

# Digitalizing Lifestyle



jahez

Annual Report 2023





The Custodian of the Two Holy Mosques  
**King Salman Bin Abdulaziz Al Saud**



His Royal Highness Crown Prince, Prime Minister,  
Chairman of the Council of Economic and  
Development Affairs  
**Mohammad Bin Salman Bin Abdulaziz Al Saud**

# Contents

About this  
Report

**05**

Chairman's  
Statement

**06**

Chief Executive  
Officer's Statement

**09**

Chief Financial  
Officer's Review

**14**

Overview

**18**

Financial and  
Operational  
Highlights – 19

What is Jahez? – 20

The Group – 24

Our Value  
Creation Model – 34

Management  
Discussion and  
Analysis

**36**

Portfolio  
performance – 37

Portfolio Review – 37

Enhancing  
Brand Image – 70

Organizational  
Performance – 75

Fast-tracking  
Organizational  
excellence  
through Technology  
and Innovation – 76

Investing in Human  
Capital for  
Sustained Growth – 82

Vitalizing  
Sustainability – 89

Corporate  
Governance and  
Risk Management

**91**

Corporate  
Governance – 92

Risk  
Management – 145

Financial Statements

**149**

Independent Auditor's Report – 150

Consolidated Statement  
of Financial Position  
as at 31 December 2023 – 156

Consolidated Statement of  
Profit or Loss and Other  
Comprehensive Income for the  
year ended 31 December 2023 – 157

Consolidated Statement of  
Changes in Shareholders Equity  
for the year ended  
31 December 2023 – 158

Consolidated Statement of  
Cash Flows for the year ended  
31 December 2023 – 160

Notes to the Consolidated  
Financial Statements for  
the year ended  
31 December 2023 – 161

Corporate Info – Inner back cover







# About this Report



This is the Annual Report of Jahez International Company for Information Systems Technology ("Group"), covering all its subsidiaries and venture capital investments.

In this Report, we seek to provide a comprehensive and nuanced overview of our performance during the year under review, with useful, data-driven insights into our business activities. All material information that we believe will be of use to all our valued stakeholders is contained within the pages of this document, presented in clear and concise language.

The Report also contains information on, inter alia, our operating environment, our product and services portfolio, our growth strategy and business model, our organizational structure, and our ESG commitments. Our outlook for the future is also a key highlight of this Report as the Group embarks on an ambitious expansion drive to become the region's most loved lifestyle platform.

## Report boundary

The boundary for financial reporting and non-financial in this report extends to cover the Jahez and its subsidiaries, which is referred to as the "Group". This Report covers the 12-month period from 1 January to 31 December 2023.

## Reporting frameworks

This is a comprehensive report that draws from the principles outlined in the International Integrated Reporting <IR> Framework, now part of the International Financial Reporting Standards (IFRS) Foundation, the CMA's Listed Companies Guide and the SASB industry standards for the software and IT services industry.

## Compliance

The Group strictly adheres to all applicable laws, rules, regulations and standards and also follows international standards and guidelines for voluntary disclosures.

## Inquiries

Please share your feedback or any queries on this Report at:

**Telephone:** 8001241220

**Email:** IR@jahez.net



Scan to view the online end-to-end HTML version of this Annual Report

<https://jahez2023.annualreport.plus/>



## Chairman's Statement

---

From a quiet inception in 2016 to a remarkable initial public offering (IPO) just five years later and, now, on the cusp of a historic transformation, Jahez has reached unprecedented heights in record time. I'm delighted to announce that the Group has already made considerable headway in its promised evolution to an ecosystem of on-demand services that enhances customer lifestyle and empowers businesses.





### Dear valued shareholder,

At the end of another successful year that showcased our boundless capacity to overcome challenges and our ability to scale up through timely growth-oriented investments, it is my privilege to present to you Jahez Annual Report for the financial year ending 2023.

From a quiet inception in 2016 to a remarkable initial public offering (IPO) just five years later and, now, on the cusp of a historic transformation, Jahez has reached unprecedented heights in record time. I'm delighted to announce that the Group has already made considerable headway in its promised evolution to an ecosystem of on-demand services that enhances customer lifestyle and empowers businesses.

Looking back on the year 2023, Jahez recorded robust financial performance and consistent profitability and growth across multiple verticals, in the face of numerous challenges. This was particularly true for our logistics business, which is poised to become the region's largest last-mile-service provider over the next few months. Order volumes across Jahez, PIK and Blu apps surged during 2023 to 85 million orders, growing by 21.8%. Gross revenue grew by 14.8% this year, reaching SAR 1.9 billion.

With the year ends, the Group's various platforms have cultivated partnerships with 13.9K merchants, including some of the most popular global and local brands operating in the region. The Group delivered orders in over 100 cities, three countries, serving over 95% of the total population of the Kingdom, illustrating the widespread impact and penetration of our services.

The continuous influx of new users registering on Group's platforms is indicative of our sustained growth trajectory. At the end of the year, the active user base of the Group's suite of apps surpassed 3.5 million, attesting to the enduring appeal and effectiveness of our platforms in meeting the evolving needs of a diverse user demographic.

A number of new acquisitions and investments made during the year helped steer us towards rapid growth, enabling our planned group-wide transformation. These include Marn, a point-of-sales solutions provider which has helped strengthen the Group's standing among our restaurant partners, and a series of venture capital investments that are geared to make the coming transition possible.

This resounding success is a testament to the viability of our business model, our team, and our vision and mission. With sheer determination, resilience, and persistence, we have emerged as one of the most trusted business operations across the region, and today, we're excited to see where we can take the business in the coming years. As ever, we are truly grateful for the trust and loyalty our customers and merchants and delivery partners have placed in us over the years and continue to place as we embark on this bold new journey.

## Chairman's Statement

---

Jahez's growth is directly attributable to our dedicated employees who continue to do a remarkable job of serving our customers with continued commitment and hard work as a team. I express my heartfelt gratitude to each and every member of our team for their unwavering support and motivation regardless of challenges.

As we have grown and as our operations have expanded, so has our focus on sustainable growth and social responsibility. In 2023, we published our first ever sustainability report, which outlined our roadmap from 2023 to 2026 designed to cover all aspects of environmental, social and governance (ESG) considerations.

The new financial year brings with it fresh prospects, opportunities and challenges, and we are optimistic that the strategies we have drawn up to facilitate the transition to the region's leading solutions provider for 21st-century digital living will bear fruit sooner than anticipated.

In conclusion, I would like to extend my sincere thanks and appreciation to our wise Government under the leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, may Allah Almighty protect him, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, may Allah protect him, for the tireless efforts and support to improve business and investment environments that satisfy the ambition for quality aspired at all levels in the Kingdom. I would also like to thank the Board of Directors, the Chief Executive Officer and the Executive Management, and all the shareholders and partners for their continued confidence and support to Jahez at all times and under all circumstances.

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

Chairman of the Board

## Chief Executive Officer's Statement

On the back of a momentous IPO in early 2022 that garnered wide acclaim and catalyzed a significant growth phase with a USD 2.4 billion listing, we focused our efforts during the year under review on setting the Group on a trajectory of transformative evolution, one that will see Jahez become the Kingdom's and the wider region's leading ecosystem of on-demand services enhancing customers lifestyle, going far beyond its current ambit of food delivery and quick commerce.



## Chief Executive Officer's Statement

---

Having expanded and fortified our verticals in 2022 in full alignment with our overarching strategic vision, the past 12-months saw the Group consolidate its position as a market leader and demonstrated substantial profitability and sustainability as a trailblazing tech enterprise on track to becoming a global player. On the back of a momentous IPO in early 2022 that garnered wide acclaim and catalyzed a significant growth phase with a USD 2.4 billion listing, we focused our efforts during the year under review on setting the Group on a trajectory of transformative evolution, one that will see Jahez become the Kingdom's and the wider region's leading ecosystem of on-demand services enhancing customers lifestyle, going far beyond its current ambit of food delivery and quick commerce. As we move into a new year, I'm delighted to inform our valued shareholders, investors and other stakeholders that significant strides have already been made in advancing this radical transformation. Jahez remains steadfastly committed to navigating this strategic shift with precision and diligence.

During the reporting period, Jahez executed several impactful acquisitions and venture capital investments across diverse verticals that served to significantly elevate the Group's value proposition. Among the more notable of these was Marn, a fully acquired point-of-sale and fintech provider to food and beverage retailers, which has been instrumental in enhancing our restaurant partners' technological capacities. The first six months since the acquisition saw meticulous implementation, ensuring seamless integration of all systems, and in 2024, we plan to harness Marn's capabilities to realize the full spectrum of synergies between our various platforms in pursuit of the Group's growth ambitions. This strategic acquisition is of tremendous importance to the Group, serving as a pivotal element in completing our ecosystem and positioning us for sustained success in our coming evolution.

The year under review also marked few other pivotal acquisitions, venture capital investments and partnerships, all integral to our relentless campaign to achieve a harmonious balance between growth and profitability. The most recent of these acquisitions, Sol, is strategically positioned to enhance the procurement experience for our esteemed restaurant partners, unlocking heightened opportunities for sustainable growth. In a decentralized universe between restaurants and their suppliers, Sol centralizes the procurement experience by bringing an end-to-end digital experience including delivery. Our investment in Sol aims to elevate the procurement experience of our restaurant partners and offer them increased opportunities for growth.

This and other headline-making investments have given us an edge in innovation, growth and profitability over the past several months, keeping Jahez firmly on top of the industry for years to come.

Logi, our logistics business which covers approximately 30% of the Group's annual order volume, faced a number of regulatory and operational challenges throughout 2022, which have since been overcome. Another concern raised by investors, well into the fourth quarter of 2022, was the absence of a proven path to profitability for this specific vertical that no other player in the region had been able to demonstrate. Having reevaluated this promising but as yet underutilised business from a human resources perspective on top of other, more conventional



entrepreneurial considerations, we adopted a fresh outlook for Logi that would help the subsidiary reach its untapped potential. I'm proud to note that, at the end of the year under review, Logi underwent a remarkable transformation, transitioning from a negative to positive trajectory in a matter of months, marking one of the most significant milestones for the Group in 2023. Logi is now advancing towards higher profitability, and ensuring that we're on a path towards sustainable growth is paramount. Already, the business is earning record profits, which has helped dispel any concerns regarding its standing position. Our resolve to speedily transform the business paid off, and we were able to prove, definitively, that Jahez is true to its growth promise. In three years, we believe Logi will report a percentage of growth that was once thought impossible. Our aim, going forward, is to be the biggest last-mile delivery company in the Kingdom, extending services to be not limited to our own business units, a goal we expect to reach as early as 2024.

Meanwhile, Jahez platform, the cornerstone of the Group's revenue, followed a similar path of growth and sustained profitability during the reporting period. In a climate marked by high inflation and a host of other challenges, both in the Kingdom and elsewhere, Jahez made considerable progress on all fronts during the year under review. In 2023, Jahez also sustained its momentum in geographical expansion, cementing its presence in Bahrain and entering new markets such as Kuwait, in addition to fortifying its foothold in the Kingdom to cover over 100 Saudi Arabian cities the company operates in. During the year, concerted efforts were made to ensure Jahez's prominence as the premier food delivery used in each city the platform was available in, and I'm happy to say that this goal was more than satisfactorily achieved.

Blu, our sports and entertainment-centred platform that was born out of a strategic partnership with Al Hilal Club, made significant progress in 2023. Blu business model is unique in the Middle East and, as an application dedicated to sport, the platform made considerable revenue during the reporting period from the sale of tickets, sports jerseys, equipment and ancillary services such as field reservations. As of December 2023, Blu reaches an impressive 70 countries in terms of orders delivered, an undeniably major achievement for the Group.

Our direct commerce app PIK encountered some hurdles during the reporting period, but none of these challenges proved insurmountable and, in fact, served as valuable learning opportunities for the subsidiary. Notably, insights gleaned from the merchant side with regard to inventory chain integration and related issues proved particularly instructive. As we conclude the year under review, PIK is actively engaged in initiatives aimed at enhancing alignment with our merchant partners in order to optimize service delivery to our customers. As always, upholding the highest standards of service quality is something that Jahez holds in the highest regard.

With respect to Co, our cloud kitchen business, we have expanded our presence to 13 locations across the Kingdom. This business ends 2023 on a high note, bolstered by the timely introduction of an all-new cloud shelving feature through a new key investment that has enhanced the company's capabilities. Co shelving services are extended to each partner store that we partner

## Chief Executive Officer's Statement

---

with, providing us a solid positioning among restaurants and other merchants, contributing to our encouraging success and growth trajectory in the dynamic landscape of cloud-based culinary services.

Other developments in 2023 include the numerous conveniences we have offered our valuable customers, such as a more advanced wallet feature, which has contributed to customer retention and building trust. Call centers and dispatch centers also underwent substantial enhancements over the reporting period. The streamlined operational efficiency is evidenced by a noteworthy reduction in the time required to complete a call. These advancements in customer service can be attributed to the collaborative efforts of our Information and Communication Technology (ICT) department and various other organizational units whose synergies yielded innovative strategies aimed at customer retention, exemplifying our commitment to delivering unparalleled service experiences and fortifying our relationships with our valued clientele.

Our commitment to empowering restaurant and merchant partners with actionable insights remained unwavering as we diligently provided valuable data analytics, offering strategic guidance to all our partners, helping them enhance sales and their overall value proposition. A sophisticated portal that helps merchants market their products and achieve increased visibility and efficiency was designed by our data team leveraging artificial intelligence (AI) that has proved invaluable to our partners across the board. A state-of-the-art digital wallet introduced in 2023, meanwhile, allows a given restaurant's or merchant's customers to order exclusively from them. This is a unique innovation seen nowhere else in the region and also allows merchants to reward their top customers with exclusive vouchers that can be redeemed at their own outlets. The response from merchants has so far been highly encouraging, to say the least.

As Jahez steps into a new year, the Group continues to build on its success and grow as a major international player in the food aggregator market while also taking measures to transform the business into an ecosystem of on-demand services. I take this opportunity to note that 2024 will mark the Group's highly anticipated transfer to the Main Market on the Saudi exchange, enabling further opportunities for growth and better governance. Our strategy going into the new year will be to focus on leveraging the synergies between our verticals and forge stronger connections between our stakeholders. The integration of AI and the establishment of new departments will facilitate this endeavor, helping the business in its coming transition to a digital lifestyle solutions company. In anticipation of this transformation, we have already introduced new digital services to our customers, signaling our commitment to providing a seamless digital experience. Challenges will no doubt come, but over the years Jahez has amply demonstrated its resilience in the face of all manner of difficulties, all of which we have navigated successfully, and I would like to take this opportunity to remind all our stakeholders that the Group will prevail and reach new and unprecedented heights in the months ahead.

## Chief Executive Officer's Statement

---

I would also like to extend my sincerest gratitude to the Saudi Government, under the leadership of the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, may Allah Almighty protect him, and His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, may Allah protect him, for fostering a socioeconomic environment conducive to sustainable growth and profitability. The authorities' efforts during the year that marked the midpoint of the Vision 2030 journey contributed significantly to realizing our own grand vision of becoming the most loved lifestyle platform in the Middle East.

My appreciation also goes out to the Board of Directors and Executive Management, and all shareholders and partners for their unwavering confidence and support to Jahez at all times under all circumstances.

**Ghassab Bin Salman Bin Ghassab Bin Mandeel**

Chief Executive Officer

## Chief Financial Officer's review

---

We managed to maintain more than satisfactory levels of profitability exceeding the targeted Adj. EBITDA margin range from net revenue at 10.2%, with a year-on-year net profit margin increase of nearly 110%, alongside steady topline growth in 2023.





If there was one recurring theme that defined the past year for Jahez group, over several of its business verticals, it was that of a sustained and harmonious symmetry between growth and profitability. We managed to maintain more than satisfactory levels of profitability exceeding the targeted Adj. EBITDA margin range from net revenue at 10.2%, with a year-on-year net profit margin increase of nearly 110%, alongside steady topline growth in 2023. Which is demonstrating the enduring reliability of our business model nearly seven years since our inception as a tech start-up. In fact, the Group continued its growth trajectory during last year after having rapidly expanded its operations on the back of a triumphant IPO in 2022.

At the Group level, overall financial performance for the year marked a significant positive trend in 2023 with orders count exceeding 12x of the orders realized during 2019. We met and, in some cases, surpassed our targets and earnings guidance for the year both at topline and bottom line levels, exceeding SAR 7 billion in gross order value (GOV) and SAR 5.1 billion in gross merchandise value (GMV).

Our Gross revenue for 2023 stood at SAR 1.9 billion, indicating a sustainable growth of 14.8%. Our platforms operating within the Kingdom, recorded a notable rise in their EBITDA margins during the reporting period as well as improved unit-economics despite market competitiveness and price pressure, as the result of a strategic focus on balancing growth and profitability and delivery cost optimization.

Revenue Growth in 2023 was driven by delivery fees growth at 5.5%, the material increases in commission revenues of 29% as well as the other revenues by 27% mostly through the additional revenue streams brought by more recent acquisitions and investments.

The year's PNL structure reflected a slight increase in gross profit at the group level due to better optimization of costs and economy of scale, and sales and marketing ratios remained low compared to industry standards, reflecting a commitment to intelligent and targeted spending. These measures contributed to our impressive 10.2% Adj. EBITDA margins in an industry where practically all players are still making their first positive periods.

Indicator	2019	2020	2021	2022	2023
Revenue (SAR '000)	158,529	459,306	1,159,568	1,602,477	1,784,755
Number of orders (millions)	7.0	19.5	51.6	69.0	84.8
Average order value (SAR)	71.1	72.6	64.8	62.2	60.1
Average commission/ order (SAR)	6.7	7.7	7.5	7.7	8.1
Gross Order Value (GOV) (SAR '000)	631,862	1,887,706	4,524,826	6,071,081	7,024,335
Gross Merchandize Value (GMV) (SAR '000)	497,477	1,418,096	3,342,531	4,291,296	5,092,828

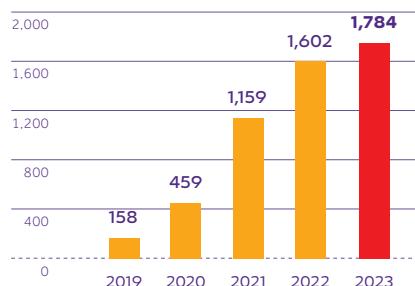
Looking back on our performance during 2023, perhaps nowhere was this running theme of increased profitability amid steady growth more pronounced than in our logistics operation, which went from a loss-making venture to overcome the challenges in record time. A concerted and continuous effort to grow this vertical resulted in a quick transition to profitability with improved margins, from SAR -29.2 million in 2022 in Adj. EBITDA to gains of some SAR 23.8 million as of end of 2023.

## Chief Financial Officer's review

The costs incurred over the business' somewhat steep learning curve are now paying off, and increased stability and productivity are also anticipated in the coming years as the logistics sector grows bigger and becomes ever more profitable and used by the Group as a winning asset securing a sustainable source of the drivers supply with a very competitive costs.

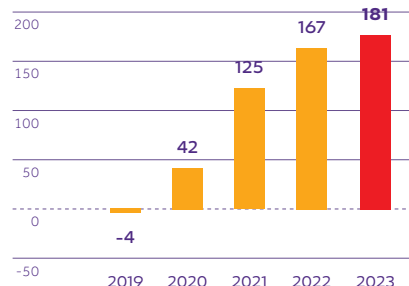
### Revenue

(SAR million.)



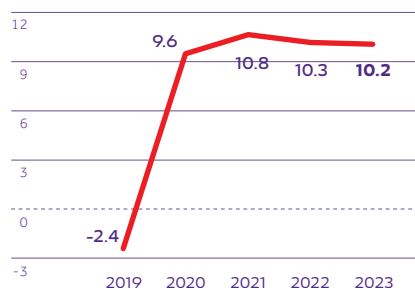
### Adjusted EBITDA

(SAR million.)



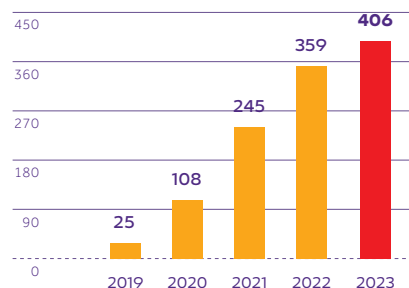
### Adjusted EBITDA margin

(%)



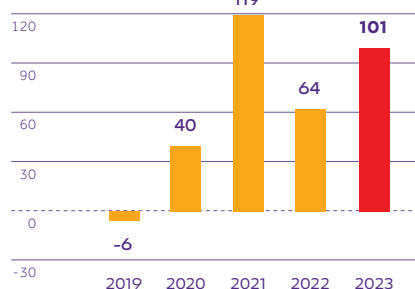
### Gross profit

(SAR million.)



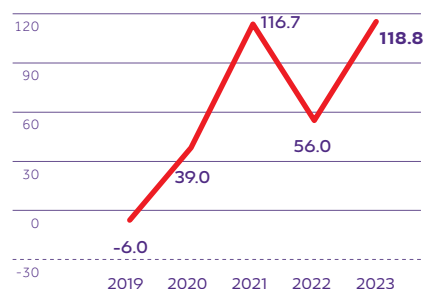
### Operating Profit/(loss)

(SAR million.)



### Net profit/(loss)

(SAR million.)



Among other key verticals, the quick commerce platforms Blu Store and PIK continued the expansion. Blu Store expanded its services to over 70 countries. While its contribution to the Group at large remains relatively small, Blu's substantial growth and outstanding performance during 2023 showcase the immense potential of our partnership with the Al Hilal Club and promises significant growth impact across different revenue streams and market segments.

Though PIK faced certain challenges, the platform ends the year having initiated a number of measures to grow and scale up. Initiatives are already in place to manage the performance and also to refine its business model, with a sharp focus on retailer adoption, communication and relationship management.

Meanwhile, Co, our cloud kitchen business, branched out to an innovative cloud shelving vertical during 2023 in a timely and strategic move to offer optimized storage spaces to our restaurant and merchant partners, showcasing the business unit's adaptability and versatility. The objective of this exercise is to maximize revenue and productivity per square meter. The cloud shelves serve as micro fulfillment centers to Jahez's food and non-food platforms alike as well as to other e-commerce platforms in the market. This is anticipated to generate additional revenue by combining our cloud kitchen and shelving spaces and our logistics capabilities as a packaged product for e-commerce platforms across the region.

It must also be noted that 2023 marked some ramp up losses for the Group in the Gulf Cooperation Council (GCC) markets driven by the expansion strategy and market share gain, amounting to some SAR -72 million at the Adj. EBITDA level.

Our Bahrain and Kuwait operations over the last year have positioned us competitively in those important markets with a clear path to profitability in the near term.

Our approach to dynamic pricing and cost optimization in the Kingdom, which continues to yield positive results, will also enable further expansion locally and regionally as well as vertical growth while returning considerable profits. I am happy to note that efforts to capture market share from our fierce competition in the GCC are already proving successful.

The year also marked a number of key acquisitions, venture capital investments and partnerships, translating our aspiration to build an ecosystem around our core, the on-demand services. The most recent of these acquisitions, Sol, aims to elevate the procurement experience for our restaurant partners and offer increased opportunities for growth.

In terms of market growth, driven by digital adoption and changing demographics, the Saudi market continues to expand, which has allowed for more room for growth for Jahez. Jahez's number of merchant partners also increased during the reporting period, while our reliance on delivery partners shifted towards our own fleet with the aim of increased productivity.

As we move into 2024, the Group has its sights set on enhancing existing markets, and achieve more growth, particularly in the platforms and logistics verticals.

The synergies that we're creating across different segments of our business and also through new investments continue to create more value for our customers and shareholders. We are currently developing new investment ideas that will add to these synergies and create increased value for all while building an ecosystem contributing in enhancing customers lifestyle and empowering businesses. Our ability to achieve growth while remaining profitable sets Jahez Group apart in our industry, and with renewed vigor and focus, we plan to deliver more to our valued stakeholders in the upcoming years.

**Heni Abdul Hakeem Mohamed Jallouli**

Chief Financial Officer

# Overview 18

Financial and  
Operational Highlights

19

What is Jahez?

20

The Group

24

Our Value  
Creation Model

34



# Financial and Operational Highlights

## Operational highlights

Demonstrated substantial profitability and sustainability, achieving 10.2% EBITDA of net revenue and maintaining highly satisfactory levels of profitability alongside steady growth in 2023.

Laid the strategic foundation for a planned transformation as the region's leading digital lifestyle solutions provider going beyond current ambit of food delivery and quick commerce.

Completed the acquisition of Marn Business Information Technology Company which helps enhance our restaurant partners' technological capacities.

Invested in an 35% stake in Sol, a company that centralises the procurement experience for restaurants by bringing an end-to-end digital experience including delivery. The investment was aimed at enhancing the procurement experience for our restaurant partners, unlocking new opportunities for sustainable growth.

Logi transformed from a loss-making venture to a profitable enterprise on EBITDA level in 2023 with significantly improved margins, from SAR 29.2 million losses in 2022 to gains of some SAR 23.8 million in 2023.

Blu Store expanded its services to over 70 countries in terms of orders delivered.

PIK encountered some challenges in 2023 but overall performance during the year under review was to set the path for enhanced offering.

Co Company entered a new cloud-shelving vertical, providing dark store facilities to our merchant partners and third parties.

Launched the Explore tab on Jahez app, offering a personalized user experience and data and AI-driven recommendations to all customers.

## Financial highlights

Net Revenue growth YoY  
**11.4%**

Operating profit  
**SAR 101.9 million**

Net Revenue  
**SAR 1,784.8 million**

Gross Merchandize Value  
**SAR 5.1 billion**

Gross Profit  
**SAR 405.9 million**

Orders delivered  
**84.8 billion**

Adjusted EBITDA  
**SAR 181.3 million**

Average Order Value (AOV)  
**SAR 60.1**

Adjusted EBITDA margin  
**10.2% of the net revenue**

Active Users  
**3.5 million users**

Net Profit  
**SAR 118.8 million**

Average take rate  
**13.6%**

## Geographic Spread

Expansion  
**100 + cities**

Regions served  
**13 provinces in addition to Bahrain and Kuwait**

## Employees

Team size  
**974 employees**  
(excluding drivers)

Saudization rate  
**+90%**  
(Jahez KSA)

## Research and development

Investments in Research and Development  
**SAR 41.9 million**



Consolidating its position as an undisputed industry giant over the past two years following its unprecedented IPO, Jahez in 2023 focused on transforming itself into a singular yet simultaneously multifaceted "lifestyle" brand. This shift in Jahez's growth philosophy as a listed company rooted in disruptive startup culture heralds a highly anticipated evolution: from a high-tech delivery business to an enterprise much wider in scope and grander in vision.

While for much of the reporting period, the Company remained a local and regional leader in cloud-based Q-commerce with food delivery as its core identity, Jahez concludes the year recording considerable progress in becoming a more all-encompassing lifestyle solutions provider whose technological capabilities and entrepreneurial sophistications continue to be unmatched. This transition, already underway, sees Jahez serve its continuously-expanding user base a rapidly growing number of products and services that cover myriad aspects of 21st-century digital living, from dining and fashion to sports and entertainment, all available via a number of distinct smartphone applications built into a single, state-of-the-art online ecosystem.

Boosted by several new acquisitions and corporate venture capital investments that have served to enhance its value proposition, the Group enters the year 2024 on a stronger financial footing and poised to take over as a top player in every market it operates in across all existing verticals including Q-commerce, logistics, cloud kitchens and more.

## → A Look Back

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

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

As COVID-19 hit and people all over the world were confined to their homes for weeks on end, the restaurant industry was forced to rethink its strategy lest it succumb to pandemic-induced decline. Jahez was quick to step in. As consumers everywhere became more and more dependent on online food and grocery delivery services, the Company saw and seized the opportunity to benefit from the rapid growth of the Kingdom's food aggregate market to an estimated SAR 6.8 billion in 2020.

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

By the end of 2023, Jahez's market share for food delivery in the Kingdom was ranging between 30% - 35%, and, as the Group moves into 2024, plans are underway to expand its footprint and penetrate more markets in addition to increasing its product offering to go beyond last-mile delivery.

As a new year approaches, Jahez retains its position as a market leader and is well-positioned to revitalize the industry and the economy through its own coming transformation, in line with the Kingdom's ambitious Vision 2030 strategy.

## Journey at a glance

**2016**

Operations launched in Riyadh under **Alamat International Limited Company**

**2017**



**Operations expanded** to Jeddah, Dammam and other areas outside of Riyadh



One million orders delivered through **Jahez**

**Company established** as a limited liability company

**2018**

**Alamat International Limited Company** transfers **Jahez** platform to the Company

**2019**



10 million orders delivered through **Jahez**

Sponsorship agreement signed with **Al Hilal Club**



**2020**



20 million orders delivered through **Jahez**

**PIK**

**PIK** established as fully-owned subsidiary as Group's Q-commerce platform

**Jahez** platform expanded to 47 cities



**CO** GROWTH, ACCELERATED, تقارب البعيد

**Co. opens first cloud kitchen** location

**60%** of **Co** is acquired to invest in cloud kitchens



## 2021

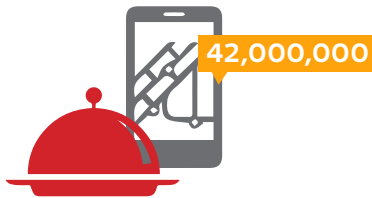
**PIK** soft launch in Q1 to expand business reach beyond food delivery

**Logi**

**Logi** established as fully-owned subsidiary to be Group's logistics arm

**RED COLOR**

**Red Color** established as fully-owned subsidiary to be investment arm



Over 42 million orders delivered through **Jahez** platform

## 2022

**IPO** and entry into parallel market **Nomu**



Over 150 million orders delivered through **Jahez** platform

**BLU** STORE

The establishment of **Blu Store company**, a joint venture with Al Hilal Club Investment Company

**Jahez International Company** W.L.L. established in **Bahrain**



## 2023



"Best IPO in Nomu parallel market in 2022" at the Saudi Exchange Awards

**marn**

Completion of **Marn Business Information Technology Company** acquisition

**Jahez International Company** for Wholesale and Retail Trading established in **Kuwait**



Investing in multiple companies that complement the value creation model of the Group including a 35% controlling stake in **Sol**

**SOL**

**jahez**



## Our Vision

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



## Our Mission

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



## Our Values

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

## ➤ Strategic Themes and Objectives























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

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>➤ Strengthening the Group's operations in existing geographies by winning market share and onboarding new customers and partners</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Strengthening the presence of every subsidiary across the Kingdom</li> </ul>  |
| <ul style="list-style-type: none"> <li>➤ Expanding the business into supporting verticals and entering new geographies for future growth</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Launching every available service in new cities both in the Kingdom and the GCC region</li> </ul>   |
| <ul style="list-style-type: none"> <li>➤ Differentiating the Group's services and offerings through continuous innovation. The strategic themes have cascaded into strategic objectives across the Group's main business verticals.</li> </ul> | <ul style="list-style-type: none"> <li>➤ Drive operational excellence and customer experience through continuous investment in training, processes and technology</li> </ul>   |
| <ul style="list-style-type: none"> <li>➤ Expanding the Group's regional footprint by leveraging its competitive value proposition</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Spearheading a Kingdom-wide transformation to a digital lifestyle by creating innovative, high-tech food delivery, online shopping, cloud kitchen and last-mile delivery solutions</li> </ul> |

## → Our Holdings

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

### Subsidiaries Overview

60%	Limited liability company	 Country of operation	 Country of incorporation
100%	A single shareholder limited liability company	 Country of operation	 Country of incorporation
100%	A single shareholder limited liability company	 Country of operation	 Country of incorporation
100%	A single shareholder limited liability company	 Country of operation	 Country of incorporation
100%	Limited liability company	 Country of operation	 Country of incorporation
100%	A Single Shareholder Limited Liability Company	 Country of operation	 Country of incorporation
51%	A Single Shareholder Limited Liability Company	 Country of operation	 Country of incorporation
100%	Limited liability company	 Country of operation	 Country of incorporation
100%	Limited liability company	 Country of operation	 Country of incorporation
100%	Limited liability company	 Country of operation	 Country of incorporation
35%	Limited liability company	 Country of operation	 Country of incorporation

## Online Food Delivery

**jahez**

Jahez, available as a mobile app, is the Company's primary online platform that links the Group's key stakeholder groups, namely merchants, customers and delivery partners, in a one-shop-stop solution that meets the logistical needs of all three.

During the reporting period, Jahez served **37.9K branches**, from high-end and fast-food restaurants and supermarkets to home bakers and corner shops. Post-IPO, Jahez continued to avail opportunities for merchants to expand their footprint in the market affordably, particularly in contrast to traditional expansion methods.

Jahez offers its plethora of services to **customers** across the Kingdom, providing them access to a diverse and ever-widening range of merchants. The dining options continue to increase and, in 2023, the platform covered 100 cities reaching 95% of the total population. By the end of 2023, the number of active users increased to 3.5 million user (25% increase YoY) as smartphone penetration and delivery culture continued to grow on the surge brought on by the pandemic just three years prior. From 2016 to December 2023, over 264 million orders have been completed on Jahez platform.

As of December 2023, the group served over **60K delivery partners**, providing them the opportunity to earn through Jahez platform that links them to a fast-growing network of merchants.

Customers can choose from a list of available merchants or use group suggestions, pay using a number of digital payment options or cash-on-delivery depending on their preference. Once a delivery representative is assigned to a specific order, the customer can track the progress of their orders on the app itself.

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

The app now includes an Explore tab with links to PIK and Blu platforms, among other features such as targeted campaigns from restaurants. The Explore tab also showcases new meals and offers available to customers in a bid to keep them on the platform and also to promote new offers.

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

## Quick Commerce



PIK was the Group's first step in its diversification drive. Tapping into increased demand for online delivery services outside the food and beverages service, the Group expanded its delivery service beyond the restaurant segment, platforming pharmacies and local retail merchants with deliveries routed directly from them.

PIK is a quick or q-commerce platform that connects customers to merchants located within a 100-kilometre radius in cities and suburbs alike.

Products sold on PIK range from clothing, cosmetics, footwear and electronics, among other things, representing some of the best-known local and international brands, with deliveries made within two to three hours.

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

Merchants also benefit from the app's high-tech features which allow them to observe and identify customer trends and behavior patterns. They may also utilize the marketing opportunities provided by the app and increase brand awareness.

Both Jahez and PIK share delivery partners and non-food orders are typically scheduled outside food rush hours.

### The platform generates revenue through the following channels:

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

Cloud Kitchen  
& Shelving Solutions

Co Limited Company, which Group owns a 60% stake in since 2020, is centered around end-to-end commercial kitchens available for restaurants that deliver food via digital platforms as well as cloud shelving or dark store facilities for our e-commerce platforms including those owned by the Group.

Co equips commercial kitchen spaces and leases them to restaurants that only serve customers who deliver their food online, with the exception of a few locations that also offer pick-up options. As of 2023, the business also provides cloud-shelving services to merchant partners, mainly focused on chocolates and cold beverages, to accelerate their reach to clients.

Co provides equipment to restaurants in the form of cooking and meal preparation facilities and other resources saving them considerable overhead costs including rent and utilities costs as well as valuable time, resources they can redirect to more productive endeavors facilitating growth. Though these restaurants forego dine-in services, the savings made by investing in a cloud kitchen service are demonstrably worth the switch and also lead to a significant rise in the volume of orders.

The shelving arm of the business can be used by any merchant partner of PIK or Blu that lacks the physical space to store their goods. At present, Co is one of a handful of players that offer both cloud kitchen and dark store facilities at once.

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

As of December 2023, Co hosts 200+ brands in six cities. The subsidiary's revenue model involves a variable commission agreement entered into with each restaurant partner. Co develops new cloud kitchens by leasing locations under long-term lease agreements with terms ranging from three to 10 years. The subsidiary's in-house project team together with various contractors oversee the implementation of new cloud kitchen projects in line with a set of initial plans and specifications that can be malleable depending on the circumstances, allowing Co Kitchens a more flexible design process and cost and time control. Development typically takes three to five months and includes designing kitchen spaces, preparing gas, ventilation and electricity connections, and installing the required furniture and equipment.



## Logistics



Logi, launched in Q3 2021, serves as the Group's wholly owned logistics subsidiary and a market enabler for the Kingdom's bustling e-commerce and delivery industry. On track to being the market leader in urban last-mile delivery, Logi provides a nearly 14,000-strong fleet of Saudi freelancers and Non-Saudi permanent delivery partners first to Jahez group companies and then to the wider e-commerce and postal logistics sectors at competitive rates.

Logi is a centralized platform that supports the Group with all of its logistical and operational needs, synergizing the Group's operations. The subsidiary bridges the gap between customers and merchants.

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

The subsidiary's revenue streams include delivery fees, pre-paid distance-based pricing for e-commerce merchants, and annual and monthly subscription fees.

Other revenue streams include branding, package delivery, manpower renting.



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

Al Hilal Club Investment Co holds the remaining 49% stake in the SAR 500,000 venture, with Jahez financing SAR 255,000 of the share capital.

Blu was the first interactive app of its kind in the region and was marketed as the Kingdom's home of all things sports, providing goods, services and news to both sports professionals and amateurs as well as fans. Customers can also purchase tickets to prominent sporting events through the app. In 2023, the app expanded its operations to reach and deliver products for more than 70 countries world wide.

#### Business Information Technology



In January 2023, the Group completed the acquisition of Marn Business Information Technology, a leading business digital solutions provider, offering multiple modern technical services that support merchants in their growth.

This acquisition further enhanced the Group's offerings, leading to improved services to various stakeholders, and helped merchants build their own unique ecosystems by developing systems through various digital solutions such as point of sale systems that work in conjunction with different service providers and partnerships.

The total value of the transaction amounted to SAR 60 million, made with the aim to expand the Group's business base through acquisitions to capitalize on the growing opportunities in the industry.

## Investments RED COLOR



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

Red Color pursues inorganic growth opportunities through investments in, or acquisitions of, emerging startups and technologies that we see as complementary to our business. The company invests in technology opportunities and in industries that already employ the Group's existing assets of customers, merchants and delivery partners to leverage its position. These industries include automated marketing, supply chain and fintech solutions, direct-to-consumer services and lifestyle improvement services.

Red Color seeks to boost returns for the Group through investments that contribute to growth, primarily by acquiring new customers, providing entry into new markets and increasing community engagement. Acquisitions and corporate venture capital (CVC) investments are sought in five major sectors: logistics, e-commerce, merchants ecosystem, FinTech, and AdTech.

The subsidiary aims to reduce costs for the Group by way of operational cost savings, time saving and accelerating expansion using less capital.



Söl is a B2B food and beverage supplier, focusing on supply chain management for hotels, restaurants, and cafes (HORECA). Partially acquired by the Group in 2023, the Company leverages technology to streamline operations and improve customer service.

Its core operations involve trading and operations, which sees Sol team negotiate deals with suppliers, manage inventory in its own warehouse, and deliver orders to customers using its own fleet of trucks. Sol serves various suppliers across different categories, including dry, frozen, chilled, fresh, snacks, and drinks.

Sol's partnership with Jahez seeks to leverage Jahez's extensive data and customer base to expand the Company's own market reach. Jahez, with its significant sales volume, brings valuable data and resources to the partnership. Sol plans to target Jahez's restaurant clients for food supplies and explore opportunities in the grocery market.

### ➤ Venturing Overseas

Subsidiaries	Ownership percentage as at 31 December 2023	Country of operation	Country of incorporation	Legal entity
<b>Jahez International Company</b>	100%	Kingdom of Bahrain	Kingdom of Bahrain	A Limited Liability Company
<b>Jahez International Company for Wholesales and Retail Trading</b>	100%	Kuwait	Kuwait	A Single Shareholder Limited Liability Company
<b>Jahez for Information Technology</b>	100%	Egypt	Egypt	A Limited Liability Company
<b>Jahez International Company for Information Systems Technology</b>	100%	Qatar	Qatar	A Limited Liability Company

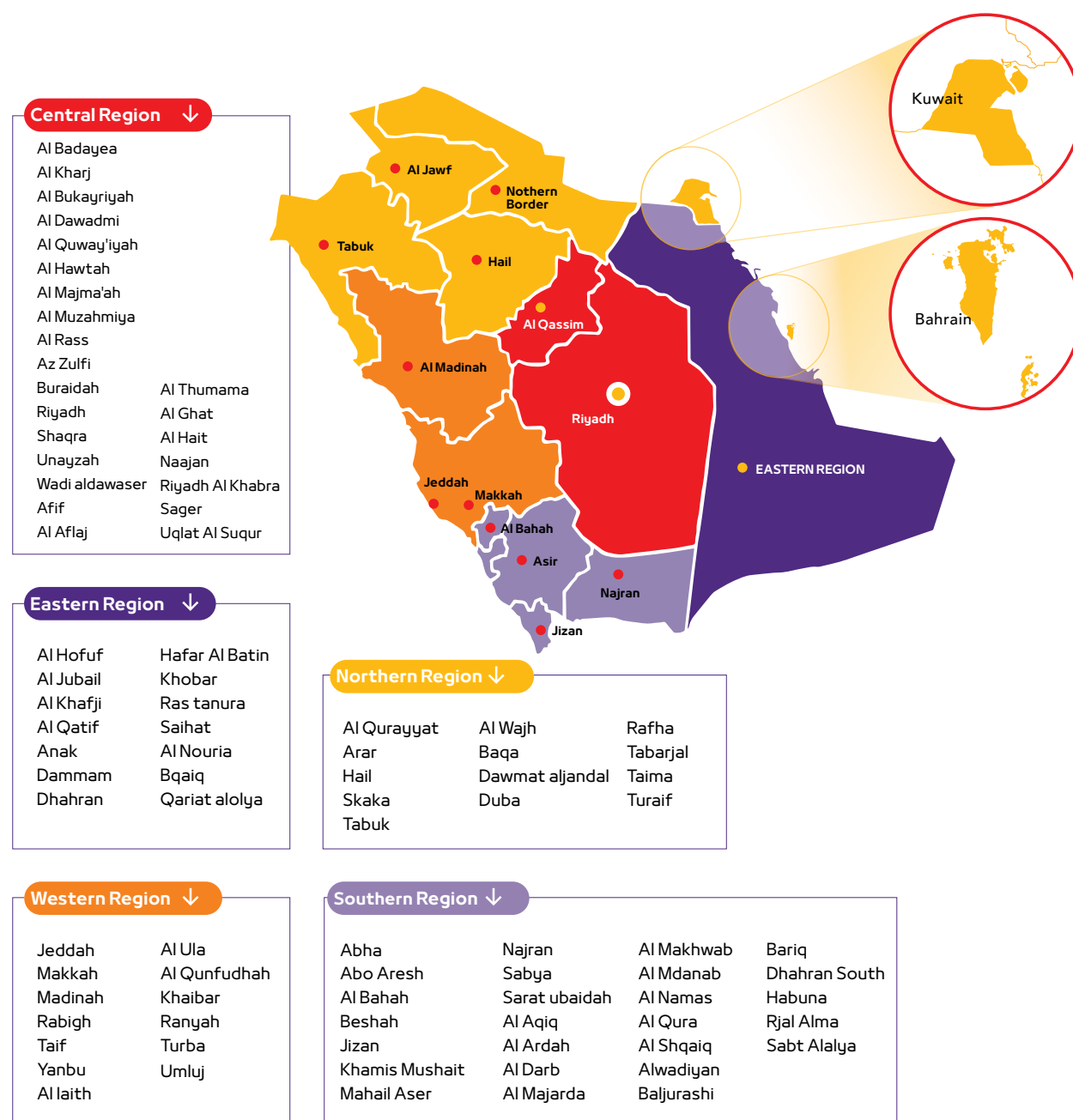
Built on its pre-IPO successes, the Group made forays into the regional market, establishing its presence in Bahrain and Kuwait as part of its expansion strategy to enhance Jahez's footprint in Gulf Cooperation Council (GCC) countries.

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

Commercial operations in Bahrain began in June 2022 penetrating the market with a distinctive delivery experience. Towards the end of 2022, Jahez officially created its legal entity in Kuwait and began team implementation, with a view to disrupt the online delivery service market that was already showing promise. The operation was launched as a pilot in January 2023 with an approach similar to that of Bahrain operation, with a clear path to increased market share.

### ➤ Geographic Spread

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



Gross Revenue by geography is as follows, in SAR millions:

	Fiscal year 2019	Fiscal year 2020	Fiscal year 2021	Fiscal year 2022	Fiscal year 2023
KSA	159	459	1,160	1,668	1,847
Non - KSA	-	-	-	4	72

# Our Value Creation Model

In less than a decade, Jahez has emerged as an undisputed leader in Saudi Arabia's technology landscape, becoming a central player in the Kingdom's growth story. As our business expands into hitherto unexplored territory across a growing number of verticals, the Group creates untold value to all its stakeholders in unique and innovative ways.

Jahez Group provides on-demand services, q-commerce, cloud kitchen infrastructure, dark store facilities and last-mile delivery through a number of technology platforms and other business units, segmented as follows:

## Market drivers

### Consumer Foodservice Market Growth

The consumer foodservice market in Saudi Arabia, which stands at SAR 100 billion, is projected to record a CAGR of 9% from 2023 to 2030 with the Kingdom becoming a major market for fast food.

### Young Demographics

Nearly 70% of the Kingdom's population is under 30 years of age. Increased smartphone penetration and exposure to Western food trends are driving the growth of the food service market.

## The strengths that set Jahez apart

### A strong financial position

Jahez Group is a market leader in the sectors it plays in following a USD 2.4 billion listing in 2022. The Group follows a sound investment strategy that serves to significantly boost its value proposition.

### An expanding network

Jahez app boasts a coverage spanning over 100 cities and 95% of the Kingdom's population, in addition to a growing presence in Bahrain and Kuwait. Our other businesses are also increasing their geographical footprint at present, with Blu now reaching over 70 countries. Our vast pool of delivery partners, both full-time and freelance serves to boost our reach further.

### Unparalleled stakeholder experience

We offer unmatched food delivery and online shopping experiences to millions of customers and provide excellent, 24/7 customer service to end-users, merchants and delivery partners alike. State-of-the-art user interfaces and high-end technological solutions throughout the value chain enable smooth, efficient services across verticals, and a pioneering spirit that drives technological advancement keeps us ahead of the curve.

### Enviably brand identity

Rising brand awareness corresponding to a rapidly expanding customer base across verticals helps us retain our competitive edge in the markets we operate in. This high level of brand affinity also leads to lower acquisition costs for all three successful partners in the long term.

### A solid logistical foundation

Jahez boasts over 60,000 drivers on freelance and full time basis, together with a fleet of vehicles for the Group's logistics business.

## Our business activities

**jahez**

Online end-to-end food delivery platform

**PIK**

Online platform with a two-hour delivery promise

**Blu** STORE

Online store for sports-related products and services

**Logi**

Last-mile delivery services

**CO** GROWTH. ACCELERATED. نموذج التسريع

End-to-end commercial kitchen spaces, dark store facilities

**RED COLOR**

The Group's investment arm

**marn**

Offers technological solutions to merchants

**Söl**

Supply chain management for HORECA sector

## Growth drivers

### Network effects

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



**1 Delivery platforms** for the delivery of food and other goods inside and outside the Kingdom. The platforms in operation inside Saudi Arabia are Jahez, PIK and Blu. Outside Kingdom, Jahez platform is available in Bahrain and Kuwait.

**2 Logistics services** which include the logistics support operations and directing goods transporting vehicles. Logi business comes under this segment.

**3 Other activities**, which includes businesses such as Co, Marn, Red Color, and Sol.

### Women Employment

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

### COVID-19 Aftermath

Though it's been four since the arrival of the pandemic, the explosive growth of delivery culture that came with the prolonged lockdowns is now deeply entrenched in urban society resulting in a sustained growth of the online food aggregator market.

## Our impact through shared value creation

### Customers

Order delivery fees per delivery based on the distance between customer and merchant locations serve as revenue streams from end-users in exchange for convenience, quick delivery and unmatched customer experience across platforms.

### Merchants

The Group derives value from merchants and restaurants in the form of commissions charged per order placed, ePayment fees, ad placements and other revenue streams, while they gain access to millions of customers and benefit from competitive commission rates, weekly payment cycle, analytics support, a unique delivery model, quick onboarding and increased brand awareness.

### Delivery Partners

Our platforms derive immense value from a readily available pool of over 60,000 delivery partners, who in turn receive earnings through pay per trip and experience a seamless onboarding process and are also rewarded with flexible work hours, incentive programs, additional revenue earning options. Other benefits include live income-tracking and instant settlements. Delivery partners may use any of our 22 cash collection centers.

### Shareholders

Earnings per share as at December 2023 stood at SAR 0.61.

### Employees

Our hardworking employees are the cornerstone of our business. We offer competitive salaries, a stock option plan, flexible hours and remote work options, and carry out diverse employee engagement initiatives throughout the financial year. Workers have regular access to training opportunities aimed at career development. Wellness programs, team building activities, and other initiatives aimed at promoting a work-life balance and fostering a positive work culture are high priorities for Jahez. Jahez was the proud winner of "Best Place to Work" certificate from Great Place to Work in 2021 and 2022 respectively.

### Community

In line with our corporate values, serving the best interest of the society we operate in is of absolute high priority. We play a central role in helping the Kingdom drive its ambitious Vision 2030 agenda forward, with an increased focus on and commitment to sustainable growth. With this in mind, we have developed a three-year Environmental, Social and Governance (ESG) Roadmap for 2023-2026 aligning business operations and future aspirations with economic viability, environmental protection, and social responsibility, helped by timely and well-planned CSR projects. A thorough and robust greenhouse gas (GHG) emission reduction transition plan for the duration of the ESG Roadmap has also been formulated.

### Brand affinity

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

# Management Discussion and Analysis



## Portfolio Performance

### 37

Portfolio Review – 37

Enhancing Brand Image– 70

## Organizational Performance

### 75

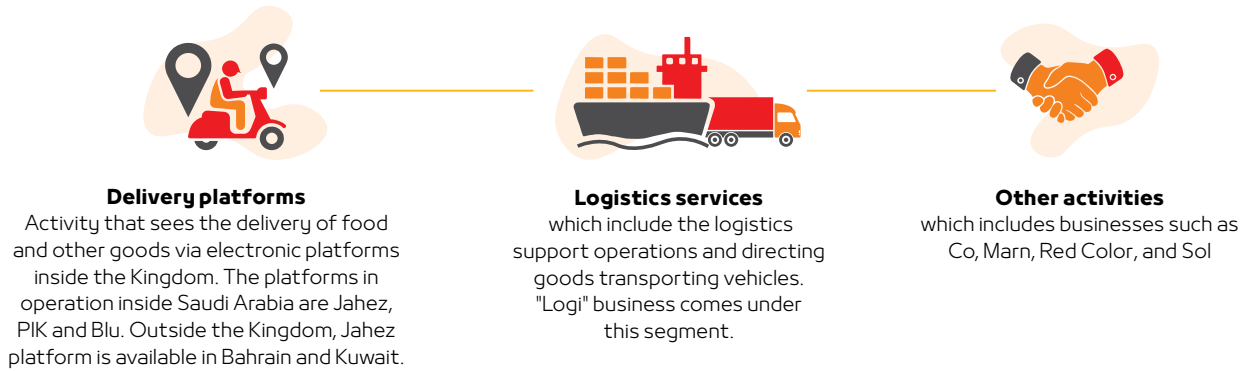
Fast-tracking Organizational Excellence  
through Technology and Innovation– 76

Investing in Human Capital  
for Sustained Growth– 82

Vitalizing Sustainability– 89

## Portfolio Review

The Group's business units are segmented into delivery platforms inside and outside the Kingdom, logistics operations, and other activities. A high-level overview of this is as follows:



These activities, in turn, serve the Group's interests in food, e-commerce, logistics and also factor into the acquisitions, mergers, venture capital investments and synergizing products that complement the ecosystem of the Group.

A number of smartphone applications and web portals exist under several of the aforementioned sectors, with editions that vary across our three key stakeholder groups: merchants, customers and delivery partners. The Group's investment arm serves to complete its supply chain, diversify its product and service offerings to all three stakeholder groups, and generally expand its footprint on the Kingdom's growing digital landscape.

This section of Jahez annual report for 2023 offers a comprehensive review of the Group's four major portfolios and the various platforms and business units that come under each. This chapter also corresponds to the first three pillars of the Group's DRIVE strategic model:



The chapter highlights the first three of these pillars, focusing on key developments during the reporting period that helped execute our strategy for horizontal and vertical growth and, crucially, for the coming transformation into an all-encompassing lifestyle solutions company that will see the business evolve rapidly from its current core identity of an online delivery business to a tech trailblazer with grand ambitions of leading the Kingdom's drive towards full-fledged 21st century digital living.



### → Delivery Platforms (KSA)

Delivery platforms are the bread and butter of our business, with Jahez, PIK and Blu smartphone applications making up the biggest revenue earners for the Group. Our platforms cater to millions of customers in the Kingdom focusing on food delivery and the delivery of other goods via sophisticated digital platforms that connect end-users with merchant partners via growing network of delivery partners.

## jahez

Jahez remained the largest topline contributor during the reporting period, accounting for some 85% of the business in 2023. The eponymous 'Jahez' smartphone platform, still the Group's best-known online platform, connects customers, restaurants and drivers in a sophisticated digital solution designed to deliver its services to 3.5 million customers in the fastest possible time, with unmatched convenience, reliability and efficiency. Under this vertical, in addition to the main Jahez platform are a number of internal-facing products, such as operation panels developed to enhance team efficiencies, along with other consumer products, such as the Prime subscription service, that offers free delivery for a selected base of merchants serving different consumer segments.



	Total by end of 2023	YoY change
Active Users	3,549,480	24.9%
Merchant branches	37,932	47.8%

As of end December 2023, the group has completed 84.8 million order through its platforms during the reporting year.

The past year saw a number of important developments in this sector that cemented Jahez's position as one of the market leaders. These include:

### New Strategic Partnerships



In September, Jahez partnered with one of the largest telecommunication service providers in the MENA region and also with one of the Kingdom's most prominent banks, with a customer base of 30 million and 20 million respectively. This was with the objective of expanding Jahez's own user-base and increasing revenue.

Customers can now use the Jahez app's in-built wallet function to redeem points earned from the telecom company when ordering food through the Jahez app. This results in new customer acquisitions for Jahez, while the point-redemption feature also helps retain customers.

A similar arrangement will be made with the aforementioned bank.



There will likely be some overlap between the consumer bases of the telecom company and the bank, and, with the possibility that existing Jahez customers are already among those numbers, the Group is targeting a customer acquisition through this exercise.

## Revamping Merchant Portal



During the reporting period, Jahez partnered with 13.9K merchants, from high-end restaurants and supermarkets to home bakers and corner shops. Over the course of the year, the business began work on revamping its exclusive merchants' portal in a bid to speed up the onboarding process for restaurants and other businesses and using the services and solutions provided for them through the portal to scale their sales and accelerate their growth. Going into 2024, the revamped system will see new merchant partners who join Jahez network in the coming months be online in as short a time as possible. Behind this exercise is the philosophy that the sooner our merchant partners are online, the sooner Jahez is able to capture value.

## Explore Tab



An Explore tab was added to Jahez app this year as a new revenue stream. The tab functions as a marketing tool and generates revenue for Jahez by allowing merchants to advertise their products. The Explore tab also contains links to PIK and Blu apps, directing traffic to those applications. This move is anticipated to boost sign-ups for the Group's two main e-commerce platforms in 2024.

An AI-based recommendation engine powers the Explore tab, displaying restaurant and meal information to customers based on their behavioral data and user profile.

## Marketing Support Package



A new marketing support package was developed for restaurants in 2023, entitling full marketing support for restaurant partners. This helps the restaurants to have a clear business plan and growth direction to expand their reach and offerings and optimize their volume.









### New Look



PIK is a quick or q-commerce platform that connects customers to merchants located within a 100-kilometer radius in cities and suburbs alike, offering a delivery promise of less than two hours.

A redesigned version of PIK app was launched in the first quarter of 2023 aimed at improving user experience (UX) with seamless search and reaching a minimal touchpoint leading to a successful order placement, thereby enhancing the customer journey.

New features introduced during the reporting period include:

- search-line per page while navigating products, stores or categories
- sorting option for price value at store level
- order invoice summary
- new online payment options including Apple Pay, cash on delivery, order tracking, option to cancel before final store acceptance.

### Steady Growth



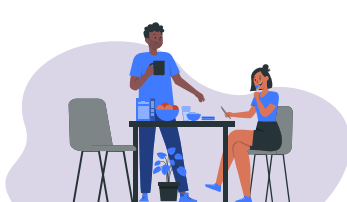
In addition to its focus on pharmaceutical products and others, PIK caters largely to a female market, with most merchant partners delivering cosmetics and other beauty products through the platform. Consumers have yet to get used to direct commerce, but there have been notable improvements.



Plans are underway by the subsidiary to onboard more merchants and brands to join the platform next year. The group is already in the process of onboarding partners for the platform faster than before and is looking to enhance it using and synergizing investments within the e-commerce portfolio.

### Attracting new Customers

In 2023, PIK took the following measures to attract new customers, merchants and delivery partners:



#### Customers

- Variety of products range and categories
- Equivalent products prices with stores offering



#### Delivery partners

- Higher income per order for drivers and related companies
- E-commerce peak time is outside the food peak hours



#### Merchants

- Lower commissions rate
- System integration with stores inventory control

PIK also plans to directly engage merchants' stores to better serve their customers, and is also in the midst of an evolution that will see the business add dark stores to its offerings via Co and other fulfillment centers.





### Unique Approach:



A joint-venture with Al Hilal Club, the Group owns 51% of Blu Store, a platform specializing in selling and marketing sports-related products and services representing different leading brands. Blu was the first interactive app of its kind in the region and was marketed as the Kingdom's home of all related sports products, providing goods, services and news to both sports professionals and amateurs as well as fans. Customers can also purchase tickets to prominent sporting events through the app.

Business was booming for Blu in 2023, registering over one million users in a matter of just 13 to 14 months. The app, which caters almost entirely to sports enthusiasts who tend to be the younger generation, is not a traditional e-commerce platform and follows a uniquely hybrid business model created by Jahez combining elements of both e-commerce and direct commerce that will likely be emulated by the wider e-commerce market sooner rather than later.

Blu is projected to grow at an accelerated rate and is expected to be one of the largest applications in the Kingdom in its specialty.

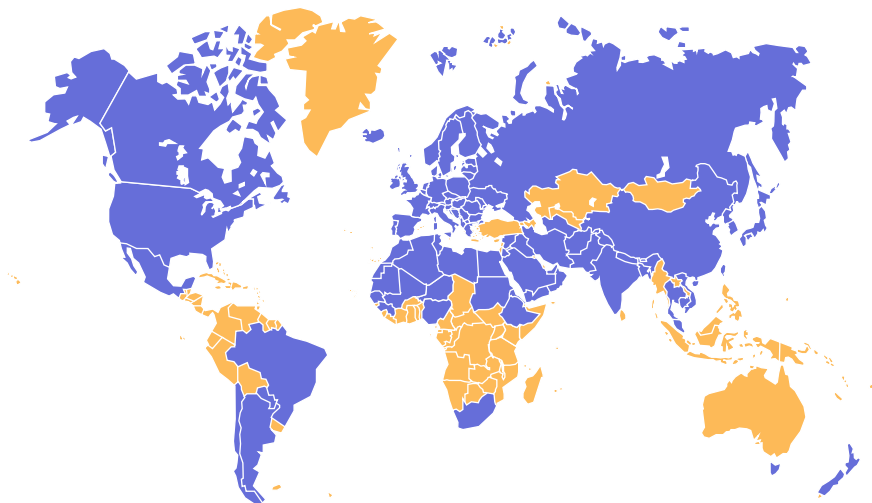
### ➔ Record Sales

The Group benefit from its joint venture with Al Hilal, the sports club that dominates Saudi Arabia's sports industry with over 50% of the population being active fans of Al Hilal. The club has fans all over the Gulf region and around the world.

Benefiting from 1.4 million user on the platform, Blu ships to anywhere in the world and, during the reporting period, the company shipped products to 70+ countries. App downloads were recorded in over 170 countries during the year under review. We were also able to rent over 1,000 fields for more than 10 different sports in 2023, and sold an impressive 700,000+ tickets.



The rise of Saudi pro League boosted Blu's growth to capture global audience



Blu has sold to all continents in the world

### Markets Focus

Primary market \_\_\_\_\_



Secondary market \_\_\_\_\_



Serviced market \_\_\_\_\_



## ➔ Delivery platform (Non KSA)

### Jahez Bahrain



On 14 December 2021, Jahez established a legal entity in the Kingdom of Bahrain as a one-person limited liability company named Jahez International Company W.L.L. with a capital of 50,000 Bahraini dinars. Jahez engaged in retail sales via the internet. Commercial operations in Bahrain began on 26 June 2022, penetrating the market with a distinctive delivery experience.

In 2023, Jahez took several measures to expand its presence in the Bahrain market. Here are some details:

- **Geographical expansion:** From day one, Jahez Bahrain has been serving all regions of the Kingdom, including the Capital Governorate, Muharraq, North, and South. The percentage of orders delivered in each region were as follows:



- **Operational optimization:** This was a key priority for Jahez in 2023 in order to meet the increased demand for our services. Jahez took measures such as continuous monitoring and analysis of the number of orders to identify growth patterns and make necessary adjustments to optimize operations.



One significant measure taken during the reporting period was the increase in the number of drivers. By end 2023, Jahez had onboarded more than 4,400 drivers. We continued to expand our base of drivers every month, which has allowed Jahez to ensure timely deliveries and meet customer expectations. With our operational optimization, Jahez Bahrain was able to handle rising customer orders effectively and maintain high-quality services.

- **Growth in customers:** In 2023, Jahez Bahrain saw a significant growth in the customer base, at a remarkable 156% . The growing number of orders month-on-month indicates our expanding brand awareness and Jahez's popularity among customers in Bahrain.
- **Growth in merchants:** Jahez Bahrain managed to double the number of merchants in 2023. This rapid increase in the number of merchants indicates growing confidence in partnering with Jahez in the Bahrain market.

These measures, including geographical expansion, operational optimization, and growth in customers, merchants, and delivery partners, allowed Jahez to strengthen its presence in the Bahrain market in 2023.

## 2024 breakeven



During the reporting period, Jahez Bahrain recorded increasingly strong financial performance and implemented various strategies to enhance profitability. Here is an overview of the financial aspects that are anticipated to help the company reach breakeven in 2024:

- **Increase fixed commission:** Jahez increased the commission charged to its new partners, resulting in increased revenue for the Company.
- **Marketing tools:** Initially Jahez Bahrain offered all partners free in-app marketing tools to gain their trust and confidence. Since the last quarter of 2023, we started charging merchants for in-app tools and other marketing support. This will contribute significantly to the bottom line.
- **Prime subscription:** Prime was launched in Bahrain on November 07, 2023, which allows customers to subscribe to a free delivery service for a minimal monthly fee while the merchants contribute to a portion of the delivery cost. Consequently, Jahez Bahrain was able to offset some of the expenses associated with delivery costs.
- **Decreased cost of sales:** Jahez successfully negotiated with delivery partners to decrease the minimum cost of delivery charges given the increased scale of the operations.
- **Increase of delivery revenue:** Delivery charges per order will increase.

With such measures taken to decrease operational costs, increase commission revenue, delivery revenue and marketing revenue, and optimize the cost of sales, Jahez Bahrain has positioned itself to reach breakeven in the second half of 2024.

## Bahrain market overview



The Bahraini customer foodservice market is expected to experience significant growth. The market size is estimated to be around USD 0.95 billion. in 2024 and is projected to reach USD 1.64 billion. by 2029.

Jahez Bahrain has cemented itself as a major player in the online food delivery sector in the Kingdom, and is currently the second largest food aggregator in the market. In Bahrain's highly competitive food delivery market, Jahez is facing tough competition from two major players. Despite this, Jahez Bahrain has been able to establish a distinctive position in a crowded market due to its focus on strategic growth and partnerships with local restaurants. With its customer-oriented approach and innovative features, Jahez continues to grow and compete in the Bahraini market.

### Marketing entry and operating environment



The Kingdom of Bahrain offers a dynamic business environment with numerous opportunities for growth and investment, since there was only one serious player in the Bahrain market.

One of the key factors driving our decision to expand to Bahrain was the supportive legal and regulatory frameworks for foreign investors in Bahrain. The government has implemented several initiatives and policies aimed at attracting foreign investment and fostering business growth. Numerous local initiatives by different government bodies also exist to subsidize costs on operating companies, such as the employment support program by the Ministry of Labour and TAMKEEN. Jahez Bahrain has been able to save up to BD150,000 by participating in such programs.

Bahrain maintains transparent and investor-friendly regulations, providing clarity and stability for businesses operating in the country. The legal system upholds rights and ensures fair dispute resolution mechanisms. The Kingdom also consistently ranks high in global indices for ease of doing business. The government has streamlined administrative procedures and implemented digital solutions to simplify processes for businesses.

### Challenges



Entering a new market like Bahrain in 2022 brought both opportunities and challenges for Jahez. The operating environment during that year posed several obstacles for the company.

**(A) Gaining merchants trust:** One of the challenges for Jahez was to gain the trust of merchants who had experienced shutdowns of other delivery apps in the past. The previous closures had created uncertainty and apprehension among merchants, making it crucial for Jahez to build trust and establish itself as a reliable and long-term player in the market.

**(B) Changing customer behavior:** Another challenge for Jahez was the high loyalty from customers towards competing apps due to an absence of credible competitors in the market for a long time. Customers were used to one platform for over a decade and Jahez needed to convince them to make the switch. This required effective marketing strategies that would highlight the unique features and benefits Jahez offered compared to our competitors.

**(C) Establishing a driver network:** As the Company aimed to scale its operations, acquiring sufficient drivers always proves a challenge. Given that many drivers were already associated with other aggregators, convincing them to work for Jahez required competitive incentives offered to drivers and proving the stability and growth potential of the platform.

Despite these challenges, Jahez was able to navigate the market successfully. Demonstrating a thorough understanding of the Bahraini market and by building trust among customers, partners, and suppliers, Jahez managed to position itself well in Bahrain's food delivery sector. The gained trust and positive reputation played a significant role in establishing Jahez as a reliable and preferred option for a lot of customers and merchants in the new market.

#### Jahez future in Bahrain



Jahez has an optimistic outlook for the future in Bahrain. The Company plans to expand its services beyond food delivery and venture into other ventures such as supermarkets, pharmacies, shops, and flowers. Additionally, Jahez will be launching sister companies under the Jahez group, including Co, the PIK and Blu platforms, Marn and Logi, to bridge market gaps in Bahrain. These strategic investments and promotions demonstrate Jahez's commitment to diversifying and expanding its offerings, ensuring continued growth and success in the Bahraini market.

#### Jahez Kuwait



Started in Q2-2023, Jahez's commercial expansion in Kuwait was comprehensive, covering residential areas from inception and later extending to northern areas, achieving nearly 90% coverage of the population.

- 1. Operational optimization:** From the start, Jahez placed a strong emphasis on streamlining its operations. This involved fine-tuning processes, enhancing efficiency, and minimizing bottlenecks. The goal was to create a seamless experience for all stakeholders involved in the food delivery ecosystem.
- 2. 24/7 service introduction:** Recognizing the importance of round-the-clock availability, Jahez introduced a 24/7 service model. This move catered to the diverse needs of customers, ensuring that they could place orders at any time, day or night. The convenience of non-stop service became a key selling point for Jahez.
- 3. Competitive rates and order promise incentives for 3PL partners:** To maintain a robust fleet of delivery drivers, Jahez offered competitive compensation packages to its third-party logistics (3PL) partners. These incentives included attractive rates and a commitment to fulfilling orders promptly. By prioritizing driver satisfaction, Jahez aimed to ensure a reliable and efficient delivery network.

**4. Aggressive commission rates for vendors:** Jahez adopted an aggressive approach when it came to vendor partnerships. By offering favorable commission rates, Jahez enticed restaurants and food establishments to join its platform. The allure of increased visibility and access to a broader customer base encouraged rapid vendor onboarding.

**5. Leveraging marketing features and successful cashback campaigns:** Jahez harnessed its marketing capabilities to attract new users. Through targeted campaigns, it highlighted the benefits of using the platform—convenience, variety, and quick service. Notably, successful cashback initiatives incentivized users to make repeat orders and refer others.

Both digital and offline channels played a role in Jahez's marketing strategy. Online advertisements, social media promotions, and app-based notifications reached tech-savvy users. Simultaneously, partnerships with local businesses, flyers and community events extended Jahez's reach to a wider audience.

In summary, Jahez's strategic decisions, operational focus, and marketing efforts converged to create a thriving food delivery ecosystem that catered to users, vendors, and delivery partners alike.

## Path to profitability



With commission rates for the second year taking effect from Q1 2024 onwards, Jahez anticipates a direct increase in commission revenue. Our strategy to achieve breakeven involves a reduction in delivery cost to align with the market average rates alongside enhancements to dynamic delivery fees. This plan requires meticulous monitoring of order growth per area to capitalize on opportunities, while also ensuring competitive rates compared to competitors, thereby benefiting all stakeholders.

### 1. Increase of commission rates for the second year:

- Starting Q1 2024, the new commission rates of the second-year contract with merchants have been implemented. These rates directly impact the revenue generated from each order placed through the platform.
- The change in commission rates signifies the optimization of the commission per order and the overall unit economics.
- As more orders flow through the platform, the cumulative effect of these rates will contribute to overall revenue growth.

### 2. Breakeven strategy:

- Increase in per order commission:
  - o While striving for profitability, Jahez remains committed to offering competitive commission rates even after the increase. By doing so, it aims to strike a balance between profitability and competitiveness.
  - o Ensuring that its rates are attractive compared to other food delivery platforms is essential. This approach benefits not only Jahez but also its restaurant partners and customers.

- **Increase the non-commission revenues:** Jahez started charging marketing fees to merchants and will continue to explore creative advertising solutions, optimize user engagement, and strengthen partnerships to drive further revenue growth. Through partnerships with restaurants and other businesses, Jahez displays targeted ads within its app. These ads reach a captive audience of users actively browsing for food options.
- **Enhancements to dynamic delivery fees:**
  - o Jahez recognizes that delivery fees play a crucial role in its revenue model. By enhancing the dynamic delivery fees, Jahez can optimize its earnings.
  - o Dynamic fees may vary based on factors such as distance, time of day, and demand. Adjusting these fees intelligently can lead to better financial outcomes.
- **Meticulous monitoring of order growth:**
  - o Jahez's success hinges on its ability to capitalize on opportunities. This involves closely tracking order growth trends in specific areas.
  - o By identifying high-demand zones, Jahez can allocate resources effectively, optimize delivery routes, and maximize revenue.

### 3. Stakeholder benefits:

- **Jahez's comprehensive strategy aims to benefit all stakeholders:**
  - o **Customers:** Competitive rates may lead to better deals for customers, encouraging loyalty and repeat orders.
  - o **Restaurants:** Lower per-order commissions compared to the competition can attract more restaurants to join Jahez, expanding its offerings.
  - o **Delivery partners:** Efficient dynamic fees ensure fair compensation for delivery services.
  - o **Investors:** Achieving breakeven and revenue growth enhances investor confidence.

The Company identified opportunities and initiated discussions with sister companies within the Group, including Co and Marn, while also engaging in cross selling initiatives for Blu.

### The Kuwaiti foodservice market



The Kuwaiti foodservice market is experiencing robust growth, projected at over 8%. This growth is fueled by the rising demand for quick-service restaurants, a significant customer segment for Jahez. With the market estimated at \$3.26 Bn. USD in 2024 and expected to approach \$5 Bn. by 2029, Jahez is well-positioned to capitalize on this expanding market for sustained success in Kuwait.

In the competitive Kuwaiti food delivery landscape, Jahez holds a significant position as the second largest player with over 12% market share. Despite intense competition, the sector witnessed a high order volume growth in 2023, including other verticals. Customer behavior is notably influenced by price sensitive offers, promotions, and brand exclusivities.



## Challenges



During 2023, Jahez Kuwait encountered both internal and external challenges:

### 1. Internal challenges:

- **Localization efforts:**
  - o Jahez recognized the importance of localization — adapting its tools, services, and communication to suit the specific needs and preferences of the Kuwaiti market.
  - o Efforts were directed toward ensuring that the platform resonated with local Kuwaiti culture, language, and user behavior. This involved adapting interfaces, optimizing user experiences, and tailoring features to align with local expectations.
  - o By localizing tools, Jahez aimed to enhance user engagement, build trust, and foster a sense of familiarity among its customer base.
- **Data understanding and utilization:**
  - o Jahez actively worked on data-driven decision-making. Understanding data was crucial for optimizing operations, identifying trends, and making informed strategic choices.
  - o By analyzing data related to user behavior, order patterns, delivery routes, and restaurant preferences, Jahez fine-tuned its services and allocated resources effectively.
  - o The goal was to better serve the market by offering personalized experiences, efficient deliveries, and relevant promotions to the users.



## 2. External challenges:

- Changing local authorities' guidelines and regulations:
  - o Jahez operates in a dynamic regulatory environment. Local authorities frequently update guidelines related to food delivery, safety protocols, licensing, and operational standards.
  - o Navigating these **constantly evolving regulations** required agility and adaptability. Jahez Kuwait had to stay informed, interpret legal changes, and swiftly implement necessary adjustments.
  - o Compliance was critical to maintaining a positive reputation, avoiding penalties, and ensuring the safety of users, drivers, and restaurant partners.

In summary, Jahez's internal focus on localization and data utilization, coupled with its adept handling of external regulatory challenges, allowed the company to thrive amidst a very competitive landscape.



## Future Outlook



Jahez recognizes that significant growth opportunities exist in doubling down on its food delivery capabilities as well as the diversification into other verticals, including convenience stores, electronics, and gifts, among others.

Anticipation is high for the introduction of new features that will enhance the overall customer experience. Leveraging our current unique selling propositions such as our quick delivery service, our wide restaurant network and easy-to-use platform, we aim to differentiate ourselves from the competition.

In 2024, our focus will be onboarding high demand Quick Service Restaurant brands to increase order frequency and retention rates. Additionally, these brands will serve as digital acquisition tools to attract new users to the platform.



### ➤ Logistics Services

Having endured and overcome a number of challenges that defined the year 2022 for this sector, the logistics portfolio emerged stronger during the reporting period and is now poised and is expected to be a major growth-driver for the Group in the near future.



Logi is a wholly-owned logistics subsidiary and a market enabler for the Kingdom's bustling e-commerce and delivery industry. On track to being the market leader in urban last-mile delivery, Logi provides a nearly 14,000-strong fleet of Saudi freelancers and Non-Saudi permanent delivery partners first to Jahez group platforms and to the wider e-commerce and postal logistics sectors at competitive rates.

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



### Highlights of 2023



2023

2024



Full-time drivers total as of 2023  
**2,400**

Projection for end of 2024:  
**5,000**

Logistics always presented a number of challenges to the Group, but 2023 was the year that saw the portfolio shine, brimming with potential. Today, it is a vitally important vertical, one that the Group is determined to grow, with the fleet now covering +30% from the group's total orders.

### Commercializing Fleet



An exciting project that's currently underway is the ongoing commercialization of Logi's existing fleet as part of a fundamental growth strategy that applies to the entire Group. Plans have been formulated to build a suite of interacting products such as the existing Saned platform that delivery partners can use to accept orders through Jahez, PIK or Blu.

By capitalizing its logistics platform, the Group intends to commercialize Logi's fleet to open demand and increase the delivery partners productivity by optimizing its services.

## New Ventures



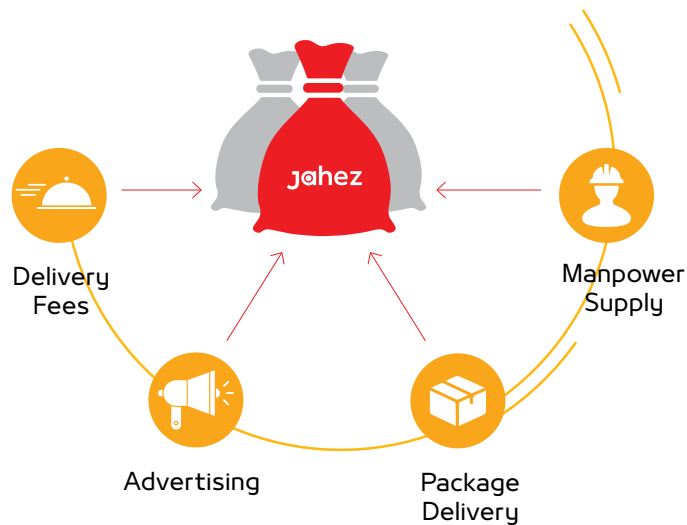
The Group has invested in four new logistics companies: Redbox, Parcel, Barq and CloudShelf, which demonstrates our keenness to invest in this sector as a major component of the business.

Logistics is currently booming in Saudi Arabia, and we believe logistics as a standalone business is a great opportunity given the severe shortage of last-mile delivery agents in the Kingdom. The demand for drivers exceeds over 100,000 needed over the next two years, which presents an opportunity for Logi.

## Growth Outlook



Logi's revenue streams include:



Going into 2024, the Group will focus on Saned subscription model and the proposed fulfilment center as new revenue streams. While the Company's current focus is to expand the cohort of full-timers based in more cities, by the end of 2024, we intend to increase the number of full-timers. In addition, we plan to add to our revenue streams by integrating with more clients outside of the Group.

In the new year, Logi will continue to be the leading platform in last mile delivery where the company manages all last-mile deliveries for all Jahez platforms and will also expand its services to other courier players.







### ➔ Other Activities



Acquisitions, mergers, venture capital investments and other business verticals of the Group fall under this category, which also covers the business' ventures all related aspects.

Co Limited Company which the Group owns a 60% stake in is centered around end-to-end commercial kitchens that serve food solely via digital delivery platforms, in addition to a newly launched cloud shelving vertical. The kitchen business serves as an avenue that facilitates expansion for both Jahez and its restaurant partners, providing restaurants whose physical presence don't extend beyond certain geographical areas the kitchen facilities needed to grow their business, which in turn helps Jahez penetrate new markets across the Kingdom.

Local restaurants that don't have more than a handful of branches or lack the resources to expand on their own can count on Co to help them reach a far bigger market than they otherwise would. The Group benefits from these partnerships by more consumers signing up for Jahez in those locations.





The reporting period saw the addition of an exciting new vertical to Co, which, together with the cloud kitchen business, serves to support and add value to a number of the Group's major businesses. Please see below.

### Highlights of 2023



	Number of locations operating end of 2023	YoY change %	Total active
Cloud kitchen	13	62.5	11
Cloud shelving	15	66.67	14

### Cloud Shelving



During 2023, Co branched out to cloud shelving, which saw the business open up dark stores that serve the main Jahez platform as well as PIK and Blu which in turn helped the growth of our e-commerce portfolio along that of the food business. Any merchant partner of PIK or Blu that lacks the physical space to store their goods can reach out to Co shelving for their dark store needs.

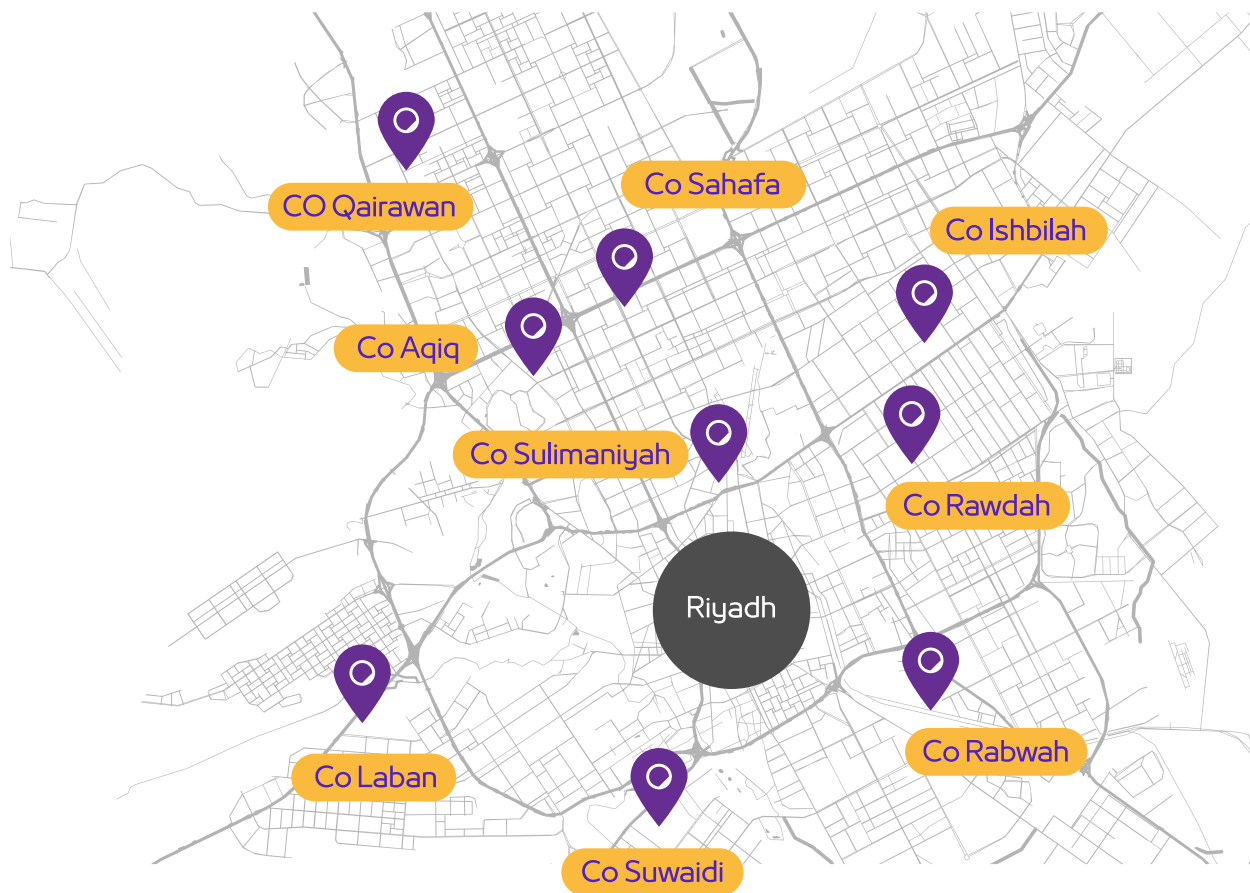
Currently Co shelving is just one of no more than three or four players that offer both cloud kitchen and shelving services. This year, 62.5% of the revenue (as of December) came from the kitchen business while the remaining 37.5% was generated by the shelving vertical.

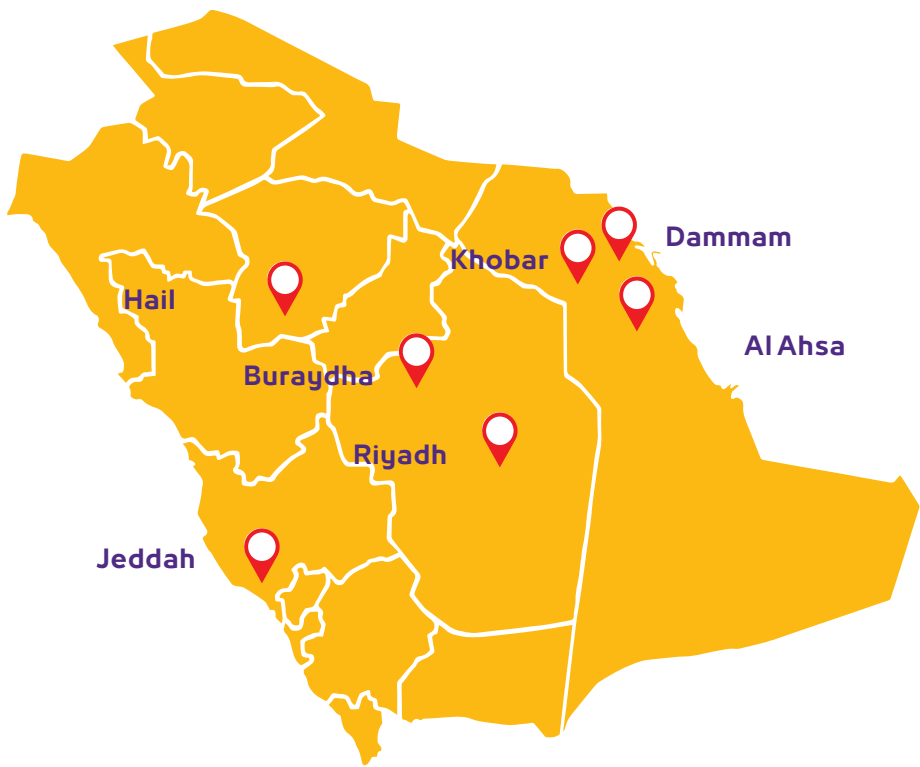
## Growth and Expansion



In addition to Jahez suite of apps, Co works as a facilitator not only for Jahez, but for the industry as a whole. As of December 2023, the Company has 13 live locations, two of which exist as cloud shelving spaces only. Co plans to expand in more cities in 2024, including a micro fulfillment center to help growth plans in the shelving and fulfillment vertical in Riyadh is also on the cards.

In the coming year, Co will also tap into e-commerce services that could potentially be offered on our platform to further our growth ambitions.





**Customer Retention**



Co operates on a revenue model based on commissions, and we provide marketing support through aggregators to enhance brand sales as part of an ongoing strategy to work in close cooperation with merchant partners to improve their own sales.



## RED COLOR

The businesses that the Group acquires through Red Color, its investment arm, serve to complete Jahez supply chain and improve and expand its product offerings. Red Color invests in companies that serve to strengthen its position within a specific portfolio.

Red Color was established in Q1 2021 with a view to delivering the best value to all stakeholders, targeting investments that would maximize the Group's corporate value.

### ➤ A Sound Investment Strategy

Red Color pursues inorganic growth opportunities through investments in, or acquisitions of, emerging startups and technologies that it sees as complementary to the Group's business, with fostering innovation, collaboration, efficiency and strategic investments as its fundamental pillars.



We aspire to accelerate growth by on-boarding innovations that lead to more efficient development cycles, integrating new impulses to stimulate Jahez's startup culture, continuously challenge Jahez's operations to improve efficiency, reduce costs, enhance quality of service, and to make positive returns from our investments.









We look at top line growth and bottom line enhancement by identifying operational synergies across Group companies in evaluating potential investments and prioritize investing in and acquiring businesses operating in sectors that are in principle closer to Jahez's core identity than others. Primary examples of these sectors are logistics, e-commerce, the restaurant ecosystem, fintech, and AdTech. We believe that by investing in these sectors, we can leverage our network and relationships to enable and create value for our targets and benefit financially from growing the business and operationally from enhancing our service quality.

This exercise is focused on the Kingdom, followed by the Gulf Corporation of Countries (GCC) and then the MENA region, while deployment size and targeted ownership varies depending on the opportunity. Through our corporate venture capital program, we primarily deploy and seek significant minority stake in startups. With regard to our mergers and acquisitions program, we seek a majority stake and control in businesses that have a clear integration story with one or more of Jahez Group companies.

Company	Vertical	Description	Domicile	Round	Investment (\$)	Investment rationale
<b>Hala</b> 	Fintech	Provides payment terminals to grocery retailers	Kingdom of Saudi Arabia	Pre-Series B	1,000,000	Hala's great growth enabled them to capture great market share fast, which made it ideal for Jahez to tap into the adjacent market of retail grocery through payments, along with their EMI license that Jahez can benefit from in the future
<b>Nana</b> 	Q-commerce	Direct to consumer marketplace offering fast grocery delivery	Kingdom of Saudi Arabia	Pre-Series B	2,000,000	Expand market reach and assess the potential in online grocery market by adding new product offering, and leveraging the combined food and grocery experience to generate more revenue
<b>Bonat</b> 	F&B SaaS	Provider of loyalty programs to restaurants	Kingdom of Saudi Arabia	Seed	400,000	Building the loyalty system for Jahez, and complementing Marn's offline experience with a consumer app to give restaurants using Marn the luxury of engaging with their offline user base
<b>RedBox</b> 	Logistics	Provider of APMs as an alternative to home delivery from e-commerce	Kingdom of Saudi Arabia	Series A	5,250,000	Jahez being a pioneer in the last-mile scene in KSA means we continuously look for emerging technologies and trends in the space, and given the recent trends in home delivery alternatives
<b>Barq</b> 	Logistics	Fleet provider dedicated last mile delivery for e-commerce	Kingdom of Saudi Arabia	Pre-Series A	2,000,000	Barq was one of the biggest fleet vendors to Jahez prior to the investment, Jahez's investment in company came from efforts to expand fleet and presence in the last-mile delivery scene



Company	Vertical	Description	Domicile	Round	Investment (\$)	Investment rationale
<b>Omniful</b> 	Logistics	SaaS enabling offline brick and mortars to have digital presence	Kingdom of Saudi Arabia	Seed	351,667	Thriving to partner with innovators across all sectors specifically in logistics, Omniful is enabling retailers to have digital presence, thus, boosting their e-commerce sales, giving Jahez exposure to e-commerce
<b>CloudShelf</b> 	Logistics	Warehousing and fulfilment services	Kingdom of Saudi Arabia	Pre-Series A	1,000,000	Amidst the complexity of delivery and difficulty of same day e-Commerce delivery in KSA, Cloudshelf's unique fulfilment model achieved that, which excited us to take part and expand within logistics in fulfilment
<b>Parcel Delivery</b> 	Logistics	Fleet provider dedicated last mile delivery for e-commerce	Kingdom of Bahrain	Seed	333,333	Putting last mile delivery at the heart of Jahez is what enabled us to set new standards for food delivery in KSA. Our strategic investment in Parcel is our first step in replicating that experience in Bahrain
<b>Soum</b> 	e-commerce	Streamlined and secure P2P marketplace for pre-owned goods trade	Kingdom of Saudi Arabia	Series A	6,500,000	Given the heavy-logistics nature of P2P marketplace due to the presence of multiple destinations in one delivery, our investment in Soum is very strategic in cutting their cost in middle and last mile and boosting their growth
<b>Total</b>					18,835,000	



## ➔ Marn Acquisition

The Group initiated the acquisition of Marn Business Information Technology Company in 2022 with a view to helping merchants by developing systems for business owners through various digital solutions that work in conjunction with different service providers and partnerships.

In January 2023, the Group completed the acquisition of Marn Business Information Technology, a leading business digital solutions provider, offering multiple modern technical services that support merchants in their growth.

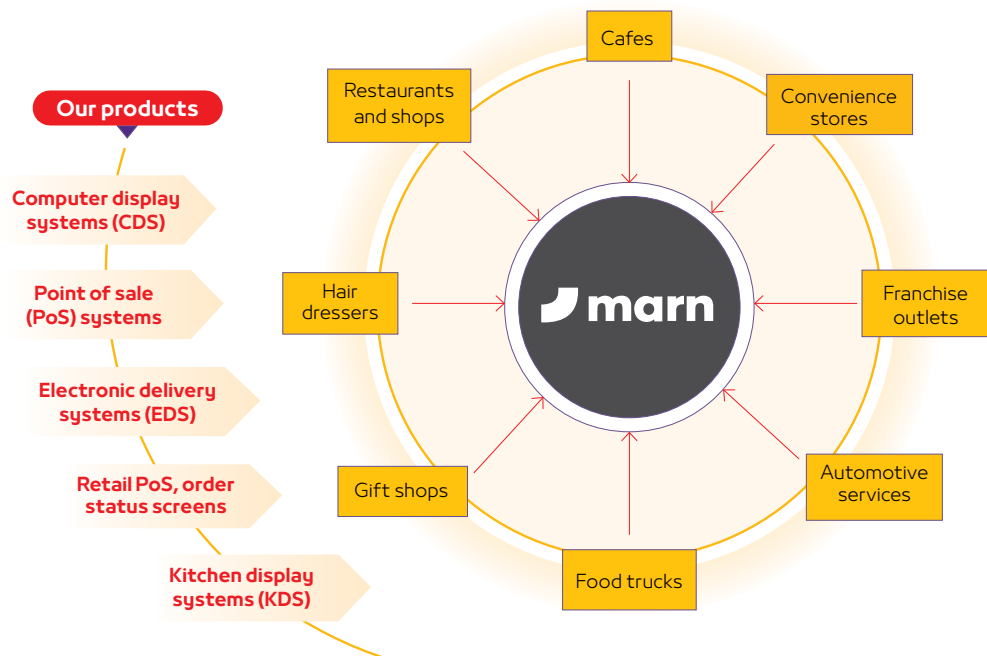
In addition to improved services to various stakeholders, Marn helped merchants build their own unique ecosystems by developing systems through various digital solutions such as point of sale systems that work in conjunction with different service providers and partnerships.

Marn's overarching objective is to help businesses establish a cohesive ecosystem by creating tailor-made digital solutions. These solutions seamlessly interact with each other and collaborate with diverse service providers and partners, all working towards realizing the envisioned ecosystem.



Businesses we serve Marn caters to:

Marn caters to:





Söl is the newest addition to the Group's growing portfolio. Partially acquired in 2023, Sol is a comprehensive B2B food and beverage supplier that functions as a one-stop-shop for the hospitality sector, focusing on supply chain management for hotels, restaurants, and cafes (HORECA) with an emphasis on backend functions such as kitchen logistics, procurement, etc.

Söl was founded in 2007 as Raz Catering which, at the time, served large-scale clients like contractors, royal palaces, and marine companies. In 2016-17, the founders opted to change the customer segment from giant corporations with a high labor force to hospitality clients in the hospitality sector. Since 2019, now known as Sol, the company integrates technology into its operations to better serve its customers by enhancing its front-end interface offering websites and dashboards for its HORECA customers to easily place orders.



Sol also manages training, operations, and supplier dealings internally to ensure optimal margins and runs its own distribution center and warehouse. Currently, the company works with suppliers across various categories such as dry, frozen, chilled, and fresh foods, snacks, and beverages.

Sol handles the entire procurement-to-delivery process internally, offering technological solutions such as personalized dashboards for each restaurant to monitor usage and place orders conveniently. The company fills an existing gap in the market by providing personalized service and support to smaller businesses.

## Enhancing Brand Image

In 2023, the marketing team at Jahez undertook a number of inspired initiatives to further consolidate its position as a dominant technology and lifestyle player in the Kingdom and the wider region. Focusing on the key objective of attracting new customers, merchants and delivery partners to our various platforms, the team leveraged data analytics, artificial intelligence, as well as our deep insight of the market to retain and grow our market share and reach across all areas of operation.

This comprehensive, focused and data-backed marketing approach resulted in an increased number of new customer and partner registrations as well as app downloads during the year in review.

### ➔ Data-First Approach to Customer Satisfaction

One of the key metrics of the marketing team's success is customer satisfaction, and delivering exceptional service is paramount to our growth as a business. We actively gather customer feedback across all our communication channels, leveraging our operations department to promptly address their concerns. The feedback loop is integral to our strategy, allowing us to swiftly resolve issues and prevent recurrence, thereby enhancing our service quality and enriching the customer experience.

In 2023, Jahez continued its strategy of actively gathering and leveraging customer feedback across all communication channels. Daily, meticulous analysis of comprehensive feedback reports helps in identifying prevalent issues and in implementing robust solutions. Continuous evaluation of customer satisfaction feedback and competitor analysis also contribute to ongoing improvement initiatives across all apps and media channels, enabling us to address any identified market gaps.

The customer experience report compiled after each campaign is thorough and includes measurements of interactions, key performance indicators (KPIs), etc. Feedback both positive and negative are objectively evaluated, offering recommendations for improved solutions.

The reporting period was also notable for its growing use of artificial intelligence in marketing initiatives. Customer segmentations and multi-cuisine classifications based on an in-house AI algorithm contributed to an enhanced customer experience during the year.

This also led us to leverage a more efficient and wide-reaching marketing channel for our promotional endeavours in 2023 with the newly unveiled "Explore" feature introduced via Jahez app. The data-backed feature serves as an effective tool for customers seeking insights into trending restaurants and cafes, enabling them to stay abreast of current trends in the culinary landscape, while exploring more personalized recommendations. More significantly, the Explore page doubles as a marketing channel for exclusive offers and cashback codes that are cross-posted on our social media platforms, appealing to new users. It also serves as a third-party marketing channel for merchants, who can register with our platform to reach new customers. For Blu, a variety of attractive, personalized advertisements featuring relevant offers are showcased on the Explore page, while PIK leveraged the Explore feature's reach to prominently display back-to-school offers to drive new conversions to PIK app.



### ➔ A Winning Merchant Value Proposition

With an increasing number of daily active users on Jahez app, the marketing team continued to offer the market's most competitive rates to merchant partners in 2023, in addition to other benefits that includes:



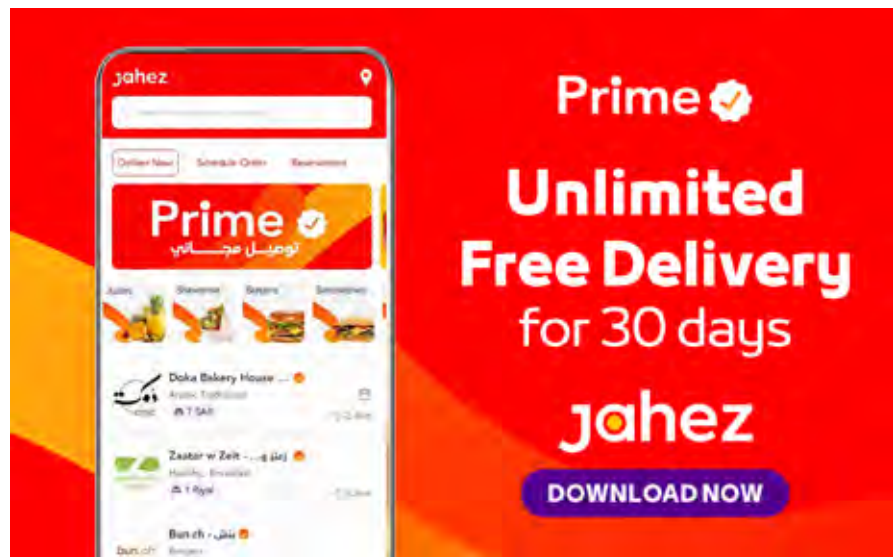
During the year in review, the Group also launched **Jahez Insights**, an initiative that empowers our merchant partners with a comprehensive suite of analytics and resources that will unlock new avenues of success and growth. Jahez Insights provide cutting-edge analytics, actionable data, and unparalleled market intelligence for our invaluable merchant partners.

### ➔ Inspired Performance

Our growing network of loyal delivery partners were motivated by a unique value proposition during the reporting period; Saudi drivers who consistently achieve an average of five completed orders per day throughout the year were offered cars as a token of appreciation. At the close of the year.

### ➔ Targeted Marketing for Greater Results

The marketing team launched a number of targeted campaigns and promotions, that served to enhance our market position across all verticals during 2023.



### ➤ Creating an Omni-channel Brand Presence

Among other notable initiatives in 2023, a number of social media campaigns as well as traditional campaigns on conventional media stood out. Event sponsorships, loyalty programmes, in-app features were among other measures to increase brand awareness.

### Social Media



- **1M Code campaign:** Unique and sizeable social media campaign engaging the youth demographic with paid media, influencer marketing, and content creation together with other strategic digital marketing efforts aimed at amplifying order volumes and enhancing brand advocacy.
- **Discounted delivery campaigns in specific cities:** In a bid to bolster brand recognition in select cities of the Kingdom, particularly Jeddah, Tabuk, Al-Qassim and Al-Kharj, a comprehensive campaign was launched involving organic social media content and targeted paid advertisements, in addition to billboard placements, paid media ads, and influencer marketing. The outcome of this extensive campaign resulted in a significant number of app downloads, thereby expanding our user base and visibility within the designated areas.

- **National Day offers:** Marking this momentous, patriotic occasion, we tailored exclusive deals on the PIK platform for various brands, showcasing the diverse range of special deals and limited-time offers presented by various of our brands. The campaign aimed to increase brand visibility and drive sales in Riyadh for both iOS and Android users, and surpassed benchmarks, exceeding download and order targets, recording some. The campaign utilised various strategies, including content marketing, targeted paid advertisements, influencer marketing, social media marketing, offers from different stores on the app, prominent banner placement in the Jahez app, and in-app notifications on both Jahez and PIK apps. The initiative effectively boosted brand recognition and sales performance in Riyadh, surpassing initial projections.
- **New shirt campaign for Blu Store app:** A successful campaign improving app downloads, registrations, and user engagement was launched in 2023, resulting in the acquisition of new users. The conversion rate from app downloads to registrations also saw a notable increase.

## Traditional Media



- **Television:** Entered into a sponsorship agreement for TV advertisements for Roshn Saudi League, as part of a sponsorship agreement with MBC Media Solutions (MMS), the exclusive representative of Saudi Sports Company (SSC), forming a strong strategic alliance and brand association with RSL. It also underscores our pledge to contribute towards the Kingdom's recent accomplishments and advancements in the sporting stage.
- **Radio:** The Group aired strategic advertisements spots on Alif Alif radio station over a month, for enhanced reach and engagement in Jeddah.

## Events



Events such as Media Oasis, FIFA Club World Cup, and Otaiqah Dates Season showcased the Group's support for national initiatives, serving to strengthen Jahez brand as a partner and contributor to the Kingdom's ambitious objectives across multiple sectors.





In-app Features



During the reporting period, we also developed an in-app game targeting the Saudi National Day which enhanced customer engagement and entertainment, helping customers while away the time between order preparation and delivery.

Future Outlook



Jahez has formulated a comprehensive strategy to build trust and loyalty among its ever-expanding customer base as the Group embarks on its journey to becoming the most loved lifestyle platform in the Middle East. This is a multifaceted approach that already sees the use of a sophisticated social media management tool to collect feedback from platforms such as X and Instagram.

Providing personalized offers through customer segmentation is also part of this strategy, powered by a customer care team operating 24/7, promptly addressing any issues and offering solutions that are tailored to individual customer needs.

In parallel, we leverage social proof by sponsoring significant events, enhancing our credibility, and reinforcing our commitment to excellence. This involvement in major events not only strengthens our brand but also resonates positively with our customer base.

Additionally, we consistently strive to delight our customers by offering exclusive offers, adding value to their experience with us.

## Organizational Performance

The final two pillars of our DRIVE strategic model concentrate on organizational aspects of the business that are fundamental to its corporate ethos which keeps the Group on top of a growing industry and to its ever-evolving relationship with a diverse group of stakeholders.

The two pillars are, namely:

- Vitalising sustainability
- Enabling a culture of organizational excellence.

Under the first comes sustainability, a philosophy that's central to Jahez's vision of becoming the most loved lifestyle platform in the Middle East. The 'Enabling' pillar focuses primarily on developing and enhancing the Group's human capital and its technological capabilities as we move ever closer to realizing our ambitious vision. These measures, together with our commitment to sustainable growth, help us tremendously in our relentless pursuit of organizational excellence.





## Fast-tracking Organizational Excellence through Technology and Innovation

Integrating our Engineering and Advanced Data capabilities across our product offerings, infrastructure, personnel and financial resources is, therefore, a natural component of our strategy for achieving organizational excellence. The Group's Technology Division is structured in a way that empowers all verticals to achieve their individual targets and ensure the synergy between them, allowing the Group overall to meet its overarching strategic objectives as the business continues to expand and grow.

### The Technology Division has strategically focused on the following areas:



### ➔ Unleashing the Power of Data in Jahez Group

Jahez Group has set data driven objectives aiming to transform data into a strategic asset that drives the group's growth and enhances its market competitiveness. These objectives are as follows:

- Data democratization, ensuring data accessibility throughout the organization to enable more informed decision-making processes.
- The enhancement of data literacy among employees, equipping them with the skills necessary to understand, analyze, and effectively utilize data.
- The utilization of advanced AI-driven analytics to inform and shape strategic decisions.



- The establishment of comprehensive data governance frameworks to uphold data integrity and ensure regulatory compliance.
- The exploration and implementation of data monetization strategies, opening up new channels for revenue generation.
- The commitment to social responsibility by leveraging data-driven initiatives that have a meaningful impact on society.

### ➤ Highlights of 2023

In 2023, in line with our strategic objective of operational excellence and other objectives such as increased customer loyalty, our technology division developed several new features, tools and products with a focus on merchant partners.

Operational excellence	Personalized experience	ML & Gen AI Utilization
<ul style="list-style-type: none"> <li>➤ Optimized administrative panel for customer support teams.</li> <li>➤ Launched a more customizable partner portal allowing Jahez partners to better oversee and execute operations.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Launched a recommendation engine providing unique offering per consumer behavior.</li> <li>➤ Rolled out Partner insights; an analytical product serving Jahez partners in making impactful business decisions.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Developed internal Restaurant and menu classification based on their content.</li> <li>➤ Implemented Fraud detection to enhance security and integrity across all interactions.</li> </ul>
<b>Non-Commission Revenue</b> <ul style="list-style-type: none"> <li>➤ Launched Targeted Campaigns as an offering to broadcast consumer-specific ads which improves conversion rates.</li> </ul>		
<b>Further enhancement to the Group's core services.</b>		

### ➤ Advancing the Infrastructure of Data & AI

The Group has invested in Data & AI's infrastructure by bringing in an advanced data science platform that not only simplifies and accelerates the data science lifecycle, but also aligns with strategic objectives by enabling smarter decision-making, fostering artificial intelligence innovation, and facilitating a culture of collaboration.

Additionally, the Group invested into a transformative analytics engine platform that directly contributes to the Group's growth, agility, and competitive edge from data perspective. It enables real-time analytics and insights, as well as providing state-of-the-art comprehensive data governance and security features, ensuring data across the enterprise is accurate, consistent, and used responsibly. It also supports setting policies, standards, and procedures for data management to comply with regulations and support the Group's business objectives.

➔ **Future-proofing Our Technology**

During the reporting period, our technology division invested heavily in supporting the Group’s growth agenda and also in anticipation of any future verticals we may potentially explore. We concentrated on developing the infrastructure needed to support further expansion, which signified our approach to technology as a driving force of growth.

➔ **Cloud-Agnostic Infrastructure**

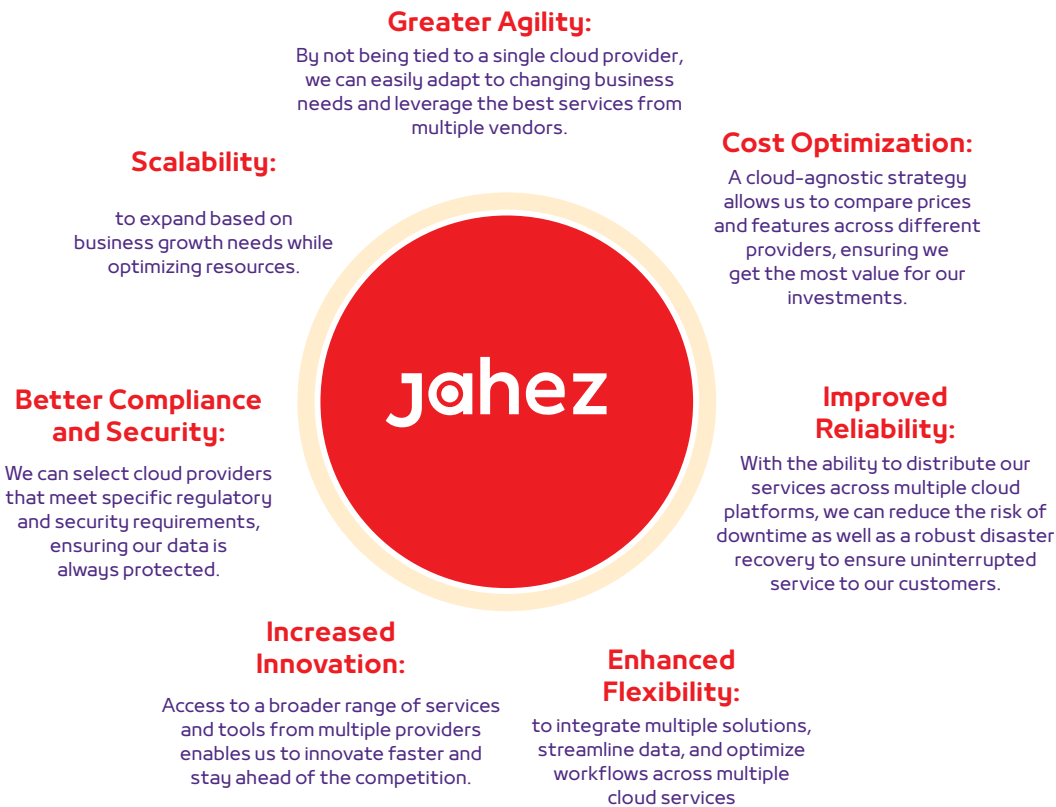
Jahez Group initiated its strategic initiative to adopt a cloud-agnostic approach in its infrastructure. This decision aligns with our commitment to business continuity, flexibility, and cost-effectiveness, ensuring we remain at the forefront of our industry.

**Why Cloud-Agnostic?**



**Allowing the Group to design and operate applications and services that are not dependent on a single cloud provider. This approach enables us to seamlessly switch between cloud platforms and utilize multiple platforms simultaneously, without being locked into one vendor.**

**Benefits of Cloud-Agnostic Approach:**



Our team is diligently working on implementing this cloud-agnostic approach, ensuring a smooth transition and minimal disruption to our operations. We are confident that this strategic move will not only enhance our operational efficiency but also provide a solid foundation for sustainable growth in the ever-evolving digital landscape.

### ➤ **Expanding Capabilities through Acquisitions**

At the very onset of the reporting period, the Group completed the full, self-funded acquisition of Marn Business Information Technology Company, in what promises to be a successful expansion of our technology portfolio.

Marn provides digital solutions to the Group's merchant partners and has a number of business-facing applications at its disposal, facilitating a more robust integration process. While adding value to the merchant and its product portfolio, Marn's services to merchant partners invariably enhances the service quality of Jahez overall without severely impacting the merchant's day-to-day operations. With respect to our venture capital investments, the involvement of Marn has resulted in impressive levels of alignment with respect to product management, user interface, UX, engineering, architecture, cloud infrastructure and data, among other factors. This serves to create and extract value through these synergies between our various subsidiaries and investments.

Following the acquisition, the Group's Technology Division engaged with the subsidiary gradually, ensuring Marn meets benchmark quality standards set by Jahez across the subsidiary's development process as well as in day-to-day operations. Once fully compliant and aligned with Jahez standards in user experience (UX), design and other technical aspects, Internet retail and payment solutions developed by Marn will be steadily integrated across Jahez products and subsidiaries, further expanding and strengthening our merchant product portfolio.

### ➤ **An unwavering commitment to privacy**

As a technology company, strengthening the Group's data and systems security continued to be among our top priorities in 2023, reflecting our commitment to preserving the confidentiality, robustness and security of corporate and personal data. Since the Group's establishment, Jahez is adopting the highest cybersecurity standards including the Communications, Space & Technology Commission (CST) and ISO 27001 regulations.

Our comprehensive cybersecurity measures include a risk assessment process, mechanisms in place to authenticate merchants, delivery partners, as well as administrative users of our suite of apps, encryption and masking technologies and other features.

The year in review saw the Group extend its vulnerability assessment across all new products and existing product upgrades, ensuring each product is assessed and tested for compliance prior to being introduced to the market. The Group heavily invested in automating our deployment pipeline where new and upgraded products are tested on a number of security metrics.

## ➔ Overcoming Challenges

During 2023, acquiring the talent needed to onboard these technologies proved a challenge, which we're now overcoming by partnering with a number of academic institutions who train personnel under a sponsorship scheme by Jahez.

The Group also has a working relationship with a number of ICT talent communities in the Kingdom and beyond whose capabilities we continue to benefit from. We are regularly approached by high-caliber talents in Engineering, Data and Artificial Intelligence, product and design, and other fields eager to join Jahez given its reputation as a trendsetter in technological innovation. This works to the advantage of both parties, with Jahez getting to leverage the latest in tech knowhow and the new recruits availing the opportunity to hone their skills and test them with real products.

Among our activities to attract and retain talent to the Technology Division during the year under review were the launch of Jahez Digital; an initiative that focuses on sponsorships, partnerships, bootcamps and the like for digital-based communities and events, which helped enhance Jahez's image as a technology leader and as a pillar of the ICT community.

More recently, a blog has been launched as part of Jahez Digital initiative where we publish content written by our own team members, showcasing the knowhow of our immense wealth of talent, helping us achieve higher levels of top-of-mind awareness among ICT professionals in the Kingdom and thereby increase our brand equity and help scale up through increased hires.

## ➔ Research and Development

Beyond digitalization and automation, Jahez is currently experimenting with robotic as well as drone technology. Having partnered with King Abdullah University of Science and Technology (KAUST), we have created a conducive environment for R&D teams to practice and develop proof of concepts (POC) for utilising drones and robotics in controlled environments. We continue to support regulation and policy making under this technology vertical, so that we can apply, integrate, and pioneer proven technologies in real-world scenarios. To this end, we are working very closely with the Ministry of Transport and Logistic Services as well as the Ministry of Communications and Information Technology of the Kingdom of Saudi Arabia, to launch these technologies at smaller scale as early as 2024.

### Future Outlook



The Technology Division of Jahez looks to continue its rapid evolution in the immediate to short-term, with a number of focus areas identified for 2024, in alignment with Group objectives.

Plans are underway to make our technology division more extendable into our various portfolios so as to support their individual growth and that of the Group overall while also allowing for the addition of new verticals. The strategy here is to help add new portfolios in a seamless plug-n-play manner through shared resources.

We also have plans in place for increasing non-commission revenue by capitalising on new offering streams such as retail media, which will be a key focus for the new year, by exploring ways to leverage data for external partners without compromising privacy and security. The addition of a subscription feature for the logistics vertical is also on the cards.

Meanwhile, our shared services will also figure prominently in the Group's ambitions to become the Middle East's most loved lifestyle platform. Our products are built in a way complementing each other allowing our users to switch between them seamlessly, with more shared benefits, is an important first step towards our grand vision to create a comprehensive ecosystem of lifestyle applications under the Jahez umbrella.

## Investing in Human Capital for Sustained Growth

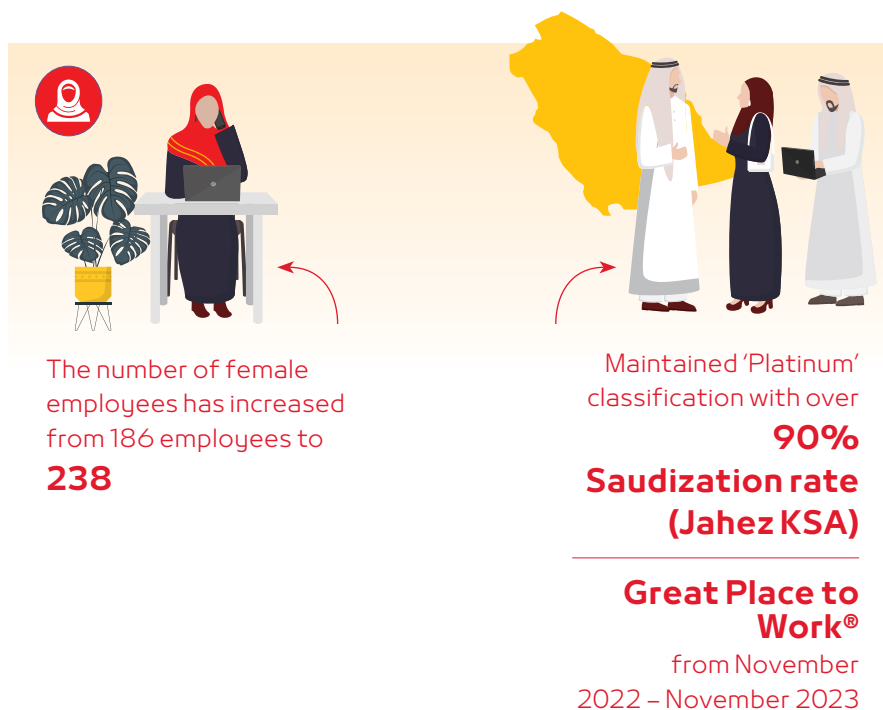
As Saudi Arabia focused on maturing its evolving tech-powered start-up sector to meet the rapid pace of digital transformation across the world, shortage of talent – especially with technical expertise – remained a key challenge in the job market during the year in review.

Certified as a "Great Place to Work®" for 2021 and 2022 respectfully and "Best Place to Work" in 2023, we at Jahez continued to play to our strengths as an employer of choice, attracting and recruiting fresh tech talent from across the Kingdom, while investing in developing and retaining our loyal employees during the reporting period. In line with the Group's Human Resource (HR) strategy, 2023 saw Jahez remain focused in creating a culture of excellence, where all employees are empowered, motivated, and equipped to contribute to the success and growth of the organization, and duly recognized and appreciated for their loyalty and commitment.

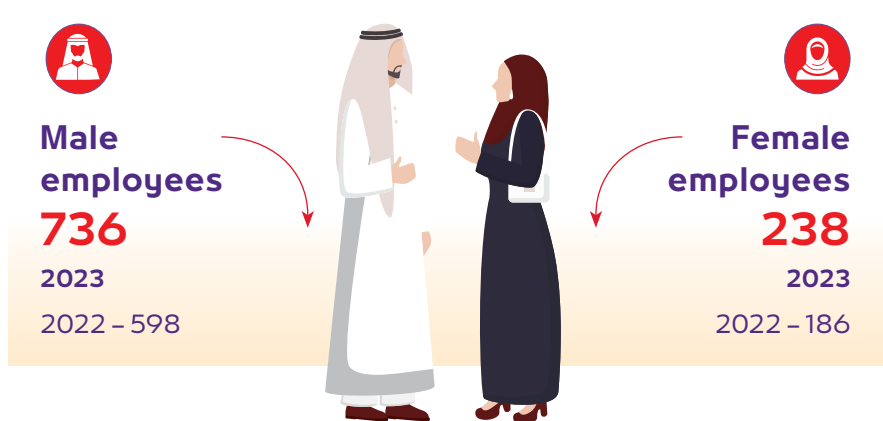




### ➔ Highlights of 2023



### ➔ Jahez Group Workforce Profile for 2023 (excluding drivers)



#### Employees by age and gender

Age	Gender	
	Male	Female
18-25	137	42
26-45	577	195
46-55	19	1
Above 55	3	0
<b>Total</b>	<b>736</b>	<b>238</b>

## ➔ Attracting Top Talent

Having strengthened our reputation as one of Saudi Arabia's most sought-after employers, and the first tech start-up backed by venture capital to go public in 2022, Jahez continued to fast adapt to the labor market transformation across the Kingdom in 2023 by attracting the Kingdom's top tech and business talent during the year in review:

	2022	2023
Number of new recruits	332	341

As Jahez continued to grow in scale during the reporting period, the Group leveraged our tried and tested recruitment process to ensure identified skill gaps are effectively filled with new recruits that correspond with the job requirement:

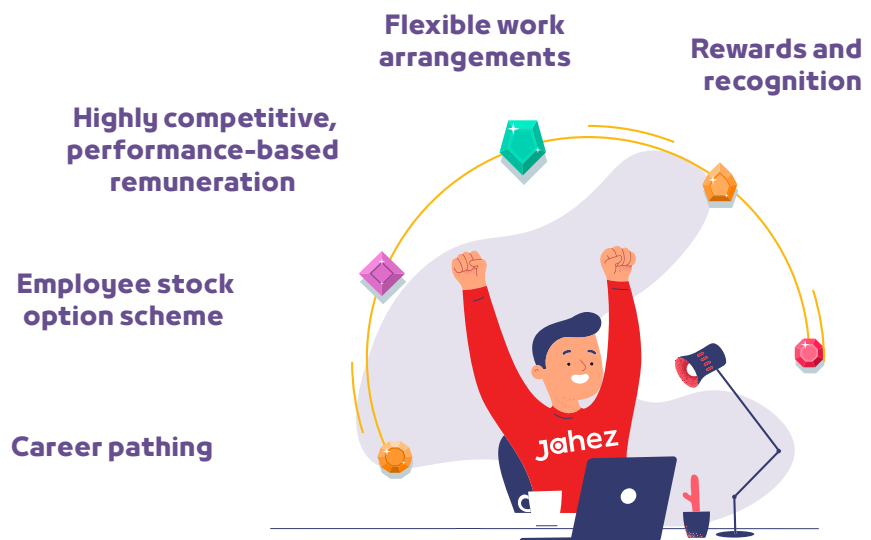


The Group explored multiple sourcing channels in 2023 to proactively seek out and engage with qualified candidates for existing vacancies as well as planned positions that would meet the Group's projected growth during the year. Key among these channels were the agreements in place with key local universities across the Kingdom such as King Saud University (KSU), King Fahd University of Petroleum and Minerals (KFUPM), Prince Sultan University (PSU) etc., and other initiatives with the Prince Mohammed bin Salman bin Abdulaziz Foundation (MiSK Foundation), Saudi Digital Academy (SDA), and Tuwaiq Academy, ensured the Group attracted and acquired top-tier talent.

We continued our partnership with Tamheer program run by the Human Resources Development Fund (HRDF), providing fresh Saudi graduates on-the-job training to prepare them for the demanding labor market. From 2020 to 2023, Jahez, Logi and Blu trained a combined 122 graduates as interns under the program, with 61 of them being appointed by the Group as permanent employees upon successful completion of the six-month training.

Jahez was listed as a Best Place to Work® for 2023, recognizing the Group as an employer committed to creating an outstanding employee experience and nurture an unparalleled workplace culture. Having further strengthened the Group's reputation as a sought-after employer with higher employee retention.

### ➔ An Attractive Employee Value Proposition



In terms of employee retention, Jahez addressed a number of key challenges including a highly competitive job market as well as increasing talent migration by enhancing employee remuneration and benefits; the Group continued to set a competitive, performance-based remuneration benchmark in 2023 for employees at all levels, while also providing the team with additional compensation, medical insurance and other benefits. This included an employee stock option scheme that the Group is looking to redesign to enhance its effectiveness and better align with employee and shareholder interests.



Additionally, Jahez provided employees more opportunities for growth through 'career pathing', identifying their individual strengths and potential, boosting workplace satisfaction as well as the team's loyalty to the Group. Flexible work arrangements and remote work options were also provided for employees to improve employee satisfaction, alongside wellness programs that promoted work-life balance.

One of the biggest motivational factors for employees at Jahez is the Group's recognition of high-performing employees, with a performance-based evaluation system that brings dedicated, productive employees to the limelight, with exceptional rewards and due recognition provided.

### ➤ Exemplifying Gender Diversity

The nature of our business, since the company's founding, has enabled Jahez to organically integrate diversity and inclusivity across the Group. As a truly modern enterprise, we continue to recognize the value of gender equality, both in terms of egalitarian ideals and return on investment. One of the key highlights of 2023 was the significant year-on-year increase of females in our workforce, from 186 during the preceding financial year to 238 in 2023, as a result of the growing number of qualified female candidates applying for tech positions from across the country.

**Female employees**  
**238**  
**2023**  
2022 – 186



Additionally, our leave policy, in keeping with the Kingdom's labor laws, provides for 70 days of maternity leave and 3 days of paternity leave for our employees.

### ➔ Prestigiously Platinum

Jahez successfully maintained its 'Platinum' classification under Nitaqat Program in 2023, remaining compliant with the private sector Saudization requirement with over 90% of its workforce comprising Saudi nationals.

#### Total Saudi employees

# 646

2023

2022 – 560



### ➔ Training and Development

During the year in review, Jahez strategically invested in the training, upskilling and reskilling of its team to develop capacities and equip our employees with the necessary technological as well as business skills required to meet the growing demands of our business. In 2023, trainings were facilitated on a needs basis as per the requirements raised by each business division, and largely focused on advancing the team's technical skills and expertise. However, due to the growth and expansion rate of the business, the HR division plans to conduct a Training Needs Analysis (TNA) to better address skill gaps while also understanding employee eagerness on their own growth and development alongside the Group.

The Group continued its Leadership Program for the C-Level as well as Management in 2023, advancing leadership abilities for maximum impact, with a focus on best practices for managing, leading, and supervising diverse teams while running day-to-day operations.



## ➔ Employee Engagement and Communication

The Group's employee engagement initiatives are designed to encourage our teams to communicate their opinions and create a culture of collaboration, innovation, and inclusivity. We actively seek feedback from our employees through surveys, focus groups, and other means, to understand their needs, concerns, and ideas, and take the necessary action promptly. In 2023, Jahez continued with a number of team building activities, annual calendar events, wellness programs

While Jahez currently uses Microsoft Teams for internal communication, the HR division will be looking to further enhance our collaboration experience by migrating to a more flexible and customizable tool such as Slack Teams during the succeeding year.

With an Open-Door Policy in place at Jahez, employees are encouraged to approach and communicate their concerns with all levels of management, affirming the assurance of no conflict with the delegation of authority. To further underscore our commitment to safe and open communication, Jahez also educates all employees on our comprehensive Grievance and Appeal Policies in place, so that they can also resort to escalate their concerns directly to the highest level of HR governance depending on the nature of the concern.

### Future Outlook



With the reporting period marking notable progress for Jahez on the human resources front, the Group will focus on revising existing HR policies and processes to ensure that Jahez remains compliant with all up-to-date HR and labor laws of the Kingdom. Additionally, the HR division will also be looking at upgrading and enhancing multiple HR functions and processes during the new year, to ensure better scalability and management of the HR function to meet the rapid pace of growth across the business.



## Vitalizing Sustainability

The fourth pillar of our strategic model outlines the Group's ESG philosophy and our approach to minimizing the environmental impact of our operations.

As an industry leader, Jahez is committed to integrating an Environmental, Social, and Governance (ESG) roadmap into its daily activities to foster long-term success and positive impact within its sphere of influence. Our unwavering commitment to ESG principles ensures accountability and transparency and serves to boost top-line growth, increasing consumer trust and attracting investor interest. The Group is steadfast in developing ESG roadmaps aligned with global Sustainable Development Goals (SDGs), stakeholder interests, and long-term growth objectives, integrating them into our policies, practices, and overall strategy.

### ➤ A bold new path to ESG

To realize this vision, the Group has developed a high-level ESG Roadmap for 2023-2026, envisioning socially responsible and sustainable practices across its operations for the next few years. This strategy focuses on aligning business operations and future aspirations with economic viability, environmental protection, and social responsibility. The roadmap prioritizes delivering significant upfront benefits to the Group while addressing its core values of sustainability, innovation, trust, passion, excellence, and respect.

Our ESG roadmap focuses on implementing impactful ESG policies identified for the Group, enhancing the overall governance infrastructure to fully encompass all material ESG principles. A thorough and robust greenhouse gas (GHG) emission reduction transition plan for the duration of the roadmap will see us contribute significantly to taking on the challenges posed by climate change.

The first area of focus for Jahez's ESG roadmap is prioritizing governance from 2023 to 2026 in a bid to elevate the Group's ESG status, reputation, and rating, fostering investor trust and building a collaborative corporate culture. As we are still laying the foundation for this decidedly complex endeavor, it will no doubt take some time to bear fruit, but our stakeholders can rest assured that our approach to ESG is scientifically sound.

Greenhouse gas emissions inventories is the second area of focus for Jahez's ESG roadmap. During the year under review, our sustainability team began a comprehensive data gathering exercise for greenhouse gas emissions (GHG) inventories, given that emissions are the main environmental impact of concern for the Jahez Group. These inventories were calculated using the GHG Protocol Corporate Accounting Reporting Standard and the GHG Protocol Corporate Value Chain Accounting Reporting Standard.

We have established initial baselines, which will be updated between now and 2026, in preparation for the next steps in emissions management aimed at reducing emissions considerably. In line with the roadmap, we are focusing our energies in 2024 towards reaching data maturity by the end of the year, which will help facilitate our ambitious reduction transition plan through more precise emissions inventories that enable greater environmental transparency for all stakeholders. This entire exercise is of the utmost importance to Jahez as it is our main environmental initiative involving the participation of all subsidiaries and venture capital investments, and we are proud to note that Jahez is ahead of its peers in this sphere.

Since 2022, Jahez has engaged in an impactful recycling drive as part of a waste reduction initiative. As part of this endeavor, we launched a corporate recycling program at our Riyadh headquarters with a view to extending it to other branches and in line with our overarching ESG strategy. Various recyclable materials are routinely collected under this initiative as mixed recyclables waste. A tree-planting platform is also available to our customers since 2022.

A reverse vending machine (RVM) was installed in October 2023 which, as of January 2024, has collected over 2,000 plastic bottles in total. The initiative saw a donation/reward distribution of 49% and 51% respectively. Raising awareness on recycling is a key objective in this exercise. Jahez also conducted a study with a number of academic entities on consumer behavior with regard to RVM recycling.

Developing effective and integrated ESG programs that are reflected in a robust ESG score is a long and complex process requiring commitment and consistent effort. Our ESG roadmap is designed to deliver the fastest possible progress while laying a solid foundation for all future programs.

### Sustainability Report 2023



Await a more detailed update on our ESG initiatives in our upcoming Sustainability Report

# Corporate Governance and Risk Management

A man in a white thobe and ghutra is standing and writing on a whiteboard. In the foreground, there is a desk with a laptop, a notebook, and some papers. The background is a blurred office setting. The entire image has a purple tint.

Corporate Governance

92

Risk Management

145

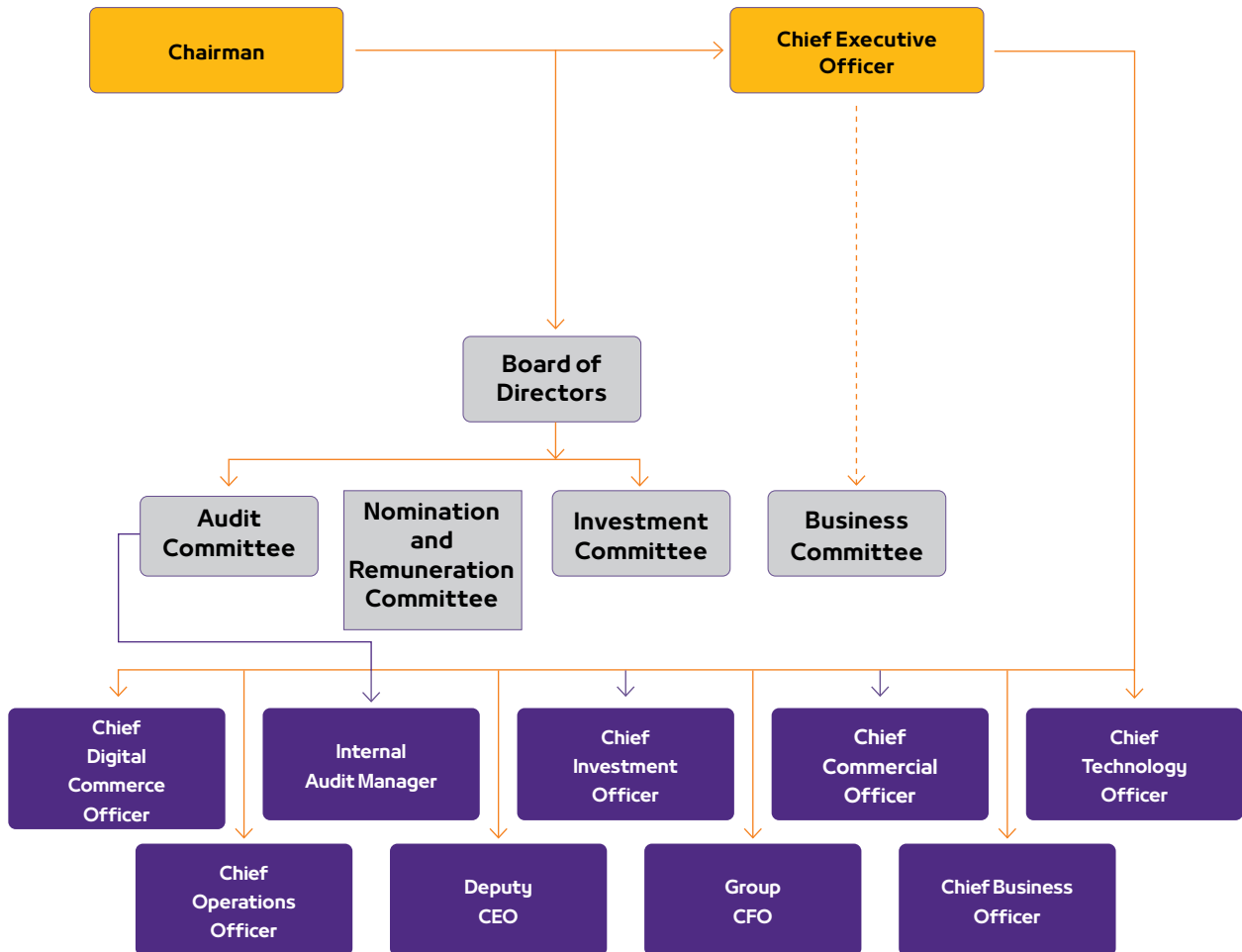
Governance is central to the core values and strengths of Jahez Group as it seeks to cement its distinguished presence and position of leadership among businesses, customers, and partners in the Kingdom and in the MENA region. The Group strives to adhere to the best governance practices in order to increase transparency and accountability to all stakeholders.

It should be noted that Jahez Group has implemented all the provisions contained in the Corporate Governance Regulations issued by the Board of the Capital Market Authority, with the exception of the provisions stated below:

Article/paragraph No.	Text of article/paragraph	Reasons for non-application
Article 67	Formation of the Risk Management Committee	The article is still Guidance The Audit Committee currently studies and evaluates the risks and takes the necessary action, noting that the company has a risk management policy approved by the Board of Directors
Article 68	Functions of the Risk Management Committee	The article is still Guidance The Audit Committee currently studies and evaluates the risks and takes the necessary action
Article 69	Risk Management Committee meetings	The article is still Guidance The Audit Committee currently studies and evaluates the risks and takes the necessary action
Article 92	Formation of a corporate governance committee	The article is still Guidance The Board of Directors currently implements the Corporate Governance Regulations, monitors its implementation, and verifies its effectiveness

The Board of Directors is tasked with approving occasional amendments to the framework of the Corporate Governance Regulations or calling for convening the General Assembly to approve any amendments that require shareholder concurrence, in order to comply with legal requirements and ensure sound management and governance practices.

### ➔ Organizational structure



### ➔ Board of Directors

The Board of Directors is composed of six members elected by the Ordinary General Assembly for a period of four years from 2020 to 2024. In its meeting held on 02/05/1442H (corresponding to 17 December 2020), the Ordinary General Assembly appointed the first Board of Directors for a period of four years as of the date of such meeting.



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

**Position**

Chairman of the Board  
Chairman of  
Investment Committee

**Classification**

Non-executive

**Appointment date**

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



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

**Position**

Vice Chairman of the Board  
Investment Committee Member

**Classification**

Non-executive

**Appointment date**

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



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

**Position**

Board Member  
Chief Executive Officer

**Classification**

Executive

**Appointment date**

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





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

**Position**

Board Member  
Chief Business Officer

**Classification**

Executive

**Appointment date**

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



**Mr. Abdullah Bin Saud  
Bin Marshoud Al Romaih**

**Position**

Board Member  
Chairman of the Nomination and  
Remuneration Committee

**Classification**

Independent

**Appointment date**

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



**Mrs. Loulwa Bint Mohammed  
Bin Abdulkarim Bakr**

**Position**

Board Member  
Chair of the Audit Committee  
Investment Committee Member

**Classification**

Independent

**Appointment date**

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

## Memberships, experience and qualifications of the Board



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

### ➤ Current positions

Chairman of the Company's Board of Directors, from (2020) to date.

Chairman of the Company's Investment Committee, from (2021) to date.

Chairman of the Board of Managers at Alamat International Company, a Saudi limited liability company, operating in information technology sector, from (2014) to date.

Manager and Director of Tharwa Holding Company, a Saudi limited liability company, general contracting, importing, exporting, and investment, from (2013) to date.

Partner in Track Saudi Holding Company, a Saudi limited liability company, operating in information technology, from (2013) to date.

Vice-Chairman of the Investment Committee, Bathel Al Khair Establishment for Trading and Real Estate, a Saudi sole proprietorship, real estate development, from (2012) to date.

Director of the Prince Sultan bin Abdul Aziz Foundation, a Saudi charitable institution, health and social care for the elderly and comprehensive rehabilitation for people with special needs, from (2008) to date.

Owner and Manager of Makashef Contracting Est., a sole proprietorship, general contracting, from (2012) to date.

### ➤ Previous positions

Trainee as a portfolio manager for international relations, Ministry of Investment, a Saudi government entity, investment sector supervision, from (2010) to (2011).

### Academic qualifications

Master of Public Policy and Administration, London School of Economics and Political Science, the UK, 2020.

Bachelor of Financial Management, Prince Sultan University, Kingdom of Saudi Arabia, 2010.



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

### ➤ Current positions

Director, Halalah Company Limited, a limited liability company in Abu Dhabi Global Market, operating in financial technology, from (2021) to date.

Vice Chairman of the Company, from (2020) to date.

Vice Chairman of Rasan Company for Information Technology (Tameeni), a Saudi closed joint stock company, providing technical solutions for insurance brokerage and financial services.

Director and Partner, Impact46, a Saudi closed joint stock company, operating in the asset management and securities arrangement business arrangement, from (2019) to date.

Founding Partner and Director, Dar Wa Emaar for Investment and Real Estate Development, a Saudi limited liability company, operating in real estate development, from (2007) to date.

Founding Partner, Zeejprint, a single shareholder Saudi limited liability company, operating in digital and electronic printing, from (2004) to date.

Partner, Khalid and Abdulaziz Abdulrahman Al-Omran Company, a Saudi joint venture, operating in general contracting for buildings, from (1997) to date.

### ➤ Previous positions

Director, GIB Capital, a Saudi closed joint stock company, operating in financial and banking services, from (2014) to (2018).

Chairman, Oqal Group – Riyadh, a Saudi endowment institution, operating in start-up projects, from (2011) to (2017).

Senior Manager, Investment Consulting, Samba Financial Group, a Saudi joint stock company, operating in financial and banking services, from (2000) to (2004).

### Academic qualifications

Executive Master of Business Administration, London School of Business, the UK, 2010.

Bachelor of Finance and Economics, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 2001.



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

### ➤ Current positions

Company Director, from (2020) to date.

Chief Executive Officer of the Company, from (2017) to date.

Vice Chairman of The Blu Store Company, a limited liability company, specialized in selling and marketing sports and fitness products, from (2022) to date.

Director of Logistic Services Supporting Solutions (Logi), a Saudi single shareholder limited liability company, operating in logistics services, from (2021) to date.

Manager of Red Color, a Saudi single shareholder limited liability company, operating in investment, from (2021) to date.

CEO, PIK Limited Company, a Saudi single shareholder limited liability company, operating in quick e-commerce, from (2020) to date.

Member of the Online Delivery Companies Committee, a committee of Riyadh Chamber, specialized in supporting online delivery, from (2020) to date.

Director and Partner, Alamat International Limited Company, a Saudi limited liability company, operating in information technology, from (2014) to date

General manager, Jahez International Company (Kingdom of Bahrain), a limited liability company, from 2023 to date.

General Manager, Jahez International Company for Wholesales and Retail Trading (Kuwait), a single shareholder limited liability company, from 2023 to date.

General Manager, Jahez for Information Technology (Egypt), a limited liability company, from 2023 to date.

General Manager, Jahez International Company for Information System and Technology (Qatar), a limited liability company, from 2023 to date.

#### ➤ Previous positions

CEO, Red Crescent Authority, a Saudi government entity, operating in emergency medical services, from (2012) to (2014).

Manager of Planning and Development, EMS, a Saudi limited liability company, operating in express transport, from (2011) to (2012).

Manager of the Emergency Call Center and Operations, Ministry of Interior, a Saudi government entity, overseeing the security sector, from (2008) to (2011).

Manager of the Integration Project, Saudi Telecom Company, a Saudi listed joint stock company, operating in communications and information technology, from (2004) to (2008).

Senior Engineer, the Peace Shield Project, Command Operations Center, a Saudi government entity, operating in the military field, from (1996) to (2004).

#### Academic qualifications

Bachelor's degree in Business Administration, Imam Abdulrahman Bin Faisal University, Kingdom of Saudi Arabia, 2019.



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

#### ➤ Current positions

Chief Business Officer of the Company, from (2023) to date.

Director at the Company, from (2020) to date.

Director at The Blu Store Company, a limited liability company, specialized in selling and marketing sports and fitness products, from (2022) to date.

Director at the Logistic Support Services Company (Logi), a single shareholder limited liability company, operating in logistics, from (2021) to date.

Partner and Director at Al-Jazirah Company for Payments and Electronic Commerce, a limited liability company, operating in online wholesale, from (2020) to date.

Partner at Alamat International Limited Company, a limited liability Company, operating in information technology sector, from (2014) to date.

Director of SOL Company, which is a limited liability company, working in the field of wholesale from (2023) to date.

#### ➤ Previous positions

Chief Commercial Officer of the Company, from (2020) to (2023).

Adviser to H.E. The Minister of Communications, Ministry of Communications, a government entity, overseeing the telecommunications sector, from (2018) to (2020).

Director, Saudi Post, a Saudi institution operating in postal services, (2018) to (2020).

Chairman of the Executive Committee, Saudi Post, from (2018) to (2020).

CEO, Watania Distribution Company, a Saudi limited liability company, operating in the distribution sector, from (2014) to (2018).

General Manager, Express Mail Service of the Saudi Post, from (2006) to (2014).

Member of the International General Association of Postal Services, an international association, operating in postal services, from (2012) to (2014).

Manager of the Committees Department, Hail Chamber of Commerce and Industry, a Saudi governmental entity, operating in commercial and industrial services, from (2004) to (2006).

General Manager, Paid Communications, Zajoul Telecom Company, a Saudi limited liability company, operating in telecommunications, from (2000) to (2004).

Regional Manager, Al Jabr Company, a Saudi limited liability company, operating in a number of industries including contracting and trading, from (1997) to (2000).

Assistant Manager, Al-Fayraq Company, a Saudi single shareholder company, operating in real estate marketing, from (1995) to (1997).

Marketing Manager at SISMO, a Saudi limited liability company, operating in the contracting field, from (1993) to (1995).

#### Academic qualifications

Advanced Management Leadership Course, University of Oxford, the UK, 2010.

A course in Entrepreneurship and New Management, Massachusetts Institute of Technology, the USA, 2008.

Bachelor's degree, King Fahad University for Petroleum and Minerals, Industrial Engineering, Kingdom of Saudi Arabia, 1991.



**Mr. Abdullah Bin Saud Bin Marshoud Al Romaih**

#### ➤ Current positions

Member of Board Directors of General Authority for Small and Medium Enterprises (Monsha'at), a Saudi government entity that has been working to regulate, support, develop and sponsor the small and medium enterprises sector in the Kingdom, from (2023) to date.

Director of the Company from (2022) to date.

Chairman of the Nomination and Remuneration Committee of the company from (2024) to date

Chairman of the Board of Directors of Al Romaih Industrial Commercial Group Company, a closed joint stock company, working in several activities, the most important of which are in the building materials sector, poultry sector, hotel and hospitality sector, real estate sector and mining sector, from (2022) to date.

Member of the Board of Directors of the Arab Cooperative Company, a limited liability company, working in operating poultry slaughterhouses' from (2021) to date.

Founder and Chairman of Single View, a one-person company (limited liability), operating in the field of open financial technology and banking from (2019) to date.

Co-founder and Chairman of Sanar Telemedicine, a one-person company (limited liability), working in the field of medical services from (2018) to date.

Member of the Board of Directors of Drilling and Production Company for Petroleum Chemicals, a limited liability company, operating in the industrial chemicals sector, from (2017) to date.

CEO of Jazeera Paints, a one-person company (limited liability), working in manufacturing of paint products, from (2017) to date.

## Previous positions

Member of the Board Directors of the Saudi Authority for Industrial Cities and Technology Zones (MODON), a Saudi government entity working in the development of industrial lands and integrated infrastructure from (2020) to (2023).

Member of Board Directors of Arab Company for the Manufacture of Calcium Carbonate, a limited liability company, operating in manufacturing industries, from (2014) to (2021).

Founder and Chairman of Flyin, a limited liability company operating in providing travel and tourism services, from (2008) to (2018).

## Academic qualifications

Bachelor's degree in Business Administration, Imam Abdulrahman Bin Faisal University, Kingdom of Saudi Arabia, 2019.



**Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr**

## Current positions

Director at the Company, from (2021) to date.

Member, Investment Committee of the Company, from (2021) to date.

Chair of the Audit Committee of the Company, from (2022) to date.

Director at The Jeddah Chamber, a non-profit government entity, specialized in developing various commercial activities at the level of commercial sectors, representing them in ministries, public bodies, and institutions, and working to protect and develop them, within a specific spatial jurisdiction, from (2023) to date.

Founder and Principal Partner, Chrome Advisory, a Saudi limited liability Company, operating in venture investment advisory, from (2015) to date.

Director, REYL Finance MEA, a subsidiary of REYL INTESA SANPAOLO, a Swiss limited liability company registered in the Dubai International Financial Centre, operating in wealth and asset management and corporate advisory services, from (2015) to date.

Member, Advisory Board of Columbia University (Amman), a center of the university in Jordan, operating in research and education, from (2015) to date.

## Previous positions

Director, ZID-Holdings, a UAE limited liability company, Abu Dhabi Global Market, operating in e-commerce, from (2021) until (2022).

Partner, Global Ventures, a venture capital fund (Cayman Islands limited liability company), operating in managing venture capital funds regionally, from (2019) to (2022).

Member, Audit Committee, United International Transportation company (Budget Saudi), a Saudi listed joint stock Company, operating in car rental, from (2018) to (2021).

Member, Advisory Board of the Forum of Young Global Leaders, a global economic forum in Geneva, concerned with development of young leaders, from (2011) to (2017).

Head of Investment Banking, Credit Suisse Saudi Arabia, a Saudi closed joint stock company, operating in financial services, from (2010) to (2011).

Deputy Head of Investment Banking, Credit Suisse Saudi Arabia, a Saudi closed joint

stock company, operating in financial services, from (2007) to (2010).

Vice President and Head of Joint Stock Capital Markets and the Western Region, Hermes (now known as Morgan Stanley Saudi Arabia), a Saudi joint stock company, operating in financial services, during from (2007).

Chief Corporate Finance Officer and Head of Equity Advisory Services, National Commercial Bank-merged with the Saudi American Bank (Samba) and currently known as the Saudi National Bank-a Saudi listed joint stock company, operating in banking services, from (2004) to (2006).

Developer and Product Manager, Structured Finance, Saudi American Bank (Samba) from (1999) to (2001).

Financial Analysis Expert, Financial Control, Saudi American Bank (Samba) from (1997) to (1999).

Trainee, Banque Saudi Fransi, a Saudi listed joint stock company, operating in banking services, from (1996) to (1997).

## Academic qualifications

Master of Business Administration, in Finance and Economics, Columbia University, United States of America, 2004.

Bachelor of Management Sciences, in Accounting, King Saud University, Kingdom of Saudi Arabia, 1997.

General Securities Qualification Certificate (CME-1), Capital Market Authority, Kingdom of Saudi Arabia, 2009.

Several administrative, financial and leadership courses from Harvard University, Oxford and INSEAD.

## ➤ Responsibilities and powers of the Board

### Responsibilities



The Board of Directors is responsible for overseeing the Company's Executive Management and for supporting its strategic objectives, allowing the Company to carry out its business successfully and sustainably in the interest of its shareholders and stakeholders. The Board is also responsible for enhancing the Company's success in the long run and providing clear instructions to Executive Management, including developing a clear strategy and overseeing its implementation by Management. Additionally, the Board oversees the Company governance structure, controls, internal controls systems and risk management.

The Board represents all shareholders, manages the Company's affairs, carries out all works for the public interest of the Company and develops and strives to increase its value with due diligence and loyalty. The Board also protects the shareholders' interests, and maximizes their gains in the long run. For this purpose, the Board shall be fully responsible for the Company's governance, including developing the Company vision, strategy, and objectives, and shall oversee Management in achieving these objectives.

Though Executive Management is responsible for the day-to-day affairs of the Company, the Board is tasked with ensuring and verifying that the Company's internal control systems are effective and that its activities are in line with the strategy, frameworks, policies, and internal procedures adopted by the Board in the manner ascribed by law, regulations, or instructions issued by competent authorities. Without prejudice to the competencies of the General Assembly, the Board shall have extended powers to manage the Company and direct its business to achieve its objectives. In particular, the Board's duties and responsibilities include the powers provided under applicable laws, regulations, instructions, and the Company's bylaws.

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

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

It is worth noting that, in compliance with the Companies Law, neither the Company's bylaws nor any of its internal regulations and policies grant any powers enabling a Director to vote on any contract or offer in which that Director has a direct or indirect material interest. This is pursuant to Article 27 of the Companies Law, which stipulates that a Member of the Board of Directors may not have a direct or indirect interest in the transactions and contracts completed for the Company without the permission of the General Assembly.

Pursuant to Article 71, the Member must inform the Board of Directors of any personal interest they may have in the transactions or contracts completed for the Company. The Chairman of the Board of Directors must notify the General Assembly, when it convenes, of transactions and contracts in which any Member has a personal interest. Such notification shall be accompanied by a special report from the Auditor. This notification shall be recorded in the minutes of the Board's meeting. The relevant Member shall not participate in voting on the resolution to be adopted in this regard.

Based on the foregoing, the Directors declare that they will:

- Work in accordance with Articles 71 and 72 of the Companies Law.
- Not vote on contracts entered into with Related Parties in the General Assembly Meetings if they have a direct or indirect interest.
- Not compete with the Company's business without approval of the General Assembly in accordance with Article 27 of the Companies Law.

## Powers of the Board



The Company is overseen by a Board of Directors consisting of highly experienced specialists. The Board shall have the full powers to manage Company business and supervise its affairs. The Board mandates the responsibility of the Company's day-to-day management to the Executive Management.

The Board committees may request the assistance of external, professional, and independent advisors who may demand support from the Company Departments to help them carry out their responsibilities in accordance with the work regulations stipulated for each committee. External advisors, some of the Directors, and Senior Executive Management members may sometimes attend committee meetings together with its Members and the Secretary, subject to an invitation from the concerned Committee Chairman.

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

## ➤ Board meeting attendance

The Company held four Board meetings during the year 2023. Following is a list of the dates of the meetings held during 2023 and the names of Directors who attended them:



Member name	Attendance				Total
	First meeting (21 February 2023)	Second meeting (17 May 2023)	Third meeting (03 September 2023)	Fourth meeting (16 December 2023)	
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	✓	✓	✓	✓	4
Mr. Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran	✓	✓	✓	✓	4
Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	✓	✓	✓	✓	4
Mr. Hamad Bin Abdullah Bin Fahad Al Bakr	✓	✓	✓	✓	4
Mr. Abdullah Bin Saud Bin Marshoud Al Romaih	✓	✓	✓	✓	4
Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr	✓	✓	✓	✓	4

### ➤ Ownership of shares by Board members




#### Shares ownership



Member name	Shares ownership		Net change %
	Opening balance (January 2023)	Closing balance (December 2023)	
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	0	0	0
Mr. Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran	2,000	2,000	0
Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	0	5,007,520	-
Mr. Hamad Bin Abdullah Bin Fahad Al Bakr	0	5,050,360	-
Mr. Abdullah Bin Saud Bin Marshoud Al Romaih	0	0	0
Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr	0	0	0




- Number of shares are converted to the new nominal price per share.
- Save as mentioned above, no Board members or any of their relatives have any interests, contractual securities or rights issue on shares or debt instruments of the Company or its affiliates.

➤ **Companies inside and outside the Kingdom in which a Board Member is a member or a manager of their current or previous board**

Member name	Names of companies in which a Board Member is a member of their current Board or a manager	Headquarters	
		Inside KSA	Outside KSA
<b>HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud (Chairman)</b> 	Tharwa Holding Company	✓	
	Track Saudi Holding Company	✓	
	Prince Sultan Bin Abdulaziz Al Saud Foundation	✓	
	Makashef Contracting Est.	✓	
	Alamat International Company	✓	
<b>Mr. Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran (Vice Chairman)</b> 	Halala Company		✓
	Impact46	✓	
	Rasan Company	✓	
	Dar wa Emaar for Investment and Real Estate Development	✓	
	Zeejprint	✓	
	Khalid & Abdulaziz Abdulrahman Al-Omran Company	✓	
<b>Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel (Chief Executive Officer)</b> 	Support Solutions for Logistics Services "Logi"	✓	
	Red Color Company	✓	
	PIK Limited Company	✓	
	Alamat International Company	✓	
	Blu Store Company	✓	
	Jahez International Company for Information Systems Technology (Kingdom of Bahrain)		✓
	Jahez International Company for Wholesale and Retail Trading (Kuwait)		✓
	Jahez for Information Technology (Egypt)		✓
	Jahez International Company for Information System and Technology (Qatar)		✓

Legal entity (Listed, unlisted joint stock company, LLC etc.)	Names of companies in which a Board Member is a member of their previous Board or a manager	Headquarters		Legal entity (Listed, unlisted joint stock company, LLC, etc.)
		Inside KSA	Outside KSA	
Limited liability				
Limited liability				
Charitable foundation				
Individual establishment				
Limited liability				
Limited liability	GIB Capital	✓		closed joint stock
closed joint stock	Oqal Group	✓		Endowment foundation
closed joint stock	Saudi National Bank	✓		Listed joint stock
Limited liability				
Limited liability				
Limited partnership				
Limited liability	Red Crescent Authority	✓		Government entity
Limited liability	EMS	✓		Limited liability
Limited liability	Ministry of Interior	✓		Government entity
Limited liability	STC	✓		Listed joint stock
Limited liability	Peace Shield	✓		Government entity
Limited liability				
A Single Shareholder Limited liability				
Limited liability				
Limited liability				

➤ **Companies inside and outside the Kingdom in which a Board Member is a member or a manager of their current or previous board**

Member name	Names of companies in which a Board Member is a member of their current Board or a manager	Headquarters	
		Inside KSA	Outside KSA
<b>Mr. Hamad Bin Abdullah Bin Fahad Al Bakr (Chief Business Officer)</b> 	Support Solutions for Logistics Services "Logi"	✓	
	Al Jazeera Company for Payments and e-commerce	✓	
	ALAMAT International Company	✓	
	Blu Store Company	✓	
	SOL Trading Company	✓	
<b>Mr. Abdullah Bin Saud Bin Marshoud Al Romaih</b> 	Sanar Telemedicine Company	✓	
	Single View Company	✓	
	Jazeera Paints	✓	
	Al Romaih Industrial Commercial Group	✓	
	Drilling and Production Company	✓	
	The Arab Cooperative Company	✓	
	General Authority for Small and Medium Enterprises (Monsha'at)	✓	
<b>Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr</b> 	Columbia University		✓
	Chrome Advisory	✓	
	REYL Finance MEA Ltd.		✓
	The Jeddah Chamber	✓	

Legal entity (Listed, unlisted joint stock company, LLC etc.)	Names of companies in which a Board Member is a member of their previous Board or a manager	Headquarters		Legal entity (Listed, unlisted joint stock company, LLC, etc.)
		Inside KSA	Outside KSA	
Limited liability	Saudi Post	✓		Government entity
Limited liability	Alwatania Distribution Company	✓		Limited liability
Limited liability	Zajoul Telecom Company	✓		Limited liability
Limited liability	Al Jabr Company	✓		Limited liability
Limited liability	Al-Fayraq Company	✓		single shareholder
	SISMO	✓		Limited liability
	Ministry of Communications	✓		Government entity
	Hail Chamber of Commerce	✓		Government entity
Limited liability	Flyin Company	✓		Limited liability
Limited liability	Arab Company for the Manufacture of Calcium Carbonate	✓		Limited liability
Government entity	Saudi Authority for Industrial Cities and Technology Zones (MODON)	✓		Limited liability
closed joint stock				
Limited liability				
Limited liability				
Government entity				
Non-profit organization	Credit Suisse Saudi Arabia Company	✓		closed joint stock
Limited liability	EFG HERMES	✓		Saudi closed joint stock
Limited liability	Saudi National Bank	✓		listed joint stock
Government entity	Zid Holding		✓	Limited liability
	Global Ventures		✓	Limited liability
	United International Transportation Co. "Budget Saudi"	✓		listed joint stock
	The Forum of Young Global Leaders		✓	Non-profit organization

## Executive Management



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

### ➤ Current positions

Chief Executive Officer (CEO)

### ➤ Previous positions

Mentioned on page 97

### ➤ Joining date

01/01/1439H  
(corresponding to 21  
September 2017)



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

### ➤ Current positions

Chief Business Officer (CBO)

### ➤ Previous positions

Mentioned on page 97

### ➤ Joining date

11/12/1441H (corresponding  
to 01 August 2020)

Member of the Board of Directors of the Support Services Company for Logistics Services, a logistics services privately owned company with limited liability, from (2021) to date.

Member of the Board of Directors of The Blu Store Company, a limited liability company, specialized in selling and marketing sports and fitness products, from (2022) to date.

Committee Member, Riyadh Chamber of Commerce, a Saudi governmental entity, commercial and industrial services, from (2020) to date.

### ➤ Previous positions

Manager of Business Development at Alamat International Company, a Saudi limited liability company, specialized in the field of Information Technology, from (2014) to (2016).

Project manager at FedEx, a limited liability company, in the express transportation field, from (2010) to (2012).

### ➤ Academic qualifications

Graduation course in Innovation and Entrepreneurship, Stanford University, the USA, 2021.

Graduation course in Business Administration, Babson University, the USA, 2018.

Graduation course in International Business Administration, University of California Irvine, the USA, 2010.

Bachelor's degree in Business Administration, King Saud University, Kingdom of Saudi Arabia, 2007.

### ➤ Joining date

01/01/1439H  
(corresponding to  
21 September 2017)



**Mr. Heni Abdul Hakeem  
Mohamed Jallouli**

### ➤ Current positions

Chief Financial Officer of the Company, from (2020) to date.

Member of the Board of Directors of SOL Company, which is a limited liability company, working in the field of wholesale from (2023) to date.

Member of the Board of Directors of the Support Services Company for Logistics Services, which is a one-person company with limited liability, working in the field of logistics services, from (2021) to date.

### ➤ Previous positions

Director of Financial Control and Reporting at THEEB Rent a Car Company, a Saudi listed joint stock company, specializing in car renting, from (2019) to (2020).

Manager of Accounting and Reporting at THEEB rent a car Company, a Saudi joint stock company, specializing in car renting, from (2016) to (2018).



**Mr. Mishal Bin Ibrahim Bin  
Salem Al Mishari**

### ➤ Current positions

Deputy CEO of the Company from (2017) to date

Member of the Board of Directors of Leejam Sports Company, a Saudi listed joint stock company, specialized in establishing, managing and operating sports centers, from (2021) to date.



Executive Director of Optimal Decision Company, a limited liability company, specializing in consulting, from (2012) to (2015).

Financial Controller in Aviation Information Technology Services Company-Africa, a Tunisian joint stock company, specializing in Information Technology, from (2009) to (2012).

Manager of the Auditing Department at C.S.B - Accounting Experts a Tunisian limited liability company, specializing in consultancy and auditing, from (2003) to (2009).

#### ➤ Academic qualifications

Fellowship Certificate, Certified Public Accountant, specializing in experience in accounting, the Higher Institute of Accountancy and Enterprise Management at the University of Manouba, Republic of Tunisia, in 2012.

Master's degree in Auditing in Accounting, Higher Institute of Accountancy and Enterprise Management at the University of Manouba, Republic of Tunisia, in 2003.

BA in Accounting, University of Tunis, Republic of Tunisia, 2002.

#### ➤ Joining date

29/03/1442H  
(corresponding to 15 November 2020)



**Mr. Mohammad Bin Abdulaziz Bin Mohammad Al Barrak**

#### ➤ Current positions

Chief Technology Officer of the Company, from (2021) to date.

#### ➤ Previous positions

Manager of Development at Leen Business Services company, a Saudi limited liability Company, working in the field of information systems technology, from (2018) to (2021).

Manager of Development at Z-Soft Corporation for Information Technology, an individual institution working in the field of developing systems and applications, from (2016) to (2018).

Senior software engineer at Recyclize Co, an American company, working in the field of advertising networks in Silicon Valley, from (2015) to (2016).

Software engineer at Elm Information Technology Company, a Saudi Listed joint stock company, working in the field of information systems technology, from (2013) to (2015).

Independently managing and developing applications in several areas, including food delivery and shopping platforms, (2012) to (2017).

#### ➤ Academic qualifications

BA in Computer Software Engineering, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 2013.

#### ➤ Joining date

19/05/1442H  
(corresponding to 03 January 2021)



**Mr. Abdulaziz Bin Mohammad Bin Saleh Al Faris**

#### ➤ Current positions

Chief Operating Officer of the Company, from (2019) to date.

#### ➤ Previous positions

Assistant Chief of Operations at the Watania Distribution Company, a limited liability Company, working in the field of distribution, from (2016) to (2019).

#### ➤ Academic qualifications

Bachelor's degree in Supply Chain Management, Boise State University, the USA, 2016.

Bachelor's degree in Accounting, Boise State University, United States of the America, 2016.

#### ➤ Joining date

04/11/1440H  
(corresponding to 07 July 2019)



**Mrs. Hebah Bint Mohammad Bin Hassan Al Zeer**

#### ➤ Current positions

Internal Audit Director in the Company, from (2021) to date

Secretary of the Audit Committee in the Company, from (2021) to date

#### ➤ Previous positions

Senior specialist in internal auditing at Leejam Sports Company, a Saudi Listed joint stock company, working in the field of establishing, managing and operating sports centers, from (2018) to (2021).

Internal audit lead, at Dur Hospitality Company, a Saudi Listed joint stock company, working in the field of establishing, managing and operating hotel, real estate and tourism facilities, in (2018).

Senior Advisor in risk consultancy and internal audit at KPMG Al Fozan & Partners, a Saudi closed joint stock company, working in the field of audit, tax and consultancy, from (2015) to (2018).

#### ➤ Academic qualifications

Master of Business Administration, Arab East Colleges, Kingdom of Saudi Arabia, 2014.

BA in Public Administration, King Saud University, Kingdom of Saudi Arabia, 2008.

#### ➤ Joining date

26/02/1443H  
(corresponding to 03 October 2021)



**Mr. Abdulaziz Bin Saud Bin Abdulaziz Al Houti**

#### ➤ Current positions

Chief Investment Officer of the Company, from (2022) to date.

Director of SOL Company, which is a limited liability company, working in the field of wholesale from (2023) to date.

#### ➤ Previous positions

Associate Director at HSBC Saudi Arabia, closed joint stock company, works in the field of arranging financial products, managing investment funds, brokerage, custody and dealing with securities, from (2017) to (2022).

Analyst at Saudi Fransi Capital, closed joint stock company licensed from capital market authority, works in the field of arranging financial products,

managing investment funds, brokerage, custody and dealing with securities, from (2015) to (2017).

Economic Researcher and Advisor at Supreme Economic Council at the Royal Court, works in analyzing, reviewing and developing the economic policies of the Kingdom of Saudi Arabia, from (2014) to (2015).

#### ➤ Academic qualifications

Master of Science in Finance, The George Washington University, the USA, 2014.

Bachelor of Science in Business Administration, Major in Management, Embry-Riddle Aeronautical University, the USA, 2012.

#### ➤ Joining date

20/12/1443H  
(corresponding to 19 July 2022)



**Mr. Hamad Bin Salem Bin Hamad Al Saghir**

#### ➤ Current positions

Chief Commercial Officer (CCO) of the Company, from (2023) to date.

#### ➤ Previous positions

Chief Marketing and Customer Experience Officer at Global Digital

Solutions Company - neoleap, working in the field of Providing efficiency-led financial technology solutions, from (2021) to (2023).

General Manager - Business Unit at Zain KSA, a Saudi Listed joint stock company, working in the field of telecommunication and digital services, from (2018) to (2020).

General Manager at IDC Saudi, working in the field of ICT consultation, from (2017) to (2018).

Senior Sales Manager at Cisco Saudi, working in the field of Technology solutions, from (2006) to (2016).

Business Alliances Director at Saudi Telecom Company, a Saudi Listed joint stock company, working in the field of telecommunication and digital services, from (2004) to (2005).

National Sales and Marketing Manager at Al Faisaliah Group, working in the field of Technology solutions, from (1999) to (2004).

#### ➤ Academic qualifications

Sales Management Program, University of Toledo, Ohio United States, 2001.

Bachelor's of science degree in Marketing, King Fahad University of Petroleum & Minerals, Saudi Arabia, 1999.

#### ➤ Joining date

05/03/1445H  
(corresponding to 20 September 2023)



**Mr. Saed Bin Bashir Bin Nouh Basseet**

#### ➤ Current positions

Chief Digital Commerce Officer of the Company, from (2024) to date.

#### ➤ Previous positions

Executive Director of Marketing and Digital Experience, Leen Business Services Company, a company owned by the National Company for the Unified Purchase of Medicines, Medical Devices and Supplies (Nupco) owned by the Public Investment Fund (PIF), working in the field of electronic health services solutions, from (2023) until (2024).

Senior Director of Marketing Department, Al Rajhi Bank, a Saudi Listed joint stock company, working in the field of banking and investment, from (2019) until (2023).

Director of Commercial Planning, Channels by STC, a company owned by the Saudi Telecom Company (STC), working in the field of recharge card services, telecommunications devices and equipment, computer services, selling fixed and mobile telecommunications services, and maintaining and operating commercial centers affiliated with the

Saudi Telecom Company (STC), from (2018) until (2019).

Innovation and Digital Manager, Arabian Centers Company "Currently Cenomi Centers", which is a Saudi Listed joint stock company, working in the field of purchasing land for the construction of buildings and commercial use thereof by sale or lease, maintenance, operation and management of malls, commercial and residential complexes, management, operation and development of lands, residential complexes and neighborhoods,

construction of residential buildings, maintenance and operation, and digital advertising. From (2017) until (2018).

Digital Communication Officer I, Capital Market Authority, which is a government body with financial and administrative independence and directly linked to the Prime Minister, working in the field of supervising the organization and development of the financial market, and issuing the necessary regulations, rules and instructions to implement the provisions of the financial market system, from (2016) until (2017).

Director of e-business, Matrix Company, a closed joint stock company, working in the field of marketing, advertising, from (2015) until (2016).

Manager of the Digital Marketing Unit, Bank Al Bilad, a Listed joint stock company, working in the field of banking and investment, from (2012) until (2015).

Webmaster, Security Forces Hospital Program, a national company under the supervision and follow-up of representatives of the Ministry of Interior, working in the field of medical care

services for employees of the Ministry of Interior, from (2007) until (2012).

#### ➤ Academic qualifications

Master's degree in Knowledge and Information Systems Management, University of Southampton, the United Kingdom, 2010.

Bachelor's degree in Computer Information Systems, Applied Science Private University, Jordan, 2006

#### ➤ Joining date

19/06/1445H  
(corresponding to 01 January 2024)

## Ownership of shares by Executives



Name	Shares ownership		Net change %
	Opening balance (January 2023)	Closing balance (December 2023)	
Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	0	5,007,520	-
Mr. Hamad Bin Abdullah Bin Fahad Al Bakr	0	5,050,360	-
Mr. Mishal Bin Ibrahim Bin Salem Al Mishari	0	0	0
Mr. Heni Abdul Hakeem Mohamed Jallouli	0	0	0
Mr. Mohammad Bin Abdulaziz Bin Mohammad Al Barrak	0	0	0
Mr. Abdulaziz Bin Mohammad Bin Saleh Al Faris	0	0	0
Mrs. Hebah Bint Mohammad Bin Hassan Al Zeer	0	0	0
Mr. Abdulaziz Bin Saud Bin Abdulaziz Al Houti	0	0	0
Mr. Hamad Bin Salem Bin Hamad Al Saghir	0	0	0
Mr. Saed Bin Bashir Bin Nuh Basseet	0	0	0

- Number of shares are converted to the new nominal price per share.
- Save as mentioned above, no senior executives or any of their relatives have any interests, contractual securities or rights issue on shares or debt instruments of the Company or its affiliates.

## → Committees of the Board

### Nominations and Remuneration Committee



The General Assembly of shareholders of The company approved the Nomination and Remuneration Committee Charter, which determines the general procedures for the work of the Committee, its tasks, the duration of its work, its powers, and how the Board of directors monitor the same.

The Nomination and Remuneration Committee shall perform the additional functions that are assigned from time to time by the Board of Directors or delegated to it in accordance with the Company's governance regulations and policies.

Nominations and Remuneration Committee shall be responsible for the following:

- Preparing a clear policy for the remunerations of members of the Board of Directors and its committees and Executive Management, and presenting such policy to the Board of Directors in preparation for approval by the General Assembly, provided that such policy takes follows standards that linked to performance, and disclosing and ensuring the implementation of such policy.
- Clarifying the relation between the paid remunerations and adopted remuneration policy, and highlighting any material deviation from this policy.
- Periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives.
- Providing recommendations to the Board of Directors in respect of the remunerations of its members, the Committees Members and the Company's Senior Executives in accordance with the approved policy.
- Suggesting clear policies and standards for membership of the Board of Directors and the Executive Management.
- Providing recommendation to the Board of Directors for the nomination and renomination of its members in accordance with the approved policies and standards, taking into consideration that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
- Preparing a description of the capabilities and qualifications required for membership of the Board of Directors and Executive Management positions.
- Determining the amount of time that the member of the Board of Directors shall allocate to the activities of the Board of Directors.
- Annually reviewing the skills and expertise required of the Board of Directors Members and Executive Management.
- Reviewing the structure of the Board of Directors and the Executive Management and providing the recommendations regarding changes that may be made to such structure.
- Annually ensuring the independence of Independent Board Members, and the absence of any conflicts of interest if the member holds a membership in the Board of Directors of another company.
- Providing job descriptions for the Executive, Non-executive, Independent Directors, and the Senior Executive Management.

- Sitting procedures to be followed if the position of a member of the Board of Directors or a Senior Executive becomes vacant.
- Determining the weaknesses and strengths of the Board of Directors, and recommending remedy solutions that serve the Company's interest.

### Formation, role, and responsibilities of the Committee

The Board of Directors issued a resolution dated 09/09/1445H (corresponding to 19 March 2024) from the Nominations and Remuneration Committee as a new committee, including the Nominations and Remuneration Committee Regulation setting out the Committee's duties and authorities. The Committee is composed of three independent members.

### Membership of the committee along with short biographies of members

Member name	Current positions	Previous positions	Academic qualifications
<b>Mr. Abdullah Bin Saud Bin Marshoud Al Romaih</b>	Chairman of the Nominations and Remuneration Committee	Mentioned on page 97	➤ Mentioned on page 98
<b>Mr. Musaed Bin Abdullah Bin Hamad Al Qasim</b>	<ul style="list-style-type: none"> <li>➤ Member of the Nominations and Remuneration Committee in the Company from (2024) to date.</li> <li>➤ Chief Corporate Services Officer, Saudi Agricultural and Livestock Investment Company (SALIC), Government Company, working in the field of agriculture and grain trading and rice and meat, from (2023) to date.</li> <li>➤ Nomination and Remuneration Committee Member, Saudi Hospitality company, Limited liability company, working in the field of Hospitality and hotels, from (2021) to date.</li> <li>➤ Nomination and Remuneration Committee Member, STC Bank, a closed joint company, working in the field of Digital Payments, from (2020) to date</li> </ul>	<ul style="list-style-type: none"> <li>➤ Nomination and Remuneration Committee Member, SIRC (Saudi Investment Recycling Company), Government Company, working in the field of recycling, from (2020) to (2023).</li> <li>➤ Chief Shared Services Officer, Prince Mohammed Bin Salman Foundation (MISK (a non-profit organization, working in the field of education, from (2021) to (2023).</li> <li>➤ Nomination and Remuneration Committee Member, MEPCO (Middle East Paper Company), a Saudi Listed joint stock company, working in the field of recycled paper industry, from (2021) to (2023).</li> <li>➤ Board Member, Shaker Group, a Saudi Listed joint stock company, working in the field of air conditioning and home appliances, from (2020) to (2022).</li> </ul>	<ul style="list-style-type: none"> <li>➤ Master of Business Administration, Hull University, England, 2006.</li> <li>➤ Bachelor's degree in English Literature and Translation, Imam Mohammed Bin Saud University, Saudi Arabia, 2002.</li> </ul>

Member name	Current positions	Previous positions	Academic qualifications
		<ul style="list-style-type: none"> <li>➤ Nomination and Remuneration Committee Member, Shaker Group, a Saudi Listed joint stock company, working in the field of air conditioning and home appliances, from (2018) to (2022).</li> </ul>	
		<ul style="list-style-type: none"> <li>➤ Board Member, Dur Hospitality, a Saudi Listed joint stock company, working in the field of hospitality and hotels, from (2019) to (2021).</li> </ul>	
		<ul style="list-style-type: none"> <li>➤ Board Member, Nuzul Shada Hospitality, limited liability company, working in the field of hospitality, from (2019) to (2021)</li> </ul>	
		<ul style="list-style-type: none"> <li>➤ Chief Shared Services Officer, Dur Hospitality, a Saudi Listed joint stock company, working in the field of hospitality and hotels, from (2019) to (2021).</li> </ul>	
		<ul style="list-style-type: none"> <li>➤ Chief Human Resources Officer, Dur Hospitality, a Saudi Listed joint stock company, working in the field of hospitality and hotel, from (2015) to (2019).</li> </ul>	
		<ul style="list-style-type: none"> <li>➤ Head Quarter Human Resource Operations Director, Ma'aden, a Saudi Listed joint stock company, working in the field of materials, from (2012) to (2015).</li> </ul>	
		<ul style="list-style-type: none"> <li>➤ Vice President Human Resources, Ajlan and Bros, a closed shareholding company, working in the field of commercial trademarks, from (2011) to (2012).</li> </ul>	
		<ul style="list-style-type: none"> <li>➤ Human Resources Director, AlRajhi Real Estate Investments, a holding company, working in the field of Real Estate Investments, from (2008) to (2011).</li> </ul>	
		<ul style="list-style-type: none"> <li>➤ IRC HR Manager, PepsiCo International Company, is an American multinational food, a joint stock company on Nasdaq Stock Market, working in the field of food and beverage, from (2007) to (2008).</li> </ul>	



Member name	Current positions	Previous positions	Academic qualifications
		<ul style="list-style-type: none"> <li>➤ Group Recruitment Manager, Saudi Snack Food Company, limited Liability company, working in the field of food and beverage, in (2007).</li> <li>➤ Group Recruitment Manger, Almarai Company, a Saudi Listed joint stock company, working in the field of food and beverage, from (2005) to (2007).</li> </ul>	
<b>Mr. Abdulmajed Bin Abdulmohsen Bin Ibrahim Al Shaikh</b>	<ul style="list-style-type: none"> <li>➤ Member of Nomination and Remuneration Committee, from (2024) to date.</li> <li>➤ CEO, board member, and member of the Investment Committee of Mayar Holding Company, a Saudi listed joint stock company working in the field of industrial investment, from (2017) to date.</li> <li>➤ Chairman of the Nominations and Remuneration Committee, board member and member of the Executive Committee of the Saudi Fisheries Company, a Saudi listed joint stock company working in the field of fishing and investing in aquatic resources from (2020) to date.</li> <li>➤ Chairman at Developing Foods Company, a closed joint stock company working in the field of marketing and selling poultry, from (2022) to date.</li> <li>➤ Vice Chairman at Aklina Trading Company, a Saudi limited liability company working in the field of food and beverages, from (2022) to date.</li> <li>➤ Vice Chairman at Jadaya Agricultural Company, a closed joint stock company working in the field of agricultural activities, animal feed, and poultry production, from (2021) to date.</li> <li>➤ Vice Chairman at Saudi Drip Irrigation Company, a Saudi limited liability company working in the field of manufacturing drip irrigation pipes, from (2021) to date.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Founding partner in Efada Economic and Industrial Consulting Company, a Saudi closed joint stock company working in the field of consulting services in the field of manufacturing, from (2015) to (2017).</li> <li>➤ Director of the Credit Department at the Saudi Industrial Development Fund, a government agency working in the field of development policies and programs, from (2013) to (2014).</li> <li>➤ Head of the credit team at the Saudi Industrial Development Fund, a government agency working in the field of development policies and programs, from (2010) to (2013).</li> <li>➤ Senior credit analyst at the Saudi Industrial Development Fund, a government agency working in the field of development policies and programs, from (2009) to (2010).</li> <li>➤ Credit analyst at the Saudi Industrial Development Fund, a government agency working in the field of development policies and programmes, from (2008) to (2009).</li> <li>➤ Trainee at Advanced Electronics Company, a Saudi limited liability company working in the field of manufacturing, in (2003).</li> </ul>	<ul style="list-style-type: none"> <li>➤ Master's degree in business administration "MBA". From Queen's University in Canada, 2010.</li> <li>➤ Master's degree in engineering management from Brunel University in London United Kingdom, 2006</li> <li>➤ Bachelor's degree in industrial engineering from King Fahd University of Petroleum and Minerals in Kingdom of Saudi Arabia, 2004</li> </ul>

Member name	Current positions	Previous positions	Academic qualifications
	<ul style="list-style-type: none"> <li>➤ Vice Chairman at Ajda Trading Company, a closed Saudi joint stock company working in the field of manufacturing and marketing food products, from (2021) to date.</li> </ul>		
	<ul style="list-style-type: none"> <li>➤ Vice Chairman at Egypt Gulf Elevators &amp; Escalators Co. Ltd., an Egyptian joint stock company working in the field of manufacturing, installing, and maintaining elevators and escalators, from (2018) to date.</li> </ul>		
	<ul style="list-style-type: none"> <li>➤ Vice Chairman at RASA Food Industries Co, a food manufacturing company, from (2023) to date.</li> </ul>		
	<ul style="list-style-type: none"> <li>➤ CEO of Gulf Elevators and Escalators Co. Ltd., a Saudi limited liability company working in the field of elevators and escalators, from (2017) to date.</li> </ul>		
	<ul style="list-style-type: none"> <li>➤ CEO of Fuji Saudi Arabia for Elevators &amp; Escalators Co., a Saudi limited liability company working in the field of elevators and escalators, from (2017) to date.</li> </ul>		
	<ul style="list-style-type: none"> <li>➤ CEO of Elevators Solutions for Operation &amp; Maintenance Co., a Saudi limited liability company working in the field of installing and maintaining elevators, from (2017) to date.</li> </ul>		
	<ul style="list-style-type: none"> <li>➤ CEO of Creative Performance Co. for Elevators, a company working in the field of elevators and the gravel agent for the Japanese Hitachi elevators, from (2022) to date.</li> </ul>		

Given that the Nomination and Remuneration Committee was recently formed on 09/09/1445H (corresponding to 19 March 2024), no meetings have been held to date.

## Audit Committee



### Formation, role, and responsibilities of the Committee

Formed by the Ordinary General Assembly, the Audit Committee exercises all powers conferred upon it by the Board of Directors. The Audit Committee is responsible for: financial reporting, the effectiveness of the system of risk management and internal control, compliance with applicable external legal and regulatory requirements, monitoring the qualifications, expertise, resources and independence of both the Internal and External Auditors, and assessing the Internal and External Auditors' performance and effectiveness each year. The Audit Committee helps the Company achieve its objective and protects the interests of shareholders and investors. The Committee is composed of three members.

### Membership of the committee along with short biographies of members

Member name	Current positions	Previous positions	Academic qualifications
<b>Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr</b>	Chair of the Audit Committee	➤ Mentioned on page 98	➤ Mentioned on page 98
<b>Mr. Mishal Bin Salman Bin Ghassab Bin Mandeel</b>	<ul style="list-style-type: none"> <li>➤ Member of the Audit Committee in the Company from (2021) to date.</li> <li>➤ Partner and Adviser at Balance Business Advisory Company, a limited liability company, working in the field of professional financial advisory and business consultations, from (2022) to date.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Privatization Adviser at the Ministry of Transport, a government agency, working in the field of supervising the transport sector, from (2017) to (2022).</li> <li>➤ Head of investment banking at Albilad Capital, a Saudi limited liability company, working in the field of investment, from (2009) to (2016).</li> <li>➤ Manager of the Capital Markets Department at Albilad Capital, a Saudi limited liability company, working in the field of investment, from (2007) to (2009).</li> <li>➤ Manager of Market Consultations at Bank Albilad, a Saudi joint stock company, working in the field of financial services, from (2004) to (2007).</li> <li>➤ Corporate Marketing Manager at Zajoul Company, a Saudi limited liability company, working in the field of communications, from (2001) to (2004).</li> <li>➤ Administrative Officer in BAE Systems, a Saudi limited liability company, working in various fields, from (1997) to (2001).</li> </ul>	<ul style="list-style-type: none"> <li>➤ BA in Industrial Management, King Fahad University of Petroleum and Minerals, Kingdom of Saudi Arabia, 1997.</li> <li>➤ General Securities Qualification Certificate (CME-1), Capital Market Authority, Kingdom of Saudi Arabia, 2011.</li> </ul>

Member name	Current positions	Previous positions	Academic qualifications
<b>Mr. Amin Abdel Raouf Hariz</b>	<ul style="list-style-type: none"> <li>➤ Member of the Company's Audit Committee, from (2021) to date.</li> <li>➤ Group CFO, AlBorg Medical Laboratories, a Saudi closed joint stock company, operating in the healthcare field in all GCC countries with focus on diagnostics, from (2023) to date.</li> <li>➤ Board Director, IsoEtanche, a Tunisian closed joint stock company, specialized in insulation contracting, from (2010) to date</li> <li>➤ Founding Partner and Board Director, Franchise Lab, a Tunisian closed joint or commercial stock company, marketplace for franchises and related professional services , from (2022) to date.</li> </ul>	<ul style="list-style-type: none"> <li>➤ CFO, Miswak Dental Group, a Saudi closed joint stock company, medical care with a focus on dental and dermatology specialists, from (2018) to (2023).</li> <li>➤ CFO, THEEB Rent a Car Company, a Saudi listed joint stock company, from (2014) to (2018).</li> <li>➤ Head of Arranging, Mergers &amp; Acquisitions and Corporate Finance, TeamOne Consulting, a CMA licensed Saudi liability company, specialized in financial consulting, deal arranging and financing, from (2011) to (2014).</li> <li>➤ Manager of Transaction Advisory Services, Ernst &amp; Young &amp; Co (Certified Public Accountants), a Saudi partnership, specialized in auditing, consulting and taxation, from (2007) to (2011).</li> <li>➤ Acting Audit Manager, MTPF PricewaterhouseCoopers, a Tunisian limited liability company, specialized in auditing, consulting and taxation, from (2003) to (2007).</li> </ul>	<ul style="list-style-type: none"> <li>➤ Master Corporate Finance and Markets, University of Carthage, Tunisia, 2006.</li> <li>➤ Master of Auditing, Accounting and Taxation, University of Manouba, Tunisia, 2003 AD.</li> <li>➤ Bachelor of Commerce, Accounting, University of Carthage, Tunisia, 2002.</li> </ul>

## Audit Committee meetings

The Audit Committee is composed of three non-executive members. This includes two independent members. The Committee held five meetings during the 2023 fiscal year that were attended by members as shown in the table below:

Member name	Position	Attendance				
		First Meeting (25 Jan. 2023)	Second Meeting (15 Mar. 2023)	Third Meeting (30 Aug. 2023)	Fourth meeting (26 Sep. 2023)	Fifth meeting (20 Dec. 2023)
<b>Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr</b>	Chair of the Audit Committee	✓	✓	✓	✓	✓
<b>Mr. Mishal Bin Salman Bin Ghassab Bin Mandeel</b>	Audit Committee Member	✓	✓	✓	✓	✓
<b>Mr. Amin Abdel Raouf Hariz</b>	Audit Committee Member	✓	✓	✓	✓	✓

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

In the formation of the Audit Committee, the Company considered the requirements of corporate governance. The Audit Committee was mainly responsible for reviewing financial statements and overseeing the work of the external audit and internal audit while ensuring the effectiveness of the information system controls.

Major areas reviewed by during the year:

- Reviewing and recommending the financial statements to the Board for approval.
- Approving the Internal Audit Budget for the year.
- Reviewing the Internal Audit Annual Plan.
- Approving Internal Audit Reports conducted during the year which includes Information Technology, Cybersecurity, Operations, Marketing, Human Resources, Treasury, Regions Management, Logistics, and Corporate Governance.
- Recommending improvements for Risk Management Processes.
- Assessing External Audit Proposals and recommending the appointment of the External Auditor.

Based on the Annual Audit results, internal controls are improving. The Company, with assistance and oversight from the Audit Committee, will continue to regularly assesses the internal control system to ensure the improvement of the operational efficiency and effectiveness and the compliance with the related rules and regulations.

## Investment Committee →

### Formation, role, and responsibilities of the Committee

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

The Investment Committee is responsible for:

- Working with the Executive Management to develop the Company's investment strategy and policy in line with the nature of its business, activities it engages in, and the risks it is exposed to, and recommend them.
- Reviewing the investment strategy periodically to ensure its suitability to the changes that may occur in the external environment in which the Company operates, the legislation regulating its business or its strategic or other objectives, and recommend to the Board of Directors regarding the proposed changes to this policy.
- General supervision of the Company's investment activities and setting appropriate procedures for measuring and evaluating investment performance.
- Studying and evaluating the investment opportunities proposed by the Company's Management in relation to the following transactions and making a recommendation on them:
  - Mergers or acquisitions of companies, businesses or assets.
  - Any termination, sale, transfer of ownership, exit, or disposal of an existing investment.
  - Joint ventures under the agreement of partners or joint ventures.
  - Investing in new or existing projects or in expansion projects and the expansion of projects in which the Company has an interest.
  - Any investment opportunity that the Company's Management would like to enter into.
- Studying financing possibilities for the abovementioned transactions.
- Ensuring that the proposed investment opportunities comply with the relevant laws, regulations and instructions.
- Defining, and arranging priorities for the proposed investment offers.
- Studying periodic reports from the Executive Management on the progress of the approved investment opportunities.
- Seeking assistance from experts or specialists or others, in studying the topics that fall within its duties and responsibilities, after the approval of the Board of Directors.
- Approval of the investment opportunities proposed by the Company's Management.



## Investment Committee Members

### Membership of the committee along with short biographies of members

Member name	Position	Previous positions	Academic qualifications
<b>HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud</b>	Chairman of the Investment Committee	Mentioned on page 96	
<b>Mr. Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran</b>	Investment Committee Member	Mentioned on page 96	
<b>Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr</b>	Investment Committee Member	Mentioned on page 98	

## Investment Committee meetings

The Investment Committee held six meetings during the 2023 fiscal year that were attended by members as shown in the table below:

Member name	Position	Nature of membership	Attendance					
			First Meeting (28 Mar. 2023)	Second Meeting (12 Jul. 2023)	Third Meeting (03 Sep. 2023)	Fourth Meeting (01 Oct. 2023)	Fifth Meeting (05 Nov. 2023)	Sixth Meeting (26 Nov. 2023)
<b>HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud</b>	Chairman of the Investment Committee	Non-Executive	✓	✓	✓	✓	✓	✓
<b>Mr. Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran</b>	Investment Committee Member	Non-Executive	✓	✓	✓	✓	✓	✓
<b>Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr</b>	Investment Committee Member	Independent	✓	✓	✓	✓	✓	✓

## ➔ Remuneration policy

Without prejudice to the provisions of the Companies Law, the Capital Market Law and their implementing regulations, the remuneration policy shall:

- A. Be consistent with the Company's strategy and objectives.
- B. Providing remunerations with the aim to encouraging Members of the Board of Directors and Executive Management to achieve the success of the Company and its long-term performance, such as making the variable part of the remuneration linked to the long-term performance.
- C. Determine remuneration based on the level of the position, duties and responsibilities, the educational qualifications practical experience, skills, and level of performance.
- D. Be consistent with the magnitude, nature, and level of risks faced by the Company.
- E. Taking into consideration the practices of other companies in respect of the determination of the remunerations, and avoid the disadvantages of such comparisons in leading to unjustifiable increases in remunerations and compensations.
- F. Attract talented professionals and retain and motivate them without exaggeration.
- G. Be preparing in coordination with the Nomination and Remuneration Committee in respect of new appointments.
- H. Taking into consideration situations where remunerations should be suspended or reclaimed if it is determined that such remunerations were based on inaccurate information provided by a Member of the Board of Directors or Executive Management, in order to prevent abuse of power to obtain unmerited remuneration.
- I. Regulating the grant of Company's shares to Members of the Board of Directors and the Executive Management, whether newly issued or purchased by the Company.

## Board of Directors' remuneration



1. The method of remunerating the members of the Board of Directors shall be determined by the Company's by-laws.
2. The General Assembly shall be responsible for determining the amount of remuneration for members of the Board of Directors.
3. Without prejudice to other relevant laws and regulations issued by other supervisory authorities and in addition to the relevant provisions of the Companies Law and its implementing regulations, in addition to the following criteria:
  - ➔ The remuneration must be fair and proportionate to the Board Member's activities carried out and responsibilities borne by the Board Members in addition to the objectives set out by the Board of Directors to be achieved during the financial year.
  - ➔ The remuneration must be based on the recommendation of the Nomination and Remuneration Committee.
  - ➔ The remuneration must be proportionate to the Company's activities and the skills required to its Management.
  - ➔ Taking into consideration the sector in which the Company operates, its size, and experience of its Board Members.
  - ➔ The remuneration must be reasonably sufficient to attract, motivate, and retain highly qualified and experienced members of the Board of Directors.

4. Members of the Board of Directors shall not vote on the agenda item relating to the remuneration of Board of Directors Members at General Assembly Meeting.
5. A Board Member may receive a remuneration for any additional executive, technical, managerial, or consultative – pursuant to professional license – duties or positions carried out by the Board Members and such remuneration should be in addition to the remuneration they may receive in their capacity as a member of the Board of Directors and in the committees formed by the Board, pursuant to the Companies Law and the Company's by-laws.
6. The remuneration of different Board of Directors members may vary depending on the Board Members experience, expertise, duties he/she undertake, independence and number of Board meetings he/she attended in addition to other considerations.
7. If the General Assembly decides to terminate the membership of any Board Member who fails to attend three consecutive Board meetings or five non-consecutive Board meetings during his/her membership without a legitimate excuse accepted by the Board, then such Board Member shall not be entitled to any remuneration for the period starting from the last attended Board meeting, and he/she shall pay back any remuneration he/she received for that period.
8. If it is evidenced to the Audit Committee or the Authority that the remuneration paid to any member of the Board of Directors was based on false or misleading information presented to the General Assembly or included in the Board of Directors' annual report, the Board Member shall return such remuneration to the Company, and the Company may request such Board Member to return such remuneration.

### Executive Management remuneration



The following criteria shall be taken into account when determining Executive Management remuneration:

- The remuneration shall be fair and proportionate to the activities and responsibilities of the Executive Management member, in addition to the specific objectives set by the Executive Management for the financial year.
- The salary schedule for Executive Management positions shall be evaluated by the Nominations and Remuneration Committee according to the description of the position, the general market, and benchmarking criteria with similar companies.

### Details of remuneration



There are no arrangements or agreements under which any of the Company's Directors, Members of the Committees or Senior Executives have waived their rights for remunerations.

#### The Relationship between Remuneration and the Applicable Remuneration Policy

There is no substantial deviation in the remuneration awarded according to the policy.

### Allowances for Board Members for attending Board meetings →

Members of Board of Directors		Fixed remunerations						
	Specific amount	Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind benefits	A statement of the Board members remuneration as workers or managers or payments received for technical, administrative and consultancy works	Remuneration of the Board Chairman, Managing Director or Secretary, if they are committee members	Total	
First: Independent members								
Mr. Abdullah Bin Saud Bin Marshoud Al Romaih	200,000						200,000	
Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr	200,000						200,000	
Total	400,000						400,000	
Second: Non-executive members								
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	200,000						200,000	
Mr. Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran	200,000						200,000	
Total	400,000						400,000	
Third: Executive members								
Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel	200,000						200,000	
Mr. Hamad Bin Abdullah Bin Fahad Al Bakr	200,000						200,000	
Total	400,000						400,000	
Grand total	1,200,000						1,200,000	

### Remuneration to the top eight Senior Executives →

Senior Executives	Fixed remunerations			Total
	Salaries	Allowances	In-kind benefits	
Chief Executive Officer	995,704	348,496		1,344,200
Chief Financial Officer	814,667	285,133		1,099,800
Deputy Chief Executive Officer	814,667	285,133		1,099,800
Chief Operating Officer	769,407	269,293		1,038,700
Chief Business Officer	995,704	348,496		1,344,200
Chief Technology Officer	769,407	269,293		1,038,700
Chief Investment Officer	888,888	311,112		1,200,000
Chief Commercial Officer	291,358	101,976		393,333
<b>Total</b>	<b>5,344,098</b>	<b>1,933,799</b>		<b>8,558,733</b>

	Variable remunerations					Total	End of service rewards	Aggregate Amount	Expenses, allowances
	Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares				
								200,000	
								400,000	
								200,000	
								200,000	
								400,000	
								200,000	
								200,000	
								400,000	
								1,200,000	

	Variable remunerations					Total	End of Service Rewards	Total remuneration for executives in the Board	Grand Total
	Periodic remunerations	Profits	Short-term incentive plans	Long-term incentive plans	Granted shares				
							112,017	200,000	1,656,217
							45,825		1,145,625
							91,650		1,191,450
							43,279		1,081,979
							56,008	200,000	1,600,208
							43,279		1,081,979
							50,000		1,250,000
							16,389		409,723
							<b>292,771</b>	<b>400,000</b>	<b>9,417,181</b>

### Remuneration of committee members for membership in Board committees



	Fixed remuneration (except for the allowance for attending Board meetings)	Allowances for attending Board meetings	Total
<b>Audit Committee Members</b>			
Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr	100,000		100,000
Mr. Mishal Bin Salman Bin Ghassab Bin Mandeel	100,000		100,000
Mr. Amin Abdel Raouf Hariz	100,000		100,000
<b>Total</b>	<b>300,000</b>		<b>300,000</b>
<b>Investment Committee Members</b>			
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud	100,000		100,000
Mr. Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran	100,000		100,000
Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr	100,000		100,000
<b>Total</b>	<b>300,000</b>		<b>300,000</b>

Given that the Nomination and Remuneration Committee was recently formed on 09/09/1445H (corresponding to 19 March 2024), no remunerations have been distributed to the committee members for the year 2023.

### ➤ General Assembly

The General Assembly held two meetings during 2023 that were attended by members as shown in the table below:

Member name	Attendance	
	First meeting (19 June 2023)	Second meeting (29 November 2023)
HRH Prince Mishal Bin Sultan Bin Abdulaziz Al Saud (Chairman of the Board)	✓	✓
Mr. Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran (Vice Chairman of the Board)	–	✓
Mr. Ghassab Bin Salman Bin Ghassab Bin Mandeel (Member)	✓	✓
Mr. Hamad Bin Abdullah Bin Fahad Al Bakr (Member)	✓	✓
Mr. Abdullah Bin Saud Bin Marshoud Al Romaih (Member)	✓	–
Mrs. Loulwa Bint Mohammed Bin Abdulkarim Bakr (Member)	✓	–



## ➔ Achievements in 2023

### • Turning Logistics Segment into profitability

Transforming the logistic segment from loss making into a profit-making business marks a pivotal achievement in Jahez's operational strategy. By optimizing logistics operations, improving delivery efficiency, and implementing innovative cost-management solutions, the Group successfully transitioned Logi into a winning asset. This transformation underscores the Group's focus on maximizing efficiency and profitability across all aspects of its operations, showcasing a model of sustainable growth.

### • Entering the Kuwait Market

In January 2023, Jahez expanded its operations beyond its existing markets in Saudi Arabia and Bahrain by entering the Kuwait market. This strategic move not only demonstrates Jahez's ambitious growth plans but also its capability to adapt and thrive in new, diverse markets. Entering Kuwait allowed Jahez to tap into a vibrant and growing food delivery market, leveraging its successful business model and operational expertise to establish a foothold and cater to the unique tastes and preferences of Kuwaiti consumers.

### • Expansion Beyond Food Delivery

Jahez's expansion of its product offering beyond food delivery illustrates its vision to evolve into a versatile platform catering to a broader range of consumer needs. By integrating services such as grocery delivery, pharmaceuticals, and other on-demand delivery services, Jahez is positioning itself as an ecosystem enhancing customers lifestyle and empowering businesses. This diversification strategy not only enhances the value proposition for its users but also opens up new revenue streams, fortifying its market position.

### • Publishing the First Sustainability and ESG Report

The publication of Jahez's first-ever sustainability and ESG (Environmental, Social, and Governance) report signifies a landmark step towards transparency and commitment to sustainable business practices. This report highlights Jahez's initiatives in promoting environmental stewardship, social responsibility, and governance excellence. By focusing on sustainability and ESG principles, Jahez not only aligns with global standards but also addresses stakeholder expectations for corporate responsibility and ethical business conduct.

### • Acquisition of Marn Company

In January 2023, the Group completed the acquisition of the Marn Business Information Technology, a leading business digital solutions provider, offering multiple modern technical services that support merchants in their growth. In addition to improved services to various stakeholders, Marn helped merchants build their own unique ecosystems by developing systems through various digital solutions such as point of sale systems that work in conjunction with different service providers and partnerships.

### • Investing in Innovation

The Group's investment strategy, with a portfolio exceeding SAR 84 million in value, illustrates its commitment to diversifying and strengthening the on-demand services by investing in both emerging and established companies like "Redbox", "CloudShelf", "Barq", "Soum", and "Parcel", alongside previous investments in "Nana", "Hala", "Bonat", and "Omniful", the Group is nurturing an ecosystem ripe for innovation and growth. These investments span across logistics, e-commerce, and more, showcasing a broad approach to capturing market trends within the ecosystem.

### ➔ Challenges in 2023

Jahez Group managed to overcome many challenges during 2023 with success due to its incorporated vision and mission with set objectives in the targeted markets. The group business verticals are interconnected to a certain extent that share similar nature grounds with related stakeholders. Overcoming the challenges, during FY 2023, faced by the group services with a unique combination of strategic planning, operational improvements, and customer-centric approaches. Jahez group offers a wide range of services into different sectors including Online food delivery, quick commerce, cloud kitchen, and logistics that generated the core revenue streams. To shortly summarize those challenges weather internal or external parts of the organization, the below details depict each topic highlighting related issues and ways that tackled during the fiscal year of 2023 as follows:

- **Intense Competition:** The targeted markets were highly competitive, with numerous platforms vying for customers' attention. Jahez Group was constantly on track to innovate and differentiate related offering and positioning to attract and retain customers.
- **Operational Efficiency:** Ensuring smooth operations and timely deliveries was a significant challenge. Therefore, The Group aimed to organize and direct a large network of delivery partners, coordinating orders, and optimizing routes that imposed an efficient in-house logistics solution and technology systems.
- **Profitability:** Achieving profitability in the said sectors is difficult due to high operating costs. The costs associated with delivery logistics, marketing, customer acquisition, and maintaining a platform usually impact the overall financial sustainability of a business. Therefore, The Group management emphasized on the economy of scale with synergized platforms from information technology, operation, and manpower with efficient utilization and professional utilization of state art of technologies.
- **Merchants' Partnerships:** Building and maintaining partnerships with restaurants and retail outlets is challenging all the time. Convincing partners to join the platforms, managing relationships, and ensuring a mutually beneficial arrangement with different business models was time-consuming and required significant effort.
- **Regulatory and Legal Considerations:** Compliance with local regulations, food safety standards, labor (drivers) laws, and other legal requirements did pose challenges for online food delivery platforms operating in different jurisdictions. Yet, The Group focused to be leading in compliance with required terms and conditions and shall continue doing that during the coming year.
- **Technological Infrastructure:** Maintaining a robust and scalable technological infrastructure to handle a large volume of orders, manage payments, support customer inquiries, and integrate with various systems was a challenge for online goods delivery services. Thus, The Group continued deploying inhouse and on demand development while enabling proper ecosystem that maintain its leading value proposition.
- **Sustainability and Environmental Impact:** The issue of sustainability is gaining importance in the food delivery industry. Balancing the convenience of delivery with efforts to reduce environmental impact, such as optimizing delivery routes and promoting eco-friendly packaging, yet is presenting a challenge to overcome soon.

## ➔ Objectives for 2024

In 2024, Jahez Group aims to harness the power of integration between its food and non-food segments, creating a cohesive ecosystem that enhances operational efficiency and customer experience. This strategic objective is focused on leveraging cross-segment synergies to unlock new value propositions, drive innovation, and foster sustainable growth across all areas of its business.

The Group is also determined to deepen its market penetration, reinforcing its presence and expanding its footprint within existing markets. This goal involves not just increasing market share but also enhancing the depth of services offered, ensuring that customer needs are met with unparalleled efficiency and variety.

In 2024, a pivotal objective for Jahez Group is to transition from Nomu – Parallel Market to the Main Market of the Saudi Stock Exchange (Tadawul). This strategic move is aimed at elevating the company's status, enhancing its visibility among a broader investor base, and unlocking greater capital opportunities in addition to better governance. The transfer is subject to regulatory approvals.

## ➔ Affiliated companies

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

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

Affiliate	Capital	Company's ownership percentage	Main scope of business	Country of operation	Country of incorporation
Marn Business Information Technology Company	SAR 1,000,000	100.00%	Software wholesales including importing and Hardware and Software Retail sales.	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Jahez for Information Technology	EGP 10,000	100%	Jahez International for Information Systems Technology is engaged in software development, database management, and application design.	Egypt	Egypt
Jahez International Company for Information Systems Technology	QAR 500,000	100%	Jahez International Company for Information Systems Technology activities include online commerce and delivery of consumer goods.	Qatar	Qatar
SOL Company for Trading	SAR 100,000	35%	In a decentralized universe between restaurants and their suppliers, centralizing the procurement experience by bringing an end-to-end digital experience including delivery and storage	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

No convertible debt instruments, contractual securities, memoranda of subscription rights or rights were issued or granted by any of the affiliated companies during the fiscal year 2023.

### → Transactions with related parties

In the course of its normal business, the Group deals with its shareholders, sister companies owned by the shareholders and Senior Management. The Group concludes contracts to obtain services and pay expenses on behalf of sister companies. Such transactions are carried out in accordance with specific conditions with related parties. Following is a breakdown of the value of transactions made during the financial year:

Related party	Nature of relationship	Nature of Interest (Direct or Indirect)	Nature of the transaction	Transaction Duration	Amount of transaction (SAR)
The Eight Creations Agency for Advertising	A Company owned by a shareholder in a subsidiary (Joint Preparation Company for Meals)	Direct	Advertisement and publicity services	Monthly	1,576,478
Tharwa Holding Company	A Company owned by the Chairman of the Group	Direct	Leases and maintenance services	Yearly Contract	1,509,325
Halalah Trading Company	A Company owned by A Shareholder	Direct	Purchases invoices	6 Months	145,107
Al Hilal Investing Company	A Shareholder in a Subsidiary (Blu Store Company)	Direct	Collection on behalf of the company	Yearly Contract	17,386,812
		Direct	Purchase of goods	Yearly Contract	12,587,226
Dar AllFikrah	A Company owned by a family member of the Chairman of the Group	Direct	Construction Services	One time service	2,721,610
Halala International Transport Vehicles Steering Company	A Company owned by the deputy CEO	Direct	Logistics services	Yearly Contract	651,604
		Direct	Collection on behalf of the group	Yearly Contract	(433,887)
Nutria Restaurant *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	Direct	No transactions during the period from acquisition date to financial statement date	NA	-
Raz Catering Company *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	Direct	No transactions during the period from acquisition date to financial statement date	NA	-
The hundred Innovation institution for providing meals *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	Direct	No transactions during the period from acquisition date to financial statement date	NA	-
Abdullah Suliman Alzamil *	A Shareholder in subsidiary (SOL Company for Trading)	Direct	No transactions during the period from acquisition date to financial statement date	NA	-
Hisham Abdu Al Hazza*	A Shareholder in subsidiary (SOL Company for Trading)	Direct	No transactions during the period from acquisition date to financial statement date	NA	-
Abdulaziz Talal Al Tamimi*	A Shareholder in subsidiary (SOL Company for Trading)	Direct	No transactions during the period from acquisition date to financial statement date	NA	-
RAZ holding company*	A Company owned by A Shareholder in subsidiary (SOL Company for Trading)	Direct	No transactions during the period from acquisition date to financial statement date	NA	-

\* On 26 December 2023, the Group acquired SOL Trading Company (Note 32.b on Jahez International Company for Information Systems Technology financial statements for the year ended 31 December 2023), 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.

### ➔ Statutory payments, penalties and sanctions

A total of SAR 191,603,682 was paid as statutory payments to varied Government institutions and regulatory bodies, a breakdown of which is given below:

Paid to	Paid amount	Description	Reasons
Government fees	2,138,460	Represents paid government fees	Statutory requirement
The General Organization for Social Insurance (GOSI)	20,288,362	What is paid or charged for the period in accordance with the provisions of the labor law in the Kingdom.	Statutory requirement
Zakat, withholding tax, and others	151,683,828	What is paid or charged over the period in accordance with the provisions and rules of the Zakat, withholding tax Law and value added tax.	Statutory requirement
Labor Office and Visas	17,493,032	What is paid or charged over the period to the labor office	Statutory requirement

Fines were imposed on the Company during the year 2023 by the Ministry of Interior, the Ministry of Justice, Municipality Fine, and Municipality Violations amounting to a total of SAR 1,799,580

### ➔ Dividend distribution policy

The shares entitle their holders to the right to receive any dividends that the Company declares from the date of the prospectus and for subsequent financial years. The Company intends to distribute annual dividends to its shareholders in line with the Group's profits, financial position, restrictions on dividend distribution under financing and debt agreements, results of the Group's activities, current and future cash requirements, expansion plans, investment requirements, and other factors including the analysis of the Group's investment opportunities and reinvestment requirements, monetary and capital requirements, trade expectations and the impact of any such distributions on any legal and regulatory considerations. In addition, investors who wish to invest in the Offer Shares should be aware that the Dividend Distribution Policy may change from time to time.

While the Company intends to distribute dividends to its shareholders on an annual basis, the Company does not guarantee the distribution of such dividends or the amounts to be distributed in any given year. The Company's net profits will be distributed after deducting all general expenses and other costs as follows:

1. The Ordinary General Assembly, when determining the share of shares in the net profits, may decide to form reserves, to the extent that it is in the interest of the Company or ensures the distribution of fixed dividends, to the extent possible, to the shareholders. The said assembly may also deduct from the net profits sums for the social purposes of the Company's employees. The General Assembly shall determine the percentage to be distributed to shareholders from the net profits after deducting reserves, if any.
2. Based on the Board's suggestion, the Ordinary General Assembly may set aside reserves of net profit of net profits to build up other reserves that shall be allocated to one or more specific purposes.
3. Subject to the provisions set forth in Article 21 of the Company's bylaws and Article 76 of the Companies Law, the Board of Directors' remuneration shall consist of a specified amount, attendance allowance for sessions, in-kind benefits or a certain percentage of net profits.

It is worth noting that the Company did not distribute any dividends in the financial years 2019, 2020, 2021, 2022, and 2023. In addition, there are no arrangements or agreements under which one of the Company's shareholders has relinquished his rights to receive profits during the year 2023.

#### ➔ Shareholder rights

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

There is no interest in the class of voting shares belonging to persons (other than members of the Company's Board of Directors, Senior Executives and their relatives) who informed the Company of these rights in the fiscal year 2023.

#### ➔ Employee stock program

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



On 15/05/1445H (corresponding to 29 November 2023) the General Assembly gave approval to purchase a maximum number of (293,770) of its own shares and keep them as treasury shares.

It's worth noting that the Company has split the nominal value of the share from (10 SAR) per share to (0.50 SAR) per share. As a result, the number of the Company's shares became (209,836,060) instead of (10,491,803) shares, while keeping the Company's capital unchanged.

## → Businesses competing with the Group

The Director Mr. Abdulaziz Bin Abdulrahman Bin Mohammed Al Omran is a Director and partner in Impact46, which in turn invests in delivery applications competing with the Group's business such as the Chefz and Nana applications. The Chefz application delivers food options and gifts to customers while the Nana application delivers purchases from supermarkets, pharmacies, meat merchants, etc. to customers. The Company's General Assembly issued its approval for the Directors to participate in this competitive business on 01/12/1444H (corresponding to 19 June 2023).

## About the Chefz application



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

## About Nana application



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

## → Our key social responsibility initiatives

During the year under review, Jahez launched or continued a number of corporate social responsibility (CSR) initiatives that served several socio-economic sectors that are of importance to the Company. The projects targeted various demographics and were designed to empower them in meaningful and impactful ways. A summary of the year's CSR activities can be found below:

## Saudi Life Saving Federation



A five-year sponsorship aimed at equipping lifeguards with the skills and knowledge needed to take preventive measures and respond to water emergencies was launched in 2023. The program was open to anyone interested in becoming a certified lifeguard to work either in the Kingdom or abroad. A total of 14 courses were conducted in Riyadh, with 633 subscribers benefiting from the training.

### **Sponsoring the Al Hilal Academy**



A five-year sponsorship launched July 2022 aimed at rehabilitating people with mild to moderate mental and physical disabilities in Riyadh, this initiative saw the Company contribute towards the implementation of entertainment programs including football practice, for the gifted and orphaned alike, whether male or female.

### **Delivery sector nationalization initiative**



An initiative to nationalize the delivery sector that was launched in January 2021 to encourage and motivate Saudi citizens to develop their skills in this field reached its successful conclusion in August 2023. The objective of the initiative was to challenge and foster competition among Saudi delivery agents to deliver a minimum of five orders per day for a full year to win a car as incentive from Jahez. By the end of the initiative, 68 cars had been awarded to our dedicated delivery partners.

### **Student delivery agent initiative in cooperation with the Transport General Authority**



Jahez is a strong believer in the transformative role it plays in society. With this in mind, a month-long Student delivery agent initiative was launched in March 2023. The project sought to support university students across the Kingdom increase their income by valuing one delivery order by them with two delivery orders within a month.

### **Hail region afforestation initiative in collaboration with the Emirate of Hail Province**



An initiative to plant gardens and parks in the city of Hail was carried out in May 2023 as a community participation drive intended to raise environmental awareness. Over 1,500 trees were planted through this project.

### **King Salman Royal Natural Reserve initiative with the King Salman Royal Reserve Development Authority**



Aimed at articulating and coordinating messages and initiatives to raise awareness of the importance of preserving the environment and vegetation and wildlife, this Kingdom-wide project was launched in celebration of World Environment Day in May 2023.

### **#Jahez\_planting initiative – afforestation at Prince Sultan University**



A #Jahez\_Planting initiative was launched in February 2023 as part of our efforts to improve the quality of life of our stakeholders by planting 500 trees at the Prince Sultan University.

## Sponsoring Prince Sultan University team in the Shell Marathon



Jahez provided support to students at the College of Engineering who designed and manufactured their own electric car at the Shell Marathon in June 2023.

## Gluten-Free Initiative



This project was aimed at facilitating access to gluten-free products for our Riyadh customers with celiac disease through Jahez app in August 2023.

## Tuwaiq Academy for Employment



This was a three-month-long initiative launched in October 2023 to equip graduates of the Tuwaiq Academy for Employment with the most essential skills and capabilities in the fields of modern technologies.

## Recycling device initiative



A first of its kind initiative in the Kingdom to eliminate plastic waste using artificial intelligence through reverse vending machines (RVMs), this project saw the Company reward participants with a discount of up to 10% on Jahez app in exchange for collecting 36 plastic packages amounting to 180 points. The project, still ongoing, was launched in October 2023. Recycling 802 plastic containers reduces 12 kg of carbon dioxide emissions, saves 56.14 gallons of water and 0.08504 trees.

## "It's Organic"



In line with the Kingdom's Vision 2030 agenda and with a view to underscoring the importance of a safe and sustainable healthcare system, Jahez launched the "It's Organic" initiative in cooperation with the Ministry of Environment, Water and Agriculture of Saudi Arabia in April 2021. This initiative, still ongoing throughout the Kingdom, saw the development of an organic classification within Jahez application in order to drive up the consumption of organic food and also support stores that prioritize organic produce.

## "One hour service" program in cooperation with the Children with Disability Association



This program aims to provide comprehensive care for the treatment of children with disabilities and raise the efficiency of the Kingdom rehabilitation services system. The initiative includes measures to improve treatment halls and provide them with best-in-class specialized equipment as well as to ensure unparalleled care for children with disabilities in a safe environment. Over 2,600 children in Riyadh benefited from the program.

## #Jahez\_planting initiative with Zero Neutrality Company



The #Jahez\_Planting initiative was launched by Jahez in March 2023 in collaboration with Jahez Plants Store to motivate individuals to contribute towards increasing vegetation cover in the Kingdom and reducing the effects of climate change. Any user can plant a tree through the store and name it after a person he loves, after which the tree is planted in public facilities throughout the cities of the Kingdom.

## ➔ Investor relations

The Board of Directors recognizes the importance of regular and open dialogue with shareholders and other stakeholders, not only prior to the General Assembly Meeting but throughout the year. In this regard, the Company's Investor Relations (IR) Department serves as a center for constant communication with shareholders, investors, and analysts. The Board of Directors receives regular updates regarding shareholders' opinions, suggestions and observations about the Company and its performance through the IR Department and the Board Secretary.

The CEO informs the Members of the Board of Directors of the material opinions and suggestions of the shareholders and discusses these opinions and proposals with them during meetings of the Board of Directors.

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

## IR Activities 2023



In 2023, The Investor Relations Function emphasized the importance of direct engagement with the financial community through conferences, fostering transparency and trust. These activities not only reinforced investor confidence but also provided crucial insights that shaped corporate strategies to align with market expectations. The Group managed to attend a total of 14 conferences during 2023, the table below summarizes the conferences where the Management participated in over the course of the reported year:

Conference	Date
CI CAPITAL'S 7TH Annual MENA Investor conference	January 2023
Citi's Saudi Day in association with Saudi Exchange	January 2023
SFC Equities Investment Forum	February 2023
Saudi Capital Market Forum	February 2023
HSBC MENAT Investor Forum	February 2023
EFG Hermes - The 17th Annual One on One Conference	March 2023
Goldman Sachs Sixth Annual Saudi Arabia Conference	March 2023
Morgan Stanley 14th Saudi Arabia Conference and 3rd MENA Conference	May 2023
HSBC GCC London Conference	June 2023
J.P. Morgan Asia & Em Internet Forum	June 2023
Citi's 2023 GEMS Conference	September 2023
EFG Hermes Saudi Forum	September 2023
BofA Global Research MENA Conference 2023	November 2023
Morgan Stanley European Technology, Media & Telecom Conference	November 2023



In addition, The Group held multiple Earnings Calls and General Assemblies throughout the year, described as following:

Event	Date
Full Year Financial Results 2022 Earnings Call	22-03-2023
Ordinary General Assembly Meeting	19-06-2023
First Half Financial Results 2023 Earnings Call	04-09-2023
Extraordinary General Assembly Meeting	29-11-2023

#### ➔ Shareholders records requests

Number of shareholders records requests	Request date	Request reasons
1	06 February 2023	Others
2	27 February 2023	Others
3	09 March 2023	Others
4	03 April 2023	Others
5	02 May 2023	Others
6	16 May 2023	Others
7	17 May 2023	Others
8	18 May 2023	Others
9	31 May 2023	Others
10	19 June 2023	AGM
11	03 July 2023	Others
12	02 August 2023	Others
13	07 September 2023	Others
14	02 October 2023	Others
15	07 November 2023	Others
16	29 November 2023	AGM
17	18 December 2023	Others

## ➔ Financial performance

SAR '000	2023 (Audited consolidated)	2022 (Audited consolidated)	2021 (Audited consolidated)	2020 (Audited consolidated)
<b>Statement of Financial Position</b>				
Total current assets	1,334,943	1,208,571	435,435	214,792
Total non-current assets	315,853	202,314	58,581	17,175
Total assets	1,650,796	1,410,885	494,016	231,967
Total current liabilities	425,059	299,196	278,662	178,037
Total non-current liabilities	80,257	107,723	27,037	8,473
Total liabilities	505,317	406,919	305,700	186,510
Total equity	1,145,479	1,003,966	188,316	45,457
Total equity and liabilities	1,650,796	1,410,885	494,016	231,967
<b>Statement of Income</b>				
Revenues	1,784,755	1,602,477	1,159,568	459,306
Cost of revenue	(1,378,878)	(1,243,297)	(914,043)	(350,779)
Gross profit	405,878	359,180	245,525	108,527
General and administrative expenses	(106,195)	(136,450)	(26,176)	(11,408)
Advertising expenses	(149,968)	(131,378)	(86,568)	(49,425)
Research and development expenses	(41,867)	(33,784)	(10,986)	(4,924)
Profit/(Loss) of change in trade receivable	(5,031)	3,756	(2,501)	(464)
Loss of impairment of receivable from related parties	0	0	0	(1,855)
Other Income	(922)	2,696	484	486
Operating profit/(loss)	101,895	64,020	119,777	40,937
Financing costs	(5,457)	(3,156)	(547)	(305)
Unrealized gains on investments at FVTPL	3,327	1,767	8,212	-
Interest revenue	46,068	22,197	-	-
Net profit/(loss) for the year before Zakat	145,833	84,828	121,198	40,632
Zakat	(27,066)	(28,304)	(4,488)	(1,135)
Net Profit/(loss) for the year/period	118,768	56,523	116,710	39,496
<b>Statement of Cash Flows</b>				
Net cash flow from operating activities	256,868	7,198	206,178	174,800
Net cash flow used in investing activities	(16,069)	(219,056)	(16,920)	(5,432)
Net cash flows from (used in)/financing activities	(34,425)	722,856	(3,294)	(2,636)
Cash and cash equivalent at the end of the year/period	1,109,060	902,686	391,688	205,724

## Financial performance indicators for 2023



	2023 (Audited consolidated)	2022 (Audited consolidated)	2021 (Audited consolidated)	2020 (Audited consolidated)
Gross Order Value (GOV)* (SAR '000)	7,024,335	6,071,081	4,524,826	1,887,706
Gross Merchandize Value (GMV) (SAR '000)	5,092,828	4,291,296	3,342,531	1,418,096
Number of orders (in millions)	84.8	69.0	51.6	19.5
Average total GMV per order (SAR)	60.1	62.2	64.8	72.6
Average monthly orders per customer	4.5	4.8	4.7	4.5
Average number of merchants	12,952	8,967	5,550	2,336
Average number of branches	32,311	20,730	13,608	7,181
Average delivery fee per order (SAR)	12.4	14.3	14.4	14.6
Average commission per order (SAR)	8.1	7.7	7.5	7.7
Average commission percentage	13.55%	12.45%	11.6%	10.60%
Gross profit margin	22.7%	22.41%	21.17%	23.60%
Adjusted earnings/(loss) margin before interest, tax, depreciation, and amortization	10.2%	10.3%	10.8%	9.6%
Net profit/(loss) margin for the year	6.7%	3.5%	10.1%	8.6%
Return on equity	11.0%	5.63%	62.5%	86.9%
Return on total assets	7.7%	4.01%	23.7%	17.0%

## Gross Merchandize and Order Value (GMV)

SAR '000	2023	2022	2021	2020
GMV (Gross Merchandise Value)	5,092,828	4,291,296	3,342,531	1,418,096
Value Added tax on the value of the order	736,557	643,199	486,816	161,957
Delivery value paid by customers	1,041,610	730,045	604,764	276,345
Value Added tax on delivery value paid by customers	153,340	109,621	90,715	31,308
GOV (Gross Order Value) (Thousands of Saudi Riyals)	7,024,335	5,774,161	4,524,826	1,887,706



## Revenue by type



SAR '000	2023 (Audited consolidated)	2022 (Audited consolidated)	2021 (Audited consolidated)	2020 (Audited consolidated)
Revenue from delivery fees	1,043,998	989,576	744,622	285,457
Revenue from commissions	689,408	534,226	389,097	150,201
Revenue from e-payment fees	84,816	72,522	56,542	11,159
Advertising and marketing revenues	74,851	70,027	53,816	8,193
Other revenue	26,692	5,319	3,599	4,296
<b>Gross Revenue</b>	<b>1,919,765</b>	1,671,670	1,247,676	459,306
Customers' compensations	(72,442)	(1,926)	(26,799)	0
Promotional compensations	(33,186)	(41,775)	(34,819)	(13,036)
Cash back	(29,382)	(25,493)	(26,490)	(4,909)
<b>Net revenue</b>	<b>1,784,755</b>	1,602,477	1,159,568	441,361

## Year-on-year comparison of key metrics



SAR '000	2023	2022	Change	Change %
Sales/Revenues	1,784,755	1,602,477	182,278	+11.4%
Cost of sales	(1,378,878)	(1,243,297)	(135,581)	+10.9%
Total profit	405,878	359,180	46,698	+13.0%
Other operational revenues	0	6,451	(6,451)	-100.0%
Other operational expenses	303,983	(301,611)	(2,371)	+0.8%
Operational profit (loss)	101,895	64,020	37,875	+59.2%

## Segment information



31 December 2023

	Delivery Platforms Segment		Logistics activity	Other activities		Exclusions / amendments	Total
	Inside the Kingdom SR	Outside the Kingdom SR	Inside the Kingdom SR	Inside the Kingdom SR	Outside the Kingdom SR	SR	SR
External Revenue	1,828,171,093	72,366,596	9,460,284	9,766,757	-	-	1,919,764,730
Inter-segment revenue	-		394,666,108	4,861,631	-	(399,527,739)	-
Customer promotions and cash back	(111,107,556)	(11,072,032)	-	(8,041)	-	-	(122,187,629)
Other deductions	-	(12,821,818)	-	-	-	-	(12,821,818)
Net revenue	1,717,063,537	48,472,746	404,126,392	14,620,347	-	(399,527,739)	1,784,755,283
Direct costs	(1,254,239,577)	(108,729,284)	(363,535,370)	(22,710,285)	-	399,527,739	(1,349,686,777)
Impairment loss on trade receivables	(1,022,887)	-	(4,077,784)	-	-	-	(5,100,671)
Expenses	(205,558,815)	(35,749,375)	(16,831,219)	(19,591,960)	-	-	(277,731,369)
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)
<b>Net segment profit</b>	<b>258,544,893</b>	<b>(97,187,756)</b>	<b>(5,920,355)</b>	<b>(36,669,174)</b>	<b>-</b>	<b>-</b>	<b>118,697,608</b>
Total assets	1,521,212,523	33,520,937	115,069,750	181,859,060	-	(200,866,430)	1,650,795,840
<b>Total liabilities</b>	<b>400,674,431</b>	<b>143,411,289</b>	<b>248,012,393</b>	<b>198,951,366</b>	<b>-</b>	<b>(485,732,583)</b>	<b>505,316,896</b>

## 31 December 2022

31 December 2022	Delivery Platforms Segment		Logistics activity	Other activities	Exclusions amendments	Total
	Inside the Kingdom SR	Outside the Kingdom SR	Inside the Kingdom SR	Inside the Kingdom SR	SR	SR
External Revenue	1,662,716,676	4,129,136	-	5,166,573	-	1,672,012,385
Inter-segment revenue	-	-	310,371,872	-	(310,371,872)	-
Customer promotions and cash back	(69,194,656)	(340,890)	-	-	-	(69,535,546)
Other deductions	-	-	-	-	-	-
<b>Net Revenue</b>	<b>1,593,522,020</b>	<b>3,788,246</b>	<b>310,371,872</b>	<b>5,166,573</b>	<b>(310,371,872)</b>	<b>1,602,476,839</b>
Direct costs	(1,196,633,074)	(12,545,315)	(336,602,367)	(5,467,980)	313,608,484	(1,237,640,252)
Impairment loss on trade receivables	3,757,461	-	-	-	-	3,757,461
Expenses	(195,255,027)	(4,869,508)	(3,008,776)	(1,077,266)	-	(204,210,577)
Other cost	-	-	(79,528,187)	-	-	(79,528,187)
Depreciation and amortization	(6,818,670)	(118,083)	(13,348,221)	(3,244,209)	-	(23,529,183)
Other income/(expenses)	24,253,198	-	635,217	1,769,173	-	26,657,588
Finance costs	(376,589)	-	(2,391,059)	(388,312)	-	(3,155,960)
Zakat	(28,304,442)	-	-	-	-	(28,304,442)
<b>Net segment profit</b>	<b>194,144,877</b>	<b>(13,744,660)</b>	<b>(123,871,521)</b>	<b>(3,242,021)</b>	<b>3,236,612</b>	<b>56,523,287</b>
<b>Total assets</b>	<b>1,296,681,041</b>	<b>7,114,300</b>	<b>136,544,144</b>	<b>66,842,974</b>	<b>(96,297,299)</b>	<b>1,410,885,160</b>
<b>Total liabilities</b>	<b>309,367,019</b>	<b>20,421,730</b>	<b>264,028,273</b>	<b>59,276,198</b>	<b>(246,173,735)</b>	<b>406,919,485</b>

The Group recorded 84.8m orders which is 21.8% increase vs. the previous year results and achieved a solid positive Adj. EBITDA at 10.2% of Net Revenue while expanding within the GCC and across verticals.

The Group successfully turned around its logistic segment to a positive Adj. EBITDA with cost optimization & scaled operations.

## 2023 Key Figures

- **SAR 1.9 billion:** Gross Revenue showing a 14.8% increase compared to the previous year.
- **SAR 405.9 million:** Gross Profit representing 22.7% of Net Revenue.
- **SAR 181.3 million:** Adj. EBITDA (10.2% of Net Revenue) at group level
- **SAR 23.8 million:** Positive Adj. EBITDA for the Logistics Segment vs. a negative Adj. EBITDA of SAR -29.2 million last year.
- **SAR 258.5 million:** KSA Platforms net profit reaching 15.0% of Net Revenue vs. SAR 194.1 million in 2022 (12.2% of Net Revenue), showing a 33.2% growth compared to the previous year.
- **SAR 125.3 million:** Net Profit attributable to the shareholders of the parent company, growing by 112.5% compared to the previous year on the Group level despite the impact of the investment in the GCC and other verticals expansion.
- **SAR 1,109.1 million:** Strong cash position providing pathway to Jahez Group expansion plans in the region and in its verticals & adjacent businesses.

## Group Financials Highlights

- SAR 1,784.8 million Net Revenue driven by additional order volume (84.8m orders vs 69.6 million last year) despite the slight reduction in the average order value (SAR 60 vs SAR 62 last year). The volume growth was mainly driven by consistent grow in the active users from 2.8 million to 3.5 million while maintaining a high frequency of 4.5 orders per month:
  - SAR 689.4 million Commission Revenue exceeded 29% growth compared to the previous year mainly due to increasing the average commission from 12.5% to 13.6% as well as GMV growth of 18%.
  - SAR 1,044 million Delivery Revenue growth by 5.5% compared to the previous year was mainly driven by orders growth in KSA and a discounted revenue per order in line with the market trends and expansion strategy in GCC.
  - SAR 186.4 million Other Revenues exceeded 26% growth compared to last year driven by the increase of Advertising Revenue and Revenues related to the new verticals.
- The Group continues to focus on cost initiatives & business scaling opportunities, reducing operation costs which drove consistent group gross profit at 22.7% (22.4% in 2022).
- SAR 181.3 million positive Adj. EBITDA (10.2% of Net Revenue) was achieved with 8.5% growth compared to the previous year driven by a double-digit growth of 21.8% in the KSA Platforms Segment exceeding SAR 257.3 million (15% of Net Revenue) while recording the ramp up & customer acquisition costs from non KSA operations.

Adjusted EBITDA (SAR million)	Delivery platforms KSA	Delivery platforms Non KSA	Logistic Segment	Others	Group
<b>2023</b>	<b>257.3</b>	<b>-72</b>	<b>23.8</b>	<b>-27.7</b>	<b>181.3</b>
2022	209.0	-14.5	-29.2	-1.9	167.1

## Delivery platform – KSA segment\*

- KSA Platforms net profit SAR 258.5 million vs. previous year SAR 194.1m, a 33.2% growth compared to the previous year linked to the improvement of the margin contribution per order due to efficiency and economy of scale.
- KSA orders grew by 15.4% compared to the previous year due to the group focus on newly entered cities within the region & maintaining a solid position in its current market.

## Delivery platform – Non KSA segment\*\*

- The Non KSA platforms segment has reached SAR 242 million GMV with a total number of orders amounting 5.4m orders.
- The segment recorded SAR -97.2 million net losses mainly driven by the expansion strategy and the costs market share gain in the newly penetrated markets (Bahrain in mid 2022 and Kuwait in 2023).

### Logistic segment\*\*\*

- The Logistic Segment successfully recorded a positive Adj.EBITDA exceeding SAR 23.8 million benefiting from cost efficiencies initiatives & economies of scale after a first year of ramp up and idle capacity cost
- Overall net losses were reduced by 95.2% compared to the previous year, reaching SAR -5.9 million only.
- The fleet improved utilization and was directly linked to the scaling of the business along with the in-house technological tools to improve delivery partners' productivity.
- The Group logistic arm fulfilled around 30% of the Group's total orders as a backbone for the group operations. The business operational alignment has increased the level of productivity.
- A combination of technology development & cost efficiencies comes in line with the Group vision to make the segment activities one of the top players in the last-mile delivery sector in the region.

### Others

- The Group investment in other vertical businesses has resulted in SAR -27.7 million EBITDA and net losses of SAR -36.7 million mainly due to the additional costs associated with growing of cloud kitchens footprint within KSA and expanding into the cloud shelving business as well as expanding market share in the point of sales business.

\* The segment represents food delivery and other products through the Group's platforms in KSA.

\*\* The segment represents food delivery and other products through the Group's platforms outside of KSA.

\*\*\* Includes logistic operations.

### Net income



Net Income (SAR million)	Delivery platforms KSA	Delivery platforms Non KSA	Logistic Segment	Others	Group
<b>2023</b>	<b>258.5</b>	<b>-97.2</b>	<b>-5.9</b>	<b>-36.7</b>	<b>118.8</b>
2022	194.1	-13.7	-123.9	-3.2	56.5

## ➤ Board Declarations

The Board of Directors declares that:

- The Company has satisfied the corporate governance requirements in accordance with the rules for the transition to the main market of the Saudi Exchange.
- The Company has satisfied all requirements for the transition to the main market of the Saudi Exchange as set out in the Listing Rules and issued by Tadawul.
- The books of account have been maintained properly.
- The system of internal control is sound in design and has been effectively implemented.
- The Company's consolidated financial statements were prepared during the fiscal year 2023 in accordance with the standards approved by the Saudi Organization for Certified Public Accountants (SOCPA).
- There are no qualifications or reservations in the Auditor's Report on the annual financial statements during the fiscal year 2023. There is no recommendation from the Board of Directors to change the Auditor before the end of the period for which they were appointed, during the fiscal year 2023.
- There are no significant doubts concerning the Company's ability to continue as a going concern.
- There were no loans or indebtedness, or any amounts paid by the Company in repayment of loans to the Company or its subsidiaries, during the fiscal year 2023.
- No convertible debt instruments, contractual securities, memoranda of subscription rights or rights were issued or granted by the Company during the fiscal year 2023.
- No transfer or subscription rights were issued or granted under convertible debt instruments or cash securities, or subscription right memoranda, or similar rights by the Company, during the fiscal year 2023.
- There was no redemption, purchase or cancellation by the Company of any redeemable debt instruments, during the fiscal year 2023.
- There is no deviation from the accounting standards approved and applied in the Kingdom of Saudi Arabia, during the fiscal year 2023.
- We have not received any request from shareholders who own 5% or more of the Company's capital to invite the General Assembly to convene during the year 2023.
- There are no procedures that may obstruct the shareholders' voting rights in 2023.
- There were no important events affecting the safety of the Company's financial position after the end of the fiscal year 2023 that required disclosure, other than the available and announced information.
- The accounting records have been prepared and updated properly
- All information published by the Company, whether directly or indirectly, is accurate and true statements about material facts or a statement of opinion, and is not intended to influence the share price.

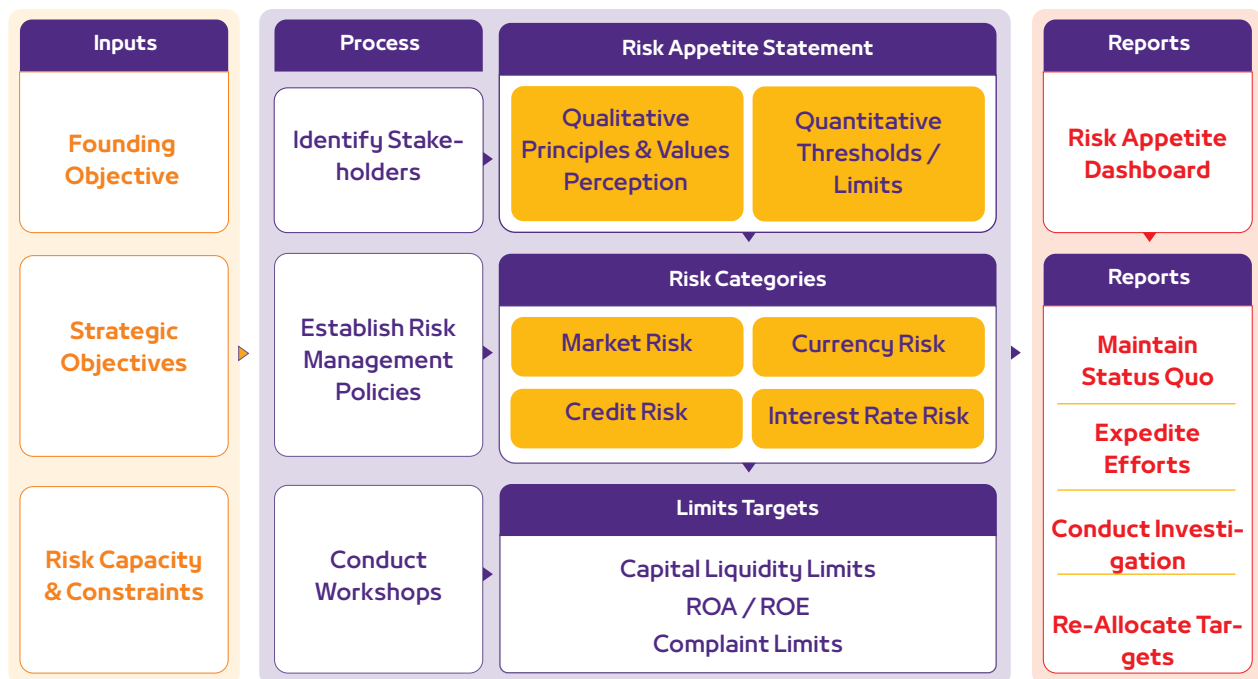
# Risk Management

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

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

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

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



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



## ➔ Risk Management Policy

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

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

The Board also assumes general responsibility for determining the nature and extent of the main risks, which it may bear to achieve its strategic objectives (risk appetite) and ensure management of these risks effectively. The Board has authorized the responsibility for reviewing the effectiveness of internal control systems and risk management methodology in the Company to the Audit Committee.

## ➔ Risk management governance

The Board has authorized the responsibility for reviewing the effectiveness of internal control systems and the risk management methodology of the Company to the Audit Committee. The Board of Directors of Jahez also oversees the risk management process through the Audit Committee, which is responsible for reviewing the Risk Management Framework to ensure that it is still sound and identifies all potential risk areas. In addition, the Committee reviews the adequacy of policies and processes designed and carried out by the Management for the purpose of managing specific risks and submitting annual reports to the Board of Directors and the General Assembly.

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

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

### ➔ Risk management activities

In the year 2023, Jahez hired a third-party consultant to establish the Enterprise Risk Management (ERM) and conducted an Enterprise Risk Assessment exercise and the identified critical risks were associated with the following categories: Governance, strategic, Technology and Information Security, Financial, Operational and Commercial, Regulatory and Compliance, Reputational, Environmental, Health, Safety and Security. Risk management started this year with assessing the risk in the inherent level (before considering the control in place) and the risk in the residual level (after considering the control in place) and developed a mitigation plan of the residual risks.

Jahez focused on raising awareness of risk management in all departments of the Company and its subsidiaries and defining roles and responsibilities. We at Jahez prioritize risks to keep the focus on the most relevant risks. Risks are assessed on the basis of potential impact and probability analysis, and related actions are implemented to manage or mitigate risks.

### ➔ Risk factors in the Company

The Group is subjected to various financial risks due to its activities including market risk (including currency risk, fair value and cash flows of interest rate risk), credit risk, and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Board of Directors is responsible for risk management. Financial instruments recognized in the consolidated statement of financial position include cash and cash equivalents, trade receivables, due from/to related parties, investments at FVTPL, other current assets, trade payables, accrued expenses, other current liabilities, collections due to customers, and lease liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Financial asset and liability are offset, and net amounts are reported in the consolidated financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the assets and liabilities simultaneously.

### Market risk



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

### Currency risk



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

## Interest rate risk



Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial positions and cash flow. The Group has no significant interest rate risk.

## Credit risk



Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from trade receivables, cash and cash equivalents, due from related parties and Deposits with financial institutions.

	31 December 2023	31 December 2022
Trade receivables	36,425,399	22,776,390
Cash and cash equivalents	1,109,059,521	902,685,742
Deposits with financial institutions	107,564,031	200,000,000
<b>Total</b>	<b>1,253,048,951</b>	<b>1,125,462,132</b>

## 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.

# Financial Statements

# 149

Independent Auditor's Report – 150

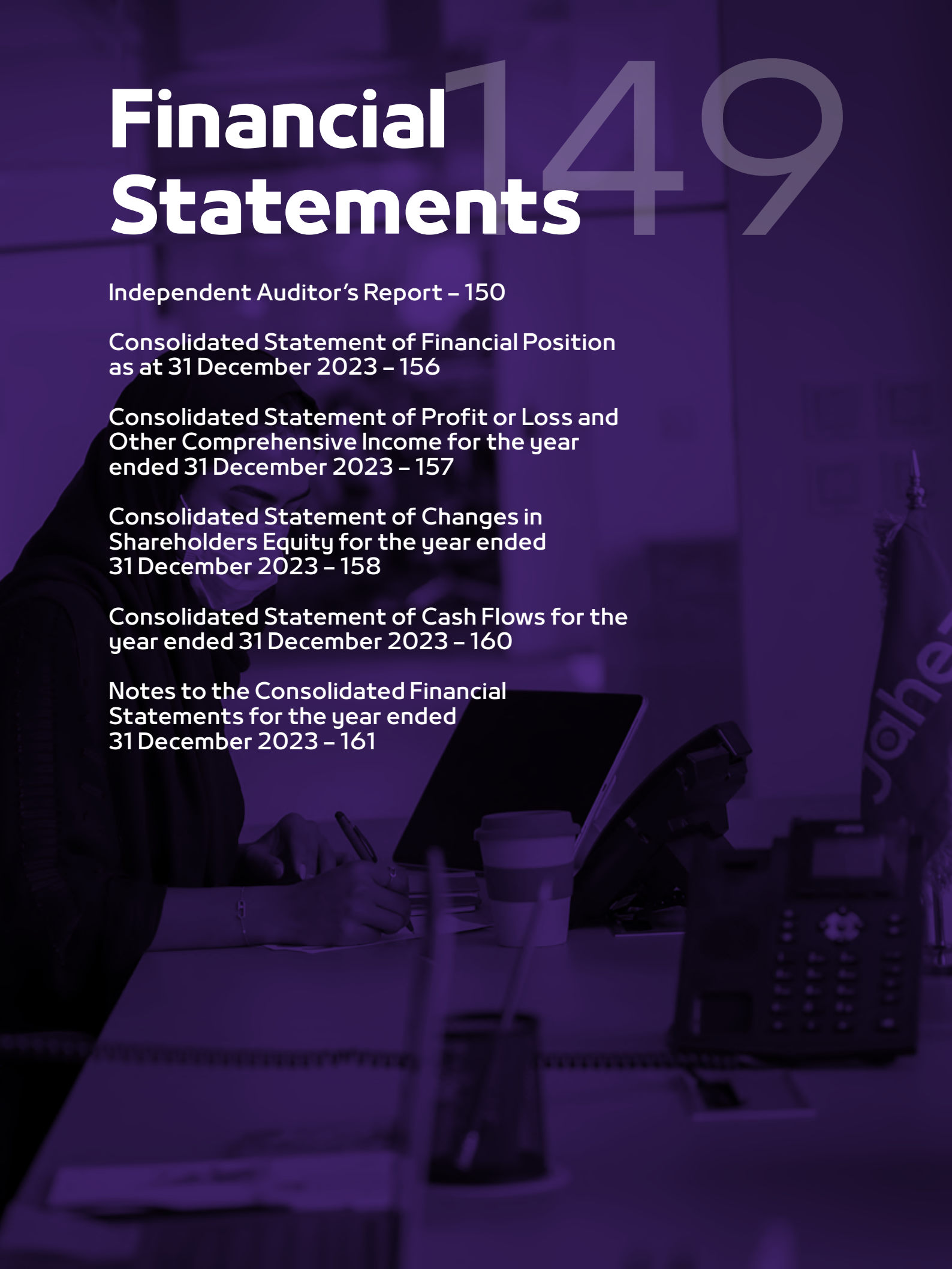
Consolidated Statement of Financial Position  
as at 31 December 2023 – 156

Consolidated Statement of Profit or Loss and  
Other Comprehensive Income for the year  
ended 31 December 2023 – 157

Consolidated Statement of Changes in  
Shareholders Equity for the year ended  
31 December 2023 – 158

Consolidated Statement of Cash Flows for the  
year ended 31 December 2023 – 160

Notes to the Consolidated Financial  
Statements for the year ended  
31 December 2023 – 161



# Independent Auditor's Report



### KPMG Professional Services

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

Headquarters in Riyadh

### كي بي إم جي للاستشارات المهنية

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

المركز الرئيسي في الرياض

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

#### Opinion



We have audited the consolidated financial statements of Jahez International Company for Information Systems Technology ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statements of profit or loss and other comprehensive income, changes in shareholders equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

#### Basis for Opinion



We conducted our audit in accordance with International Standards on Auditing as endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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



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

### 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.

With reference to Note (3\4) of the accounting policy related to revenue from contracts from customers, as well as Note (21) related to disclosure of revenue.

### Revenue recognition



Key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 December 2023, revenue amounting to SR 1.784 billion was recognized (2022: SR 1.602 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"> <li>Assessing the appropriateness of the revenue recognition policy that is applied to different products and combination of products to assess whether it is in accordance with the IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA;</li> <li>Assessing the design and implementation and tested the operating effectiveness of controls relating to processes over revenue recognition, including anti-fraud control procedures.</li> <li>Conducting a testing for the settlements of the amounts collected against the services provided to costumers and the related commissions.</li> </ul>



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

### Revenue recognition (continued)

Key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> <li>• Performing various analytical reviews of significant revenue streams;</li> <li>• Conducting a sample-based testing of revenue transactions with the supporting documents, to verify that the revenues are recorded in their correct periods.</li> <li>• Inquired from the management representatives regarding fraud awareness and the existence of any actual fraud cases.</li> <li>• 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.</li> </ul>

### Other Information



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

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

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

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





## 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.



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

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

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

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

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



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

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

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

## KPMG Professional Services

Fahad Mubark Al Dossari  
License No. 469

Riyadh, 16 Ramadan 1445H  
Corresponding to: 26 March 2024



# Financial Statements

As at 31 December 2023

(Saudi Riyal)

## Consolidated Statement of Financial Position

31 December	Note	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	4	53,839,230	40,355,671
Intangible assets and Goodwill	5	81,002,357	5,724,786
Right-of-use assets	6	96,914,858	133,504,502
Investments at FVTPL	7	84,096,616	22,728,737
<b>Total non-current assets</b>		<b>315,853,061</b>	<b>202,313,696</b>
<b>Current assets</b>			
Inventory		9,819,248	924,771
Trade receivables	8	36,425,399	22,776,390
Prepaid expenses and other receivables	9	72,074,580	82,184,561
Cash and cash equivalents	10	1,109,059,521	902,685,742
Deposits with financial institutions	11	107,564,031	200,000,000
<b>Total current assets</b>		<b>1,334,942,779</b>	<b>1,208,571,464</b>
<b>Total assets</b>		<b>1,650,795,840</b>	<b>1,410,885,160</b>
<b>Equity and liabilities</b>			
<b>Shareholders' Equity</b>			
Share capital	12	104,918,030	104,918,030
Statutory reserve	13	18,420,724	18,420,724
Share premium	12	740,175,504	740,175,504
Treasury shares	12	(1,920,000)	(1,920,000)
Employees' shares reserve	14	31,381,389	11,896,912
Retained earnings		258,542,572	131,634,562
<b>Equity attributable to equity holders of the Parent Company</b>		<b>1,151,518,219</b>	<b>1,005,125,732</b>
Non-controlling interests		(6,039,275)	(1,160,057)
<b>Total shareholders' equity</b>		<b>1,145,478,944</b>	<b>1,003,965,675</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities	6	63,001,917	96,833,791
Employees' benefits obligations	15	17,255,681	10,889,389
<b>Total non-current liabilities</b>		<b>80,257,598</b>	<b>107,723,180</b>
<b>Current liabilities</b>			
Proceeds due to customers	16	161,549,641	118,800,899
Current portion of lease liabilities	6	32,971,145	32,168,120
Trade payables	17	83,573,373	52,161,285
Accrued expenses and other current liabilities	18	115,785,723	68,257,264
Short term loan		1,916,899	-
Zakat provision	20	29,262,517	27,808,737
<b>Total current liabilities</b>		<b>425,059,298</b>	<b>299,196,305</b>
<b>Total liabilities</b>		<b>505,316,896</b>	<b>406,919,485</b>
<b>Total equity and liabilities</b>		<b>1,650,795,840</b>	<b>1,410,885,160</b>

The accompanying notes from 1 to 35 form an integral part of these Consolidated Financial Statements.

HRH Mishal Bin Sultan Bin Abdulaziz Al Saud  
Chairman

Ghassab Bin Salman Bin Mandeel  
CEO

Heni A. Jallouli  
CFO

## Consolidated statement of profit or loss and other comprehensive income

31 December	Note	2023	2022
Revenue, net	21	1,784,755,283	1,602,476,839
Cost of revenue	22	(1,378,877,760)	(1,243,297,002)
<b>Gross profit</b>		<b>405,877,523</b>	359,179,837
Impairment (loss)/Reversal of trade receivables	8	(5,030,671)	3,755,826
Marketing & advertising expenses	23	(149,968,457)	(131,377,566)
General and administrative expenses	24	(106,194,606)	(136,449,562)
Research and development expenses	25	(41,866,741)	(33,784,069)
Other (expense)/income, net		(921,969)	2,695,556
<b>Operating profit</b>		<b>101,895,079</b>	64,020,022
Unrealized gains on investments at FVTPL	7	3,326,897	1,766,705
Finance costs		(5,456,944)	(3,155,960)
Interest revenue		46,068,207	22,196,965
<b>Net profit for the year before zakat</b>		<b>145,833,239</b>	84,827,732
Zakat	20	(27,065,630)	(28,304,442)
<b>Net profit for the year</b>		<b>118,767,609</b>	56,523,290
<b>Net profit for the year attributable to:</b>			
Shareholders of the Parent Company		125,336,967	58,977,006
Non-Controlling interests		(6,569,358)	(2,453,716)
		118,767,609	56,523,290
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Actuarial gains/(losses) from re-measurement of employees' end of service benefits		1,571,043	(189,362)
<b>Total other comprehensive income</b>	15	<b>1,571,043</b>	(189,362)
<b>Total comprehensive income</b>		<b>120,338,652</b>	56,333,928
<b>Total comprehensive income attributable to</b>			
Shareholders of the parent company		126,908,010	58,787,644
Non-Controlling interests		(6,569,358)	(2,453,716)
		120,338,652	56,333,928
<b>Earnings per share attributable to shareholders of the Company:</b>			
<b>Basic earnings per share</b>	28	<b>0.61</b>	0.29
<b>Diluted earnings per share</b>	28	<b>0.61</b>	0.29

The accompanying notes from 1 to 35 form an integral part of these Consolidated Financial Statements.

HRH Mishal Bin Sultan Bin Abdulaziz Al Saud  
Chairman

Ghassab Bin Salman Bin Mandeel  
CEO

Heni A. Jallouli  
CFO

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

# Consolidated statement of changes in Shareholders Equity

	Note	Equity attributable to the Parent Company's shareholders			
		Share capital	Statutory reserve	Share premium	Treasury shares
<b>Balance as at 1 January 2022</b>		96,000,000	12,523,023	-	-
Capital increase		8,918,030	-	-	-
Net profit for the year		-	-	-	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Share premium	12	-	-	740,175,504	-
Treasury shares	12	-	-	-	(1,920,000)
Share-based payments transactions	14	-	-	-	-
Transferred to other reserve		-	5,897,701	-	-
Change in non-controlling interests		-	-	-	-
<b>Balance as at 31 December 2022</b>		104,918,030	18,420,724	740,175,504	(1,920,000)
<b>Balance as at 1 January 2023</b>		104,918,030	18,420,724	740,175,504	(1,920,000)
Net profit for the year		-	-	-	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	-	-
Share-based payments transactions	14	-	-	-	-
Change in non-controlling interests		-	-	-	-
<b>Balance as at 31 December 2023</b>		104,918,030	18,420,724	740,175,504	(1,920,000)

The attached notes from 1 to 35 are an integral part of these consolidated Financial Statements.



HRH Mishal Bin Sultan Bin Abdulaziz Al Saud  
Chairman



Ghassab Bin Salman Bin Mandeel  
CEO



Heni A. Jallouli  
CFO

## Financial Statements

For the year ended 31 December 2023  
(Saudi Riyal)

Employees' shares reserve	Retained earnings	Total	Non-controlling interests	Total
-	78,744,619	<b>187,267,642</b>	1,048,659	<b>188,316,301</b>
-	-	<b>8,918,030</b>	-	<b>8,918,030</b>
-	58,977,006	<b>58,977,006</b>	(2,453,716)	<b>56,523,290</b>
-	(189,362)	<b>(189,362)</b>	-	<b>(189,362)</b>
-	58,787,644	<b>58,787,644</b>	(2,453,716)	<b>56,333,928</b>
-	-	<b>740,175,504</b>	-	<b>740,175,504</b>
-	-	<b>(1,920,000)</b>	-	<b>(1,920,000)</b>
11,896,912	-	<b>11,896,912</b>	-	<b>11,896,912</b>
-	(5,897,701)	-	-	-
-	-	-	245,000	<b>245,000</b>
11,896,912	131,634,562	<b>1,005,125,732</b>	(1,160,057)	<b>1,003,965,675</b>
11,896,912	131,634,562	<b>1,005,125,732</b>	(1,160,057)	<b>1,003,965,675</b>
-	125,336,967	<b>125,336,967</b>	(6,569,358)	<b>118,767,609</b>
-	1,571,043	<b>1,571,043</b>	-	<b>1,571,043</b>
-	126,908,010	<b>126,908,010</b>	(6,569,358)	<b>120,338,652</b>
19,484,477	-	<b>19,484,477</b>	-	<b>19,484,477</b>
-	-	-	1,690,140	<b>1,690,140</b>
31,381,389	258,542,572	<b>1,151,518,219</b>	(6,039,275)	<b>1,145,478,944</b>



## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

# Consolidated statement of cash flows

	Note	31 December 2023	31 December 2022
<b>Cash flows generated from operating activities:</b>			
Net profit for the year before zakat		145,833,239	84,827,732
Adjustments to reconcile net income for the year to cash flows generated from operating activities:			
Impairment loss/(reversal) of trade receivables	8	5,030,671	(3,757,826)
Depreciation and amortization	4,5,6	51,970,559	23,530,731
Employees' benefits	15	7,959,954	5,574,726
Finance costs	6,15	6,025,384	3,155,960
Unrealized gains on investments at FVTPL	7	(3,326,897)	(1,766,705)
Share-based payments expenses	14	19,484,477	11,896,912
Interest revenue		(46,068,207)	(22,196,965)
Loss on disposal of right of use assets	6	529,143	-
<b>Changes in operating assets and liabilities:</b>			
Inventory		(8,536,741)	(726,890)
Trade receivables	8	(9,299,606)	(12,108,231)
Prepaid expenses and other receivables	9	10,675,998	(45,547,925)
Proceeds due to customers	16	42,748,742	(45,916,212)
Trade payables	17	22,048,727	22,940,978
Accrued expenses and other current liabilities	18	44,364,173	(7,008,436)
Employees' benefits paid	15	(1,500,632)	(712,817)
Interest paid	6	(5,459,295)	-
Zakat paid	20b	(25,612,169)	(4,987,323)
<b>Net cash flows generated from operating activities</b>		<b>256,867,520</b>	<b>7,197,709</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property and equipment	4	(23,343,175)	(37,165,475)
Payments to purchase and develop intangible assets	5	(13,497,082)	(2,962,556)
Payments to purchase investments at FVTPL	7	(58,040,982)	(1,125,000)
Addition of deposits with financial institutions	11	-	(200,000,000)
Repayment of deposits with financial institutions	11	100,000,000	-
Proceeds from interests on short-term deposits		38,504,176	22,196,965
Net payment for acquisition of subsidiary	32a	(59,691,640)	-
<b>Net cash flows used in investing activities</b>		<b>(16,068,703)</b>	<b>(219,056,066)</b>
<b>Cash flows from financing activities</b>			
Proceeds from initial public offering		-	749,093,534
Treasury shares		-	(1,920,000)
Payments of lease liabilities	6	(32,518,198)	(24,562,437)
Changes in non-controlling interests		-	245,000
Payment of short-term loan		(1,906,840)	-
<b>Net cash flows (used in)/generated from financing activities</b>		<b>(34,425,038)</b>	<b>722,856,097</b>
<b>Net change in cash and cash equivalents</b>		<b>206,373,779</b>	<b>510,997,740</b>
Cash and cash equivalents as at the beginning of the year		902,685,742	391,688,002
<b>Cash and cash equivalents as at the end of the year</b>		<b>1,109,059,521</b>	<b>902,685,742</b>
<b>Non-cash transactions</b>			
Additions in Right-of-use assets against lease liabilities		18,267,517	124,243,233
Disposal in Right-of-use assets against lease liabilities		20,181,208	-

The accompanying notes from 1 to 35 form an integral part of these Consolidated Financial Statements.

HRH Mishal Bin Sultan Bin Abdulaziz Al Saud  
Chairman

Ghassab Bin Salman Bin Mandeel  
CEO

Heni A. Jallouli  
CFO

# Notes to the Consolidated Financial Statements

## 01 Organization and Activities

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

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

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

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

Branch name and location	Commercial registration number	Date
Jahez International Company for Information Systems Technology - Al-Kharj Branch	1011146000	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Al-Dawadmi Branch	1116625257	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Majmaah Branch	1122103468	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Buraidah Branch	1131297057	19 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Wadi Al-Dawasir Branch	1185103225	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Dammam Branch	2050122490	14 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Al-Hofuf Branch	2251497695	10 Rabi' I 1442H
Jahez International Company for Information Systems Technology - Hafr Al Batin Branch	2511120829	30 Sha'ban 1442H

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

Branch name and location	Commercial registration number	Date
Jahez International Company for Information Systems Technology - Hail Branch	3350142538	6 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Skaka Branch	3400120435	9 Rabi' II 1442H
Jahez International Company for Information Systems Technology - Tabouk Branch	3550135159	29 Rabi' I 1442H
Jahez International Company for Information Systems Technology - Jeddah Branch	4030323208	6 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Makkah Al Mukaramah Branch	4031249230	30 Sha'ban 1442H
Jahez International Company for Information Systems Technology - Al Taif Branch	4032245135	10 Rabi' I 1442H
Jahez International Company for Information Systems Technology - Al Madinah Al Monawarah Branch	4650207633	19 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Yanbou Branch	4700112396	11 Rabi' I 1442H
Jahez International Company for Information Systems Technology - Al Baha Branch	5800106200	9 Jumada' I 1442H
Jahez International Company for Information Systems Technology - Abha Branch	5850122780	13 Jumada' II 1440H
Jahez International Company for Information Systems Technology - Bisha Branch	5851876969	30 Sha'ban 1442H
Jahez International Company for Information Systems Technology - Jazan Branch	5900127812	30 Sha'ban 1442H
Jahez International Company for Information Systems Technology - Najran Branch	5950123043	21 Ramadan 1442H
Jahez International Company for Information Systems Technology - Al Qunfodah Branch	5900127812	22 Safar 1444H

On 27 October 2020, the shareholders decided to transfer the legal entity of the Company and its branches from a limited liability company to a Saudi closed joint stock company including its rights and obligations, as well as increasing its capital to SR 5 million by transferring SR 4 million from shareholders' accounts payable of the Company to the capital account, and the Company shall keep the same name, number and date of the commercial registration of the head office and all its branches. The shareholders have subscribed to the entire share capital amounting to 500,000 shares with a nominal value of SR 10 each.

On 15 Shawwal 1442H (corresponding to 27 May 2021), the extraordinary general assembly of shareholders approved the decision of the board of directors to increase the share capital to become SR 96,000,000 by issuing new shares against transferring an amount of SR 63,500,000 from the retained earnings, an amount of SR 26,000,000 from due to related parties accounts (shareholders), and an amount of SR 1,500,000 from the statutory reserve account.

On 2 Jumadah II 1443H (corresponding to 5 January 2022), the Company's shares were listed and started trading in the Parallel Market in the Kingdom of Saudi Arabia (Nomu) under code (9526). The Company's share capital has increased after the completion of the public offering from SR 96 million (divided into 192 million shares) to SR 104 million (divided into 208 million shares) through issuing 17.8 million shares at a nominal per value of SR 8.9 million. (note 12)

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:

		Country of Incorporation	% of ownership	
Legal entity			31 December 2023 (%)	31 December 2022 (%)
Joint Preparation Company for Meals	Limited Liability Company	Kingdom of Saudi Arabia	60	60
PIK Options Trading Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100	100
Supportive Solutions Company for Logistic Services	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100	100
The Red Color Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	100	100
Jahez International Company	(A Limited Liability Company)	Kingdom of Bahrain	100	100

## Financial Statements

For the year ended 31 December 2023

		Country of Incorporation	% of ownership	
Legal entity			31 December 2023 (%)	31 December 2022 (%)
Jahez International Company for Wholesales and Retail Trading	A Single Shareholder Limited Liability Company	Kuwait	100	100
Blu Store Company	A Single Shareholder Limited Liability Company	Kingdom of Saudi Arabia	51	51
Marn Business Information Technology Company	Limited Liability Company	Kingdom of Saudi Arabia	100	–
Jahez for Information Technology	(A Limited Liability Company)	Egypt	100	–
Jahez International Company for Information Systems Technology	(A Limited Liability Company)	Qatar	100	–
SOL Company for Trading	Limited Liability Company	Kingdom of Saudi Arabia	35	–

### Information about subsidiaries:



#### Joint Preparation Company for Meals:

On 20 July 2020, the Company signed an acquisition agreement to acquire shares that represent 60% of share capital of Joint Preparation Company for Meals (a limited liability company) amounting to SAR 25,000 million where the cost of the acquisition amounted to SAR 2.4 million. On 7 September 2020 (corresponding to 19 Muharram 1442H), The Company's Articles of Association and shareholding pattern have been amended to reflect the impact of the acquisition. The Company is engaged in the food service activities.

#### PIK Options Trading Company

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

### Supportive Solutions Company for Logistic Services

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

### The Red Color Company

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

### Jahez International Company for Information Systems Technology

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

### Jahez International Company for Wholesales and Retail Trading

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

### Blu Store Company

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

### Marn Business Information Technology Company

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

### Jahez for Information Technology

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

### Jahez International Company for Information Systems Technology

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

# Financial Statements

For the year ended 31 December 2023

## 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.

## 02 Basis of Preparation

### 2.1 Statement of compliance



These consolidated Financial Statements include the financial information of the Company and its subsidiaries (collectively referred to as "the Group"). These consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA").

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

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

### 2.2 Basis of Measurement



The consolidated Financial Statements have been prepared on historical cost convention, unless otherwise stated, using the accruals basis of accounting and the going concern concept.

### 2.3 Functional and Presentation Currency



The consolidated financial statements of the Company are presented in Saudi Riyals (SR) which is the Group's functional and presentation currency.



## 2.4 New standards and Amendments Issued



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

The following are a number of standards, amendments and interpretations of standards that were issued by the IASB in 2023.

Effective date	New accounting standards or amendment
1 January 2023	IFRS 17 Insurance contract Disclosure of accounting policies – Amendments to IAS 1 and IFRS practice statement 2 Definition of accounting estimates – Amendments to IAS 8 Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12
23 May 2023	International Tax Reform – Pillar two model rules – Amendment to IAS 12

New requirements that will be applied subsequently:

Effective date	New accounting standards or amendment
1 January 2024	Non-current Liabilities with Covenants –Amendments to IAS 1 and classification of liabilities as Current or Non-current – Amendments to IAS 1 Lease Liability in a Safe and Leaseback –Amendments to IFRS16 Supplier finance Arrangements–Amendments to IAS 7 and IFRS 7
1 January 2025	Lack of Exchangeability – Amendments to IAS 21
Available for optional adoption/effective date deferred indefinitely	Safe or Contribution of Assets between an Investor and its Assonate or Joint Venture – Amendments to IFRS 10 and/ IAS 28

The Management estimated that the application of the new standards and amendments has no significant impact on the Group's consolidated Financial Statements as at 31 December 2023.

# Financial Statements

For the year ended 31 December 2023

## 2.5 Significant Accounting Judgments, Estimates and Assumptions



The preparation of the consolidated Financial Statements requires Management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those on which the estimates were based.

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

The Group bases its assumptions and estimates on information available when preparing the consolidated financial statements. The assumptions and current conditions of future developments, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in assumptions when they occur.

## Employees' Benefits

Employees' benefits cost and present value of the liability is determined using an actuarial valuation involves making various assumptions which may differ from actual developments in the future. Such assumptions include determination of discount rate, future salary increases and mortality rates.

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

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

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

## Provision for Expected Credit Loss (ECLs) on Accounts Receivable

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

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

## Lease's Discount Rate

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

## Revenue Recognition

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

## Impairment Test of Intangible Assets and Goodwill

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

## Consolidation Whether the Group has Defacto Control Over an Investee;

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

## 03 Material Accounting Policies

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

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

## (a) Basis of Consolidation



### a.1 Business Combinations

The Group accounts for business 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.

# Financial Statements

For the year ended 31 December 2023

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

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

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

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

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

## a.2 Subsidiaries

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

## a.3 Non-controlling Interests

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

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

## a.4 Loss of Control

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

## (b) Property and Equipment



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

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

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

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

Depreciation methods, rates and residual values are reviewed annually and are adjusted if the current method and the estimated useful life or the residual value is different from the estimated in past. The effect of such changes is recognized in the consolidated statement of profit or loss prospectively.

Major renovations and improvements are capitalized if they extend the productivity or the operating useful life of the property and equipment.

Minor repairs and improvements are charged as expenses when incurred. Gains or losses resulting from disposal of property and equipment, which represent the difference between proceeds from sale and the carrying amount of assets, are recognized in the consolidated statement of profit or loss.

## (b) Intangible Assets



Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

# Financial Statements

For the year ended 31 December 2023

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

## Computers Software

Computer software licenses acquired from third parties are initially recognized at cost. Costs directly associated with the production of internally developed software, where it is probable that the software will generate future economic benefits, are recognized as intangible assets.

Capital work under development related to the development of intangible assets is stated at cost less accumulated losses, if any, and is not depreciated until the asset is available for use. Depreciation is charged to the consolidated statement of profit or loss and calculated using the straight-line basis over the estimated useful life of four years.

## Goodwill

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

## Research and Development

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

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

## (b) Inventory



Inventories are measured at the lower of cost or net realizable value. The cost of inventory is determined on the basis of the first-in-first-out method. Cost includes expenses incurred in acquiring the inventory, shipping, transportation, and insurance costs, custom duties, and any other direct expenses related to the acquisition of the inventory.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of making the sale.

## (c) Cash and Cash Equivalents



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

## (d) Fair Value Measurement



Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most appropriate market for the asset or liability.

The principal or the most appropriate market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy. This is disclosed as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets and liabilities can be obtained at the measurement date.
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly observable (such as prices) or indirectly.
- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (unobservable inputs).

For assets and liabilities that are recognized in the consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group has determined the policies and procedures for both recurring fair value measurement, and for non-recurring measurement.



# Financial Statements

For the year ended 31 December 2023

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.

## (f) Financial Instruments



### Classification and Measurement of Financial Assets and Financial Liabilities

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investments; FVOCI – equity investments; or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not classified at fair value through profit or loss.

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of investments in equity instruments that are not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The financial assets (unless they are receivables without a significant financing component that is initially measured at the transaction price) are initially measured at fair value, for an item not at FVTPL, plus transaction costs that are directly attributable to their acquisition.

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

<b>Financial Assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial Assets at Amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
<b>Investments in Debt Instruments at FVOCI</b>	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity Investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

## Impairment of Financial Assets

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

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

# Financial Statements

For the year ended 31 December 2023

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

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

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

## Measurement of ECLs

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

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

## Presentation of Impairment

### Impaired Financial Assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are impaired. A financial asset is impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

### Financial Liabilities

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

## Derecognition Financial Assets

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

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

## Financial Liabilities

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

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

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

## (h) Employees' Benefits



### Short-term Benefits

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

### Post-employment Benefits

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

## Financial Statements

For the year ended 31 December 2023

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Past-service costs are recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

The interest cost is calculated by applying the discount rate to the balance of the defined benefits obligations. This cost is included in employee benefit expense in the consolidated statement of income. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

### (i) Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate for the consideration required to settle the present obligation at the end of reporting date taking into account risk and doubts specific to liability.

When the Group expects to pay some or all of the provisions (for example, insurance contracts, compensation terms or supplier guarantees), the payment is recognized as a separate asset. When payment is almost certain, expenses relating to provision are recognized in the consolidated statement of profit or loss, net of any compensation.

In case the effect of the time value of money is of relative importance, the provisions are determined by discounting estimated cash flows by pre-tax rate that reflects current market assessments for time value of money and risks related to the obligation. The unwinding of the discount is recognized as finance cost.

### (j) Contingent Liabilities



These are probable obligations arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or present obligation not recorded because the need for flow of resources to settle the obligation is not probable. In case the amount of the obligation cannot be measured with sufficient reliability, this amount is not recognized as contingent liabilities but disclosed in the consolidated Financial Statements.

## (k) Foreign Currency Transactions



Transactions denominated in foreign currencies are translated to Saudi Riyals at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the financial position date are translated to Saudi Riyals at the foreign exchange rate ruling at that date. Gains or losses arising on exchanges are recognized in the consolidated statement of profit or loss currently.

## (l) Expenses



Advertising and publicity expenses are those arising from the Group's efforts underlying the marketing functions. All other expenses, excluding cost of revenue and financial charges, are classified as general and administrative expenses and research and development expenses. Allocations of common expenses between cost of revenue and general and administrative expenses and research and development expenses, when required, are made on a consistent basis.

## (m) Zakat



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

## (n) Revenue recognition



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

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

<b>Step 1:</b> 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.
<b>Step 2:</b> 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.
<b>Step 3:</b> 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.
<b>Step 4:</b> 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.
<b>Step 5:</b> 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.

# Financial Statements

For the year ended 31 December 2023

## Commissions Revenue and Revenue from Delivery Services

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

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

## Revenue from E-payment Fees

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

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

## Advertising and Marketing Revenue

Revenue associated with advertising and marketing services are recognized over time by measuring the Company's progress towards satisfaction of a performance obligation using output method.

## Other Revenue

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

## Variable Consideration

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

## (o) Leases



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

## Group as a Lessee

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

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



The Group shall recognize a right-of-use asset at the commencement date (i.e. the date on which the 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.

## Group as a Lessee

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

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

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

## Short-term Leases

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

## Extension Options

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

# Financial Statements

For the year ended 31 December 2023

## (p) Segments Reporting



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

## (q) Earnings Per Share



The Group presents basic and diluted earnings per share data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of the ordinary shares outstanding during the period. Diluted earnings per share is determined by the weighted average number of ordinary shares outstanding, adjusted for the number of expected vested shares granted for share based payment program.

## (r) Projects in Progress



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

## (s) Share-based Payments



Employees of the Company (including senior executives) will be awarded incentives under share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) or cash equivalents of the shares fair value (i.e., cash-settled transactions) The Company measures the cost of cash-settled transactions by reference to the fair value of share options under share-based payment arrangements. For share-based payment transactions, this valuation refers to the fair value at the vesting date. For cash-settled transactions, this refers to the fair value at each reporting date using an appropriate valuation model. For more details, see note (14).

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

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

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

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

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

### 04 Property and Equipment

	Tools and instruments	Computers	Furniture and fixtures
<b>Cost</b>			
<b>Balance as at 1 January 2022</b>	<b>145,388</b>	<b>2,644,009</b>	<b>2,165,511</b>
Additions	1,300	3,142,096	1,341,343
Transferred from projects under construction	–	–	–
<b>Balance as at 31 December 2022</b>	<b>146,688</b>	<b>5,786,105</b>	<b>3,506,854</b>
Additions	276,955	6,946,560	2,172,777
Transferred from projects under construction	–	–	–
<b>Balance as at 31 December 2023</b>	<b>423,643</b>	<b>12,732,665</b>	<b>5,679,631</b>
<b>Accumulated depreciation:</b>			
<b>Balance as at 1 January 2022</b>	<b>90,507</b>	<b>1,014,310</b>	<b>1,204,163</b>
Depreciation for the year	22,598	983,569	497,556
<b>Balance as at 31 December 2022</b>	<b>113,105</b>	<b>1,997,879</b>	<b>1,701,719</b>
Depreciation for the year	64,186	2,333,947	845,496
<b>Balance as at 31 December 2023</b>	<b>177,291</b>	<b>4,331,826</b>	<b>2,547,215</b>
<b>Net book value:</b>			
<b>As at 31 December 2023</b>	<b>246,352</b>	<b>8,400,839</b>	<b>3,132,416</b>
As at 31 December 2022	33,583	3,788,226	1,805,135

\*Projects in construction mainly include cloud kitchens projects to extend the operation of the group.

## Financial Statements

For the year ended 31 December 2023  
(Saudi Riyal)

Electric equipment	Central kitchens	Decorations and leasehold improvements	Motor vehicles	Projects under construction	Total
<b>1,356,488</b>	<b>1,202,275</b>	<b>3,364,542</b>	<b>138,352</b>	<b>772,023</b>	<b>11,788,588</b>
3,926,916	5,816,802	9,959,016	622,670	12,355,332	37,165,475
-	-	801,992	-	(801,992)	-
<b>5,283,404</b>	<b>7,019,077</b>	<b>14,125,550</b>	<b>761,022</b>	<b>12,325,363</b>	<b>48,954,063</b>
2,654,156	8,727,131	2,142,186	669,015	-	23,588,780
-	-	325,210	-	(325,210)	-
<b>7,937,560</b>	<b>15,746,208</b>	<b>16,592,946</b>	<b>1,430,037</b>	<b>12,000,153</b>	<b>72,542,843</b>
568,025	127,479	998,533	2,557	-	4,005,574
462,779	680,385	1,824,918	121,013	-	4,592,818
<b>1,030,804</b>	<b>807,864</b>	<b>2,823,451</b>	<b>123,570</b>	<b>-</b>	<b>8,598,392</b>
924,727	4,084,383	1,519,718	332,764	-	10,105,233
<b>1,955,531</b>	<b>4,892,247</b>	<b>4,343,169</b>	<b>456,334</b>	<b>-</b>	<b>18,703,613</b>
<b>5,982,029</b>	<b>10,853,961</b>	<b>12,249,777</b>	<b>973,703</b>	<b>12,000,153</b>	<b>53,839,230</b>
4,252,600	6,211,213	11,302,099	637,452	12,325,363	40,355,671

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

### 05 Intangible Assets and Goodwill

31 December	Note	2023	2022
Software and Intellectual property rights	5.1	14,558,495	5,724,786
Goodwill	5.2	66,443,862	-
		81,002,357	5,724,786

### 5.1 Software and Intellectual property rights



	Software	Intellectual property rights	Projects in progress	Total
<b>Cost</b>				
<b>Balance as at 1 January 2022</b>	7,369,767	-	1,049,262	8,419,029
Additions	1,183,232	500,000	1,279,324	2,962,556
<b>Balance as at 31 December 2022</b>	8,552,999	500,000	2,328,586	11,381,585
Additions	13,940,855	-	988,943	14,929,798
<b>Balance as at 31 December 2023</b>	22,493,854	500,000	3,317,529	26,311,383
<b>Accumulated Amortization</b>				
<b>Balance as at 1 January 2022</b>	4,558,964	-	-	4,558,964
Amortization for the year	993,669	104,166	-	1,097,835
<b>Balance as at 31 December 2022</b>	5,552,633	104,166	-	5,656,799
Amortization for the year	5,971,089	125,000	-	6,096,089
<b>Balance as at 31 December 2023</b>	11,523,722	229,166	-	11,752,888
<b>Net carrying amount</b>				
<b>As at 31 December 2023</b>	10,970,132	270,834	3,317,529	14,558,495
As at 31 December 2022	3,000,366	395,834	2,328,586	5,724,786

## 5.2 Goodwill



The goodwill relates to the acquisition of Marn Business Information Technology Company in 2023 and SOL Company for Trading (note 32)

	Marn Business Information Technology Company	SOL Company for Trading
<b>Cost</b>		
Balance as at 1 January 2022	–	–
Balance as at 31 December 2022	–	–
On acquisition of subsidiary	62,353,937	4,089,925
<b>Balance as at 31 December 2023</b>	<b>62,353,937</b>	<b>4,089,925</b>
<b>Accumulated Impairment</b>		
Balance as at 1 January 2022	–	–
Balance as at 31 December 2022	–	–
Balance as at 31 December 2023	–	–
<b>Net carrying amount</b>		
<b>As at 31 December 2023</b>	<b>62,353,937</b>	<b>4,089,925</b>
As at 31 December 2022	–	–

### Marn Business Information Technology Company

Goodwill is subject to annual impairment testing. Assets are tested for impairment by comparing the carrying amount of each CGU to the fair value amount which has been determined based on fair value calculation using cash flow projections based on financial forecasts approved by management covering a six-year period. The discount rate is applied to cash flow projections for respective CGUs that varies in the range of 33% to 35%.

The calculation of fair value is most sensitive to the assumptions on sales growth rates and discount rates.



## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Sales growth rate	Average annual growth rate over the Six-year forecast period; based on past performance and management's expectations of market development
Discount rate	A discount rate, namely weighted average cost of capital (WACC), is applied for specific business areas based on assumptions regarding interest rates and risk premiums and is recalculated to a ('Discount rate')

Assumptions used for fair value calculations is most sensitive were:

### Sensitivity to Changes in Assumptions

The implications of changes to the key assumptions are discussed below:

#### (a) Sales Growth Assumption

The sales growth in the forecast period of six years has been estimated to be a average annual growth rate of 137%. If all other assumptions kept the same; a reduction of this growth rate by 10% would give a fair value exceed the current carrying amount.

#### (b) Discount rate

The Pre-tax discount rate in the forecast period has been estimated to be 34%. If all other assumptions kept the same; an increase of this discount rate to 44% would give a fair value exceed the current carrying amount.

### SOL Company for Trading

On 26 December 2023, the Group completed the process and legal formalities of the acquisition of 35% of the shares of SOL Company for Trading (limited liability company) for cash consideration of SAR 5 Million. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the "Standard"). As required by the Standard, the Group is currently in the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities acquired. The Group has, however, accounted for the acquisition based on provisional fair values of the acquired assets and assumed liabilities as at the acquisition date. Adjustment to the provisional values will be finalized within twelve months of the date of acquisition as allowed by the Standard.

## 06 Right-of-use Assets and Lease Liabilities

	Buildings	Motor vehicles	Lands	Total
<b>Cost</b>				
<b>Balance as at 1 January 2022</b>	<b>12,668,711</b>	<b>17,679,324</b>	<b>-</b>	<b>30,348,035</b>
Additions	28,716,419	95,340,098	186,716	124,243,233
<b>Balance as at 31 December 2022</b>	<b>41,385,130</b>	<b>113,019,422</b>	<b>186,716</b>	<b>154,591,268</b>
Additions	19,312,440	48,374	-	19,360,814
Disposals	(4,727,569)	(15,266,923)	(186,716)	(20,181,208)
<b>Balance as at 31 December 2023</b>	<b>55,970,001</b>	<b>97,800,873</b>	<b>-</b>	<b>153,770,874</b>
<b>Depreciation</b>				
<b>Balance as at 1 January 2022</b>	<b>2,896,946</b>	<b>349,742</b>	<b>-</b>	<b>3,246,688</b>
Depreciation for the year	5,038,705	12,752,946	48,427	17,840,078
<b>Balance as at 31 December 2022</b>	<b>7,935,651</b>	<b>13,102,688</b>	<b>48,427</b>	<b>21,086,766</b>
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)
<b>Balance as at 31 December 2023</b>	<b>18,214,254</b>	<b>38,641,762</b>	<b>-</b>	<b>56,856,016</b>
<b>Net carrying amount</b>				
<b>As at 31 December 2023</b>	<b>37,755,747</b>	<b>59,159,111</b>	<b>-</b>	<b>96,914,858</b>
As at 31 December 2022	33,449,479	99,916,734	138,289	133,504,502

For the year ended 31 December	2023	2022
Amounts recognized in the consolidated statement of profit or loss and other comprehensive income		
Depreciation of right-of-use assets	<b>46,013,439</b>	17,840,078
Interest expense on lease liabilities	<b>5,459,296</b>	3,155,960

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

### Lease Liabilities

For the year ended 31 December	2023	2022
<b>Balance as at 1 January</b>	<b>129,001,911</b>	26,165,156
Additions during the year	<b>19,307,092</b>	124,243,233
Paid during the year	<b>(37,103,596)</b>	(24,562,437)
Disposals during the year	<b>(20,691,641)</b>	–
Annual interest cost	<b>5,459,296</b>	3,155,959
<b>Balance as at 31 December</b>	<b>95,973,062</b>	129,001,911

31 December	2023	2022
<b>Lease liabilities recognized in the consolidated statement of financial position</b>		
Current	<b>32,971,145</b>	32,168,120
Non-current	<b>63,001,917</b>	96,833,791
<b>Total lease liabilities under right-of-use assets</b>	<b>95,973,062</b>	129,001,911

### 07 Investments At FVTPL

The Company's investments represent equity shares in non-listed company "HALALAH COMPANY LTD" "OMNIFUL, INC.", "PARCEL HOLDING COMPANY W.L.L", "REDBOX 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	2023	2022
Balance at the beginning of the year	<b>22,728,737</b>	19,837,032
Additions during the year	<b>58,040,982</b>	1,125,000
Fair value differences	<b>3,326,897</b>	1,766,705
Balance at the end of the year	<b>84,096,616</b>	22,728,737

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Growth/Sales Multiplier	Economic factor that, when increased or changed, causes increases or changes in value or sales economic variables.
Discount for Lack of Marketability (DLOM)	A fixed percentage to reduce an asset or investment value due to its limited marketability or liquidity.
Discount for Lack of Control (DLOC)	A fixed percentage to reduce the value of minority shares since the minority shareholder does not have controlling ownership interest in a company.

Assumptions used for fair value calculations to which the fair value is most sensitive were:

## Sensitivity to Changes in Assumptions

The implications of changes to the key assumptions are discussed below:

### (a) Sales Growth multiplier

The sales growth multiplier has been estimated to be a compound annual growth rate between 3x to 4.5x.

### (b) Discount for Lack of Marketability (DLOM)

The discount for Lack of Marketability (DLOM) rate in the forecast period has been estimated to be between 17% to 20%.

### (c) Discount for Lack of Control (DLOC)

The discount for Lack of Control (DLOC) rate in the forecast period has been estimated from 11% to 18%.

## 08 Trade Receivables

31 December	Note	2023	2022
Trade receivables		30,036,991	22,759,260
Related parties	19	6,388,408	17,130
		36,425,399	22,776,390

31 December	2023	2022
Trade receivables	36,096,842	23,788,440
Less: provision for impairment loss on trade receivables	(6,059,851)	(1,029,180)
	30,036,991	22,759,260

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

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

31 December	2023	2022
Balance at the beginning of the year	1,029,180	4,785,006
Provided/(Reversal) during the year	5,030,671	(3,755,826)
	6,059,851	1,029,180

### 09 Prepaid Expenses and Other Receivables

31 December	2023	2022
Prepaid expenses	58,499,673	65,231,190
Staff advances and custodies	1,326,304	1,477,414
Deposit of letters of guarantee	-	2,250,000
Other	12,248,603	13,225,957
	72,074,580	82,184,561

### 10 Cash and Cash Equivalents

31 December	2023	2022
Current accounts with banks*	558,340,581	602,173,952
Short term deposits **	550,000,000	300,000,000
Cash in hand	718,940	511,790
	1,109,059,521	902,685,742

\* Current accounts with banks include amounts collected on behalf of customers and are settled against the balance of proceeds due to customers on a weekly basis (note 16).

\*\* The short term deposits carry a constant rate of return (from 4% to 8%) and a maturity less than three months.

### 11 Deposits with Financial Institutions

This includes the investment in term deposit certificates (Murabaha) of financial institutions with maturity of more than 3 months and less than 12 months at the rate of (from 4% to 8%) annually (31 December 2022: from 3% to 5%).

### 12 Share Capital

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



On 2 Jumadah II 1443H (corresponding to 5 January 2022), the Company's shares were listed and started trading in the Parallel Market in Kingdom of Saudi Arabia (Nomu) under code (9526). The Company's share capital has increased after the completion of the public offering from SR 96 million (divided into 192 million shares) to SR 104 million (divided into 209.8 million shares) through issuing 17.8 million shares at a par value of SR 8,9 million. The share value on the issue date was SR 42.5 and the movement in share capital and share premium is as follows:

## Financial Statements

For the year ended 31 December 2023  
(Saudi Riyal)

	Number of shares	Share capital (Saudi Riyal)	Share premium (Saudi Riyal)
Balance at 1 January 2022	192,000,000	96,000,000	–
Issuance of new shares at SR 42.5 per share (SR 0.5 par value)	17,836,060	8,918,030	749,114,520
Transaction costs on new share issue	–	–	(10,339,835)
Additional contributions from Company's shareholders	–	–	1,400,819
<b>Balance at 31 December 2022</b>	<b>209,836,060</b>	<b>104,918,030</b>	<b>740,175,504</b>

### Treasury shares

On 22 Jumada I 1443H (corresponding to 26 December 2021), the Company entered into an agreement to purchase 3.8 Million shares of its shares from the Company's shareholders (2.3 Million shares of its shares owned by ALAMAT International Company and 1.5 Million shares of its shares owned by Hefz Osool Ta'atheer Company for Communications and Information Technology) at a cost of SR 0.5 per share, with a cash consideration of SR 1.9 million. The shares were allocated at the time of completion of the public offering process which is mentioned above, the Company held these shares as treasury shares to support future employees long term incentive scheme (note 14).

### 13 Statutory Reserve

On 15 Jamada Alawal 1445H (corresponding to 29 November 2023) the Extraordinary General Assembly approved amendment of the Company's Bylaws in accordance with the new Companies Law which became effective as at 19 January 2023. As per the new Company's Bylaws and in light of the new Companies Law and the amended by laws, the company is not required to transfer net profit to statutory reserve.

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

### 14 Share-Based Payments Program

The Company granted share-based payments arrangements to employees at the beginning of April 2022. On 8 June 2021, the Board of Directors proposed shares options program which was approved by the shareholders on 9 June 2021. This plan objective is to distribute 3.8 Million treasury shares purchased by the Company from the Company's shareholders under purchase of shares contract dated on 26 December 2021 concluded on 5 January (2.3 Million shares of its shares owned by ALAMAT International Company and 1.5 Million shares of its shares owned by Hefz Osool Ta'atheer Company for Communications and Information Technology). The shares options will be granted through the plan in five cycles commencing on 1 April 2022, 1 April 2023, 1 April 2024, 1 April 2025 and 1 April 2026.

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

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

First Cycle	Tier 1
Grant date	1 April 2022
Total number of shares granted	528,800
The average fair value per share on grant date (*)	55.83
Vesting date	31 March 2024
Settlement method	Equity

(\*) The options are valued at the fair value on the grant date of first cycle on 1 April 2022, using the Black Scholes method which takes into account the exercise price, option term, effect of reduction (where material), share price on the vesting date and expected fluctuation price of basic earnings per share, and expected dividend yield. Risk-free interest rate for the option term, contingencies and fluctuations for similar Group's companies. The fair value of the option as on 1 April 2022, based on the exercise price of SR 0.5 is SR 55.83.

The Company formulated the granting agreement for the second cycle and it was signed by the Company and the employees on 15 May 2023, which is the grant date of the second cycle of shares options. The condition associated with realizing shares options under the second cycle is the employee's two-year service condition, which will be completed on 14 May 2025. At the end of the vesting period, the Company may elect to issue shares or cash equivalent to the fair value through the shares at the end of the vesting period.



During 2023, the Company has granted Tier 2 of the program as the following:

Second Cycle	Tier 2
Grant date	15 May 2023
Total number of shares granted	668,920
The average fair value per share on grant date (*)	24.78
Vesting date	14 May 2025
Settlement method	Equity

(\*) The options are valued at the fair value on the grant date of second cycle on 14 May 2023, using the Black Scholes method. The fair value of the option as on 14 May 2023, based on the exercise price of SR 0.5 is SR 24.78.

Total expenses related to the program for the year ended 31 December 2023 amounts SR 19.4 million, which were included in the expenses items in the consolidated statement of profit or loss and other comprehensive income, with the corresponding amount recorded in the share-based payments reserve item in the equity in accordance with the requirements of IFRS 2: share-based payments.

## 15 Employees' Benefits Obligations

The Group has a post-employment defined benefit plan. The benefits are applicable under Saudi Labor Law. These benefits are based on employees' final salaries and allowances and their cumulative years of service, as stated in the laws of Kingdom of Saudi Arabia. The following table summarizes the components of the net benefit expense recognized in the consolidated statement of profit or loss and other comprehensive income and amounts recognized in the consolidated statement of financial position.

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

<b>Defined benefit obligations at 1 January 2022</b>	<b>5,838,118</b>
Interest cost	186,300
Current service cost	5,388,426
Amount recognized in profit and loss	5,574,726
Re-measurements gains recognized in other comprehensive income	189,362
Benefits paid during the year	(712,817)
<b>Defined benefit obligation at 31 December 2022</b>	<b>10,889,389</b>
Additions from acquisitions	911,924
Interest cost	566,089
Current service cost	7,959,954
Amount recognized in profit and loss	8,526,043
Re-measurement loss recognized in other comprehensive income	(1,571,043)
Benefits paid during the year	(1,500,632)
<b>Defined benefit obligations at 31 December 2023</b>	<b>17,255,681</b>

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

### (b) Sensitivity analyses

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

31 December	2023 (%)	2022 (%)
Discount rate	4.8	5.2
Future salary increases	4.0	5.0

A quantitative sensitivity analysis for significant assumptions as at 31 December 2023 and 31 December 2022 is shown below:

	Discount rate	
	Increase by 1%	Decrease by 1%
<b>Defined benefit obligations as at 31 December 2023</b>	<b>15,592,517</b>	19,284,113
Defined benefit obligations as at 31 December 2022	<b>9,681,083</b>	12,366,576

	Salary increase rate	
	Increase by 1%	Decrease by 1%
<b>Defined benefit obligations as at 31 December 2023</b>	<b>19,361,263</b>	15,502,290
Defined benefit obligations as at 31 December 2022	<b>12,412,918</b>	9,622,338

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

### 16 Proceeds due to Customers

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

## 17 Trade Payable

31 December	2023	2022
Trade payable	76,674,274	51,111,077
Related parties (note 19)	6,899,099	1,050,208
	83,573,373	52,161,285

## 18 Accrued Expenses and Other Current Liabilities

31 December	2023	2022
Accrued expenses	70,804,517	42,078,075
Third party deposits	14,944,030	15,000,659
Accrued employees' benefits	30,037,176	11,178,530
	115,785,723	68,257,264

## 19 Related Party Transactions

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

### Related party transactions 31 December 2023

Related party	Nature of relationship	Nature of the transaction	Amount of transaction
The Eight Creations Agency for Advertising	A Company owned by a shareholder in a subsidiary (Joint Preparation Company for Meals)	Advertisement and publicity services	1,576,478
Tharwa Holding Company	A Company owned by the Chairman of the Group	Leases and maintenance services	1,509,325
Halalah Trading Company	A Company owned by A Shareholder	Purchases invoices	145,107
Al Hilal Investing Company	A Shareholder in a Subsidiary (Blu Store Company)	Collection on behalf of the company	17,386,812
		Purchase of goods	12,587,226
Dar AlFikrah	A Company owned by a family member of the Chairman of the Group	Construction Services	2,721,610
Halala International Transport Vehicles Steering Company	A Company owned by the deputy CEO	Logistics services	651,604
		Collection on behalf of the group	(433,887)

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

Related party	Nature of relationship	Nature of the transaction	Amount of transaction
Nutria Restaurant *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	–
Raz Catering Company *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	–
The hundred Innovation institution for providing meals *	A Company owned by A Shareholder in a Subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	–
Abdullah Suliman Alzamil *	A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	–
Hisham Abdu Al Hazza*	A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	–
Abdulaziz Talal Al Tamimi*	A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	–
RAZ holding company*	A Company owned by A Shareholder in subsidiary (SOL Company for Trading)	No transactions during the period from acquisition date to financial statement date	–

\* On 26 December 2023, the Group acquired SOL Trading Company (Note 32.b), the balances are outstanding in SOL Financial Statements as at 31 December 2023, and during the period from acquisition date (26 December 2023) to Group financial statement date (31 December 2023), the Group do not have any transactions with the related parties.

## Related party transactions 31 December 2022

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

## (a) Due from related parties

31 December	2023	2022
Tharwa Holding Company	20,625	5,625
ALAMAT International Company Limited	2,547	2,547
Halalah International Company	-	8,958
Nutria Restaurant	820,460	-
Raz Catering Company	5,150,426	-
The hundred Innovation institution for providing meals	13,800	-
Abdullah AlZamil	330,000	-
Hisham Abdu Al Hazza	50,550	-
	6,388,408	17,130

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

### (b) Due to related parties

31 December	2023	2022
Halalah International Company	-	54,386
Halalah Trading Company	-	264,390
The Eight Creations Agency for Advertising	71,875	151,513
Abdulaziz bin Abdul Rahman Al-Omaran	-	36,000
Dar AlFikrah Company	40,624	543,919
Al Hilal Investing Company	6,336,892	-
Hisham Abdu Al Hazza	100,000	-
Abdullah Suliman Alzamil	7,267	-
Abdulaziz Talal Al Tamimi	327,982	-
RAZ holding company	14,459	-
	6,899,099	1,050,208

### Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at year-end arise in the normal course of business. For the years ended 31 December 2023 and 2022, the amounts owed by related parties are not impaired.

### Compensation and benefits to key management personnel

31 December	2023	2022
Salaries and short-term benefits	8,958,733	7,598,583
End-of-service benefits	458,477	407,861
Share based payment	9,501,227	5,588,741
Total compensation and benefits to key management personnel	18,918,437	13,595,185

## 20 Zakat

### (a) Zakat Status

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

## Financial Statements

For the year ended 31 December 2023  
(Saudi Riyal)

Jahez International  
Company for Information  
Systems Technology

The Group submitted its Zakat returns for all the years up to the year ended 31 December 2022 to the Zakat, Tax and Customs Authority ("ZATCA"), and obtained a valid Zakat certificate up to 21 Shawwal 1445H (corresponding to 30 April 2024).

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

For the year ended 31 December	2023	2022
Adjusted net income	278,931,532	86,428,698
<b>Add:</b>		
Share capital	104,918,030	96,000,000
Statutory Reserve	18,420,724	-
Capital increase	-	8,795,865
Share Premium	740,175,505	730,036,114
Employees' shares reserve	11,896,912	12,523,023
Treasury shares	(1,920,000)	-
Retained earnings	131,634,562	78,744,619
Non-controlling interests	-	1,048,659
Lease liabilities	79,741,802	129,001,911
End of service provision	11,020,623	10,286,494
Proceeds due to customers	-	118,800,899
Accrued expenses and other liabilities	2,393,708	-
<b>Less:</b>		
Property and equipment	19,356,876	40,355,671
Intangible assets	10,605,571	5,724,786
Right-of-use assets	80,713,077	133,504,503
Investments at FVTPL	124,783,985	10,650,000
Total	862,822,357	995,002,624
Zakat base	1,168,564,753	1,112,349,483
Zakat expense	29,214,119	27,808,737
Zakat (excess)/adjustments for prior years	(2,148,489)	495,705
Total Zakat expense	27,065,630	28,304,442

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

### (b) Zakat provision

Movement in Zakat provision is as follows:

31 December	2023	2022
Balance at the beginning of the year	27,808,737	4,491,618
Provided for the year	29,214,119	28,304,442
Additions from acquisitions	(319)	-
Payments made during the year	(25,611,850)	(4,987,323)
Zakat excess for prior years	(2,148,170)	-
Balance at the end of the year	29,262,517	27,808,737

## 21 Revenue

For the year ended 31 December	2023	2022
Revenue from delivery fees	1,043,998,059	989,576,203
Revenue from commissions	689,407,989	534,226,310
Revenue from e-payment fees	84,815,606	72,522,725
Advertising and marketing revenue	74,851,414	70,026,807
Other revenue	26,691,663	5,319,450
<b>Gross revenue</b>	<b>1,919,764,731</b>	<b>1,671,671,495</b>
Customers' compensations	(72,442,241)	(41,775,506)
Promotional compensations	(33,185,544)	(25,493,258)
Cash back	(29,381,663)	(1,925,892)
<b>Net revenue</b>	<b>1,784,755,283</b>	<b>1,602,476,839</b>

### 21.2 Timing of revenue recognition



For the year ended 31 December	2023	2022
Services delivered at a point in time	1,683,212,206	1,527,130,582
Services delivered over time	101,543,077	75,346,257
	<b>1,784,755,283</b>	<b>1,602,476,839</b>



## Financial Statements

For the year ended 31 December 2023  
(Saudi Riyal)

### 22 Cost of revenue

For the year ended 31 December	2023	2022
Cost of delivery – Delivery companies and freelancers	<b>970,928,288</b>	1,004,337,340
Network servers	<b>22,237,785</b>	13,928,536
Salaries, wages and employees' benefits	<b>207,553,697</b>	102,022,856
Consumables	<b>5,244,146</b>	6,076,114
Delivery platform	<b>30,055,037</b>	25,507,957
Depreciation and amortization	<b>36,268,057</b>	16,749,797
Platform services	<b>61,111,315</b>	41,919,011
Cost of goods sold	<b>6,774,177</b>	–
Other Drivers related Cost	<b>11,150,327</b>	–
Other	<b>27,554,931</b>	32,755,391
	<b>1,378,877,760</b>	1,243,297,002

### 23 Marketing and advertising expenses

For the year ended 31 December	2023	2022
Advertising and publicity	<b>115,872,593</b>	112,916,978
Salaries, wages and employees' benefits	<b>34,095,864</b>	18,460,588
	<b>149,968,457</b>	131,377,566

### 24 General and administrative expenses

For the year ended 31 December	2023	2022
Salaries, wages and employees' benefits	<b>38,701,862</b>	21,208,661
Depreciation and amortization	<b>13,221,362</b>	6,779,484
Other expenses related to drivers *	–	79,528,187
Professional fees	<b>18,033,218</b>	10,143,563
Missions, maintenance and operation	<b>10,645,539</b>	6,962,978
Other	<b>25,592,625</b>	11,826,689
	<b>106,194,606</b>	136,449,562

\* Other expenses related to drivers includes an amount of SR 62,687,871 in 2022 represent the value of salaries, wages and benefits of drivers for a period before the completion of the necessary procedures to join the operating team. and it includes other governmental charges with a total of SR 16,840,316 represent the losses incurred by the Company for terminating the services of drivers, no such expenses incurred in 2023.

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

### 25 Research and Developments

For the year ended 31 December	2023	2022
Salaries, wages and employees' benefits	37,315,471	23,252,805
External resources	4,551,270	10,531,264
	41,866,741	33,784,069

### 26 Segment Information

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

The activities of the Company for which financial reports are prepared according to IFRS 8 are listed below:

- (a) Delivery platforms activity inside the Kingdom: this activity is to provide services of delivering food and other goods via electronic platforms inside the Kingdom.
- (b) Delivery platforms activity outside the Kingdom: this activity is to provide services of delivering food and other goods via electronic platforms through the two subsidiaries; Jahez Company in the Kingdom of Bahrain and Jahez Company in Kuwait.
- (c) Logistics services activity: it includes the logistics support operations and directing goods transporting vehicles.
- (d) Other activities such as Cloud kitchens and other software services.

The CODM used to receive the other operating information in an accumulated basis and they are the same information that is provided to the Group's Board of Directors for the purposes of resource allocation and assessment of segment performance.

## Financial Statements

For the year ended 31 December 2023  
(Saudi Riyal)

31 December 2023	Delivery Platforms Segment		Logistics activity	Other activities		Exclusions amendments	Total
	Inside the Kingdom SR	Outside the Kingdom SR	Inside the Kingdom SR	Inside the Kingdom SR	Outside the Kingdom 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)
<b>Net revenue</b>	<b>1,717,063,537</b>	<b>48,472,746</b>	<b>404,126,392</b>	<b>14,620,347</b>	<b>-</b>	<b>(399,527,739)</b>	<b>1,784,755,283</b>
Direct costs	(1,254,239,577)	(108,729,284)	(363,535,370)	(22,710,285)	-	399,527,739	(1,349,686,777)
Impairment loss on trade receivables	(1,022,887)	-	(4,077,784)	-	-	-	(5,100,671)
Expenses	(205,558,815)	(35,749,375)	(16,831,219)	(19,591,959)	-	-	(277,731,368)
Depreciation and amortization	(17,615,492)	(1,251,652)	(21,383,189)	(9,239,086)	-	-	(49,489,419)
Other income/ (expenses)	47,384,339	87,608	(17,404)	1,018,592	-	-	48,473,135
Finance costs	(400,582)	(17,799)	(4,271,781)	(766,782)	-	-	(5,456,944)
Zakat	(27,065,630)	-	-	-	-	-	(27,065,630)
<b>Net segment profit</b>	<b>258,544,893</b>	<b>(97,187,756)</b>	<b>(5,920,355)</b>	<b>(36,669,173)</b>	<b>-</b>	<b>-</b>	<b>118,697,609</b>
<b>Total assets</b>	<b>1,521,212,523</b>	<b>33,520,937</b>	<b>115,069,750</b>	<b>181,859,060</b>	<b>-</b>	<b>(200,866,430)</b>	<b>1,650,795,840</b>
<b>Total liabilities</b>	<b>400,674,431</b>	<b>143,411,289</b>	<b>248,012,393</b>	<b>198,951,366</b>	<b>-</b>	<b>(485,732,583)</b>	<b>505,316,896</b>

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

31 December 2022	Delivery Platforms Segment		Logistics activity	Other activities	Exclusions amendments	Total
	Inside the Kingdom SR	Outside the Kingdom SR	Inside the Kingdom SR	Inside the Kingdom SR	SR	SR
External Revenue	1,662,716,676	4,129,136	-	5,166,573	-	1,672,012,385
Inter-segment revenue	-	-	310,371,872	-	(310,371,872)	-
Customer promotions and cash back	(69,194,656)	(340,890)	-	-	-	(69,535,546)
Other deductions	-	-	-	-	-	-
<b>Net Revenue</b>	<b>1,593,522,020</b>	<b>3,788,246</b>	<b>310,371,872</b>	<b>5,166,573</b>	<b>(310,371,872)</b>	<b>1,602,476,839</b>
Direct costs	(1,196,633,074)	(12,545,315)	(336,602,367)	(5,467,980)	313,608,484	(1,237,640,252)
Impairment loss on trade receivables	3,757,461	-	-	-	-	3,757,461
Expenses	(195,255,027)	(4,869,508)	(3,008,776)	(1,077,266)	-	(204,210,577)
Other cost	-	-	(79,528,187)	-	-	(79,528,187)
Depreciation and amortization	(6,818,670)	(118,083)	(13,348,221)	(3,244,209)	-	(23,529,183)
Other income/(expenses)	24,253,198	-	635,217	1,769,173	-	26,657,588
Finance costs	(376,589)	-	(2,391,059)	(388,312)	-	(3,155,960)
Zakat	(28,304,442)	-	-	-	-	(28,304,442)
<b>Net segment profit</b>	<b>194,144,877</b>	<b>(13,744,660)</b>	<b>(123,871,521)</b>	<b>(3,242,021)</b>	<b>3,236,612</b>	<b>56,523,287</b>
<b>Total assets</b>	<b>1,296,681,041</b>	<b>7,114,300</b>	<b>136,544,144</b>	<b>66,842,974</b>	<b>(96,297,299)</b>	<b>1,410,885,160</b>
<b>Total liabilities</b>	<b>309,367,019</b>	<b>20,421,730</b>	<b>264,028,273</b>	<b>59,276,198</b>	<b>(246,173,735)</b>	<b>406,919,485</b>

### 27 Financial Instruments

The Group is subjected to various financial risks due to its activities including: Market risk (including currency risk, fair value and cash flows of interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The Board of Directors is responsible for risk management. Financial instruments recognized in the consolidated statement of financial position include cash and cash equivalents, deposits with financial institutions, trade receivables, due from/to related parties, investments at FVTPL, other current assets, trade payables, accrued expenses, other current liabilities, proceeds due to customers, and leases liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Financial asset and liability is offset and net amounts reported in the consolidated financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the assets and liabilities simultaneously.

## a. Market Risk

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

### a.1 Currency Risk

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

### a.2 Interest rate risk

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

The Group has no significant interest rate risk.

## b. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from trade receivables, cash and cash equivalents, due from related parties and Deposits with financial institutions.

31 December	2023	2022
Trade receivables	36,425,399	22,776,390
Cash and cash equivalents	1,109,059,521	902,685,742
Deposits with financial institutions	107,564,031	200,000,000
	1,253,048,951	1,125,462,132

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.

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

The Group manages credit risk with respect to receivables from customers by monitoring in accordance with defined policies and procedures. The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables on an ongoing basis.

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

31 December	2023			2022		
	Balance	Rate (%)	Impairment	Balance	Rate (%)	Impairment
<b>1 to 90 days</b>	25,457,605	7	1,699,306	16,146,070	1	119,620
<b>91 to 180 days</b>	2,495,235	22	548,956	2,815,984	12	326,845
<b>181 to 270 days</b>	2,320,926	40	930,524	4,205,223	1	59,298
<b>271 to 361 days</b>	2,564,578	52	1,330,143	58,577	311	182,111
<b>More than 361 days</b>	3,258,498	48	1,550,922	562,586	61	341,306
<b>Total</b>	<b>36,096,842</b>	<b>17</b>	<b>6,059,851</b>	23,788,440	4	1,029,180

Definition of default is 90 days anything above is considered as uncollectable.

### c. Liquidity risk

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

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

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

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

## Financial Statements

For the year ended 31 December 2023  
(Saudi Riyal)

31 December 2023	Less than 1 year	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount
<b>Proceeds due to customers</b>	161,549,641	-	-	161,549,641	161,549,641
<b>Lease liabilities</b>	33,100,000	61,877,548	1,124,369	96,101,917	95,973,062
<b>Trade payables</b>	83,573,373	-	-	83,573,373	83,573,373
<b>Accrued expenses and other current liabilities</b>	105,016,481	-	-	105,016,481	105,016,481
	<b>383,239,495</b>	<b>61,877,548</b>	<b>1,124,369</b>	<b>446,241,412</b>	<b>446,112,557</b>

31 December 2022	Less than 1 year	1-5 years	Over 5 years	Total contractual cash flows	Carrying amount
<b>Proceeds due to customers</b>	118,800,899	-	-	118,800,899	118,800,899
<b>Lease liabilities</b>	32,168,120	95,105,639	1,728,152	129,001,911	129,001,911
<b>Trade payables</b>	52,161,285	-	-	52,161,285	52,161,285
<b>Accrued expenses and other current liabilities</b>	68,257,264	-	-	68,257,264	68,257,264
	<b>271,387,568</b>	<b>95,105,639</b>	<b>1,728,152</b>	<b>368,221,359</b>	<b>368,221,359</b>

### 28 Basic and Diluted Earnings Per Share

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

For the year ended 31 December	2023	2022
Net profit	125,336,967	58,977,006
Weighted average number of shares*	205,996,060	205,803,800
Basic earnings per share	0.61	0.29
Diluted earnings per share	0.61	0.29

\*On 13 Jumada al-Ula 1445 AH (corresponding to November 27, 2023), the extraordinary general assembly approved to split the book value of the group's shares from 10 riyals per share to 50 halala per share. The transaction was treated retroactively.

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

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

### (a) Ordinary shares

31 December	2023	2022
Ordinary shares at the beginning of the period	209,836,060	192,000,000
Treasury shares	(3,840,000)	-
Outstanding shares at the beginning of the period	205,996,060	192,000,000

31 December	2023	2022
Outstanding shares at the beginning of the period	205,996,060	192,000,000
Weighted average of shares issued during the period	-	17,591,060
Weighted average of shares repurchased during the period	-	(3,787,260)
Weighted average of shares numbers at the end of the period	205,996,060	205,803,800

### (b) Diluted shares

31 December	2023	2022
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share at the end of the period.	205,996,060	205,803,800
Effect of share options	631,497	210,080
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share.	206,627,557	206,013,880

## 29 Capital Management

The policy of the Board of Directors is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the Group. The Group manages its capital structure and makes adjustments to it, in light of change in economic conditions.

The Board of Directors monitors the debt-to-equity ratio. The Board of Directors also monitors the level of dividends. There were no changes in the Group's approach to capital management during the year. The Group does not subject to externally imposed capital requirements. The Group's debt to equity ratio at the end of the reporting period was as follows:



31 December	2023	2022
Total liabilities	505,316,896	406,919,485
Less: cash and cash equivalents	(1,109,059,521)	(902,685,742)
Net debt	(603,742,625)	(495,766,257)
Total equity	1,145,478,944	1,003,965,674
<b>Net debt to equity ratio (%)</b>	<b>53</b>	49

## 30 Fair Value Measurement

The following table shows the carrying amount and fair value of the financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate of fair value.

31 December 2023	Carrying amount			Fair value			
	Amortized cost	Other financial assets and liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Trade receivables	36,425,399	-	36,425,399	-	-	-	-
Cash and cash equivalents	1,109,059,521	-	1,109,059,521	-	-	-	-
Deposits with financial institutions	107,564,031	-	107,564,031	-	-	-	-
Investments at FVTPL	-	84,096,616	84,096,616	-	-	84,096,616	84,096,616
	1,253,048,951	84,096,616	1,337,145,567	-	-	84,096,616	84,096,616
<b>Financial liabilities</b>							
Proceeds due to customers	161,549,641	-	161,549,641	-	-	-	-
Accrued expenses and other current liabilities	105,016,481	-	105,016,481	-	-	-	-
Trade payables	83,573,373	-	83,573,373	-	-	-	-
Lease liabilities	95,973,062	-	95,973,062	-	-	-	-
	446,112,557	-	446,112,557	-	-	-	-

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

31 December 2022	Carrying amount			Fair value			
	Amortized cost	Other financial assets and liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Trade receivables	22,776,390	-	22,776,390	-	-	-	-
Cash and cash equivalents	902,685,742	-	902,685,742	-	-	-	-
Deposits with financial institutions	200,000,000	-	200,000,000	-	-	-	-
Investments at FVTPL	-	22,728,737	22,728,737	-	-	22,728,737	22,728,737
	<b>1,125,462,132</b>	<b>22,728,737</b>	<b>1,148,190,869</b>	<b>-</b>	<b>-</b>	<b>22,728,737</b>	<b>22,728,737</b>
<b>Financial liabilities</b>							
Proceeds due to customers	118,800,899	-	118,800,899	-	-	-	-
Accrued expenses and other current liabilities	68,257,264	-	68,257,264	-	-	-	-
Trade payables	52,161,285	-	52,161,285	-	-	-	-
Lease liabilities	129,001,911	-	129,001,911	-	-	-	-
	<b>368,221,359</b>	<b>-</b>	<b>368,221,359</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 31 Capital Commitment and Contingent Liabilities

The Group does not have any capital commitments as at 31 December 2023 (31 December 2022: Nil).

The Group has contingent contractual commitments represent commitments to receive advertising services, mainly with Al Hilal Saudi Club for a period of five sports seasons ending in 2026, with a value of SR 56.1 million as at 31 December 2023 (31 December 2022: SR 37.8 million). In addition, the contract included the payment of additional amounts in the event that the first team of Al Hilal Club wins in a season or certain tournaments, with a maximum amount of SR 3.5 million per year.

The Group has contingent contractual commitments represent commitments to receive advertising services ending in 2023 amounting to SR 24.4 million as at 31 December 2023 (31 December 2022: SR 4.5 million).

The Group has also contingent contractual commitments represent commitments to receive employment and other services ending in 2024 amounting to 9.2 SR million as at 31 December 2023, (31 December 2022: SR 1.3 million).

## 32 Business Combination

### 32.a Marn Business Information Technology Company Acquisition

On 2 January 2023, the Group completed the process and legal formalities of the acquisition of the entire shares of Marn Business Information Technology Company ("Marn") (A limited liability company) for cash consideration of SAR 60 million. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the "Standard"). As required by the standard, the Group has accounted for the acquisition based on fair values of the acquired assets and assumed liabilities as at the acquisition date and has completed the Purchase Price Allocation accounting.

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

2 January 2023		
<b>Assets</b>		
Property and equipment		154,199
Intangible assets		1,384,765
Prepayments and other receivables		85,032
Due to related parties		108,448
Inventory		54,709
Right-of-use assets		100,293
Cash and cash equivalents		306,915
<b>Total assets</b>		<b>2,194,361</b>
<b>Liabilities</b>		
Employees' benefits		736,315
Short-term loans		1,123,720
Lease liabilities		70,000
Accrued expenses and other payables		2,618,263
<b>Total liabilities</b>		<b>4,548,298</b>
<b>Identifiable net liability at acquisition date</b>		<b>(2,353,937)</b>
<b>Result of the acquisition</b>		
Consideration transferred - Cash		60,000,000
Identifiable net liability		2,353,937
Goodwill		62,353,937
<b>Analysis of Cashflows on Acquisition Date</b>		
Net cash acquired with the subsidiary		306,915
Cash paid as consideration		60,000,000
Net Cashflow on acquisition		(59,693,085)
<b>Summary of Revenue and Loss:</b>		
	<b>Revenue</b>	<b>Loss</b>
From the beginning of the period	6,924,846	(14,764,740)
From the acquisition date	1,086,884	(1,418,145)

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

<b>Gross Carrying Amount</b>	
At 1 January 2023	-
At Acquisition date of 2 January 2023	62,353,937
At 31 December 2023	62,353,937
<b>Accumulated Impairment</b>	
At 1 January 2023	-
Impairment losses recognized during the period	-
At 31 December 2023	-

### 32.b SOL Company for Trading Acquisition

On 26 December 2023, the Group completed the process and legal formalities of the acquisition of 35% of the shares of SOL Company for Trading (limited liability company) for cash consideration of SAR 5 Million. The acquisition has been accounted for using the acquisition method under IFRS 3 – Business Combinations (the “Standard”). As required by the Standard, the Group is currently in the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities acquired. The Group has, however, accounted for the acquisition based on provisional fair values of the acquired assets and assumed liabilities as at the acquisition date. Adjustment to the provisional values will be finalized within twelve months of the date of acquisition as allowed by the Standard.

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

## Financial Statements

For the year ended 31 December 2023  
(Saudi Riyal)

	26 December 2023
<b>Assets</b>	
Property and equipment	91,406
Intangible assets	47,950
Right-of-use assets	993,004
Inventory	303,028
Prepayments and other current assets	481,316
Accounts receivables	9,271,626
Cash and cash equivalents	1,114
<b>Total assets</b>	<b>11,189,444</b>
<b>Liabilities</b>	
Employees' benefits	175,609
Lease liabilities	803,897
Short term loan	2,700,019
Account payable	9,363,362
Accrued expenses and other payables	546,023
Zakat	318
<b>Total liabilities</b>	<b>13,589,228</b>
<b>Identifiable net liability at acquisition date*</b>	<b>(2,399,784)</b>
<b>Result of the acquisition</b>	
Consideration transferred - cash	5,000,000
Identifiable net liability	(2,399,784)
<b>Provisional goodwill**</b>	
Consideration transferred - cash	5,000,000
Group share in additional paid in capital	1,750,000
Non controlling interest share in additional paid in capital	3,250,000
The group share of Identifiable net liability	839,925
<b>Provisional goodwill recognized</b>	<b>4,089,925</b>
<b>Non controlling interest reconciliation</b>	
Consideration transferred - cash	5,000,000
Non-controlling interest share in additional paid in capital	3,250,000
Non-controlling interest share of Identifiable net liability	(1,559,860)
<b>Net change in non-controlling interest</b>	<b>1,690,140</b>

## Financial Statements

For the year ended 31 December 2023

(Saudi Riyal)

The consideration transferred is the consideration of acquiring a share representing 35% of the paid-in capital at the acquisition date, and then increasing the capital of the subsidiary to become SR 5.1 million, of which the Group's share is SR 1.7 million, representing 35% of the total paid-up and additional capital.

### 33 Significant Events

On 13 Jumada al-Ula 1445 AH (corresponding to 27 November 2023), the extraordinary general assembly approved the shares buy-back with a maximum of (5,875,400) shares, to retain them as treasury shares, as the Board of Directors considers that the share price on the market is lower than its fair value, and the purchase of these shares will be financed through the company internal resources or bank facilities, and authorized the Board of Directors to execute the purchase within a maximum period of (12) months of the Extraordinary General Assembly's decision. The Company may retain the treasury shares for a maximum period of (24) months from the date of the Extraordinary General Assembly decision, and after the expiry of this period, the Company will follow the procedures and policies stipulated in the relevant laws and regulations. The Company did not yet proceed with the shares buy back till the date of issuance of the Financial Statements.

### 34 Subsequent Events

On 18 Rajab 1445H (corresponding to 30 January 2024), The Company participated in the Series B Preferred Shares of Grub Tech Limited, limited liability company incorporated in Virgin Islands with total investment of 7,500,000 USD (equivalent to SR 28,125,000) based on recommendation of the Investment Committee dated on the 30th of January 2024.

On 26 Sha'ban 1445H (corresponding to 7 March 2024), The Company participated in the Series B Preferred Shares of Global Fintech Company, limited liability company incorporated in Virgin Islands with total investment of 20,000,000 USD (equivalent to SR 75,000,000) based on the recommendation of the Investment Committee dated on the 20th of February 2024 and board of directors' decision dated 3 March 2023.

### 35 Approval of the Consolidated Financial Statements

These consolidated financial statements were approved by the Board of Directors for issuance on 10 Ramadan 1445H (Corresponding to 20 March 2024).

# Corporate Information

<b>Name</b>	Jahez International Company for Information System Technology
<b>Trade Name</b>	Jahez
<b>Commercial Registration No.</b>	1010895874
<b>Legal Form</b>	The Company was originally incorporated as a limited liability company in 2017. The Company was converted from a limited liability company to a closed joint stock company in 2020. The Company was converted from a closed joint stock company to a public company registered in the Saudi Stock Exchange in 2022.
<b>Stock Exchange Listing</b>	The shares of Jahez are listed on the Saudi Stock Exchange - Nomu Stock code: 9526
<b>Head Office/ Registered Office</b>	Jahez International Company for Information System Technology King Abdullah Ibn Abdulaziz Road, King Salman dist. 2065, Riyadh 12444 Saudi Arabia
<b>Contact Details:</b>	Telephone: 8001241220 Email: IR@jahez.net info@jahez.net
<b>Company Website:</b>	<a href="http://www.jahezgroup.com">www.jahezgroup.com</a>

## Subsidiary Companies

Affiliate	Country of operation	Country of incorporation
Joint Preparation Company for Meals	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
PIK Options Trading Company	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Supportive Solutions Company for Logistic Services	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
The Red Color Company	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Jahez International Company	Kingdom of Bahrain	Kingdom of Bahrain
Jahez International Company for Wholesales and Retail Trading	Kuwait	Kuwait
Blu Store Company	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Marn Business Information Technology Company	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Jahez for Information Technology	Egypt	Egypt
Jahez International Company for Information Systems Technology	Qatar	Qatar
SOL Company for Trading	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia

