

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated Financial Statements
For the year ended
31 December 2024
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 2024

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KPMG Professional Services Company

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

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

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 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising 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 2024, 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.



Independent Auditor's Report

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

| Key audit matter (continued) | |
|---|--|
| Revenue recognition | |
| With reference to Note (31) of the accounting policy related to revenue from contracts from customers, as well as Note (23) related to disclosure of revenue. | |
| Key audit matter | How the matter was addressed in our audit |
| <p>During the year ended 31 December 2024, revenue amounting to SR 2.218 billion was recognized (2023: SR 1.784 billion).</p> <p>Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks by overstatement of revenue recognition to increase profitability. Therefore, revenue recognition was considered a key audit matter.</p> | <p>Our audit procedures performed with relation to revenue included, among others, the following:</p> <ul style="list-style-type: none">• Assessing the appropriateness of the revenue recognition policy that is applied to 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 through the year 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. |



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
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 1446H
Corresponding to: 16 March 2025

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Consolidated statement of financial position
As at 31 December 2024
(Saudi Riyal)

| | Note | 31 December 2024 | 31 December 2023 |
|--|------|----------------------|----------------------|
| Assets | | | |
| Non-current assets | | | |
| Property and equipment | 4 | 210,753,570 | 53,839,230 |
| Intangible assets and Goodwill | 5 | 102,179,787 | 81,002,357 |
| Right-of-use assets | 6 | 68,999,361 | 96,914,858 |
| Investments at FVTPL | 7 | 68,296,898 | 84,096,616 |
| Equity accounted investments | 8 | 101,250,771 | -- |
| Total non-current assets | | 551,480,387 | 315,853,061 |
| Current assets | | | |
| Inventory | | 11,074,662 | 9,819,248 |
| Trade receivables | 9 | 75,099,846 | 36,425,399 |
| Prepaid expenses and other receivables | 10 | 78,339,914 | 72,074,580 |
| Cash and cash equivalents | 11 | 1,054,080,837 | 1,109,059,521 |
| Deposits with financial institutions | 12 | -- | 107,564,031 |
| Total current assets | | 1,218,595,259 | 1,334,942,779 |
| Total assets | | 1,770,075,646 | 1,650,795,840 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 13 | 104,918,030 | 104,918,030 |
| Statutory reserve | 15 | 18,420,724 | 18,420,724 |
| Share premium | | 740,175,504 | 740,175,504 |
| Treasury shares | 14 | (93,072,345) | (1,920,000) |
| Employees' shares reserve | 16 | 28,603,985 | 31,381,389 |
| Retained earnings | | 441,385,831 | 258,542,572 |
| Equity attributable to equity holders of the Parent Company | | 1,240,431,729 | 1,151,518,219 |
| Non-controlling interests | | 9,008,699 | (6,039,275) |
| Total shareholders' equity | | 1,249,440,428 | 1,145,478,944 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Non-current portion of lease liabilities | 6 | 39,577,915 | 63,001,917 |
| Employees' benefits obligations | 17 | 23,007,954 | 17,255,681 |
| Total non-current liabilities | | 62,585,869 | 80,257,598 |
| Current liabilities | | | |
| Proceeds due to customers | 18 | 197,397,900 | 161,549,641 |
| Current portion of lease liabilities | 6 | 32,271,396 | 32,971,145 |
| Trade payables | 19 | 54,295,193 | 83,573,373 |
| Accrued expenses and other current liabilities | 20 | 151,284,860 | 115,785,723 |
| Short term loan | | -- | 1,916,899 |
| Zakat provision | 22 | 22,800,000 | 29,262,517 |
| Total current liabilities | | 458,049,349 | 425,059,298 |
| Total liabilities | | 520,635,218 | 505,316,896 |
| Total equity and liabilities | | 1,770,075,646 | 1,650,795,840 |

The accompanying notes from 1 to 36 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 2024

(Saudi Riyal)

| | Note | 31 December 2024 | 31 December 2023 |
|--|------|---------------------|---------------------|
| Revenue | 23 | 2,218,662,735 | 1,784,755,283 |
| Cost of revenue | 24 | (1,677,500,170) | (1,378,877,760) |
| Gross profit | | 541,162,565 | 405,877,523 |
| Impairment loss of trade receivables | 9 | (13,804,799) | (5,030,671) |
| Marketing & advertising expenses | 25 | (169,089,163) | (149,968,457) |
| General and administrative expenses | 26 | (136,339,996) | (106,194,606) |
| Research and development expenses | 27 | (52,760,148) | (41,866,741) |
| Other (expense)/ income, net | | (304,785) | (921,969) |
| Operating profit | | 168,863,674 | 101,895,079 |
| Unrealized (losses)/profits on investments at FVTPL | 7 | (6,108,755) | 3,326,897 |
| Share of (losses) from Equity accounted investments | 8 | (2,175,043) | -- |
| Finance costs | | (4,522,259) | (5,456,944) |
| Finance income | | 48,537,021 | 46,068,207 |
| Net profit for the year before zakat | | 204,594,638 | 145,833,239 |
| Zakat | 22 | (20,376,493) | (27,065,630) |
| Net profit for the year | | 184,218,145 | 118,767,609 |
| <u>Net profit for the year attributable to:</u> | | | |
| Shareholders of the Parent Company | | 187,979,245 | 125,336,967 |
| Non-Controlling interests | | (3,761,100) | (6,569,358) |
| | | 184,218,145 | 118,767,609 |
| <u>Other comprehensive income</u> | | | |
| <u>Items that will not be reclassified subsequently to profit or loss</u> | | | |
| Re-measurement of employees' benefits obligations | 17 | 1,958,244 | 1,571,043 |
| Total other comprehensive income | | 1,958,244 | 1,571,043 |
| Total comprehensive income | | 186,176,389 | 120,338,652 |
| <u>Total comprehensive income attributable to</u> | | | |
| Shareholders of the parent company | | 189,937,489 | 126,908,010 |
| Non-Controlling interests | | (3,761,100) | (6,569,358) |
| | | 186,176,389 | 120,338,652 |
| <u>Earnings per share attributable to shareholders of the Company:</u> | | | |
| Basic earnings per share | 30 | 0.92 | 0.61 |
| Diluted earnings per share | 30 | 0.92 | 0.61 |

The attached notes from 1 to 36 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 changes in Equity
For the year ended 31 December 2024
(Saudi Riyal)

| | Equity attributable to the Parent Company's shareholders | | | | | | Non-controlling interests | Total | |
|---|--|-------------------|--------------------|---------------------|---------------------------|--------------------|---------------------------|--------------------|----------------------|
| | Share capital | Statutory reserve | Share premium | Treasury shares | Employees' shares reserve | Retained earnings | | | |
| Balance as at 1 January 2024 | 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 16) | -- | -- | -- | -- | 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 2024 | 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 |
| Balance as at 1 January 2024 | 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 year | -- | -- | -- | -- | -- | 187,979,245 | 187,979,245 | (3,761,100) | 184,218,145 |
| Other comprehensive income for the year | -- | -- | -- | -- | -- | 1,958,244 | 1,958,244 | -- | 1,958,244 |
| Total comprehensive income for the year | -- | -- | -- | -- | -- | 189,937,489 | 189,937,489 | (3,761,100) | 186,176,389 |
| Employees' shares reserve (Note 14) | -- | -- | -- | (91,152,345) | -- | -- | (91,152,345) | -- | (91,152,345) |
| Share-based payments transactions (Note 16) | -- | -- | -- | -- | (2,777,404) | 6,618,319 | 3,840,915 | -- | 3,840,915 |
| Change in non-controlling interests | -- | -- | -- | -- | -- | (13,712,549) | (13,712,549) | 18,809,074 | 5,096,525 |
| Balance as at 31 December 2024 | 104,918,030 | 18,420,724 | 740,175,504 | (93,072,345) | 28,603,985 | 441,385,831 | 1,240,431,729 | 9,008,699 | 1,249,440,428 |

The attached notes from 1 to 36 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 2024

(Saudi Riyal)

| | Note | 31 December 2024 | 31 December 2023 |
|---|-------|----------------------|----------------------|
| Cash flows generated from operating activities: | | | |
| Net profit for the year before zakat | | 204,594,638 | 145,833,239 |
| Adjustments to reconcile net income for the year to cash flows generated from operating activities: | | | |
| Expected credit loss of trade receivables | 9 | 13,804,799 | 5,030,671 |
| Depreciation and amortization | 4,5,6 | 53,176,978 | 51,970,559 |
| Employees' benefits | 17 | 7,915,336 | 7,959,954 |
| Finance costs | | 5,282,427 | 6,025,384 |
| Unrealized (Losses) / Gains on investments at FVTPL | 7 | 6,108,755 | (3,326,897) |
| Share of losses from equity accounted investments | 8 | 2,175,043 | -- |
| Share-based payments expenses | 16 | 3,840,915 | 19,484,477 |
| Short-term deposits | | (48,537,021) | (46,068,207) |
| (Gains) / Losses from right-of-use of assets | 6 | (315,155) | 529,143 |
| Losses from disposal of fixed assets | 4 | 4,507,708 | -- |
| Losses from disposal of intangible assets | 5 | 74,227 | -- |
| Inventory | | (1,255,414) | (8,536,741) |
| Trade receivables | 9 | (52,479,246) | (9,299,606) |
| Prepaid expenses and other receivables | 10 | (6,265,334) | 10,675,998 |
| Proceeds due to customers | 18 | 35,848,259 | 42,748,742 |
| Trade payables | 19 | (26,223,407) | 22,048,727 |
| Accrued expenses and other current liabilities | 20 | 32,864,527 | 44,364,173 |
| Employees' benefits paid | 17 | (995,108) | (1,500,632) |
| Interest paid | | (4,492,138) | (5,459,295) |
| Zakat paid | | (26,839,010) | (25,612,169) |
| Net cash flows generated from operating activities | | 202,791,779 | 256,867,520 |
| Cash flows from investing activities | | | |
| Payments to purchase of property and equipment | 4 | (175,399,885) | (23,343,175) |
| Payments to purchase and develop intangible assets | 5 | (19,714,623) | (13,497,082) |
| Sell/(Purchase) investments at FVTPL | 7 | 9,690,963 | (58,040,982) |
| Purchase of equity-accounted investments | 8 | (103,425,814) | -- |
| Repayment of deposits with financial institutions | | 107,564,031 | 100,000,000 |
| Proceeds from interest on short -term deposits | | 48,537,021 | 38,504,176 |
| Net payment for acquisition of subsidiary | 34 | (4,833,713) | (59,691,640) |
| Net cash flows used in investing activities | | (137,582,020) | (16,068,703) |
| Cash flows from financing activities | | | |
| Treasury shares | 14 | (91,152,345) | -- |
| Payments of lease liabilities | 6 | (27,119,199) | (32,518,198) |
| Payment of short-term loan | | (1,916,899) | (1,906,840) |
| Net cash flows used in financing activities | | (120,188,443) | (34,425,038) |
| Net change in cash and cash equivalents | | (54,978,684) | 206,373,779 |
| Cash and cash equivalents as at the beginning of the year | | 1,109,059,521 | 902,685,742 |
| Cash and cash equivalents as at the end of the year | | 1,054,080,837 | 1,109,059,521 |
| Non-cash transactions | | | |
| Additions in Right-of-use assets against lease liabilities | | 28,158,501 | 18,267,517 |
| Disposal in Right-of-use assets against lease liabilities | | 24,847,898 | 20,181,208 |

The attached notes from 1 to 36 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 2024

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 Wholesale sale of computers and accessories includes the sale of printers and inks Systems analysis Design and programming of software Wholesale of software and includes import Retail of software Routing of vehicles transporting goods Providing delivery services via electronic platforms Providing wireless data services.

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 2024

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 - Jazan Branch | 5900127812 | 30 Sha'ban 1442H |
| Jahez International Company for Information Systems Technology - Najran Branch | 5950123043 | 21 Ramadan 1442H |
| Jahez International Company for Information Systems Technology - Al Qunfodah Branch | 4603157286 | 22 Safar 1444H |

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.

On 9 Jumadah II 1446 H (corresponding to 10 December 2024), the Company's shares were listed and started trading in the main market in the Kingdom of Saudi Arabia ("TASI") under code (6017).

The accompanying consolidated financial statements include the financial statements of Jahez International Company for Information Systems Technology and its subsidiaries (collectively referred to as the "Group"), as follows:

| | Legal entity | Country of Incorporation | % of ownership | |
|---|--|---------------------------------|-------------------------|-------------------------|
| | | | 31 December 2024 | 31 December 2023 |
| Joint Preparation Company for Meals | Limited Liability Company | Kingdom of Saudi Arabia | 100% | 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 (A Limited Liability Company) | Kingdom of Saudi Arabia | 100% | 100% |
| Jahez International Company | 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% |

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2- ORGANIZATION AND ACTIVITIES (CONTINUED)

| | Legal entity | Country of Incorporation | % of ownership | |
|--|-------------------------------|--------------------------|------------------|------------------|
| | | | 31 December 2024 | 31 December 2023 |
| 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% |

Equity method investments

| | Country | Legal Entity | % of shareholding | |
|------------------------|---------------------|------------------------|-------------------|------------------|
| | | | 31 December 2024 | 31 December 2023 |
| Global Fintech Company | Limited liabilities | Cayman Islands | 20.62% | -- |
| Grub Tech Limited | Limited liabilities | British Virgin Islands | 11.24% | -- |

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 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 4 February 2024.

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.

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.

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1- ORGANIZATION AND ACTIVITIES (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% 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 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. The Company 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. The Company 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.

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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.

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 2024, which are effective for annual periods beginning on or after 1 January 2025 which do not have a material effect on these consolidated financial statements.

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB in 2024.

| 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 -Amendment to IAS 7 and IFRS 7 |

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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 |
|--|---|
| I January 2025 | Inability to Transition -Amendment to IAS 27. |
| I January 2025 | Lack of Exchangeability - Amendments to IAS 21. |
| 1 January 2026 | Classification and measurement of financial instruments - Amendment to IFRS9 and IFRS 7. Annual improvement to IFRS accounting standard volume 11. |
| 1 January 2027 | Presentation and Disclosure in financial statements IFRS 18. Subsidiaries without public accountability Disclosure IFRS 19. |
| 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 2024.

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 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.

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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 recognized 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.

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.

Goodwill – Annual Impairment test of goodwill

Impairment tests for goodwill are conducted for the group of CGU to which goodwill has been allocated. The group of CGU is determined based on specific acquisitions, and the CGU resulting from those acquisitions. The structure and groups of CGU are assessed on an annual basis. The impairment testing for goodwill is performed at least annually for each group of CGU to which goodwill has been allocated. To determine the value in use, discounted cash flow projections are used.

The key indicators in the impairment test include assumptions related to sales growth rates and pre-tax discount rates. Refer to Note 5 for the sensitivity related to these assumptions for the relevant CGU.

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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.

a) Basis of consolidation

a.1 Business combinations

The Group accounts for business combinations 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 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 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 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.

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3- MATERIAL ACCOUNTING POLICES (CONTINUED)

a) Basis of consolidation (Continued)

a.3 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.

a.4 Loss of control

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

b) Property and equipment

Property and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of an asset. Finance costs on borrowings to finance the construction of the assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in the consolidated statement of profit or loss when incurred.

Depreciation is charged to the consolidated statement of profit or loss and is calculated on the straight-line basis over the estimated useful lives of individual item of property and equipment. The estimated useful lives of assets will be depreciated as follows:

| | <u>Years</u> |
|--|--------------|
| 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.

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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 capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

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

Trademark

Trademarks resulted from acquisitions of subsidiaries is measured at fair value at the time of acquisition, less accumulated depreciation. Depreciation is charged to the consolidated statement of profit or loss and calculate using the straight-line basis over the estimated useful life basis, and any accumulated impairment losses.

Goodwill

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

Research and development

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

Development expenditure is capitalized 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 recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

| | |
|------------------|--------------|
| | <u>Years</u> |
| Computer Program | 4 |
| Trademark | 10 |

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

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).

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

d) Fair value measurement

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.

e) 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.

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) Financial instruments (continued)

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

Impairment of financial assets

The financial assets at amortized cost consist of receivables and cash and cash equivalents and other receivables.

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

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

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

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

Measurement of ECLs

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

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

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

e) 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.

Disposal

Financial assets

A financial asset (or part of a group of similar financial assets) is disposed mainly (i.e. disposed from the statement of financial position) in the following cases:

- The rights to receive cash flows from the assets have been expired;
- The Group has transferred its rights to receive cash flows from the asset, or assumed an obligation to pay cash flows received in full without delay to a third party under a "pass" arrangement; (a) substantially transferred all the risks and rewards of the asset; or (b) transferred control over the asset and the Group has neither transferred nor retained substantially the risks and rewards of the financial asset.

Financial liabilities

The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled or expired. The Group also derecognizes financial liabilities when the terms and cash flows of the modified obligation are substantially modified, in which case a new financial liability is recognized based on the modified terms at fair value.

On disposal of a financial liability, the difference between the amortized carrying amount and the amount paid (including any non-cash assets transferred or charged liabilities) is recognized in the consolidated statement of profit or loss.

The Group has no debt investments at FVOCI or equity investments at FVOCI.

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

f) Employees' benefits

Short-term benefits

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

Post-employment benefits

The Group operates a defined benefit plan for its employees in accordance with Saudi Labor Law as defined by the conditions set out in the laws of the Kingdom of Saudi Arabia. The cost of providing the benefits under the defined benefit plan is determined using the projected unit credit method. Employees' benefits obligation plans are not funded. Accordingly, valuations of the obligations under those plans are carried out by an independent actuary annually 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.

g) 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- MATERIAL ACCOUNTING POLICIES (CONTINUED)

h) 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.

i) 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.

j) 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.

k) 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.

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. |

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

l) Revenue recognition (continued)

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 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.

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.

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 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 back 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.

j) Leases

Determining whether an arrangement contains a lease or not depends on the core of the arrangement at its inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

j) Lease (Continued)

Group as a lessee

At the commencement date, the Group shall assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group shall assess whether, throughout the period of use, the customer has both of the following:

- a. The right to obtain substantially all of the economic benefits from use of the identified asset.
- b. The right to direct control over the use of the specified asset.

The Group shall recognize a right-of-use asset at the commencement date (i.e. the date on which the underlying asset is available for use) and a lease liability at the commencement date. The right-of-use asset is initially measured at cost less accumulated depreciation and impairment and is settled for any remeasurement of a lease liability.

The cost of right-of-use asset includes the initial amount of a lease liability adjusted by lease payments made on or before the commencement date, and any initial direct costs incurred and an estimate of costs to be incurred by the lessee in decommissioning and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received. The estimated useful life for right-of-use asset based on the lease term.

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The Group shall discount lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be easily determined, the Group should use the incremental borrowing rate.

After the commencement date, a lessee shall measure the lease liability by:

- a. Increase the carrying amount to reflect the interest rate on the lease liabilities;
- b. Reduce the carrying amount to reflect the lease payments made; and
- c. Remeasure the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments that are remeasured when there is a change in future lease payments arising from a change in index or a rate, or if there was a change in the Group's estimate of the amount expected to be payable by the lessee under residual value guarantees, or if the Group changed its assessment whether if it will choose the purchase, extension or termination.

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.

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

k) 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.

l) 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.

m) 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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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

n) 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 (16).

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 reserve).

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3- MATERIAL ACCOUNTING POLICIES (CONTINUED)

o) 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.

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

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3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

o) Investments in associates and joint ventures - equity accounted investees (continued)

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- PROPERTY AND EQUIPMENT

| | <u>Land</u> | <u>Tools and instruments</u> | <u>Computers</u> | <u>Furniture and fixtures</u> | <u>Electric equipment</u> | <u>Central kitchens</u> | <u>Decorations and leasehold improvements</u> | <u>Motor vehicles</u> | <u>Projects under construction</u> | <u>Total</u> |
|--|-------------------|------------------------------|-------------------|-------------------------------|---------------------------|-------------------------|---|-----------------------|------------------------------------|--------------------|
| Cost | | | | | | | | | | |
| Balance as at 1 January 2023 | -- | 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 |
| Additions* | 87,147,012 | 467,292 | 2,443,819 | 1,875,877 | 4,224,048 | 3,919,489 | 299,222 | 403,582 | 74,619,544 | 175,399,885 |
| Disposal | -- | -- | -- | -- | -- | (7,043,390) | -- | -- | -- | (7,043,390) |
| Transferred from projects under construction | -- | -- | -- | -- | -- | -- | 12,244,677 | 144,234 | (12,388,911) | -- |
| Balance as at 31 December 2024 | 87,147,012 | 890,935 | 15,176,484 | 7,555,508 | 12,161,608 | 12,622,307 | 29,136,845 | 1,977,853 | 74,230,786 | 240,899,338 |
| Accumulated depreciation: | | | | | | | | | | |
| Balance as at 1 January 2023 | -- | 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 |
| Depreciation for the year | -- | 201,212 | 3,499,004 | 1,319,945 | 2,313,712 | 1,622,828 | 4,752,253 | 268,882 | -- | 13,977,836 |
| Disposal | -- | -- | -- | -- | -- | (2,535,681) | -- | -- | -- | (2,535,681) |
| Balance as at 31 December 2024 | -- | 378,503 | 7,830,830 | 3,867,160 | 4,269,243 | 3,979,394 | 9,095,422 | 725,216 | -- | 30,145,768 |
| Net book value: | | | | | | | | | | |
| As at 31 December 2024 | 87,147,012 | 512,432 | 7,345,654 | 3,688,348 | 7,892,365 | 8,642,913 | 20,041,423 | 1,252,637 | 74,230,786 | 210,753,570 |
| 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 |

* Project under construction mainly includes the Group Head Office.

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5- INTANGIBLE ASSETS AND GOODWILL

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--|-----------------------------|-----------------------------|
| Software and Intellectual property rights (note 5.1) | 39,825,850 | 14,558,495 |
| Goodwill (note 5.2) | 62,353,937 | 66,443,862 |
| | <u>102,179,787</u> | <u>81,002,357</u> |

5.1 Software and Intellectual property rights

| | <u>Software</u> | <u>Trademark -note (34-2)</u> | <u>Intellectual property rights</u> | <u>Projects in progress</u> | <u>Total</u> |
|--|--------------------------|-----------------------------------|---|-------------------------------------|--------------------------|
| <u>Cost</u> | | | | | |
| Balance as at 1 January 2023 | 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 | <u>22,493,854</u> | -- | <u>500,000</u> | <u>3,317,529</u> | <u>26,311,383</u> |
| Additions | 12,830,987 | 13,712,207 | -- | 6,771,429 | 33,314,623 |
| Disposal | -- | -- | -- | (74,227) | (74,227) |
| Balance as at 31 December 2024 | <u>35,324,841</u> | <u>13,712,207</u> | <u>500,000</u> | <u>10,014,731</u> | <u>59,551,779</u> |
| <u>Accumulated Amortization</u> | | | | | |
| Balance as at 1 January 2023 | 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 | <u>11,523,722</u> | -- | <u>229,166</u> | -- | <u>11,752,888</u> |
| Amortization for the year | 6,476,798 | 1,371,243 | 125,000 | -- | 7,973,041 |
| Balance as at 31 December 2024 | <u>18,000,520</u> | <u>1,371,243</u> | <u>354,166</u> | -- | <u>19,725,929</u> |
| <u>Net carrying amount</u> | | | | | |
| As at 31 December 2024 | <u>17,324,321</u> | <u>12,340,964</u> | <u>145,834</u> | <u>10,014,731</u> | <u>39,825,850</u> |
| As at 31 December 2023 | <u>10,970,132</u> | -- | <u>270,834</u> | <u>3,317,529</u> | <u>14,558,495</u> |

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5- INTANGIBLE ASSETS AND GOODWILL

5.2 Goodwill

The goodwill relates to the acquisition of Marn Business Information Technology Company

| | Marn Business Information Technology Company |
|--------------------------------------|---|
| <u>Cost</u> | |
| Balance as at 1 January 2023 | <u>62,353,937</u> |
| Balance as at 31 December 2023 | <u>62,353,937</u> |
| Balance as at 31 December 2024 | <u>62,353,937</u> |
| <u>Accumulated Impairment</u> | |
| Balance as at 1 January 2023 | -- |
| Balance as at 31 December 2023 | -- |
| Balance as at 31 December 2024 | -- |
| <u>Net carrying amount</u> | |
| As at 31 December 2024 | <u>62,353,937</u> |
| As at 31 December 2023 | <u>62,353,937</u> |

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 five-year period.

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 | <u>Approach used to determine values</u> |
|-------------------|--|
| Sales growth rate | Average annual growth rate over the Five-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 five years has been estimated to be an average annual growth rate of 97%. If all other assumptions kept the same; a reduction of this growth rate by 5% 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 31%. If all other assumptions kept the same; an increase of this discount rate to 34 % would give a fair value exceed the current carrying amount.

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6- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

| | <u>Buildings</u> | <u>Motor vehicles</u> | <u>Lands</u> | <u>Total</u> |
|---------------------------------------|-------------------|-----------------------|----------------|--------------------|
| Cost | | | | |
| Balance as at 1 January 2023 | 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 |
| Additions | 19,684,622 | 8,473,878 | -- | 28,158,500 |
| Disposals | (106,655) | (24,741,243) | -- | (24,847,898) |
| Balance as at 31 December 2024 | 75,547,968 | 81,533,508 | -- | 157,081,476 |
| Depreciation | | | | |
| Balance as at 1 January 2023 | 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 |
| Depreciation for the year | 13,646,138 | 17,579,961 | -- | 31,226,099 |
| Balance as at 31 December 2024 | 31,860,392 | 56,221,723 | -- | 88,082,115 |
| Net carrying amount | | | | |
| As at 31 December 2024 | 43,687,576 | 25,311,785 | -- | 68,999,361 |
| As at 31 December 2023 | 37,755,747 | 59,159,111 | -- | 96,914,858 |

| | <u>For the year ended 31 December</u> | |
|--|---------------------------------------|-------------|
| Amounts recognized in the consolidated statement of profit or loss and other comprehensive income | <u>2024</u> | <u>2023</u> |
| Depreciation of right-of-use assets | 31,226,099 | 46,013,439 |
| Interest expense on lease liabilities | 4,492,139 | 5,459,296 |

Lease liabilities

| | <u>For the year ended 31 December</u> | |
|---|---------------------------------------|-------------------------|
| | <u>2024</u> | <u>2023</u> |
| Balance as at 1 January | 95,973,062 | 129,001,911 |
| Additions during the year | 28,158,501 | 19,307,092 |
| Paid during the year | (31,611,337) | (37,103,596) |
| Disposals during the year | (25,252,912) | (20,691,641) |
| Annual interest cost | 4,492,139 | 5,459,296 |
| Loss of disposal | 89,858 | -- |
| Balance as at 31 December | 71,849,311 | 95,973,062 |
| Lease liabilities recognized in the consolidated statement of financial position | 31 December 2024 | 31 December 2023 |
| Current | 32,271,396 | 32,971,145 |
| Non-current | 39,577,915 | 63,001,917 |
| Total lease liabilities under right-of-use assets | 71,849,311 | 95,973,062 |

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7- INVESTMENTS AT FVTPL

The Company's investments represent equity shares in non-listed company "OMNIFUL, INC.", "PARCEL HOLDING COMPANY W.L.L", "REDBOX TECHNOLOGIES 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 2024 | 31 December 2023 |
|--------------------------------------|-----------------------------|---------------------|
| Balance at the beginning of the year | 84,096,616 | 22,728,737 |
| Additions during the year | -- | 58,040,982 |
| Disposal | (9,690,963) | -- |
| Fair value differences | (6,108,755) | 3,326,897 |
| Balance at the end of the year | 68,296,898 | 84,096,616 |

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 rate | The discount rate, i.e. the weighted average cost of capital (WACC), is applied to specific business lines based on assumptions relating to interest rates, tax rates and risk premiums ('discount rate'). |

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 2.8 to 4.5.

(b) Discount rate

The discount rate in the forecast period has been estimated to be between 26% to 37%.

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8. EQUITY ACCOUNTED INVESTMENTS

a. The movement in equity-accounted investees for the year ended:

| | 31 December 2024 | 31 December 2023 |
|--|-----------------------------|---------------------|
| Opening balance | -- | -- |
| Additions | 103,425,814 | -- |
| Company's share in profit from associate | (2,175,043) | -- |
| | 101,250,771 | -- |

(*) During the year of 31 December 2023 there was no addition on equity accounted investment.

b. Summary of equity accounted investees is as follows

| Name of investee | 31 December 2024 | | 31 December 2023 | |
|-------------------------|---|-------------------|----------------------------------|--------|
| | Effective ownership interest (%) | Amount | Effective ownership interest (%) | Amount |
| Global Fintech Company | 20.62% | 75,220,571 | -- | -- |
| Grub Tech Limited | 11.24% | 28,205,243 | -- | -- |

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 Chief Investment Officer of the Group 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.

Grub Tech Limited

The Group has a member on the Board of Directors and is involved in the process of formulating the Company's policy. The Chief Investment Officer of the group 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.

| 31 December 2024* | Global Fintech | Grub Tech Limited |
|--|-----------------------|--------------------------|
| Curren Assets | 62,020,734 | 33,221,917 |
| Non- Current Assets | 2,735,841 | 1,943,130 |
| Current Liabilities | (50,342,655) | (8,819,961) |
| Non-Current liabilities | (4,951,830) | (1,810,357) |
| Equity | 9,462,090 | 24,534,729 |
| The group share of equity | 1,917,019 | 2,757,704 |
| Book value | 72,904,150 | 28,346,621 |
| Revenue | 33,332,890 | 12,949,926 |
| Net Profit /(loss) | 685,667 | (20,608,729) |
| Other comprehensive income | -- | -- |
| Total comprehensive income/(loss) | 685,667 | (20,608,729) |
| Share in Total Comprehensive income/(loss) | 141,378 | (2,316,421) |

* Figures are from the date of acquisition. The investments in Grub tech and Global Fintech was acquired in the year ended 31 December 2024 and therefore no comparative information is disclosed.

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9- TRADE RECEIVABLES

| | 31 December 2024 | 31 December 2023 |
|--|-----------------------------|---------------------|
| Trade receivables | 63,826,732 | 30,036,991 |
| Related parties (note 21) | 11,273,114 | 6,388,408 |
| | <u>75,099,846</u> | <u>36,425,399</u> |
| | 31 December 2024 | 31 December 2023 |
| Trade receivables | 83,691,382 | 36,096,842 |
| Less: provision for impairment loss on trade receivables | (19,864,650) | (6,059,851) |
| | <u>63,826,732</u> | <u>30,036,991</u> |

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

| | 31 December 2024 | 31 December 2023 |
|--------------------------------------|-----------------------------|---------------------|
| Balance at the beginning of the year | 6,059,851 | 1,029,180 |
| Provided/(Reversal) during the year | 13,804,799 | 5,030,671 |
| | <u>19,864,650</u> | <u>6,059,851</u> |

10- PREPAID EXPENSES AND OTHER RECEIVABLES

| | 31 December 2024 | 31 December 2023 |
|------------------------------|-----------------------------|---------------------|
| Prepaid expenses | 50,892,179 | 58,499,673 |
| Staff advances and custodies | 2,125,673 | 1,326,304 |
| VAT Paid in Advance | 9,302,371 | 7,094,326 |
| Other | 16,019,691 | 5,154,277 |
| | <u>78,339,914</u> | <u>72,074,580</u> |

11- CASH AND CASH EQUIVALENTS

| | 31 December 2024 | 31 December 2023 |
|------------------------------|-----------------------------|----------------------|
| Current accounts with banks* | 352,252,194 | 558,340,581 |
| Short term deposits ** | 700,000,000 | 550,000,000 |
| Cash in hand | 1,828,643 | 718,940 |
| | <u>1,054,080,837</u> | <u>1,109,059,521</u> |

* 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 18).

** The short-term deposits carry a constant rate of return (from 5% to 8%) and a maturity less than three months.

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12- DEPOSITS WITH FINANCIAL INSTITUTIONS

This includes investments in term deposits certificate with financial institutions for a maturity period of more than 3 months at a rate of return (from 5% to 8%) annually (31 December 2023: from 3% to 6%).

13- SHARE CAPITAL

The company's share capital amounted to SR 104 million (31 December 2023: SR 104 million) comprising 209 million fully paid shares (31 December 2023: 209 million shares). With a value of SR 0.5 per share.

14- 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 16).

During the year ended December 31, 2024, the Company completed the purchase of it is own shares with the value of 91 million for the purpose of allocating the shares to support future employee long term incentive scheme and other purposes (Note 16).

The change in the number of treasury shares is as follows:

| | 31 December 2024 | 31 December 2023 |
|--|-----------------------------|---------------------|
| Treasury shares as at 1 January | 3,840,000 | 3,840,000 |
| Reissued treasury shares | (124,800) | -- |
| Purchase treasury shares | 3,553,817 | -- |
| Treasury shares at the end of the year | 7,269,017 | 3,840,000 |

15- 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.

16- 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 2022 (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 2022, 1 April 2023, 1 April 2024, 1 April 2025 and 1 April 2026.

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16- SHARE-BASED PAYMENTS PROGRAM (CONTINUED)

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 date that the first cycle of options was granted. Upon completion of the first cycle on 31 March 2024, the Company issued 124,800 shares to eligible employees who has investment portfolios in the Parallel market “Numo”, and a cash equivalents to the fair value of 175,800 shares was disbursed to a group of employees who chose the cash option, and the company postponed 119,300 shares to employees who chose until the Company’s shares transferred to the main market. While there is a cancellation of 108,900 from the granted shares related to employees who ended their contract with the Company.

During 2022, the Company has granted cycle 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 |

During 2023, the Company has vested cycle 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 24.78 |
| Maturity date | 14 May 2025 |
| Settlement method | Equity |

During 2024, the Company has vested cycle 3 of the plan as follows:

| Third Cycle | 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 | 14 May 2026 |
| Settlement method | Equity |

(*) 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 31 December 2024 amounts to SR 3.8 million (31 December 2023: 19.4M), 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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17- 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 2023 | 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-measurements gains recognized in other comprehensive income | (1,571,043) |
| Benefits paid during the year | (1,500,632) |
| Defined benefit obligation at 31 December 2023 | 17,255,681 |
| Interest cost | 790,289 |
| Current service cost | 7,915,336 |
| Amount recognized in profit and loss | 8,705,625 |
| Re-measurement loss recognized in other comprehensive income | (1,958,244) |
| Benefits paid during the year | (995,108) |
| Defined benefit obligations at 31 December 2024 | 23,007,954 |

A quantitative sensitivity analysis for significant assumptions as at 31 December 2024 and 31 December 2023 is shown below:

| | Discount rate | |
|---|-------------------------------|-----------------------|
| | Increase by 1% | Decrease by 1% |
| Defined benefit obligations as at 31 December 2024 | 19,751,885 | 25,214,356 |
| Defined benefit obligations as at 31 December 2023 | 15,592,517 | 19,284,113 |
| | Salaries increase rate | |
| | Increase by 1% | Decrease by 1% |
| Defined benefit obligations as at 31 December 2024 | 25,354,368 | 19,602,040 |
| Defined benefit obligations as at 31 December 2023 | 19,361,263 | 15,502,290 |

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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18- 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.

19- TRADE PAYABLE

| | 31 December 2024 | 31 December 2023 |
|---------------------------|-----------------------------|--------------------------|
| Trade payable | 46,114,893 | 76,674,274 |
| Related parties (note 21) | 8,180,300 | 6,899,099 |
| | <u>54,295,193</u> | <u>83,573,373</u> |

20- ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

| | 31 December 2024 | 31 December 2023 |
|-----------------------------|-----------------------------|---------------------------|
| Accrued expenses | 85,429,879 | 70,804,517 |
| Third party deposits | 12,297,930 | 14,944,030 |
| Accrued employees' benefits | 53,557,051 | 30,037,176 |
| | <u>151,284,860</u> | <u>115,785,723</u> |

21- 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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21- RELATED PARTY TRANSACTIONS (CONTINUED)

Related party transactions
31 December 2024

| Related party | Nature of relationship | Nature of the transaction | Amount of transaction |
|---|--|-------------------------------------|------------------------------|
| Tharwa Holding Company | A Company owned by the Chairman of the Group | Leases and maintenance services | 1,524,325 |
| Sustainable solutions Company | The company is owned by a family member of the Deputy CEO | Consulting services | 2,537,630 |
| Global fintech | A Company Invest by A subsidiary (Red color Company) | Collection on behalf | 113,972,899 |
| The Eight Creation Agency for Advertising | A Company owned by a shareholder in a subsidiary (Joint Preparation Company for Meals) | Invoices for Advertising services | 473,230 |
| Dar AlFikrah Company | The company is owned by a family member of the Chairman of board of directors | Services | 6,843 |
| RAZ holding company | A Company owned by A Shareholder in subsidiary (SOL Company for Trading) | Rent agreements | 140,428 |
| AlHilal Investing Company | A Shareholder in a Subsidiary (Blu Store Company) | Collection on behalf of the company | 17,652,467 |
| For Al Hilal Trading company | A Shareholder in a Subsidiary (Blu Store Company) | Sales of goods | 11,544,811 |
| Abdullah Suliman Alzamil | A Shareholder in subsidiary (SOL Company for Trading) | Loan | 9,800 |
| Nutria Restaurant | A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading) | Sales invoices | 328,454 |
| Raz Catering Company | A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading) | Sales invoices | 13,990,027 |
| Hisham Salah Abdo | A Shareholder in subsidiary (SOL Company for Trading) | Loan | 390,280 |

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21- RELATED PARTY TRANSACTIONS (CONTINUED)

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 Group Chairman | 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 | 17,386,812 |
| Dar AlFikrah Company | A Company owned by a family member of the chairman of the group | Purchase of goods | 12,587,226 |
| | | Construction Services | 2,721,610 |
| Halalah International Company | A company owned by the Group Vice CEO | Logistics services | 651,604 |
| | | Payments on behalf of the Group | 433,887 |
| 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 34), 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.

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21- RELATED PARTY TRANSACTIONS (CONTINUED)

a) Due from related parties

| | 31 December 2024 | 31 December 2023 |
|--|-----------------------------|---------------------|
| Raz Catering Company | 8,625,283 | 5,150,426 |
| Nutria Restaurant | 957,322 | 820,460 |
| Sustainable solutions Company | 838,036 | -- |
| Hisham Sallah abdo | 440,830 | 50,550 |
| Abdullah Alzamil | 332,533 | 330,000 |
| RAZ holding company | 70,938 | -- |
| Tharwa Holding Company | 5,625 | 20,625 |
| ALAMAT International Company Limited | 2,547 | 2,547 |
| The hundred Innovation institution for providing meals | -- | 13,800 |
| | 11,273,114 | 6,388,408 |

b) Due to related parties

| | 31 December 2024 | 31 December 2023 |
|--|-----------------------------|---------------------|
| AlHilal Investing Company | 4,154,069 | -- |
| For AlHilal trading Company | 3,557,637 | 6,336,892 |
| Abdulaziz Talal Al Tamimi | 327,982 | 327,982 |
| The Eight Creations Agency for Advertising | 89,988 | 71,875 |
| Dar AlFikrah Company | 40,624 | 40,624 |
| Hisham Sallah abdo | 10,000 | 100,000 |
| RAZ holding company | -- | 14,459 |
| Abdullah Suliman Alzamil | -- | 7,267 |
| | 8,180,300 | 6,899,099 |

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 for the years ended 31 December 2024 and 2023, the amounts owed by related parties are not impaired.

Compensation and benefits to key management personnel

| | 31 December 2024 | 31 December 2023 |
|---|-----------------------------|---------------------|
| Salaries and short-term benefits | 11,476,320 | 8,958,733 |
| End-of-service benefits | 587,025 | 458,477 |
| Share based payment | 9,257,941 | 9,501,227 |
| Total compensation and benefits to key management personnel | 21,321,286 | 18,918,437 |

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22- ZAKAT

a) Zakat status

During 2023, 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, BLU Store Company and SOL Company for Trading.

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The Group submitted its Zakat returns for all the years up to the year ended 31 December 2023 to the Zakat, Tax and Customs Authority (“ZATCA”), and obtained a valid Zakat certificate up to 2 Dhu al Qa'dah 1446H (corresponding to 30 April 2025).

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

| | For the year ended 31 December | |
|-------------------------------------|---------------------------------------|---------------|
| | 2024 | 2023 |
| Adjusted net income | 187,338,456 | 278,931,532 |
| Add: | | |
| Share capital | 104,918,030 | 104,918,030 |
| Statutory Reserve | 18,420,724 | 18,420,724 |
| Share Premium | 740,175,505 | 740,175,505 |
| Employees' shares reserve | 28,603,985 | 11,896,912 |
| Treasury shares | (93,072,345) | (1,920,000) |
| Retained earnings | 440,401,680 | 131,634,562 |
| Lease liabilities | 35,979,257 | 79,741,802 |
| End of service provision | -- | 11,020,623 |
| Provision | 22,800,000 | -- |
| Non-current liabilities | 17,309,906 | 2,393,708 |
| Adjustments to reconcile net income | 16,776,085 | -- |
| Less: | | |
| Property and equipment | 204,259,496 | 19,356,876 |
| Intangible assets | 22,952,586 | 10,605,571 |
| Right-of-use assets | 65,322,386 | 80,713,077 |
| Goodwill | 62,368,317 | 66,443,861 |
| Investments at FVTPL | 144,747,815 | 58,340,124 |
| Total | 832,662,227 | 862,822,357 |
| Zakat base | 832,662,227 | 1,168,564,753 |
| Zakat expense | 21,522,202 | 29,214,119 |
| Zakat excess for prior years | (1,145,709) | (2,148,489) |
| Total Zakat expense | 20,376,493 | 27,065,630 |

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22- ZAKAT (CONTINUE)

b) Zakat provision

Movement in Zakat provision is as follows:

| | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--------------------------------------|-----------------------------|-----------------------------|
| Balance at the beginning of the year | 29,262,517 | 27,808,737 |
| Provided for the year | 21,522,202 | 29,214,119 |
| Additions from acquisitions | -- | (319) |
| Payments made during the year | (26,839,010) | (25,611,850) |
| Zakat excess for prior years | (1,145,709) | (2,148,170) |
| Balance at the end of the year | <u>22,800,000</u> | <u>29,262,517</u> |

23- REVENUE

| | <u>For the year ended 31 December</u> | |
|---|---------------------------------------|----------------------|
| | <u>2024</u> | <u>2023</u> |
| Revenue from delivery fees | 1,133,473,721 | 1,043,998,059 |
| Revenue from commissions | 957,669,002 | 689,407,989 |
| Revenue from e-payment fees | 118,395,652 | 84,815,606 |
| Advertising and marketing revenue | 89,969,813 | 74,851,414 |
| Other revenue | 87,472,526 | 26,691,663 |
| Gross revenue | <u>2,386,980,714</u> | <u>1,919,764,731</u> |
| Promotional compensations and cash back | (168,317,979) | (135,009,448) |
| Net revenue | <u>2,218,662,735</u> | <u>1,784,755,283</u> |

23.1 Timing of revenue recognition

| | <u>For the year ended 31 December</u> | |
|---------------------------------------|---------------------------------------|----------------------|
| | <u>2024</u> | <u>2023</u> |
| Services delivered at a point in time | 2,046,550,550 | 1,683,212,206 |
| Services delivered over time | 172,112,185 | 101,543,077 |
| | <u>2,218,662,735</u> | <u>1,784,755,283</u> |

24- COST OF REVENUE

| | <u>For the year ended 31 December</u> | |
|---|---------------------------------------|----------------------|
| | <u>2024</u> | <u>2023</u> |
| Cost of delivery - Delivery companies and freelancers | 1,213,596,633 | 970,928,288 |
| Salaries, wages and employees' benefits | 229,069,171 | 207,553,697 |
| Cost of platforms | 74,081,806 | 61,111,315 |
| Cost of goods sold | 42,139,169 | 6,774,177 |
| Depreciation and amortization | 31,997,460 | 36,268,057 |
| Delivery platform | 26,561,555 | 30,055,037 |
| Network servers | 24,286,007 | 22,237,785 |
| Consumables | 4,698,503 | 5,244,146 |
| Other Drivers related Cost | -- | 11,150,327 |
| Other | 31,069,866 | 27,554,931 |
| | <u>1,677,500,170</u> | <u>1,378,877,760</u> |

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25- MARKETING & ADVERTISING EXPENSES

| | For the year ended 31 December | |
|---|---------------------------------------|-------------|
| | 2024 | 2023 |
| Advertising and publicity | 110,061,479 | 115,872,593 |
| Salaries, wages and employees' benefits | 59,027,684 | 34,095,864 |
| | 169,089,163 | 149,968,457 |

26- GENERAL AND ADMINISTRATIVE EXPENSES

| | For the year ended 31 December | |
|---|---------------------------------------|-------------|
| | 2024 | 2023 |
| Salaries, wages and employees' benefits | 60,653,826 | 38,701,862 |
| Professional fees | 26,184,974 | 18,033,218 |
| Depreciation and amortization | 18,971,186 | 13,221,362 |
| Maintenance and operation | 7,987,870 | 10,645,539 |
| Other | 22,542,140 | 25,592,625 |
| | 136,339,996 | 106,194,606 |

27- REASERCH AND DEVELOPMENTS

| | For the year ended 31 December | |
|---|---------------------------------------|-------------|
| | 2024 | 2023 |
| Salaries, wages and employees' benefits | 42,515,043 | 37,315,471 |
| External resources | 10,245,105 | 4,551,270 |
| | 52,760,148 | 41,866,741 |

28- 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 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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28- SEGMENTS INFORMATION (CONTINUED)

| 31 December 2024 | Delivery Platforms Segment | | Logistics activity | Other activities | | Exclusions / | Total |
|---|----------------------------|----------------------|--------------------|---------------------|---------------------|----------------------|------------------------|
| | Inside the Kingdom | Outside the Kingdom | Inside the Kingdom | Inside the Kingdom | Outside the Kingdom | Eliminations | |
| | SR | SR | SR | SR | SR | SR | SR |
| External Revenue | 2,073,706,801 | 231,619,162 | 10,515,334 | 71,139,417 | -- | -- | 2,386,980,714 |
| Inter-segment revenue | 2,279,178 | -- | 412,534,051 | 1,665,672 | -- | (416,478,901) | -- |
| Customer promotions and cash back | (148,446,213) | (19,832,588) | -- | (39,178) | -- | -- | (168,317,979) |
| Net revenue | 1,927,539,766 | 211,786,574 | 423,049,385 | 72,765,911 | -- | (416,478,901) | 2,218,662,735 |
| Direct costs | (1,399,661,751) | (228,467,089) | (381,432,647) | (51,956,605) | -- | 416,015,381 | (1,645,502,711) |
| Expected credit loss on trade receivables | (2,198,998) | -- | (11,072,148) | (533,653) | -- | -- | (13,804,799) |
| Expenses | (250,787,018) | (39,382,851) | (13,781,165) | (35,730,608) | -- | 463,520 | (339,218,122) |
| Depreciation and amortization | (15,068,602) | (3,184,958) | (22,275,990) | (10,439,094) | -- | -- | (50,968,644) |
| Other income/(expenses) | 49,639,164 | 29,949 | (18,211) | (9,702,464) | -- | -- | 39,948,438 |
| Finance costs | (272,393) | (148,173) | (2,244,212) | (1,857,481) | -- | -- | (4,522,259) |
| Zakat | (20,376,493) | -- | -- | -- | -- | -- | (20,376,493) |
| Net segment profit | 288,813,675 | (59,366,548) | (7,774,988) | (37,453,994) | -- | -- | 184,218,145 |
| Total assets | 1,627,275,532 | 35,713,757 | 84,618,768 | 314,637,366 | -- | (292,169,777) | 1,770,075,646 |
| Total liabilities | 429,194,159 | 145,615,744 | 224,694,808 | 364,340,867 | -- | (643,210,360) | 520,635,218 |

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28- SEGMENTS INFORMATION (CONTINUED)

| 31 December 2023 | Delivery Platforms Segment | | Logistics activity | Other activities | | Exclusions / | Total |
|---|----------------------------|---------------------|--------------------|---------------------|---------------------|----------------------|----------------------|
| | Inside the Kingdom | Outside the Kingdom | Inside the Kingdom | Inside the Kingdom | Outside the Kingdom | Eliminations | |
| | 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) |
| Expected credit 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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29- 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, Equity accounted investments, 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 2024 | 31 December 2023 |
|--------------------------------------|-----------------------------|----------------------|
| Trade receivables | 75,099,846 | 36,425,399 |
| Cash and cash equivalents | 1,054,080,837 | 1,109,059,521 |
| Deposits with financial institutions | -- | 107,564,031 |
| | <u>1,129,180,683</u> | <u>1,253,048,951</u> |

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29- 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 2024 | | | 31 December 2023 | | |
|---------------------------|-------------------|------------|-------------------|-------------------|------------|------------------|
| | Balance | Rate | Impairment | Balance | Rate | Impairment |
| 1 to 90 days | 37,469,286 | 3% | 1,300,016 | 25,457,605 | 7% | 1,699,306 |
| 91 to 180 days | 18,879,824 | 8% | 1,506,476 | 2,495,235 | 22% | 548,956 |
| 181 to 270 days | 7,718,756 | 26% | 1,904,970 | 2,320,926 | 40% | 930,524 |
| 271 to 361 days | 4,727,952 | 64% | 2,068,067 | 2,564,578 | 52% | 1,330,143 |
| More than 361 days | 14,895,564 | 88% | 13,085,121 | 3,258,498 | 48% | 1,550,922 |
| Total | 83,691,382 | 25% | 19,864,650 | 36,096,842 | 17% | 6,059,851 |

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.

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29- FINANCIAL INSTRUMENTS (CONTINUED)

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

| 31 December 2024 | Less than 1 year | 1-5 years | Over 5 years | Total contractual cash flows | Carrying amount |
|---|-----------------------------|-------------------|-------------------------|---|----------------------------|
| Proceeds due to customers | 197,397,900 | -- | -- | 197,397,900 | 197,397,900 |
| Lease liabilities | 30,366,294 | 44,535,037 | 7,032,209 | 81,933,540 | 71,849,311 |
| Trade payables | 54,295,193 | -- | -- | 54,295,193 | 54,295,193 |
| Accrued expenses and other current liabilities | 151,284,860 | -- | -- | 151,284,860 | 151,284,860 |
| | <u>433,344,247</u> | <u>44,535,037</u> | <u>7,032,209</u> | <u>484,911,493</u> | <u>474,827,264</u> |
| 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 | 115,785,723 | -- | -- | 115,785,723 | 115,785,723 |
| | <u>394,008,737</u> | <u>61,877,548</u> | <u>1,124,369</u> | <u>457,010,654</u> | <u>456,881,799</u> |

30- BASIC AND DILUTED EARNINGS PER SHARE

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

| | For the year ended 31 December | |
|-----------------------------------|---------------------------------------|-------------|
| | 2024 | 2023 |
| Net profit | 187,979,245 | 125,336,967 |
| Weighted average number of shares | 204,424,967 | 205,996,060 |
| Basic earnings per share | <u>0.92</u> | <u>0.61</u> |
| Diluted earnings per share | <u>0.92</u> | <u>0.61</u> |

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30- BASIC AND DILUTED EARNINGS PER SHARE (CONTINUE)

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

a) Ordinary shares

| | 31 December 2024 | 31 December 2023 |
|---|-----------------------------|---------------------|
| Ordinary shares at the beginning of the year | 209,836,060 | 209,836,060 |
| Treasury shares | (3,840,000) | (3,840,000) |
| Outstanding shares at the beginning of the year | 205,996,060 | 205,996,060 |
| | 31 December 2024 | 31 December 2023 |
| Outstanding shares at the beginning of the year | 205,996,060 | 209,836,060 |
| Weighted average of shares issued during the year | (1,665,120) | (3,840,000) |
| Weighted average of shares repurchased during the year | 94,027 | -- |
| Weighted average of shares numbers at the end of the year | 204,424,967 | 205,996,060 |

b) Diluted shares

| | 31 December 2024 | 31 December 2023 |
|---|-----------------------------|---------------------|
| Weighted average number of ordinary shares for the purposes of calculating basic earnings per share at the end of the year. | 204,424,967 | 205,996,060 |
| Effect of share options | 800,277 | 631,497 |
| Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share. | 205,225,244 | 206,627,557 |

31- 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 2024 | 31 December 2023 |
|---------------------------------|-----------------------------|---------------------|
| Total liabilities | 520,635,218 | 505,316,896 |
| Less: cash and cash equivalents | (1,054,080,837) | (1,109,059,521) |
| Net debt | (533,445,619) | (603,742,625) |
| Total equity | 1,249,440,428 | 1,145,478,944 |
| Net debt to equity ratio | (43%) | (53%) |

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32- 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 2024 | | | | | | |
|--|-------------------------|---|----------------------|-------------------|----------------|-------------------|-------------------|
| | Carrying amount | | | Fair value | | | |
| | Amortized cost | Other financial assets and liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | |
| Trade receivables | 75,099,846 | -- | 75,099,846 | -- | -- | -- | -- |
| Cash and cash equivalents | 1,054,080,837 | -- | 1,054,080,837 | -- | -- | -- | -- |
| Investments at FVTPL | -- | 68,296,898 | 68,296,898 | -- | -- | 68,296,898 | 68,296,898 |
| Equity accounted investments | 101,250,771 | -- | 101,250,771 | -- | -- | -- | -- |
| | 1,230,431,454 | 68,296,898 | 1,298,728,352 | -- | -- | 68,296,898 | 68,296,898 |
| Financial liabilities | | | | | | | |
| Proceeds due to customers | 197,397,900 | -- | 197,397,900 | -- | -- | -- | -- |
| Accrued expenses and other current liabilities | 151,284,860 | -- | 151,284,860 | -- | -- | -- | -- |
| Trade payables | 54,295,193 | -- | 54,295,193 | -- | -- | -- | -- |
| Lease liabilities | 71,849,311 | -- | 71,849,311 | -- | -- | -- | -- |
| | 474,827,264 | -- | 474,827,264 | -- | -- | -- | -- |

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32- FAIR-VALUE MEASUREMENT (CONTINUED)

| | 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 |
| | <u>1,253,048,951</u> | <u>84,096,616</u> | <u>1,337,145,567</u> | <u>--</u> | <u>--</u> | <u>84,096,616</u> | <u>84,096,616</u> |
| Financial liabilities | | | | | | | |
| Proceeds due to customers | 161,549,641 | -- | 161,549,641 | -- | -- | -- | -- |
| Accrued expenses and other current liabilities | 115,785,723 | -- | 115,785,723 | -- | -- | -- | -- |
| Trade payables | 83,573,373 | -- | 83,573,373 | -- | -- | -- | -- |
| Lease liabilities | 95,973,062 | -- | 95,973,062 | -- | -- | -- | -- |
| | <u>456,881,799</u> | <u>--</u> | <u>456,881,799</u> | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |

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33- CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

The Group has Capital commitments represent Property construction contract of SR 500,000 and Improvements to leases of SR 825,000.

The Group has future contractual commitments of SR 74.4 million (31 December 2023: SR 89.8 million) as shown below.

| | 31 December 2024 | 31 December 2023 |
|---|-----------------------------|---------------------|
| Sponsorship | 45,896,708 | 71,886,580 |
| Professional, consolations and legal fees | 5,074,096 | 1,271,168 |
| Employment contracts | 2,758,283 | 7,936,054 |
| Trademark marketing | -- | 8,740,000 |
| Services and others | 20,681,510 | -- |
| | 74,410,597 | 89,833,802 |

34- BUSINESS COMBINATION

34.1 Joint Preparation Company for Meals Acquisition:

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 year 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 transaction increased the share of Jahez Group from 60% to 100%. 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 consolidated statement of profit or loss for the year ended 31 December 2024. The difference of SR 13.7 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.

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34- BUSINESS COMBINATION (CONTINUED)

34.1 Joint Preparation Company for Meals Acquisition:

The following table summarizes the recognized amounts at fair value of assets acquired and liabilities assumed at the date of acquisition.

| Assets | Acquisition date |
|---|-------------------------|
| Property and equipment | 28,062,014 |
| Intangible assets | 84,707 |
| Right-of-use assets | 12,717,987 |
| Prepayments and other receivables | 7,641,121 |
| Trade Receivables | 1,586,431 |
| Cash and cash equivalents | 3,375,862 |
| Total assets | 53,468,122 |
| Liabilities | |
| Employees' benefits | 443,954 |
| Lease liabilities | 12,898,660 |
| Trade Payable | 4,171,506 |
| Accrued expenses and other payables | 54,374,766 |
| Total liabilities | 71,888,886 |
| Identifiable net liability at acquisition date | (18,420,764) |

| Summary of Revenue and Loss: | Revenue | Loss |
|-------------------------------------|----------------|-------------|
| From the beginning of the period | 18,410,795 | (9,138,809) |
| From the acquisition date | 17,664,793 | (8,077,875) |

34.2 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”). Accordingly, this transaction was accounted for using the acquisition method, with Jahez International Information Systems Technology Company as the acquirer and Sol Trading Company as the acquired entity. The company engaged an independent expert to determine the fair values of Sol Trading Company's assets and liabilities as part of the purchase price allocation at the acquisition date.

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34- BUSINESS COMBINATION (CONTINUED)

34.2 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 |
| Intangible assets | 13,600,00 |
| Inventory | 303,028 |
| Prepayments and other current assets | 480,985 |
| Accounts receivables | 9,271,626 |
| Cash and cash equivalents | 803,696 |
| Total assets | 25,591,695 |
| Liabilities | |
| Employees' benefits | 129,187 |
| Lease liabilities | 803,897 |
| Short term loan | 2,700,019 |
| Account payable | 6,015,613 |
| Accrued expenses and other payables | 546,023 |
| Zakat | 319 |
| Total liabilities | 10,195,058 |
| Identifiable net liability at acquisition date* | 15,396,637 |

Result of the acquisition Below is an analysis of the cash flow result from the acquisition

| | |
|--|------------------|
| Purchase Amount | 5,000,000 |
| Net cash Acquired from subsidiary (including in the cash flow statement from investing activities) | 803,696 |
| | <u>4,196,304</u> |

Intangible Assets Resulting from the Acquisition

Below are the intangible assets recognized along with the valuation methods used to measure the relevant fair values:

| Intangible assets | Amount recognized at Acquisition | Valuation Method used |
|--------------------------|---|---|
| Trade mark | 13,600,000 | Exemption from Intellectual property Fees |

During 2024, Sol trading company contributed SAR 36.2 million in Revenue and SAR 6.7 million in losses as decrease of net profit of the Group.

Jahez International Company for Information Systems Technology
(A Saudi Joint Stock Company)
Notes to the consolidated financial statements
For the year ended 31 December 2024
(Saudi Riyal)

35- SUBSEQUENT EVENTS

No material events occurred subsequent to the consolidated financial statements date which could materially affect the consolidated financial statements and the related disclosures for the year ended 31 December 2024.

36- APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors for issuance on 8 Ramadan 1446H (Corresponding to 8 March 2025).