related parties	252	-	-	(100.0%)	N/A	N/A	(59)	(5,095)	8492.2%
Proceeds due to customers	58,823	(45,916)	42,749	(178.1%)	(193.1%)	(14.8%)	10,522	19,627	86.5%

SAR'000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	30 June 2023G (Unaudited)	30June 2024G (Unaudited)	Var H1'23G-H1'24G
Trade payables	23,445	22,941	22,049	(2.1%)	(3.9%)	(3.0%)	183	(18,398)	N/A
Accrued expenses and other current liabilities	40,572	(7,008)	44,364	(117.3%)	(733.0%)	4.6%	2,959	(7,505)	N/A
Due to related parties	(890)	-	-	(100.0%)	N/A	N/A	(432)	(1,015)	135.2%
Employees' benefits paid	(35)	(713)	(1,501)	1,953.7%	110.5%	557.5%	(100)	(308)	207.0%
Interest paid	-	-	(5,459)	N/A	N/A	N/A	-	-	N/A
Zakat paid	(1,136)	(4,987)	(25,612)	338.8%	413.5%	374.7%	(25,612)	(26,839)	4.8%
Employees' shares paid	-	-	-	N/A	N/A	N/A	-	(5,814)	N/A
Net cash flows generated from operating activities	**206,178**	**7,198**	**256,868**	**(96.5%)**	**3,468.7%**	**11.6%**	**49,468**	**9,232**	**(81.3%)**
Cash flows from investing activities									
Payments for purchase of property and equipment	(3,879)	(37,165)	(23,343)	858.2%	(37.2%)	145.3%	(12,066)	(158,054)	1209.9%
Payments to purchase and develop intangible assets	(1,416)	(2,963)	(13,497)	109.2%	355.6%	208.7%	(6,023)	(10,753)	78.5%
Payments to purchase investments at FVTPL	(11,625)	(1,125)	(58,041)	(90.3%)	5,059.2%	123.4%	(1,325)	(18,122)	1267.5%
Addition of deposits with financial institutions	-	(200,000)	-	N/A	(100.0%)	N/A	-	880	N/A
Purchase of equity-accounted investments	-	-	-	N/A	N/A	N/A	-	(75,221)	N/A
Repayment of deposits with financial institutions	-	-	100,000	N/A	N/A	N/A	-	-	N/A
Proceeds from interests on short-term deposits	-	22,197	38,504	N/A	73.5%	N/A	21,542	25,848	20.0%
Net payment for acquisition of subsidiary	-	-	(59,692)	N/A	N/A	N/A	(59,693)	(4,685)	(92.2%)
Reversal of deposits with financial institutions	-	-	-	N/A	N/A	N/A	50,000	-	(100.0%)
Net cash flows used in investing activities	**(16,920)**	**(219,056)**	**(16,069)**	**1,194.6%**	**(92.7%)**	**(2.5%)**	**(7,565)**	**(240,108)**	**3074.0%**
Cash flows from financing activities									
Proceeds from initial public offering	-	749,094	-	N/A	(100.0%)	N/A	-	-	N/A

SAR'000s	2021G (Audited)	2022G (Audited)	2023G (Audited)	Variance 2021G-2022G	Variance 2022G-2023G	CAGR 2021G-2023G	30 June 2023G (Unaudited)	30June 2024G (Unaudited)	Var H1'23G-H1'24G
Treasury shares	-	(1,920)	-	N/A	(100.0%)	N/A	-	(41,994)	N/A
Payments of lease liabilities	(3,294)	(24,562)	(32,518)	645.6%	32.4%	214.2%	(17,936)	(15,453)	(13.8%)
Changes in non-controlling interests	-	245	-	N/A	(100.0%)	N/A	-	-	N/A
Payment of short-term loan	-	-	(1,907)	N/A	N/A	N/A	(1,124)	(1,572)	39.9%
Net cash flows (used in)/generated from financing activities	**(3,294)**	**722,856**	**(34,425)**	**(22,043.5%)**	**(104.8%)**	**223.3%**	**(19,060)**	**(59,019)**	**209.6%**
Net change in cash and cash equivalents	**185,964**	**510,998**	**206,374**	**174.8%**	**(59.6%)**	**5.3%**	**22,843**	**(289,895)**	**(1369.1%)**
Cash and cash equivalents as at the beginning of the year	205,724	391,688	902,686	90.4%	130.5%	109.5%	902,686	1,109,059	22.9%
Cash and cash equivalents as at the end of the year	**391,688**	**902,686**	**1,109,060**	**130.5%**	**22.9%**	**68.3%**	**925,528**	**819,165**	**(11.5%)**

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G, and 2023G and the interim condensed consolidated financial statements for the six-month period ended 30 June 2023G and 2024G

Net cash flows generated from operating activities

Net Cash flows generated from operating activities decreased from SAR 206.2 million in 2021G to SAR 7.2 million in 2022G due to a decrease in net profit for the year before zakat from SAR 121.2 million in 2021G to SAR 84.8 million in 2022G. The balance of receipts due to customers decreased by SAR 45.9 million, as the Group changed the payment terms for merchants from a semi-monthly basis to a weekly basis.

Net Cash flows generated from operating activities increased from SAR 7.2 million in 2022G to SAR 256.9 million in 2023G due to an increase in net profit for the year before zakat from SAR 84.8 million in 2022G to SAR 145.8 million in 2023G. In addition to the increase in the balance of proceeds due to customers, accrued expenses, and other current liabilities during the same period.

Net Cash flows generated from operating activities decreased from SAR 49.5 million during the six-month period ended 30 June 2023G to SAR 9.2 million during the six-month period ended 30 June 2024G due to a decline in net profit for the year before zakat from SAR 69.2 million during the six-month period ended 30 June 2023G to SAR 53.5 million during the six-month period ended 30 June 2024G along with the net movement in trade receivables and payables.

Net cash flows used in investing activities

Cash flows used in investing activities increased from SAR 16.9 million in 2021G to SAR 219.1 million in 2022G due to the placement of short-term deposits with financial institutions worth SAR 200.0 million during the same period.

Cash flows used in investing activities decreased from SAR 219.1 million in 2022G to SAR 16.1 million in 2023G due to the repayment of deposits with financial institutions after their maturity amounting to SAR 100.0 million. This was offset by payments to acquire a subsidiary worth SAR 59.7 million and payments to acquire investments at fair value through profit or loss worth SAR 58.0 million in 2023G.

Cash flows used in investing activities increased from SAR 7.6 million in the six-month period ended 30 June 2023G to SAR 240.1 million in the six-month period ended 30 June 2024G due to an investment in properties and equipment amounting to SAR 158.1 million, related to the group's new headquarters, and equity-accounted investments totalling SAR 75.2 million.

Net cash flows (used in)/generated from financing activities

Net cash flows (used in)/generated from financing activities increased from cash flows used in financing activities amounting to SAR 3.3 million in 2021G to cash flows generated from financing activities amounting to SAR 722.9 million in 2022G due to proceeds from the Group's initial public offering in 2022G amounting to SAR 749.1 million

Net cash flows (used in)/generated from financing activities decreased from cash flows generated from financing activities amounting to SAR 722.9 million in 2022G to cash flows used in financing activities amounting to SAR 34.4 million in 2023G due to the payment of lease obligations amounting to SAR 32.5 million. In addition to the lack of proceeds from the Group's initial public offering, which took place in the fiscal year 2022G.

Net cash flows (used in)/generated from financing activities increased from SAR 19.1 million in the six-month period ended 30 June 2023G to SAR 59.0 million in the six-month period ended 30 June 2024G driven by the acquisition of treasury shares worth SAR 42.0 million, intended to be allocated for the future employee long-term incentive plan and other purposes.

7.7.4 Capital commitments and contingent liabilities

The Group does not have any capital commitments as of 31 December 2021G, 2022G and 2023G.

The Group has potential contractual liabilities represented in liabilities to provide advertising services mainly with Al Hilal Saudi Club for a period of five sports seasons ending in 2026G, with a value of SAR 56.1 million as of 31 December 2023G (31 December 2022G: SAR 37.8 million and 31 December 2021G: SAR 58 million). In addition, the contract includes the payment of additional amounts in the event that the first team of Al Hilal Saudi Club wins in a certain season or tournaments, up to a maximum of SAR 3.5 million per year. The Group has potential contractual liabilities represented in liabilities relating to advertising service obligations expiring in financial year 2023G, amounting to SAR 24.4 million as of 31 December 2023G (31 December 2022G: SAR 4.5 million and 31 December 2021G: SAR 12.4 million).

The Group also has potential contractual liabilities, represented by liabilities to provide employment and other services ending in 2024G, with a value of SAR 9.2 million as of 31December 2023G (31 December 2022G: SAR 1.3 million and 31 December 2021G: SAR 14.3 million).

7.7.5 Significant and Subsequent events

On 18 Rajab 1445H (corresponding to 30 January 2024G), The Company participated in the Series B Preferred Shares of Grub Tech Limited, limited liability company incorporated in Virgin Islands with total investment of 7,500,000 USD (equivalent to SAR 28,125,000) based on recommendation of the Investment Committee dated on the 30th of January 2024G.

On 26 Sha'ban 1445H (corresponding to 7 March 2024G), The Company participated in the Series B Preferred Shares of Global Fintech Company, limited liability company incorporated in Virgin Islands with total investment of 20,000,000 USD (equivalent to SAR 75,000,000) based on the recommendation of the Investment Committee dated on the 20th of February 2024G and board of directors' decision dated 3 March 2024G.

On 6 Dhu al-Hijjah 1445H (corresponding to12 June 2024G), the company purchased a property worth one hundred and fifty million (150,000,000) Saudi riyals, to use it as a new headquarters for the company.

7.7.6 Adjustment of the financial statements

The comparative figures for revenues, cost of revenues and advertising expenses in the consolidated financial statements for the fiscal year ending 31 December 2022G have been reclassified to improve presentation and disclosures.

The following table summarizes the reclassification of the comparative figures for revenues, cost of revenues and advertising expenses in the consolidated financial statements as of 31 December 2022G.

Table (7.62): Reclassifying the comparative figures for revenues, cost of revenues and advertising expenses in the consolidated financial statements

Items	Amounts included for the year ending 31 December 2021G	Correcting errors of previous years	"Previously classified amounts" for the year ending 31 December 2021G
Consolidated statement of profit or loss and other comprehensive income			
Revenues	159,568	(61,309)	1,220,877
Cost of Revenue	(914,043)	34,819	(948,863)
Marketing & advertising expenses	(86,568)	26,490	(113,058)

Source: The consolidated audited financial statements for the financial years ended 31 December 2022G

During the fiscal year ending 31 December 2022G, management re-evaluated its contracts with customers and came to the conclusion, that the variable consideration had been recognized as an expense rather than recognized as a deduction from the transaction amount. Based on this re-evaluation, the comparative figure was re-evaluated by SAR 61.3 million to reflect the nature of the transaction and relationship. The reclassification had no impact on the statement of financial position and the statement of cash flows for the year ending 31 December 2022G.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8. Chartered Accountant's Report

The audited financial statements of the Company for the financial years ended 31 December 2021G, 2022G and 2023G and the accompanying notes thereto have been prepared in accordance with the International Financial Reporting Standards adopted in the Kingdom and other standards and publications issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) in the Kingdom. Said financial statements have been audited by KPMG Professional Services. Also, the unaudited interim condensed financial statements for the six-month period ended 30 June 2024G, and the accompanying notes have been prepared in accordance with IAS (34)"Interim Financial Report" adopted in the Kingdom of Saudi Arabia.

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated Financial Statements
For the year ended
31 December 2022
together with the
Independent Auditor's Report

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated financial statements and independent auditor's report
For the year ended 31 December 2022

KPMG

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Commercial Registration No 1010425494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
واجهة 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

Independent Auditor's Report

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

key audit matter (continued)

Revenue recognition

With reference to Note (3\l) 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
During the year ended 31 December 2022, revenue amounting to SR 1.602 billion was recognized (2021: SR 1.159 billion). Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks by overstatement of revenue recognition to increase profitability. Therefore, revenue recognition was considered a key audit matter.	Our audit procedures performed with relation to revenue included, among others, the following: • 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.

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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.

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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

كي بي إم جي للاستشارات المهنية
Lic No. 46
C.R. 1010425494
R : 1.
KPMG
ترخيص رقم ٤٦
س.ت ١٠١٠٤٢٥٤٩٤
KPMG Professional Services

Fahad Mubark Al Dossari
License No. 469

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

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Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of financial position
As at 31 December 2022
(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 Mishaal Bin Sultan Bin Abdulaziz Al Saud **Chairman**	**Ghassab Bin Salman Bin Mandeel** **CEO**	**Heni A. Jallouli** **CFO**

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2022
(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 attached notes from 1 to 33 are an integral part of these consolidated financial

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Chairman

Ghassab Bin Salman Bin Mandeel
CEO

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CFO

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of changes in Shareholders Equity
For the year ended 31 December 2022
(Saudi Riyal)

	Equity attributable to the Parent Company's shareholders								
	Share capital	**Statutory reserve**	**Share premium**	**Treasury shares**	**Employees' shares reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
Balance as at 1 January 2021	**5,000,000**	**1,500,000**	--	--	--	**37,549,639**	**44,049,639**	**1,406,870**	**45,456,509**
Transactions with shareholders of the Company									
Transferred from shareholders' credit balances for share capital increase (note 12)	26,000,000	--	--	--	--	--	**26,000,000**	--	**26,000,000**
Transferred from statutory reserve and retained earnings for share capital increase (note 12)	65,000,000	(1,500,000)	--	--	--	(63,500,000)	--	--	--
Total transactions with shareholders of the Company	91,000,000	(1,500,000)	--	--	--	(63,500,000)	**26,000,000**	--	**26,000,000**
Net profit for the year	--	--				117,068,284	**117,068,284**	(358,211)	**116,710,073**
Other comprehensive income for the year		--	--	--	--	149,719	**149,719**	--	**149,719**
Total comprehensive income for the year	--	--	--	--	--	117,218,003	**117,218,003**	(358,211)	**116,859,792**
Transferred to statutory reserve	--	12,523,023	--	--	--	(12,523,023)	--	--	--
Balance as at 31 December 2021	**96,000,000**	**12,523,023**	--	--	--	**78,744,619**	**187,267,642**	**1,048,659**	**188,316,301**
Balance as at 1 January 2022	**96,000,000**	**12,523,023**	--	--	--	**78,744,619**	**187,267,642**	**1,048,659**	**188,316,301**
Capital increase	**8,918,030**	--	--	--	--	--	**8,918,030**	--	**8,918,030**
Net profit for the year	--	--	--	--	--	**58,977,006**	**58,977,006**	**(2,453,716)**	**56,523,290**
Other comprehensive income for the year	--	--	--	--	--	**(189,362)**	**(189,362)**	--	**(189,362)**
Total comprehensive income for the year	--	--	--	--	--	**58,787,644**	**58,787,644**	**(2,453,716)**	**56,333,928**
Share premium (Note 12)	--	--	**740,175,504**	--	--	--	**740,175,504**	--	**740,175,504**
Treasury shares (note 12)	--	--	--	**(1,920,000)**	--	--	**(1,920,000)**	--	**(1,920,000)**
Share-based payments transactions (note 14)	--	--	--	--	**11,896,912**	--	**11,896,912**	--	**11,896,912**
Transferred to statutory reserve	--	**5,897,701**	--	--	--	**(5,897,701)**	--	--	--
Non-Controlling interests	--	--	--	--	--	--	--	**245,000**	**245,000**
Balance as at 31 December 2022	**104,918,030**	**18,420,724**	**740,175,504**	**(1,920,000)**	**11,896,912**	**131,634,562**	**1,005,125,732**	**(1,160,057)**	**1,003,965,675**

The accompanying notes (1) through (33) form an integral part of these consolidated financial statements.

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of cash flows
For the year ended 31 December 2022
(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 form 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 attached notes from 1 to 33 are an integral part of these consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud **Chairman**	**Ghassab Bin Salman Bin Mandeel** **CEO**	**Heni A. Jallouli** **CFO**

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 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
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
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

Branch name and location	Commercial registration number	Date
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 - Jezan 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 SR 5 million by transferring SR 4 million from shareholders' accounts payable of the Company to the capital account, and the Company shall keep the same name, number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire share capital amounting to 500,000 shares with a nominal value of SR 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 SR 96,000,000 by issuing new shares against transferring an amount of SR 63,500,000 from the retained earnings, an amount of SR 26,000,000 from due to related parties accounts (shareholders), and an amount of SR 1,500,000 from the statutory reserve account.

On 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 SR 96 million (divided into 9,6 million shares) to SR 104 million (divided into 10,4 million shares) through issuing 891 million shares at a nominal per value of SR 8,9 million. (note 12)

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2022

1- Organization and activities (continued)

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:

			% of ownership	
	Legal entity	**Country of Incorporation**	**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 million where the cost of the acquisition amounted to SAR 2,4 million. On 7 September 2020 (corresponding to 19 Muharram 1442H), The Company's Articles of Association and shareholding pattern 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 SR 1,000,000. 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 SR 10,000. The Company is engaged in other financial services activities, with the exception of insurance and pension financing.

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

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 SR 1,000,000. The Company is engaged in directing vehicles, transporting goods, and providing delivery services via e-platforms.

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 SR 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 SR 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 SR 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- BASIS OF PREPARATION (CONTINUED)

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	Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) Annual Improvements to IFRS 2018 –2020 Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) Reference to the Conceptual Framework (Amendments to IFRS 3)

New requirements that will be applied subsequently:

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

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- BASIS OF PREPARATION (CONTINUED)

2.5 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying 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.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

Provision for expected credit loss (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 POLICES

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

NCIs are initially measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions.

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.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Property and equipment (continued)

Depreciation is charged to the consolidated statement of profit or loss and is calculated on the straight-line basis over the estimated useful lives of individual item of property and equipment. The estimated useful lives of assets will be depreciated as follows:

	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.

<u>Computers software</u>

Computer software licenses acquired from third parties are initially recognized at cost. Costs directly associated with the production of internally developed software, where it is probable that the software will generate future economic benefits, are recognized as intangible assets.

Capital work under development 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.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 month or less, if any, which are available to the Company without any restrictions.

f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most appropriate market for the asset or liability.

The principal or the most appropriate market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is disclosed as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets and liabilities can be obtained at the measurement date.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs).

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Fair-value measurement (continued)

At each reporting date, the Group analyzes the changes in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value for each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
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.

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.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

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 amortised 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.

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.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Customers' cash back

Cash back to customers are treated as a reduction 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 an 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 underling asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Leases (continued)

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.

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

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.

3- SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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	Intellectua l 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**

Amounts recognized in the consolidated statement of profit or loss and other comprehensive income	**For the year ended 31 December**	
	2022	2021
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	**31 December 2022**	31 December 2021
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

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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:

	31 December 2022	31 December 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

	31 December 2022	31 December 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:

	31 December 2022	31 December 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

	31 December 2022	31 December 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

	31 December 2022	31 December 2021
Current accounts with banks	**602,173,952**	391,328,588
Short term deposits *	**300,000,00**	--
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) 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 SR 96 million (divided into 9,6 million shares) to SR 104 million (divided into 10,4 million shares) through issuing 891 million shares at a par value of SR 8,9 million. The share value on the issue date was SR 850 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 SR 10 per share, with a cash consideration of SR 1,9 million. 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 (*)	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.

Total expenses related to the program for the period ended 31 December 2022 amounts SR 11,8 million, 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.

(Saudi Riyal)

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.

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**

b) Sensitivity analyses

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

	31 December 2022	31 December 2021
Discount rate	**5,20%**	3,35%
Future salary increases	**5,00%**	3%

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

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.

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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.

17- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December 2022	31 December 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:

Significant related party transactions

31-Dec-22

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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18- RELATED PARTY TRANSACTIONS (CONTINUED)

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

a) Due from related parties

	31 December 2022	31 December 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

	31 December 2022	31 December 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

(Saudi Riyal)

18- RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation and benefits to key management personnel

	31 December 2022	31 December 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.

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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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19- ZAKAT (CONTINUED)

b) Zakat base

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

	For the year ended 31 December	
	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 statuary 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

c) Zakat provision

Movement in Zakat provision is as follows:

	31 December 2022	31 December 2021
Balance at the beginning of the year	**4,491,618**	1,140,372
Provided for	**28,304,442**	4,487,725
Paid	**(4,897,323)**	(1,136,479)
Balance at the end of the year	**27,808,737**	4,491,618

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20- REVENUE

	For the year ended 31 December	
	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' cashback	**(1,925,892)**	(26,799,216)
Net revenue	**1,602,476,839**	1,159,567,962

21- COST OF REVENUE

	For the year ended 31 December	
	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 & ADVERTISING EXPENSES

	For the year ended 31 December	
	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

	For the year ended 31 December	
	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	**10,143,562**	2,894,178
Missions, maintenance and operation	**6,962,978**	2,870,637
Other	**11,826,690**	7,328,077
	136,449,562	26,176,559

* Other drivers related expenses item includes an amount of SR 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 SR 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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24- SEGMENTS INFORMATION (CONTINUED)

2022	Delivery Platforms Segment	Logistics services Segment	Others	Eliminations/ Amendments	Total
	SR	SR	SR	SR	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)
Impairment loss on trade receivables	3,757,461	--	--		3,757,461
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)
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

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24- SEGMENTS INFORMATION (CONTINUED)

2021	Delivery Platforms Segment	Logistics Services Segment	Others	Eliminations/ Amendments	Total
	SR	SR	SR	SR	SR
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)
Impairment loss of trade receivables	(2,501,412)	--	--	--	(2,501,412)
Expenses	(123,110,963)	(708,409)	(110,796)	--	(123,930,168)
Depreciation and amortization	(5,586,009)	(244)	(457,467)	--	(6,043,720)
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

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.

	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
	1,230,375,430	455,074,003

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25- FINANCIAL INSTRUMENTS (CONTINUED)

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

	31 December 2022		31 December 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:

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

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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.

	For the year ended 31 December	
	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

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

a) Ordinary shares

	31 December 2022	31 December 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

	31 December 2022	31 December 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**	--
Affect 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:

	31 December 2022	31 December 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%)

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
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For the year ended 31 December 2022
(Saudi Riyal)

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.

	31 December 2022						
	Carrying amount			Fair value			
	Amortized cost	Other financial assets and liabilities	Total	Level 1	Level 2	Level 3	Total
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	--	--	--	22,728,737	22,728,737
	1,207,629,563	**12,750,000**	**1,207,629,563**	**--**	**--**	**22,728,737**	**22,728,737**
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	--	--	--	--

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
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For the year ended 31 December 2022
(Saudi Riyal)

28- FAIR-VALUE MEASUREMENT (CONTINUED)

	31 December 2021						
	Carrying amount			Fair value			
	Amortized cost	Other financial assets and liabilities	Total	Level 1	Level 2	Level 3	Total
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	--	--	19,837,032	19,837,032
	434,999,487	**11,625,000**	**446,624,487**	**--**	**--**	**19,837,032**	**19,837,032**
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	--	--	--	--

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
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For the year ended 31 December 2022
(Saudi Riyal)

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 million, 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 SR 37,8 million as at 31 December 2022 (31 December 2021: SR 58 million). In addition, the contract included the payment of additional amounts in the event that the first team of Al Hilal Club wins in a season or certain tournaments, with a maximum amount of SR 3.5 million per year.

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

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

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 SR 325 million and increase the Company's capital by issuing shares to selling shareholders in The Chefz SPV LTD, with an amount of SR 325 million. In addition, the founding members of The Chefz are to receive an earn-out amount equal to SAR 100 million 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 been 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 SR 60 million.

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 million.

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Notes to the consolidated financial statements
For the year ended 31 December 2022
(Saudi Riyal)

32- CHANGE IN PRIOR YEAR

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 & 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 adjustment did not have any impact on the statement of financial position and the statement of cash flows for the year 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 International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated Financial Statements
For the year ended
31 December 2023
together with the
Independent Auditor's Report

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated financial statements and independent auditor's report
For the year ended 31 December 2023

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

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
واجهة روشن، 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 2023, 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 material 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 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 International Code of Ethics for Professional Accountants (including International Independence Standards), that is 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 the Code's 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

Independent Auditor's Report

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

key audit matter (continued)	
Revenue recognition	
With reference to Note (3\n) of the accounting policy related to revenue from contracts from customers, as well as Note (21) related to disclosure of revenue.	
Key audit matter	**How the matter was addressed in our audit**
During the year ended 31 December 2023, revenue amounting to SR 1.784 billion was recognized (2022: SR 1.602 billion). Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks by overstatement of revenue recognition to increase profitability. Therefore, revenue recognition was considered a key audit matter.	Our audit procedures performed with relation to revenue included, among others, the following: • 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 IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA; • 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 testing 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 testing 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 adequacy of the disclosures in the consolidated financial statements considering the requirements of IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA.

KPMG

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 Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"), 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, actions taken to eliminate threats or safeguards applied.

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, 16 Ramadan 1445H
Corresponding to: 26 March 2024

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of financial position
As at 31 December 2023
(Saudi Riyal)

	Note	31 December 2023	31 December 2022
Assets			
Non-current assets			
Property and equipment	4	**53,839,230**	40,355,671
Intangible assets and Goodwill	5	**81,002,357**	5,724,786
Right-of-use assets	6	**96,914,858**	133,504,502
Investments at FVTPL	7	**84,096,616**	22,728,737
Total non-current assets		**315,853,061**	202,313,696
Current assets			
Inventory		**9,819,248**	924,771
Trade receivables	8	**36,425,399**	22,776,390
Prepaid expenses and other receivables	9	**72,074,580**	82,184,561
Cash and cash equivalents	10	**1,109,059,521**	902,685,742
Deposits with financial institutions	11	**107,564,031**	200,000,000
Total current assets		**1,334,942,779**	1,208,571,464
Total assets		**1,650,795,840**	1,410,885,160
Equity and liabilities			
Shareholders' Equity			
Share capital	12	**104,918,030**	104,918,030
Statuary reserve	13	**18,420,724**	18,420,724
Share premium	12	**740,175,504**	740,175,504
Treasury shares	12	**(1,920,000)**	(1,920,000)
Employees' shares reserve	14	**31,381,389**	11,896,912
Retained earnings		**258,542,572**	131,634,562
Equity attributable to equity holders of the Parent Company		**1,151,518,219**	1,005,125,732
Non-controlling interests		**(6,039,275)**	(1,160,057)
Total shareholders' equity		**1,145,478,944**	1,003,965,675
Liabilities			
Non-current liabilities			
Non-current portion of lease liabilities	6	**63,001,917**	96,833,791
Employees' benefits obligations	15	**17,255,681**	10,889,389
Total non-current liabilities		**80,257,598**	107,723,180
Current liabilities			
Proceeds due to customers	16	**161,549,641**	118,800,899
Current portion of lease liabilities	6	**32,971,145**	32,168,120
Trade payables	17	**83,573,373**	52,161,285
Accrued expenses and other current liabilities	18	**115,785,723**	68,257,264
Short term loan		**1,916,899**	--
Zakat provision	20	**29,262,517**	27,808,737
Total current liabilities		**425,059,298**	299,196,305
Total liabilities		**505,316,896**	406,919,485
Total equity and liabilities		**1,650,795,840**	1,410,885,160

The accompanying notes from 1 to 35 form an integral part of these Consolidated Financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud	**Ghassab Bin Salman Bin Mandeel**	**Heni A. Jallouli**
Chairman	**CEO**	**CFO**

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2023
(Saudi Riyal)

	Note	31 December 2023	31 December 2022
Revenue, net	21	**1,784,755,283**	1,602,476,839
Cost of revenue	22	**(1,378,877,760)**	(1,243,297,002)
Gross profit		**405,877,523**	359,179,837
Impairment (loss)/ Reversal of trade receivables	8	**(5,030,671)**	3,755,826
Marketing & advertising expenses	23	**(149,968,457)**	(131,377,566)
General and administrative expenses	24	**(106,194,606)**	(136,449,562)
Research and development expenses	25	**(41,866,741)**	(33,784,069)
Other (expense)/ income, net		**(921,969)**	2,695,556
Operating profit		**101,895,079**	64,020,022
Unrealized gains on investments at FVTPL	7	**3,326,897**	1,766,705
Finance costs		**(5,456,944)**	(3,155,960)
Interest revenue		**46,068,207**	22,196,965
Net profit for the year before zakat		**145,833,239**	84,827,732
Zakat	20	**(27,065,630)**	(28,304,442)
Net profit for the year		**118,767,609**	56,523,290
Net profit for the year attributable to:			
Shareholders of the Parent Company		**125,336,967**	58,977,006
Non-Controlling interests		**(6,569,358)**	(2,453,716)
		118,767,609	56,523,290
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains / (losses) from re-measurement of employees' end of service benefits	15	**1,571,043**	(189,362)
Total other comprehensive income		**1,571,043**	(189,362)
Total comprehensive income		**120,338,652**	56,333,928
Total comprehensive income attributable to			
Shareholders of the parent company		**126,908,010**	58,787,644
Non-Controlling interests		**(6,569,358)**	(2,453,716)
		120,338,652	56,333,928
Earnings per share attributable to shareholders of the Company:			
Basic earnings per share	28	**0.61**	0.29
Diluted earnings per share	28	**0.61**	0.29

The attached notes from 1 to 35 are an integral part of these consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud	Ghassab Bin Salman Bin Mandeel	Heni A. Jallouli
Chairman	CEO	CFO

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of changes in Shareholders Equity
For the year ended 31 December 2023
(Saudi Riyal)

	Equity attributable to the Parent Company's shareholders								
	Share capital	Statutory reserve	Share premium	Treasury shares	Employees' shares reserve	Retained earnings	Total	Non-controlling interests	Total
Balance as at 1 January 2022	96,000,000	12,523,023	--	--	--	78,744,619	187,267,642	1,048,659	188,316,301
Capital increase	8,918,030	--	--	--	--	--	8,918,030	--	8,918,030
Net profit for the year	--	--	--	--	--	58,977,006	58,977,006	(2,453,716)	56,523,290
Other comprehensive income for the year	--	--	--	--	--	(189,362)	(189,362)	--	(189,362)
Total comprehensive income for the year	--	--	--	--	--	58,787,644	58,787,644	(2,453,716)	56,333,928
Share primum (Note 12)	--	--	740,175,504	--	--	--	740,175,504	--	740,175,504
Treasury shares (Note 12)	--	--	--	(1,920,000)	--	--	(1,920,000)	--	(1,920,000)
Share-based payments transactions (Note 14)	--	--	--	--	11,896,912	--	11,896,912	--	11,896,912
Transferred to other reserve	--	5,897,701	--	--	--	(5,897,701)	--	--	--
Change in non-controlling interests	--	--	--	--	--	--	--	245,000	245,000
Balance as at 31 December 2022	104,918,030	18,420,724	740,175,504	(1,920,000)	11,896,912	131,634,562	1,005,125,732	(1,160,057)	1,003,965,675
Balance as at 1 January 2023	104,918,030	18,420,724	740,175,504	(1,920,000)	11,896,912	131,634,562	1,005,125,732	(1,160,057)	1,003,965,675
Net profit for the year	--	--	--	--	--	125,336,967	125,336,967	(6,569,358)	118,767,609
Other comprehensive income for the year	--	--	--	--	--	1,571,043	1,571,043	--	1,571,043
Total comprehensive income for the year	--	--	--	--	--	126,908,010	126,908,010	(6,569,358)	120,338,652
Share-based payments transactions (Note 14)	--	--	--	--	19,484,477	--	19,484,477	--	19,484,477
Change in non-controlling interests	--	--	--	--	--	--	--	1,690,140	1,690,140
Balance as at 31 December 2023	104,918,030	18,420,724	740,175,504	(1,920,000)	31,381,389	258,542,572	1,151,518,219	(6,039,275)	1,145,478,944

The attached notes from 1 to 35 are an integral part of these consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud
Chairman

Ghassab Bin Salman Bin Mandeel
CEO

Heni A. Jallouli
CFO

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of cash flows
For the year ended 31 December 2023
(Saudi Riyal)

	Note	31 December 2023	31 December 2022
Cash flows generated from operating activities:			
Net profit for the year before zakat		145,833,239	84,827,732
Adjustments to reconcile net income for the year to cash flows generated from operating activities:			
Impairment loss /(reversal) of trade receivables	8	5,030,671	(3,757,826)
Depreciation and amortization	4,5,6	51,970,559	23,530,731
Employees' benefits	15	7,959,954	5,574,726
Finance costs	6,15	6,025,384	3,155,960
Unrealized gains on investments at FVTPL	7	(3,326,897)	(1,766,705)
Share-based payments expenses	14	19,484,477	11,896,912
Interest revenue		(46,068,207)	(22,196,965)
Loss on disposal of right of use assets	6	529,143	--
Changes in operating assets and liabilities:			
Inventory		(8,536,741)	(726,890)
Trade receivables	8	(9,299,606)	(12,108,231)
Prepaid expenses and other receivables	9	10,675,998	(45,547,925)
Proceeds due to customers	16	42,748,742	(45,916,212)
Trade payables	17	22,048,727	22,940,978
Accrued expenses and other current liabilities	18	44,364,173	(7,008,436)
Employees' benefits paid	15	(1,500,632)	(712,817)
Interest paid	6	(5,459,295)	--
Zakat paid	20b	(25,612,169)	(4,987,323)
Net cash flows generated from operating activities		256,867,520	7,197,709
Cash flows from investing activities			
Payments for purchase of property and equipment	4	(23,343,175)	(37,165,475)
Payments to purchase and develop intangible assets	5	(13,497,082)	(2,962,556)
Payments to purchase investments at FVTPL	7	(58,040,982)	(1,125,000)
Addition of deposits with financial institutions	11	--	(200,000,000)
Repayment of deposits with financial institutions	11	100,000,000	--
Proceeds from interests on short-term deposits		38,504,176	22,196,965
Net payment for acquisition of subsidiary	32a	(59,691,640)	--
Net cash flows used in investing activities		(16,068,703)	(219,056,066)
Cash flows from financing activities			
Proceeds from initial public offering		--	749,093,534
Treasury shares		--	(1,920,000)
Payments of lease liabilities	6	(32,518,198)	(24,562,437)
Changes in non-controlling interests		--	245,000
Payment of short-term loan		(1,906,840)	--
Net cash flows (used in)/generated from financing activities		(34,425,038)	722,856,097
Net change in cash and cash equivalents		206,373,779	510,997,740
Cash and cash equivalents as at the beginning of the year		902,685,742	391,688,002
Cash and cash equivalents as at the end of the year		1,109,059,521	902,685,742

Non-cash transactions

Additions in Right-of-use assets against lease liabilities		18,267,517	124,243,233
Disposal in Right-of-use assets against lease liabilities		20,181,208	--

The attached notes from 1 to 35 are an integral part of these consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud	Ghassab Bin Salman Bin Mandeel	Heni A. Jallouli
Chairman	CEO	CFO

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

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.
P.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
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
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

Branch name and location	Commercial registration number	Date
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 - Jezan 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 SR 5 million by transferring SR 4 million from shareholders' accounts payable of the Company to the capital account, and the Company shall keep the same name, number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire share capital amounting to 500,000 shares with a nominal value of SR 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 SR 96,000,000 by issuing new shares against transferring an amount of SR 63,500,000 from the retained earnings, an amount of SR 26,000,000 from due to related parties accounts (shareholders), and an amount of SR 1,500,000 from the statutory reserve account.

On 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 SR 96 million (divided into 192 million shares) to SR 104 million (divided into 208 million shares) through issuing 17,8 million shares at a nominal per value of SR 8,9 million. (note 12)

1- Organization and activities (continued)

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:

			% of ownership	
	Legal entity	**Country of Incorporation**	**31 December 2023**	31 December 2022
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	(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%**	100%
Blu Store Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	**51%**	51%
Marn Business Information Technology Company	Limited Liability Company	Kingdom of Saudi Arabia	**100%**	--
Jahez for Information Technology	(A Limited Liability Company)	Egypt	**100%**	--
Jahez International Company for Information Systems Technology	(A Limited Liability Company)	Qatar	**100%**	--
SOL Company for Trading	Limited Liability Company	Kingdom of Saudi Arabia	**35%**	--

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 million where the cost of the acquisition amounted to SAR 2,4 million. On 7 September 2020 (corresponding to 19 Muharram 1442H), The Company's Articles of Association and shareholding pattern 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 SR 1,000,000. The company is engaged in online retail sales

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 SR 1,000,000. The Company is engaged in directing vehicles, transporting goods, and providing delivery services via e-platforms.

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2023

1- ORGANIZATION AND ACTIVITIES (CONTINUED)

The Red Color Company
On 8 February 2021, the Company incorporated a wholly owned subsidiary, which is the Red Color Company (a single shareholder limited liability company). The Company's capital is SR 10,000. The Company is engaged in other financial services activities, with the exception of insurance and pension financing.

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 SR 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 Kuwait. The Company's capital is KWD 100,000 equivalent to SR 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 Blu Store Company's capital is SR 500,000. The company is engaged in retail sale of apparel, shoes and leather items in specialized stores.

Marn Business Information Technology Company
On 28 September 2022, the Company signed an agreement to acquire shares that represent 100% of share capital of Marn Business Information Technology Company (A Single Shareholder Limited Liability Company) amounting to SR 1,000,000 and the cost of the acquisition was SR 60 millions. On 9 Jumada II 1444H (corresponding to 2 January 2023), the Articles of Association of Marn Business Information Technology Company and its shareholding structure have been amended to reflect the impact of the acquisition. The Marn Business Information Technology Company is primarily engaged in designing and developing special software, whole selling of software, including importing as well as retail selling of computers and its accessories (including printers and their inks) and retail selling of software.

Jahez For Information Technology
On 30 July 2023 the Company established a wholly owned subsidiary in Egypt (limited liability company). The company's capital is EGP 10,000, equivalent to SAR 1,215. Jahez International for Information Systems Technology is engaged in software development, database management, and application design.

Jahez International Company for Information Systems Technology
On 3 August 2023 the Company established a wholly owned subsidiary in Qatar (limited liability Company), the share capital is QAR 500,000, equivalent to SAR 514,930. Jahez International Company for Information Systems Technology activities include online commerce and delivery of consumer goods.

SOL Company for Trading
On 13 Jumada al akhira 1445H (corresponding to 26 December 2023), the Company signed an agreement to acquire shares that represent 35% of share capital of SOL Company for Trading (A Limited Liability Company) amounting to SR 35,000 and the cost of the acquisition was SR 5 millions. On 10 Jumada II 1445H (corresponding to 23 December 2023), the Articles of Association of SOL Company for Trading and its shareholding structure have been amended to reflect the impact of the acquisition. Sol Company for Trading is primarily engaged in refrigerated food stores, hygiene suppliers stores, frozen food stores and dry food 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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

The new Companies Law issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) (hereinafter referred as "the Law") came into force on 26/6/1444 H (corresponding to 19 January 2023). For certain provisions of the Law, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management has assessed the impact of the New Companies Law and amended its bylaws for any changes to align the company's by law with the new Law after the approval of the Extraordinary General Assembly for the meeting held on 15 Jamada Alawal (Corresponding to 29 November 2023), The management estimated that the application of the new bylaw has no significant impact on the Group's consolidated financial statements as at 31 December 2023.

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

Several amendments and interpretations apply for the first time in 2023, which are effective for annual periods beginning on or after 1 January 2023 which do not have a material effect on these consolidated financial statements except for amendments to IAS 1 "Disclosure of Accounting Policies" the effect of which have been reflected in these consolidated financial statements.

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB in 2023.

Effective date	New accounting standards or amendment
1 January 2023	IFRS 17 Insurance contract Disclosure of accounting policies – Amendments to IAS 1 and IFRS practice statement 2 Definition of accounting estimates- Amendments to IAS 8 Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12
23 May 2023	International Tax Reform – Pillar two model rules - Amendment to IAS 12

2- BASIS OF PREPARATION (CONTINUED)

2.4 New standards and amendments issued (Continued)

New requirements that will be applied subsequently:

Effective date	New accounting standards or amendment
1 January 2024	Non-current Liabilities with Covenants -Amendments to IAS 1 and classification of liabilities as Current or Non-current –Amendments to IAS 1 Lease Liability in a Safe and Leaseback -Amendments to IFRS16 Supplier finance Arrangements-Amendments to IAS 7 and IFRS 7
I January 2025	Lack of Exchangeability - Amendments to IAS 21
Available for optional adoption/effective date deferred indefinitely	Safe or Contribution of Assets between an Investor and its Assonate or Joint Venture -Amendments to IFRS 10 and /IAS 28

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 2023.

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.

<u>Employees' benefits</u>

Employees' benefits cost and present value of the liability is determined using an actuarial valuation involves making various assumptions which may differ from actual developments in the future. Such assumptions include determination of discount rate, future salary increases and mortality rates.

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

The discount rate is the factor most subject to changes and when determining the appropriate discount rate, the management considers the interest rates of corporate bonds in currencies consistent with the currencies of the end-of-service benefits obligation with at least an 'AAA' rating or above, as set by an internationally acknowledged rating agency to correspond with the expected term of the defined benefit obligation.

2- BASIS OF PREPARATION (CONTINUED)

2.5 Significant accounting judgments, estimates and assumptions (Continued)

Employees' benefits (Continued)

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

Provision for expected credit loss (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.

Revenue recognition

Whether revenue is recognised over time or at a point in time, revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

Impairment test of intangible assets and goodwill

key assumptions underlying recoverable amounts, including the recoverability of development costs;

Consolidation whether the Group has defacto control over an investee;

Subsidiaries are entities controlled by the Group. The Group 'controls' is 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 on which control commences until the date on which control ceases.

3- MATERIAL ACCOUNTING POLICES

The Group has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

In addition, the Group adopted the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in certain instances.

a) Basis of consolidation

a.1 Business combinations

The Group accounts for business commotions under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentrations test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent change in the fair value of the contingent consideration are recognized in profit or loss.

If share- based payment awards (replacement awards} are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

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 on which control commences until the date on which control ceases.

3- MATERIAL ACCOUNTING POLICES (CONTINUED)

a) Basis of consolidation (Continued)

a.3 Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

a.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. any resulting gain or loss is recognised in 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	10
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.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding 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 capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in 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.

Goodwill
Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Research and development

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated in1pairment losses.

b) 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.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term liquid investments with original maturities of three month or less, if any, which are available to the Company without any restrictions.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) 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.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments

Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investments; FVOCI – equity investments; or FVTPL.
A financial asset is measured at amortized cost if it meets both of the following conditions and is not 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.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

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 amortised 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.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Derecognition

Financial assets

A financial asset (or part of a group of similar financial assets) is disposed mainly (i.e. disposed from the statement of financial position) in the following cases:

- 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.

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.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) Employees' benefits (Continued)

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

The interest cost is calculated by applying the discount rate to the balance of the defined 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.

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) 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.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

m) 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.

n) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognizes revenue when it transfers control over a good or service to a customer.

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 revenue 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.

The control for commission revenue is passes at point in time when the merchant accepts the order, the control over the delivery services passes at point in time when the order is delivered.

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.

The control for e-payment fees revenue is passes at point in time when the merchant accepts the order.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

n) Revenue recognition (Continued)

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.

Other revenue

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

Variable consideration

Any voucher, cash back and customer compensations are treated as a reduction in revenue. If the transaction price includes a variable amount, the transaction price is estimated and recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

o) 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 underling asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in 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.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

o) Leases (continued)

Group as a lessee

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.

Any remeasurement is settled in the lease liability against the carrying amount of right-of-use asset or charged to the statement of income if the carrying amount of the related asset is Zero.

Short-term leases

The Group elected not to recognize right-of-use assets and lease liabilities for the short-term leases for which their terms are 12 months or less. The Group recognizes lease payments associated with those leases as expenses on a straight line basis over the lease term.

Extension options

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

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 the weighted average number of ordinary shares outstanding, adjusted for the number of expected vested shares granted for share based payment program.

r) 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.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

s) Share-based payments

Employees of the Company (including senior executives) will be awarded incentives under share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) or cash equivalents of the shares fair value (i.e., cash-settled transactions) The Company measures the cost of cash-settled transactions by reference to the fair value of share options under share-based payment arrangements. For share-based payment transactions, this valuation refers to the fair value at the vesting date. For cash-settled transactions, this refers to the fair value at each reporting date using an appropriate valuation model. For more details, see note (14).

That cost is recognized in expenses, together with a corresponding increase in equity (Share-based payment reserve), for equity-settled transactions or together with increase in cash-settled transactions liability during the period which the service was provided and fulfillment of performance conditions (if any) where appropriate (vesting period). The cumulative expense recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the vesting date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the vesting date fair value. Any other conditions attached to an award, but without a required service, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognized is the vesting date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. For cash-settled transactions, the fair value remeasurement at each reporting date is considered to be the opposite of the modified conditions and circumstances (except for market conditions). Under equity-settled transactions, where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately in the statement of profit or loss and other comprehensive income.

Pursuant to the grant letters signed by the Chairman of the Board of Directors and employees, and the Share-based Payment Program Policy, the Board of Directors has the right at any time to make a decision to settle the consideration with grants by equity instruments (i.e., equity-settled transactions) or cash equivalent of shares fair value (ie., cash-settled transactions).

The Company's management determined the accounting treatment by settling the consideration with grants by equity instruments, and accordingly that cost was recognized under the expenses with a corresponding increase in equity (the share-based payment program).

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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 under construction	Total
Cost									
Balance as at 1 January 2022	**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	9,959,016	622,670	12,355,332	37,165,475
Transferred from projects under construction	--	--	--	--	--	801,992	--	(801,992)	--
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**
Additions	276,955	6,946,560	2,172,777	2,654,156	8,727,131	2,142,186	669,015	--	23,588,780
Transferred from projects under construction	--	--	--	--	--	325,210	--	(325,210)	--
Balance as at 31 December 2023	**423,643**	**12,732,665**	**5,679,631**	**7,937,560**	**15,746,208**	**16,592,946**	**1,430,037**	**12,000,153**	**72,542,843**
Accumulated depreciation:									
Balance as at 1 January 2022	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**
Depreciation for the year	64,186	2,333,947	845,496	924,727	4,084,383	1,519,718	332,764	--	10,105,221
Balance as at 31 December 2023	**177,291**	**4,331,826**	**2,547,215**	**1,955,531**	**4,892,247**	**4,343,169**	**456,334**	**--**	**18,703,613**
Net book value:									
As at 31 December 2023	**246,352**	**8,400,839**	**3,132,416**	**5,982,029**	**10,853,961**	**12,249,777**	**973,703**	**12,000,153**	**53,839,230**
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

* Projects in construction mainly include cloud kitchens projects to extend the operation of the group.

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5- INTANGIBLE ASSETS AND GOODWILL

	31 December 2023	31 December 2022
Software and Intellectual property rights (note 5.1)	**14,558,495**	5,724,786
Goodwill (note 5.2)	**66,443,862**	--
	81,002,357	5,724,786

5.1 Software and Intellectual property rights

	Software	**Intellectual property rights**	**Projects in progress**	**Total**
Cost				
Balance as at 1 January 2022	**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**
Additions	13,940,855	--	988,943	14,929,798
Balance as at 31 December 2023	**22,493,854**	**500,000**	**3,317,529**	**26,311,383**
Accumulated Amortization				
Balance as at 1 January 2022	**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**
Amortization for the year	5,971,089	125,000	--	6,096,089
Balance as at 31 December 2023	**11,523,722**	**229,166**	--	**11,752,888**
Net carrying amount				
As at 31 December 2023	**10,970,132**	**270,834**	**3,317,529**	**14,558,495**
As at 31 December 2022	3,000,366	395,834	2,328,586	5,724,786

5.2 Goodwill

The goodwill relates to the acquisition of Marn Business Information Technology Company in 2023 and SOL Company for Trading (note 32).

	Marn Business Information Technology Company	**SOL Company for Trading**
Cost		
Balance as at 1 January 2022	--	--
Balance as at 31 December 2022	--	--
On acquisition of subsidiary	62,353,937	4,089,925
Balance as at 31 December 2023	**62,353,937**	**4,089,925**
Accumulated Impairment		
Balance as at 1 January 2022	--	--
Balance as at 31 December 2022	--	--
Balance as at 31 December 2023	--	--
Net carrying amount		
As at 31 December 2023	**62,353,937**	**4,089,925**
As at 31 December 2022	--	--

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5- INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

5.2 Goodwill (Continued)

Marn Business Information Technology Company

Goodwill is subject to annual impairment testing. Assets are tested for impairment by comparing the carrying amount of each CGU to the fair value amount which has been determined based on fair value calculation using cash flow projections based on financial forecasts approved by management covering a six-year period. The discount rate is applied to cash flow projections for respective CGUs that varies in the range of 33% to 35%.

The calculation of fair value is most sensitive to the assumptions on sales growth rates and discount rates.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Sales growth rate	Average annual growth rate over the Six-year forecast period; based on past performance and management's expectations of market development
Discount rate	A discount rate, namely weighted average cost of capital (WACC), is applied for specific business areas based on assumptions regarding interest rates and risk premiums and is recalculated to a ('Discount rate')

Assumptions used for fair value calculations is most sensitive were:

Sensitivity to Changes in Assumptions

The implications of changes to the key assumptions are discussed below:

(a) Sales Growth Assumption
The sales growth in the forecast period of six years has been estimated to be a average annual growth rate of 137%. If all other assumptions kept the same; a reduction of this growth rate by 10% would give a fair value exceed the current carrying amount.

(b) Discount rate
The Pre-tax discount rate in the forecast period has been estimated to be 34%. If all other assumptions kept the same; an increase of this discount rate to 44% would give a fair value exceed the current carrying amount.

SOL Company for Trading

On 26 December 2023, the Group completed the process and legal formalities of the acquisition of 35% of the shares of SOL Company for Trading (limited liability company) for cash consideration of SAR 5 Million. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the "Standard"). As required by the Standard, the Group is currently in the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities acquired. The Group has, however, accounted for the acquisition based on provisional fair values of the acquired assets and assumed liabilities as at the acquisition date. Adjustment to the provisional values will be finalized within twelve months of the date of acquisition as allowed by the Standard.

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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	**41,385,130**	**113,019,422**	**186,716**	**154,591,268**
Additions	19,312,440	48,374	--	19,360,814
Disposals	(4,727,569)	(15,266,923)	(186,716)	(20,181,208)
Balance as at 31 December 2023	**55,970,001**	**97,800,873**	**--**	**153,770,874**
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**
Depreciation for the year	12,375,990	33,637,449	--	46,013,439
Disposals	(2,097,387)	(8,098,375)	(48,427)	(10,244,189)
Balance as at 31 December 2023	**18,214,254**	**38,641,762**	**--**	**56,856,016**
Net carrying amount				
As at 31 December 2023	**37,755,747**	**59,159,111**	**--**	**96,914,858**
As at 31 December 2022	33,449,479	99,916,734	138,289	133,504,502

Amounts recognized in the consolidated statement of profit or loss and other comprehensive income	**For the year ended 31 December** 2023	2022
Depreciation of right-of-use assets	**46,013,439**	17,840,078
Interest expense on lease liabilities	**5,459,296**	3,155,960

Lease liabilities

	For the year ended 31 December 2023	2022
Balance as at 1 January	**129,001,911**	26,165,156
Additions during the year	**19,307,092**	124,243,233
Paid during the year	**(37,103,596)**	(24,562,437)
Disposals during the year	**(20,691,641)**	--
Annual interest cost	**5,459,296**	3,155,959
Balance as at 31 December	**95,973,062**	129,001,911

Lease liabilities recognized in the consolidated statement of financial position	**31 December 2023**	31 December 2022
Current	**32,971,145**	32,168,120
Non-current	**63,001,917**	96,833,791
Total lease liabilities under right-of-use assets	**95,973,062**	**129,001,911**

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7- INVESTMENTS AT FVTPL

The Company's investments represent equity shares in non-listed company "HALALAH COMPANY LTD" "OMNIFUL, INC.","PARCEL HOLDING COMPANY W.L.L", "REDBOX TECHNOLGIES GLOBAL" and "SOUM and convertible debt instruments into equity shares in "BONAT HOLDING LTD", "NANA DIRECT COMPANY","CLOUDSHELF" and "BARQ HOLDING LTD"

Movement in investments is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	**22,728,737**	19,837,032
Additions during the year	**58,040,982**	1,125,000
Fair value differences	**3,326,897**	1,766,705
Balance at the end of the year	**84,096,616**	22,728,737

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	**Approach used to determine values**
Growth/ Sales Multiplier	Economic factor that, when increased or changed, causes increases or changes in value or sales economic variables.
Discount for Lack of Marketability (DLOM)	A fixed percentage to reduce an asset or investment value due to its limited marketability or liquidity.
Discount for Lack of Control (DLOC)	A fixed percentage to reduce the value of minority shares since the minority shareholder does not have controlling ownership interest in a company

Assumptions used for fair value calculations to which the fair value is most sensitive were:

Sensitivity to Changes in Assumptions

The implications of changes to the key assumptions are discussed below:

(a) Sales Growth multiplier
The sales growth multiplier has been estimated to be a compound annual growth rate between 3x to 4.5x.

(b) Discount for Lack of Marketability (DLOM)
The discount for Lack of Marketability (DLOM) rate in the forecast period has been estimated to be between 17% to 20%.

(c) Discount for Lack of Control (DLOC)
The discount for Lack of Control (DLOC) rate in the forecast period has been estimated from 11% to 18%.

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8- TRADE RECEIVABLES

	31 December 2023	31 December 2022
Trade receivables	**30,036,991**	22,759,260
Related parties (note 19)	**6,388,408**	17,130
	36,425,399	22,776,390

	31 December 2023	31 December 2022
Trade receivables	**36,096,842**	23,788,440
Less: provision for impairment loss on trade receivables	**(6,059,851)**	(1,029,180)
	30,036,991	22,759,260

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

	31 December 2023	31 December 2022
Balance at the beginning of the year	**1,029,180**	4,785,006
Provided/(Reversal) during the year	**5,030,671**	(3,755,826)
	6,059,851	1,029,180

9- PREPAID EXPENSES AND OTHER RECEIVABLES

	31 December 2023	31 December 2022
Prepaid expenses	**58,499,673**	65,231,190
Staff advances and custodies	**1,326,304**	1,477,414
Deposit of letters of guarantee	**--**	2,250,000
Other	**12,248,603**	13,225,957
	72,074,580	82,184,561

10- CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Current accounts with banks*	**558,340,581**	602,173,952
Short term deposits **	**550,000,000**	300,000,000
Cash in hand	**718,940**	511,790
	1,109,059,521	902,685,742

* Current accounts with banks include amounts collected on behalf of customers and are settled against the balance of proceeds due to customers on a weekly basis (note 16).

** The short term deposits carry a constant rate of return (from 4% to 8%) and a maturity less than three months.

11- DEPOSITS WITH FINANCIAL INSTITUTIONS

This includes the investment in term deposit certificates (Murabaha) of financial institutions with maturity of more than 3 months and less than 12 months at the rate of (from 4% to 8%) annually (31 December 2022: from 3% to 5%).

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 SR 96 million (divided into 192 million shares) to SR 104 million (divided into 209.8 million shares) through issuing 17.8 million shares at a par value of SR 8,9 million. The share value on the issue date was SR 42.5 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	192,000,000	96,000,000	--
Issuance of new shares at SR 42.5 per share (SR 0.5 par value)	17,836,060	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	**209,836,060**	**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 3.8 Million shares of its shares from the Company's shareholders (2.3 Million shares of its shares owned by ALAMAT International Company and 1.5 Million shares of its shares owned by Hefz Osool Ta’atheer Company for Communications and Information Technology) at a cost of SR 0.5 per share, with a cash consideration of SR 1,9 million. 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).

13- STATUTORY RESERVE

On 15 Jamada Alawal 1445H (corresponding to 29 November 2023) the Extraordinary General Assembly approved amendment of the Company’s Bylaws in accordance with the new Companies Law which became effective as at 19 January 2023. As per the new Company’s Bylaws and in light of the new Companies Law and the amended by laws, the company is not required to transfer net profit to statutory reserve.

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 3.8 Million 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 (2.3 Million shares of its shares owned by ALAMAT International Company and 1.5 Million 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.

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14- SHARE-BASED PAYMENTS PROGRAM (CONTINUED)

The Company formulated the grant agreement for the first cycle and it was signed by the Company and the employees on 1 April 2022, which is the grant date of the first cycle of shares options. The condition associated with realizing shares options under the first 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 granted Tier 1 of the program as the following:

First Cycle	**Tier 1**
Grant date	1 April 2022
Total number of shares granted	528,800
The average fair value per share on grant date (*)	55.83 SAR
Vesting date	31 March 2024
Settlement method	Equity

(*) The options are valued at the fair value on the grant 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 0.5 is SR 55.83.

The Company formulated the granting agreement for the second cycle and it was signed by the Company and the employees on 15 May 2023, which is the grant date of the second cycle of shares options. The condition associated with realizing shares options under the second cycle is the employee's two-year service condition, which will be completed on 14 May 2025. 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 2023, the Company has granted Tier 2 of the program as the following:

Second Cycle	**Tier 2**
Grant date	15 May 2023
Total number of shares granted	668,920
The average fair value per share on grant date (*)	24.78 SAR
Vesting date	14 May 2025
Settlement method	Equity

(*) The options are valued at the fair value on the grant date of second cycle on 14 May 2023, using the Black Scholes method. The fair value of the option as on 14 May 2023, based on the exercise price of SR 0.5 is SR 24.78.

Total expenses related to the program for the year ended 31 December 2023 amounts SR 19.4 million, 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.

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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.

a) Changes in the present value of defined benefit obligations

Defined benefit obligations at 1 January 2022	**5,838,118**
Interest cost	186,300
Current service cost	5,388,426
Amount recognized in profit and loss	5,574,726
Re-measurements gains recognized in other comprehensive income	189,362
Benefits paid during the year	(712,817)
Defined benefit obligation at 31 December 2022	**10,889,389**
Additions from acquisitions	911,924
Interest cost	566,089
Current service cost	7,959,954
Amount recognized in profit and loss	8,526,043
Re-measurement loss recognized in other comprehensive income	(1,571,043)
Benefits paid during the year	(1,500,632)
Defined benefit obligations at 31 December 2023	**17,255,681**

b) Sensitivity analyses

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

	31 December 2023	31 December 2022
Discount rate	**4.8%**	**5.2%**
Future salary increases	**4.0%**	**5.0%**

A quantitative sensitivity analysis for significant assumptions as at 31 December 2023 and 31 December 2022 is shown below:

	Discount rate	
	Increase by 1%	Decrease by 1%
Defined benefit obligations as at 31 December 2023	**15,592,517**	19,284,113
Defined benefit obligations as at 31 December 2022	**9,681,083**	12,366,576

	Salary increase rate	
	Increase by 1%	Decrease by 1%
Defined benefit obligations as at 31 December 2023	**19,361,263**	15,502,290
Defined benefit obligations as at 31 December 2022	**12,412,918**	9,622,338

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.

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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.

17- TRADE PAYABLE

	31 December 2023	31 December 2022
Trade payable	**76,674,274**	51,111,077
Related parties (note 19)	**6,899,099**	1,050,208
	83,573,373	52,161,285

18- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December 2023	31 December 2022
Accrued expenses	**70,804,517**	42,078,075
Third party deposits	**14,944,030**	15,000,659
Accrued employees' benefits	**30,037,176**	11,178,530
	115,785,723	68,257,264

19- RELATED PARTY TRANSACTIONS

In the ordinary course of its business, the Group transacts with the shareholders of the Group, Companies owned by the shareholders, and the key management personnel, as the Group enters into contracts to obtain services and pay the expenses on the companies owned by shareholders in subsidiaries' 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 2023

Related party	**Nature of relationship**	**Nature of the transaction**	**Amount of transaction**
The Eight Creations Agency for Advertising	A Company owned by a shareholder in a subsidiary (Joint Preparation Company for Meals)	Advertisement and publicity services	1,576,478
Tharwa Holding Company	A Company owned by the Chairman of the Group	Leases and maintenance services	1,509,325
Halalah Trading Company	A Company owned by A Shareholder	Purchases invoices	145,107
AlHilal Investing Company	A Shareholder in a Subsidiary (Blu Store Company)	Collection on behalf of the company Purchase of goods	17,386,812 12,587,226
Dar AllFikrah	A Company owned by a family member of the Chairman of the Group	Construction Services	2,721,610
Halala International Transport Vehicles Steering Company	A Company owned by the deputy CEO	Logistics services Collection on behalf of the group	651,604 (433,887)

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19- RELATED PARTY TRANSACTIONS (CONTINUED)

Related party transactions
31 December 2023 (Continued)

Related party	Nature of relationship	Nature of the transaction	Amount of transaction
Nutria Restaurant *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
Raz Catering Company *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
The hundred Innovation institution for providing meals *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
Abdullah Suliman Alzamil *	A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
Hisham Abdu Al Hazza*	A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
Abdulaziz Talal Al Tamimi*	A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--
RAZ holding company*	A Company owned by A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	--

* On 26 December 2023, the Group acquired SOL Trading Company (Note 32.b), the balances are outstanding in SOL financial statements as at 31 December 2023, and during the period from acquisition date (26 December 2023) to Group financial statement date (31 December 2023), the Group do not have any transactions with the related parties.

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 (Joint Preparation Company for Meals)	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 (Joint Preparation Company for Meals)	Advertisement and publicity services	1,595,855
Talal bin Saud Al Arifi	A Company owned by a shareholder in a subsidiary (Joint Preparation Company for Meals)	Expenses paid On behalf of a subsidiary	1,887
Tharwa Holding Company	A Company owned by the Group Chairman	Leases and maintenance services	1,366,205
Halalah International Company	A company owned by the Group Vice CEO	Logistics services	6,391,146
		Payments on behalf of the Group	3,503,556
Halalah Trading Company	A Company owned by a Shareholder	Purchases invoices	106,674

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19- RELATED PARTY TRANSACTIONS (CONTINUED)

a) Due from related parties

	31 December 2023	31 December 2022
Tharwa Holding Company	**20,625**	5,625
ALAMAT International Company Limited	**2,547**	2,547
Halalah International Company	**--**	8,958
Nutria Restaurant	**820,460**	--
Raz Catering Company	**5,150,426**	--
The hundred Innovation institution for providing meals	**13,800**	--
Abdullah AlZamil	**330,000**	--
Hisham Abdu Al Hazza	**50,550**	--
	6,388,408	17,130

b) Due to related parties

	31 December 2023	31 December 2022
Halalah International Company	**--**	54,386
Halalah Trading Company	**--**	264,390
The Eight Creations Agency for Advertising	**71,875**	151,513
Abdulaziz bin Abdul Rahman Al-Omaran	**--**	36,000
Dar AlFikrah Company	**40,624**	543,919
AlHilal Investing Company	**6,336,892**	--
Hisham Abdu Al Hazza	**100,000**	--
Abdullah Suliman Alzamil	**7,267**	--
Abdulaziz Talal Al Tamimi	**327,982**	--
RAZ holding company	**14,459**	--
	6,899,099	1,050,208

Terms and conditions of transactions with related parties
Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at year-end arise in the normal course of business. For the years ended 31 December 2023 and 2022, the amounts owed by related parties are not impaired.

Compensation and benefits to key management personnel

	31 December 2023	31 December 2022
Salaries and short-term benefits	**8,958,733**	7,598,583
End-of-service benefits	**458,477**	407,861
Share based payment	**9,501,227**	5,588,741
Total compensation and benefits to key management personnel	**18,918,437**	13,595,185

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20- ZAKAT

a) Zakat status

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 following companies, Joint Preparation Company for Meals, BLU Store Company, Marn Business Information Technology Company and SOL Company for Trading.

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The Group submitted it's Zakat returns for all the years up to the year ended 31 December 2022 to the Zakat, Tax and Customs Authority ("ZATCA"), and obtained a valid Zakat certificate up to 21 Shawwal 1445H (corresponding to 30 April 2024).

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

	For the year ended 31 December	
	2023	2022
Adjusted net income	**278,931,532**	86,428,698
Add:		
Share capital	**104,918,030**	96,000,000
Statutory Reserve	**18,420,724**	--
Capital increase	--	8,795,865
Share Premium	**740,175,505**	730,036,114
Employees' shares reserve	**11,896,912**	12,523,023
Treasury shares	**(1,920,000)**	--
Retained earnings	**131,634,562**	78,744,619
Non-controlling interests	--	1,048,659
Lease liabilities	**79,741,802**	129,001,911
End of service provision	**11,020,623**	10,286,494
Proceeds due to customers	--	118,800,899
Accrued expenses and other liabilities	**2,393,708**	--
Less:		
Property and equipment	**19,356,876**	40,355,671
Intangible assets	**10,605,571**	5,724,786
Right-of-use assets	**80,713,077**	133,504,503
Investments at FVTPL	**124,783,985**	10,650,000
Total	**862,822,357**	995,002,624
Zakat base	**1,168,564,753**	1,112,349,483
Zakat expense	**29,214,119**	27,808,737
Zakat (excess)/adjustments for prior years	**(2,148,489)**	495,705
Total Zakat expense	**27,065,630**	28,304,442

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20- ZAKAT (CONTINUE)

b) Zakat provision

Movement in Zakat provision is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	**27,808,737**	**4,491,618**
Provided for the year	**29,214,119**	**28,304,442**
Additions from acquisitions	**(319)**	--
Payments made during the year	**(25,611,850)**	**(4,987,323)**
Zakat excess for prior years	**(2,148,170)**	--
Balance at the end of the year	**29,262,517**	**27,808,737**

21- REVENUE

	For the year ended 31 December	
	2023	2022
Revenue from delivery fees	**1,043,998,059**	989,576,203
Revenue from commissions	**689,407,989**	534,226,310
Revenue from e-payment fees	**84,815,606**	72,522,725
Advertising and marketing revenue	**74,851,414**	70,026,807
Other revenue	**26,691,663**	5,319,450
Gross revenue	**1,919,764,731**	1,671,671,495
Customers' compensations	**(72,442,241)**	(41,775,506)
Promotional compensations	**(33,185,544)**	(25,493,258)
Cash back	**(29,381,663)**	(1,925,892)
Net revenue	**1,784,755,283**	1,602,476,839

21.2 Timing of revenue recognition

	For the year ended 31 December	
	2023	2022
Services delivered at a point in time	**1,683,212,206**	1,527,130,582
Services delivered over time	**101,543,077**	75,346,257
	1,784,755,283	1,602,476,839

22- COST OF REVENUE

	For the year ended 31 December	
	2023	2022
Cost of delivery - Delivery companies and freelancers	**970,928,288**	1,004,337,340
Network servers	**22,237,785**	13,928,536
Salaries, wages and employees' benefits	**207,553,697**	102,022,856
Consumables	**5,244,146**	6,076,114
Delivery platform	**30,055,037**	25,507,957
Depreciation and amortization	**36,268,057**	16,749,797
Platform services	**61,111,315**	41,919,011
Cost of goods sold	**6,774,177**	--
Other Drivers related Cost	**11,150,327**	--
Other	**27,554,931**	32,755,391
	1,378,877,760	1,243,297,002

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23- MARKETING & ADVERTISING EXPENSES

	For the year ended 31 December	
	2023	2022
Advertising and publicity	**115,872,593**	112,916,978
Salaries, wages and employees' benefits	**34,095,864**	18,460,588
	149,968,457	131,377,566

24- GENERAL AND ADMINISTRATIVE EXPENSES

	For the year ended 31 December	
	2023	2022
Salaries, wages and employees' benefits	**38,701,862**	21,208,661
Depreciation and amortization	**13,221,362**	6,779,484
Other expenses related to drivers *	**--**	79,528,187
Professional fees	**18,033,218**	10,143,563
Missions, maintenance and operation	**10,645,539**	6,962,978
Other	**25,592,625**	11,826,689
	106,194,606	136,449,562

* Other expenses related to drivers includes an amount of SR 62,687,871 in 2022 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. and it includes other governmental charges with a total of SR 16,840,316 represent the losses incurred by the Company for terminating the services of drivers, no such expenses incurred in 2023.

25- REASERCH AND DEVELOPMENTS

	For the year ended 31 December	
	2023	2022
Salaries, wages and employees' benefits	**37,315,471**	23,252,805
External resources	**4,551,270**	10,531,264
	41,866,741	33,784,069

26- 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") – The Chairman of Board of Directors- and used to allocate resources to the segments and to assess their performance.

The activities of the Company for which financial reports are prepared according to IFRS 8 are listed below:

a) Delivery platforms activity inside the Kingdom: this activity is to provide services of delivering food and other goods via electronic platforms inside the Kingdom.
b) Delivery platforms activity outside the Kingdom: this activity is to provide services of delivering food and other goods via electronic platforms through the two subsidiaries; Jahez Company in the Kingdom of Bahrain and Jahez Company in Kuwait.
c) Logistics services activity: it includes the logistics support operations and directing goods transporting vehicles.
d) Other activities such as Cloud kitchens and other software services.

The CODM used to receive the other operating information in an accumulated basis and they are the same 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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26- SEGMENTS INFORMATION (CONTINUED)

31 December 2023	Delivery Platforms Segment		Logistics activity	Other activities		Exclusions / amendments	Total
	Inside the Kingdom	Outside the Kingdom	Inside the Kingdom	Inside the Kingdom	Outside the Kingdom		
	SR	SR	SR	SR	SR	SR	SR
External Revenue	1,828,171,093	72,366,596	9,460,284	9,766,757	--	--	1,919,764,730
Inter-segment revenue	--	--	394,666,108	4,861,631	--	(399,527,739)	--
Customer promotions and cash back	(111,107,556)	(11,072,032)	--	(8,041)	--	--	(122,187,629)
Other deductions	--	(12,821,818)	--	--	--	--	(12,821,818)
Net revenue	**1,717,063,537**	**48,472,746**	**404,126,392**	**14,620,347**	**--**	(399,527,739)	**1,784,755,283**
Direct costs	(1,254,239,577)	(108,729,284)	(363,535,370)	(22,710,285)	--	399,527,739	(1,349,686,777)
Impairment loss on trade receivables	(1,022,887)	--	(4,077,784)	--	--	--	(5,100,671)
Expenses	(205,558,815)	(35,749,375)	(16,831,219)	(19,591,959)	--	--	(277,731,368)
Depreciation and amortization	(17,615,492)	(1,251,652)	(21,383,189)	(9,239,086)	--	--	(49,489,419)
Other income/(expenses)	47,384,339	87,608	(17,404)	1,018,592	--	--	48,473,135
Finance costs	(400,582)	(17,799)	(4,271,781)	(766,782)	--	--	(5,456,944)
Zakat	(27,065,630)	--	--	--	--	--	(27,065,630)
Net segment profit	**258,544,893**	**(97,187,756)**	**(5,990,355)**	**(36,669,173)**	--	**--**	**118,697,609**
Total assets	**1,521,212,523**	**33,520,937**	**115,069,750**	**181,859,060**	--	**(200,866,430)**	**1,650,795,840**
Total liabilities	**400,674,431**	**143,411,289**	**248,012,393**	**198,951,366**	--	**(485,732,583)**	**505,316,896**

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26- SEGMENTS INFORMATION (CONTINUED)

31 December 2022	Delivery Platforms Segment		Logistics activity	Other activities	Exclusions / amendments	Total
	Inside the Kingdom	Outside the Kingdom	Inside the Kingdom	Inside the Kingdom		
	SR	SR	SR	SR	SR	SR
External Revenue	1,662,716,676	4,129,136	--	5,166,573	--	1,672,012,385
Inter-segment revenue	--	--	310,371,872	--	(310,371,872)	--
Customer promotions and cash back	(69,194,656)	(340,890)	--	--	--	(69,535,546)
Other deductions	--	--	--	--	--	--
Net Revenue	**1,593,522,020**	**3,788,246**	**310,371,872**	**5,166,573**	**(310,371,872)**	**1,602,476,839**
Direct costs	(1,196,633,074)	(12,545,315)	(336,602,367)	(5,467,980)	313,608,484	(1,237,640,252)
Impairment loss on trade receivables	3,757,461	--	--	--	--	3,757,461
Expenses	(195,255,027)	(4,869,508)	(3,008,776)	(1,077,266)	--	(204,210,577)
Other cost	--	--	(79,528,187)	--	--	(79,528,187)
Depreciation and amortization	(6,818,670)	(118,083)	(13,348,221)	(3,244,209)	--	(23,529,183)
Other income/(expenses)	24,253,198	--	635,217	1,769,173	--	26,657,588
Finance costs	(376,589)	--	(2,391,059)	(388,312)	--	(3,155,960)
Zakat	(28,304,442)	--	--	--	--	(28,304,442)
Net segment profit	194,144,877	(13,744,660)	(123,871,521)	(3,242,021)	3,236,612	56,523,287
Total assets	**1,296,681,041**	**7,114,300**	**136,544,144**	**66,842,974**	**(96,297,299)**	**1,410,885,160**
Total liabilities	**309,367,019**	**20,421,730**	**264,028,273**	**59,276,198**	**(246,173,735)**	**406,919,485**

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
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For the year ended 31 December 2023
(Saudi Riyal)

27- 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, due from related parties and Deposits with financial institutions.

	31 December 2023	31 December 2022
Trade receivables	**36,425,399**	22,776,390
Cash and cash equivalents	**1,109,059,521**	902,685,742
Deposits with financial institutions	**107,564,031**	200,000,000
	1,253,048,951	1,125,462,132

(Saudi Riyal)

27- FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk on receivable and bank balances is limited as:
- Cash and cash equivalents, Deposits with financial institutions are held with banks with sound credit ratings ranging from BBB- and above.
- The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP, unemployment rate, inflation rate and interest rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusted the historical loss rates based on expected changes in these factors.

- Financial position of related parties is stable.

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis.

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

	31 December 2023			31 December 2022		
	Balance	**Rate**	**Impairment**	Balance	Rate	Impairment
1 to 90 days	25,457,605	7%	1,699,306	16,146,070	1%	119,620
91 to 180 days	2,495,235	22%	548,956	2,815,984	12%	326,845
181 to 270 days	2,320,926	40%	930,524	4,205,223	1%	59,298
271 to 361 days	2,564,578	52%	1,330,143	58,577	311%	182,111
More than 361 days	3,258,498	48%	1,550,922	562,586	61%	341,306
Total	**36,096,842**	**17%**	**6,059,851**	23,788,440	4%	1,029,180

Definition of default is 90 days anything above is considered as uncollectable.

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.

Jahez International Company for Information Systems Technology
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27- FINANCIAL INSTRUMENTS (CONTINUED)

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

31 December 2023	Less than 1 year	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount
Proceeds due to customers	161,549,641	--	--	161,549,641	161,549,641
Lease liabilities	33,100,000	61,877,548	1,124,369	96,101,917	95,973,062
Trade payables	83,573,373	--	--	83,573,373	83,573,373
Accrued expenses and other current liabilities	105,016,481	--	--	105,016,481	105,016,481
	383,239,495	61,877,548	1,124,369	446,241,412	446,112,557

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	52,161,285	--	--	52,161,285	52,161,285
Accrued expenses and other current liabilities	68,257,264	--	--	68,257,264	68,257,264
	271,387,568	95,105,639	1,728,152	368,221,359	368,221,359

28- 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.

	For the year ended 31 December	
	2023	2022
Net profit	**125,336,967**	58,977,006
Weighted average number of shares*	**205,996,060**	205,803,800
Basic earnings per share	**0.61**	0.29
Diluted earnings per share	**0.61**	0.29

* On 13 Jumada al-Ula 1445 AH (corresponding to November 27, 2023), the extraordinary general assembly approved to split the book value of the group's shares from 10 riyals per share to 50 halala per share. The transaction was treated retroactively.

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28- BASIC AND DILUTED EARNINGS PER SHARE (CONTINUE)

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

a) Ordinary shares

	31 December 2023	31 December 2022
Ordinary shares at the beginning of the period	**209,836,060**	192,000,000
Treasury shares	**(3,840,000)**	--
Outstanding shares at the beginning of the period	**205,996,060**	192,000,000

	31 December 2023	31 December 2022
Outstanding shares at the beginning of the period	**205,996,060**	192,000,000
Weighted average of shares issued during the period	**--**	17,591,060
Weighted average of shares repurchased during the period	**--**	(3,787,260)
Weighted average of shares numbers at the end of the period	**205,996,060**	205,803,800

b) Diluted shares

	31 December 2023	31 December 2022
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share at the end of the period.	**205,996,060**	205,803,800
Affect of share options	**631,497**	210,080
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share.	**206,627,557**	206,013,880

29- 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 debt-to-equity ratio. the Board of Directors also monitors the level of dividends. There were no changes in the Group's approach to capital management during the year. The Group does not subject to externally imposed capital requirements. The Group's debt to equity ratio at the end of the reporting period was as follows:

	31 December 2023	31 December 2022
Total liabilities	**505,316,896**	406,919,485
Less: cash and cash equivalents	**(1,109,059,521)**	(902,685,742)
Net debt	**(603,742,625)**	(495,766,257)
Total equity	**1,145,478,944**	1,003,965,674
Net debt to equity ratio	**(53%)**	(49%)

(Saudi Riyal)

30- FAIR VALUE MEASUREMENT

The following table shows the carrying amount and fair value of the financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

	31 December 2023						
	Carrying amount			Fair value			
	Amortized cost	Other financial assets and liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Trade receivables	36,425,399	--	36,425,399	--	--	--	--
Cash and cash equivalents	1,109,059,521	--	1,109,059,521	--	--	--	--
Deposits with financial institutions	107,564,031	--	107,564,031	--	--	--	--
Investments at FVTPL	--	84,096,616	84,096,616	--	--	84,096,616	84,096,616
	1,253,048,951	84,096,616	1,337,145,567	--	--	84,096,616	84,096,616
Financial liabilities							
Proceeds due to customers	161,549,641	--	161,549,641	--	--	--	--
Accrued expenses and other current liabilities	105,016,481	--	105,016,481	--	--	--	--
Trade payables	83,573,373	--	83,573,373	--	--	--	--
Lease liabilities	95,973,062	--	95,973,062	--	--	--	--
	446,112,557	--	446,112,557	--	--	--	--

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(Saudi Riyal)

30- FAIR-VALUE MEASUREMENT (CONTINUED)

	31 December 2022						
	Carrying amount			Fair value			
	Amortized cost	Other financial assets and liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets				--	--	--	--
Trade receivables	22,776,390	--	22,776,390	--	--	--	--
Cash and cash equivalents	902,685,742	--	902,685,742	--	--	--	--
Deposits with financial institutions	200,000,000	--	200,000,000	--	--	--	--
Investments at FVTPL	--	22,728,737	22,728,737	--	--	22,728,737	22,728,737
	1,125,462,132	**22,728,737**	**1,148,190,869**	**--**	**--**	**22,728,737**	**22,728,737**
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	52,161,285	--	52,161,285	--	--	--	--
Lease liabilities	129,001,911	--	129,001,911	--	--	--	--
	368,221,359	**--**	**368,221,359**	**--**	**--**	**--**	**--**

(Saudi Riyal)

31- CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group does not have any capital commitments as at 31 December 2023 (31 December 2022: Nil).

The Group has contingent contractual commitments represent commitments to receive advertising services, mainly with Al Hilal Saudi Club for a period of five sports seasons ending in 2026, with a value of SR 56,1 million as at 31 December 2023 (31 December 2022: SR 37,8 million). In addition, the contract included the payment of additional amounts in the event that the first team of Al Hilal Club wins in a season or certain tournaments, with a maximum amount of SR 3.5 million per year.

The Group has contingent contractual commitments represent commitments to receive advertising services ending in 2023 amounting to SR 24,4 million as at 31 December 2023 (31 December 2022: SR 4,5 million).

The Group has also contingent contractual commitments represent commitments to receive employment and other services ending in 2024 amounting to 9,2 SR million as at 31 December 2023, (31 December 2022: SR 1.3 million).

32- BUSINESS COMBINATION

32.a Marn Business Information Technology Company Acquisition

On 2 January 2023, the Group completed the process and legal formalities of the acquisition of the entire shares of Marn Business Information Technology Company ("Marn") (A limited liability company) for cash consideration of SAR 60 million. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the "Standard"). As required by the standard, the Group has accounted for the acquisition based on fair values of the acquired assets and assumed liabilities as at the acquisition date and has completed the Purchase Price Allocation accounting.

The following table summarizes the recognized amounts at fair value of assets acquired and liabilities assumed at the date of acquisition.

Assets	**2 January 2023**
Property and equipment	154,199
Intangible assets	1,384,765
Prepayments and other receivables	85,032
Due to related parties	108,448
Inventory	54,709
Right-of-use assets	100,293
Cash and cash equivalents	306,915
Total assets	**2,194,361**
Liabilities	
Employees' benefits	736,315
Short-term loans	1,123,720
Lease liabilities	70,000
Accrued expenses and other payables	2,618,263
Total liabilities	**4,548,298**
Identifiable net liability at acquisition date	**(2,353,937)**

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
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For the year ended 31 December 2023
(Saudi Riyal)

32- BUSINESS COMBINATION (CONTINUED)

32.a Marn Business Information Technology Company Acquisition (Continued)

Result of the acquisition	
Consideration transferred - Cash	60,000,000
Identifiable net liability	2,353,937
Goodwill	62,353,937

Analysis of Cashflows on Acquisition Date	
Net cash acquired with the subsidiary	306,915
Cash paid as consideration	(60,000,000)
Net Cashflow on acquisition	(59,693,085)

Summary of Revenue and Loss:	**Revenue**	**Loss**
From the beginning of the period	6,924,846	(14,764,740)
From the acquisition date	1,086,884	(1,418,145)

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

Gross Carrying Amount	
At 1 January 2023	--
At Acquisition date of 2 January 2023	62,353,937
At 31 December 2023	62,353,937
Accumulated Impairment	
At 1 January 2023	--
Impairment losses recognized during the period	--
At 31 December 2023	--

32.b SOL Company for Trading Acquisition

On 26 December 2023, the Group completed the process and legal formalities of the acquisition of 35% of the shares of SOL Company for Trading (limited liability company) for cash consideration of SAR 5 Million. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the "Standard"). As required by the Standard, the Group is currently in the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities acquired. The Group has, however, accounted for the acquisition based on provisional fair values of the acquired assets and assumed liabilities as at the acquisition date. Adjustment to the provisional values will be finalized within twelve months of the date of acquisition as allowed by the Standard.

(Saudi Riyal)

32- BUSINESS COMBINATION (CONTINUED)

32.b SOL Company for Trading Acquisition (Continued)

The following table summarizes the recognized amounts at provisional fair value of assets acquired and liabilities assumed at the date of acquisition.

Assets	**26 December 2023**
Property and equipment	91,406
Intangible assets	47,950
Right-of-use assets	993,004
Inventory	303,028
Prepayments and other current assets	481,316
Accounts receivables	9,271,626
Cash and cash equivalents	1,114
Total assets	**11,189,444**
Liabilities	
Employees' benefits	175,609
Lease liabilities	803,897
Short term loan	2,700,019
Account payable	9,363,362
Accrued expenses and other payables	546,023
Zakat	318
Total liabilities	**13,589,228**
Identifiable net liability at acquisition date*	**(2,399,784)**
Result of the acquisition	
Consideration transferred - cash	5,000,000
Identifiable net liability	(2,399,784)
Provisional goodwill**	
Consideration transferred - cash	5,000,000
Group share in additional paid in capital	1,750,000
Non controlling interest share in additional paid in capital	3,250,000
The group share of Identifiable net liability	839,925
Provisional goodwill recognized	**4,089,925**
Non controlling interest reconciliation	
Consideration transferred - cash	5,000,000
Non-controlling interest share in additional paid in capital	3,250,000
Non-controlling interest share of Identifiable net liability	(1,559,860)
Net change in non-controlling interest	**1,690,140**

The consideration transferred is the consideration of acquiring a share representing 35% of the paid-in capital at the acquisition date, and then increasing the capital of the subsidiary to become SR 5.1 million, of which the Group's share is SR 1.7 million, representing 35% of the total paid-up and additional capital.

33- SIGNIFICANT EVENTS

On 13 Jumada al-Ula 1445 AH (corresponding to 27 November 2023), the extraordinary general assembly approved the shares buy-back with a maximum of (5,875,400) shares, to retain them as treasury shares, as the Board of Directors considers that the share price on the market is lower than its fair value, and the purchase of these shares will be financed through the company internal resources or bank facilities, and authorized the Board of Directors to execute the purchase within a maximum period of (12) months of the Extraordinary General Assembly's decision. The Company may retain the treasury shares for a maximum period of (24) months from the date of the Extraordinary General Assembly decision, and after the expiry of this period, the Company will follow the procedures and policies stipulated in the relevant laws and regulations. The Company did not yet proceed with the shares buy back till the date of issuance of the financial statements.

34- SUBSEQUENT EVENTS

On 18 Rajab 1445H (corresponding to 30 January 2024), The Company participated in the Series B Preferred Shares of Grub Tech Limited, limited liability company incorporated in Virgin Islands with total investment of 7,500,000 USD (equivalent to SAR 28,125,000) based on recommendation of the Investment Committee dated on the 30th of January 2024.

On 26 Sha'ban 1445H (corresponding to 7 March 2024), The Company participated in the Series B Preferred Shares of Global Fintech Company, limited liability company incorporated in Virgin Islands with total investment of 20,000,000 USD (equivalent to SAR 75,000,000) based on the recommendation of the Investment Committee dated on the 20th of February 2024 and board of directors' decision dated 3 March 2023.

35- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors for issuance on 10 Ramadan 1445H (Corresponding to 20 March 2024).

JAHEZ INTERNATIONAL COMPANY
FOR INFORMATION SYSTEMS TECHNOLOGY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (Unaudited)
For the three-month and six-month periods ended at 30 June 2024
Together with
THE INDEPENDENT AUDITOR'S REPORT ON REVIEW OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JAHEZ INTERNATIONAL COMPANY FOR INFORMATION SYSTEMS TECHNOLOGY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three-month and six-month periods ended 30 June 2024

KPMG

KPMG Professional Services
Roshn Front, Airport Road
P. O. Box 92876
Riyadh 11663
Kingdom of Saudi Arabia
Commercial Registration No. 10104245494

Headquarters in Riyadh

كي بي إم جي للاستشارات المهنية
واجهة روشن، طريق المطار
صندوق بريد ٩٢٨٧٦
الرياض ١١٦٦٣
المملكة العربية السعودية
سجل تجاري رقم ١٠١٠٤٢٤٥٤٩٤

المركز الرئيسي في الرياض

Independent auditor's report on review of condensed consolidated interim financial statements

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

Introduction

We have reviewed the accompanying 30 June 2024 condensed consolidated interim financial statements of **Jahez International Company for Information Systems Technology** (the "Company") and its subsidiaries (the "Group") which comprises:

- the condensed consolidated statement of financial position as at 30 June 2024 ;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024 ;
- the condensed consolidated statement of changes in equity for the three-month period ended 30 June 2024 ;
- the condensed consolidated statement of cash flows for the three-month period ended 30 June 2024 ; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed consolidated interim financial statements of **Jahez International Company for Information Systems Technology** (the "Company") and its subsidiaries (the "Group") are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

For KPMG Professional Services

Fahad Mubark Al Dossari
License No: 469

Riyadh, 14 August 2024
Corresponding to: 10 Safar 1446H

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Condensed Consolidated Statement of Financial Position
As at 30 June 2024
(Saudi Riyal)

	Note	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Non-current assets			
Property and equipment	5	**201,649,065**	53,839,230
Intangible assets and goodwill		**88,969,844**	81,002,357
Right-of-use assets		**82,987,287**	96,914,858
Investments at fair value through profit or loss		**99,717,104**	84,096,616
Equity accounted investments	6	**75,612,808**	--
Total non-current assets		**548,936,108**	**315,853,061**
Current assets			
Inventory		**9,625,953**	9,819,248
Trade receivables	7	**60,399,864**	36,425,399
Prepaid expenses and other receivables		**69,072,790**	72,074,580
Deposits with financial institutions	8	**106,684,143**	107,564,031
Cash and cash equivalents	9	**819,164,849**	1,109,059,521
Total current assets		**1,064,947,599**	**1,334,942,779**
Total assets		**1,613,883,707**	**1,650,795,840**
Equity and Liabilities			
Shareholders' Equity			
Share capital	10	**104,918,030**	104,918,030
Statutory reserve		**18,420,724**	18,420,724
Share premium		**740,175,504**	740,175,504
Treasury shares	11	**(43,913,829)**	(1,920,000)
Employees' shares reserve	12	**23,230,651**	31,381,389
Retained earnings		**293,350,896**	258,542,572
Equity attributable to shareholders of the Parent Company		**1,136,181,976**	**1,151,518,219**
Non-controlling interests		**1,213,189**	(6,039,275)
Total equity		**1,137,395,165**	**1,145,478,944**
Liabilities			
Non-current liabilities			
Non-current portion of lease liabilities		**57,501,088**	63,001,917
Employees' benefits obligations		**21,616,681**	17,255,681
Total non-current liabilities		**79,117,769**	**80,257,598**
Current liabilities			
Proceeds due to customers		**181,176,159**	161,549,641
Current portion of lease liabilities		**27,606,127**	32,971,145
Trade payables		**64,160,410**	83,573,373
Accrued expenses and other current liabilities		**111,183,556**	115,785,723
Short-term loans		**344,521**	1,916,899
Zakat provision		**12,900,000**	29,262,517
Total current liabilities		**397,370,773**	**425,059,298**
Total liabilities		**476,488,542**	**505,316,896**
Total shareholders' equity and liabilities		**1,613,883,707**	**1,650,795,840**

The accompanying notes (1) to (23) from an integral part of these interim condensed consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud	Ghassab Bin Salman Bin Mandeel	Heni A. Jallouli
Chairman	CEO	CFO

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Condensed consolidated statement of profit or loss and other comprehensive income
(Unaudited)
For the three-month and six-month periods ended 30 June 2024
(Saudi Riyal)

	Note	(Unaudited) For the three-month period ended 30 June 2024	2023	(Unaudited) For the six-month period ended 30 June 2024	2023
Revenue	14	**540,962,580**	421,035,113	**1,021,894,232**	835,615,593
Cost of revenue	15	**(419,683,827)**	(317,983,334)	**(804,976,568)**	(650,902,377)
Gross profit		**121,278,753**	103,051,779	**216,917,664**	184,713,216
Impairment loss on trade receivables		**(6,325,770)**	(216,895)	**(9,110,862)**	(332,088)
Marketing & advertising expenses	16	**(44,439,761)**	(32,981,576)	**(89,274,313)**	(75,516,840)
General and administrative expenses	17	**(31,165,843)**	(19,841,626)	**(61,171,431)**	(42,351,837)
Research and development expenses		**(12,223,740)**	(10,699,293)	**(25,064,220)**	(24,266,081)
Other income		**194,771**	106,702	**221,629**	219,270
Operating profit		**27,318,410**	39,419,091	**32,518,467**	42,465,640
Unrealized profits/ (losses) on investments		**392,237**	3,261,819	**(2,501,555)**	8,183,578
Finance costs		**(1,224,509)**	(1,455,592)	**(2,357,027)**	(2,991,373)
Finance income		**11,293,795**	11,249,111	**25,847,404**	21,541,757
Net profit for the period before Zakat		**37,779,933**	52,474,429	**53,507,289**	69,199,602
Zakat		**(6,450,000)**	(4,809,072)	**(10,476,493)**	(11,090,732)
Net profit for the period		**31,329,933**	47,665,357	**43,030,796**	58,108,870
Net profit for the period attributable to:					
Shareholders of the parent company		**30,244,298**	50,356,544	**42,692,632**	62,695,711
Non-controlling interests		**1,085,635**	(2,691,187)	**338,164**	(4,586,841)
		31,329,933	47,665,357	**43,030,796**	58,108,870
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Re-measurement of employees' benefits obligations		--	--	--	--
Total other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		**31,329,933**	47,665,357	**43,030,796**	**58,108,870**
Total comprehensive income for the period attributable to:					
Shareholders of the parent company		**30,244,298**	50,356,544	**42,692,632**	62,695,711
Non-controlling interests		**1,085,635**	(2,691,187)	**338,164**	(4,586,841)
		31,329,933	47,665,357	**43,030,796**	58,108,870
Earnings per share attributable to shareholders of the Company:					
Basic earnings per share	18	**0.15**	0.24	**0.21**	0.30
Diluted earnings per share	18	**0.15**	0.24	**0.21**	0.30

The accompanying notes from1 to 23 form an integral part of these interim condensed consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud
Chairman

Ghassab Bin Salman Bin Mandeel
CEO

Hani A. Jallouli
CFO

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Condensed consolidated statement of changes in equity
For the six-month period ended 30 June 2024
(Saudi Riyal)

	Equity attributable to the Parent Company's shareholders								
	Share Capital	Statutory reserve	Share premium	Treasury shares	Employees' shares reserve	Retained earnings	Total	Non-controlling interests	Total
Balance as at 1 January 2023 (audited)	**104,918,030**	**18,420,724**	**740,175,504**	**(1,920,000)**	**11,896,912**	**131,634,562**	**1,005,125,732**	**(1,160,057)**	**1,003,965,675**
Net profit for the period	--	--	--	--	--	62,695,711	62,695,711	(4,586,841)	58,108,870
Other comprehensive income for the period	--	--	--	--	--	--	--	--	--
Total comprehensive income for the period	--	--	--	--	--	62,695,711	62,695,711	(4,586,841)	58,108,870
Employees' shares reserve (note 12)	--	--	--	--	8,027,447	--	8,027,447	--	8,027,447
Balance as at 30 June 2023 (unaudited)	**104,918,030**	**18,420,724**	**740,175,504**	**(1,920,000)**	**19,924,359**	**194,330,273**	**1,075,848,890**	**(5,746,898)**	**1,070,101,992**
Balance as at 1 January 2024 (Audited)	**104,918,030**	**18,420,724**	**740,175,504**	**(1,920,000)**	**31,381,389**	**258,542,572**	**1,151,518,219**	**(6,039,275)**	**1,145,478,944**
Net profit for the period	--	--	--	--	--	**42,692,632**	**42,692,632**	**338,164**	**43,030,796**
Other comprehensive income for the period	--	--	--	--	--	--	--	--	--
Total comprehensive income for the period	--	--	--	--	--	**42,692,632**	**42,692,632**	**338,164**	**43,030,796**
Treasury shares	--	--	--	**(41,993,829)**	--	--	**(41,993,829)**	--	**(41,993,829)**
Changes in non-controlling interests	--	--	--	--	--	**(14,502,698)**	**(14,502,698)**	**6,914,300**	**(7,588,398)**
Share-based payments transactions (note 12)	--	--	--	--	**(8,150,738)**	**6,618,390**	**(1,532,348)**	--	**(1,532,348)**
Balance as at 30 June 2024 (Unaudited)	**104,918,030**	**18,420,724**	**740,175,504**	**(43,913,829)**	**23,230,651**	**293,350,896**	**1,136,181,976**	**1,213,189**	**1,137,395,165**

The accompanying notes from 1 through 23 form an integral part of these interim condensed consolidated financial statements.

HRH Mishaal Bin Sultan Bin Abdulaziz Al Saud	**Ghassab Bin Salman Bin Mandeel**	**Heni A. Jallouli**
Chairman	**CEO**	**CFO**

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Condensed Consolidated Statement of Cash Flows
(Unaudited)
For the six-month period ended 30 June 2024
(Saudi Riyal)

	Note	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Cash flows generated from operating activities:			
Net profit for the period before Zakat		**53,507,289**	69,199,602
Adjustments to reconcile net profit for the period before Zakat to cash flows generated from operating activities:			
Impairment loss on trade receivables	7	**9,110,862**	332,088
Depreciation and amortization		**23,979,886**	27,504,648
Employees' benefits		**4,669,055**	2,982,625
Finance costs		**2,353,577**	3,013,194
Unrealized losses/ (gains) on investments at FVTPL		**2,501,555**	(8,183,578)
Gains from equity-accounted investments		**(392.237)**	--
Employees' shares expenses	12	**4,282,052**	8,027,447
Return on short-term deposits	8	**(25,847,404)**	(21,541,757)
Losses from property and equipment		**5,188,190**	--
Losses from right-of-use of assets		**22,946**	--
Changes in operating assets and liabilities:			
Inventory		**193,295**	(1,597,505)
Trade receivables	7	**(27,990,230)**	(4,518,617)
Prepaid expenses and other receivables		**3,001,790**	(13,210,024)
Due from related parties	13	**(5,095,097)**	(59,299)
Proceeds due to customers		**19,626,518**	10,521,690
Trade payables		**(18,397,785)**	182,672
Accrued expenses and other current liabilities		**(7,505,271)**	2,958,519
Due to related parties	13	**(1,015,178)**	(431,565)
Employees' benefits paid		**(308,055)**	(100,344)
Zakat paid		**(26,839,010)**	(25,612,169)
Employees' shares paid		**(5,814,400)**	--
Net cash flows generated from operating activities		**9,232,348**	**49,467,627**
Cash flows from investing activities			
Payments for purchase of property and equipment		**(158,053,820)**	(12,065,737)
Payments to purchase and develop intangible assets		**(10,753,105)**	(6,022,523)
Purchase of investments at fair value through profit or loss		**(18,122,043)**	(1,325,220)
Addition of deposits with other financial institutions, net		**879,888**	--
Purchase of equity-accounted investments		**(75,220,571)**	--
Proceeds from returns on deposits with financial institutions		**25,847,404**	21,541,757
Net payments for acquisition of subsidiaries		**(4,685,294)**	(59,693,085)
Reversal of deposits with financial institutions		--	50,000,000
Net cash flows used in investing activities		**(240,107,541)**	**(7,564,808)**
Cash flows from financing activities			
Repayment of lease liabilities		**(15,453,272)**	(17,936,430)
Treasury shares	11	**(41,993,829)**	--
Repayments of short-term loans		**(1,572,378)**	(1,123,720)
Net cash flows used in financing activities		**(59,019,479)**	**(19,060,150)**
Net change in cash and cash equivalents		**(289,894,672)**	**22,842,669**
Cash and cash equivalents as at the beginning of the period		**1,109,059,521**	902,685,742
Cash and cash equivalents as at the end of the period		**819,164,849**	**925,528,411**

<u>Non-cash transactions</u>

Disposals of right-of-use assets		15,251,196	5,630,469
Additions to right-of-use assets		17,462,098	5,519,281

The accompanying notes 1 to 23 from an integral part of these interim condensed consolidated financial statements.

الأستاذ / هاني عبد الحكيم الجلولي
الرئيس التنفيذي للشؤون المالية

الأستاذ / غصاب بن سلمان المنديل
الرئيس التنفيذي

صاحب السمو الملكي الأمير مشعل
بن سلطان بن عبدالعزيز آل سعود
رئيس مجلس الادارة

(Saudi Riyal)

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 6 Muharram 1439H (corresponding to 26 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.
P. O. Box 2065, Riyadh 12444- 18594
Kingdom of Saudi Arabia

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

Branch's name and location	C.R. No	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' al-Awal 1442H
Jahez International Company for Information Systems Technology - Hafr Al Batin Branch	2511120829	30 Shaaban 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' Al Thani 1442H
Jahez International Company for Information Systems Technology - Tabouk Branch	3550135159	29 Rabi' Al Awal 1442H
Jahez International Company for Information Systems Technology - Jeddah Branch	4030323208	6 Jumada II 1440H
Jahez International Company for Information Systems Technology - Makkah Al Mukaramah Branch	4031249230	30 Shaaban 1442H
Jahez International Company for Information Systems Technology - Al Taif Branch	4032245135	10 Rabi' al-Awal 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' Al Awal 1442
Jahez International Company for Information Systems Technology - Al Baha Branch	5800106200	9 Jumada I 1442H

(Saudi Riyal)

1. ORGANIZATION AND ACTIVITIES (CONTINUED)

Branch's name and location	C.R. No	Date
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 Shaaban 1442H
Jahez International Company for Information Systems Technology - Jezan Branch	5900127812	30 Shaaban 1442H
Jahez International Company for Information Systems Technology - Najran Branch	5950123043	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Al-Qunfudhah Branch	5900127812	22 Safar 1444H

On 27 October 2020, the shareholders decided to change the legal status of the Company and its branches from a limited liability company to a Saudi closed joint stock company including its rights and obligations, as well as increasing its share capital to SR 5 million by transferring SR 4 million from shareholders' accounts payable of the Company to the share capital account. The Company shall keep the same name as well as the number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire share capital amounting to 500,000 shares with a nominal value of SR 10 each.

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 SR 96 million (divided into 192 million shares) to SR 104 million (divided into 208 million shares) through issuing 17,8 million shares at a nominal per value of SR 8,9 million. (note 10).

The accompanying condensed consolidated interim financial statements include the financial statements of Jahez International Company for Information Systems Technology and its subsidiaries (collectively referred to as the "Group"), as follows:

			% of shareholding	
	Legal Status	Country of Incorporation	30 June 2024	31 December 2023
Joint Preparation Company for Meals	Limited Liability Company	Kingdom of Saudi Arabia	**100%**	60%
PIK Options Trading Company	Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	**100%**	100%
The Red Color Company	Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	**100%**	100%
Supportive Solutions Company for Logistic Services	Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	**100%**	100%
Jahez International Company W.L.L	Limited Liability Company	Kingdom of Bahrain	**100%**	100%
Jahez International Company for Wholesales and Retail Trading	Single Shareholder Limited Liability Company	Kuwait	**100%**	100%
BLU Store Company	Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	**51%**	51%

(Saudi Riyal)

1. ORGANIZATION AND ACTIVITIES (CONTINUED)

			% of shareholding	
	Legal Status	Country of Incorporation	30 June 2024	31 December 2023
Marn Business Information Technology Company	Limited Liability Company	Kingdom of Saudi Arabia	**100%**	100%
Jahez for Information Technology Company	Limited Liability Company	Egypt	**100%**	100%
Jahez International Company for Information Systems Technology	Limited Liability Company	Qatar	**100%**	100%
Sol Company for Trading	Limited Liability Company	Kingdom of Saudi Arabia	**35%**	35%

Equity method investments

	Legal Status	Country of Incorporation	30 June 2024	31 December 2023
Global Fintech Company	Limited Liability company	British virgin island	**20.62%**	--

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 million where the cost of the acquisition amounted to SAR 2,4 million. On 19 Muharram 1442H (corresponding to 7 September 2020), The Company's Articles of Association and shareholding pattern have been amended to reflect the impact of the acquisition. The principal activity of the Company is food services.

On 9 Rajab 1444H (corresponding to 31 January 2023), a purchase agreement was signed for acquiring the full shares of the owner of the Joint Preparation Company for Meals through purchasing shares to acquire 100% of the Company share capital by paying a cash consideration of SR 4.8 million after fulfilling the conditions mentioned in the purchase agreement, including obtaining approvals from the relevant government authorities. The acquisition has been completed in 24 February 2024.

PIK Options Trading Company
On 5 November 2020, the Company incorporated a wholly owned subsidiary which is Baik Options Trading Company (a single shareholder limited liability company). The Company's share capital is SR 1,000,000. The Baik Options Trading 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 SR 10,000. The Red Color 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 SR 1,000,000. Supportive Solutions Company for Logistic Services is engaged in directing vehicles, transporting goods, and providing delivery services via e-platforms.

1. ORGANIZATION AND ACTIVITIES (CONTINUED)

Information about subsidiaries (continued)

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

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 SR 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% of BLU Store Company’s shares, and the Company’s capital is SR 500,000. The Company is engaged in retail sale of apparel, shoes and leather items in specialized stores.

Marn Business Information Technology Company
On 2 Rabi’ Al-Awal 1444H (corresponding to 28 September 2022), the Company signed an agreement to acquire shares that represent 100% of share capital of Marn Business Information Technology Company (A Single Shareholder Limited Liability Company) amounting to SR 1,000,000 and the cost of the acquisition was SR 60 million. On 9 Jumada II 1444H (corresponding to 2 January 2023), the Articles of Association of Marn Business Information Technology Company and its shareholding structure have been amended to reflect the impact of the acquisition. The Marn Business Information Technology Company is primarily engaged in designing and developing special software, wholesale of software, including importing as well as retail selling of computers and its accessories (including printers and their inks) and retail selling of software.

Jahez for Information Technology Company
On 30 July 2023, the Company incorporated a wholly owned subsidiary in Egypt (a limited liability Company). The Company’s share capital is EGP 10,000 (equivalent to SR 1,215). The main activities of the company are software design, database management and application design.

Jahez International Company for Information Systems Technology
On 3 August 2023, the Company incorporated a wholly owned company in Qatar (a limited liability Company). The Company’s share capital is QAR 500,000 (equivalent to SR 514,930). The main activities of the company are online commerce and delivery of consumables.

Sol Company for Trading
On 13 Jumada II 1445H (corresponding to 26 December 2023), the Company signed an acquisition agreement to acquire shares that represent 35% of Sol Company for Trading (a limited liability Company) of SR 35,000. The Company has the right to control the decisions of the Board of Directors under the terms of the shareholders’ agreement signed on the date of acquisition. The cost of the acquisition amounted to SR 5 million. On 20 Jumada II 1445H (corresponding to 23 December 2023), the Articles of Association of Sol Company for Trading and shareholding structure have been amended to reflect the impact of the acquisition. The main activities of Sol Company for Trading are refrigerated food stores, hygiene stores, frozen food stores and dry food stores.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with requirements of IAS 34 "Interim Financial Reporting" that is endorsed in Kingdom of Saudi Arabia and other standards and pronouncements that are issued by Saudi Organization for Chartered and Professional Accountants ("SOCPA").

The condensed consolidated interim financial statements do not include all the information required for the full financial statements in accordance with the IFRSs as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, hence, they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023. However, the condensed consolidated interim financial statements include some disclosures to explain some material events and transactions in order to understand the changes in the Group's financial position and performance since the last annual financial statements.

In addition, the results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.

2.2 Basis of measurement

The interim condensed 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 interim financial statements of the Group are presented in Saudi Riyals (SR) which is the Group's functional and presentation currency.

2.4 Basic of consolidation

a. Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. When determining whether a specific set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired included at least an input and substantive process and whether the acquired set has the ability to produce an output.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised 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.

2. BASIS OF PREPARATION (CONTINUED)

2.4 Basic of consolidation (continued)

a. Business Combinations (continued)

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, other contingent consideration is remeasured at fair value at each reporting date and subsequent change in the fair value of the contingent consideration is recognized in profit or loss.

If share-based payments awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquirer's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

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

Non-controlling interests ("NCI")
NCIs are initially measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control
When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity and any gain or loss is recognized in the statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.5 New standards and amendments issued

The accounting policies applied in the preparation of the interim condensed financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended 31 December 2023.

Below amendments to accounting standards and interpretations became applicable for annual reporting periods beginning on or after 1 January 2024. The management has assessed that the amendments do not have significant impact on the Group's interim condensed consolidated financial statements.

Effective for annual periods beginning on or after	New Standards and Amendments
1 January 2024	Non-current liabilities with covenants (Amendments to IAS 1 and the Classification of liabilities as current or non-current with covenants (Amendments to IAS 1). Lease Liabilities in Sale and Leaseback (Amendments to IFRS 16)

2. BASIS OF PREPARATION (CONTINUED)

2.5 New standards and amendments issued (continued)

New requirements that will be applied subsequently:

Standards issued but not yet effective are as follows:
The Company has not early adopted the following new and amended IFRSs and that were issued but not yet effective:

Effective for annual periods beginning on or after	New Standards and Amendments
1 January 2025	Lack of exchangeability (Amendments to IAS 21)
Available for optional adoption/ effective date deferred indefinitely	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

2.6 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying 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 based its assumptions and estimates on parameters available when the interim financial statements were prepared. The assumptions and current conditions of future developments, may change due to market changes or circumstances arising beyond the control of the Group. These changes are reflected in assumptions when they occur.

Employees' benefits
Employees' benefits cost and present value of the liability is determined using an actuarial valuations involves making various assumptions which may differ from actual developments in the future. Such assumptions includes determination of discount rate, future salary increases and mortality rates.

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

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.

2. BASIS OF PREPARATION (CONTINUED)

2.6 Significant accounting judgments, estimates and assumptions (continued)

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

The mortality rate is based on publicly available mortality tables for specific countries. Those mortality tables tend to change only at intervals in response to demographic changes and future salary increases are based on expected future inflation rates for respective countries.

Provision for expected credit loss on accounts 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.

Revenue recognition
Revenue is measured based on the consideration specified in the contract with a customer, whether revenue from services is recognized overtime or at a point in time. The Group recognizes revenue when it transfers control over a good or service to a customer.

Impairment test on intangible assets and goodwill
Key assumptions underlying recoverable amounts including the recoverability of development costs.

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

3. MATERIAL ACCOUNTING POLICIES

The significant accounting polices applied in preparing these interim condensed consolidated financial statements that comply with the accounting policies applied in preparing the Group's annual consolidated financial statements for the year ended 31 December 2022 which are described in Note (3) of the Group's annual consolidated financial statements are set out below.

a. 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.

3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

a. Financial Instruments (Continued)

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 Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

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

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 rate method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a. Financial Instruments (Continued)

Impairment of financial assets
The financial assets at amortized cost consist of receivables and cash and cash equivalents and other receivables.

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

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

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

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

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

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

Impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are impaired. A financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of Impairment
Loss provisions for financial assets are deducted from the gross carrying amount of the assets.
Impairment losses related to trade receivables, if any, are presented in the interim condensed 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 profits and losses are recognized in profit or loss. Any profits or losses on derecognition are also recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

a. Financial Instruments (Continued)

Disposal
Financial assets
A financial asset (or part of a group of similar financial assets) is disposed mainly (i.e. disposed from the interim statement of financial position) in the following cases:

- The rights to receive cash flows from the asset have been expired;
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

Financial liabilities
The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expired. The Group also derecognizes financial liabilities when the terms and cash flows of the modified obligation are substantially modified, in which case a new financial liability is recognized based on the modified terms at fair value.

On disposal of a financial liability, the difference between the amortized carrying amount and the amount paid (including any non-cash assets transferred or charged liabilities) is recognized in the interim condensed consolidated statement of profit or loss.

The Group has no debt investments at FVOCI or equity investments at FVOCI.

b. 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.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. Revenue recognition (continued)

Commission income 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 obtains the 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.

Control of commission income is transferred at a point in time when the merchant accepts the order, while control of delivery services is transferred at a point in time when the order is delivered.

Advertising and marketing revenues
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.

Revenue from electronic payment charges
Revenue is recognized when the collection service is performed on behalf of the customer and at the point in time at which the customer obtains the 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, if any.

Control over revenue from electronic payment charges is transferred at a point in time, when the merchant accepts the order.

Other income
Revenue is recognized when the obligation to the customer is satisfied and is stated net of discounts and rebates, if any.

Variable consideration
Any coupon, cash refund and customer compensation is treated as a reduction in 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.

c. Share-based payments

Employees of the Company (including senior executives) will be awarded share-based payments incentives, whereby employees render services as consideration for equity instruments (equity-settled transactions) or cash equivalents of the shares fair value (cash-settled transactions). The Company measures the cost of cash-settled transactions by reference to the fair value of stock options under share-based payment arrangements. For share-based payment transactions, this valuation refers to the fair value at the vesting date. For cash-settled transactions, this refers to the fair value at each reporting date using an appropriate valuation model. For more details, see note (12).

That cost is registered in items of expense, together with a corresponding increase in equity (Share-based payment reserve), for equity-settled transactions or together with increase in cash-settled transactions liability during the period which the service was provided and fulfillment of performance conditions (if any) where appropriate (vesting period). The cumulative expenses recognized at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of comprehensive income for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

c. Share-based payments (continued)

Service and non-market performance conditions are not considered when determining the vesting date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the vesting date fair value. Any other conditions attached to an award, but without a required service, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of vesting decision and lead to an immediate expensing of the vesting decision unless there are also service and/or performance conditions. No expenses are recognized for vesting decisions that do not ultimately vest because non-market performance and/or service conditions have not been met. Where vesting decisions include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled vesting are modified, the minimum expense recognized is the vesting date the fair value of the unmodified vesting, provided the original terms of the vesting decision are met. Additional expenses, measured as at the date of modification, are recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. For cash-settled transactions, the fair value remeasurement at each reporting date is considered to be the opposite of the modified conditions and circumstances (except for market conditions). Under equity-settled transactions, where vesting decision is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately in the statement of profit or loss and other comprehensive income.

Pursuant to the vesting letters signed by the Chairman and employees, and the Share-based Payment plan Policy, the Board of Directors has the right at any time to make a decision to settle the consideration with vesting by equity instruments (i.e., equity-settled transactions) or cash equivalent of shares fair value (i.e., cash-settled transactions).

The Company's management decided to account for it by settling the consideration with vesting by equity instruments, and accordingly that cost was recognized under the items of expenses with a corresponding increase in equity (Employees' shares reserve).

d. Investments in associates and joint ventures - equity accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in its associate and joint ventures are accounted for using equity method of accounting from the date that significant influence or joint control commences until the date that such influence or joint control ceases. Under the accounting equity method, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates and joint ventures. The Group's profit or loss reflects the Group's share of profit or loss of associates and joint ventures. Where there has been a change recognised directly in the other comprehensive income of the subsidiaries and joint ventures, then the Group recognizes its share of such changes in its consolidated statement of other comprehensive income. Unrealized gains and losses resulting from transactions between the Group and the associates or joint ventures ("principal and secondary") are eliminated to the extent of the interest in the associate or joint venture.

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

d. Investments in associates and joint ventures - equity accounted investees (continued)

The aggregate of the Group’s share of profit or loss of associates and joint ventures is shown separately in the consolidated statement of profit or loss within operating income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associates and joint ventures.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the accounting equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in its associates or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in the associate or joint venture and its carrying amount and recognizes the loss within ‘Share in results of associates’ or joint ventures’ in the consolidated statement of profit or loss.

When the Group's share of losses exceeds its interest in the associates or joint ventures, the carrying amount of the Group’s investments in the associate or joint venture is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of such investees.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated statement of profit or loss.

When the Group increases its ownership interest in an existing associate or joint venture that remains an associate or joint venture after that increase, the purchase price paid for the additional interest is added to the current carrying amount of the associate or joint venture. The purchase price shall will not change when Group increases its ownership interest in an existing associate or joint venture that remains an associate or joint venture after the current share of the net assets of the associate or joint venture is measured. Additional investment cost is distributed between the share of net assets fair value and goodwill. Any excess of additional interest in the fair values of the net assets acquired over the purchase price is recognised as a gain in profit or loss.

Appropriate adjustments are recognised in the Group’s share of profit or loss of the associate or joint venture after additional acquisition to reflect the Group’s share in the fair value of net assets at the acquisition date, arising from the additional acquisition.

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4. ACQUISITION OF SUBSIDIARY

- **Acquisition of interests of Joint Preparation Company for Meals:**

On 23 Rajab 1445H (corresponding to 4 February 2024), the Group acquired the remaining interest of 40% of Joint Preparation Company for Meals shares with a total value of SR 4.8 million paid in cash. In addition, the Joint Preparation Company for Meals founder will receive an additional amount to be paid in cash if the Company achieves specific results regarding the performance of Joint Preparation Company for Meals during a specific period. During the second quarter of 2024, the Company evaluated the performance of the Joint Preparation Company for Meals, where the Group recorded an amount of SR 2.9 million as a contingent liability due to that condition. The Group re-evaluates the Company's performance on a quarterly basis to verify the probability of additional amounts.

The transaction increased the share of Jahez Group from 60% to 100% immediately prior to purchase. The carrying amount of the current non-controlling interest of 40% owned by Third preparation limited company was SR 8.9 million. The purchase was accounted for as an equity transaction with the owners, and there is no impact on the interim condensed consolidated statement of profit or loss for the period ended 30 June 2024. The difference of SR 14.5 million between the carrying amount of the non-controlling interest, cash consideration, and the contingent liability within the equity as a part of retained earnings.

5. PROPERTY AND EQUIPMENT

Cost:	**30 June 2024**	31 December 2023
Balance as at 31 December 2023	**72,542,843**	48,954,063
Additions during the period / year	**158,053,820**	23,588,780
Disposals during the period / year	**(4,702,015)**	--
Balance as at 30 June 2024	**225,894,648**	72,542,843
Accumulated depreciation:		
Balance as at 31 December 2023	**18,703,613**	8,598,392
Depreciation during the period/ year	**5,541,970**	10,105,221
Balance as at 30 June 2024	**24,245,583**	18,703,613
Net carrying amount	**201,649,065**	53,839,230

Additions during the period include SR 145.5 million representing the value of the amounts paid to a acquire commercial land on which a commercial complex is under construction.

6. EQUITY ACCOUNTED INVESTMENTS

a. The movement in equity-accounted investees for the period ended 30 June 2024:

	30 June 2024	31 December 2023
Opening balance	**--**	--
Additions	**75,220,571**	--
Company's share in profit from associate	**392,237**	--
	75,612,808	--

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6. EQUITY ACCOUNTED INVESTMENTS (CONTINUED)

b. Summary of equity accounted investees is as follows

	30 June 2024		31 December 2023	
Name of investee	**Effective ownership interest (%)**	**Amount**	Effective ownership interest (%)	Amount
Global Fintech Company	**20.62%**	75,612,808	--	--

Global Fintech Company

The Group has a member on the Board of Directors and is involved in the process of formulating the Company's policy and is the third largest shareholder of the Company. The Chairman of the Group's Investment Committee is a representative Board member and participates in the decision-making process through his presence on the Board and through interaction with senior management. The Group therefore identified that it has a significant influence on this Company.

7. TRADE RECEIVABLES

	30 June 2024	31 December 2023
Trade receivables	**48,916,359**	30,036,991
Related parties	**11,483,505**	6,388,408
	60,399,864	36,425,399

	30 June 2024	31 December 2023
Trade receivables	**64,087,072**	36,096,842
Less: provision for impairment of trade receivables	**(15,170,713)**	(6,059,851)
	48,916,359	30,036,991

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

	30 June 2024	31 December 2023
Balance at the beginning of the period / year	**6,059,851**	1,029,180
Provided during the period / year	**9,110,862**	5,030,671
Balance at the end of the period/year	**15,170,713**	6,059,851

8. DEPOSITS WITH FINANCIAL INSTITUTIONS

This includes investments in term deposits certificate (Murabaha) with financial institutions for a maturity period of more than 3 months and less than 12 months at a rate of return (from 4% to 8%) annually (31 December 2023: from 4% to 8%).

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9. CASH AND CASH EQUIVALENTS

	30 June 2024	31 December 2023
Current accounts with banks *	**216,975,822**	558,340,581
Short-term deposits	**600,000,000**	550,000,000
Cash in hand	**2,189,027**	718,940
	819,164,849	1,109,059,521

* The current account with the banks include amount collected on behalf for the customers and it is settled against proceeds due to customers.

10. SHARE CAPITAL

On 2 Jumada 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 SR 96 million (divided into 192 million shares) to SR 104 million (divided into 209.8 million shares) through issuing 17.8 million shares at a par value of SR 8,9 million. The share value at the date of issuance amounted SR 42,5.

The Company’s share capital amounted to SR 104,9 million (31 December 2023: SR 104,9 million) comprising 209.8 million fully paid shares (31 December 2023: 209.8 million shares), with a value of SR 0.5 each.

11. TREASURY SHARES

On 22 Jumada I 1443H (corresponding to 26 December 2021), the Company entered into an agreement to purchase 3.8 million shares of its shares from the Company's shareholders (2.3 million shares of its shares owned by ALAMAT International Company and 1.5 million shares of its shares owned by Hefz Osool Ta’atheer Company for Communications and Information Technology at a cost of SR 0.5 per share, with a cash consideration of SR 1,9 million. The shares were allocated at the time of completion of the public offering process. The Company held these shares as treasury shares to support future employees’ long term incentive scheme (note 12).

During the period ended 30 June 2024, the Company completed the purchase of shares valued by 42 million of its own shares for the purpose of allocating them to the employees’ long term incentive scheme (Note 12).

The following is the number of treasury shares

	30 June 2024	31 December 2023
Treasury shares as at 1 January	**3,840,000**	3,840,000
Reissued treasury shares	**(124,800)**	--
Acquired treasury shares	**1,354,499**	--
Treasury shares at the end of the period/year	**5,069,699**	3,840,000

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12. EMPLOYEES' SHARE PLAN

The Company granted employees' shares remunerations arrangements at the beginning of April 2022. On 8 June 2021, the Board of Directors proposed shares options plan which was approved by the shareholders on 9 June 2021. This plan objective is to distribute 3.8 million treasury shares purchased by the Company from the Company's shareholders under purchase of shares contract dated on 26 December 2021 implemented 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, 15 May 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, while the vesting agreements for second and third cycle were signed on 15 May 2023 and 14 May 2024, respectively. The condition associated with realizing shares options under the first, second, and third cycles is the employee's two-year service condition, which will be completed on 31 March 2024 for the first cycle, 14 May 2025 for the second circle, and 13 May 2026 for the third cycle. 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 plan as the following:

First Cycle	**Tier 1**
Vesting date	1 April 2022
Total number of shares vested	528,800
The average fair value per share on vesting date (*)	SR 55.83
Maturity date	31 March 2024
Settlement method	Equity

During 2023, the Company has vested Tier 2 of the plan as the following:

Second Cycle	**Tier 2**
Vesting date	15 May 2023
Total number of shares vested	668,920
The average fair value per share on vesting date (*)	SR 24.79
Maturity date	14 May 2025
Settlement method	Equity

During 2024, the Company has vested Tier 3 of the plan as follows:

3rd circle	**Tier 3**
Vesting date	14 May 2024
Total number of shares vested	439,935
The average fair value per share on vesting date (*)	SR 29.26
Maturity date	13 May 2026
Settlement method	Equity

12. EMPLOYEES' SHARE PLAN (CONTINUED)

(*) The options are valued at the fair value on the vesting date of the cycles, the first cycle on 1 April 2022, the second cycle on 15 May 2023, and the third cycle on 14 May 2024, 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 based on the exercise price of SR 0.5 price as at 1 April 2022, 15 May 2023, and 14 May 2024, is SR 55,83, SR 24,79, and SR 29.26, respectively.

Total expenses related to the plan for the period ended 30 June 2024 amounts to SR 4.2 million, 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.

At the end of period ended on 31 March 2024, the first cycle of employees' shares vested, and the Company paid the shares due to employees in the form of cash payments or shares during the period ending 30 June 2024.

13. RELATED PARTY TRANSACTIONS

In the ordinary course of its business, the Group transacts with the shareholders of the Group and the affiliates owned by the shareholders and the key management personnel, as the Group enters into contracts to obtain services and pay the expenses on 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:

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13. RELATED PARTY TRANSACTIONS (CONTINUED)

a. Related party transactions

30 June 2024

Related party	Nature of relationship	Nature of the transaction	Amount of transaction
Raz Catering Company	A company owned by a shareholder on a subsidiary (Sol Company for Trading)	Sales	**8,172,888**
Global Fintech Company	Equity accounted investee	Collection on Company's behalf Services payments commissions	**847,378** **6,510**
Nutria Restaurant	A company owned by a shareholder on a subsidiary (Sol Company for Trading)	Sales Payments	**150,631** **20,000**
Abdullah Suleiman Al Zamil	Shareholder of subsidiary (Sol Company for Trading)	advance	**9,800**
AlHilal Investing Company	Subsidiary shareholder (BLU Store Company)	Collection on Company's behalf Purchase of goods	**26,844,734** **18,609**
RAZ Holding Company	A company owned by a shareholder on a subsidiary (Sol Company for Trading)	Purchase of goods Payments security	**(131,823)** **216,342**
Tharwa Holding Company	A Company owned by the Group's Chairman	Leases and maintenance services	**1,524,325**
RAZ Real Estate Company	A Company owned by the Group's Chairman	Office rental	**109,976**

30 June 2023

Related party	Nature of relationship	Nature of the transaction	Amount of transaction
Halalah International Company	A company owned by Vice CEO	Collection on behalf	**435,176**
Creative Agency Company	Company owned to a shareholder in the subsidiary	Logistics services	**701,636**
The Eight Creations Agency for Advertising		Invoices for advertising services	**928,108**
Halalah Trading Company	Company owned by a shareholder	Application Operation Services	**136,499**
Dar Al Fikrah Al-Mumaiyazah	A Company owned by a shareholder in a subsidiary	Construction and building services	**1,815,924**

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13- RELATED PARTY TRANSACTIONS (CONTINUED)

b. Due from related parties

	30 June 2024	31 December 2023
Raz Catering Company	**9,152,219**	5,150,426
Nutria Restaurant	**951,091**	820,460
Global Fintech Company	**847,378**	-
Abdullah Al Zamil	**339,800**	330,000
AlHilal Investing Company	**114,785**	--
RAZ Holding Company	**70,060**	--
Tharwa Holding Company	**5,625**	20,625
ALAMAT International Company Limited	**2,547**	2,547
The hundred Innovation institution for providing meals	**--**	13,800
Hisham Salah Abdulbari Abdu	**--**	50,550
	11,483,505	6,388,408

c. Due to related parties

	30 June 2024	31 December 2023
Dar AlFikrah Company	**40,624**	--
The Eight Creations Agency for Advertising	**20,988**	--
The hundred Innovation institution for providing meals	**6,200**	--
The Eight Creations Agency for Advertising	**--**	71,875
Dar Al Fikrah Al-Mumaiyazah	**--**	40,624
AlHilal Investing Company	**--**	6,336,892
Hisham Salah Abdulbari Abdu	**10,000**	100,000
Abdullah Sulaiman Bin Abdullah Al Zamil	**--**	7,267
Abdulaziz Talal bin Ali Al Tamimi	**--**	327,982
RAZ Holding Company	**--**	14,459
	77,812	6,899,099

Compensation paid to key management personnel during the period is as follows:

	30 June 2024	30 June 2023
Short-term benefits	**5,450,048**	4,274,039
Post-employment benefits	**280,883**	220,169
Share-based payments	**5,131,406**	4,076,731

14. REVENUE

	For the six-month period ended 30 June	
	2024	2023
Revenue from delivery fees	**527,691,940**	503,564,520
Revenue from commissions	**447,967,030**	298,144,408
Revenue from e-payment fees	**56,517,478**	38,638,967
Advertising and marketing revenue	**31,037,064**	36,562,117
Revenue form goods sold and subscriptions	**25,228,034**	2,934,338
Other income	**8,385,626**	6,867,110
Gross revenue	**1,096,827,172**	886,711,460
Promotional compensations and cash refund	**(74,932,940)**	(51,095,867)
Net income	**1,021,894,232**	835,615,593

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15. COST OF REVENUE

	For the six-month period ended 30 June	
	2024	2023
Cost of delivery	**598,363,951**	457,571,331
Salaries, wages and employee benefits	**95,176,532**	97,363,742
Cost of platforms	**34,133,256**	28,992,027
Network servers	**12,561,559**	10,333,700
Delivery platform	**14,938,551**	13,520,429
Depreciation and amortization	**15,519,130**	19,435,780
Consumables	**2,368,560**	2,921,310
Cost of goods sold	**18,987,448**	1,101,414
Vehicles services and maintenance	**10,475,080**	16,769,006
Other	**2,452,501**	2,893,638
	804,976,568	650,902,377

16. MARKETING & ADVERTISING EXPENSES

	For the six-month period ended 30 June	
	2024	2023
Advertising and publicity	**64,428,153**	59,146,285
Salaries, wages and employee benefits	**24,846,160**	16,370,555
	89,274,313	75,516,840

17. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June	
	2024	2023
Salaries, wages and employee benefits	**27,068,371**	18,098,897
Depreciation and amortization	**8,460,755**	5,202,159
Professional fees	**10,423,868**	4,776,089
Missions, maintenance and operation	**5,326,577**	5,043,952
Other	**9,891,860**	9,230,740
	61,171,431	42,351,837

18. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is as follows:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2024	2023	**2024**	2023
Profit for the period	**30,244,298**	50,356,544	**42,692,632**	62,695,711
Weighted average number of shares	**205,615,426**	205,996,060	**205,615,426**	205,996,060
Basic earnings per share	**0.15**	0.24	**0.21**	0.30
Diluted earnings per share	**0.15**	0.24	**0.21**	0.30

* On 13 Jumada I 1445H (corresponding to 27 November 2023), the Extraordinary General Assembly approved split the carrying amount of the Group's shares from SR 10 per share to 50 halala per share. The process was processed retroactively.

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18. BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

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

a. Ordinary shares

	30 June 2024	30 June 2023
Outstanding shares at the beginning of the period	**206,121,116**	205,996,060
Weighted average of shares repurchased during the period	**(505,690)**	--
Weighted average of shares numbers at the end of the period	**205,615,426**	205,996,060

b. Diluted shares

	30 June 2024	30 June 2023
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share at the end of the period.	**205,615,426**	205,996,060
Effect of share options	**627,313**	497,600
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share.	**206,242,739**	206,493,660

19. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2024, the Group has future contractual commitments of SR 86 million (31 December 2023: SR 90.5 million) as shown below.

	30 June 2024	31 December 2023
Professional, consolations and legal fees	**5,494,874**	1,271,168
Trademark marketing	**4,695,384**	8,740,000
Sponsorship	**58,920,869**	71,886,580
Constructions	**10,000,000**	-
Improvements to leases	**1,055,050**	762,527
Employment contracts	**3,314,878**	7,936,054
Services and others	**2,535,309**	-
	86,016,364	90,596,330

20. SEGMENT INFORMATION

Information related to the Group's operating segments are presented below in accordance with IFRS 8 "operating segments", where 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") - Chairman of Board of Directors - and used to allocate resources to the segments and to assess their performance.

20. SEGMENT INFORMATION (CONTINUED)

The activities of the Company for which financial reports are prepared according to IFRS 8 are listed below:

- Delivery platforms activity inside the Kingdom: this activity is to provide services of delivering food and other goods via electronic platforms inside the Kingdom.
- Delivery platforms activity outside the Kingdom: this activity is to provide services of delivering food and other goods via electronic platforms through the two subsidiaries; Jahez Company in the Kingdom of Bahrain and Jahez Company in the State of Kuwait.
- Logistics services activity: it includes the logistics support operations and directing goods transporting vehicles.
- Other activities such as cloud kitchens and other software services.

The CODM used to receive the other operating information in an accumulated basis and they are the same 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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(A Saudi Joint Stock Company)
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(Saudi Riyal)

20- SEGMENT INFORMATION (CONTINUED)

	Delivery Platforms Segment		Logistics activity	Other activities		
30 June 2024	Inside Kingdom of Saudi Arabia	Outside Kingdom of Saudi Arabia	Inside Kingdom of Saudi Arabia	Inside Kingdom of Saudi Arabia	Exclusions/amendments	Total
	SR	SR	SR	SR	SR	SR
External revenue	961,805,217	103,211,232	10,253,937	26,962,756	(5,405,971)	1,096,827,171
Inter-segment revenue	--	--	179,571,832	--	(179,571,832)	--
Customer compensation and cash refund	(62,397,720)	(12,534,033)	--	(1,186)	--	(74,932,939)
Other deductions	--	--	--	--	--	--
Net Income	899,407,497	90,677,199	189,825,769	26,961,570	(184,977,803)	1,021,894,232
Direct Costs	(657,004,364)	(115,866,710)	(179,899,836)	(21,664,330)	184,977,803	(789,457,437)
Impairment loss on trade receivables	(3,229,843)	(178,030)	(5,702,989)	--	--	(9,110,862)
Expenses	(123,793,969)	(20,953,248)	(6,102,675)	(16,199,318)	--	(167.049,210)
Depreciation and amortization	(6.352,311)	(1,377,408)	(11,288,549)	(4,961,617)	--	(23,979,885)
Other income/(expenses)	25,917,560	5,519	(16,319)	(2,339,282)	--	23,567,478
Finance costs	(151,549)	(49,215)	(1,263,716)	(892,548)	--	(2,357,027)
Zakat	(10,476,493)	--	--	--	--	(10,476,493)
Net segment profit	124,316,528	(47,741,893)	(14,448,314)	(19,095,525)	--	43,030,796
Total assets	1,474,945,267	46,352,083	80,383,585	300,829,098	(288,626,326)	1,613,883,707
Total liabilities	376,825,471	204,284,115	227,774,544	336,772,650	(669,168,238)	476,488,542

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20- SEGMENT INFORMATION (CONTINUED)

	Delivery platforms segment		Logistics activity	Other activities		
30 June 2023	**Inside Kingdom of Saudi Arabia**	**Outside Kingdom of Saudi Arabia**	**Inside Kingdom of Saudi Arabia**	**Inside Kingdom of Saudi Arabia**	**Exclusions/amendments**	**Total**
	SR	**SR**	**SR**	**SR**	**SR**	**SR**
External revenue	**864,351,960**	**12,949,583**	**188,209,883**	**5,153,716**	**(183,953,682)**	**886,711,460**
Inter-segment revenue	--	--	--	--	--	--
Customer compensation and cash refund	**(48,289,597)**	**(2,806,270)**	--	--	--	**(51,095,867)**
Other deductions	--	--	--	--	--	--
Net income	**816,062,363**	**10,143,313**	**188,209,883**	**5,153,716**	**(183,953,682)**	**835,615,593**
Direct costs	**(603,078,087)**	**(35,015,128)**	**(172,757,217)**	**(3,585,000)**	**182,968,836**	**(631,466,596)**
Impairment loss on trade receivables	**(332,088)**	--	--	--	--	**(332,088)**
Expenses	**(103,070,125)**	**(15,855,388)**	**(8,334,106)**	**(10,657,828)**	**984,846**	**(136,932,601)**
Depreciation and amortization	**(4,778,487)**	**(442,216)**	**(15,245,651)**	**(4,171,584)**	--	**(24,637,938)**
Other income/(expenses)	**21,972,575**	**67,189**	**(18,737)**	**7,923,578**	--	**29,944,605**
Finance costs	**(201,536)**	**(10,019)**	**(2,449,582)**	**(330,236)**	--	**(2,991,373)**
Zakat	**(11,090,732)**	--	--	--	--	**(11,090,732)**
Net segment profit	**115,483,883**	**(41,112,249)**	**(10,595,410)**	**(5,667,354)**	--	**58,108,870**
Total assets	**1,372,552,050**	**42,489,762**	**131,565,407**	**85,165,762**	**(164,546,814)**	**1,467,226,167**
Total liabilities	**323,409,840**	**96,819,607**	**270,375,425**	**83,000,936**	**(376,481,633)**	**397,124,175**

21. SIGNIFICANT EVENTS

On 01 Muharam 1446H (corresponding to 07 July 2024), the Group submitted a request for transition from th e parallel market to the principal market in accordance with the law specified by the regulatory authorities for this purpose.

The Group is currently in the process of applying for the transition to the principal market and management expects the procedures and the transition to be completed during the year ending 31 December 2024.

22. SUBSEQUENT EVENTS

No material events occurred subsequent to the interim condensed consolidated financial statements date which could materially affect the interim condensed consolidated financial statements and the related disclosures for the year ended 30 June 2024.

23. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on 6 Safar 1446H (corresponding to 10 August 2024).

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