IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum (the "**document**") and you are therefore advised to read this carefully before accessing, reading or making any other use of the attached document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended only for you and **you agree you will not forward, reproduce, copy, download or publish this electronic transmission or the attached document (electronically or otherwise) to any other person.**

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, SUBJECT TO CERTAIN EXEMPTIONS, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES.

The document and the offer are only addressed to, and directed at, persons in member states of the European Economic Area ("**EEA**") (each, a "**Relevant State**") who are "qualified investors" within the meaning of Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations) ("**Qualified Investors**"). In the United Kingdom ("**UK**"), the document and the offer is only addressed to and directed at persons who are "qualified investors" ("**UK Qualified Investors**") (as defined under Article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) (the "**UK Prospectus Regulation**"). In addition, in the UK, this document is being distributed only to, and is directed only at: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) persons who are high net worth entities falling within in Article 49(2) (a) to (2d) of the Order; and/or (iii) other persons to whom it may lawfully be communicated (all such persons together "**Relevant Persons**"). Any investment or investment activity to which this document relates is only available to, and will only be engaged with: (i) in any Relevant State, Qualified Investors; and (ii) in the UK, UK Qualified Investors and Relevant Persons. In Australia, the document and offer is only provided and addressed to select investors who are able to demonstrate they fall within one or more of the categories of investors available under section 708 of the Corporations Act 2001 (Cth) ("**Corporations Act**") as set out below.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to Emirates NBD Capital PSC, J.P. Morgan Securities PLC, and Morgan Stanley & Co International PLC (the "**Joint Global Coordinators**") and Abu Dhabi Commercial Bank PJSC, Barclays Bank PLC, EFG-Hermes UAE Limited (acting in conjunction with EFG Hermes UAE LLC), First Abu Dhabi Bank PJSC, Goldman Sachs Bank Europe SE, ING Bank N.V. and UniCredit Bank GmbH (together with the Joint Global Coordinators, the "**Joint Bookrunners**"), the Company and the Selling Shareholder (as each such term is defined in the attached document) that (i) you are acting on behalf of, or you are either (a) an institutional investor outside the United States (as defined in Regulation S under the Securities Act) or (b) in the United States and a qualified institutional buyer as defined in Rule 144A under the Securities Act (a "QIB") that is acquiring securities for your own account or for the account of another QIB; (ii) if you are in the UK, (a) you are a Relevant Person; (b) you are a UK Qualified Investor; (c) in the case of any Shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, (I) the Shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the UK other than qualified investors, as that term is defined in the UK Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (II) where Shares have been acquired by you on behalf of persons in the UK other than qualified investors, the offer of those Shares to you is not treated under the UK Prospectus Regulation or FSMA (as defined below) as having been made to such persons; (iii) if you are in any member state of the EEA (a) you are a Qualified Investor; (b) in the case of any Shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation: (I) the Shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (II) where Shares have been acquired by you on behalf of persons in any Relevant State other than qualified investors, the offer of those Shares to you is not treated under the Prospectus Regulation as having been made to such persons; (iv) if you are in Australia (a) you are either (I) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act; (II) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made; (III) a person associated with the Company under section 708(12) of the Corporations Act; or (IV) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and (b) you warrant and agree that you will not offer any of the Shares for resale in Australia within 12 months of the Shares being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act; and (v) if you are outside the US, UK, EEA and Australia (and the electronic mail addresses that you gave the Company and to which this document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Selling Shareholder, the Joint Bookrunners, or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. By accessing the linked document, you consent to receiving it in electronic form.

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THIS DOCUMENT CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

None of the Joint Bookrunners, or any of their respective affiliates, or any of their respective directors, officers, employees or agents, accepts any responsibility whatsoever for the accuracy, completeness or verification of the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the offer. Each of the Joint Bookrunners, and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Bookrunners, or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Joint Bookrunners are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients, nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

TALABAT HOLDING PLC

(a public company limited by shares in the Abu Dhabi Global Market and subject to the Abu Dhabi Global Market Companies Regulations 2020, as amended)

Global Offering of 3,493,236,093 Shares
Offer Price Range: AED 1.50 to 1.60 per Share

3,493,236,093 ordinary shares with a nominal value of AED 0.04 each (the "**Shares**") of Talabat Holding plc (the "**Company**" **or** "**talabat**") are being offered in this global offering (the "**Global Offering**") by the Company's shareholder, Delivery Hero MENA Holding GmbH (the "**Selling Shareholder**"), a wholly-owned subsidiary of Delivery Hero SE ("**Delivery Hero**"). The Selling Shareholder reserves the right to amend the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws and the approval of the UAE Securities and Commodities Authority (the "**SCA**"). The Company will not receive any of the proceeds of the sale of the Shares, all of which will be paid to the Selling Shareholder (net of any expenses relating to the Global Offering).

The Global Offering comprises an offering of Shares (i) in the United States to persons reasonably believed to be qualified institutional buyers (each a "**QIB**") as defined in, and in reliance on, Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or another exemption from or transaction not subject to the registration requirements of the Securities Act, and outside the United States in reliance on Regulation S ("**Regulation S**") under the Securities Act (together, the "**Qualified Institutional Offering**"); (ii) in the Dubai International Financial Centre ("**DIFC**") only as an Exempt Offer (the "**DIFC Exempt Offer**") pursuant to the Markets Rules of the Dubai Financial Services Authority ("**DFSA**"); (iii) in the Abu Dhabi Global Market ("**ADGM**") only as an Exempt Offer (the "**ADGM Exempt Offer**" and, together with the Qualified Institutional Offering and the DIFC Exempt Offer, the "**Qualified Investor Offering**") pursuant to the Market Rules of the Abu Dhabi Financial Services Regulatory Authority ("**FSRA**") and (iv) in the United Arab Emirates (the "**UAE**") pursuant to a prospectus (the "**UAE Prospectus**"), the publication of which was approved by the SCA to certain natural persons, companies, establishments and other entities (the "**UAE Retail Offer**").

Prior to the Global Offering, there has been no public market for the Shares. The Company has applied for the Shares to be listed on the Dubai Financial Market (the "**DFM**") (the "**Admission**"). There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Shares will commence on the DFM on or around 10 December 2024 (the "**Closing Date**").

Investing in the Shares involves significant risks. Prospective investors should read this document in its entirety and, in particular, prospective investors are advised to examine all the risks that are relevant in connection with an investment in the Shares. See "*Risk Factors*" for a discussion of certain risks and other factors that should be considered before making an investment decision with respect to the Global Offering.

The Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and, subject to certain limited exceptions, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this offering memorandum (this "**Offering Memorandum**"), see "*Sale of Shares*" and "*Transfer Restrictions*".

The Shares are offered by the Joint Bookrunners named herein on behalf of the Selling Shareholder when, as and if delivered to, and accepted by, the Joint Bookrunners and subject to their right to reject orders in whole or in part. Purchasers will be required to make full payment for the Shares to the Joint Bookrunners for receipt by the Joint Bookrunners two business days prior to the Closing Date, and delivery of the Shares is expected to be made on the Closing Date through the book-entry facilities operated by the DFM

The SCA and the DFM have not approved this Offering Memorandum, take no responsibility for the contents of this Offering Memorandum, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from, or in reliance upon, any part of the contents of this Offering Memorandum.

DIFC Exempt Offer Statement: This Offering Memorandum relates to an Exempt Offer in the DIFC in accordance with the Market Rules of the DFSA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and have no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

ADGM Exempt Offer Statement: This Offering Memorandum relates to an Exempt Offer in the ADGM in accordance with the Market Rules of the FSRA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The FSRA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The FSRA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

Joint Global Coordinators and Joint Bookrunners

ENBD Capital **J.P. Morgan** **Morgan Stanley**

Joint Bookrunners

ADCB **Barclays** **EFG-Hermes** **FAB** **Goldman Sachs Bank Europe SE** **ING** **UniCredit**

This Offering Memorandum is dated 19 November 2024.

IMPORTANT INFORMATION

This offering memorandum (this "Offering Memorandum") does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

THIS OFFERING MEMORANDUM CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS OFFERING MEMORANDUM ALONE, BUT ONLY ON THE BASIS OF THIS OFFERING MEMORANDUM AS FINALISED AND COMPLETED BY THE RELEVANT PRICING INFORMATION.

Recipients of this Offering Memorandum are authorised solely to use this Offering Memorandum for the purpose of considering the acquisition of the Shares, and may not reproduce or distribute this Offering Memorandum, in whole or in part, and may not disclose any of the contents of this Offering Memorandum or use any information herein for any purpose other than considering an investment in the Shares. Such recipients of this Offering Memorandum agree to the foregoing by accepting delivery of this Offering Memorandum.

Prior to making any decision as to whether to invest in the Shares, prospective investors should read this Offering Memorandum in its entirety and, in particular, the section titled "*Risk Factors*" when considering an investment in the Company. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Global Offering, including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on the Joint Bookrunners (as defined herein) or any person affiliated with the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; (ii) they have relied only on the information contained in this Offering Memorandum; and (iii) no person has been authorised to give any information or make any representations concerning the Company or the Shares other than those contained in this Offering Memorandum and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Selling Shareholder, or the Joint Bookrunners. Neither the delivery of this Offering Memorandum nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Offering Memorandum or that the information in it is correct as at any subsequent time to the date hereof.

None of the Company, the Selling Shareholder, or the Joint Bookrunners or any of their respective representatives is making any representation to any prospective investor in the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Offering Memorandum should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Shares.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised.

The Company accepts responsibility for the completeness and accuracy of the information contained in this Offering Memorandum, and having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of the Company's knowledge, accurate and complete in all material respects and no material facts, the omission of which would make misleading any statements of fact or opinion herein, have been omitted. None of the Joint Bookrunners or any of their respective affiliates accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to, the accuracy, completeness or verification of the contents of this Offering Memorandum or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Global Offering, and nothing in this Offering Memorandum will be relied upon as a promise or representation in this respect, whether as to the past or future. Each of the Joint Bookrunners and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this Offering

Memorandum or any such statement. No representation or warranty, express or implied, is made by any of the Joint Bookrunners or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this Offering Memorandum.

None of the Company, the Selling Shareholder, or the Joint Bookrunners accepts any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Global Offering or the Company. None of the Company, the Selling Shareholder, or the Joint Bookrunners makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Certain of the Group's financing arrangements are Shariah-compliant and references in relation thereto in this Offering Memorandum to "interest", "lender", "borrower", "repayment", "loans", "borrowings" or similar non-Shariah compliant terms in relation thereto should be interpreted as references to "profit", "rental", "finance costs", "financier", "obligor", "payment", "financings", etc. as applicable.

Emirates NBD Capital PSC ("**ENBD Capital**"), J.P. Morgan Securities PLC ("**J.P. Morgan**") and Morgan Stanley & Co International PLC ("**Morgan Stanley**") have been appointed as joint global coordinators and joint bookrunners (the "**Joint Global Coordinators**"), and Abu Dhabi Commercial Bank PJSC ("**ADCB**"), Barclays Bank PLC ("**Barclays**"), EFG-Hermes UAE Limited (acting in conjunction with EFG Hermes UAE LLC) ("**EFG-Hermes**"), First Abu Dhabi Bank PJSC ("**FAB**"), Goldman Sachs Bank Europe SE ("**Goldman Sachs**"), ING Bank N.V. ("**ING**") and UniCredit Bank GmbH ("**UniCredit**") have been appointed as joint bookrunners (together with the Joint Global Coordinators, the "**Joint Bookrunners**"). Each of J.P. Morgan, Morgan Stanley and Barclays is authorised by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority in the United Kingdom ("**UK**"). ING is supervised and regulated by the European Central Bank, authorised and regulated by the Dutch Central Bank (De Nederlandsche Bank or DNB) and regulated by the Dutch Authority for Financial Markets. Goldman Sachs is authorised and supervised by the European Central Bank and the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* ("**BaFin**"). UniCredit is regulated by BaFin. Each of ADCB and FAB is regulated by the Central Bank of the UAE and the Securities and Commodities Authority of the UAE ("**SCA**"). Each of ENBD Capital and EFG Hermes UAE LLC is authorised and regulated by the SCA. EFG-Hermes is authorised and regulated by the Dubai Financial Services Authority. The Joint Bookrunners are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Global Offering, and will not regard any other person (whether or not a recipient of this Offering Memorandum) as a client in relation to the Global Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this Offering Memorandum.

The Internal Sharia Supervision Committee of Emirates NBD P.J.S.C. has issued a Shariah pronouncement confirming that, in their view, the Global Offering is compliant with Shariah principles. Investors should undertake their own due diligence to ensure that the Global Offering is Shariah compliant for their own purposes.

In connection with the Global Offering, each of the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Shares in the Global Offering as a principal position and in that capacity, may subscribe for and/or acquire Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its own account in such Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this Offering Memorandum to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, any of the Joint Bookrunners and any of their respective affiliates acting in such capacity. In addition, certain of the Joint Bookrunners or their affiliates may enter into financing arrangements with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of Shares. Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Joint Bookrunners (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company or the Selling Shareholder. None of the Joint Bookrunners intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Global Offering relates to securities of an ADGM public company limited by shares to be listed on the DFM and potential investors should be aware that this Offering Memorandum and any other documents or announcements relating to the Global Offering have been or will be prepared solely in accordance with the disclosure requirements applicable to an ADGM public company limited by shares and listed on the DFM all of which may differ from those applicable in any other jurisdiction.

This Offering Memorandum has been drafted in a specific manner to be addressed only to qualified investors, and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been approved by the SCA. This Offering Memorandum does not form part of the UAE Prospectus and the information contained herein does not form part of the UAE Prospectus, the review of this Offering Memorandum or any related advertisements does not fall under SCA's remit/jurisdiction.

This Offering Memorandum is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the ADGM Financial Services and Market Regulations 2015 or the DIFC Markets Law (DIFC Law No. 1 of 2012, as amended) (collectively, the "**Market Laws**") or under the Markets Rules of the FSRA or the Market Rules of the DFSA (collectively, the "**Market Rules**"). The Global Offering has not been approved or licensed by the FSRA or the DFSA, and does not constitute an offer of securities in the ADGM or the DIFC in accordance with the Markets Laws or the Markets Rules.

NOTICE TO INVESTORS

The Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in the section "*Transfer Restrictions*". Each purchaser of the Shares will be deemed to have made the relevant representations described therein.

The distribution of this Offering Memorandum and the offer of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholder, or the Joint Bookrunners to permit a public offering of the Shares or to permit the possession or distribution of this Offering Memorandum (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required, other than the UAE. Accordingly, neither this Offering Memorandum nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Shares, and the transfer restrictions to which they are subject, see "*Transfer Restrictions*".

In particular, save for the UAE, no actions have been taken to allow for a public offering of the Shares under the applicable securities laws of any other jurisdiction, including Australia, New Zealand, Canada, Japan or the United States. This Offering Memorandum does not constitute an offer of, or the solicitation of an offer to subscribe for or buy any of, the Shares in any jurisdiction where it is unlawful to make such offer or solicitation.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Shares are being offered and sold outside the United States in reliance on Regulation S and within the United States to QIBs in reliance on Rule 144A. Prospective purchasers are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Offering Memorandum, see "*Sale of Shares*" and "*Transfer Restrictions*".

The Shares offered by this Offering Memorandum have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any securities commission of any state in the United States or any other United States regulatory authority, nor have any such authorities passed upon,

or endorsed the merits of, the Global Offering or the accuracy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area (the "**EEA**") which has implemented the Prospectus Regulation (each, a "**Relevant State**"), with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant State, no Shares which are the subject of the Global Offering contemplated herein have been offered of will be offered to the public in that Relevant State, except that an offer of Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation, if they are implemented in that Relevant State:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) per Relevant State, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication by the Company, the Selling Shareholder or any Joint Bookrunner of a Prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant State, and each person in a Relevant State who initially acquires any Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed that it is a "**qualified investor**" as defined in the Prospectus Regulation.

For the purposes of this provision, the expression an offer of any Shares to the public in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information of the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State; the expression Prospectus Regulation means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant State.

In the case of any Shares being offered to a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates, and others will rely (and the Company and the Selling Shareholder each acknowledge that the Joint Bookrunners and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance.

NOTICE TO DISTRIBUTORS IN THE EUROPEAN ECONOMIC AREA

Solely for the purposes of the product governance requirements contained within: (i) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares to be issued in the Global Offering have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or substantially all of their investment; the

Shares to be issued in the Global Offering offer no guaranteed income and no capital protection; and an investment in the Shares to be issued in the Global Offering is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS IN THE UK

The Shares have not been offered or will not be offered pursuant to the Global Offering in the UK, except that an offer to the public in the UK of any Shares may be made at any time under the following exemptions under the UK Prospectus Regulation:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling under the scope of Section 86 of the FSMA,

provided that no such offer of Shares shall require the Company, the Selling Shareholder or any Joint Bookrunner to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation and each person in the UK who initially acquires any Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed that it is a "**qualified investor**", as defined in the UK Prospectus Regulation.

For the purposes of this provision, the expression an offer of any Shares to the public in relation to any Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Shares, and the expression UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**").

This Offering Memorandum is only being distributed to, and is only directed at, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with persons who are qualified investors as defined under the UK Prospectus Regulation and who are: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (ii) high net worth entities falling within Article 49(2)(a) to (2d) of the Order and/or (iii) other persons to whom it may be lawfully communicated (all being "**Relevant Persons**"). The Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Offering Memorandum or any of its contents.

The Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**").

NOTICE TO DISTRIBUTORS IN THE UK

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Requirements**") and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK MiFIR Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of the FCA Handbook Conduct of Business Sourcebook and (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS AND DISTRIBUTORS IN AUSTRALIA

The Shares have not been offered and will not be offered pursuant to the Global Offering in Australia, except to select investors who are able to demonstrate that they fall within one or more of the following categories of investors:

(i) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;

(ii) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) a person associated with the Company under section 708(12) of the Corporations Act; or

(iv) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

This document does not constitute a prospectus or other disclosure document under Chapter 6D.2 of the Corporations Act, has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission ("**ASIC**") or the Australian Securities Exchange ("**ASX**") or any other regulatory body or agency in Australia and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

NOTICE TO PROSPECTIVE INVESTORS IN THE ABU DHABI GLOBAL MARKET

This Offering Memorandum relates to a Global Offering which is not subject to any form of regulation or approval by the FSRA.

The FSRA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with the Company. Accordingly, the FSRA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Shares have not been offered and will not be offered to any persons in the Abu Dhabi Global Market except on the basis than an offer is:

(i) an "Exempt Offer" in accordance with the FSRA Financial Services and Markets Regulations (the FSMR) and Market Rules of the FSRA; and

(ii) made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the FSMR) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

This Offering Memorandum relates to a Global Offering which is not subject to any form of regulation or approval by the DFSA.

The DFSA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with the Company. Accordingly, the DFSA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the DFSA Rulebook; and

(ii) made only to persons who meet the Deemed Professional Client criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module of the DFSA Rulebook and who are not natural persons.

This Offering Memorandum must not, therefore, be delivered to, or relied on by, any other type of person.

The Shares to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares should conduct their own due diligence on the Company and the Shares. If you do not understand the contents of this Offering Memorandum you should consult an authorised financial advisor.

NOTICE TO PROSPECTIVE INVESTORS IN THE KINGDOM OF SAUDI ARABIA

This Offering Memorandum may not be distributed in the Kingdom of Saudi Arabia, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Offering Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Memorandum. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this Offering Memorandum, they should consult an authorised financial adviser.

NOTICE TO PROSPECTIVE INVESTORS IN THE REPUBLIC OF SOUTH AFRICA

This Offering Memorandum does not constitute a registered prospectus, written statement or advertisement relating to a public offer in terms of Chapter 4, sections 98, 99 and 101 of the South African Companies Act, No. 71 of 2008 ("**SA Companies Act**"). No offer of Shares to the public in South Africa, whether by way of subscription, sale or otherwise, can be made unless the offeror complies with Chapter 4 of the SA Companies

Act and files the requisite disclosure documents with the South African Companies and Intellectual Property Commission in respect thereof. The "public" includes any section of the public. This Offering Memorandum does not constitute an offer of securities to the public in South Africa.

Certain offers of the Shares are deemed, in terms of the safe harbour provisions of section 96 of the SA Companies Act, to not be offers to the public. These include offers to (i) persons whose ordinary business is dealing in securities, whether as principals or agents; (ii) the Public Investment Corporation; (iii) registered banks; (iv) authorised and licensed financial services providers; and (v) financial institutions as defined in the Financial Services Board Act, No. 97 of 1990, or a combination of any of the aforegoing. Also included in the safe harbours are offers where the minimum offer consideration per offeree, acting as principal, is R1,000,000 (one million Rand). Accordingly, offers may be made to such institutions, or under such circumstances, in the Republic of South Africa without having to comply with Chapter 4 of the SA Companies Act.

Nothing in this Offering Memorandum shall be construed as being a recommendation, guidance or advice to an addressee or prospective investor in respect of a financial product as contemplated in the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002.

NOTES ON DEFINED TERMS USED IN THIS OFFERING MEMORANDUM

"**ADGM**"..	The Abu Dhabi Global Market.
"**AED**" or "**dirham**"................................	The lawful currency of the United Arab Emirates.
"**Articles of Association**" or "**Articles**" ...	Depending on the context, the articles of association of the Company, as amended from time to time and currently in force.
"**ASIC**"	Australian Securities and Investments Commission.
"**ASX**"	Australian Securities Exchange.
"**Board of Directors**" or "**Board**"	Depending on the context, the board of directors of the Company or any other legal person, entity or institution, the management body of which consists of a board of directors.
"**CAGR**"...	Compound annual growth rate.
"**Carriage Holding**"	Carriage Holding Company Limited
"**CMA**"	Capital Market Authority of the Kingdom of Saudi Arabia.
"**CMSA**"...	Capital Markets and Services Act 2007 of Malaysia.
"**Commercial Companies Law**".............	UAE Federal Decree Law No. 32 of 2021 (as amended)
"**Companies Regulations**"	Abu Dhabi Global Market Companies Regulations 2020 (as amended).
"**Company**"...	Talabat Holding plc.
"**Cornerstone Investors**"	Emirates NBD AM SPC (acting on behalf of the UAE Strategic Investment Fund), The Abu Dhabi Pension Fund, and Emirates International Investment Company LLC.
"**Corporations Act**"................................	Australia Corporations Act 2001 (Cth).
"**CPC**"	Cost-per-click.
"**CSRC**"..	China Securities Regulatory Commission.
"**Delivery Hero**"	Delivery Hero SE.
"**DFM**"	The Dubai Financial Market.
"**DFSA**"	The Dubai Financial Services Authority.
"**DHH I SPC**"	DHH I SPC (DIFC) Ltd.
"**DH Innovations**"	Delivery Hero Innovations Hub GmbH.
"**DIFC**"...	The Dubai International Financial Centre.
"**EEA**"	European Economic Area.
"**ESG**"	Environmental, Social and Governance.
"**EU**" or "**European Union**"....................	The European economic and political union.
"**EUR**"...	Euro, the monetary unit and currency of the EU.
"**EUWA**"	The European Union (Withdrawal) Act 2018.

"**Exchange Act**"	USA Securities Exchange Act of 1934, as amended.
"**Extended Perimeter Group**"	has the meaning given under "*Presentation of Financial Information and Other Information – General*."
"**FIEL**"	Financial Instruments and Exchange Law.
"**Financial Statements**"	Annual Combined Financial Statements and Interim Combined Financial Statements.
"**Food Vertical**"	talabat's online food ordering and delivery offering.
"**FSMA**"	UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
"**FSRA**"	Abu Dhabi Financial Services Regulatory Authority.
"**GCC**"	Gulf Cooperation Council.
"**General Assembly**"	The general assembly of the shareholders of the Company.
"**Groceries and Retail Vertical**"	talabat's groceries and convenience retail offering.
"**Group**"	has the meaning given under "*Presentation of Financial Information and Other Information – Presentation of Financial Information*".
"**IFRS**"	International Financial Reporting Standards.
"**Industry Consultants**"	OC&C Strategy Consultants and Redseer Consulting.
"**Industry Report**"	Market data and other market information derived from reports prepared for the Company by the Industry Consultant.
"**Initial Perimeter Group**"	Delivery Hero FZ LLC and its consolidated subsidiaries, prior to the contribution of the Extended Perimeter Group.
"**InstaShop**"	a limited liability company registered under the laws of the British Virgin Islands with no. 1880691 and whose registered address is at Craigmuir Chamber, Tortola, VG 110.
"**Joint Bookrunners**"	Abu Dhabi Commercial Bank PJSC, Barclays Bank PLC, EFG-Hermes UAE Limited (acting in conjunction with EFG Hermes UAE LLC), First Abu Dhabi Bank PJSC, Goldman Sachs Bank Europe SE, ING Bank N.V. and UniCredit Bank GmbH, together with the Joint Global Coordinators.
"**Joint Global Coordinators**"	Emirates NBD Capital PSC, J.P. Morgan Securities PLC, and Morgan Stanley & Co International PLC.
"**KSA**" or "**Saudi Arabia**"	Kingdom of Saudi Arabia.
"**Links Nominee**"	Links Equiom Commercial Brokers LLC
"**Local Shops**"	Local Partners such as grocery stores, pharmacies, and flower shops.
"**Market Laws**"	ADGM Financial Services and Market Regulations 2015 or the DIFC Markets Law DIFC Law No. 1 of 2012, as amended, as applicable.

“**Market Rules**”	the Markets Rules of the FSRA or the Market Rules of the DFSA, as applicable.
“**Member State**”	Each Member State of the European Economic Area.
“**MENA**”	Middle East and North Africa.
“**MiFID II**”	EU Directive 2014/65/EU on Markets in Financial Instruments.
“**month of September**”	from 1 September to 29 September.
“**NIN**”	National Investor Number.
“**Order**”	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.
“**Partner**”	Restaurants and other groceries and retail vendors.
“**Pricing Agreement**”	The pricing agreement to the Underwriting Agreement to be executed by the Company, the Selling Shareholder and the Joint Bookrunners.
“**Prospectus Regulation**”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.
“**Regulation S**”	Regulation S under the Securities Act.
“**Relevant State**”	Member states of the European Economic Area.
“**Restaurants**”	Restaurant vendors.
“**SA Companies Act**”	South African Companies Act, No. 71 of 2008.
“**SCA**”	The UAE Securities and Commodities Authority.
“**SEC**”	United States Securities and Exchange Commission.
“**Securities Act**”	United States Securities Act of 1933, as amended.
“**Selling Shareholder**”	Delivery Hero MENA Holding GmbH.
“**talabat DB**”	Delivery Hero Talabat DB LLC.
“**talabat Kuwait**”	Talabat General Trading and Contracting Company WLL.
“**TAM**”	Total addressable market.
“**tMArts**”	talabat’s warehousing and distribution centres designed for the fulfilment of online, on-demand orders of convenience products and groceries.
“**UAE Prospectus**”	A prospectus relating to the UAE Retail Offer, the publication of which was approved by the SCA.
“**UAE**”	United Arab Emirates.
“**UK MiFIR Product Governance Requirements**”	FCA Handbook Product Intervention and Product Governance Sourcebook.
“**UK Prospectus Regulation**”	Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.
“**UK**”	The United Kingdom.

"**UN**"..	United Nations.
"**USA" or "US**"..	The United States of America.
"**$**", "**USD**" or "**US Dollars**".....................	The lawful currency of the United States of America.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

On 26 September 2024, the transfer of Delivery Hero's entire shareholding in Delivery Hero FZ LLC to the Company was completed pursuant to the terms of a share purchase agreement between the Company and Delivery Hero, with such transfer at Delivery Hero's carrying value of such shareholding. In connection with completion of the transfer of Delivery Hero FZ LLC to the Company, the Company issued 178,040,951 shares of USD 1.00 each in the Company to the Selling Shareholder.

On 30 September 2024, Delivery Hero (and its affiliates) and Delivery Hero FZ LLC (and its affiliates) entered into agreements to transfer to Delivery Hero FZ LLC, and/or its relevant affiliates, the following: (i) Delivery Hero's 100% shareholding interest in Foodonclick.com FZ-LLC; (ii) Delivery Hero's 49% shareholding interest in Talabat for Delivery Services LLC; (iii) Delivery Hero's 100% indirect shareholding interests in Delivery Hero Egypt SAE; (iv) Delivery Hero's 100% indirect shareholding interest in Dark Stores MENA Holding Ltd; (v) Delivery Hero's 10% indirect shareholding interest in Delivery Hero Stores LLC; (vi) Delivery Hero's 100% indirect shareholding interest in Delivery Hero Kitchens MENA Holding Ltd.; (vii) Delivery Hero's 100% indirect shareholding interest in DH Kitchens LLC; and (viii) Delivery Hero's 100% indirect shareholding interest in Delivery Hero Payments MENA FZ-LLC (the "**Extended Perimeter Group**"), in each case, at nominal value or the transferor's carrying value of such shareholding.

In connection with the completion of the transfer of the Extended Perimeter Group to Delivery Hero FZ LLC, the Company issued 75,608,949 shares of USD 1.00 each in the Company to the Selling Shareholder.

On 9 October 2024, our Shares were re-denominated from USD to AED, with the Company having a share capital of AED 931,529,625 consisting of 253,650,000 ordinary shares of AED 3.6725 each following the re-denomination. Immediately following the re-denomination of our Shares, we sub-divided our total share capital from 253,650,000 ordinary shares of AED 3.6725 each to AED 931,529,625 consisting of 23,288,240,625 ordinary shares of AED 0.04 each. See "*Description of Share Capital–Our Share Capital*".

Presentation of Financial Information

This Offering Memorandum contains the following financial statements and information. For purposes of the section below:

(i) "**Group**" means the Initial Perimeter Group combined with the Extended Perimeter Group;

(ii) "**Extended Perimeter Group**" has the meaning given under "*Presentation of Financial Information and Other Information – General*" above; and

(iii) "**Initial Perimeter Group**" means Delivery Hero FZ LLC and its consolidated subsidiaries, prior to the contribution of the Extended Perimeter Group.

For purposes of all historical combined and carve out financial information derived from the Financial Statements, Non-IFRS Measures (as defined below), and operational measures (see "*Presentation of Financial Information and Other Information–Operational Measures*"), references to the "Group" are to the Initial Perimeter Group and the Extended Perimeter Group. All other references to the "Group" in this Offering Memorandum are to the Company, the Initial Perimeter Group and the Extended Perimeter Group.

The Company

At the time of this Offering Memorandum, the Company has had limited corporate activity since its formation and has not prepared any financial statements. Consequently, no standalone financial information of the Company is presented in this Offering Memorandum.

The Group

(a) The audited combined and carve out financial statements of Delivery Hero FZ LLC, Initial Perimeter Group and the Extended Perimeter Group as at and for the year ended 31 December 2023 (which include the comparative financial information as at and for the year ended 31 December 2022) (the "**Annual Combined Financial Statements**").

(b) The unaudited interim combined and carve out financial statements of Delivery Hero FZ LLC, Initial Perimeter Group and the Extended Perimeter Group as at, and for the period from 1 January 2024 to, 29 September 2024 (which includes the comparative financial information as at, and for the period from 1 January 2023 to, 29 September 2023) (the "**Interim Combined Financial Statements**").

The Annual Combined Financial Statements, included in this Offering Memorandum, have been audited by KPMG Lower Gulf Limited ("**KPMG**"), independent auditors, as stated in their report appearing herein, which includes an emphasis of matter paragraph related to the basis of preparation, including the approach to and purpose of preparing the combined and carve out financial statements.

With respect to the Interim Combined Financial Statements included herein, KPMG have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance of their report on such information should be restricted in light of the limited nature of the review procedures applied.

Non-IFRS Information

The Group presents in this Offering Memorandum certain measures to assess the financial performance of its business that are termed "non-IFRS measures" because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These non-IFRS measures include, adjusted EBITDA, adjusted free cash flow, adjusted net profit, cash conversion rate, and total management reporting revenue (the "**Non-IFRS Measures**").

As these Non-IFRS Measures are not standardised, these measures, by themselves, do not provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Group presents non-IFRS Measures because it believes that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Group believes that non-IFRS Measures are a useful indicator of its ability to incur and service its indebtedness and can assist certain investors, securities analysts and other interested parties in evaluating the Group.

None of the Non-IFRS Measures are a measurement of performance or liquidity under IFRS or any other generally accepted accounting principles. Non-IFRS Measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the Group's operating performance reported in accordance with IFRS.

The definition, method of calculation and rationale for the inclusion of Non-IFRS Measures are summarised in the following table:

Non-IFRS financial measure	Definition and method of calculation	Rationale
Adjusted EBITDA	Adjusted EBITDA is calculated as net profit before current income tax expenses, net finance costs, foreign exchange loss, net, depreciation of property and equipment, other non-income tax and non-operating earnings effects. Non-operating earnings effects include, in particular: (i) expenses from share-based compensation, and (ii) other adjustments (which include other non-operating expenses, non-operating income and results from merger and acquisition activities).	Performance measure
Adjusted Free Cash Flow	Adjusted EBITDA adding changes in working capital (excluding receivables from payment service providers and restaurant	Liquidity measure

Non-IFRS financial measure	Definition and method of calculation	Rationale
	liabilities) *minus* capital expenditures, payment of lease liabilities and taxes.	
Adjusted Net Profit	Adjusted net profit is calculated as net profit excluding (i) foreign exchange income (loss) (mainly related to non-cash unrealised foreign exchange loss from shareholder loan liability in Delivery Hero Egypt SAE); and (ii) and interest expense on loans and interest income (mainly related to shareholder loans and deposits that will be capitalised prior to Admission).	Performance measure
Cash Conversion Rate	Adjusted Free Cash Flow *divided by* Adjusted EBITDA	Liquidity measure
Total Management Reporting Revenue	Revenue without deducting vouchers and other discounts issued to customers and reconciliation effects.	Performance measure

Operational Measures

The Group analyses its business using a number of KPIs as well as certain Non-IFRS Measures. Some of these KPIs are derived from management estimates and are based on operational, and not financial, data. The Group's KPIs are not part of its financial statements or financial accounting records and have not been audited or otherwise reviewed by independent auditors, consultants or experts.

The Group's use or computation of its KPIs may not be comparable to the use or computation of similarly titled measures reported by other companies in the industry, by research agencies or by market reports. Other companies, research agencies or market reports may include other items or factors in their calculation of similar metrics and may use certain estimates and assumptions that the Group does not use when calculating these metrics. These factors may cause the calculations by others of similar metrics to differ substantially from the Group's calculations and if the methodologies of others were used to calculate the Group's KPIs. The KPIs are not accounting measures, but management believes that each of these measures provides useful information concerning the Group's business. None of the KPIs should be considered in isolation or as an alternative measure of performance under IFRS.

Except as otherwise indicated or as defined above, in this Offering Memorandum, the KPIs are defined as set forth below:

Operational measures	Definition and method of calculation
Gross Merchandise Value ("**GMV**")	GMV is the total value paid by customers (including VAT, delivery fees and service fees less subsidies such as vouchers and other discounts).
Adjusted EBITDA Margin	Adjusted EBITDA *divided by* GMV.
Adjusted Free Cash Flow Margin	Adjusted Free Cash Flow *divided by* GMV.
Adjusted Net Profit Margin	Adjusted Net Profit *divided by* GMV.
Gross Profit as a percentage of GMV	Gross profit *divided by* GMV.
Number of active customers	Individuals who have placed at least one successful order through our platform within the month of September 2024.

Operational measures	Definition and method of calculation
Number of active Partners	Vendors who have fulfilled at least one successful order through our platform within the month of September 2024.
Number of active riders	Delivery personnel who successfully delivered at least one order placed through our platform within the month of September 2024.

Currency Presentation

The Group's reporting currency is the UAE dirham. The dirham is the lawful currency of the UAE, and since 1997, the dirham has been pegged to the US Dollar. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = US$1.00. All US$ translations of dirham amounts appearing in this Offering Memorandum have been translated at this fixed exchange rate, unless otherwise stated. Such translations should not be construed as representations that dirham amounts have been or could be converted into US Dollars at this or any other rate of exchange.

All references in this Offering Memorandum to "**$**", "**USD**" and "**US Dollars**" refer to US dollars being the legal currency for the time being of the United States of America; all references to "**EUR**" are to Euros being the monetary unit and currency of the EU; and all references to "**dirham**" and "**AED**" are to UAE dirham being the legal currency of the UAE. References to a "**billion**" are to a thousand million.

Rounding

Certain figures and percentages, including data related to financial, statistical and operating information, included in this Offering Memorandum have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Market, Economic and Industry Data

Unless the source is otherwise stated, the market, economic and industry data in this Offering Memorandum constitute the Group's estimates, using underlying data from third parties. Statistics, data and other information relating to markets, market sizes, market shares, market positions and other economic and industry data pertaining to the Group's business and markets in this Offering Memorandum are based on published and publicly available data obtained from multiple third-party sources. The Group cannot assure you that any of the assumptions underlying any statements regarding the markets in which the Group operates are accurate or correctly reflect the Group or its competitors' position in such markets. Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such data and statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, as well as information publicly available related to the size of the market, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of data or statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data or statistics. Accordingly, the market, economic and industry data and statistics and any other information from such third-party sources included in this Offering Memorandum should be viewed with caution and no representation or warranty is given by any person, including the Company, the Selling Shareholder or the Joint Bookrunners and their respective affiliates, as to their accuracy or completeness.

Certain statements regarding the markets in which the Group operates are not based on published statistical data or information obtained from third-parties, but are based on management's experience, internal studies of the markets and estimates, and its own investigation of market conditions at the time of this Offering Memorandum. The Company believes these estimates to be accurate as of the dates indicated in this Offering Memorandum. However, this information may prove to be inaccurate because of the methods by which management obtained some of the data for these estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and availability of raw data, statistics and other factors; and accordingly, neither the Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates nor any third-party sources can guarantee the accuracy or completeness of this information, estimates or data.

Unless otherwise specifically stated, the information in the "*Industry Overview*" is based on a report which has been prepared by OC&C Strategy Consultants ("**OC&C**") and Redseer Consulting ("Redseer", and together with OC&C, the "**Industry Consultants**"), for the benefit of the Company in relation to the markets in which the Group operates. Information extracted from the Industry Consultants' report which is referenced in this Offering Memorandum is referred to as the industry report (the "**Industry Report**"). Reliance by any party other than the Company on the contents of the Industry Report shall be at the party's own risk. The Company confirms that the data and other information extracted or derived from the Industry Report and any other third party information included herein has been accurately reproduced and that, as far as it is aware and is able to ascertain from the Industry Report and from information published by these and other third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Industry Consultants make no representation or warranty, expressed or implied, to any party with respect to the accuracy or completeness of the information attributable to the Industry Consultants contained in the Industry Report. The Industry Report is based on research and analysis conducted during August 2024 and was delivered on 17 October 2024 and, as such, addresses matters stated therein at that time or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since then. The information and opinions expressed in the Industry Report are subject to change without notice and the Industry Consultants have no duty or responsibility to update the Industry Report.

As at the date of this Offering Memorandum, the Industry Consultants have given and not withdrawn its written consent for the use of each of its name, logo, statements, and market research and data supplied by it to the Company in the manner and format set out in this Offering Memorandum. The Industry Consultants relied on information provided by the Company as well as publicly sourced information for the Industry Report. Estimates and projections set out in this section are prepared based on the analysis performed by the Industry Consultants.

The Industry Report contains information, estimates and data obtained or derived from a variety of public sources believed to be reliable, but the accuracy and completeness of such information, estimates and data is not guaranteed and has not been independently verified by the Company, the Industry Consultants, the Selling Shareholder, the Joint Bookrunners or their respective affiliates. Taking into consideration the "*Forecasts and Forward-Looking Statements*" section, whilst the members of the Board of Directors believe that the information, estimates and data in this Offering Memorandum obtained from third party sources, including the information, estimates and data obtained from the Industry Consultants, is information, estimates and data that may be relied upon, this information, estimates and data has not been independently verified by the Company, the Board of Directors, their advisors, the Selling Shareholder, the Joint Bookrunners or their respective affiliates. The Company notes that neither the Industry Consultants, other third-party sources, or the Joint Bookrunners or their respective affiliates, accept any liability for the accuracy of any such information, estimates or data or any other third-party information, estimates or data included herein, and prospective investors are advised to consider such information, estimates and data with caution.

No Incorporation of Website Information

None of the contents of the Company's website, Delivery Hero's website, or any website directly or indirectly linked to these websites has been verified and they do not form part of this Offering Memorandum, and investors should not rely on such information.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements which relate to, among other things, the Group's plans, objectives, goals, strategies, future operational performance and anticipated developments in markets in which it operates and in which it may operate in the future. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "would", "risk", "intends", "estimates", "aims", "plans", "targets", "predicts", "continues", "assumes", "potential" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding intentions, beliefs and current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which it operates. In particular, the statements under the headings regarding the Group's strategy and other future events or prospects in the following sections are forward-looking statements: "*Summary*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Business*".

The forward-looking statements and other statements contained in this Offering Memorandum regarding matters that are not historical facts involve predictions and are based on the beliefs of the Group's management, as well as the assumptions made by, and information currently available to, the Group's management. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable at this time, the Group cannot assure you that such expectations will prove to be correct. Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from the Group's expectations are contained in cautionary statements in this Offering Memorandum, including, without limitation, in conjunction with the forward-looking statements included in this Offering Memorandum and specifically under the section entitled "*Risk Factors*" or the underlying assumptions.

If any of these risks and uncertainties materialise, or if any of the Group's underlying assumptions prove to be incorrect, the Group's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. Under no circumstances should the inclusion of such forward-looking statements in this Offering Memorandum be regarded as a representation or warranty by us, the Selling Shareholder or the Joint Bookrunners or any other person with respect to the achievement of the results set out in such statements. Please refer to "*Risk Factors*" for further information in this regard.

The forward-looking statements contained in this Offering Memorandum speak only as at the date of this Offering Memorandum. The Group, the Selling Shareholder and the Joint Bookrunners expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

AVAILABLE INFORMATION

For so long as any of the Shares are in issue and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Company will, during any period in which it is not subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of a Share, or to any prospective purchaser of a Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

SUMMARY

This summary should be read as an introduction to this Offering Memorandum and is qualified in its entirety by, and is subject to, the detailed information contained elsewhere in this Offering Memorandum. Accordingly, any decision to invest in the Shares should be based on consideration of the Offering Memorandum as a whole. Potential investors should read this entire Offering Memorandum carefully, including "Risk Factors" and the Financial Statements, including the related notes, before making any decision to invest in the Shares.

Overview

talabat is the leading on-demand online food ordering, delivery, takeaway and groceries and convenience retail marketplace in the MENA region, with operations in the UAE, Kuwait, Qatar, Bahrain, Egypt, Oman, Jordan and Iraq. Our marketplace benefits from powerful network effects, with each constituent of our three-sided marketplace (customers, partners and riders) contributing to our growth flywheel. For the month of September 2024, our platform had more than 6 million active customers, more than 65,000 restaurants and other groceries and retail vendors (whom we collectively refer to as "**Partners**") and more than 119,000 active riders.

Our online marketplace provides a convenient, personalised and simple way of ordering food, groceries and other convenience products from a wide selection of Partners. Through our online food ordering offering (our "**Food Vertical**"), customers order food from our Partner restaurants ("**Restaurants**"). Through our groceries and convenience retail offering (our "**Groceries and Retail Vertical**"), customers are provided with access to everyday essentials, including but not limited to groceries, pharmacy products, beverages, snacks, household items, and personal care products, primarily sourced from various local Partners, such as grocery stores, pharmacies, and flower shops ("**Local Shops**"), and through our own warehousing and distribution centres designed for the fulfilment of online, on-demand orders of convenience products and groceries ("**tMarts**").

Underpinning our offering is our pioneering and scalable logistics and service technology stack, aimed at transforming the ordering, delivery and takeaway market by automating and personalising all aspects of order placement, processing, fulfilment, delivery and support, to provide a superior experience for our Partners, customers and riders. We constantly seek to improve our technology and processes based on the analysis of data we collect. In developing our technology, we place a particular emphasis on mobile platforms. We also aim to optimise the online fulfilment of orders, enhancing the efficiency of picking, packing, and delivery processes. By focusing on streamlining these operations, we are able to handle orders more effectively, improving operational efficiency and enhancing the overall customer experience. Additionally, our streamlined process often leads to faster fulfilment, resulting in quicker order processing and delivery times, which significantly boosts customer satisfaction.

We have a number of initiatives aimed at enhancing our customers' experience and journey on our platform by (i) expanding our offering (e.g. talabat Fintech, DineOut Deals), and (ii) strengthening customer loyalty through subscription (talabat pro) and rewards (talabat Rewards) programmes.

In 2023, gross merchandise value ("**GMV**") generated from our platform was AED 22,263.8 million (equivalent to USD 6,062 million), compared to GMV of AED 18,991.8 million (equivalent to USD 5,171 million) in 2022 and GMV of AED 14,490.0 million (equivalent to USD 3,946 million) in 2021. In the period between 1 January and 29 September 2024, our GMV was AED 19,772.5 million (equivalent to USD 5,384 million) compared to GMV of AED 16,303.4 million (equivalent to USD 4,439 million) for the comparable period of 2023. In 2023, our Adjusted Free Cash Flow was AED 1,105.3 million (equivalent to USD 301 million) compared to AED 616.9 million (equivalent to USD 168 million) in 2022. In the period between 1 January and 29 September 2024, 1,265.3 million (equivalent to USD 345 million) compared to AED 752.6 million (equivalent to USD 205 million) for the comparable period of 2023. Our Adjusted Free Cash Flow Margin for the period between 1 January and 29 September 2024 was 6.4% compared to 4.6% for the comparable period of 2023.

Our journey began in 2004 as a food delivery company that offered traditional food delivery services. We have spent the last 20 years working to improve our proposition, market by market, area by area, Partner by Partner and are now the leading on-demand online food ordering, delivery, takeaway and groceries and convenience retail marketplace in the MENA region.

Following the Global Offering, we will remain indirectly majority-owned by Delivery Hero, which is, by its own estimate, a leading local online food delivery and quick commerce platform, with a presence in around 70 countries grouped in four geographical segments, comprising Asia, the MENA region, Europe and Americas.

Group Strengths

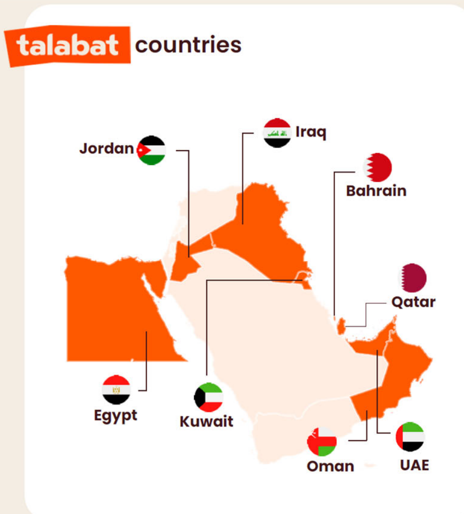
We are leaders in a highly attractive and under-penetrated market

For the month of September 2024, we had more than 6 million active customers, over 65,000 active Partners and over 119,000 active riders, making us the largest platform in the countries in which we operate, with the highest number of orders, largest relative category share, and widest geographic reach amongst our peers in the MENA region (according to the Industry Consultants).

#1 category positions across 8 countries / 70M+ population(1,4)

Region	Country	Relative category share: Food Services(2)	Relative category share: Grocery & Retail(3)	
GCC region	UAE	3x+	~2x	Total addressable population(4): 17.5M; Monthly orders per capita(5): 1.28x
	Kuwait	8x+	10x+	
	Qatar	3x+	5x+	
	Bahrain	4x+	10x+	
	Oman	10x+	10x+	
Non-GCC region	Jordan	4x+	9x+	Total addressable population(4): 53.6M; Monthly orders per capita(5): 0.13x
	Egypt	10x+	2x+	
	Iraq	2x+	Nascent	

Total addressable population(4): 71.1M
Monthly orders per capita(5): 0.42x

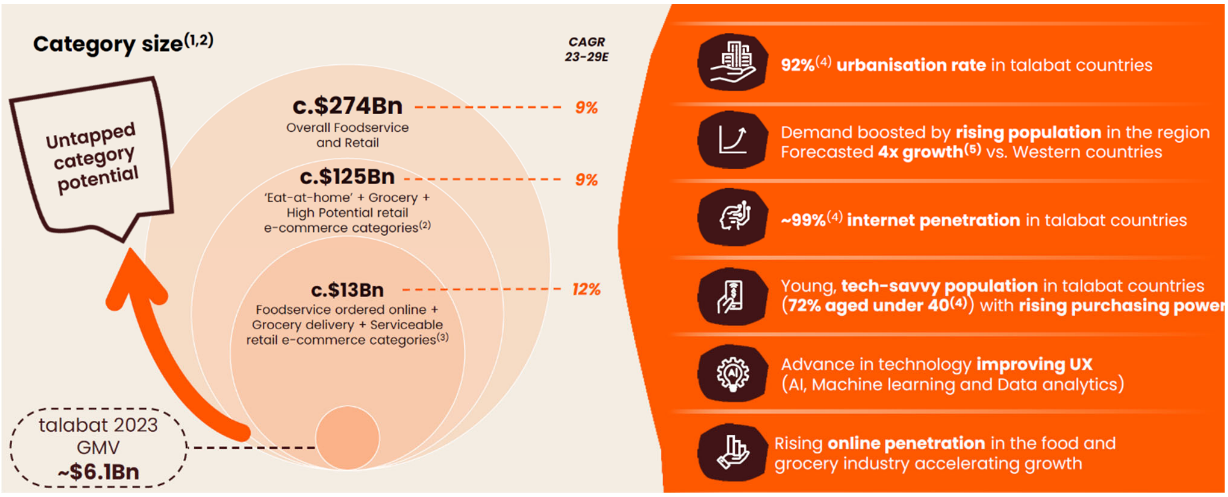


Source: OC&C market analysis, talabat information, addressable population based on Euromonitor data.
(1) These comprise the countries within the MENA region in which we operate. These figures are based on our management's estimates (which are based on publicly available data but may not reflect the actual position in a given competitively relevant market).
(2) Relative category share is measured as the relative size of the talabat food service delivery sales compared to the food delivery sales of the next largest online peer platform by geography for the first half of 2024 (based on OC&C market analysis).
(3) Relative category share is measured as the relative size of the talabat groceries and convenience retail service sales compared to the groceries and convenience retail service sales of the next largest online peer platform by geography for the first half of 2024 (based on OC&C market analysis).
(4) We define addressable population as the population aged between 15 and 64 living in urban areas by multiplying the total population by the percentage of that age group and the percentage of urbanisation.
(5) Our monthly orders per capita are calculated as the average monthly orders for the year 2023 divided by addressable population.

Our platform connects customers, Partners and riders in eight countries in the MENA region, which have a population of over 185 million and an addressable population of approximately 71.1 million (in each case according to the Industry Consultants). For the year ended 31 December 2023, our GMV was approximately USD 6.1 billion (equivalent to AED 22.3 billion). From 2015 to 2023, our GMV CAGR was 51%.

We capitalise on the region's urbanisation rate, growing population and rising online penetration rate in the food and grocery and retail industry, offering localised services that meet the diverse needs of our customers. Our aim is to deliver to our customers the best experience and selection of food, grocery and retail products at the highest value for their money. We believe that our value proposition, across the markets in which we operate, has enabled us to grow at scale, deliver profit growth and have category leadership.

We operate in a region with attractive fundamentals that is under-penetrated.



Source: OC&C model from Euromonitor International, Statista, interviews and consumer surveys, OC&C and Redseer market analysis

(1) This chart does not provide a complete representation of any competitively relevant markets and the actual competitive constraints exercised, as competition comes from a number of different channels including offline order channels.

(2) The market size includes high potential product categories under the Groceries and Retail Vertical based on ease of logistics and price, including flowers, fashion, pharmacy, health and beauty, small electronics and pet care.

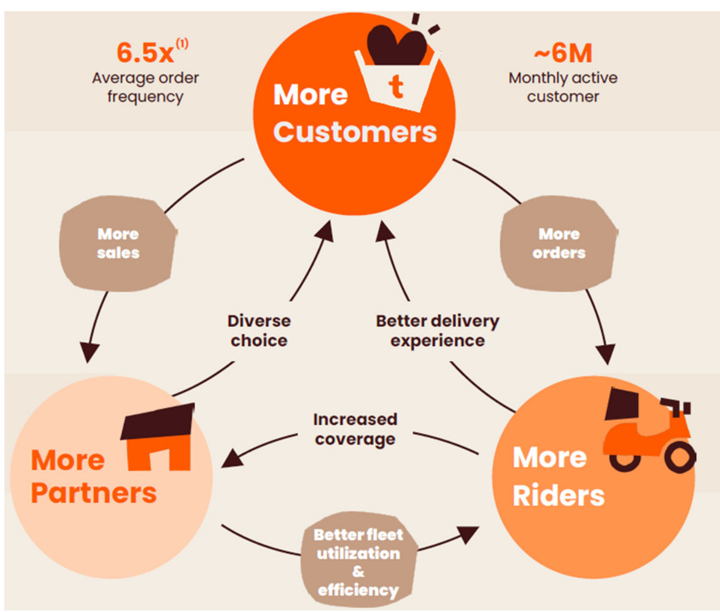
(3) Product categories include flowers, pharmacy, health and beauty, and small electronics.

(4) Urbanisation rate, internet penetration rate and percentage of young, tech-savvy population have been calculated using a weighted average of the population for the year 2023 in the GCC markets in which talabat operates (UAE, Kuwait, Bahrain, Qatar and Oman)

(5) Calculated using a weighted average of the population for the year 2023 across all markets in which we operate.

Our business model fuels growth, service quality and platform loyalty

Our business model benefits from powerful local network effects, which fuel a virtuous cycle of growth, improvements to service quality and deepening of platform loyalty – the "**talabat flywheel**". As our value proposition attracts more customers to join our platform, we receive more orders. Greater customer demand attracts more Partners, who benefit from more sales due to the higher volume available on the platform. More Partners provide diverse selection to our customers. More customers and Partners on our platform attract more riders, which in turn leads to better delivery experience to our customers, increased coverage for our Partners and better fleet utilisation and efficiency.



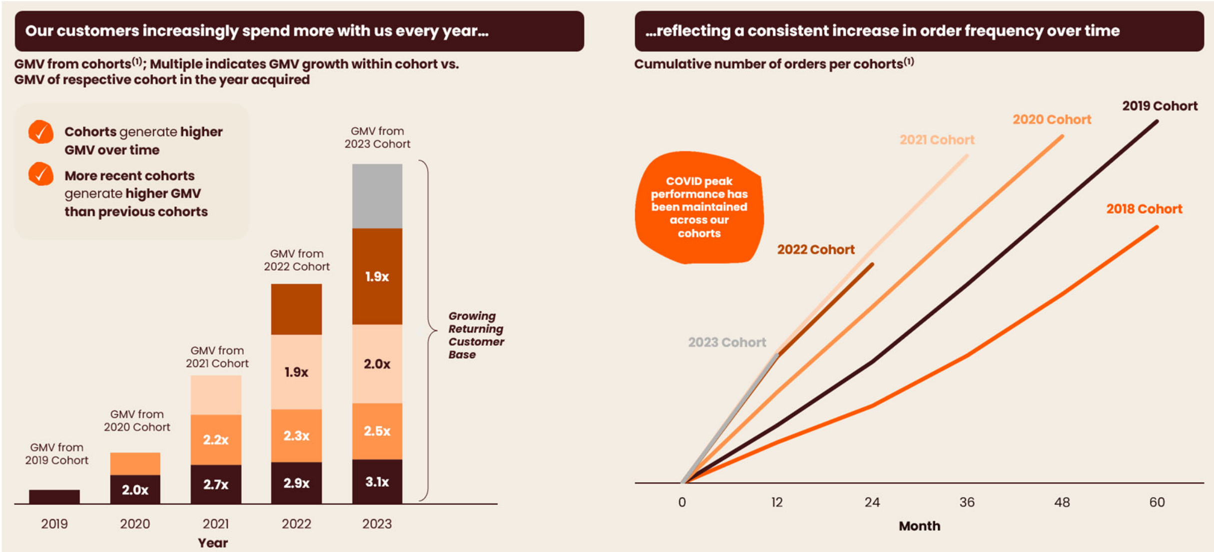
(1) For the month of September 2024, the average order frequency per customer on our platform was 6.5x compared to 6.0x for the month of September 2023. Average order frequency is calculated as total orders for the month of September divided by September active customers.

This provides a faster and more reliable service for customers, who also benefit from a wider selection of restaurants or shops and cuisines or products they love, at all price points. As a result of a wider selection, value-for-money and a more efficient and reliable delivery network, customers order more frequently and for a wider set of occasions and circumstances, establishing a virtuous circle which is continuously reinforced to the benefit of all constituents within our marketplace. Since 2019, the number of customers who are active on our platform and the number of transactions from existing customers on our platform have increased significantly. Since January 2019, the number of active Partners on our platform increased by approximately 4.5x, at a CAGR of approximately 30%, from 15,000 (including 300 Local Shops) to over 65,000 (including over 9,500 Local Shops) for the month of September 2024. Since January 2019, the number of active riders has increased at a CAGR of approximately 80%, from more than 4,000 to more than 119,000 for the month of September 2024.

We are focused on continuously delivering an attractive value proposition to our customers. We do so across three critical dimensions:

- ***Selection***: We have over 56,300 Restaurants, 9,500 Local Shops, and more than 155 cuisines and non-food categories on our platform, including over 20,000 Restaurants and 4,000 Local Shops (of which more than 3,000 are grocery shops) in the UAE (our largest market), signifying what matters to us most: quality, quantity and variety.
- ***Experience***: We focus on convenience, reliability and personalisation. For the month of September 2024, our customers benefited from approximately 99% order success rate and an average delivery time of less than 30 minutes.
- ***Value***: We offer targeted and personalised promotions and discounts to our customers granting them aggregate annual savings of more than AED 1,565.7 million (equivalent to EUR 391 million) from 29 September 2023 to 29 September 2024, which are funded by Partners, business-to-business partnerships and bank partnerships. During the month of September 2024, approximately 72% of our Partners offered discounts on our platform (excluding business-to-business and bank discounts) and one-third of the orders made on our platform were discounted by our Partners. The total customer savings funded by our Partners was approximately AED 470 million (equivalent to USD 128 million) in the first half of 2023 (representing 4.6% of our GMV), AED 661 million (equivalent to USD 180 million) in the second half of 2023 (representing 5.7% of our GMV), and AED 764 million (equivalent to USD 208 million) in the first half of 2024 (representing 5.9% of our GMV), reflecting an increase at a CAGR of approximately 38%. The broad selection of Partners on our platform further strengthens value, offering customers a breadth of options at various price points. Our subscription and rewards programmes also drive affordability, by rewarding customer loyalty. In addition, as of 29 September 2024, 80% of our customers in Kuwait, the UAE, Egypt, Qatar and Bahrain ranked us as their number one preferred platform.

We track our customers on the basis of historical cohorts, with each cohort representing customers who placed their first order on our platform in a given year and have continued to use our platform. As demonstrated in the chart below, each customer cohort has consistently increased the amount it spends on our platform in subsequent years, leading to higher GMV over time, with more recent cohorts generating higher GMV than previous cohorts. This demonstrates our ability to increase customer engagement over time.



(1) Cohort refers to customers grouped by the calendar year in which they first placed an order with talabat. The projected multiples for the full year 2024 calculated by extrapolating the data available through 29 September 2024 are 3.5x since 2019, 3.1x since 2020, 2.9x since 2021, 2.7x since 2022 and 2.0x since 2023.

We have an attractive financial profile with a robust growth track record

We have a strong track record of delivering profit growth, with GMV for cohorts of customers acquired since 2019 having increased by approximately 4x over a period of 5 years, and our cash conversion rate (which we define as Adjusted Free Cash Flow divided by Adjusted EBITDA) was 96% for the first nine months of 2024.

In 2023, our GMV was AED 22,263.8 million (equivalent to USD 6,062 million), compared to GMV of AED 18,991.8 million (equivalent to USD 5,171 million) in 2022 and GMV of AED 14,490.0 million (equivalent to USD 3,946 million) in 2021, reflecting a CAGR of 24% reported growth from 2021 to 2023. In the period between 1 January and 29 September 2024, our GMV was AED 19,772.5 million (equivalent to USD 5,384 million) compared to GMV of AED 16,303.4 million (equivalent to USD 4,439 million) for the comparable period of 2023, reflecting a period-on-period increase of 21.3%.

Our revenue amounted to AED 7,987.7 million (equivalent to USD 2,175 million) in 2023 compared to AED 6,310.3 million (equivalent to USD 1,718 million) in 2022, reflecting a year-on-year increase of 26.6%. In the period between 1 January and 29 September 2024, our revenue amounted to AED 7,604.3 million (equivalent to USD 2,071 million) compared to AED 5,760.9 million (equivalent to USD 1,569 million) for the comparable period of 2023, reflecting a period-on-period increase of 32.0%.

Our Adjusted Free Cash Flow amounted to AED 1,105.3 million (equivalent to USD 301 million) in 2023 compared to AED 616.9 million (equivalent to USD 168 million) in 2022, reflecting a year-on-year increase of 79.2%. In the period between 1 January and 29 September 2024, our Adjusted Free Cash Flow amounted to AED 1,265.3 million (equivalent to USD 345 million) compared to AED 752.6 million (equivalent to USD 205 million) for the comparable period of 2023, reflecting a period-on-period increase of 68.1%. Our Adjusted Free Cash Flow Margin for the period between 1 January and 29 September 2024 was 6.4% compared to 4.6% for the comparable period of 2023.

We are pioneers in technological innovation and have the ability to leverage the reach, experience and expertise of Delivery Hero

Our technology is the engine that drives our business, supported by over 480 talented product, design, engineering, and data technologists across our Dubai and Cairo tech-hubs. We leverage cutting-edge platforms including teams at Delivery Hero, alongside select local technologies, to deliver high growth opportunities for Partners, earnings potential for riders, and a broad selection, better experience and value for money to customers. Our data science capabilities seek to optimise these interactions, fuelling the talabat flywheel and aiming to sustain a self-reinforcing cycle of growth and efficiency.

We believe that our commitment to leveraging technology and data at scale is what sets us apart. This is reflected through our approach: "it is not just about keeping pace—it is about setting the pace". As we continue to scale, the data we collect becomes more valuable, powering the talabat flywheel and delivering superior experiences for customers, Partners, and riders alike.

As customers deepen their engagement with us, we learn more about their favourite Restaurants and Local Shops, and what services they are most likely to try next. Our machine learning models allow us to introduce and cross-sell verticals, as well as initiatives such as talabat pro and talabat Rewards, at the right time for our customers to benefit from. Our understanding of customers also helps us understand the next set of Partners and deals we should introduce to each geography, allowing us to seamlessly bridge the gap between customer demand and Partner interest. Additionally, our rider staffing algorithm (licensed by Delivery Hero) translates our order demand forecasts across time and space into optimised shifts for riders to pick in advance. This enables riders to plan their work schedules ahead of time, swap shifts flexibly, with assurance that each shift they select offers a compelling earning potential.

We also have the ability to leverage the reach, experience and expertise of Delivery Hero's global teams to amplify our capabilities and to benefit from innovations taking place outside of the MENA region. Our access to, and use of, technology owned by Delivery Hero enables us to have industry-leading innovation capabilities and tailored solutions for our customers, Partners and riders. Over the past 9 years, we have leveraged the competitive advantages of our relationship with Delivery Hero, including access to its tech-stack, technical know-how, innovation capabilities, exchange of in-depth knowledge and best practices on commercial and operational excellence. These factors have contributed to our growth and advantageous position as the leading on-demand online food ordering, delivery, takeaway and groceries and convenience retail marketplace in the MENA region.

We have a passionate and highly experienced management team with a proven execution track record

Our success to date has been achieved through our experienced management team, which is fully dedicated to building the best order experience for all constituents of our marketplace. We are proud to have over 40 years combined c-suite management experience in our ranks, with members of our management having previously worked at Uber, Grab, Sultan Center, McKinsey & Company, Jumia, Careem, Microsoft, Bain & Company and others. This translates to a high bar for recruiting and a similar calibre for the broader leadership across both regional and local teams.

Our strategy has been to build effective teams that bring the right mix of technical and management skills, and knowledge of the local and regional online delivery and logistics sector. We also invest in building tools and systems to gather business intelligence and develop a deep understanding of the key market trends and competitive environment in which we operate. Together, we believe this means that we are well-equipped to execute on our future growth and innovation agenda.

Additionally, our local and regional organisational structure provides us with significant operational leverage and allows us to maintain a more efficient selling, general and administrative cost base compared to our regional and international peers. By empowering regional teams, we aim to foster innovation, ensure consistency in planning and execution, and effectively implement best practices across all our markets. Meanwhile, our country teams focus on high-quality execution and cultivating strong relationships with key stakeholders, including Partners, third-party logistics providers, and government regulators. We believe this dual-layered approach enhances our operational effectiveness and supports our strategic objectives.

Group Strategies

Our aim is to enhance our product offering and increase market penetration

For the year 2023, in the GCC countries in which we operate, the average number of monthly orders per capita (which we define as the average monthly orders for the year 2023 divided by addressable population) was 1.28x. In our other non-GCC markets, this figure was 0.13x. Overall, for the year 2023, our Group average stood at 0.42x monthly orders per capita. We therefore believe that there remains ample room to expand the average number of monthly orders per capita through our platform. The way we think about it is simple: there are 90 meal occasions in a month – breakfast, lunch and dinner – 30 days a month.

In 2023, the food service total addressable category, grocery and retail total addressable category, and other adjacent product categories total addressable category amounted to approximately USD 21 billion, USD 95 billion and USD 8 billion, respectively, across all of our markets, according to the Industry Consultants. Our aim is to increase our penetration within these markets, which for the year 2023 was 22%, 1% and 1%, respectively, in each of those total addressable categories.

Additionally, the Industry Consultants estimate that the addressable population, as of 31 December 2023, in our non-GCC markets was approximately 54 million, which signifies a substantial opportunity for growth by increasing the penetration of our product offerings in these markets.

We believe that continuing to build out our existing offering will help us support long-term sustainable growth across our Food Vertical and Groceries and Retail Verticals, improving competitive advantage over our peers while pushing us forward towards our goal of being the platform of choice for our customers, Partners and riders.

We plan to continue to invest in our FinTech and Customer Loyalty Programmes

At talabat, we are continually exploring initiatives to enhance customer engagement, with a particular focus on our "FinTech" and customer loyalty offerings.

We plan to continue investing into our "FinTech" operations by enhancing our payment acceptance capabilities both in terms of performance and cost saving, expanding usage of talabat Postpaid into existing and new markets, increasing adoption of co-branded cards in the UAE as well as expanding into new markets, and continuing to look for more opportunities within the "FinTech" space that can potentially add significant direct and indirect value to our platform. See "*–Platform Wide Operations–Operations Enhancement*". talabat Postpaid enables customers to place orders immediately and defer payment without incurring additional costs. This initiative led to a 14% increase in order frequency and reduced order cyclicality (which was measured for the period between November 2021 to January 2024, by comparing order frequency per talabat Postpaid user starting 3 months after they began using talabat Postpaid versus before using talabat Postpaid). As of the date of this Offering Memorandum, talabat Postpaid service is profitable and has considerable potential for further growth within our existing customer base. As of 29 September 2024, approximately 2.7% of our customers utilised talabat Postpaid. We believe talabat Postpaid presents a viable alternative for customers without credit cards as they are able to be billed up to one month after their purchase, thereby expanding the use of such service among debit card users (whose purchases for the month of September 2024, excluding our customers in Iraq, represent more than 50% of our GMV).

We plan to continue to leverage our extensive loyalty programme and subscription service, talabat pro, with a view to increasing order frequency. See "*–Platform Wide Operations–Customer Loyalty Drivers*". talabat pro provides benefits such as free delivery and exclusive deals for a fixed monthly or yearly fee. This subscription model has proven effective in boosting customer engagement and retention, with over 20% increase in order frequency amongst talabat pro subscribers for the month of July 2024. We believe that there remains substantial room for growth, as only 8.3% of our customers were subscribed to talabat pro as of 29 September 2024.

We plan to maintain and enhance the effectiveness of our advertising offerings

We provide Partners with a range of innovative advertising solutions ("**AdTech products**") designed to increase their visibility and broaden their customer reach. Our AdTech products have demonstrated significant growth, from 33 million orders generated through AdTech products generating AED 712.5 million (equivalent to USD 194 million) in revenue for the year 2023 (which represents 3.2% of our GMV) compared to 18 million orders generated through AdTech products generating AED 528.8 million (equivalent to USD 144 million) in revenue for the year 2022 (which represents 2.8% of our GMV), and 9 million orders generated through AdTech products generating AED 308.5 million (equivalent to USD 84 million) in revenue for the year 2021 (which represents 2.1% of our GMV). Between 2021 and 2023, the orders generated through AdTech products increased at a CAGR of 86% and our annual AdTech revenue increased at a CAGR of 52%.

We consider our advertising products to be a beneficial proposition for our Partners, which significantly contributed to a reduction in their customer acquisition costs. Partners on our platform benefit from sophisticated targeting tools that allow them to reach the right customers (i.e., those most likely to generate the best return-on-investment). Through our data-driven approach, Partners can fine-tune their marketing strategies, offering promotions and deals that resonate with the most relevant customer segments, ultimately driving higher sales and improved business performance.

Our plan is to maintain and enhance the effectiveness of our advertising offerings, and we intend to continually innovate and develop new features, which include: (i) automation, (ii) targeted advertisements, and (iii) algorithmic efficiency. See "*–Platform Wide Operations–Advertisements*".

These advancements aim to ensure that our advertising solutions remain effective and valuable for our Partners, supporting their growth and success within our platform.

We plan to enter into adjacent product categories

We are focused on expanding beyond core food delivery services. Our Grocery and Retail Vertical has become a significant and rapidly growing part of our operations, showcasing our ability to enter and scale new verticals. Leveraging our platform, we are pursuing further diversification. Our Grocery and Retail Vertical is a key element of this strategy, meeting the demand for fast delivery of everyday essentials and paving the way for growth into additional product categories, including beauty and cosmetics, health products, flowers, and pet essentials. We are in the early stages of capturing these opportunities, with plans for further expansion. For the month of September 2024, the frequency of orders for food only users (i.e. customers that only ordered food) was 3.8 with a monthly spend of AED 194 (equivalent to USD 53). For that same month, the frequency of orders for multi-vertical users (i.e. customers that order food and groceries and retail products) was 12.8 with a monthly spend of AED 814 (equivalent to USD 222). Accordingly, we believe that the Groceries and Retail Vertical enhances our overall operations and provides us with the opportunities for future growth.

Additionally, we plan to continue rolling out more tMarts. We believe this aligns with our objective of being the platform of choice for our customers. tMarts provide our customers with the convenience of ordering groceries and essentials through the same platform they use for Restaurant deliveries. Furthermore, the expansion of tMarts allows us to capitalise on evolving consumer behaviours and preferences. We believe the continued rollout of tMarts will broaden our market footprint, and lead to additional revenue streams and opportunities for partnerships with additional suppliers and brands.

We intend to pursue targeted investments, acquisitions, and strategic partnerships

To complement our organic growth strategy, we expect to continue to selectively pursue investments and acquisitions that we believe will enhance customer experience, as well as solidify and extend our category leadership position, such as our planned acquisition of InstaShop (see "*Recent Developments*"). We have pursued a strategy of making strategic alliances with suitable partners (e.g. "Zomato" in the UAE and "Otlob" in Egypt), and we expect to continue to do so in the future. We intend to focus on investments, acquisitions and alliances that we believe will enhance the experience of existing customers, attract new customers to our platform, and broaden our offerings.

Recent Developments

InstaShop Acquisition

Delivery Hero and Delivery Hero FZ-LLC signed a share purchase agreement ("**InstaShop SPA**") on 11 September 2024 to transfer 100% of the share capital of InstaShop, from Delivery Hero to Delivery Hero FZ-LLC. The agreed purchase price under the InstaShop SPA is USD 31.9 million, which reflects the capital amount of InstaShop (including the subscribed capital and the capital reserves). The closing of the transaction is expected to occur in 2025, subject to the satisfaction of certain conditions. See "*Related Party Transactions–InstaShop Share Purchase Agreement*".

InstaShop, through its subsidiaries, acts as a e-marketplace that connects users with local stores. As of 30 June 2024, the InstaShop group had approximately 8,800 partners across 20 different sub-verticals. InstaShop, through its subsidiaries, primarily operates in the groceries and retail space in the UAE and Egypt, where customers can order groceries, pharmacy products, beauty items, and other personal products, with delivery times of approximately 30 minutes. InstaShop has a positive Adjusted EBITDA Margin and its GMV was approximately USD 487 million in 2023. InstaShop benefits from a loyal customer base averaging 5 orders per month and a 73% month-on-month retention rate for the year 2023.

Risk Factors

Investing in and holding the Shares involve significant risk, including the following:

Risks Relating to our Business

We face competition from a wide range of channels, including phone-based services, restaurants, vendors, retailers, franchisors' direct offerings, third-party online platforms including social media ordering services, e-commerce platforms, our Partners providing delivery and pick-up options, and new entrants to the industry, as well as consolidation in the markets in which we operate, which have a significant influence on our revenue and operating margins.

Government regulation of the internet, e-commerce, quick commerce, and the food industry (including cloud kitchens) is still evolving, may not yet cover certain aspects of our business, and may change in a manner that could negatively impact our operations, and we may fail to comply with applicable regulations due to the complexity of the regulatory landscape.

We may be subject to competition law and related investigations due to the perceived strong market position in some of our current markets.

The number and size of orders placed through our platform may be negatively impacted by any deterioration of economic conditions or other instances leading to a decrease in customer spending.

Any disruptions of the third-party or internal IT systems that we significantly rely on, and any failure of cyber-security measures may adversely affect our performance, operations, and reputation.

We may face online security breaches and service disruptions due to hacking, viruses, fraud, and malicious attacks and may have to devote significant resources to protect our technology and IT infrastructure.

The growth and success of our industry depends on the continued growth of e-commerce and quick commerce as marketplaces, the corresponding channel shift from offline to online and mobile devices, the development of new technologies as well as customers' acceptance of online aggregator platforms, all of which may not develop as experienced in the past.

We rely on third-party logistics providers for delivery and order fulfilment services.

We face risks related to disruption and labour disputes.

We depend on the performance and enhancement of the reputation of our brand. Any failure or misconduct by us, our parent company, our Partners, or our riders and pickers may harm the reputation of our brand, impair the success of future marketing efforts or other promotional activities, and may negatively affect our profitability.

We face the risk of fraudulent conduct by customers, Partners, third party logistics providers, riders and pickers in our network, which could negatively affect our operations and reputation.

In order to attract new and retain existing customers, it is important that our brand appears prominently in internet and app stores search results. Changes to internet search engines' or app stores' algorithms or terms of service could cause our websites or mobile app to appear less prominently in search results.

We rely on social media, digital marketing, email and other messaging services in our marketing efforts, and restrictions on sending emails or messages, delays in their delivery, adverse actions by third parties, or a declining use of social networking and messaging services could adversely affect our business.

There may be a decrease in demand in e-commerce and quick commerce ordering in the event of a change in customer behaviour due to diseases and other health-related concerns.

If we fail to retain our existing customers and Partners or to attract new customers and Partners, our marketing spend may increase and our business as well as our results may be negatively affected.

We rely on key commercial relationships and the loss of such relationships could adversely affect our business.

We may not be successful in identifying, onboarding, and retaining new Partners and replacing the same is a time-consuming and costly process, and we may not be able to recoup our investments.

We rely on our Partners for many aspects of our business, and any failure by them to maintain their service and quality levels could harm our reputation and business. If the operations of our Partners on our platform were to be disrupted, we may not be able to satisfy our customers' demands.

We are subject to risks in connection with our dependency on Delivery Hero.

We are subject to risks arising from employee, rider or picker error or misconduct.

Failure to protect or misuse the personal data we collect, store, and process could negatively affect our business.

Changes to the laws regulating the use of cookies or similar technologies may lead to broader restrictions on our marketing and personalisation activities.

The riders in all our markets collect the cash paid by customers on behalf of our Partners and are responsible for returning it to us. Any loss of cash through theft or other factors may negatively affect our operations and our reputation.

We or our Partners may not be able to deliver products to our customers on time or at all, for example, due to traffic conditions, building access issues, product unavailability or because of technology failure.

We are exposed to risks in connection with actual or alleged infringements of product labelling, safety, hygiene and public health regulations and of the food, groceries and consumer products ordering and delivery industry, including regulation relating to warehouse and storage infrastructure.

We are subject to risks related to past and potential future acquisitions.

The InstaShop acquisition is subject to conditions precedent and there are no assurances that it will be consummated.

We are subject to risks related to our expansion and growth plans.

Our industry is fast-paced, which forced us to grow quickly in the past. There is no assurance that our organisational set up, internal control systems and compliance procedures were adequate at all times, and that we will be able to successfully manage potential future growth and that we will have sophisticated risk management and risk reporting procedures as well as compliance management systems in place.

We have entered into various service agreements with third parties, which are material to our business and if these third parties do not perform adequately or terminate their relationships with us, our costs may increase, our business could be interrupted and our results of operations could be harmed.

Corporate restructurings and intra-group transactions in the past and in the future could lead to increased scrutiny by the local tax authorities and, if challenged, to additional tax payments.

We are subject to risks relating to the processing, authorisation, receipt and collection of payments, including any increase of costs for processing payments, customer claims relating to defective payments and unfulfilled payment obligations.

We may provide regulated payment, e-money or similar financial services in the future, which would result in *the supervision by competent financial authorities and the applicability of license and regulatory requirements, any non-compliance of which could result in fines and prohibition of such services.*

We depend on talented management personnel to grow and operate our business and we may not be able to retain, attract new or replace such qualified personnel.

If we are unable to attract and retain skilled employees, we will be unable to operate efficiently.

We may be subject to litigation proceedings that stem from the nature of our business and could disrupt and harm our business and reputation.

We may not be able to adequately protect our intellectual property rights or may be accused of infringing the intellectual property rights of third parties. We may have to commit significant resources in our efforts to protect them.

We may be unable to acquire, use or maintain the domain names for our websites or publish our applications on the relevant app stores in our targeted markets, which could force us to incur significant additional marketing spend.

Disagreements with local residents and landlords in the areas in which we operate, competition for new or replacement sites, and related public scrutiny and debate could adversely impact our business and reputation.

We are exposed to risks associated with our reliance on leased properties for our operations.

Failure to maintain optimal inventory levels in our tMarts operations could increase our loss rate or cause us to lose sales, either of which may have a negative impact on our business and results of operations

The number of orders placed through our platform fluctuates and depends on weather conditions, seasonal trends and special events, which may have a significant influence on our revenue and operating margins.

We face risks related to climate and environmental regulations which affect our delivery operations.

Natural disasters, industrial catastrophes and health epidemics or pandemics could unfavourably impact our industry and our delivery orders, which could materially adversely affect our financial performance and business.

We are subject to risks related to the lack of experience in managing a public limited company listed on the DFM.

Risks Relating to Dubai, the UAE and the MENA Region

Our operations are across a number of markets in the MENA region, which exposes us to political, economic, legal and other risks.

Continued instability and unrest in the MENA region, or the escalation of armed conflict, may materially adversely affect our business, financial condition, results of operations and prospects.

The Group's business in the UAE, Kuwait, Bahrain and Iraq is subject to risks associated with foreign ownership restrictions.

We are exposed to the tax laws of multiple jurisdictions in which we operate, including risks in connection with challenges to our tax positions.

Workforce nationalisation initiatives in the countries where we operate may increase our costs and reduce our ability to rationalise our workforce.

Our financial condition and results of operations may be materially adversely affected if the USD/AED exchange rate were to change.

Risks Relating to the Global Offering and to the Shares

Substantial sales of Shares by our Selling Shareholder or future issuances of Shares by the Group could depress the price of the Shares.

The Company may not pay dividends on the Shares and consequently, investors may not receive any return on investment unless they sell their Shares for a price greater than that which was paid for them.

Because the Company is a holding company and substantially all of the Group's operations are conducted through the Company's subsidiaries, the Company's ability to pay dividends on the Shares depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities.

Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their pre-emptive rights if the Company increases its share capital.

THE GLOBAL OFFERING

"**Company**"...............................	Talabat Holding plc, a public company limited by shares, incorporated in the ADGM, Abu Dhabi, United Arab Emirates, with a paid-up share capital of AED 931,529,625.
"**Selling Shareholder**".............	Immediately following completion of the Global Offering, the Selling Shareholder will continue to own at least 85% of the Company's issued and outstanding share capital assuming that it sells all of the Shares being offered and that the size of the Global Offering is not increased.
"**Joint Global Coordinators and Joint Bookrunners**"..........	Emirates NBD Capital PSC, J.P. Morgan Securities PLC and Morgan Stanley & Co International PLC have been appointed as Joint Global Coordinators and Joint Bookrunners, and Abu Dhabi Commercial Bank PJSC, Barclays Bank PLC, EFG-Hermes UAE Limited (acting in conjunction with EFG Hermes UAE LLC), First Abu Dhabi Bank PJSC, Goldman Sachs Bank Europe SE, ING Bank N.V. and UniCredit Bank GmbH have been appointed as Joint Bookrunners.
"**Global Offering**"	3,493,236,093 ordinary shares are being offered in the Global Offering. All of the Shares are being sold by the Selling Shareholder. The Selling Shareholder reserves the right to amend the size of the Global Offering at any time prior to the end of the subscription period at their sole discretion. The Company will not receive any proceeds from the sale of Shares by the Selling Shareholder. The Global Offering comprises the Qualified Institutional Offering, the ADGM Exempt Offer, the DIFC Exempt Offer and the UAE Retail Offer. The Shares are being offered outside the United States in reliance on Regulation S and within the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act. The Exempt Offer is being made in the ADGM pursuant to an exemption from registration under the Market Rules of the FSRA and in the DIFC pursuant to an exemption from registration under the Markets Rules of the DFSA. Subject to the approval of the SCA, the Company reserves the right to alter the percentage of the Global Offering which is to be made available to either the UAE Retail Offer, which shall not exceed 40% (in aggregate) of the total Shares offered in the Global Offering, or the Qualified Investor Offering, which shall not be reduced to less than 60% of the total Shares offered in the Global Offering.
"**Qualified Investor Offering**".	95% of the Shares being offered in the Global Offering are being offered to certain investors in the Qualified Investor Offering (i) outside the United States in reliance on Regulation S; (ii) within the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A; and (iii) pursuant to the Exempt Offer.
"**Exempt Offer**"........................	A number of Shares to be determined by the Joint Global Coordinators, the Selling Shareholder and the Company are being offered in the DIFC Exempt Offer in the DIFC pursuant to an exemption from registration under the Markets Rules Module of the DFSA Rulebook, and in an ADGM Exempt Offer in the ADGM pursuant to an exemption from registration under the Markets Rules of the FSRA.
"**UAE Retail Offer**"	5% of the Shares are being offered in the UAE pursuant to the UAE Prospectus, the publication of which was approved by the SCA, to (A) natural persons who hold a national investor number ("**NIN**") with the DFM and (B) other investors (including natural persons, companies and

	establishments) who do not participate in the Qualified Investor Offering that hold a NIN with the DFM.
"**Cornerstone Investors**"	On 18 November 2024, the Company and the Selling Shareholder entered into cornerstone investor agreements (the "**Cornerstone Investor Agreements**") with each of Emirates NBD AM SPC (acting on behalf of the UAE Strategic Investment Fund), The Abu Dhabi Pension Fund, and Emirates International Investment Company LLC (the "**Cornerstone Investors**") pursuant to which each of the Cornerstone Investors severally (and neither jointly nor jointly and severally) has committed to purchase Shares in the Global Offering, and the Selling Shareholder has agreed to sell, and procure the allotment and transfer of, Shares to the Cornerstone Investors from the Qualified Investor Offering at the offer price and in accordance with the commitments opposite each Cornerstone Investor's name in the table set out in "*Sale of Shares—Cornerstone Investors*". The aggregate commitments of all the Cornerstone Investors pursuant to the Cornerstone Investor Agreements are USD 250,000,000 (equivalent to AED 918,125,000). The Cornerstone Investor Agreements are conditional upon Admission and certain other customary conditions being satisfied, and will terminate automatically if such conditions have not been fulfilled on or before 31 December 2024 (or such other date as may be agreed between the Company and the Cornerstone Investors). For more information, see "*Sale of Shares—Cornerstone Investors*".
"**Shares**"	Our share capital consists of 23,288,240,625 ordinary shares, each with a value of AED 0.04, which are fully paid, issued and outstanding. The Shares have the rights described under "*Description of Share Capital*".
"**Offer Price Range**"	The offer price range is AED 1.50 to 1.60 per Share.
"**Commencement of the Global Offering**"..................................	On or around 19 November 2024.
"**Expected Pricing Date**"	On or around 29 November 2024.
"**Expecting Closing Date**"........	On or around 10 December 2024.
"**Payment and settlement**"	Payment for the Shares purchased in connection with the Qualified Investor Offering shall be made in AED. Purchasers will be required to make full payment for the Shares to the Joint Bookrunners for receipt by the Joint Bookrunners two business days prior to the Closing Date. In the event of a failure to make timely payment, purchasers of Shares may incur significant charges. Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the DFM. Trading of the Shares will take place through the trading system of the DFM. Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are authorised clearing members (the "**Clearing Members**"). Settlement of securities trading on the DFM is governed by the DFM's rules and regulations, which are available from its website, www.dfm.ae.

"**Restrictions on purchases and transfers of Shares**"	The Shares are subject to certain restrictions on their purchase, resale and transfer. For more information, see "*Sale of Shares*" and "*Transfer Restrictions*".
"**Dividends**"	The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See "*Risk Factors—Risks Relating to the Global Offering and to the Shares—The Company may not pay dividends on the Shares and consequently, investors may not receive any return on investment unless they sell their Shares for a price greater than that which was paid for them*". Any level or payment of dividends will depend on, among other things, future profits, the business plan of the Company and additional growth avenues, at the discretion of the Board of Directors and subject to the approval from the shareholders in the General Assembly. Subject to the foregoing, the Company intends to pay a minimum dividend in the amount of AED 367.25 million (equivalent to USD 100 million) in April 2025 in respect of the financial results of the fourth quarter of 2024. The Company intends to pay a minimum dividend in the amount of AED 1,469 million (equivalent to USD 400 million) in two instalments in October 2025 and April 2026 in respect of the financial results for the year ending 31 December 2025. Following such distribution, the Company intends to pay dividends twice each calendar year, with an interim payment based on the first-half financial results being paid in October of that calendar year, and a second payment following full-year financial results being paid in April of the following calendar year, in each case with a target net income payout of 90%. This dividend policy is designed to reflect the Company's expectation of strong cash flow and expected long-term earnings potential, while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long-term growth. This dividend policy is subject to the consideration of the Board of Directors of the cash management requirements of the Company's business for operating expenses, financing expenses and anticipated capital expenditures. In addition, the Company expects that the Board of Directors will also consider market conditions, the then current operating environment in the Company's markets, and the Board of Directors' outlook for the Company's business. See "*Dividend Policy*".
"**Use of proceeds**".....................	The net proceeds generated by the Global Offering (after base fees and discretionary fees are paid) will be received by the Selling Shareholder. The Group will not receive any proceeds from the Global Offering other than reimbursement from the Selling Shareholder for any expenses relating to the Global Offering. All expenses of the Global Offering (including base fees and any discretionary fees) will ultimately be borne by the Selling Shareholder. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its shareholdings while providing increased trading liquidity in the Shares and raising the Group's profile with the investment community, as discussed under "*Use of Proceeds*".
"**Listing and trading**"	Prior to the Global Offering, there has not been any public market for the Shares. There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that

	dealings in the Shares will commence on the DFM on or about the Closing Date.
"**Lock-up**"	Pursuant to the terms of an underwriting agreement among the Company, the Selling Shareholder and the Joint Bookrunners (the "**Underwriting Agreement**"), the Company and the Selling Shareholder have contractually agreed, for a period of 180 days after the Closing Date, not to: (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or any securities convertible or exchangeable into or exercisable for any shares or warrants or other rights to purchase shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the shares, or file any registration statement under the Securities Act or any similar document with any other securities regulator, stock exchange, or listing authority with respect to any of the foregoing; (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any shares, in each case, whether any such transaction is to be settled by delivery of shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed. The Shariah pronouncement issued in relation to the Global Offering does not extend in scope to the transactions listed above and the parties involved in any transactions that lead to a lock-up waiver request should undertake their own assessment as to whether such transactions are structured in a Shariah compliant manner. See "*Sale of Shares—Lock-up Arrangements*" for information on the lock-up or any applicable exceptions thereto. Pursuant to the Cornerstone Investor Agreements, the Cornerstone Investors have respectively agreed that, subject to certain customary exceptions, during a period of not less than 180 days from the Closing Date, such Cornerstone Investor will not offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Shares it has acquired under the Cornerstone Investor Agreements (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.
"**Taxation**"	For a discussion of certain tax considerations relevant to an investment in the Shares, see "*Taxation*".
"**General Information**"	The security identification numbers of the Shares offered hereby are as follows: Shares ISIN: AEE01569T248
"**Risk Factors**"	You should read "*Risk Factors*" for a discussion of factors that you should consider carefully before deciding to invest in the Global Offering.

SUMMARY HISTORICAL COMBINED AND CARVE OUT FINANCIAL INFORMATION

The summary historical combined and carve out financial information set forth below is derived from the Annual Combined Financial Statements, which have been prepared in accordance with IFRS, and the Interim Combined Financial Statements, which have been prepared in accordance with IAS 34.

Results in the Interim Combined Financial Statements are not necessarily indicative of the results that can be expected for the full year. See "Presentation of Financial Information" for further information on the Interim Combined Financial Statements. The summary historical combined and carve-out financial information should be read in conjunction with the "Selected Historical Combined and Carve out Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and the Financial Statements, including the related notes, included elsewhere in this Offering Memorandum.

Summary combined and carve out statement of profit or loss and other comprehensive income

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	**2023**	**2023**	**2024**
		(AED)		
Revenue	6,310,279,038	7,987,738,908	5,760,901,790	7,604,254,410
Cost of sales	(4,369,959,410)	(5,448,421,725)	(3,942,028,966)	(5,179,174,959)
Gross profit	**1,940,319,628**	**2,539,317,183**	**1,818,872,824**	**2,425,079,451**
Marketing expense	(507,960,903)	(485,640,354)	(365,754,591)	(389,118,425)
IT expense	(181,447,745)	(205,056,834)	(149,347,527)	(165,119,212)
General administrative expense	(548,536,494)	(538,077,620)	(413,599,226)	(453,070,175)
Other income	140,866,832	95,732,420	54,572,031	39,650,221
Other expenses and impairment	(224,548,677)	(420,798,953)	(328,604,491)	(353,915,148)
Operating profit	**618,692,641**	**985,475,842**	**616,139,020**	**1,103,506,712**
Net finance costs	(70,595,421)	(87,925,041)	(69,129,082)	(31,795,578)
Foreign exchange loss, net	(137,580,997)	(91,061,503)	(68,826,779)	(213,296,886)
Profit before income tax	**410,516,223**	**806,489,298**	**478,183,159**	**858,414,248**
Current income tax expense	(44,680,664)	(29,181,375)	(29,211,005)	(93,603,281)
Net profit	**365,835,559**	**777,307,923**	**448,972,154**	**764,810,967**
Other comprehensive income (Net)				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation difference	174,713,239	66,715,636	62,804,825	185,529,825
Other comprehensive income, net of tax	174,713,239	66,715,636	62,804,825	185,529,825
Total comprehensive income	**540,548,798**	**844,023,559**	**511,776,979**	**950,340,792**

Summary combined and carve out statement of financial position

	As at 31 December		As at 29 September
	2022	**2023**	**2024**
		(AED)	
Assets			
Non-current assets			
Property and equipment	422,677,406	504,108,916	545,084,600
Intangible assets and goodwill	1,145,459,903	1,153,183,998	1,166,956,599
Loans to related parties	208,980,058	252,785,439	-
Trade and other receivables - non-current	10,989,997	16,211,629	21,527,122
Total non-current assets	**1,788,107,364**	**1,926,289,982**	**1,733,568,321**
Current assets			
Inventories	105,620,120	125,519,570	142,935,781
Trade and other receivables	353,638,472	371,065,212	443,905,310
Due from related parties	5,537,244	75,653,771	3,528,826
Cash and cash equivalents	1,507,684,858	1,278,849,061	1,161,062,323
Total current assets	**1,972,480,694**	**1,851,087,614**	**1,751,432,240**
Total assets	**3,760,588,058**	**3,777,377,596**	**3,485,000,561**

Equity and liabilities			
Equity			
Net Ultimate Parent's investment	819,375,472	661,361,258	1,498,955,525
Total equity	**819,375,472**	**661,361,258**	**1,498,955,525**
Non-current liabilities			
Loans from related parties(1)	1,560,461,593	1,403,801,184	5,829,687
Trade and other payables	3,377,988	3,825,273	2,796,205
Lease liabilities	165,660,595	220,352,238	269,953,688
Employees' end of service benefits	34,403,793	52,308,858	65,854,871
Total non-current liabilities	**1,763,903,969**	**1,680,287,553**	**344,434,451**
Current liabilities			
Due to related parties	106,538,931	141,684,042	78,163,349
Trade and other payables	996,266,023	1,216,272,264	1,420,714,930
Lease liabilities	58,024,112	61,242,891	69,717,898
Income tax liabilities	16,479,551	16,529,588	73,014,408
Total current liabilities	**1,177,308,617**	**1,435,728,785**	**1,641,610,585**
Total liabilities	**2,941,212,586**	**3,116,016,338**	**1,986,045,036**
Total equity and liabilities	**3,760,588,058**	**3,777,377,596**	**3,485,000,561**

(1) Loans from related parties were primarily to help fund operations and the growth of our business in certain of our markets. During the period from 1 January through 29 September 2024, the loan balance was settled against loans to related parties and the net liability was contributed to equity.

Summary combined and carve out statement of cash flows

	For the year ended 31 December		**For the period from 1 January to 29 September**	
	2022	**2023**	**2023**	**2024**
		(*AED*)		
Net cash generated from operating activities	806,708,629	1,375,897,988	919,452,921	1,429,614,286
Net cash used in investing activities	(232,474,457)	(185,001,801)	(107,163,563)	(1,098,784,471)
Net cash used in financing activities	(639,926,065)	(1,421,024,115)	(937,779,111)	(448,825,184)
Net decrease in cash and cash equivalents	(65,691,893)	(230,127,928)	(125,489,753)	(117,995,369)
Exchange differences	41,358,683	1,292,131	(1,340,218)	208,631
Cash and cash equivalents at the beginning of the year/period	**1,532,018,068**	**1,507,684,858**	**1,507,684,858**	**1,278,849,061**
Cash and cash equivalents at the end of the year/period	**1,507,684,858**	**1,278,849,061**	**1,380,854,887**	**1,161,062,323**

Other Financial Information

The following table sets forth certain financial measures used by us as key indicators of our financial performance as at and for the years ended 31 December 2022 and 2023, and as at, and for the periods from 1 January to, 29 September 2023 and 2024. For further information, including definitions, see "*Presentation of Financial and Other Information—Non-IFRS Information*".

GMV

	For the year ended 31 December			**For the period from 1 January to 29 September**	
	2021	**2022**	**2023**	**2023**	**2024**
			(*AED millions*)		
GMV(1)	**14,490**	**18,992**	**22,264**	**16,303**	**19,773**
GCC GMV(2)	13,103	16,793	19,425	14,306	16,923
Non-GCC GMV(3)	1,387	2,199	2,839	1,997	2,850

(1) GMV is the total value paid by customers (including VAT, delivery fees and service fees less subsidies such as vouchers and other discounts). GMV CAGR from 2021 to 2023 was 24%. GMV period-on-period growth between 29 September 2023 and 29 September 2024 was 21%.
(2) GCC GMV is the GMV generated from our GCC markets: UAE, Kuwait, Bahrain, Qatar and Oman.
(3) Non-GCC GMV is the GMV generated from our non-GCC markets: Egypt, Jordan and Iraq.

Revenue

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED*)			
Commission fees[1]	2,712,104,561	3,120,744,981	2,343,954,084	2,839,714,821
Delivery fees[2]	1,460,522,500	1,741,851,431	1,266,248,021	1,590,432,352
Advertising and listing fees[3]	518,931,215	698,555,704	496,358,702	658,014,054
Service fees[4]	89,278,544	231,643,339	163,872,678	262,758,772
Subscription fees[5]	16,228,161	57,427,993	39,757,998	74,857,740
Other direct income[6]	1,708,932,699	2,407,599,004	1,646,567,972	2,418,035,061
Less:				
Vouchers	(125,947,912)	(180,605,081)	(130,842,314)	(165,698,386)
Other discounts	(69,770,730)	(89,478,463)	(65,015,351)	(73,860,004)
Total revenue	**6,310,279,038**	**7,987,738,908**	**5,760,901,790**	**7,604,254,410**

(1) Commission fees include fees charged to Partners as consideration for our online marketplace services, in which we arrange for Partners to sell food, groceries and convenience retail products to customers.
(2) Delivery fees include fees charged to customers and Partners.
(3) Advertising and listing fees include fees related to advertising services provided to Partners, listing fees, and other non-commission revenue.
(4) Service fees are separately charged to customers in certain markets for the usage of our platform.
(5) Subscription fees include fees related to the subscription programmes offered to customers.
(6) Other direct income mainly consists of revenue generated from retail sales, payment processing fees, and other income streams.

Total Management Reporting Revenue

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions, except percentages*)			
Total management reporting revenue[1]	**6,466.5**	**8,232.5**	**5,937.1**	**7,830.0**
Total management reporting revenue as a percentage of GMV	34.1%	37.0%	36.4%	39.6%
Total management reporting revenue growth period-on-period	27%		32%	

(1) We calculate total management reporting revenue as revenue without deducting vouchers and other discounts issued to our customers and reconciliation effect. The following table shows a reconciliation of revenue to total management reporting revenue:

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions*)			
Revenue	**6,310.3**	**7,987.7**	**5,760.9**	**7,604.3**
Vouchers and other discounts[a]	195.7	270.1	195.9	239.5
Reconciliation effect[b]	(39.5)	(25.4)	(19.7)	(13.8)
Total management reporting revenue	6,466.5	8,232.5	5,937.1	7,830.0

(a) Vouchers and other discounts issued to our customers that are treated as marketing expenses and deducted from revenue in accordance with IFRS 15 in the Financial Statements.
(b) Reconciliation effect consists of adjustments to revenue for which we are the principal and revenue is presented in the Combined Financial Statements on a gross basis whereas for management reporting purposes, such revenue is netted off against the related cost.

Adjusted Net Profit

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions, except percentages*)			
Adjusted net profit[1]	**563.7**	**944.0**	**578.6**	**995.0**
Adjusted net profit as a percentage of GMV	3.0%	4.2%	3.5%	5.0%
Adjusted net profit as a percentage of total management reporting revenue	8.7%	11.5%	9.7%	12.7%
Adjusted net profit growth period-on-period	67%		72%	

(1) Adjusted net profit is calculated as net profit excluding (i) foreign exchange (loss) (mainly related to non-cash unrealised foreign exchange loss from a shareholder loan liability in Delivery Hero Egypt SAE); and (ii) and interest expense on loans and interest income (mainly related

to shareholder loans and deposits that will be capitalised prior to Admission). The following table shows a reconciliation of net profit to Adjusted Net Profit:

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions*)			
Net profit	**365.8**	**777.3**	**449.0**	**764.8**
Foreign exchange loss, net	137.6	91.1	68.8	213.3
Interest expense on loans	69.7	112.3	73.6	68.6
Interest income	(9.4)	(36.7)	(12.8)	(51.7)
Adjusted Net Profit	**563.7**	**944.0**	**578.6**	**995.0**

Gross profit

	As at and for the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions, except percentages*)			
Gross profit	1,940.3	2,539.3	1,818.9	2,425.1
Gross profit as a percentage of GMV	10.2%	11.4%	11.2%	12.3%
Gross profit as a percentage of total management reporting revenue	30.0%	30.8%	30.6%	31.0%
Gross profit period-on-period growth	31%		33%	

Adjusted EBITDA

	As at and for the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions, except percentages*)			
Adjusted EBITDA[(1)]	796.8	1,180.5	805.4	1,315.7
Adjusted EBITDA as a percentage of GMV	4.2%	5.3%	4.9%	6.7%
Adjusted EBITDA as a percentage of management reporting revenue	12.3%	14.3%	13.6%	16.8%
Adjusted EBITDA period-on-period growth	48%		63%	

(1) We define "Adjusted EBITDA" as net profit before current income tax expenses, net finance costs, foreign exchange loss, net, depreciation of property and equipment, other non-income tax and non-operating earnings effects. Non-operating earnings effects include, in particular: (i) expenses from share-based compensation, and (ii) other adjustments (which include other non-operating expenses, non-operating income and results from merger and acquisition activities). Adjusted EBITDA is a supplemental measure of financial performance that is not required by, or presented in accordance with, IFRS. Therefore, Adjusted EBITDA should be viewed as supplemental but not as a substitute for measures presented in the Financial Statements, which are determined in accordance with IFRS. Investors should not consider Adjusted EBITDA (a) as an alternative to operating profit or profit/(loss) before income tax (as determined in accordance with IFRS) as a measure of our operating performance, (b) as an alternative to net cash outflows or inflows from operating, investing and financing activities (as determined in accordance with IFRS) as a measure of our ability to meet cash needs or (c) as an alternative to any other measure of performance under IFRS. Because not all companies define Adjusted EBITDA in the same way. Adjusted EBITDA, as shown in this Offering Memorandum, may not be comparable to similarly titled measures used by other companies." The following table shows a reconciliation of net profit to Adjusted EBITDA:

	For the year ended 31 December				For the period from 1 January to 29 September			
			As a percentage of GMV				As a percentage of GMV	
	2022	2023	2022	2023	2023	2024	2023	2024
	(*AED millions*)		(*%*)		(AED *millions*)		(*%*)	
Net profit	**365.8**	**777.3**	**1.9**	**3.5**	**449.0**	**764.8**	**2.8**	**3.9**
Current income tax expense	44.7	29.2	0.2	0.1	29.2	93.6	0.2	0.5
Net finance costs	70.6	87.9	0.4	0.4	69.1	31.8	0.4	0.2
Foreign exchange loss, net	137.6	91.1	0.7	0.4	68.8	213.3	0.4	1.1
Depreciation of property and equipment	151.4	162.0	0.8	0.7	113.6	137.9	0.7	0.7
Other non-income tax	9.5	5.6	-	-	2.7	2.2	-	-
Adjustments:								
Share-based compensation[(1)]	89.3	52.3	0.5	0.2	37.4	42.0	0.2	0.2
Other adjustments[(2)]	(72.1)	(24.9)	(0.4)	(0.1)	35.6	30.1	0.2	0.2
Adjusted EBITDA	**796.8**	**1,180.5**	**4.2**	**5.3**	**805.4**	**1,315.7**	**4.9**	**6.7**

(1) Share-based compensation refers to certain of our employees' participation in the share-based compensation arrangement managed by Delivery Hero SE.

(2) Other adjustments for the year ended 31 December 2022 included income of AED 80.6 million related to previous mergers and acquisitions activities.

Adjusted Free Cash Flow and Cash Conversion

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	**2023**	**2023**	**2024**
	(AED millions, except percentages)			
Adjusted EBITDA	**796.8**	**1,180.5**	**805.4**	**1,315.7**
Changes in working capital	110.5	198.7	145.7	160.5
Capital expenditures	(172.4)	(156.7)	(104.1)	(114.9)
Lease payments	(74.4)	(87.9)	(61.3)	(58.9)
Taxes	(43.5)	(29.1)	(33.2)	(37.1)
Adjusted Free Cash Flow[(2)]	**616.9**	**1,105.3**	**752.6**	**1,265.3**
Adjusted Free Cash Flow period-on-period growth	79%		68%	
Adjusted Free Cash Flow Margin[(3)]	3.2%	5.0%	4.6%	6.4%
Adjusted Free Cash Flow Revenue Margin[(4)]	9.5%	13.4%	12.7%	16.2%
Cash Conversion[(5)]	**77.4%**	**93.6%**	**93.4%**	**96.2%**

(1) Changes in working capital exclude receivables from payment service providers and restaurant liabilities.
(2) We define Adjusted Free Cash Flow as Adjusted EBITDA *minus* changes in working capital (excluding receivables from payment service providers and restaurant liabilities) *minus* capital expenditures *minus* lease payments *minus* taxes.
(3) We defined Adjusted Free Cash Flow Margin as Adjusted Free Cash Flow *divided by* GMV.
(4) We define Adjusted Free Cash Flow Revenue Margin as Adjusted Free Cash Flow *divided by* total management reporting revenue.
(5) We define Cash Conversion as Adjusted Free Cash Flow *divided by* Adjusted EBITDA.

RISK FACTORS

Investing in and holding the Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Offering Memorandum and should pay particular attention to the following risks associated with an investment in the Group and the Shares, which should be considered together with all other information contained in this Offering Memorandum. If one or more of the following risks were to arise, the Group's business, financial condition, results of operations, prospects or the price of the Shares could be materially and adversely affected, and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Group and the Shares. Additional risks and uncertainties not currently known to the Group or which the Group currently deem immaterial may arise or become material in the future and may have a material adverse effect on the Group's business, financial condition, results of operations or prospects or the price of the Shares

Risks Relating to our Business

We face competition from a wide range of channels, including phone-based services, restaurants, vendors, retailers, franchisors' direct offerings, third-party online platforms including social media ordering services, e-commerce platforms, our Partners providing delivery and pick-up options, and new entrants to the industry, as well as consolidation in the markets in which we operate, which have a significant influence on our revenue and operating margins.

We are the leading on-demand online food ordering, delivery, takeaway and groceries and convenience retail marketplace in the MENA region. We operate an online marketplace that enables customers to order food, groceries and other convenience products from a selection of local restaurants and local shops, such as but not limited to grocery stores, bakeries, pharmacies or flower shops. We face intense competition from both established players and new entrants in our markets. This competition includes:

- traditional offline restaurants and shops providing delivery and pick-up options;
- restaurants, chains and retailers that are increasingly developing their own online ordering and delivery capabilities through websites, mobile applications and social media ordering services;
- "Tech Giants" and large technology companies with significant financial resources, which may choose to enter, or expand their presence in, our markets;
- new local and international entrants that may employ aggressive pricing and marketing strategies to quickly gain market share;
- other online food and grocery ordering and delivery platforms that operate in our markets;
- companies that are integrated across e-commerce, quick commerce, and food order and delivery;
- "SuperApps" offering a wide range of services including food delivery; and
- any other medium available to customers to order, to pick-up or to takeaway food to eat at home, in the office or elsewhere.

The food, groceries and other consumer goods ordering, delivery and takeaway market in our region has been characterised by consolidation, which could lead to the emergence of larger, better-resourced competitors. This consolidation trend may continue, potentially altering the competitive landscape in ways that could negatively impact our market position, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

Competitive pressures may require us to reduce our commission rates or fees charged to our Partners and customers, increase our marketing expenditures, offer more incentives to our customers and Partners, increase the rates or modify the basis on which we pay or engage with riders, pickers, and third-party logistics providers, and continuously innovate and improve our platform and offerings. These actions could negatively affect our revenue and operating margins. If we fail to compete effectively, we may lose our existing customers, Partners, and riders or fail to attract new ones to our platform.

Our ability to maintain and grow our market share depends on our capacity to adapt quickly to changing market conditions and customer preferences, enhance the user-friendliness and features of our platform, expand our Food Vertical and Groceries and Retail Vertical, invest in our marketing initiatives, and provide reliable and efficient delivery and customer support services. To stay competitive, we believe continuous innovation and technology development is crucial. This requires significant investment in engineering, data science, marketing and research and development. Failure to enhance our platform and customer experiences, and effectively address competitive challenges or maintain our competitive position in our markets could materially and adversely affect our business, financial condition, results of operations and prospects.

Government regulation of the internet, e-commerce, quick commerce, and the food industry (including cloud kitchens) is still evolving, may not yet cover certain aspects of our business, and may change in a manner that could negatively impact our operations, and we may fail to comply with applicable regulations due to the complexity of the regulatory landscape.

Government regulation (or the lack thereof) and legal uncertainties could impose administrative and financial burdens on our operations. For example, in Qatar, we experienced public pressure from restaurant owners, who formally complained to the local government about rising costs of commission rates, which caused an investigation by the Ministry of Commerce and Industry (MOCI) and resulted in the imposition of a price cap on commission rates that we can charge and a ban on our delivery registration fees. While such restrictions do not exist in all of our markets, there can be no assurance that such restrictions will not be imposed in the future.

Moreover, as the internet continues to transform commercial relationships on a global scale, and as the use of the internet and mobile devices in everyday life becomes more prevalent, new laws and regulations relating to the internet, e-commerce, quick commerce sectors and the food industry (including cloud kitchens and dark stores) may still be introduced. These laws and regulations may cover issues such as the collection, use and protection of data from website visitors and related privacy issues, online payments, transparency, pricing, anti-bribery, tax, the commission rates charged to our Partners, content, copyrights, trademarks, origin and distribution and quality of goods and services. New or additional permits, licences or authorisation requirements may also potentially become applicable to us in relation to our FinTech initiatives, such as our postpaid service allowing customers to be billed up to thirty (30) days after the date of purchase. See "*Business—Platform-Wide Operations—Enhancements*".

Given that these laws and regulations are very local and specific, it is challenging to adopt a global approach to compliance. Each local requirement can be costly and time-consuming to adhere to, especially in light of an ever-changing consumer law framework as well as unstable and unreliable local authorities and legal systems in some of our markets. This complexity can potentially affect our profitability and scale, while also significantly increasing the burden of compliance, making it more difficult to navigate and meet regulatory requirements across the different jurisdictions in which we operate. It is also important to note that there are added complexities of compliance with multiple regulatory bodies (across country) with incongruous or conflicting regulations. Our delivery service may also be classified as a postal service, which could trigger additional licensing requirements. For example, in Oman, the Telecommunications Regulatory Authority ("**TRA**") has requested that we obtain such a license, which we have contested through the Omani courts. There are ongoing proceedings related to this matter and should the courts rule in favour of the TRA, we will be subject to additional licensing requirements and fees to be paid to the TRA which could adversely affect our business in Oman. Should this classification occur in other markets in which we operate, our profitability may be negatively affected as a result of the additional fees to be paid. In addition, failure to obtain the necessary licenses could expose us to regulatory investigations and legal claims (see "*Business–Litigation*"). In such cases, governmental authorities may take legal action against us, or members of our governing bodies or employees, for non-compliance with postal service regulations.

We also face restrictions and more burdensome obligations to operate a retail business as a foreign-owned entity in some of our markets (see "*—The Group's business in the UAE, Kuwait, Bahrain and Iraq is subject to risks associated with foreign ownership restrictions.*"), which may result in us not being able to operate such business in these respective markets or to find other solutions that may not be as financially advantageous as initially envisaged. In addition, in some of the markets in which we operate, we face constraints in customer delivery fee pricing (including service fees, minimum order values and other pricing mechanisms) as well as rider tipping as they are subject to market-specific regulations and caps. This may increase our costs and/or inhibit our profitability, flexibility in our pricing structure and our competitive position.

Due to the relative novelty of cloud kitchens and delivery-only warehouses, we may face situations where no appropriate licences are available for our Kitchens and tMarts or where significant amount of lobbying from us is required to be able to operate all aspects of our business in those jurisdictions. This may restrict some of our operations in those jurisdictions.

The growth and development of the internet, e-commerce and quick commerce may prompt calls for more stringent consumer protection laws in the MENA region. Any failure to comply with existing and new regulation may lead to significant fines, reputational damage or other restrictions and could materially affect our business, financial condition, result of operations and prospects.

We may be subject to competition law and related investigations due to the perceived strong market position in some of our current markets.

We may be considered to have or gain a strong position in the countries where we operate, or which we want to expand to. Accordingly, there are heightened risks that actions we take may be scrutinised under national antitrust and competition laws or merger control clearances we apply for may be rejected by local antitrust or competition law authorities. The Kuwait Competition Protection Authority is currently conducting investigations into complaints, filed by other aggregators in the Kuwaiti market, alleging misconduct in our dealings with Partners. The Kuwait Competition Protection Authority has also brought cases to the Court of Cassation against decisions from the Court of Appeal which nullified the Kuwait Competition Protection Authority's finding of infringement against us. Another lawsuit has been filed in Kuwait by a restaurant against the Ministry of Commerce and Industry, the Kuwait Competition Protection Authority, and us, where the restaurant requests the appointment of an expert to assess the damages resulting from alleged practices such as monopoly, market control and harm to freedom of competition. In the UAE, we received two notices from the Competition and Consumer Protection Department following complaints regarding key partnership clauses (which are clauses in our Partner subscription agreements that grant Partners with a discount on commission fees should such Partners elect to only use our platform to offer their products) (see "*Material Agreements–Subscription Agreements*"). In addition, the competition authority in Iraq has inquired about our operations in this market, although no notice of a complaint has been received.

In a number of countries in which we operate and carry out transactions, antitrust and competition laws as well as competent authorities are relatively new and, therefore, there is a higher degree of uncertainty as to how these laws are interpreted and enforced by these authorities. In some countries, antitrust and competition law enforcement has become more systematic than in the past, leading to an increased risk of allegations of violations of antitrust and competition laws. In general, antitrust and competition laws, and in particular those relating to vertical agreements and merger control notifications, require an ad-hoc assessment, which is always associated with a higher degree of uncertainty.

We cannot rule out that contracts, or some clauses in contracts, that we have entered into or arrangements we have made, including best price, preferred partnership, loyalty rebates or any other restrictive clauses used in the past in certain agreements with Partners are found to violate applicable antitrust and competition laws and regulations or similar laws, and/or are considered unenforceable. If we are found to be in violation of applicable antitrust and competition laws and regulations or similar laws, the competent authorities may require us to remove such clauses and impose monetary fines and/or criminal charges on us or our representatives. In addition, there is a risk in connection with acquisitions of other businesses or sales of our own businesses, of rejection of merger control clearance or that merger control clearance is granted only subject to material conditions, such as divesting of material assets or subsidiaries, which ultimately may have an impact on our operations. Further, there is a risk in connection with acquisitions of other business or sales of our own business that their review of the competent authorities adds delay and transaction risks to our expansion.

If these risks were to materialise, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

The number and size of orders placed through our platform may be negatively impacted by any deterioration of economic conditions or other instances leading to a decrease in customer spending.

Our performance is closely tied to economic conditions in the MENA markets where we operate and their impact on customer spending levels. Various factors can affect discretionary customer spending, including general economic conditions and outlook; tax policies; unemployment rates; consumer debt levels; changes in net worth;

fluctuations in stock markets, inflation rates, values of real estate, and other asset classes; geopolitical events or uncertainties; energy prices; interest rates; and consumer confidence and shifts in preferences or lifestyle trends.

Changes in these factors can significantly influence customer behaviour. For instance, the introduction of value-added tax ("**VAT**") in GCC countries has impacted consumer purchasing power. The recent implementation of corporate income tax in the UAE may further affect business operations and potentially consumer spending patterns.

During periods of economic uncertainty, recession, or when disposable income is adversely affected, customers tend to reduce spending on discretionary items such as online food ordering and quick commerce. This can lead to a decrease in both the frequency and size of orders placed through our platform. The economic challenges resulting from the global COVID-19 pandemic have demonstrated how economic insecurity, lower incomes, and job losses can impact consumer behaviour in our sector. See "*–Natural disasters, industrial catastrophes and health epidemics or pandemics could unfavourably impact our industry and our delivery orders, which could materially adversely affect our financial performance and business.*"

Economic downturns can disproportionately affect small businesses, including many of our Partners, which often lack the substantial resources of larger chains or franchises. If a significant number of our Partners experience declining sales and consequently start reducing their investment in our platform or go out of business due to poor economic conditions and, therefore, do not invest in our platform at all, this could result in a drop in order discounts and deals available to customers on our platform which could, in turn, reduce the attractiveness of our services to potential customers, reduce the number of orders placed on our platform and harm our business and operational results. An economic downturn could also adversely affect, in particular, the smaller third-party logistics providers whom we contract with for rider/picker staffing, resulting in issues with delivery logistics.

Moreover, adverse economic conditions can impact our corporate clients, potentially leading to decreased usage of our platform for corporate food ordering programs. This could further negatively affect our order volumes and revenue.

Our ability to maintain and grow our business depends in part on general economic conditions and our ability to adapt to changes in consumer behaviour during challenging economic periods. Any of these factors could slow the growth of our key performance indicators and materially and adversely affect our business, financial condition, results of operations and prospects.

Any disruptions of the third-party or internal IT systems that we significantly rely on, and any failure of cyber-security measures may adversely affect our performance, operations, and reputation.

We rely on complex IT and telecommunication systems to enable our customers to conveniently access our platform and enhance their ordering experience. We also use such technology for processing orders, managing delivery operations, and invoicing. IT and telecommunication systems provided by Delivery Hero and third parties (such as hosting providers and customer relationship management (CRM) software providers), may be difficult to integrate with other tools due to their complexity, resulting in high data inconsistency and incompatibility. There is no assurance that the IT systems underlying our platform will not temporarily fail.

Insufficient security practices and controls, such as using unprotected software, the use of default credentials or their reuse coupled with the use of cloud services, the use of unauthorised IT tools which are not compliant with IT security standards, inadequate physical protection against unauthorised access and/or manipulation may result in the vulnerability of our IT systems. The increased prevalence of remote work may further exacerbate these security risks. The roll-out of new IT systems to us may be delayed or fail, resulting in insufficient scale to support the potential growth of our business.

Our incident management aimed at identifying operational problems, such as failures in IT programs, may be inadequate. Any failure of, or disruptions to, our IT systems may adversely affect our performance and may lead to a loss of revenue and reputation. Despite our security practices, cyber-attacks might lead to a loss of revenue due to the platform being unavailable for potential customers and could also lead to data protection violations. Our technical know-how about cybersecurity may not always result in a full implementation of a coordinated and centrally controlled cybersecurity policy framework and monitoring of its adherence.

Should algorithms suffer from a programming failure or should our IT systems be subject to a disruption, this may leave us unable to deliver food, groceries and other consumer goods on time or result in misallocations of orders, ultimately negatively affecting our performance and reputation. Any system outages affecting the operation of telecommunications or the internet may restrict the ability of customers to access our platform or Partners and our ability to process orders. Such failures could significantly impact customer trust and loyalty, potentially leading to long-term negative effects on our business.

When carrying out a review of the IT security and data protection requirements in connection with selecting suitable suppliers, we cannot guarantee absolute protection of the confidentiality, integrity, and availability of the data processed and stored on these third-party systems. Any leakage of sensitive information could lead to a misuse of data, violate applicable privacy, data protection and other laws, cause significant legal and financial risks and negative publicity, and adversely affect our business and reputation.

We rely significantly on technology infrastructure and systems provided by Delivery Hero. See "*—We are subject to risks in connection with our dependency on Delivery Hero.*". This dependency means that any disruptions or security breaches in Delivery Hero's systems could directly impact our operations and, in turn, our reputation. Our ability to quickly respond to and resolve IT issues may be limited by our reliance on our parent company's technical support and expertise.

While we are continuously working to improve our IT systems and cybersecurity measures, including regular security audits and employee training, the rapidly evolving nature of cyber threats means that risks in this area remain significant and ongoing. If any of these risks were to materialise, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may face online security breaches and service disruptions due to hacking, viruses, fraud, and malicious attacks and may have to devote significant resources to protect our technology and IT infrastructure.

We operate websites, networks, payment solutions, and other data systems through which we collect, maintain, transmit, and store information about our Partners, customers, suppliers, and others, including credit card information and personal information, as well as other confidential and proprietary information. We also employ third-party service providers that store, process, and transmit proprietary, personal, and confidential information on our behalf. Furthermore, we rely on encryption and authentication technology licensed from third parties in an effort to securely transmit confidential and sensitive information, including payment details such as credit card and current account details. Our reliance on Delivery Hero's technology infrastructure extends to many of these critical systems, including payment solutions and data storage. While this allows us to benefit from Delivery Hero's robust security measures, it also means that we are vulnerable to any security breaches or data protection issues that may occur at the parent company level. See "*—We are subject to risks in connection with our dependency on Delivery Hero.*".

Our Partners and customers rely on the security of our websites, networks, other data systems, backend, and IT infrastructure and the protection of any third-party data. We take steps to protect the security, integrity, and confidentiality of the information and user data we collect, store, or transmit, but regularly record attempts to break into our systems. However, we may not always be successful in preventing security breaches or hackers from accessing personal data. In December 2022, we were hacked by an external attacker in Norway who gained access to the personal data of 144,469 customers in one of the markets in which we operate. Upon learning of this external attack, we informed the competent data protection regulator, which launched an investigation, and we were required to pay a penalty of USD 150,000. Should we fail in preventing any security breaches or hackers from accessing personal data in the future, we may be required to apply additional prevention and detection tools or be liable to pay significant fines.

Advances in computer capability, new technological discoveries, or other developments could increase the frequency or likelihood of security breaches. In addition, security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by current or former employees or by persons with whom we have commercial relationships. Security breaches may also result where our internal security practices are inadequate or where we have an inadequate IT architecture to prevent or detect or limit the effects of external attacks. Our access management regarding our data systems is still evolving and may prove insufficient, resulting in, for example, misuse, loss, leakage, or damage of data, or unauthorised access to sensitive data and systems, or manual inputs into systems leading to inaccurate data. A leakage of customer, Partner or employee data caused by hacking attacks, inadequate data protection, or a former or current employee with access to customer or Partner data, could lead to a misuse of data, for example, in the form of unsolicited emails or other communications based on spam lists fed with such data. Inefficient management of administrator and user accounts may increase the risk of fraud, disclosure, and malfunctions.

The significant resources we devote to protect against security breaches, including, inter alia, an information security team specialised in all relevant areas of security domains, including security incident response, application security, and security compliance, may not be sufficient to anticipate or continue to prevent all types of attacks and techniques used to obtain unauthorised access to our systems. Since these techniques change frequently and are often only recognised after they are launched against a target, we may also not have the technical sophistication to provide adequate protection at all. Therefore, we cannot guarantee that inadvertent or unauthorised use or disclosure will not occur, or that third parties will not gain unauthorised access to this information despite our efforts. Any such breach or unauthorised access could violate applicable privacy, data security, or other laws and result in significant legal and financial exposure, a loss of confidence in the security of the products and services we offer, regulatory action against us by public authorities, and may damage our reputation (through social media or otherwise), including the reputation of the companies not directly affected by the security breach, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

The growth and success of our industry depends on the continued growth of e-commerce and quick commerce as marketplaces, the corresponding channel shift from offline to online and mobile devices, the development of new technologies as well as customers' acceptance of online aggregator platforms, all of which may not develop as experienced in the past.

Our growth depends to a large extent on the growth of the internet and mobile devices as channels for online customer transactions in the markets in which we operate. The food, groceries and other consumer goods ordering, delivery and takeaway market is likely to continue growing only if acceptance of the internet and mobile devices as retail channels continues, and if we can maintain the availability, functionality and user-friendliness of our platform to gain new Partners and new customers. Even if our customers and Partners desire to make use of the internet for e-commerce, quick commerce, and other transactions, the difficulties of developing mobile infrastructure and, at times, electricity outages or unreliable internet networks in some of the markets in which we operate, such as Egypt, may limit their ability to do so and may limit our growth opportunities.

There is no guarantee that the markets in which we operate will continue to grow at rates experienced in the past. Customers may not readily adapt to, or continue to adapt to, the use of online channels for food and non-food ordering, delivery or takeaway. Competitors may provide alternatives or substitutes for the current form of ordering online food and everyday items that could render our business obsolete. Moreover, the demand for ordering convenience articles online to be delivered in a particularly short time frame may not be as high as we expect.

In addition, disruptive technological innovations may modify the sector in which we operate and impact our current business model if we are not able to keep up with the relevant pace. New generations of customers and Partners might expect different technological applications and solutions we may not be able to provide or successfully integrate into our business model. For example, as the transition we have undergone from a pure marketplace business to a marketplace with our own delivery capabilities implied significant technological developments and challenges already, any innovative delivery models (e.g., drones and robots) may require us to undergo new technological challenges and developments in the future, which we may not be able to implement successfully into our business model, potentially adversely impacting our operations and financial performance. If our growth slows down, this may adversely impact our business, financial condition, results of operations and prospects.

We rely on third-party logistics providers for delivery and order fulfilment services.

We rely heavily on third-party logistics providers to fulfil and deliver orders to our customers. While this arrangement allows us to scale our operations efficiently, it also exposes us to certain risks:

- **Compliance with Local Laws**: Although we do not directly employ the majority of the riders and pickers, we cannot guarantee that our third-party logistics providers are always compliant with all applicable local laws and regulations regarding sourcing, employment, work permits and licensing, working hours and breaks management, minimum wage, on-time and complete payments to riders and pickers and social security contributions. Any non-compliance by these providers could indirectly affect our operations and reputation.

- **Quality Control**: As these riders and pickers wear talabat-branded outfits, customers associate them directly with our brand. We have limited control over the hiring, training, roadworthiness and day-to-day performance of these riders, which could lead to inconsistent service quality and potential reputational damage. While we conduct rider criminal record checks in markets where it is mandated, and have policies against harassment, we may not be able to fully eliminate such risks.
- **Legal and Reputational Risks:** While the primary liability for the riders and pickers rests with the third-party logistics providers, we cannot rule out the possibility of us becoming a party to investigations and/or legal proceedings or us facing reputational risks due to the actions of riders, pickers or third-party logistics providers. There is a risk that riders or pickers might attempt to claim an employment relationship with us, especially if they are unsatisfied with their terms of engagement with the third-party logistics provider as well as the risk that third parties may try to make us liable for certain employment benefits for riders or pickers.
- **Operational Dependency:** Our heavy reliance on these third-party logistics providers for our core delivery and onground operations staff exposes us to risks if these providers face operational issues, labour disputes, or financial difficulties. Any disruption in their services could significantly impact our ability to fulfil customer orders. In addition, if the third-party logistics providers do not perform their services adequately or terminate their relationship with us, our costs may increase and our business could be interrupted.
- **Regulatory Scrutiny**: As regulations evolve in the MENA region, there's a risk that authorities may scrutinise the relationship between platforms like ours and the riders or pickers who deliver or fulfil through our platform, even if they are employed by third parties. Changes in regulations or their interpretation could force us to alter our business model or face increased costs. There may also be changes in regulation affecting the admittance of certain nationalities (including the nationalities from which the majority of our riders or pickers originate) from into the countries in which we operate.
- **Cost Fluctuations:** Our agreement with third-party logistics providers may be subject to price fluctuations based on market conditions, fuel costs, and labour availability and regulatory requirements. Significant increases in the costs charged by these providers could impact our profitability if we are unable to pass these costs on to customers. Alternatively, operating cost fluctuations due to the aforementioned may put these third-party logistics providers out of business or cause cashflow problems.
- **Supply and Demand for Riders:** To provide a high-quality service to our customers, we require effective operations to maintain a balance between supply and demand for riders in any given area at any given time. With the increase in customer orders, the number of riders available to us may be at times insufficient to cover the increase in demand.
- **Supply and Demand for Pickers**: To effectively manage store operations and cost efficiencies, we require accurate store-level order forecasting and shift allocations within most large-format grocery Partners to ensure we minimise idle picking time and also picker assignment time. With the volatility in order patterns across hours, days and stores, we may not be able to scale this as dynamically with third party providers.
- **Concentration Risks:** In some markets, a few third-party logistics providers represent a significant share of the rider fleet or onground operations staff, exacerbating the operational dependencies outlined above. On the other hand, we have contractual agreements with a large number of such third-party logistics providers in some markets, which may result in logistical challenges. For example, the largest third-party logistics provider in Jordan represents approximately 20% of the rider fleet in that market. In other markets such as Bahrain, Qatar, Oman, Iraq and Egypt, the top seven third-party logistics providers represent approximately 50% of the rider fleet in their respective markets.
- **Scalability Issues**: As we may expand into new markets, there is a risk that our current or new third-party logistics providers may not be able to scale their operations at the same pace, leading to potential service disruptions or delays in market entry.

While we strive to manage these risks through careful selection of our third-party logistics providers and ongoing monitoring of their performance, the nature of this arrangement means that some level of risk is inherent in our business model. Any of these risks materialising could have a material adverse effect on our business, financial condition, results of operations and prospects.

We face risks related to disruption and labour disputes.

In May 2022, we experienced significant disruption to our operations in Dubai when hundreds of delivery riders, including many of our riders (the vast majority of whom are contracted through our third-party logistics providers), participated in a strike (which was initiated by riders working at other platforms). We also experienced rider disruptions on a smaller scale in other markets in which we operate such as Jordan, Egypt, Oman and Iraq. While we were able to resolve the immediate issues and resume normal operations, this incident highlighted our vulnerability to labour disputes, particularly when we do not directly employ our riders. In addition, we have established a monthly feedback loop for riders to share any variances in their received compensation from their third-party logistics provider. However, these measures may not be sufficient to prevent future disruptions or labour disputes.

Any future disruptions or labour disputes could significantly interrupt our ability to fulfil orders, potentially leading to substantial revenue losses and damage to our reputation for reliability. Even though the vast majority of our riders and pickers are employed by third-party logistics companies, any labour disputes are likely to be associated with our brand in the public eye given most of the riders delivering talabat orders carry our branded delivery bags and wear talabat-branded kit, potentially damaging our reputation with customers and Partners.

Labour disputes may attract increased attention from regulatory bodies, the media and the public, potentially leading to new regulations or enforcement actions that could impact our business model or increase our operational costs. Although the vast majority of our riders are employed by third party logistics providers, we may be reclassified as the *de facto* employer of such riders and pickers in such labour disputes, which may result in us becoming liable under such claims. Resolving labour disputes may require financial concessions, either directly from us or through our third-party logistics providers, which could impact our profitability.

Labour unrest can lead to reduced motivation among riders and pickers, potentially impacting the quality of our delivery service. Recurring labour issues could cause instability in our delivery network, making it difficult to maintain consistent service levels across our markets.

While we are committed to ensuring fair treatment of all riders associated with our platform and have implemented measures to monitor their working conditions, we cannot guarantee that we will not face future disruptions or labour disputes. Our ability to maintain positive relationships with riders, even as they are employed by third parties, and to quickly and effectively resolve any disputes, will be crucial to mitigating these risks. The occurrence of such events could have a material adverse effect on our business, financial condition, results of operations and prospects.

We depend on the performance and enhancement of the reputation of our brand. Any failure or misconduct by us, our parent company, our Partners, or our riders and pickers may harm the reputation of our brand, impair the success of future marketing efforts or other promotional activities, and may negatively affect our profitability.

The e-commerce and quick commerce industries typically favour the participants with the strongest brands. While it may be possible for less-established brands to operate profitably, the best-performing and best-known participant typically captures a very large share of the market. Developing and maintaining the reputation of our brand is of central importance to our success. The recognition and reputation of our brand among our customers and Partners are critical factors for the growth and success of our business, are determinative for our marketing spending and customer acquisition costs, and are essential to maintaining our competitiveness in our markets. Any negative impact on the reputation of our brand may negatively affect our profitability in many ways, including by forcing us to cease cooperation with profitable Partners or significantly reduce the commission rates charged to our Partners. In addition, customers may also boycott the talabat platform or certain foreign products or brands which we view as high value Partners on our platform. For example, customers in Kuwait have been boycotting certain brands starting from the latter months of 2023, which reduced the number of orders on our platform and negatively affected our performance. Some markets may have infrastructure and technology limitations, affecting our ability to provide consistent service quality.

To maintain and enhance our brand, we have to take into account several factors, including, for example, our ability (i) to provide a high-quality and efficient online food delivery and takeaway experience, (ii) to maintain and improve the attractiveness of our offering, platforms, and the Partners listed there, (iii) to increase our brand awareness, (iv) to continuously innovate our offerings, such as products from tMarts, and adapt them to the changing preferences of our customers, (v) to preserve our reputation and the goodwill of our customers and business Partners in the event of any negative publicity regarding our offerings or the industry we operate in, (vi) to effectively manage our relationships with Partners and riders, (vii) to navigate regulatory challenges that may affect our operations, and (viii) to ensure consistent and reliable customer service. Additionally, new or changing advertising and other brand-building activities of other platforms may require us to significantly increase our marketing expenditure more than we currently anticipate, which would materially adversely affect our margins.

Any failure or misconduct by us, our parent company, our Partners, riders, pickers or the third-party logistics providers, such as money laundering, tax evasion, food contamination, the violation of food hygiene or food-labelling regulations, offering bad customer service quality, or systemic problems in the food industry, and our riders or riders of third parties, such as late deliveries, accidents caused by them, misbehaviour vis-à-vis customers, or mismanagement of rider administration, or misuse of customer data they have typically access to, as well as other negative publicity related to us (such as public opinion regarding the level of our commission rates charged to our Partners or vouchers not working properly) could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established for ourselves, and have a negative impact on our ability to attract new or retain existing customers and to enter new markets or sectors (see "—*We are exposed to risks in connection with actual or alleged infringements of product labelling, safety, hygiene and public health regulations and of the food, groceries and consumer products ordering and delivery industry, including regulation relating to warehouse and storage infrastructure.*"). The risk of reputational damage due to human error or misconduct may increase if we grow and expand our business, as the quality of customer care processes or service quality may suffer. Employees who have been terminated may feel treated unfairly and could intentionally harm our business, such as by sharing or destroying information or other assets. Our IT systems, for which we rely significantly on Delivery Hero to provide (see "—*We are subject to risks in connection with our dependency on Delivery Hero.*"), may not always work reliably and the integration of Partners and order processing may not be seamless, leading to a delay in order fulfilment or an increase in the number of orders not being fulfilled at all. Also, the Partners in our network may be unable to provide and deliver food or groceries and other consumer goods if order volumes increase.

In our marketing efforts, we are highly reliant on direct traffic (i.e., visitor frequency of our online marketplace and listings of our Partners without them having paid or advertised for such listing), which is influenced by the strength of our brand and can be negatively influenced by the insufficient performance of our Partners, which will be perceived by our customers as a product directly provided by us. We have devoted, and will continue to devote, time and resources to marketing and customer relations, but our marketing efforts and other promotional activities may not achieve the expected results. Promotion and enhancement of our brand is also expected to depend on our success in providing a positive experience for customers ordering food or groceries and other consumer goods through our online marketplace and an efficient and effective service for Partners seeking orders through the additional channel. Moreover, we rely heavily on social media for brand promotion and marketing, and any negative publicity or reputational damage may be accelerated through social media due to its immediacy and accessibility as a means of communication.

In addition, our Partners may violate our terms of business or engage abusive practices against our platform or our riders, which could expose us to liability or damage our reputation or brand. Customer complaints about our platform, delivery issues, privacy or security practices, pay model or any changes to our technology or offerings, whether accurate or otherwise, could adversely affect our reputation. Moreover, negative publicity about Delivery Hero could also negatively affect us, even if the publicity is not directly related to us.

If we are not able to protect the reputation of our brands and make successful marketing efforts as well as other promotional activities in the future, this could adversely affect our future growth and competitive position in the markets in which we operate, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

We face the risk of fraudulent conduct by customers, Partners, third party logistics providers, riders and pickers in our network, which could negatively affect our operations and reputation.

We may experience various forms of fraudulent and other criminal conduct by customers, Partners, third party logistics providers, riders and pickers in our network, potentially leading to a negative financial impact on our operations and profits. Our customers may use stolen credit cards or counterfeit credit cards based on stolen credit card information in connection with the payment for food, groceries or other consumer goods. We are particularly vulnerable to fraudulent charges as we usually carry the risk for fraudulent payments. We are typically required to refund the customers involved should they dispute the charges to their cards, even if the claim of the customer is unsubstantiated. In addition, high levels of payment card fraud could force us to comply with additional requirements or to pay higher credit card and debit card processing fees or chargebacks or fines or, also, ultimately cause us to lose our permission to process payment cards. Furthermore, permitting further online payment options may increase the risk of fraud.

Partners in our network may engage in fraudulent conduct or collude with customers, riders and/or pickers in order to get monetary benefits. For example, Partners in our network may make false claims under vouchers provided by us in the course of marketing efforts, allowing customers to order food, groceries or other consumer goods at reduced rates and, at the same time, obligating us to refund the Partners a part of the order value in the nominal amount of the voucher. Alternatively, existing customers could also create fake profiles to get vouchers reserved for new users or place false orders and then again cancel such in order to receive commissions. Such misuses of vouchers or orders would allow Partners in our network to benefit from unjustified payments by us. Similar methods of fraud may arise for cash payment orders, where the collusion is between the Partner and riders. It cannot be precluded that there will not be instances of fraud in the future and that we will have sufficient anti-fraud management systems in place. Our Partners could also commit fraudulent acts directed at our customers, thereby damaging our reputation. Therefore, any fraudulent conduct by the Partners in our network or by our customers could negatively affect our business, financial condition, results of operations and prospects.

In order to attract new and retain existing customers, it is important that our brand appears prominently in internet and app stores search results. Changes to internet search engines' or app stores' algorithms or terms of service could cause our websites or mobile app to appear less prominently in search results.

The majority of our customers access our platform through our mobile application. A significant number of customers access our websites by clicking on a link contained in search engines' organic search results. Transactions effected by these customers result in higher gross margins, as there are lower associated direct costs. Search engines do not monetise their organic search results and instead rely on algorithms to determine which websites are included in the results of a search query.

We have App Store Optimisation ("**ASO**"), which is used by companies to improve the visibility and conversion rate of their applications in the mobile application stores. We believe ASO is a critical factor for the success of our mobile application and should Apple or Google change their algorithms on where our mobile application shows up when searching for terms related to our business (such as "food"), we could see a decline in our mobile application downloads. Additionally, new channels such as ChatGPT could direct customers towards other platforms. We rely on mobile operating systems and mobile application marketplaces to reach our Partners and customers. If we are unable to secure favourable placements or maintain high user ratings, the usage of our mobile application, brand recognition, and business performance could decline, which could, in turn, materially adversely affect our business, financial condition, results of operations and prospects.

In addition to ASO, we endeavour to enhance the relevance of our websites to common customer search queries and thereby improve the rankings of these websites in organic search results, a process known as "search engine optimisation" (or "**SEO**"). Search engines frequently modify their algorithms and ranking criteria to prevent their organic search results from being manipulated, which could impair these SEO activities. These algorithms and ranking criteria may be confidential or proprietary information, and we may not have complete information on the methods used to rank our websites. If we are unable to quickly recognise and adapt our techniques to such modifications in search engine algorithms or if the effectiveness of our SEO activities is affected for any other reason, we may need to increase our spending on other forms of marketing or may potentially suffer a significant decrease in traffic to our websites.

Search engines may also prohibit the use of any software, process, or service that sends automated queries to determine the ranking of a website or webpage (an important tool in developing successful SEO techniques), or the use of particular methods deemed by the search engine to be manipulative or deceptive. A violation of a search engine's terms of services may result in a website's exclusion from that search engine's organic search results. If a search engine were to modify its terms of service or interpret existing or modified terms of service in a manner such that the SEO practices we employ were deemed to violate such terms, our websites could be excluded from the search engine's organic search results. Such exclusion could significantly reduce our ability to direct higher-margin customer traffic to our websites, thereby increasing customer acquisition costs and could have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on social media, digital marketing, email and other messaging services in our marketing efforts, and restrictions on sending emails or messages, delays in their delivery, adverse actions by third parties, or a declining use of social networking and messaging services could adversely affect our business.

We depend upon social media, digital marketing, email and other messaging services to promote our sites and products. We circulate emails and alerts and publish online announcements to inform our customers of the offerings on our online marketplace, and we believe these communications help generate a substantial portion of our revenue and growth. If we are unable to deliver our communications to our customers, if such messages are delayed, or if customers do not open them, if the content fails to capture their interest, if messages are flagged as spam or blocked by filters, our revenue and profitability could be materially adversely affected. Changes in how webmail apps organise and prioritise email could reduce the number of customers opening emails from us. For example, Alphabet Inc.'s Gmail service organises incoming emails into categories (e.g., primary, social, and promotions). Such categorisation or similar inbox organisational features could result in messages sent by us being shown as "spam" or lower priority to our customers, which could reduce the likelihood of customers opening or responding positively to them. Actions by third parties to block, impose restrictions on, or charge for the delivery of emails or other messages, as well as legal or regulatory changes limiting our right to send such messages or imposing additional requirements on us in connection with them, could impair our ability to communicate with our customers using emails or other messages. The use of email and other messaging services by us could also result in legal claims against us, which could increase our expenses and potentially expose us to additional liability.

We also rely on social networking and messaging services to communicate with our customers. Changes to the terms and conditions of these services could limit our promotional capability, and there could be a decline in the use of such social networking services by customers and potential customers.

In addition, we rely on third-party service providers to deliver emails, and delays or errors in the delivery of such emails or other messaging could occur and are largely beyond our control. The use of third-party solutions can also lead to incorrect implementation. In the past, this has led to customers, whose accounts had already been deleted automatically, creating a new account by reopening the mobile application. Such and similar technical problems cannot be completely ruled out in the future despite careful monitoring and the implementation of appropriate technical and organisational measures. If we do not manage to use email and other messaging services as part of our marketing efforts effectively and in a data protection-compliant way, we could fail to build and maintain a loyal customer base and to expand our relevance in the markets in which we operate, which could adversely affect our business, financial condition, results of operations and prospects.

There may be a decrease in demand in e-commerce and quick commerce ordering in the event of a change in customer behaviour due to diseases and other health-related concerns.

In recent years, various health-related concerns associated with food products have emerged globally, including in the MENA region. These concerns can range from foodborne illnesses to broader public health issues that may impact food production, handling, or consumption. While specific outbreaks may vary by region, the potential for health-related concerns to affect the food industry remains a constant risk.

Any outbreak of diseases or other widespread health-related concerns could have multiple impacts on our business. It could increase costs for our Partners or for us in sourcing alternative suppliers, contracting riders, other business disruptions that affect our workforce or implementing additional safety measures. Such outbreaks may have an adverse impact on customer demand, preferences, and ultimately customer spending. Furthermore, they could lead to increased regulatory scrutiny and compliance requirements in the food, groceries and other consumer goods ordering, delivery and takeaway market and may result in temporary closures of restaurants, food preparation facilities, or local vendors, or inoperability of the rider fleet, in each case, disrupting our supply chain.

A widespread outbreak of any disease or health concern, particularly one associated with food products, in the countries and regions in which we operate or elsewhere, could have an adverse effect on our Partners' ability to operate and maintain quality standards, the number of customers ordering through our platform, and the general economic conditions in our markets. Moreover, even in the absence of actual outbreaks, public perception of health risks associated with certain foods or food preparation methods could lead to changes in consumer behaviour that negatively impact our business.

Our ability to respond quickly and effectively to such health-related concerns, including implementing additional safety measures and reassuring customers, is crucial to maintaining trust in our platform and services. However, despite our best efforts, we may not be able to fully mitigate the impact of such events on our business, which could materially affect our business, financial condition, results of operations and prospects.

If we fail to retain our existing customers and Partners or to attract new customers and Partners, our marketing spend may increase and our business as well as our results may be negatively affected.

The development and growth of our business is dependent on our ability to retain our existing customers and Partners and to attract new customers and Partners. The growth rates for the number of orders and gross merchandise value may slow down in the future, even if we continue to add active customers on an absolute basis and expand into new markets. Although we believe that many of our new customers originate from word-of-mouth communication, social media, and other non-paid referrals from existing customers, and although we seek to unlock the benefits from a virtuous circle driven by the interdependency of an increasing number of customers and Partners, we expect to continue to incur costs to acquire additional customers. The increase in Partners attracts more customers to our platform and the increase in customers attracts more Partners. This network takes time to build and may grow slower than we expect or that it has grown in the past. If we fail to retain either our existing Partners, especially our most popular Partners, or customers, the value of our network would be diminished. In order to remain competitive and retain existing customers and Partners or attract new ones we may maintain or lower our commission rates and fees or maintain or increase our incentives, discounts, and promotions in order to remain competitive. Such efforts could reduce our margins and in turn negatively affect our financial performance. There are also no guarantees that such efforts will be successful in retaining or attracting new customers and Partners.

We currently rely on a variety of online and offline marketing channels, including costly basic marketing techniques such as advertisements, flyers, vouchers or delivery fee reductions or free delivery coupons for new and existing customers. However, competitors may decide to spend significant amounts on marketing, and we may be required to increase our marketing budget in order to defend our market. While our marketing budget is typically set and allocated based on a return-driven approach, we may decide to adapt our allocation or increase our marketing budget without regard to return targets if competitors increase their marketing efforts in a certain country or region, depending on the potential effect of our contemplated marketing efforts and the general competitive landscape. We may also exceed our expected marketing budget. However, we may not be able to reliably measure the effectiveness of our marketing campaigns due to our data being inaccurate or due to no data being available. There is no assurance that the revenue from our existing customers or customers we acquire will ultimately exceed the cost of acquisition. Any failure to ratchet up marketing effectiveness may adversely affect our financial performance and results of operations. In addition, if we are unsuccessful in attracting and retaining popular Partners, if Partners cease to invest in our platform or enter into exclusive arrangements with other platforms, if we fail to negotiate satisfactory terms with Partners, or if we ineffectively manage our relationships with Partners, our business, financial condition, results of operations and prospects could be adversely affected.

We rely on key commercial relationships and the loss of such relationships could adversely affect our business.

We partner with various national and global brands in each of our Food Vertical and Groceries and Retail Vertical and in each of the markets in which we operate. Our ability to renew existing contracts with Partners (see "*Material Agreements*"), incorporating key partnership clauses, or to enter into new contractual relationships, either on commercially attractive terms or at all, depends on a range of commercial and operational factors and events, including our ability to offer a competitive and compelling commercial package, the ability of the parties to reach agreement as to pricing, or service levels, and the commercial decisions of such counterparties, any of which may be beyond our control.

If (i) we are unable to maintain our existing contracts with key Partners (i.e. Partners which contribute towards the generation of a significant share of our revenue), (ii) we are unable to enter into agreements with new key

Partners, (iii) we are unable to enter into new agreements with existing key Partners because we are unable to agree mutually acceptable commercial terms, (iv) our selection no longer appeals as strongly or at all to our consumers over time, (v) key Partners experience disruptions in their supply chains, affecting the availability or quality of their products, or (vi) regulatory changes impact our ability to contract with certain key Partners or influence the terms of our agreements, in each case in both our Food Vertical and Groceries and Retail Vertical, this could lead to reduced sales, lower margins, or a loss of existing customers and difficulties in attracting new customers, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be successful in identifying, onboarding, and retaining new Partners and replacing the same is a time-consuming and costly process, and we may not be able to recoup our investments.

Our customers expect to have a choice from a broad variety of culinary offerings from a large number of restaurants, local shops, and tMarts. In order to provide an appealing variety of offerings on our online marketplace, we need to identify Partners that provide quality products in a timely manner. The process of identifying and onboarding Partners is time-consuming, costly, and includes many manual steps, such as engaging in negotiations with Partners and the execution of contracts, so that other platforms may be faster in finalizing the onboarding of new Partners. Once identified, we engage in discussions with these Partners on the basis of our terms and conditions. If they agree to these terms and conditions, we onboard the Partners. This process often includes investments in point-of-sale equipment and other investments in the Partners, especially sales efforts. There can be no assurance that our investments will pay off. In particular, due to limited testing of the Partners' offerings at the time of onboarding, we cannot be certain that Partners will perform well on our platform and are well-liked by customers for reasons such as poor quality, inconsistent product availability, higher prices, poor customer service, failure to meet specific customer preferences or long delivery times. Poorly performing Partners can damage the reputation of our brands. Accordingly, we seek to eliminate these Partners from our platform (either temporarily as a mechanism to improve their operational performance, or altogether), which means that we will not be able to recoup our investments in them. In addition, we must look out for suitable replacements to be in a position to offer our customers a sufficiently broad selection of Partners. However, there can be no assurance that we find suitable replacements or that potential replacement Partners are willing to work with us.

While our contractual arrangements with our Partners in most markets require that Partners maintain competitive prices on our platform, we may not be able to accurately monitor changes made by our Partners to their products' prices, leading to a discrepancy between the price of the product offered on our platform and offline directly by our Partners or through other platforms. We also cannot prevent Partners from joining multiple online platforms and from offering their products via other channels. Most of the Partners in our network are free to discontinue their cooperation with us at short notice. This factor becomes more relevant as the number of active Partners in our network and intensified competitive pressure on the market grows, potentially increasing the churn rate of Partners. Partners may also be unsatisfied with the sales volumes through our platform, commission rates or the association with our brand. If a substantial number of Partners discontinue their cooperation with us, we may be faced with significant extra costs to find replacement Partners or may even have to discontinue servicing a certain geographic area. A loss of well-performing Partners or key account Partners may lead to a loss of customers, which could also impair our bargaining power in negotiations with new Partners or groups of restaurants or local shops. Even if a Partner does not discontinue their cooperation with us, it may decide to cease to invest in our platform. In addition, if Partners on our platform are subject to any operational risks that lead to the temporary or permanent suspension of their business, if they experience financial distress or additional operating expenses, or if they wish to negotiate the commercial terms of their dealings with us, this will affect our relationship with such Partners. Some Partners may not be in full compliance with their legal requirements, and would, therefore, not pass our onboarding requirements, while other platforms may accept to onboard such Partners. Consequently, for the foregoing reasons, we may have to provide fewer options to customers on our platform, which may materially and negatively affect our revenue. Moreover, if we are unable to attract Partners with high customer demand for any reason such as competitive factors, the existence of exclusive arrangements with other competing platforms, or the inability to negotiate favourable commercial terms, we may not be able to attract or retain such Partners, which in turn would lead to the inability to attract and retain customers. See "*—If we fail to retain our existing customers and Partners or to attract new customers and Partners, our marketing spend may increase and our business as well as our results may be negatively affected.*".

Any of these risks would have a material negative effect on our business, financial condition, results of operations and prospects.

We rely on our Partners for many aspects of our business, and any failure by them to maintain their service and quality levels could harm our reputation and business. If the operations of our Partners on our platform were to be disrupted, we may not be able to satisfy our customers' demands.

We rely on our Partners, varying from small and local independent businesses to multinational franchises, to provide food, groceries and other consumer products to customers of our online marketplace . If these Partners experience difficulty servicing our customer demands, producing a certain quality of food, particularly in light of the risk of food poisoning, providing timely delivery as well as good packaging and service, or meeting other requirements or standards, our reputation and brand could be damaged. While we seek to eliminate weak performers from our network, there can be no assurance that we detect performance issues or that these will be addressed in a timely and effective manner. Partners that have received poor reviews or failed health or hygiene inspections may try to cover up such breaches by changing their name or setting up aliases and operating under multiple names in order to rid themselves of any bad reputation and to induce customers to place orders with them without making any changes to their operations. Since we do not check systematically whether Partners operate under multiple names or brands, we bear the risk that our compliance teams cannot detect Partners with poor performance or that do not satisfy our standards.

If Partners in our networks were to cease operations either temporarily or permanently, face financial distress or encounter other business disruption, or if our relationships with Partners in our network deteriorate, we may not be able to provide customers with sufficient Partner selection. This risk is more pronounced in areas where we have fewer Partners, e.g. the outskirts of city centres, new communities, or cities where we recently launched operations. Also, Partner operating costs could increase, causing Partners in our networks to raise prices or cease operations. Any increase in prices could lead to a decrease in order volume. In many cases, these Partners may not be able to pass along increased costs to their customers and, as a result, may cease operations, which could also harm our profitability and results of operations. Any failure by the Partners in our networks to maintain their service and quality levels could harm our financial performance and could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to risks in connection with our dependency on Delivery Hero.

As an indirect wholly-owned subsidiary of Delivery Hero, we have historically relied on Delivery Hero for the provision of technology, support services, infrastructure and certain personnel and intend to continue relying on Delivery Hero's provision of such services after Admission. Prior to Admission, we entered into a corporate services agreement with Delivery Hero on an arm's-length basis (see "*Related Party Transactions–Corporate Support Services Agreement and Services Agreements*"). The agreement sets out the terms, conditions and pricing for Delivery Hero to provide certain corporate services to us, including access to Delivery Hero's tech stack for back-end technology, logistics systems and HR services. If Delivery Hero were to fail to provide us with the support services we currently rely upon under the corporate services agreement, we would be required either to contract with another provider of these services, or to develop the capability to perform these services internally, either of which could take a considerable amount of time and increase our costs. In such circumstances, we may not be able to cover our needs at all, or at the same or commercially acceptable costs. Additionally, our reliance on Delivery Hero's tech stack for critical back-end technology could pose significant operational risks if there were disruptions or if we needed to transition to a different system. See *"—Any disruptions of the third-party or internal IT systems that we significantly rely on, and any failure of cyber-security measures may adversely affect our performance, operations, and reputation*."

Prior to Admission, we also entered into the DH Group Treasury Management Agreement with Delivery Hero and a cash pooling bank, pursuant to which (a) the Group will seek to enhance the return on our surplus cash by benefitting from Delivery Hero's scale and centralized procurement power, (b) the Group will aim to streamline its internal treasury operations, (c) Group companies may opt to deposit a portion of our Surplus Cash (as defined under "*Related Party Transactions–DH Group Treasury Management Agreement*") in bank current accounts set up pursuant to the DH Group Treasury Management Agreement (subject to certain conditions) pending other uses, such as distributions as dividends to shareholders or reinvestment into the Group's assets or operations and (d) Delivery Hero may incur overdraft borrowings from the designated cash pooling bank secured by, inter alia, a pledge of Group company deposits at the designated cash pooling bank, subject to certain conditions. This arrangement is expected to enhance our interest income and streamline our treasury operations, but will also expose us to additional counterparty risks. Any failure to recover, or otherwise be made whole for, our deposits at the cash pooling bank may have a material adverse effect on our liquidity, financial condition, earnings and prospects. See "*Related Party Transactions–DH Group Treasury Management Agreement*."

Any failure or interruption in the employee benefits and/or HR services provided by Delivery Hero (see "*Business—Employee Benefits—Long-Term Incentive Program of Delivery Hero*") could also disrupt our operations and potentially impact our ability to manage our workforce effectively which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to risks arising from employee, rider or picker error or misconduct.

Our employees may commit acts or mistakes that may negatively affect our business and result in a violation of laws, which could lead the competent authorities to impose regulatory penalties on us. Such penalties may vary according to misconduct or error, which may lead to us incurring financial liabilities and/or damage to our reputation. Employees' errors include misuse of our information or systems, the disclosure of confidential information, the dissemination of misleading information, or the failure to comply with applicable laws or internal controls and procedures. In addition, we may not always be able to prevent our employees from committing acts that lead to serious errors or ensure that they comply with our internal policies and procedures. Our employees may also commit serious errors including fraud or theft of our resources or the resources of customers, Partners or third parties on our platform. There is no guarantee that our corporate governance and compliance policies will protect us from our employees' misconduct. We may also be liable for Partner compensation and the cost of items in instances where an order has been collected by our riders, but its delivery has not been completed due to unforeseen circumstances, or otherwise. Such liability could arise from the need to cover the value of the undelivered product and compensate our Partners for the associated losses. In addition, pickers operating within Local Shops may commit theft or carry out other illegal acts. These acts may also lead to the Local Shops lodging financial claims or seeking to terminate their relationship with us on the grounds that our reputation may affect their reputation. See "*—We may not be successful in identifying, onboarding, and retaining new Partners and replacing the same is a time-consuming and costly process, and we may not be able to recoup our investments.*". If customers' or Partners' trust in our platform is affected, this will lead to a significant decrease in footfall.

Any such fines, losses or claims could negatively affect our profitability. In addition, the negative publicity resulting from the misconduct of our employees, pickers or riders may negatively affect our reputation and revenue, and the number of Partners and customers. If any of the risks above were to materialise, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

Failure to protect or misuse the personal data we collect, store, and process could negatively affect our business.

We collect, store and process the personal data of a large number of individuals, and as we continue to grow and our customer, Partner and rider base expands, we will collect, store and process more data. This may increase our potential exposure under laws and regulations designed to protect privacy and personal data, particularly as regulators in certain of the key markets in which we operate are currently focused on the rights of consumers, employees, riders, and other individuals, and have active enforcement regimes. Data protection laws require us to take appropriate steps to protect personal data, which means that we have to continually assess whether our practices and policies, including in relation to data security, data subject rights, and data retention, are appropriate in light of the personal data we process. While we take steps to review our practices and policies, we may not keep pace with the growth of our business in the way we identify or implement updates to our practices, controls and policies.

Any non-compliance by us with the applicable regulations could lead to fines and other sanctions. For example, the Data Protection Regulation 2021 in the ADGM provides strict conditions and limitations on the processing, use, and transmission of personal data.

Any breach of such regulations could expose us to liability through fines and compensation claims, which could lead to significant reputational harm and a loss of trust that could deter customers from using our platform, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes to the laws regulating the use of cookies or similar technologies may lead to broader restrictions on our marketing and personalisation activities.

We use cookies and similar technologies on our websites to allow our websites to work, to analyse and improve them, to personalise a customer's experience, and to market our products to users both on our website and on other third-party websites through advertisements. New regulation concerning cookies and similar technologies may lead to broader restrictions on our marketing and personalisation activities and may negatively impact our efforts to understand customers' internet usage, as well as the effectiveness of our marketing and business generally. Application and enforcement of such regulations may differ from jurisdiction to jurisdiction, which may require us to adopt varying marketing practices in the jurisdictions in which we operate. The regulations may also have a negative effect on businesses, including ours, that collect and use online usage information for customer acquisition and marketing; may increase the cost of operating a business that collects or uses such information and undertakes online marketing; may reduce the rate at which we are able to grow our customer base; and may also increase regulatory scrutiny and increase potential civil liability and fines under data protection and similar laws. All of these factors may have a material adverse effect on our business, financial condition, results of operations and prospects.

The riders in all our markets collect the cash paid by customers on behalf of our Partners and are responsible for returning it to us. Any loss of cash through theft or other factors may negatively affect our operations and our reputation.

A portion of our customers choose to pay for their orders in cash. This is pronounced in cash-heavy markets like Egypt, Iraq and Jordan. When customers make cash payments, the riders collect the full order value on behalf of our Partners. We then transfer an amount equal to the cash payments collected, less our commissions and other fees, to the Partners in our network. The payments to our Partners are made periodically and, until such payment is made, we are responsible for the cash we hold on their behalf.

This cash-heavy model exposes us to several risks. Any loss of cash through bank failures, IT security issues, or other factors (such as theft or embezzlement of funds by employees due to insufficient internal controls) may have a material adverse effect on our reputation, business, and financial condition. The risk is particularly pronounced in markets like Egypt, Iraq and Jordan, where cash transactions are more prevalent and banking systems may be less robust.

We face challenges in ensuring the security and accurate accounting of cash collected by the riders. Any failure in the controls relating to processes by which we reconcile cash on hand on behalf of our Partners and payments due to them could have a material adverse effect. Additionally, we may not always be able to fully receive back or reconcile cash balances from riders, who owe us money. This issue is exacerbated in cash-heavy markets where the volume of physical currency handled is higher.

Furthermore, in the event of bank failures or financial system disruptions in these markets, we may face difficulties in accessing or transferring the collected funds. This could potentially lead to delays in payments to our Partners or even loss of funds, which could strain our relationships with Partners and impact our operations.

The prevalence of cash transactions in markets such as Egypt, Iraq and Jordan also increases our exposure to counterfeit currency risks and potential theft during the physical transfer of funds. Any such incidents could result in financial losses and damage to our reputation. Our ability to effectively manage these risks is crucial to maintaining the trust of our Partners and the overall stability of our business in these important markets. These risks associated with handling cash on behalf of our Partners in cash-heavy markets could negatively affect our business, financial condition, results of operations and prospects.

We or our Partners may not be able to deliver products to our customers on time or at all, for example, due to traffic conditions, building access issues, product unavailability or because of technology failure.

Our business relies on deliveries by road. This leaves our business exposed to traffic congestion, road works, congestion charging, and inclement weather, all of which could render deliveries difficult or even impossible. Additionally, not every customer has an individual, easily identifiable address with street names and numbers. In such cases, our delivery technology may fail to locate a customer's address. This is also prevalent in areas where new roads and communities are constantly being built, which worsens the above issues (e.g., Egypt and UAE) as existing map technologies may not have kept up to speed.

Furthermore, many of our customers live in apartment buildings, which presents additional challenges for timely delivery. Our riders often need to show identification to security personnel, wait for service elevators, and navigate complex building layouts to reach specific apartment numbers. The same challenges apply to picking up orders in shopping malls, which represent a material share of orders in the GCC markets. These factors can significantly increase delivery times and may lead to delays or complications in order fulfilment.

In cases where we are unable to locate the address or destination of a delivery, or where building access proves challenging, we may fail to deliver orders to customers on time or at all. Should meals be delivered late or if they cannot be delivered at all, it would have a negative effect on the customers' order experience with us and may lead to the loss of customers and revenue.

Moreover, if a customer orders a grocery or retail product that is unavailable, we will substitute it with the most similar alternative—potentially a different brand or a more expensive option—during the fulfilment and dispatch process. The customer will be notified of this only at the time of order placement. This replacement may lead to customer concerns, as the alternative could be pricier or not the exact brand originally requested, possibly resulting in customer dissatisfaction.

These challenges in delivering orders efficiently and on time, whether due to traffic conditions, address location difficulties, building access issues, or product unavailability could significantly impact our service quality and customer satisfaction. This, in turn, may adversely affect our reputation, customer retention, and overall business performance in the competitive food ordering, delivery and takeaway market, which could in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

We are exposed to risks in connection with actual or alleged infringements of product labelling, safety, hygiene and public health regulations and of the food, groceries and consumer products ordering and delivery industry, including regulation relating to warehouse and storage infrastructure.

We, and our Partners, may be subject to numerous product labelling, safety, hygiene and public health regulations on the provision of food information and non-food products (such as tobacco, electronic cigarettes, chemical products, or pharmaceutical products) to consumers. It also may be the case that our online marketplace (or certain aspects of it, mainly relating to our Groceries and Retail Vertical) is, or will become, subject to those regulations. These regulations may provide for, among other things, labelling requirements with regard to the name of the food, the list of ingredients and particularly those causing allergies or intolerances, the net quantity of the food or the "consume by date", as well as health or safety warnings and usage instructions for non-food items. With respect to non-food products, there may be restrictions on the sale of such products, such as the sale of tobacco products or electronic cigarettes to minors, or other requirements such as temperature controls for pharmaceutical products. Compliance with these regulations requires us and our Partners to be aware of the ingredients and allergen content of food and products offered online on our platform. In many instances, we are dependent on the accuracy of the relevant information being furnished to our marketplace by our Partners and there is no guarantee that the provided information is sufficient and/or correct. There can be no assurance that the information provided by our Partners for inclusion on our marketplace will comply with such regulations in the future. Non-compliance with applicable product labelling and/or public health regulations could result in further legal disputes, litigation and enforcement actions by authorities as well as damage claims by consumers. Any such actions could result in substantial monetary claims against us, substantial fines and other measures being imposed by competent authorities. We could also experience significant loss of revenue should we be forced to remove a substantial number of Partners from our marketplace or to take certain aspects of our marketplace offline until compliance with product labelling rules is achieved.

Since 2019, we have rolled out Kitchens and tMarts in several cities, which exposes us to additional regulations relating to food safety, public health, storage and preparation, including compliance with Hazard Analysis Critical Control Points (HACCP), as well as local permits, licences, or authorisations related to physical stores, cloud kitchens and personnel. In certain tMarts locations, we sell private label products and/or ready-to-eat and ready-to-drink products that are prepared in the tMarts and are also available for purchase within the tMarts page on the mobile application. The tMarts business model additionally exposes us to local consumer law compliance requirements as a supplier, including warranty obligations for defective goods or products, which may have a negative impact on our business, regardless of agreements entered into with our distributors. This is particularly relevant since we also offer private label products in tMarts, branded "talabat", which could lead to us being perceived as the manufacturer by customers and authorities. There are also additional uncertainties around how certain regulations, originally designed to govern offline supermarkets and grocery stores, would apply to tMarts, which are delivery-only warehouses operated online.

Incidents related to the safety and quality of the products or ingredients stored in our tMarts may occur, which may result in product liability claims, product recall, negative publicity, fines from the competent authorities or closure of our tMarts. If any of the items sold through our online marketplace causes any harm or damage to third parties, we could be subject to liability. Moreover, we may not have insurance or sufficient coverage to cover such claims. If we incur substantial costs because of this type of liability, our expenses will increase and our revenue will decrease, which may also limit our growth. Non-compliance with applicable product labelling, safety, hygiene and public health regulations could lead to regulatory enforcement action against us and result in substantial fines and other sanctions. In addition, we may be unable to adhere to product recall obligations in time, which could lead us to incur fines, charges or other penalties. The occurrence of any such event could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, new or amended regulations which may affect our operations as well as the operations of Partners in our online delivery and takeaway networks pose a challenge to the Group's compliance structures may also relate to issues such as the infrastructure of warehouses and safety and hygiene measures in food premises, e.g., measures to avoid cold chain interruptions. Compliance with such regulations may require significant investments by us as well as the Partners in our network and may prove to be difficult in markets where the regulatory systems are complex. We may fail to adequately prioritise such compliance. Non-compliance with the applicable regulations relating to our business could lead to significant fines or penalties with respect to every single violation. Our decision to assist the Partners in our network in complying with these regulations may result in significant costs and the need to commit significant resources, which we may not have. Neither we nor the Partners in our network may become fully compliant with the relevant regulations in time. Non-compliance with such regulations could lead to substantial fines and other sanctions and could adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks related to past and potential future acquisitions.

While our growth has primarily been organic, we have engaged in selective acquisitions to enhance our market presence, most notably the acquisition of Zomato's food delivery business in the UAE, the acquisition and integration of Carriage's assets in Kuwait, and the acquisition of InstaShop (see "*—The InstaShop acquisition is subject to conditions precedent and there are no assurances that it will be consummated.*"). As we continue to expand our operations, we may consider further acquisitions as part of our growth strategy. However, such a strategy exposes us to several risks and challenges:

- **Identifying and Valuing Targets**: The process of identifying suitable acquisition targets is complex and resource-intensive. We may not always be able to identify the most appropriate targets or accurately assess their value and potential synergies with our existing operations. Intense competition for attractive targets in our sector may also drive up acquisition costs, potentially impacting the financial viability of such transactions.
- **Integration Challenges**: The integration of acquired businesses presents significant operational and management challenges. We may face difficulties in integrating the acquired company's technology, operations, personnel, and corporate culture with our own. The process of harmonizing different systems, processes, and practices can be time-consuming and may divert management attention from day-to-day operations. Moreover, upon completion of the InstaShop Acquisition (see "*—The InstaShop acquisition is subject to conditions precedent and there are no assurances that it will be consummated.*"), we will be required to integrate that business into ours which may present significant challenges, such as the ones mentioned above, aligning disparate control systems and harmonising compliance practices.
- **Financial Risks**: Acquisitions often involve substantial financial commitments, including the purchase price and subsequent integration costs. There is a risk that the financial benefits of an acquisition may not materialise as expected, or that the acquired business may not perform as anticipated post-acquisition. This could lead to impairment charges or other financial losses.
- **Operational Disruptions**: The acquisition and integration process may cause disruptions to both our existing operations and those of the acquired business. This could result in a temporary decline in

service quality or customer satisfaction, potentially impacting our market position and financial performance.

- **Regulatory and Compliance Risks**: Acquisitions, particularly cross-border ones, expose us to additional regulatory scrutiny and compliance requirements. Some acquisitions may be conditional on prior regulatory clearance and in this regard we may face resistance from national authorities to grant clearance, or if clearance is granted, it may be conditional (i.e., subject to structural or behavioural conditions). We may encounter challenges from authorities with different interpretations as to whether prior regulatory clearance is required, or increased scrutiny of our operations by regulatory authorities going forward post-acquisition. Authorities may also perceive our position as dominant. Further, we may face challenges in ensuring that the acquired business quickly aligns with our compliance standards and relevant regulatory frameworks.
- **Due Diligence Limitations**: Despite our best efforts, our due diligence process may not always uncover all potential liabilities or challenges associated with an acquisition target. Unforeseen issues that come to light post-acquisition could result in unexpected costs or liabilities.
- **Management Strain**: The demands of identifying, negotiating, and integrating acquisitions can place significant strain on our management and operational resources, potentially distracting from other strategic initiatives and day-to-day operations.
- **Cultural and Workforce Integration**: The successful integration of an acquired business's workforce into our own is essential to realizing the full value of the acquisition. Differences in corporate culture, management style, and employee expectations can lead to internal conflicts, reduced morale, and higher turnover rates, all of which can undermine the success of the integration.
- **Technology Integration and Data Security**: Merging different technological systems and platforms can be complex and may expose us to data security risks, including potential breaches or loss of sensitive information during the transition period. Ensuring compatibility and security across systems is critical to maintaining operational integrity and protecting against cyber threats.
- **Reputation**: If the acquired business has a history of legal, environmental, or ethical issues, our association with that business could negatively impact our brand reputation. Additionally, any failure to successfully integrate or manage the acquisition could lead to negative publicity and erosion of customer and stakeholder trust.

While we aim to approach any potential acquisitions with thorough analysis and careful planning, there can be no assurance that we will be successful in identifying suitable acquisition targets, negotiating favourable terms, or effectively integrating acquired businesses. If any of these risks were to materialise, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

The InstaShop acquisition is subject to conditions precedent and there are no assurances that it will be consummated.

In August 2020, our ultimate parent, Delivery Hero acquired 100% of the share capital of InstaShop Ltd. (“**InstaShop**”), one of the leading online grocery delivery marketplaces based in the MENA region. Delivery Hero and Delivery Hero FZ-LLC signed a share purchase agreement (“**InstaShop SPA**”) on 11 September 2024 to transfer 100% of the share capital of InstaShop, from Delivery Hero to Delivery Hero FZ-LLC (“**InstaShop Acquisition**”). The closing of the transaction is expected to occur in 2025, subject to the satisfaction of certain conditions. There can be no assurances that these conditions will be satisfied or that the acquisition will be completed as planned. If any of these conditions are not met, or if unforeseen issues arise, the acquisition may be delayed or may not proceed at all. In such an event, we could experience delays in realising the anticipated benefits of the acquisition, or we may incur additional costs related to the failed or delayed transaction. In addition, our business strategy and financial results could be adversely affected if the acquisition is not consummated, or if it is completed on less favourable terms than anticipated. Any such delay or failure to complete the InstaShop Acquisition could have a material adverse effect on our business, financial condition, results of operations and prospects. See “*Summary–Recent Developments*”.

We are subject to risks related to our expansion and growth plans.

We intend to continue investing to support our business growth. Our ability to implement growth will depend on developing new features and services such as additional customer loyalty drivers or operations enhancements (see "*Business–Customer Loyalty Drivers*" and "*Business–Operations Enhancement*"), improving our existing services, developing our operational infrastructure or acquiring complementary businesses and technologies (see "*–We are subject to risks related to past and potential future acquisitions*"). We may need additional funds to respond to business challenges, as well as the necessary talent and competencies for innovation and development. Failure to obtain additional funding may result in the failure to achieve the desired economic results of such growth and expansion plans. We may also require additional permits or licenses to carry out additional services and we may not be able to obtain the necessary approvals, licences or permits in a timely manner or at all. In addition, the Group's expansion plans are subject to specific timelines and may require additional funding to cover the additional costs. Furthermore, we may expand into additional business models that are complementary to our Food Vertical and Groceries and Retail Vertical. The success of our expansion strategy in such areas will depend on our ability to expand at the right time and at the right cost. Our expansion projects, or other future projects, may not be as successful as desired and may not achieve the required profitability. The failure of our expansion plans and growth projects to achieve our required goals could have a material adverse effect on our business, financial position, results of operations and prospects.

Our industry is fast-paced, which forced us to grow quickly in the past. There is no assurance that our organisational set up, internal control systems and compliance procedures were adequate at all times, and that we will be able to successfully manage potential future growth and that we will have sophisticated risk management and risk reporting procedures as well as compliance management systems in place.

The rapid growth of the industry in which we operate has required us to expand our operations at an exceptionally fast pace. Our rapid expansion may have outpaced our organisational development. As we quickly entered new markets and scaled our operations, there is a risk that our internal structures, processes, and controls may not have evolved at the same rate as our business growth. This mismatch could potentially lead to inefficiencies, operational issues, or compliance gaps.

Moreover, the speed of our growth may have created potential gaps in our internal control systems and compliance procedures. As we rapidly expanded across multiple jurisdictions, each with its own regulatory environment, ensuring comprehensive compliance across all aspects of our operations has been challenging. We cannot guarantee that our compliance procedures have been adequate at all times across all our markets.

Furthermore, the fast-paced nature of our industry has required us to scale our local operations quickly, including rapidly expanding our network of third-party logistics providers. This rapid scaling presents challenges in maintaining consistent service quality, ensuring adequate training, and managing a rapidly growing workforce. There is a risk that our ability to recruit, train, and retain sufficient riders may not always have kept pace with our growth, potentially affecting our service quality or capacity to meet demand.

While we have made efforts to strengthen our organisational structure, internal controls, and compliance procedures, we cannot assure that these systems have been or are currently adequate for the scale and complexity of our operations.

Although we have developed and implemented internal controls, policies, and procedures aimed at preventing errors or misstatements in our financial reporting, these measures may not always be effective. Some of our operations rely on manual controls, which are inherently susceptible to human error and inconsistent application. Although we have recently introduced or upgraded automated controls, we may not always have sufficient internal resources with the necessary technical expertise to operate such controls, potentially requiring additional expenditures to secure the necessary support in a timely manner. Additionally, as we continue to grow and introduce new product offerings, our internal control systems and certain aspects of our financial systems may require ongoing enhancements.

We continue to work on enhancing our organisational setup, improving our internal control systems, and strengthening our compliance procedures. However, if we fail to address these challenges effectively, we may face operational inefficiencies, increased vulnerability to fraud or security breaches, compliance issues, or reputational damage, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

Future growth will continue to pose various challenges to us, such as finding and/or retaining suitable personnel, including qualified IT personnel, implementing an enhanced risk and control framework to support operations and establishing sufficiently robust compliance procedures and recruiting appropriately skilled compliance personnel. Our workforce management may prove insufficient for our existing business and growth plans, and our existing teams may not be adequately staffed to handle an increase in the workload and compliance with reporting requirements. Continued growth requires us to simultaneously expand and improve our operational, IT, financial, accounting, compliance and management controls, and enhance our compliance and risk reporting systems and procedures, which may not always be possible or prove lengthy or costly, particularly in combination with external factors such as taxation considerations, local legislation, limited resources and geographic location across the MENA region.

The level of documentation and standardisation of our compliance framework may not be sufficient for all purposes and prevent us from both effectively executing compliance activities and monitoring our compliance management system. Our existing risk management may not give an overview of our total risk exposure, and new risk management requirements may not always be complied with in time.

We may not be able to scale and adapt our existing technology and network infrastructure fast enough to match our growth in the rapidly evolving food, groceries and other consumer goods ordering, delivery and takeaway market across the MENA region. In addition, we may incur losses or fail to identify or enter new markets or new segments successfully, which may impair our ability to reach a strong position in our market. Any failure by us to successfully expand our operations, facilities, and staff may have an adverse effect on our brands, business, results of operations, or growth of our key performance indicators.

A decrease in our profitability may lead to a loss of key accounts and significant Partners of our business may decide to terminate their relationships with us if their expectations are not met. We may not be able to find replacements in due time or at all. This is particularly critical in the competitive landscape of the MENA food, groceries and other consumer goods ordering, delivery and takeaway market, where maintaining strong relationships with Partners and delivery personnel is crucial to our success.

As we continue to grow and potentially enter new markets or segments, these challenges may persist or new ones may arise. Our future success will depend on our ability to effectively manage our growth while maintaining robust organisational structures, internal controls, and compliance procedures.

We have entered into various service agreements with third parties, which are material to our business and if these third parties do not perform adequately or terminate their relationships with us, our costs may increase, our business could be interrupted and our results of operations could be harmed.

Our success depends upon our relationships with third parties, which provide various services relevant for our business to us, such as software, marketing, payment processing or data host services, and point of sale systems for our Partners. For example, we rely on third-party payment processors and encryption and authentication technology licensed from third parties that is designed to effect secure transmission of personal information provided by our customers. We also rely on third-party data centre hosts and network carriers to provide a reliable network backbone with the speed, data capacity, security and hardware necessary for reliable internet access and services and secure back-up of data. Several of these service agreements concluded with third parties are deemed material to our business, either due to the amount of fees that are paid to third parties or because the services provided by the respective third party are not easily replaceable. *See "Material Agreements".* Some of the agreements concluded with third parties grant the other party the right to immediately terminate the relationship in case of a change of control, merger or other forms of corporate transactions. Furthermore, we cannot rule out that our understanding of, and approach to, determining the fees payable under the relevant agreement differs from the understanding and approach of the relevant third party.

If the relevant third parties would terminate their relationship with us or refuse to renew their agreement with us on commercially reasonable terms, or simply do not perform adequately, we may have difficulty finding an alternate provider on similar terms and in an acceptable timeframe, our costs may increase and our operations could be interrupted, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Corporate restructurings and intra-group transactions in the past and in the future could lead to increased scrutiny by the local tax authorities and, if challenged, to additional tax payments.

Members of our Group have been subject to complex restructurings in the past and we plan further reorganisations after the Offering in order to optimise our overall group structure as well as cross-border intra-group transactions. See "*Business—History and Development—Pre-IPO Reorganisation*". In the event that tax authorities challenge the implementation of past or future restructurings, tax loss carryforwards could be reduced, or we could be obliged to pay additional taxes. The constant restructuring efforts in our Group may also result in fines or penalties, which could have material adverse effects on our assets, financial condition, cash flows and results of operations.

In addition, restructurings and intra-group transactions are regularly subject to tax audits. While our current transfer pricing model aims to take into account international and national regulations as well as business developments to proactively manage transfer pricing risks, and our tax department, in cooperation with reputable tax advisors and regional and local tax managers, regularly reviews and updates the transfer pricing model, there remains uncertainty regarding the acceptance by the tax authorities of the remuneration and/or transfer pricing models we apply. We believe the uncertainty regarding the transfer pricing model is based on the following main factors:

- new business models in a relatively young industry;
- quantification of the value contributions of intangible assets;
- complex organisational structure (central, regional, and local levels);
- significant investments in the start-up phase which may lead to tax loss carry-forwards at central and local level;
- different operational requirements and stages of development of local operating units; and
- limited availability of industry-related comparable data used for transfer pricing purposes.

Consequently, a different regulatory view may lead to unilateral transfer pricing adjustments and associated double taxation. In addition, as a consequence of current or future tax audits or previously completed tax audits for which no final tax assessments have been issued, or as a result of possibly divergent tax law interpretations by the tax authorities or tax courts, any tax loss carryforwards could be reduced, or we could be obliged to pay additional taxes (e.g., resulting from the non-deductibility of intra-group payments for services or loans or interest and/or requalification of intra-group payments for services or loans or non-deductibility of input VAT) or to form provisions related thereto. The occurrence of such events could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to risks relating to the processing, authorisation, receipt and collection of payments, including any increase of costs for processing payments, customer claims relating to defective payments and unfulfilled payment obligations.

Customers who order through our online marketplace may choose from a range of payment methods, including, among others, cash, credit and debit cards, direct e-banking, postpaid service (which allows customers to be billed up to thirty (30) days after the date of their order) and closed-loop wallets. Due to the complexity of this broad variety of payment methods, we face the risk of operational failures in our checkout process, which could adversely affect our conversion rate (i.e., the percentage of people visiting our platform that actually place an order) and customer satisfaction. We may also face the risk that customers default on the deferred payment under our postpaid service, which would ultimately result in us bearing such cost. In addition, we may be unable to provide automated online payment processes in some of our markets and for certain Partners due to a lack of sophisticated local payment systems. For certain payment methods, including credit and debit cards, we pay bank interchange and other fees. These fees may increase over time, raising our operating costs and lowering our profitability. We rely on third parties to provide these payment processing services in relation to credit and debit card payments, and if these companies become unwilling or unable to provide these services or increase the costs of providing such services, we may be disrupted or our services may become unreliable, and our operating costs, including transaction fees, could increase.

We are compliant as a merchant with Level 1 requirements of the Payment Card Industry Data Security Standard (PCI DSS). This compliance is re-validated annually through external auditors. Although we invest significant resources into maintaining an adequate level of compliance, we cannot guarantee compliance with all applicable requirements at all times, which may expose us to contractual fines and penalties, the suspension or termination of payment processing services or the loss of business opportunities as many of our Partners require compliance with PCI DSS standards as a condition of doing business with us.

Furthermore, we face potential risks relating to customer claims in the event purchases or payments are not properly authorised or are transmitted in error, as well as the risk of fraud taking place through our platform. While we have implemented a fraud detection system based on machine learning tools, any failure to detect, avoid or limit losses from fraudulent transactions could damage our reputation and result in increased costs, legal expenses and financial losses.

We may also face the risk that customers or Partners do not fulfil their payment obligations to us or have insufficient funds, and we have in the past experienced problems with collections from, and payments to, Partners due to system malfunctions and there can be no guarantee that this system is up-to-date or otherwise sufficient to adequately protect us from such risks. In addition, our invoice and billing IT systems may malfunction due to new product implementations, data errors, faulty changes in the invoicing code or other IT configuration issues, which may also impair our ability to create correct invoices, avoid the recording of duplicate invoices or payments and collect payments in time or at all. For example, if the data uploaded to our billing systems is incorrect or restaurant and customer records (i.e., commission rates, tax rates, tax IDs, other revenue and billing email addresses and others) are not checked or updated continuously, data errors could lead to incorrect or no invoices being issued or wrong amounts being charged to our Partners or customers. Although we are constantly improving our systems and processes, we may not be able to perform collections of payments on time or maturity because of a lack of standardised dunning processes (i.e., processes for the collection of overdue account receivables), such as reminders per email or calls. Not all orders may be billed in a timely manner due to data transmission issues across involved systems like platform, CRM system or billing systems. Given the number of Partners active on our platform, there is a risk of triggering payments towards wrong or outdated Partner bank accounts. This might be due to transmission errors, time delays or input errors for those countries that offer self-service functionality in the Partner portal. Any failure to effectively collect payments could adversely affect our business, financial condition, results of operations and prospects.

We may provide regulated payment, e-money or similar financial services in the future, which would result in the supervision by competent financial authorities and the applicability of license and regulatory requirements, any non-compliance of which could result in fines and prohibition of such services.

Our payment systems, which enable the collection of 100% of the order value from end-customers, splitting of commission fees from Partner payables as well as the payment of the Partner payables to the Partner, are in many instances subject to payment regulations in the markets in which we operate. As we continue to explore business opportunities in the area of digital payment solutions, such as e-wallets or digital wallets, which enable users to store credit on online platforms and use it for online payments for goods and services, we may become subject to additional and new/continuously changing regulatory requirements, which would further increase our compliance risk. Our “Postpaid” service under the talabat FinTech initiative that enables customers to be billed up to thirty (30) days after the date of their order, and our “talabat Pay” service which allows customers to use existing credit on the mobile application to make purchases, may in the future be considered as a regulated payment or financial service and therefore expose us to increased regulatory oversight. We may be adversely affected by any failure to obtain or maintain any such license or comply with laws and regulations applicable to us as a result of the relevant authorisations. New regulatory requirements may include minimum capital and other prudential and organisational requirements, conduct of business, anti-money laundering, cybersecurity, know-your-customer (KYC) rules and other anti-financial crime requirements as well as disclosure obligations towards regulators and public reporting requirements. We may also become subject to regulatory actions and investigations. Even if we do not ourselves obtain any license or otherwise become subject to regulatory supervision, new regulatory requirements for us and other Group companies could result from national laws and regulations of the jurisdictions in which our subsidiaries may provide regulated services.

Our limited experience with regulated business activities in this area and in dealing with foreign financial supervisory authorities increases our risk of non-compliance. As the laws and regulations governing payment, e-money and other financial services are subject to constant change, we may fail to effectively monitor and address such changes in real time. Violation of applicable license and regulatory requirements could result therefore in fines, the temporary or permanent prohibition of certain activities, or other sanctions and reputational harm, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We depend on talented management personnel to grow and operate our business and we may not be able to retain, attract new or replace such qualified personnel.

Our growth strategy depends, among other things, on our ability to expand our organisation by attracting and hiring high-quality personnel. Identifying, attracting, recruiting, training, integrating, managing and motivating talented individuals will require significant time, expense, and attention. Competition for talent is intense, particularly in technology-driven industries such as ours. If we are not able to effectively recruit and retain our talent, our business and our ability to achieve our strategic objectives would be harmed. See "*Business—Employee Benefits—Long-Term Incentive Program of Delivery Hero*".

The unexpected departure or loss of any of our key personnel could have a material adverse effect on our business, financial condition and our results of operations, in particular, if such key personnel is hired by other platforms. There can be no assurance that we will be able to attract or retain suitable replacements for such personnel in a timely manner or at all. We may also incur significant additional costs in recruiting and retaining suitable replacements. Also, if our senior management team fails to work together effectively and to execute our plans and strategies, our business and our results of operations could be harmed. The occurrence of such events could have a material adverse effect on our business, financial condition, results of operations and prospects.

If we are unable to attract and retain skilled employees, we will be unable to operate efficiently.

We depend upon the continued services and performance of our employees. Our current operations and future success will depend upon our ability to identify, hire, develop, motivate and retain talented personnel. Due to the fast pace of our operations and our hiring of expatriates in many of the markets in which we operate, our employees may, in certain limited cases, have been onboarded on an urgent basis due to business requirements before receiving the necessary work permits or visas.

A large portion of our employees have a short employment history with us and are still in the onboarding phase, and we experience significant employee fluctuation which challenges our ability to effectively integrate and align our workforce with our strategic goals. We may not be able to retain the services of any of our employees or other members of senior management in the future due to, for example, salaries which are below market average or very short bilateral termination periods with respect to their employment contracts. From time to time, there may be changes to our employees that may be disruptive to our business, and which could, in turn, have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to litigation proceedings that stem from the nature of our business and could disrupt and harm our business and reputation.

We face potential liability, expenses for legal claims, and harm to our business that stem from the nature of the online food delivery and takeaway, tMarts and Kitchen businesses. These potential claims include those related to food offerings, delivery (including cancellations and refunds), and quality (including expiry and defects), since we might be regarded as placing food on the market due to our promotion of our Partners and our own delivery service, as well as other convenience products.

Partners may bring claims based on our commission model or the non-disclosure of fixed fees paid to other Partners and unequal treatment. Third parties may seek to assert legal claims against us in connection with personal injuries related to food poisoning, packaging defects (e.g., unlabelled allergens, spilling), tampering, or accidents caused by the riders. The riders typically have access to customers' data, which may subject us to harassment complaints from our users in case of misuse of such data.

Investigations by health authorities as well as labour law related issues, e.g., in connection with delivery riders, salary levels, and untimely or insufficient payments for employee social security, may also lead to legal claims against us. If we violate any applicable law or regulation, governmental authorities may take legal action against us or the members of our respective governing bodies or employees.

We may also face employment reclassification cases despite our contractual relationship with riders through third-party logistics providers given the public and general association of riders to our brand as they were talabat-branded kit and deliver orders generated through our platform. Our exhibited duty of care for the rider fleet in some markets (including communications and engagement, supplementary training and insurance provision, and irregular audits of third-party logistics providers practices) can be viewed by the courts as direct management of riders, which strengthens the reclassification likelihood despite the company's good intentions to safeguard the proposition and elevate the operations of the third-party logistics providers which we work with.

An unfavourable ruling may result in damage claims by third parties or other adverse legal consequences, including criminal and civil sanctions, injunctions against future conduct, profit disgorgements, occupational and employment bans, the loss and/or suspension of business licenses or permits, or other restrictions. In addition to monetary and non-monetary sanctions, monitoring trustees could be appointed to review future business practices to ensure compliance with applicable laws, and we may otherwise be required to modify our business practices and/or compliance program.

We may also face potential liability, expenses for legal claims, and harm to our business resulting from litigation proceedings in connection with the nominee arrangements we have in place (see "*–The Group's business in the UAE, Kuwait, Bahrain and Iraq is subject to risks associated with foreign ownership restrictions*" and "*Business–Litigation*"), the acquisition and divestment of operations, including potential claims related to business combinations, integration squeeze-outs, or other corporate measures by third-party shareholders of Group companies, as well as other adverse legal consequences due to claims of regulatory authorities.

Regardless of the outcome, potential litigation or administrative proceedings can be costly and may damage our reputation and have a material adverse impact on our ability to compete for business. Such proceedings could divert management's attention from day-to-day operations, result in substantial monetary damages and legal expenses, and potentially lead to decreased demand for our services, which would in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be able to adequately protect our intellectual property rights or may be accused of infringing the intellectual property rights of third parties. We may have to commit significant resources in our efforts to protect them.

We believe that customer data, copyrights, trade secrets, proprietary technology and similar intellectual property of us are critical to our success, and we rely on trademark and copyright protection agreements and other methods, such as taking reasonable measures to protect our trade secrets with our Partners, employees and others to protect our proprietary rights. In addition, we have developed, and will continue to develop, a substantial number of programs, processes and other know-how on a proprietary basis that are of key importance to the successful functioning of our business. We might not be able to obtain effective intellectual property protection in every country in which we are active or in which such protection is relevant, and our efforts to protect our intellectual property could require the expenditure of significant financial, managerial and operational resources as well as some of our proprietary rights (such as trade secrets, confidential information, or know-how) cannot be protected by registration, and we depend on contractual provisions and operational processes to maintain their value. Some of our intellectual property rights could be challenged or invalidated through administrative processes or litigation, and we cannot be certain that others will not independently develop or otherwise acquire equivalent or superior technology or intellectual property rights. In a limited number of instances, we programmed software and IT tools that we use in connection with our operations (e.g., order transmission or logistics software) on the basis of licensed proprietary and non-proprietary software from third parties, which was perpetually licensed to us. We cannot guarantee that these perpetual licenses will remain unchallenged or upheld in legal proceedings and litigation. Additionally, we cannot guarantee that licensors or other third parties will not assert that the use of the systems or software based on this perpetual software infringes upon their intellectual property rights.

Due to the rapid speed with which our business is growing, we may launch new businesses (such as our tMarts and/or Kitchens) without a registered trademark in place upon launch, but with a pending trademark application. Whilst all care is taken to perform the preliminary search and obtain the necessary information on the availability of the trademark in the respective markets, we are not able to guarantee that no third party or authority will oppose or object to the registration of the respective trademark application. In such an event, we could face considerable legal fees in defending our position and potentially also having to rebrand in certain markets. Moreover, given the success and well-known status of some of our brands, we may have third parties registering identical or remarkably similar trademarks in markets in which we operate or other markets where we do not have any presence. Hence, in the markets in which we do not have trademark registrations, these third parties would have acquired an earlier right, preventing us from entering that market with our proprietary trademark and leaving us with the only recourse to file a passing off action which can be difficult and costly to prove. In some cases, the cost for trying to enforce our trademark right in passing off legal actions goes beyond the budget and time we are willing to invest, and we might have to give up our trademark and rebrand in that given market. In addition, our brand "talabat" means "orders" in Arabic, and we have seen several platforms use similar names, claiming that the term is descriptive and cannot be protected. This has led us to bring legal claims against such other platforms. An unfavourable outcome could lead to the dilution of our market presence, reduce our competitive advantage, confuse consumers and erode brand loyalty, which could have a material adverse effect on our business, financial condition, results of operation and prospectus.

In addition, we operate platforms where customers may order a variety of products for delivery from our Partners, predominantly prepared meals from our Partner restaurants, who offer their menus and dishes, but also from supermarkets, flower shops and other Partners, who also offer their products on our platform. We also operate business-to-business platforms for our Partners and logistics partners. It is possible that third parties, customers or regulatory authorities will allege that logos, trademarks or fonts used by us or our Partners infringe third-party copyrights, trademarks or other intellectual property rights. Providers of internet services have been sued in the past, sometimes successfully, based on the content made available through their websites or mobile applications. We may therefore be subject to allegations of civil or criminal liability for unlawful activities carried out by us or third parties through our online platform (including our business-to-business platform). Furthermore, much of the content provided on our online marketplace is drawn from information compiled by sources outside our Group, and this information may contain errors.

Moreover, Partners whose content is removed by us, for example due to infringement of third-party rights, breach of their contracts with us or content impropriety, may dispute such actions and commence action against us for damages based on an alleged breach of contract or other causes of action, or make public complaints or allegations. Other Partners, with which we may only have verbal agreements, may claim that we were not allowed to list them or their products on our online marketplace.

We might be required to spend significant resources to monitor, protect and defend our intellectual property rights. We may not be able to discover or determine the extent of any infringement, misappropriation or other violation of our intellectual property rights and other proprietary rights, or not do so within the contractual or statutory time limitation. We may initiate claims or litigation against others for infringement, misappropriation or violation of our intellectual property rights or proprietary rights or to establish the validity of such rights. Despite our efforts, we may be unable to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property rights and other proprietary rights. In addition, some of the agreements we entered into with third parties may contain clauses regarding the protection of their intellectual property rights licensed to us. The violation of these clauses, such as the unauthorised sub-licensing or disclosure of a confidential source code licensed to us, may result in significant penalties as well as the revocation of the right to use such licensed intellectual property. Accusations of infringing intellectual property rights of third parties against us could also lead to costly proceedings, the outcome of which is not certain. Any litigation, whether or not resolved in our favour, could result in significant expenses to us and divert the efforts of our technical and management personnel.

Agreements with third party software suppliers may also contain supplier limitations of liability in relation to breaches of third-party intellectual property rights. Such limitations of liability create a risk on our part in the event of any inadvertent breach of such third-party intellectual property rights by our Group when using the respective third-party software. Accusations of infringing intellectual property rights of third parties against us may lead to settlements or proceedings, which may be costly and of an uncertain outcome. Any litigation, whether or not resolved in our favour, could result in significant expenses to us and divert the efforts of our legal, technical and management personnel. In addition, in some of the markets in which we operate, the enforcement of intellectual property rights is limited due to a lack of appropriate control and legal remedies.

If these risks were to materialise, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be unable to acquire, use or maintain the domain names for our websites or publish our applications on the relevant app stores in our targeted markets, which could force us to incur significant additional marketing spend.

We are the registrants of various internet domains for our brands in many of the jurisdictions we operate in. Domain names are generally regulated by internet regulatory bodies and are also subject to trademark laws and other related laws of each country. If we do not have or cannot obtain or maintain on reasonable terms the ability to use our registered trademarks or other trademarks that we may need in the future in a particular country, or to use or register our domain name or new domain names that we may require, we could be forced either to incur significant additional expenses to market our platform and food ordering services within that country, including paying large sums of money in order to acquire domain names which are blocking us from using a specific domain name which could be associated with one of our brands within a specific market, potentially having to develop a new brand and create new promotional materials and packaging, or to choose not to operate in that country.

Furthermore, the regulations governing domain names and laws protecting trademarks and similar proprietary rights could change in ways that block or interfere with our ability to use relevant domains or current brands. In addition, we might not be able to prevent third parties from registering, using or retaining domain names that interfere with our customer communications or infringe or otherwise decrease the value of our trademarks, domain names and other proprietary rights. Regulatory bodies may establish additional generic or country-code top-level domains or may allow modifications of the requirements for registering, holding or using domain names. As a result, we might not be able to register, use or maintain our domain names in all of the countries in which we currently conduct business or intend to conduct business in the future.

Additionally, we may be unable to publish or update our mobile applications on the relevant app platforms (including Apple App Store, Google Play, Huawei AppGallery) due to the guidelines, policies and terms and conditions of these platforms, which could result in the removal or suspension of our applications, or rejection of app updates. We may also need to adapt our applications and its content (including the offering of certain product items in our marketplace) to comply with these guidelines, policies and terms and conditions.

If these risks were to materialise, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

Disagreements with local residents and landlords in the areas in which we operate, competition for new or replacement sites, and related public scrutiny and debate could adversely impact our business and reputation.

We have experienced, and may in the future experience, various challenges from local residents and landlords in the areas in which we operate and related public scrutiny and debate around existing or proposed Kitchen sites and tMarts warehouses, which we rely on to bolster the reach of our network of Partners and our tMarts. As a result, we could face difficulties procuring the necessary planning consents from the competent authorities (including the municipalities) for prospective Kitchen sites and tMarts warehouses or face local planning authority enforcement action. In the worst case, this could result in us having to dismantle and relocate certain existing Kitchens or tMarts. In addition, we face considerable competition for suitable sites in all of our markets and might not be able to identify or receive timely approval for enough appropriate new sites or replacement sites to expand the number of Kitchens and tMarts as per our plans. If we are unable to procure planning consents for new prospective Kitchen sites or tMarts warehouses or are required to relocate one or more Kitchen sites or tMarts warehouses and cannot locate replacement sites, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are exposed to risks associated with our reliance on leased properties for our operations.

As of the date of this Offering Memorandum, our operations depend heavily on leased properties, as we do not own real estate assets except for two plots of land in Jordan. Our headquarters, offices, branches, kitchens, and tMarts are all situated on leased premises. See "*Business–Properties*". We may face potential risks from rent increases upon renewal of our leases, which could lead to unforeseen additional expenses. Furthermore, if a landlord decides to terminate or not renew our lease, it could significantly impact our operations, financial condition, and prospects.

Additionally, we may face challenges in renewing all our lease agreements, and we might face terms that are inconsistent with our strategic goals. If we are required to vacate any leased location due to lease termination, non-renewal, or unfavourable renewal terms, we would incur additional costs to find and secure new suitable locations, the new lease terms for which could be materially higher than the current rates we are paying. Any of these risks could have a materially adverse effect on our business, financial condition, results of operations, and prospects.

Failure to maintain optimal inventory levels in our tMarts operations could increase our loss rate or cause us to lose sales, either of which may have a negative impact on our business and results of operations

tMarts are pick-up and delivery-only warehouses that we lease and operate, and from which we sell and deliver a variety of products, including, but not limited to, snacks, beverages, grocery and household and personal care products. tMarts function as an online version of a grocery store, where our customers are able to browse through offerings and place orders through our online mobile application. Accordingly, our tMarts need to maintain a certain level of inventory to be able to provide our customers with their orders quickly and conveniently. Maintaining an optimal level of inventory is critical to the success of our tMarts operations, particularly in relation to the fresh produce stocked by us which generally has a short storage and shelf life and high turnover in nature. We are exposed to increased inventory risks as a result of factors beyond our control, including changing consumer preferences, uncertainty of market acceptance of new products, unexpected weather conditions or seasonality (see "*—The number of orders placed through our platform fluctuates and depends on weather conditions, seasonal trends and special events, which may have a significant influence on our revenue and operating margins.*"), third parties electing to terminate their existing supplier agreements with us or refusing to supply us with the stock we require to maintain adequate levels of inventory, or disruptions to the delivery of goods due to geopolitical factors (see "*—Continued instability and unrest in the MENA region, or the escalation of armed conflict, may materially adversely affect our business, financial condition, results of operations and prospects.*"). Although we proactively adjust our procurement plans from time to time based on our analysis of trends and data available to us, including procurements and inventory level, there can be no assurances that there will not be under- or over-stocking of inventory. Moreover, we generally estimate the demands for our products ahead of procurement and the actual time of sales. There can be no assurances that our predictions are always accurate to avoid any under- or over-stocking of inventory. For example, a sudden decrease in market demand and a corresponding unanticipated drop in the sales of a product result in an accumulation of inventory, which in turn may increase our wastage, particularly in relation to perishable products. Alternatively, if our inventory is understocked, for example, if the Group were to underestimate the popularity of a particular product, it will lose the sales opportunity and our results of operations may be adversely affected. Either under- or over-stocking inventory could adversely and materially affect our business, financial condition, results of operations and prospects.

The number of orders placed through our platform fluctuates and depends on weather conditions, seasonal trends and special events, which may have a significant influence on our revenue and operating margins.

Demand for online food takeaway and delivery is subject to weather conditions and shows a seasonal pattern in the MENA region. Order numbers across the online food ordering industry typically fluctuate based on local weather patterns, seasonal events and special events. See "*—We face risks related to climate and environmental regulations which affect our delivery operations.*". For instance, order volumes may decrease in some seasons such as during Eid holidays, Ramadan and summer vacation periods when many residents travel. There were also certain locations in Qatar during the FIFA 2022 World Cup where our operations were restricted. Furthermore, unexpected weather events can significantly impact our operations and order volumes. For example, the floods in Dubai in April 2024 led to a temporary but significant disruption in our services. On April 16 and 17, 2024, orders dropped by 90% and 99%, respectively. Our operations fully recovered on the fifth day following the floods; however, during that time, we ceased operations and only opened up deliveries on a measured basis.

Any difficult weather conditions and seasonal fluctuations can have a significant adverse impact on our order numbers, financial performance, and results of operations. Our ability to accurately forecast and adjust to these seasonal and weather-related fluctuations is crucial for maintaining stable operations and financial performance throughout the year.

Any of these risks would have a material negative effect on our business, financial condition, results of operations and prospects.

We face risks related to climate and environmental regulations which affect our delivery operations.

In certain markets where we operate, such as Kuwait and Qatar, regulations have been implemented to protect delivery riders from extreme heat conditions and sandstorms. These "heat campaign" regulations prohibit motorcycle-based deliveries during specific hours of the day when temperatures are at their highest. To comply with these regulations and maintain our service levels, we have expanded our delivery fleet to include cars, which has had a minor impact on our financial performance due to increased operational costs and our delivery times affecting the customers' experience.

While we have successfully adapted our operations in Kuwait and Qatar by expanding our delivery fleet to include cars, there is no guarantee that similar regulations will not be introduced in other key markets where we operate, such as the UAE. Furthermore, there is a risk that Kuwait and Qatar may extend the hours (which are currently between 10 a.m. and 3.30 p.m.) during which motorbikes cannot be ridden, which could significantly impact our business model and operational efficiency in these markets.

The implementation or extension of such regulations in our markets could pose several risks to our business. It could lead to operational disruptions, particularly if introduced without adequate notice, potentially resulting in decreased order fulfilment rates and customer satisfaction. Expanding our fleet to include more cars or other alternative vehicles would likely increase our operational costs, including higher fuel consumption and parking fees, increased maintenance expenses, and potentially higher payments to third-party logistics providers.

Cars may be less efficient than motorcycles in navigating through traffic in densely populated urban areas and locating parking spots before picking up and dropping off orders, which could lead to longer delivery times and reduced Partner and customer satisfaction. A significant expansion of our car-based fleet across multiple markets would require substantial capital expenditure, which could impact our profitability and cash flow.

The transition from motorcycle to car-based delivery might require retraining and licensing of riders and could potentially lead to a temporary shortage of qualified delivery personnel. The increased operational costs associated with car-based delivery might necessitate an increase in delivery fees or service charges, which could impact our competitiveness in price-sensitive markets and profitability where such fees are heavily capped or regulated by local authorities.

While we strive to anticipate regulatory changes and adapt our operations accordingly, the introduction of similar heat campaign regulations in other key markets, particularly the UAE, or the extension of existing regulations in Kuwait and Qatar, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Moreover, we are subject to a number of environmental regulations in the UAE and in our other markets, including Federal Law No. 24 of 1999 on the Protection and Development of the Environment, Ministerial Resolution No. 380 of 2022 Regulating the Use of Single-use Products in UAE Markets and Executive Council Resolution No. (124) of 2023 on Single-use Products. For example, the Dubai Executive Council announced the introduction of a 25 fils tariff for single-use plastics with a view to eventually ban all use of single-use products, which would be applied in retail outlets, clothing stores, restaurants and pharmacies, as well as on delivery orders and e-commerce orders. Such trend could have a material adverse effect the costs of our vendors and their products, and adversely affect demand from customers to purchase such products for delivery rather than picking up, and therefore on our sales and ability to achieve our strategy. There can be no assurance that the introduction of any changes to government policies would not increase our costs or otherwise materially adversely affect our business, financial condition, results of operations and prospects.

Natural disasters, industrial catastrophes and health epidemics or pandemics could unfavourably impact our industry and our delivery orders, which could materially adversely affect our financial performance and business.

Our business operations are subject to disruption by natural disasters, industrial catastrophes, and health epidemics or pandemics, as well as other events beyond our control. The MENA region, where we operate, is prone to various natural phenomena such as floods, earthquakes, and severe weather conditions. For instance, recent flooding events in the UAE and Oman have demonstrated the potential for significant disruption to normal business operations. See "*—The number of orders placed through our platform fluctuates and depends on weather conditions, seasonal trends and special events, which may have a significant influence on our revenue and operating margins.*".

Furthermore, the occurrence of health epidemics or pandemics can impact our industry in affected regions. While we have demonstrated resilience during recent global health crises, future outbreaks could potentially cause widespread effects on consumer behaviour, restrictions on movement, and economic downturns, all of which could negatively impact our business.

Industrial catastrophes, such as major accidents or technological failures in the cities where we operate, including internet outages, could also significantly impair our ability to conduct business. These events might affect not only our own operations but also those of our Partners and the broader supply chain we rely on.

The impact of such events could extend beyond immediate operational disruptions. We may incur significant costs and losses in our efforts to manage these situations, assist our Partners, or restore full operational capabilities. The productivity of our Partners may be severely affected, leading to a decrease in order volumes and revenue.

While we strive to have contingency plans in place, the unpredictable nature and potentially severe impact of these events make it challenging to fully mitigate these risks. Any such occurrences could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to risks related to the lack of experience in managing a public limited company listed on the DFM.

Most of our senior management have limited or no experience managing public limited companies listed on the DFM and complying with the laws and regulations pertaining to such companies, in particular, the regulatory rules and procedures relating to listed public limited companies. In particular, the internal or external training that our senior management will receive in managing a DFM publicly listed company, coupled with the obligations imposed on public companies, including regulatory oversight and reporting obligations, will require substantial attention from our senior management, which may divert their attention away from the day-to-day management of the Group. If we do not comply with the regulations and disclosure requirements imposed on listed companies in a timely manner, we may be exposed to regulatory sanctions and fines. The imposition of fines on the Group could materially and negatively affect our business, financial condition, results of operations and prospects.

Risks relating to the UAE and the MENA Region

Our operations are across a number of markets in the MENA region, which exposes us to political, economic, legal and other risks.

Currently, we conduct business in eight countries in the MENA region, exposing us to a variety of local economic, political, and social conditions. These include political instability, economic uncertainty, underdeveloped legal and regulatory systems, and sudden policy changes. The varying levels of government influence in different markets affect our operations, costs, and strategic planning. In some markets, we may enjoy relative freedom to operate, while in others, we may face significant government oversight or intervention. This variability complicates our efforts to standardise our operations and strategic approach across the region.

Some of the markets in which we conduct our business rely heavily on hydrocarbons (such as the UAE, Kuwait, Qatar, and Iraq) where the general economic conditions are influenced by oil and gas prices. These hydrocarbon-based economies are sensitive to changes in global oil and gas prices, which can be volatile and subject to fluctuations due to various factors. The global price of oil may have an impact on the development of government regulations, policies, and the overall economic well-being of these countries, which in turn could affect the demand for our services.

Any unexpected changes in the political, social, economic or other conditions in the MENA region or neighbouring countries could have a material adverse effect on our business. These changes may include, but are not limited to, changes in inflation rates, foreign exchange controls, tax regimes, foreign ownership regulations, employment visa policies, and policies regarding the nationalisation of assets. Governments have applied and may continue to apply restrictions on work visas being granted to individuals from certain nationalities, including the countries from which are our riders in the GCC are predominantly from, which could affect the number of riders available to us (see "—*We rely on third-party logistics providers for delivery and order fulfilment services.*"). In addition, governments may impose certain regulations capping delivery fees, commissions and service fees, potentially negatively affecting our operations.

We also face challenges related to currency fluctuations (particularly in Egypt where the Egyptian Pound was further devaluated in March 2024), fund transfer restrictions (which we experienced prior to the March 2024 devaluation as there was a severe shortage of US Dollars in the market), and potential preferential treatment of local businesses over foreign ones. Furthermore, the earnings achieved in certain of our markets (such as Egypt) may be difficult to repatriate. Certain countries in which we operate currently have varying degrees of capital controls. Profitability may not contribute to our liquidity should the political, regulatory, and/or economic environment not permit, or complicate, the repatriation of earned funds to the parent entity. Our operations are also subject to risks associated with currency fluctuations and exchange controls. Currency fluctuations may affect our revenue, costs, and overall profitability. For instance, a devaluation of local currencies against the US Dollar (against which our reporting currency is pegged), as has been the case in Egypt (which operates a managed float system and does not peg its currency to the US Dollar), has led to higher costs for imported goods and services, reducing our profit margins. Many countries in the MENA region maintain tight control over their currencies, which can lead to sudden changes in exchange rates or restrictions on currency conversion and repatriation of profits. These factors can affect our ability to manage our finances effectively across our operations and may impact our profitability.

Given our geographic footprint, some of our operations are in jurisdictions with less evolved legal systems and may be subject to conflicting regulatory requirements. This may, among other things, lead to uncertainties in relation to the application of payment regulations and payment service license requirements, and we may also face laws that were introduced before e-commerce and quick commerce changed consumer shopping habits. The market practice for managing contracts with Partners is less developed in certain of our markets. Applying for and obtaining visas for some employees or certain regulatory approvals or permits related to our business may be more difficult than anticipated, and we may have applied for and been granted visas, approvals, or permits for employment in a different legal entity than the actual employing entity. In some cases, we may be treated unfairly or differently than predominantly local businesses and may be subject to arbitrary or harmful enforcement actions by authorities, such as delays in granting and higher costs of obtaining licences or other difficulties, with little or no means of recourse. Additionally, our multinational structure may cause taxation-related issues, such as determining the beneficial owner for tax purposes, which makes tax assessments within our organisation generally more complex and time-consuming. Financial and economic sanctions may also be imposed or tightened on the countries in which we operate by other countries or international organisations. There is no guarantee that we can manage these risks effectively or at all.

We also face specific risks as a foreign-owned company doing business in markets that often have regulations designed to restrict or limit the ability of foreign companies to conduct business. See "—*The Group's business in the UAE, Kuwait, Bahrain and Iraq is subject to risks associated with foreign ownership restrictions.*". For example, several countries have higher funding requirements in place, such as a higher share capital. In some countries, we are obliged to employ a certain percentage of local employees and may not be in compliance with these requirements. With respect to certain local brands, we are implementing restructuring measures to comply with local laws restricting our ability to conduct business or foreign investments. However, these restructuring efforts may not be successful, and therefore we cannot guarantee that all our various operations will comply with all pertinent local laws concerning foreign businesses or foreign investments. Additionally, the restructuring measures could negatively affect our management structure.

Moreover, we conduct business in, and may expand our business to, certain countries where corruption and extortion are considered to be widespread, and we may be required to obtain approvals from or comply with certain formalities or other obligations of public officials. As a result, we have been and are exposed to the risk that employees, agents or authorised persons of us could make payments or grant hidden benefits in violation of anti-corruption laws and regulations, especially in response to demands or attempts at extortion. In addition, our current internal controls, prevention (such as our anti-corruption and anti-bribery policy) and training programs may prove to be insufficient. Despite our best prevention efforts, our employees, agents or authorised persons may have been or could be engaged in activities for which we could be held liable.

Some laws and regulations promulgated against corruption may require that controls, procedures and internal regulations be implemented to ensure that the operations of a given entity do not involve corruption, illegal payments or extortion. The great diversity and complexity of these local laws and regulations and the expansive nature of the business conducted by us in various countries and markets create a risk that we may be deemed liable for violations of local laws and regulations. Any violation or breach of these laws and regulations could affect our overall reputation and, depending on the case, expose us to administrative or judicial proceedings, which could result in criminal and civil judgments, including a possible prohibition on maintaining business relationships with suppliers, Partners or customers in certain countries.

In addition to corruption, operating in countries with known human rights issues increases the likelihood that our activities, directly or indirectly, may contribute to or be associated with such violations. This exposure may lead to reputational damage and potential legal consequences if our operations are found to infringe upon human rights standards or regulations.

We are also subject to international economic sanctions regulations, which impose restrictions on doing business with certain countries, entities, or individuals. Breaches of these sanctions, whether through direct transactions or indirect relationships with sanctioned subjects, could result in severe penalties, including fines and restrictions on our operations and reputational damage. Ensuring compliance with evolving international sanctions regimes is crucial to avoid potential legal, operational and financial repercussions.

Any penalties, fines, sanctions or other consequences arising out of a breach or lack of compliance with any applicable anti-money laundering, anti-corruption, international economic sanctions regulations, human rights regulations or similar laws could have a material adverse effect on our business, financial condition, results of operations and prospects.

These interconnected risks can be exacerbated by regional events, with issues in one country potentially affecting others. While we strive to mitigate these risks through careful market analysis and robust compliance procedures, the complex and evolving nature of the MENA region presents ongoing challenges. Any significant negative developments in these areas could materially and adversely affect our business, financial condition, results of operations and prospects.

Continued instability and unrest in the MENA region, or the escalation of armed conflict, may materially adversely affect our business, financial condition, results of operations and prospects.

Although the UAE has enjoyed domestic political stability and generally positive international relations in recent years, there has been political unrest in a number of countries in the MENA region, including Bahrain, Egypt, Iran, Iraq, Libya, Syria, Tunisia and Yemen. The unrest has ranged from public demonstrations to, in extreme cases, armed conflict and civil war and has given rise to a number of regime changes and increased political uncertainty across the region. It is not possible to predict the occurrence of events or circumstances such as civil unrest, war or other hostilities, or the impact that such events or occurrences might have on the UAE. The MENA region currently is subject to a number of armed conflicts including those in Yemen, Syria (in which multiple state and non-state actors are involved, such as the USA, Russia, Turkey and Iran), Lebanon, Iraq and Palestine, as well as conflicts with militants associated with the Islamic State. Starting in November 2023, the Yemeni Houthi militia seized or attacked several commercial vessels in the Red Sea. On 18 February 2024, Houthi groups attacked a UK-owned cargo ship in the Southern Red Sea, and on 21 August 2024, Houthi groups launched further attacks on a Greek-flagged oil tanker (the *Sounion*) in the Red Sea, which was carrying 150,000 tonnes of Iraqi crude oil, thereby adversely impacting shipping through one of the world's most important maritime trade routes. In addition, the ongoing conflict between Israel and Palestine and the Israeli strikes in Lebanon have further heightened tensions in the region and globally.

Furthermore, the UAE is, and will continue to be, affected by political developments in or affecting the wider MENA region, and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including the UAE. In recent years, there have been several significant geopolitical events in the region, including drone attacks on oil facilities, military confrontations, and attacks on commercial vessels in key shipping routes.

Although the UAE has generally not experienced terrorist attacks or armed conflict such as those experienced by a number of other countries in the MENA region, there can be no assurance that extremists or terrorist groups will not initiate terrorist or other violent activity in the UAE, or that the UAE will not be impacted by any escalation of regional armed conflict. Any terrorist incidents in or affecting the UAE and increased regional geopolitical instability (whether or not directly involving the UAE), or any heightened levels of military conflict in the region or globally, may have a material adverse effect on the UAE's attractiveness for foreign investment and capital, its ability to engage in international trade, its tourist industry, and, consequently, its economic, external and fiscal positions, and therefore could adversely impact our business, financial condition, results of operations and prospects.

Furthermore, the UAE is dependent on expatriate labour, including unskilled labourers as well as highly skilled professionals in a range of industry sectors, and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the country. These steps make the UAE potentially more vulnerable should regional instability increase, foreign militants commence operations in the country, or extremist or terrorist groups engage in activities in the country. In addition, as the government endeavours to further diversify the UAE's economy into other sectors, including tourism, the exposure to broader regional and global economic trends and geopolitical developments likely will increase.

Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

The Group's business in the UAE, Kuwait, Bahrain and Iraq is subject to risks associated with foreign ownership restrictions.

Consistent with the approach taken by many foreign-owned companies operating in certain countries of the MENA region, in several of our markets, including the UAE, Kuwait, Bahrain, and Iraq, we operate under nominee arrangements due to foreign ownership restrictions or other regulatory requirements. These arrangements involve local nominees holding significant portions of our business entities on our behalf. The following ownership in our Group entities is held by DHH I SPC, a wholly-owned subsidiary of Links Nominee, and/or Carriage Holding Company Limited: (i) 100% of the shares in our Group entities that operate our business in Kuwait (including our Carriage business), excluding our tMart and Kitchens business; (ii) 51% of the shares in our Group entities that operate our tMart and Kitchens business in Bahrain and Kuwait, with the remaining 49% of the shares held by wholly-owned members of our Group; and (iii) 100% of the shares in our Group entities that operate our Carriage business in the UAE, Kuwait and Bahrain. See "*Material Agreements–Nominee Arrangements–Mudaraba Agreements – Bahrain and Kuwait businesses, and Carriage business*". In Iraq, the ownership of our two Group entities is structured through nominee agreements Delivery Hero FZ LLC has entered into with Iraqi nationals, pursuant to which such nominees hold 51% of shares in Talabat for Delivery Services LLC (Baghdad, Iraq) and 100% of shares in Batal Al Tawsil for Delivery Services Ltd (Baghdad, Iraq), in each case, on trust as nominees for our benefit. See "*Material Agreements–Nominee Agreements – Iraq business*" and also "*Related Party Transactions- Framework Agreement*" in respect of our ownership in 49% of the shares in Talabat for Delivery Services LLC which is structured through a nominee arrangement.

In the UAE, the "Carriage" business was established at the time certain foreign ownership restrictions were in place and although these foreign ownership restrictions no longer apply to the "Carriage" business in the UAE, we have not as of the date of this International Offering Memorandum undertaken a restructuring to remove the existing nominee arrangement.

These nominee structures expose us to various risks. There is a possibility that local authorities or courts may challenge the validity or enforceability of these arrangements, potentially viewing them as circumventing foreign ownership restrictions. If such challenges were successful, we could be forced to restructure our operations in these countries, potentially leading to disruptions in our business activities, fines, or even the loss of our operating licences. We may also face potential liability, expenses for legal claims, and harm to our business resulting from litigation proceedings in connection with the nominee arrangements we have in place. Nominees may assert certain rights or make demands that could affect our operations, including loss of the economic benefit of those businesses. Additionally, nominees may challenge the terms of their arrangements or pursue claims against us, which could disrupt our business or result in significant court-imposed payments for contractual damages or settlement payments. For instance, we operated through a nominee arrangement for several years with TLG Commercial Brokers LLC ("**TLG**"), which were the previous nominees that held 100% of the shares in DHH I SPC (the "**DHH Shares**"), and were replaced by Links Nominee, the current holder of the DHH Shares. Following such replacement, TLG filed a claim against us in 2021 before the Dubai courts, requesting the nullification of the transfer of the DHH Shares to Links Nominee. The Dubai courts ruled that they lacked jurisdiction over the case. TLG filed a claim for disclosure of certain share transfer documents from the DIFC Companies Registrar against us before the DIFC courts in 2023, and the DIFC courts ruled in our favour. TLG informed us that they would amend their claim to seek monetary damages; however, no such steps have been taken to date. Subsequently, in July 2024, TLG requested an appointment of experts in a dispute against the directors of DHH I SPC at Dubai Courts' Amicable Dispute Resolution Centre ("**ADRC**"), which was dismissed by the Dubai Courts' ADRC in September 2024.

Furthermore, relying on nominees means we do not have full legal ownership of significant portions of our business entities in these countries. This could potentially lead to difficulties in implementing strategic decisions, responding quickly to market changes, or ensuring full compliance with our corporate policies and standards.

The nominee arrangements also create a layer of complexity in our corporate structure, potentially leading to increased administrative burdens, higher compliance costs, and challenges in financial reporting and consolidation. There is also a risk that changes in local laws or regulations could further restrict or prohibit the use of nominee structures, requiring us to find alternative means of operating in these markets.

While we believe our current arrangements are compliant with local laws and regulations, any adverse changes in the interpretation or enforcement of these laws could materially affect our ability to operate in these markets. The loss or significant alteration of these nominee arrangements could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are exposed to the tax laws of multiple jurisdictions in which we operate, including risks in connection with challenges to our tax positions.

We operate in numerous countries across the MENA region, subjecting us to a complex array of tax laws and regulations in multiple jurisdictions. The interpretation and application of these tax regimes can be ambiguous and subject to change, often with retrospective effect. Our tax liability determinations are based on our interpretations (regularly supported by local external tax advisors) of applicable tax laws and regulations, which may differ from the views of relevant tax authorities.

We are subject to periodic tax audits by governmental authorities in the countries where we operate. These audits are inherently uncertain and may result in assessments that differ from our interpretations and expectations. Negative or unexpected results from one or more such tax audits could adversely affect our business, financial condition, and results of operations.

Changes in tax laws, regulations, or their interpretation, whether prospective or retrospective, may expose us to additional tax liabilities, including interest payments and potential penalties. For instance, the recent introduction of corporate income tax in the UAE from June 1, 2023, creates uncertainty regarding the applicable tax rate and potential impact on our operations in that key market. See "*Taxation*".

The complexity of our international operations increases the risk of disputes with tax authorities regarding the allocation of profits (or losses) among various jurisdictions. Transfer pricing arrangements between our affiliated entities are subject to review and possible challenge by tax authorities. If any tax authority were to successfully challenge our operational structure, intercompany pricing policies, or the taxable presence of our subsidiaries in certain countries, it could result in a higher tax liability, interest, and penalties.

Furthermore, as we continue to expand into new jurisdictions, our tax profile may become more complex, potentially increasing our effective tax rate and future cash tax payments. The tax regimes in some of the emerging markets where we operate may be less developed, leading to greater uncertainty in the application of tax laws.

In addition to corporate income taxes, we are also subject to various indirect taxes, including, without limitation, VAT, payroll taxes, and sales taxes, across the jurisdictions in which we operate. While we are responsible for collecting and remitting these taxes, there is a risk that tax authorities may question or challenge our methods of calculation, reporting, or collection and demand additional taxes, interest, and potentially impose penalties and fees.

While we strive to comply with all applicable tax laws and regulations, there can be no assurance that a tax authority will not have a different interpretation of the law than we do or that we will be able to ultimately sustain our tax positions if challenged. Any additional tax liability, interest, and penalties resulting from audits or challenges to our tax positions could have a material adverse effect on our business, financial condition, results of operations, and prospects. In addition to any financial implications, significant tax disputes or adverse audit outcomes could also lead to negative publicity and reputational damage.

Workforce nationalisation initiatives in the countries where we operate may increase our costs and reduce our ability to rationalise our workforce.

We are subject to workforce nationalisation initiatives in several countries where we operate, including the UAE's Emiratisation program and similar initiatives in other MENA countries, such as Kuwaitisation in Kuwait, Bahrainisation in Bahrain, Qatarisation in Qatar and Omanisation in Oman. These programs aim to increase the participation of nationals in the private sector workforce. As a technology-driven food delivery and e-commerce platform operating across multiple jurisdictions, we rely on a diverse workforce that includes both local nationals and expatriates in various roles, from technology development to operations and customer service. With respect to the riders provided by third-party logistics providers in the aforementioned countries, they are predominantly from South Asia. Should any of the nationalisation initiatives or programs require a higher number of local riders, this would potentially affect the number of riders available to us and could also result in the detention of riders from third-party logistics providers due to non-compliance with these initiatives. For example, this has occurred in Oman.

The requirements and targets set by these nationalisation programs are subject to change and may become more stringent over time. For example, in the UAE, recent changes to the Emiratisation program have set new targets for private sector companies, including those in the technology sector.

The UAE and other countries in the MENA region where we operate may introduce or intensify similar initiatives. Compliance with these initiatives may:

- Increase our operating costs, as salaries for national employees are often higher than those for expatriate workers in similar positions.
- Limit our flexibility in managing our workforce, as there may be restrictions on terminating the employment of national workers.
- Create challenges in finding suitably qualified national candidates for certain specialised roles, particularly in technology and software development.
- Result in penalties or restrictions on our ability to obtain work permits for expatriate employees if we fail to meet the required nationalisation quotas.
- Result in changes to the requirements applying to third-party logistics providers, whereby riders (which already forms the vast majority of their workforce) would be considered as part of the company’s active employment base. In addition, GCC nationals are highly unlikely to work as riders in this region due to their poor perception of and high effort requirements for this occupation
- In addition, governments may impose entry restrictions on certain nationalities thereby limiting the number of individuals available to work as riders in the markets in which we operate to expedite their nationalisation agenda.

Moreover, as a rapidly growing technology company, we require a flexible and highly skilled workforce to support our expansion and innovation. The nationalisation requirements may constrain our ability to quickly scale our operations or adapt our workforce to changing business needs. While we are committed to supporting the development of local talent and complying with local regulations, these initiatives may adversely affect our ability to recruit, retain, and manage our workforce efficiently. This could potentially impact our operational effectiveness, increase our costs, and ultimately affect our competitiveness in the market. Any failure to meet the nationalisation requirements could result in fines, restrictions on our ability to obtain necessary permits, or limitations on our ability to expand in certain markets. This could have a material adverse effect on our business, financial condition, results of operations, and prospects in the affected countries.

Our financial condition and results of operations may be materially adversely affected if the USD/AED exchange rate were to change.

The Group maintains its accounts, and reports its results, in UAE dirhams. Although the UAE dirham has been pegged to the US dollar at a rate of AED 3.6725 to USD 1.00 since 1997, there can be no assurance that the UAE Central Bank will continue to maintain this fixed rate in the future. Any de-pegging or change to the USD/AED exchange rate could increase the costs that the Group pays for its services or to service its indebtedness or could cause its results of operations and financial condition to fluctuate due to currency translation effects, any of which could have a material adverse effect on the Group’s business, financial condition, results of operation and prospects.

Risks Relating to the Global Offering and to the Shares

After the Global Offering, Delivery Hero will continue to hold the majority of the Shares.

Delivery Hero currently indirectly holds 100% of the Company’s issued share capital and will continue to indirectly hold at least 85% following the Global Offering (assuming all offered Shares are sold). This allows Delivery Hero to exercise control over the Company's management and operations, including dividend payments, Board of Directors elections, and other matters. While Delivery Hero's support has historically driven the Group's success, its interests may not always align with the Group's strategic or commercial objectives or those of other shareholders.

Delivery Hero's significant indirect Share ownership may: (i) delay or deter a change of control (including deterring a third party from making a takeover offer for the Company); (ii) deprive shareholders of opportunities to receive premiums for their Shares; and (iii) affect Share liquidity, potentially impacting the market price of the Shares. In addition, there may be circumstances where our businesses compete directly or indirectly with Delivery Hero's businesses, and Delivery Hero may take decisions with respect to those businesses that are adverse to the interests of our other shareholders.

We historically have engaged, and intend to continue to engage, in significant transactions with Delivery Hero and its subsidiaries, on arm's length basis, relating to, among other things, the provision of corporate services to us, including access to Delivery Hero's tech stack for back-end technology, logistics systems, HR services, and treasury services (see "*Related Party Transactions*"). There can be no assurance that any of the transactions with Delivery Hero and its other subsidiaries will be on terms favourable to us, or that Delivery Hero and its other subsidiaries will act in the best interest of our public shareholders.

Substantial sales of Shares by our Selling Shareholder or future issuances of Shares by the Group could depress the price of the Shares.

Significant Share sales by our Selling Shareholder post-Global Offering or future Share issuances by the Company may substantially reduce the market price of the Shares. Our Selling Shareholder has agreed to certain restrictions on Share dealings for 180 days from the Closing Date, with limited exceptions, unless consented to by the Joint Global Coordinators. However, we cannot predict whether substantial amounts of Shares will be sold in the open market post-Global Offering. Any substantial Share sales, or the perception thereof, could materially affect the Shares' market price.

Future Share issuances may dilute shareholders' holdings and depress Share prices. The Company is subject to a 180-day lock-up period post-Closing Date. However, the Company may offer additional Shares or convertible securities in the future, including as stock-based compensation. Such sales could dilute shareholdings, affect prevailing market prices for the Shares, and impair the Company's ability to raise capital through future equity securities sales.

The Global Offering may not result in an active or liquid market for the Shares, and trading prices of the Shares may be volatile and may decline. In addition, the DFM is significantly smaller in size than other established securities markets, which may also affect liquidity in the Shares.

No prior public market for the Shares exists. We cannot assure that an active trading market will develop or sustain post-Global Offering, or that the market price won't decline below the Offer Price. Share trading prices may fluctuate widely due to various factors, including stock market fluctuations and general economic conditions, potentially affecting the market price regardless of the Company's performance.

The Company has applied for DFM listing. The DFM's future success and Share liquidity cannot be guaranteed. The DFM is substantially smaller than established securities markets, with generally higher transaction costs.

These factors could decrease liquidity, increase volatility, and impair the ability to sell Shares on the DFM at desired amounts, prices, and times achievable in more liquid markets. This could adversely affect the Shares' value and trading price.

The Company may not pay dividends on the Shares and consequently, investors may not receive any return on investment unless they sell their Shares for a price greater than that which was paid for them.

The distribution of dividends by the Company will be dependent upon a number of factors, including the future profit, financial position, capital requirements, statutory reserve requirements, the amount of distributable reserves, available credit of the Company and general economic conditions and other factors that the Board of Directors deem significant from time to time. Also, the Company's ability to declare and pay cash dividends on the Shares may be restricted by, among other things, covenants in any credit facilities that the Company may enter into in the future, the recovery of any incurred losses in the future and provisions of ADGM law. While the Company's subsidiaries have historically been able to pay regular dividends and intend to pay dividends in respect of the Shares, there can be no assurance that any such future dividends will be paid, nor can there be an assurance as to the amount, if any, which will be paid in any given year. See "—*Because the Company is a holding company and substantially all of the Group's operations are conducted through the Company's subsidiaries, the Company's ability to pay dividends on the Shares depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities.*".

In addition, any decision to declare and pay dividends in the future will be made based on the assessment and recommendation of the Board of Directors and will depend on, among other things, applicable laws and regulations, the Group's results of operations, financial condition, cash requirements, contractual restrictions, future projects and plans and other factors that Board of Directors may deem relevant. As a result, investors may not receive any return on an investment in the Shares unless they sell their Shares for a price greater than the one paid for them. See "—*Dividend Policy*".

Because the Company is a holding company and substantially all of the Group's operations are conducted through the Company's subsidiaries, the Company's ability to pay dividends on the Shares depends on its ability to obtain cash dividends or other cash payments or obtain loans from such entities.

The Company currently conducts all of its operations through its subsidiaries, and such entities generate substantially all of the Group's operating income and cash flow. Because the Company has no direct operations or significant assets other than the capital stock of these entities, the Company relies on those entities for cash dividends, investment income, financing proceeds and other cash flows to pay dividends, if any, on the Shares and, in the long term, to pay other obligations at the holding company level that may arise from time to time.

The ability of such entities to make payments to the Company depends largely on their financial condition and ability to generate profits. In addition, because the Company's subsidiaries are separate and distinct legal entities, they will have no obligation to pay any dividends or to lend or advance the Company funds and may be restricted from doing so by contract, including other financing arrangements, other shareholders or applicable laws and regulations of the various countries in which they operate. Similarly, because of the Company's holding company structure, claims of the creditors of the Company's subsidiaries, including trade creditors, banks and other lenders, effectively have priority over any claims that the Company may have with respect to the assets of these entities. Further, the Company cannot be certain that, in the long term, the Company's subsidiaries will generate sufficient profits and cash flows, or otherwise prove willing or able, to pay dividends or lend or advance to the Company sufficient funds to enable it to meet the Company's obligations and pay interest, expenses and dividends, if any, on the Shares.

The inability of one or more of these entities to pay dividends or lend or advance the Company funds and currency control restrictions and restrictions on the repatriation of dividends imposed on the Company or its subsidiaries may adversely affect not only the Company's ability as a holding company to pay dividends, but also the Company's business, financial condition, results of operations and prospects.

Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their pre-emptive rights if the Company increases its share capital.

Under the Articles of Association to be adopted in connection with the Global Offering, holders of the Shares generally have the right to subscribe and pay for a sufficient number of ordinary shares to maintain their relative ownership percentages prior to the issuance of any new ordinary shares in exchange for cash consideration. Holders of the Shares outside of the UAE may not be able to exercise their pre-emptive rights unless certain registrations are effective with respect to such rights and the related ordinary shares or an exemption from their respective registration requirements. The Company currently does not intend to register the Shares under the Securities Act or the laws of any other jurisdiction, and no assurance can be given that an exemption from such registration requirements will be available to enable holders of the Shares outside of the UAE to exercise their pre-emptive rights or, if available, that the Company will utilise such exemption. To the extent that holders of the Shares outside of the UAE are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such holders outside of the UAE would be reduced.

USE OF PROCEEDS

The net proceeds generated by the Global Offering (after base fees and discretionary fees are paid) will be received by the Selling Shareholder. The Group will not receive any proceeds from the Global Offering other than reimbursement from the Selling Shareholder for any expenses relating to the Global Offering. All expenses of the Global Offering (including base fees and any discretionary fees) will ultimately be borne by the Selling Shareholder. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its shareholdings while providing increased trading liquidity in the Shares and raising the Group's profile with the investment community.

DIVIDEND POLICY

The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See "*Risk Factors—Risks Relating to the Global Offering and to the Shares—The Company may not pay dividends on the Shares and consequently, investors may not receive any return on investment unless they sell their Shares for a price greater than that which was paid for them*". Any level or payment of dividends will depend on, among other things, future profits, the business plan of the Company and additional growth avenues, at the discretion of the Board of Directors and subject to the approval from the shareholders in the General Assembly.

Subject to the foregoing, the Company intends to pay a minimum dividend in the amount of AED 367.25 million (equivalent to USD 100 million) in April 2025 in respect of the financial results of the fourth quarter of 2024. The Company intends to pay a minimum dividend in the amount of AED 1,469 million (equivalent to USD 400 million) in two instalments in October 2025 and April 2026 in respect of the financial results for the year ending 31 December 2025. Following such distribution, the Company intends to pay dividends twice each calendar year, with an interim payment based on the first-half financial results being paid in October of that calendar year, and a second payment following full-year financial results being paid in April of the following calendar year, in each case with a target net income payout of 90%.

This dividend policy is designed to reflect the Company's expectation of strong cash flow and expected long-term earnings potential, while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long-term growth. This dividend policy is subject to the consideration of the Board of Directors of the cash management requirements of the Company's business for operating expenses, financing expenses and anticipated capital expenditures. In addition, the Company expects that the Board of Directors will also consider market conditions, the then current operating environment in the Company's markets, and the Board of Directors' outlook for the Company's business.

CAPITALISATION

The table below should be read together with "*Presentation of Financial Information*", "*Selected Combined Historical Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Financial Statements and the related notes thereto, appearing elsewhere in this Offering Memorandum.

The following table sets out the Group's cash and cash equivalents, and total capitalisation as at 29 September 2024. Total capitalisation is calculated as the sum of the total bank debt and Net Ultimate Parent's investment.

	As at 29 September 2024
	(AED)
Cash and cash equivalents	**1,161,062,323**
Total bank debt	-
Net Ultimate Parent's investment	1,498,955,525
Total capitalisation	**1,498,955,525**

SELECTED HISTORICAL COMBINED AND CARVE OUT FINANCIAL INFORMATION

The selected historical combined and carve out financial information set forth below is derived from the Annual Combined Financial Statements, which have been prepared in accordance with IFRS, and the Interim Combined Financial Statements, which have been prepared in accordance with IAS 34.

Results in the Interim Combined Financial Statements are not necessarily indicative of the results that can be expected for the full year. See "Presentation of Financial Information" for further information on the Interim Combined Financial Statements. The selected historical combined and carve out financial information should be read in conjunction with the "Summary Historical Combined and Carve out Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and the Financial Statements, including the related notes, included elsewhere in this Offering Memorandum.

Summary combined and carve out statement of profit or loss and other comprehensive income

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	**2023**	**2023**	**2024**
		(*AED*)		
Revenue	6,310,279,038	7,987,738,908	5,760,901,790	7,604,254,410
Cost of sales	(4,369,959,410)	(5,448,421,725)	(3,942,028,966)	(5,179,174,959)
Gross profit	**1,940,319,628**	**2,539,317,183**	**1,818,872,824**	**2,425,079,451**
Marketing expense	(507,960,903)	(485,640,354)	(365,754,591)	(389,118,425)
IT expense	(181,447,745)	(205,056,834)	(149,347,527)	(165,119,212)
General administrative expense	(548,536,494)	(538,077,620)	(413,599,226)	(453,070,175)
Other income	140,866,832	95,732,420	54,572,031	39,650,221
Other expenses and impairment	(224,548,677)	(420,798,953)	(328,604,491)	(353,915,148)
Operating profit	**618,692,641**	**985,475,842**	**616,139,020**	**1,103,506,712**
Net finance costs	(70,595,421)	(87,925,041)	(69,129,082)	(31,795,578)
Foreign exchange loss, net	(137,580,997)	(91,061,503)	(68,826,779)	(213,296,886)
Profit before income tax	**410,516,223**	**806,489,298**	**478,183,159**	**858,414,248**
Current income tax expense	(44,680,664)	(29,181,375)	(29,211,005)	(93,603,281)
Net profit	**365,835,559**	**777,307,923**	**448,972,154**	**764,810,967**
Other comprehensive income (Net)				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation difference	174,713,239	66,715,636	62,804,825	185,529,825
Other comprehensive income, net of tax	174,713,239	66,715,636	62,804,825	185,529,825
Total comprehensive income	**540,548,798**	**844,023,559**	**511,776,979**	**950,340,792**

Summary combined and carve out statement of financial position

	As at 31 December		As at 29 September
	2022	**2023**	**2024**
		(*AED*)	
Assets			
Non-current assets			
Property and equipment	422,677,406	504,108,916	545,084,600
Intangible assets and goodwill	1,145,459,903	1,153,183,998	1,166,956,599
Loans to related parties	208,980,058	252,785,439	-
Trade and other receivables - non-current	10,989,997	16,211,629	21,527,122
Total non-current assets	**1,788,107,364**	**1,926,289,982**	**1,733,568,321**
Current assets			
Inventories	105,620,120	125,519,570	142,935,781
Trade and other receivables	353,638,472	371,065,212	443,905,310
Due from related parties	5,537,244	75,653,771	3,528,826
Cash and cash equivalents	1,507,684,858	1,278,849,061	1,161,062,323
Total current assets	**1,972,480,694**	**1,851,087,614**	**1,751,432,240**
Total assets	**3,760,588,058**	**3,777,377,596**	**3,485,000,561**

Equity and liabilities			
Equity			
Net Ultimate Parent's investment	819,375,472	661,361,258	1,498,955,525
Total equity	**819,375,472**	**661,361,258**	**1,498,955,525**
Non-current liabilities			
Loans from related parties[1]	1,560,461,593	1,403,801,184	5,829,687
Trade and other payables	3,377,988	3,825,273	2,796,205
Lease liabilities	165,660,595	220,352,238	269,953,688
Employees' end of service benefits	34,403,793	52,308,858	65,854,871
Total non-current liabilities	**1,763,903,969**	**1,680,287,553**	**344,434,451**
Current liabilities			
Due to related parties	106,538,931	141,684,042	78,163,349
Trade and other payables	996,266,023	1,216,272,264	1,420,714,930
Lease liabilities	58,024,112	61,242,891	69,717,898
Income tax liabilities	16,479,551	16,529,588	73,014,408
Total current liabilities	**1,177,308,617**	**1,435,728,785**	**1,641,610,585**
Total liabilities	**2,941,212,586**	**3,116,016,338**	**1,986,045,036**
Total equity and liabilities	**3,760,588,058**	**3,777,377,596**	**3,485,000,561**

(1) Loans from related parties were primarily to help fund operations and the growth of our business in certain of our markets. During the period from 1 January through 29 September 2024, the loan balance was settled against loans to related parties and the net liability was contributed to equity.

Summary combined and carve out statement of cash flows

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
		(*AED*)		
Net cash generated from operating activities	806,708,629	1,375,897,988	919,452,921	1,429,614,286
Net cash used in investing activities	(232,474,457)	(185,001,801)	(107,163,563)	(1,098,784,471)
Net cash used in financing activities	(639,926,065)	(1,421,024,115)	(937,779,111)	(448,825,184)
Net decrease in cash and cash equivalents	(65,691,893)	(230,127,928)	(125,489,753)	(117,995,369)
Exchange differences	41,358,683	1,292,131	(1,340,218)	208,631
Cash and cash equivalents at the beginning of the year/period	**1,532,018,068**	**1,507,684,858**	**1,507,684,858**	**1,278,849,061**
Cash and cash equivalents at the end of the year/period	**1,507,684,858**	**1,278,849,061**	**1,380,854,887**	**1,161,062,323**

Other Financial Information

The following table sets forth certain financial measures used by us as key indicators of our financial performance as at and for the years ended 31 December 2022 and 2023, and as at, and for the periods from 1 January to, 29 September 2023 and 2024. For further information, including definitions, see "*Presentation of Financial and Other Information—Non-IFRS Information*".

GMV

	For the year ended 31 December			For the period from 1 January to 29 September	
	2021	2022	2023	2023	2024
			(*AED millions*)		
GMV[1]	**14,490**	**18,992**	**22,264**	**16,303**	**19,773**
GCC GMV[2]	13,103	16,793	19,425	14,306	16,923
Non-GCC GMV[3]	1,387	2,199	2,839	1,997	2,850

(1) GMV is the total value paid by customers (including VAT, delivery fees and service fees less subsidies such as vouchers and other discounts). GMV CAGR from 2021 to 2023 was 24%. GMV period-on-period growth between 29 September 2023 and 29 September 2024 was 21%.

(2) GCC GMV is the GMV generated from our GCC markets: UAE, Kuwait, Bahrain, Qatar and Oman.

(3) Non-GCC GMV is the GMV generated from our non-GCC markets: Egypt, Jordan and Iraq.

Revenue

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED*)			
Commission fees[(1)]	2,712,104,561	3,120,744,981	2,343,954,084	2,839,714,821
Delivery fees[(2)]	1,460,522,500	1,741,851,431	1,266,248,021	1,590,432,352
Advertising and listing fees[(3)]	518,931,215	698,555,704	496,358,702	658,014,054
Service fees[(4)]	89,278,544	231,643,339	163,872,678	262,758,772
Subscription fees[(5)]	16,228,161	57,427,993	39,757,998	74,857,740
Other direct income[(6)]	1,708,932,699	2,407,599,004	1,646,567,972	2,418,035,061
Less:				
Vouchers	(125,947,912)	(180,605,081)	(130,842,314)	(165,698,386)
Other discounts	(69,770,730)	(89,478,463)	(65,015,351)	(73,860,004)
Total revenue	**6,310,279,038**	**7,987,738,908**	**5,760,901,790**	**7,604,254,410**

(1) Commission fees include fees charged to Partners as consideration for our online marketplace services, in which we arrange for Partners to sell food, groceries and convenience retail products to customers.
(2) Delivery fees include fees charged to customers and Partners.
(3) Advertising and listing fees include fees related to advertising services provided to Partners, listing fees, and other non-commission revenue.
(4) Service fees are separately charged to customers in certain markets for the usage of our platform.
(5) Subscription fees include fees related to the subscription programmes offered to customers.
(6) Other direct income mainly consists of revenue generated from retail sales, payment processing fees, and other income streams.

Total Management Reporting Revenue

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions, except percentages*)			
Total management reporting revenue[(1)]	**6,466.5**	**8,232.5**	**5,937.1**	**7,830.0**
Total management reporting revenue as a percentage of GMV	34.1%	37.0%	36.4%	39.6%
Total management reporting revenue growth period-on-period	27%		32%	

(1) We calculate total management reporting revenue as revenue without deducting vouchers and other discounts issued to our customers and reconciliation effect. The following table shows a reconciliation of revenue to total management reporting revenue:

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions*)			
Revenue	**6,310.3**	**7,987.7**	**5,760.9**	**7,604.3**
Vouchers and other discounts[(a)]	195.7	270.1	195.9	239.5
Reconciliation effect[(b)]	(39.5)	(25.4)	(19.7)	(13.8)
Total management reporting revenue	6,466.5	8,232.5	5,937.1	7,830.0

(a) Vouchers and other discounts issued to our customers that are treated as marketing expenses and deducted from revenue in accordance with IFRS 15 in the Financial Statements.
(b) Reconciliation effect consists of adjustments to revenue for which we are the principal and revenue is presented in the Combined Financial Statements on a gross basis whereas for management reporting purposes, such revenue is netted off against the related cost.

Adjusted Net Profit

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions, except percentages*)			
Adjusted net profit[(1)]	**563.7**	**944.0**	**578.6**	**995.0**
Adjusted net profit as a percentage of GMV	3.0%	4.2%	3.5%	5.0%
Adjusted net profit as a percentage of total management reporting revenue	8.7%	11.5%	9.7%	12.7%
Adjusted net profit growth period-on-period	67%		72%	

(1) Adjusted net profit is calculated as net profit excluding (i) foreign exchange (loss) (mainly related to non-cash unrealised foreign exchange loss from a shareholder loan liability in Delivery Hero Egypt SAE); and (ii) and interest expense on loans and interest income (mainly related to shareholder loans and deposits that will be capitalised prior to Admission). The following table shows a reconciliation of net profit to Adjusted Net Profit:

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions*)			
Net profit	**365.8**	**777.3**	**449.0**	**764.8**
Foreign exchange loss, net	137.6	91.1	68.8	213.3
Interest expense on loans	69.7	112.3	73.6	68.6
Interest income	(9.4)	(36.7)	(12.8)	(51.7)
Adjusted Net Profit	**563.7**	**944.0**	**578.6**	**995.0**

Gross profit

	As at and for the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions, except percentages*)			
Gross profit	1,940.3	2,539.3	1,818.9	2,425.1
Gross Profit as a percentage of GMV	10.2%	11.4%	11.2%	12.3%
Gross profit as a percentage of total management reporting revenue	30.0%	30.8%	30.6%	31.0%
Gross profit period-on-period growth	31%		33%	

Adjusted EBITDA

	As at and for the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions, except percentages*)			
Adjusted EBITDA(1)	796.8	1,180.5	805.4	1,315.7
Adjusted EBITDA as a percentage of GMV	4.2%	5.3%	4.9%	6.7%
Adjusted EBITDA as a percentage of management reporting revenue	12.3%	14.3%	13.6%	16.8%
Adjusted EBITDA period-on-period growth	48%		63%	

(1) We define "Adjusted EBITDA" as net profit before current income tax expenses, net finance costs, foreign exchange loss, net, depreciation of property and equipment, other non-income tax and non-operating earnings effects. Non-operating earnings effects include, in particular: (i) expenses from share-based compensation, and (ii) other adjustments (which include other non-operating expenses, non-operating income and results from merger and acquisition activities). Adjusted EBITDA is a supplemental measure of financial performance that is not required by, or presented in accordance with, IFRS. Therefore, Adjusted EBITDA should be viewed as supplemental but not as a substitute for measures presented in the Financial Statements, which are determined in accordance with IFRS. Investors should not consider Adjusted EBITDA (a) as an alternative to operating profit or profit/(loss) before income tax (as determined in accordance with IFRS) as a measure of our operating performance, (b) as an alternative to net cash outflows or inflows from operating, investing and financing activities (as determined in accordance with IFRS) as a measure of our ability to meet cash needs or (c) as an alternative to any other measure of performance under IFRS. Because not all companies define Adjusted EBITDA in the same way. Adjusted EBITDA, as shown in this Offering Memorandum, may not be comparable to similarly titled measures used by other companies." The following table shows a reconciliation of net profit to Adjusted EBITDA:

	For the year ended 31 December				For the period from 1 January to 29 September			
			As a percentage of GMV				As a percentage of GMV	
	2022	2023	2022	2023	2023	2024	2023	2024
	(*AED millions*)		(%)		(AED *millions*)		(%)	
Net profit	**365.8**	**777.3**	**1.9**	**3.5**	**449.0**	**764.8**	**2.8**	**3.9**
Current income tax expense	44.7	29.2	0.2	0.1	29.2	93.6	0.2	0.5
Net finance costs	70.6	87.9	0.4	0.4	69.1	31.8	0.4	0.2
Foreign exchange loss, net	137.6	91.1	0.7	0.4	68.8	213.3	0.4	1.1
Depreciation of property and equipment	151.4	162.0	0.8	0.7	113.6	137.9	0.7	0.7
Other non-income tax	9.5	5.6	-	-	2.7	2.2	-	-
Adjustments:								
Share-based compensation(1)	89.3	52.3	0.5	0.2	37.4	42.0	0.2	0.2
Other adjustments(2)	(72.1)	(24.9)	(0.4)	(0.1)	35.6	30.1	0.2	0.2
Adjusted EBITDA	**796.8**	**1,180.5**	**4.2**	**5.3**	**805.4**	**1,315.7**	**4.9**	**6.7**

(1) Share-based compensation refers to certain of our employees' participation in the share-based compensation arrangement managed by Delivery Hero SE.

(2) Other adjustments for the year ended 31 December 2022 included extraordinary income of AED 80.6 million related to previous mergers and acquisitions activities.

Adjusted Free Cash Flow and Cash Conversion

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
	(*AED millions, except percentages*)			
Adjusted EBITDA	**796.8**	**1,180.5**	**805.4**	**1,315.7**
Changes in working capital	110.5	198.7	145.7	160.5
Capital expenditures	(172.4)	(156.7)	(104.1)	(114.9)
Lease payments	(74.4)	(87.9)	(61.3)	(58.9)
Taxes	(43.5)	(29.1)	(33.2)	(37.1)
Adjusted Free Cash Flow[2]	**616.9**	**1,105.3**	**752.6**	**1,265.3**
Adjusted Free Cash Flow period-on-period growth	79%		68%	
Adjusted Free Cash Flow Margin[3]	3.2%	5.0%	4.6%	6.4%
Adjusted Free Cash Flow Revenue Margin[4]	9.5%	13.4%	12.7%	16.2%
Cash Conversion[5]	**77.4%**	**93.6%**	**93.4%**	**96.2%**

(1) Changes in working capital exclude receivables from payment service providers and restaurant liabilities.
(2) We define Adjusted Free Cash Flow as Adjusted EBITDA *minus* changes in working capital (excluding receivables from payment service providers and restaurant liabilities) *minus* capital expenditures *minus* lease payments *minus* taxes.
(3) We defined Adjusted Free Cash Flow Margin as Adjusted Free Cash Flow *divided by* GMV.
(4) We define Adjusted Free Cash Flow Revenue Margin as Adjusted Free Cash Flow *divided by* total management reporting revenue.
(5) We define Cash Conversion as Adjusted Free Cash Flow *divided by* Adjusted EBITDA.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Group's combined financial condition and results of operations as at, and for the years ended, 31 December 2022 and 2023 and as at, and for the period from 1 January to, 29 September 2023 and 2024 should be read in conjunction with the information set out in "Presentation of Financial and Other Information", "Summary Historical Combined Financial Information", "Selected Historical Combined Financial Information", the Financial Statements (in each case including the related notes) and the information relating to our business included elsewhere in this Offering Memorandum. Investors should read the whole of this Offering Memorandum and not just rely upon summarised information. The following discussion includes forward-looking statements that reflect the current view of our management and involves risks and uncertainties. See "Information Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of important factors that could cause our actual results to differ materially from the forward-looking statements contained herein.

Overview

talabat is the leading on-demand online food ordering, delivery, takeaway and groceries and convenience retail marketplace in the MENA region, with operations in the UAE, Kuwait, Qatar, Bahrain, Egypt, Oman, Jordan and Iraq. Our marketplace benefits from powerful network effects, with each constituent of our three-sided marketplace (customers, partners and riders) contributing to our growth flywheel. For the month of September 2024, our platform had more than 6 million active customers, more than 65,000 restaurants and other groceries and retail vendors (whom we collectively refer to as "**Partners**") and more than 119,000 active riders.

Our online marketplace provides a convenient, personalised and simple way of ordering food, groceries and other convenience products from a wide selection of Partners. Through our online food ordering offering (our "**Food Vertical**"), customers order food from our Partner restaurants ("**Restaurants**"). Through our groceries and convenience retail offering (our "**Groceries and Retail Vertical**"), customers are provided with access to everyday essentials, including but not limited to groceries, pharmacy products, beverages, snacks, household items, and personal care products, primarily sourced from various local Partners, such as grocery stores, pharmacies, and flower shops ("**Local Shops**"), and through our own warehousing and distribution centres designed for the fulfilment of online, on-demand orders of convenience products and groceries ("**tMarts**").

Basis of Preparation of Interim Combined Financial Statements

Our Interim Combined Financial Statements have been prepared as of 29 September 2024 (the "**reporting date**"), as the Extended Perimeter Group (as defined below) had not on said date been under the control of Delivery Hero FZ LLC (and therefore no parent-subsidiary relationship existed between Delivery Hero FZ LLC and the Extended Perimeter Group), thereby allowing the Extended Perimeter Group to be reflected in the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows included in the Interim Combined Financial Statements.

On 30 September 2024, Delivery Hero (and its affiliates) and Delivery Hero FZ LLC (and its affiliates) entered into agreements to transfer to Delivery Hero FZ LLC, and/or its relevant affiliates, the following: (i) Delivery Hero's 100% shareholding interest in Foodonclick.com FZ-LLC; (ii) Delivery Hero's 49% shareholding interest in Talabat for Delivery Services LLC; (iii) Delivery Hero's 100% indirect shareholding interests in Delivery Hero Egypt SAE; (iv) Delivery Hero's 100% indirect shareholding interest in Dark Stores MENA Holding Ltd; (v) Delivery Hero's 10% indirect shareholding interest in Delivery Hero Stores LLC; (vi) Delivery Hero's 100% indirect shareholding interest in Delivery Hero Kitchens MENA Holding Ltd.; (vii) Delivery Hero's 100% indirect shareholding interest in DH Kitchens LLC; and (viii) Delivery Hero's 100% indirect shareholding interest in Delivery Hero Payments MENA FZ-LLC (the "**Extended Perimeter Group**"), in each case, at nominal value or the transferor's carrying value of such shareholding.

Therefore, subsequent to the reporting date, Delivery Hero FZ LLC obtained control of the entities within the Extended Perimeter Group, which accordingly established a parent-subsidiary relationship between Delivery Hero FZ LLC and the Extended Perimeter Group. To illustrate the impact of the contribution of the Extended Perimeter Group on the statement of profit or loss and other comprehensive income, these Interim Combined Financial Statements were prepared, given that consolidated financial statements would not illustrate such impact.

Key Factors Affecting Results of Operations

Number of Orders, GMV and Commission Rate and Other Fees

Our revenue depends on the number of orders placed by our customers, the total merchandise value (including VAT) transmitted to our Partners (GMV) and the commission rate charged to Partners per order. We consider the number of orders, GMV, commission rate and other fees to be our key performance indicators.

We generate revenue primarily through commissions and advertising fees charged to our Partners, and from customer fees, including delivery fees, service fees (in some markets), fees for our subscription offering and small order fees (if the basket size is below a minimum order value). We also generate additional revenue through other non-commission-based income streams, which primarily include advertising services such as premium placements fees (a fee charged to a Partner that seek to be listed on a priority basis in a certain delivery area) or targeted discounts to specific profiles of customers, or advertising fees. A small percentage of our total revenue is generated by subscription fees (if customers subscribe to talabat pro). The amount of revenue from non-commission-based fees is largely a function of the level of such fees per order and the number of orders.

Number of Orders

The number of orders placed through our platform depends on the number of customers and the frequency of their orders, the latter of which is an outcome of customer loyalty and brand awareness amongst customers. In January 2020 we had approximately 2.2 million active customers compared to more than 6 million customers in September 2024 (reflecting a CAGR of approximately 25%).

By expanding from our Food Vertical into our Groceries and Retail Vertical, we have seen an increase in the frequency of orders per month and an increase in the monthly spend of customers. For example, for the month of September 2024, the frequency of orders for food only users (i.e. customers that only ordered food) was 3.8 with a monthly spend of AED 194 (equivalent to USD 53). For that same month, the frequency of orders for multi-vertical users (i.e. customers that order food and groceries and retail products) was 12.8 with a monthly spend of AED 814 (equivalent to USD 222).

GMV

Since commissions are typically set as a certain percentage of GMV, commission revenue is dependent on the value of the average order placed ("**average basket size**"). The average basket size is mainly impacted by the general economic conditions that prevail in a specific market. In certain of our markets, the average basket size is typically smaller than in our more developed markets. However, even though average basket sizes are lower in certain of our markets, customers in such markets place food orders much more frequently than in the more developed markets due to takeout and delivery food having replaced traditional home cooking in many urban areas of those markets.

Restaurants with higher quality food and made-to-order menu options tend to generate larger basket sizes than fast food Restaurants. As a result, an increase in the number of orders placed through higher-quality Restaurants leads to a larger average basket size and therefore an increase in commission revenue.

In 2023, GMV generated from our:

- Food Vertical was AED 17,551.2 million (equivalent to USD 4,779 million) (representing 79% of our total GMV), compared to GMV of AED 15,773.4 million (equivalent to USD 4,295 million) in 2022 (representing 83% of our total GMV).
- Groceries and Retail Vertical was AED 4,712.6 million (equivalent to USD 1,283 million) (representing 21% of our total GMV), compared to GMV of AED 3,218.5 million (equivalent to USD 876 million) in 2022 (representing 17% of our total GMV).

In the period between 1 January and 29 September 2024, GMV generated from our:

- Food Vertical was AED 14,843.6 million (equivalent to USD 4,042 million) (representing 75% of our total GMV), compared to GMV of AED 12,961.4 million (equivalent to USD 3,529 million) (representing 80% of our total GMV) for the comparable period of 2023.

- Groceries and Retail Vertical was AED 4,928.9 million (equivalent to USD 1,342 million) (representing 25% of our total GMV), compared to GMV of AED 3,342.0 million (equivalent to USD 910 million) (representing 20% of our total GMV) for the comparable period of 2023.

Commission Rate

The commission rate is calculated as the ratio of our revenue (consisting of both commission-based and non-commission-based revenue) to the total GMV of the orders placed via our platform. Commissions charged on the GMV of each order placed through our platform are the main driver of our commission rate. The commission rate (i.e., the percentage of GMV that our Group is able to charge to Partners) varies across countries and types of Restaurants and Local Shops, and depends on the services offered, such as marketing support and analytical support.

In addition, the commission rate depends on the general market environment and our competitive position in a certain market. Commissions of key account Partners (i.e., big-brand and chain Restaurants and Local Shops) are generally lower than those paid by regular Partners.

Other Fees

Advertising and Listing Fees

We provide our Partners with a range of innovative advertising solutions ("**AdTech products**") designed to increase their visibility and broaden their customer reach through our platform. We consider our AdTech products to be a beneficial proposition for our Partners, which significantly contribute to the reduction in customer acquisition costs. See "*Business–Our Value Proposition–Partners*".

As our platform continues to grow, the demand for advertising space within our platform increases, leading to a positive impact on the revenue we generate from AdTech products. As the number of customers on our platform increases and we continue to build and enhance technology capabilities (such as automated self-services and targeted deals), we believe our Partners will continue to obtain positive returns on their advertisement investments on our platform. We believe this ensures that both us and our Partners continue to benefit from our platform's growth.

Delivery and Service Fees

Our delivery and service fees are charged to customers and Partners on each order. With respect to delivery fees charged to customers, we mainly charge fees to cover the delivery service costs, and with respect to delivery fees charged to Partners, we mainly charge fees to cover free delivery offered on the talabat pro subscription service. Service fees are separately charged to customers in certain markets for the usage of our platform.

The delivery and service fees we charge depend on a number of factors such as the overall market environment, local economic conditions, the level of competition within each market, and customer expectations. When determining delivery and service fees, we adopt dynamic pricing models that adjust fees based on delivery distances. We believe this ensures that our pricing remains competitive while also reflecting the costs associated with delivery services in real time.

Delivery Expenses

Delivery expenses is the largest and most significant expense item under our cost of sales. The following table provides a breakdown of our cost of sales for the years ended 31 December 2022 and 2023 and the periods from 1 January to, 29 September 2023 and 2024:

	For the year ended 31 December		**For the period from 1 January to 29 September**	
	2022	**2023**	**2023**	**2024**
		(*AED*)		
Delivery expenses	(2,805,281,992)	(3,301,205,928)	(2,407,895,018)	(3,027,912,217)
Order processing cost	(363,991,404)	(423,611,693)	(309,810,910)	(375,886,822)

Other direct cost	(1,200,686,014)	(1,723,604,104)	(1,224,323,038)	(1,775,375,920)
Cost of sales	**(4,369,959,410)**	**(5,448,421,725)**	**(3,942,028,966)**	**(5,179,174,959)**

Our delivery expenses, which are primarily incurred through our network of third-party logistics service providers, consist of rider compensation and rider equipment expenses, which include the investments we make in rider safety, training programmes, safety gear, and seasonal and summer initiatives to promote rider well-being. Rider expenses fluctuate between the markets in which we operate due to various factors, including local economic conditions, regulations, and labour market dynamics. In addition, seasonal demand spikes, fuel price fluctuations, and traffic conditions may also contribute to changes in rider costs. We continuously monitor these variables and adjust our strategies to maintain cost-efficiency while aiming to ensure fair compensation for riders.

Marketing Expenses

Marketing expenses are one of our most significant expense items. The components of marketing expenses are Restaurant acquisition costs, customer acquisition costs and other marketing expenses.

The following table provides a breakdown of our marketing expenses for the years ended 31 December 2022 and 2023 and the period from 1 January to, 29 September 2023 and 2024:

	For the year ended 31 December		**For the period from 1 January to 29 September**	
	2022	**2023**	**2023**	**2024**
		(AED)		
Restaurant acquisition costs	(260,524,882)	(266,572,301)	(203,652,716)	(209,161,423)
Customer acquisition costs	(174,872,954)	(147,973,013)	(108,698,590)	(110,607,399)
Other marketing expenses	(72,563,067)	(71,095,040)	(53,403,285)	(69,349,603)
Marketing expense	**(507,960,903)**	**(485,640,354)**	**(365,754,591)**	**(389,118,425)**

We believe that brand awareness is an important driver of our performance in terms of orders, GMV and the number of Partners that sign up to participate on our platform. When engaging in marketing activities, we constantly monitor our marketing expenses based on customer acquisition costs and are in a position to quickly adjust our marketing expenses if required. In markets where we seek to ramp up our operations or want to attain or defend a market-leading position, we invest heavily in marketing. For brands that have high brand awareness and a high share of satisfied customers, we are typically in a position to decrease marketing expenses on a per order basis, as a significant share of orders is generated through organic traffic from our existing customers or from new customers referred to us by existing customers.

Exchange Rate Development

A substantial portion of our sales, earnings and liabilities are denominated in currencies other than AED (our operating reporting currency). Our operations are subject to currency fluctuations and exchange controls. Currency fluctuations may affect our revenue, costs, and overall profitability. For instance, a devaluation of local currencies against the US Dollar (against which our reporting currency is pegged), as has been the case in Egypt (which operates a managed float system and does not peg its currency to the US Dollar), has led to higher costs for imported goods and services, reducing our profit margins. Many countries in the MENA region maintain tight control over their currencies, which can lead to sudden changes in exchange rates or restrictions on currency conversion and repatriation of profits. These factors can affect our ability to manage our finances effectively across our operations and may impact our profitability. We are therefore exposed to fluctuations in the values of these currencies relative to the AED, in particular the Egyptian Pound. In 2023, Egypt represented 6% of our total revenue and only 1% of our total Adjusted EBITDA.

While we typically try to match the currency of our revenue and expenses for our operations in each jurisdiction to reduce our exposure to foreign exchange fluctuations, foreign exchange fluctuations can still have a material impact on our results of operations expressed in AED, as we need to translate the accounts of our subsidiaries into AED for inclusion in our financial statements. While foreign exchange fluctuations may have a significant impact on our reported growth rates in AED terms, the foreign exchange movements had no significant impact on our reported revenue growth during the periods covered by the Financial Statements.

In addition, our total revenue and Adjusted EBITDA are predominantly generated from countries with a currency peg policy which sets a fixed foreign exchange rate to the USD or to a weighted basket of foreign currencies.

Seasonality

We experience seasonality in our results of operations. Our operations are subject to seasonal changes during Ramadan, Eid Al-Adha and Eid Al-Fitr, and the summer months. The number of working hours and daily orders tends to drop during Ramadan given the majority of consumers are fasting (and tend to rely on homemade meals). Having said that, order values tend to be higher during Ramadan due to customers ordering in bulk from our Groceries and Retail Vertical. We also tend to experience a peak in order volumes during Eid holidays for both our Food Vertical and Groceries and Retail Vertical.

In many of our markets, order volumes are lower during the summer months, where many expatriates leave the region (particularly our GCC markets) which results in less orders; however, this is offset in part by the increase in order frequency from our customers that remain in the region over the summer months. We also witness higher order volumes in the winter months. Some of our customers travel from one GCC country to another or to one of our non-GCC countries where they continue to use our platform.

Factors Affecting Historical Comparability

Impact of UAE Corporate Tax Law

Historically, corporate income tax expenses have had a limited impact on our profit. From 1 June 2023, we became subject to corporate income tax in the UAE. Pursuant to Federal Decree-Law No. 47 of 2022 and the relevant ministerial decisions, a rate of 9% will apply to taxable income exceeding AED 375,000 or a rate of 15% will apply depending on how the UAE implements Pillar 2 of the OECD BEPS 2.0 framework (see "*Taxation–UAE Taxation–UAE Federal-level Corporate Taxation*"). For the period between 1 January and 29 September 2024, we provisioned for a tax rate of 9% and intend to provision for a tax rate of 15% for the financial year 2025, which may impact the comparability of future reporting periods against the periods covered by the Financial Statements.

InstaShop Acquisition

Delivery Hero and Delivery Hero FZ-LLC signed a share purchase agreement ("**InstaShop SPA**") on 11 September 2024 to transfer 100% of the share capital of InstaShop, from Delivery Hero to Delivery Hero FZ-LLC. The agreed purchase price under the InstaShop SPA is USD 31.9 million, which reflects the capital amount of InstaShop (including the subscribed capital and the capital reserves). The closing of the transaction is expected to occur in 2025, subject to the satisfaction of certain conditions. Consequently, following completion of the InstaShop acquisition, we expect our financial results not to be fully comparable with the periods covered by the Financial Statements.

Explanation of Key Income Statement Items

Revenue

We generate revenue mainly from our online marketplace services, separately charged delivery fees, orders placed in our tMarts (which constitute the largest component of other direct income) and advertising services, as well as subscription fees, service fees (in some markets) and, in certain cases, fees for our subscription offering and small order fees (if the basket size is below the minimum order value).

While we carry out the delivery for the majority of the Partners in our network, we collect a separate delivery fee on top of the commission, which is typically higher that the commission charged to Partners themselves.

The following table provides a breakdown of our revenue for the years ended 31 December 2022 and 2023 and the period from 1 January to, 29 September 2023 and 2024:

	For the year ended 31 December	For the period from 1 January

	2022	2023	to 29 September 2023	2024
		(*AED*)		
Commission fees	2,712,104,561	3,120,744,981	2,343,954,084	2,839,714,821
Delivery fees	1,460,522,500	1,741,851,431	1,266,248,021	1,590,432,352
Advertising and listing fees	518,931,215	698,555,704	496,358,702	658,014,054
Service fees	89,278,544	231,643,339	163,872,678	262,758,772
Subscription fees	16,228,161	57,427,993	39,757,998	74,857,740
Other direct income	1,708,932,699	2,407,599,004	1,646,567,972	2,418,035,061
Less:				
Vouchers	(125,947,912)	(180,605,081)	(130,842,314)	(165,698,386)
Other discounts	(69,770,730)	(89,478,463)	(65,015,351)	(73,860,004)
Total revenue	**6,310,279,038**	**7,987,738,908**	**5,760,901,790**	**7,604,254,410**

Cost of sales

Cost of sale comprises expenses directly or indirectly attributable to our deliveries, order processing, and other direct costs mainly incurred in relation to our tMarts.

Marketing expense

Marketing expenses are those arising from our efforts underlying our marketing functions. Our marketing expenses are mainly split into:

- Restaurant acquisition costs, which refer to costs for general support to Restaurants' sales, comprising our sales personnel and non-personnel cost.
- Customer acquisition costs include television, radio, offline marketing, search engine marketing (SEM) and other costs related to social media, display, and mobile marketing.
- Other marketing expenses mainly include personnel costs for salaries and wages, expenses for influencers, vendor branding, marketing tools and research and sponsorships costs.

IT expense

IT expense is primarily associated with research focusing on platform and product innovation.

General administrative expense

General and administrative expense primarily consists of compensation costs (including share-based compensation of managing directors of certain subsidiaries and members of management and certain employees), executive management and administrative personnel expenses (including finance and accounting, human resources, policy and communications, legal, facility and general administration employees), occupancy and facility costs, travel expenses, insurance costs, consulting and professional service fees, depreciation on certain administration assets, telecommunications, bank charges, human resources and recruiting costs, and allocation of associated corporate costs.

Other income

Other income primarily consists of domestic and cross-border intragroup transactions with entities outside of the Group, related to the allocation of licences and operational resources, gains on disposals of property and equipment and other miscellaneous income.

Other expenses and impairment

Other expenses consist of costs related to services provided by Delivery Hero (including logistics technology, vendor technology and other services), expenses related to strategic transactions and other miscellaneous operating expenses.

Results of Operations

The following table sets forth summary information from the combined and carve out statement of profit or loss and other comprehensive income for the periods indicated:

	For the year ended 31 December		For the period from 1 January to 29 September	
	2022	2023	2023	2024
		(*AED*)		
Revenue	6,310,279,038	7,987,738,908	5,760,901,790	7,604,254,410
Costs of sales	(4,369,959,410)	(5,448,421,725)	(3,942,028,966)	(5,179,174,959)
Gross profit	**1,940,319,628**	**2,539,317,183**	**1,818,872,824**	**2,425,079,451**
Marketing expense	(507,960,903)	(485,640,354)	(365,754,591)	(389,118,425)
IT expense	(181,447,745)	(205,056,834)	(149,347,527)	(165,119,212)
General administrative expense	(548,536,494)	(538,077,620)	(413,599,226)	(453,070,175)
Other income	140,866,832	95,732,420	54,572,031	39,650,221
Other expenses and impairment	(224,548,677)	(420,798,953)	(328,604,491)	(353,915,148)
Operating profit	**618,692,641**	**985,475,842**	**616,139,020**	**1,103,506,712**
Net finance costs	(70,595,421)	(87,925,041)	(69,129,082)	(31,795,578)
Foreign exchange loss, net	(137,580,997)	(91,061,503)	(68,826,779)	(213,296,886)
Profit before income tax	**410,516,223**	**806,489,298**	**478,183,159**	**858,414,248**
Current income tax expense	(44,680,664)	(29,181,375)	(29,211,005)	(93,603,281)
Net profit	**365,835,559**	**777,307,923**	**448,972,154**	**764,810,967**

Comparison of the periods from 1 January to, 29 September 2024 and 2023

Revenue

Revenue for the period between 1 January and 29 September 2024 was AED 7,604.3 million, an increase of AED 1,843.4 million, or 32.0%, compared to AED 5,760.9 million for the period between 1 January and 29 September 2023. The increase was primarily attributable to an increase in GMV across all of the markets in which we operate (where GMV generated from our GCC countries increased by 18.3% and by 42.7% from our non-GCC countries), an increase of 32.6% of further non-commission revenue, an increase of 29.6% in delivery and service fees and the further increase in revenue from our tMart business of 42.9%.

Cost of sales

Cost of sales for the period between 1 January and 29 September 2024 was AED 5,179.2 million, an increase of AED 1,237.1 million, or 31.4%, compared to AED 3,942.0 million for the period between 1 January and 29 September 2023. The increase was primarily attributable to an increase in delivery expenses due to the increase in number of orders and the increase in other direct costs associated with our tMart business.

Gross profit

As a result of the above, gross profit for the period between 1 January and 29 September 2024 was AED 2,425.1 million, an increase of AED 606.2 million, or 33.3%, compared to AED 1,818.9 million for the period between 1 January and 29 September 2023. Accordingly, gross profit margin marginally increased to 31.9% for the period between 1 January and 29 September 2024 as compared to 31.6% for the period between 1 January and 29 September 2023.

Marketing expense

Marketing expense for the period between 1 January and 29 September 2024 was AED 389.1 million, an increase of AED 23.3 million, or 6.4%, compared to AED 365.8 million for the period between 1 January and 29 September 2023. The increase was primarily attributable to an increase in Restaurant acquisition cost and other marketing expenses. As a result of increased efficiency in our marketing strategies, our marketing expense as a percentage of GMV dropped from 2.2% in the period ended 29 September 2023 to 2.0% in the comparable period of 2024.

IT expense

IT expense for the period between 1 January and 29 September 2024 was AED 165.1 million, an increase of AED 15.8 million, or 10.6%, compared to AED 149.3 million for the period between 1 January and

29 September 2023. The increase was primarily attributable to an increase in costs associated with technology enhancement, research and development and hiring personnel to drive further efficiencies on our platform.

General administrative expense

General administrative expense for the period between 1 January and 29 September 2024 was AED 453.1 million, an increase of AED 39.5 million, or 9.6%, compared to AED 413.6 million for the period between 1 January and 29 September 2023. The increase was primarily attributable to the increase in personnel cost and depreciation expenses in line with our business growth plans. As a result of increased efficiency in our marketing strategies, our general administrative expense as a percentage of GMV dropped from 2.5% in the period ended 29 September 2023 to 2.3% in the comparable period of 2024.

Other income

Other income for the period between 1 January and 29 September 2024 was AED 39.7 million, a decrease of AED 14.9 million, or 27.3%, compared to AED 54.6 million for the period between 1 January and 29 September 2023. The decrease was primarily attributable to a reduction in other services provided, such as those related to licenses and operational resources.

Other expenses and impairment

Other expenses and impairment for the period between 1 January and 29 September 2024 was AED 353.9 million, an increase of AED 25.3 million, or 7.7%, compared to AED 328.6 million for the period between 1 January and 29 September 2023. The increase was primarily attributable to the increase in shared Group costs, which mainly consist of back-end technology solutions that have been built and are provided by Delivery Hero.

Operating profit

As a result of the above, operating profit for the period between 1 January and 29 September 2024 was AED 1,103.5 million, an increase of AED 487.4 million, or 79.1%, compared to AED 616.1 million for the period between 1 January and 29 September 2023.

Net finance cost

Net finance cost for the period between 1 January and 29 September 2024 was AED 31.8 million, a decrease of AED 37.3 million, or 54.0%, compared to AED 69.1 million for the period between 1 January and 29 September 2023. The decrease was primarily attributable to the increase in interest income on loans given to Delivery Hero.

Foreign exchange loss

Foreign exchange loss for the period between 1 January and 29 September 2024 was AED 213.3 million, an increase of AED 144.5 million, or 210.0%, compared to AED 68.8 million for the period between 1 January and 29 September 2023. The increase was primarily attributable to an unrealised non-cash loss related to the revaluation of the parent loan to our Egyptian subsidiary as a result of the devaluation of the Egyptian Pound.

Profit before income tax

As a result of the above, profit before income tax for the period between 1 January and 29 September 2024 was AED 858.4 million, an increase of AED 380.2 million, or 79.5%, compared to AED 478.2 million for the period between 1 January and 29 September 2023.

Current income tax expense

Current income tax expense for the period between 1 January and 29 September 2024 was AED 93.6 million, an increase of AED 64.4 million, or 220.5%, compared to AED 29.2 million for the period between 1 January and 29 September 2023. The increase was primarily attributable to the application of UAE corporate income tax for the period ended 29 September 2024.

Net profit

As a result of the above, net profit for the period between 1 January and 29 September 2024 was AED 764.8 million, an increase of AED 315.8 million, or 70.3%, compared to AED 449.0 million for the period between 1 January and 29 September 2023.

Comparison of the years ended 31 December 2023 and 2022

Revenue

Revenue for the year ended 31 December 2023 was AED 7,987.7 million, an increase of AED 1,677.4 million, or 26.6%, compared to AED 6,310.3 million for the year ended 31 December 2022. The increase was primarily attributable to an increase in GMV across all of the markets in which we operate (where GMV generated from our GCC countries increased by 15.7% and by 29.1% from our non-GCC countries), an increase of 34.6% of further non-commission revenue, an increase of 27.3% in delivery and service fees and the further increase in revenue from our tMart business of 45.5%.

Cost of sales

Cost of sales for the year ended 31 December 2023 was AED 5,448.4 million, an increase of AED 1,078.4 million, or 24.7%, compared to AED 4,370.0 million for the year ended 31 December 2022. The increase was primarily attributable to an increase in delivery expenses due to the increase in number of orders and the increase in other direct costs associated with our tMart business.

Gross profit

As a result of the above, gross profit for the year ended 31 December 2023 was AED 2,539.3 million, an increase of AED 599.0 million, or 30.9%, compared to AED 1,940.3 million for the year ended 31 December 2022. Accordingly, gross profit margin increased to 31.8% for the year ended 31 December 2023 as compared to 30.7% for the year ended 31 December 2022.

Marketing expense

Marketing expense for the year ended 31 December 2023 was AED 485.6 million, a decrease of AED 22.4 million, or 4.4%, compared to AED 508.0 million for the year ended 31 December 2022. The decrease was primarily attributable to the decrease in customer acquisition costs.

IT expense

IT expense for the year ended 31 December 2023 was AED 205.1 million, an increase of AED 23.7 million, or 13.1%, compared to AED 181.4 million for the year ended 31 December 2022. The increase was primarily attributable to an increase in costs associated with technology enhancement, research and development and hiring personnel to drive further efficiencies in our platform.

General administrative expense

General administrative expense for the year ended 31 December 2023 was AED 538.1 million, a decrease of AED 10.4 million, or 1.9%, compared to AED 548.5 million for the year ended 31 December 2022. The decrease was primarily attributable to a decrease in share-based compensation costs, consulting and professional services fees, other taxes, telecommunications costs and rent and lease expenses, which was partially offset by an increase in personnel expenses and other human resources recruiting costs and depreciation and amortisation expenses.

Other income

Other income for the year ended 31 December 2023 was AED 95.7 million, a decrease of AED 45.2 million, or 32.1%, compared to AED 140.9 million for the year ended 31 December 2022. The decrease was primarily attributable to no reversals of contingent liabilities taking place in 2023 compared to 2022, in which AED 80.6 million of contingent liability related to a previously acquired business was reversed.

Other expenses and impairment

Other expenses and impairment for the year ended 31 December 2023 was AED 420.8 million, an increase of AED 196.3 million, or 87.4%, compared to AED 224.5 million for the year ended 31 December 2022. The increase was primarily attributable to the increase in shared Group costs, which mainly consist of back-end technology solutions that have been built and are provided by Delivery Hero.

Operating profit

As a result of the above, operating profit for the year ended 31 December 2023 was AED 985.5 million, an increase of AED 366.8 million, or 59.3%, compared to AED 618.7 million for the year ended 31 December 2022.

Net finance cost

Net finance cost for the year ended 31 December 2023 was AED 87.9 million, an increase of AED 17.3 million, or 24.5%, compared to AED 70.6 million for the year ended 31 December 2022. The increase was primarily attributable to the increase in interest expense on shareholder loans. which was partially offset by the increase in interest income.

Foreign exchange loss

Foreign exchange loss for the year ended 31 December 2023 was AED 91.1 million, a decrease of AED 46.5 million, or 33.8%, compared to AED 137.6 million for the year ended December 2022. The decrease was primarily attributable to the devaluation of the Egyptian Pound.

Profit before income tax

As a result of the above, profit before income tax for the year ended 31 December 2023 was AED 806.5 million, an increase of AED 396.0 million, or 96.5%, compared to AED 410.5 million for the year ended 31 December 2022.

Current income tax expense

Current income tax expense for the year ended 31 December 2023 was AED 29.2 million, a decrease of AED 15.5 million, or 34.7%, compared to AED 44.7 million for the year ended 31 December 2022. The decrease was primarily attributable to an income tax provision recognised in 2022 (related to a tax claim in one of the markets in which we operate) being reversed in 2023 (following a favourable resolution of the matter), thereby reducing the tax expense for 2023.

Net profit

As a result of the above, net profit for the year ended 31 December 2023 was AED 777.3 million, an increase of AED 411.5 million, or 112.5%, compared to AED 365.8 million for the year ended 31 December 2022.

Combined and carve out statement of cash flows

The following table sets forth summary information from the combined and carve out statement of cash flows for the periods indicated:

	For the year ended 31 December		**For the period from 1 January to 29 September**	
	2022	**2023**	**2023**	**2024**
		(AED)		
Net cash generated from operating activities	806,708,629	1,375,897,988	919,452,921	1,429,614,286
Net cash used in investing activities	(232,474,457)	(185,001,801)	(107,163,563)	(1,098,784,471)
Net cash used in financing activities	(639,926,065)	(1,421,024,115)	(937,779,111)	(448,825,184)
Net decrease in cash and cash equivalents	(65,691,893)	(230,127,928)	(125,489,753)	(117,995,369)
Exchange differences	41,358,683	1,292,131	(1,340,218)	208,631
Cash and cash equivalents at the beginning of the	**1,532,018,068**	**1,507,684,858**	**1,507,684,858**	**1,278,849,061**

year/period				
Cash and cash equivalents at the end of the year/period	**1,507,684,858**	**1,278,849,061**	**1,380,854,887**	**1,161,062,323**

We operate an asset-light business, which is reflected through our strong Adjusted Free Cash Flow position and efficient cash conversion rate. Our primary investments are limited to tMarts and Kitchens. In addition, our tMart business benefits from a favourable working capital structure where sales are primarily cash-based and supported by high inventory turnover and extended payment terms with our suppliers. We believe that this combination of factors allows us to maintain liquidity while efficiently managing our growth initiatives.

Comparison of the periods from 1 January to, 29 September 2024 and 2023

Net cash generated from operating activities for the period between 1 January and 29 September 2024 was AED 1,429.6 million, an increase of AED 510.1 million, or 55.5%, compared to AED 919.5 million in the period between 1 January and 29 September 2023. The increase was primarily attributable to the increase in net profit and the positive development of working capital, which was driven by a favourable cash conversion cycle.

Net cash used in investing activities for the period between 1 January and 29 September 2024 was AED 1,098.8 million, an increase of AED 991.6 million, or 925.3%, compared to AED 107.2 million in the period between 1 January and 29 September 2023. The increase was primarily attributable to the loans granted to Delivery Hero during the reported period.

Net cash used in financing activities for the period between 1 January and 29 September 2024 was AED 448.8 million, a decrease of AED 489.0 million, or 52.1%, compared to AED 937.8 million in the period between 1 January and 29 September 2023. The decrease was primarily attributable to lower dividend payments during the reported period.

Comparison of the years ended 31 December 2023 and 2022

Net cash generated from operating activities for the year ended 31 December 2023 was AED 1,375.9 million, an increase of AED 569.2 million, or 70.6%, compared to AED 806.7 million in the year ended 31 December 2022. The increase was primarily attributable to the increase in net profit and the positive development of working capital.

Net cash used in investing activities for the year ended 31 December 2023 was AED 185.0 million, a decrease of AED 47.5 million, or 20.4%, compared to AED 232.5 million in the year ended 31 December 2022. The decrease was primarily attributable to lower capital expenditure as fewer tMarts were opened in line with our business needs.

Net cash used in financing activities for the year ended 31 December 2023 was AED 1,421.0 million, an increase of AED 781.1 million, or 122.1%, compared to AED 639.9 million in the year ended 31 December 2022. The increase was primarily attributable to the increase in dividends paid and net parent loan movement.

Liquidity and Capital Resources

The Group's primary liquidity requirements are to pay operating expenses, service any Group debt obligations and make funds available for distributions of dividends to shareholders. The Company intends to maintain frequent cash forecasting in order to monitor the Group's liquidity and ensure it can meet its liabilities as they fall due and make dividends in line with its dividend policy. In addition, the Company's Board of Directors has adopted a policy whereby the management of the Company may (at their discretion based on several factors, including whether the Group is able to earn interest that is equal to or higher than the interest otherwise available to Group companies for demand deposits at local banks) deposit Surplus Cash (as defined under "*Related Party Transactions–DH Group Treasury Management Agreement*") in bank current accounts set up pursuant to the DH Group Treasury Management Agreement (see "*Related Party Transactions–DH Group Treasury Management Agreement*").

Off-balance Sheet Items and Contractual Commitments

A member of our Group entered into a contract for the construction of a solar energy project in Jordan. As part of our contractual obligations, we issued a performance guarantee in favour of the service provider. The service provider acquired two plots of land for the solar energy project, which we hold the legal title to. As at 29 September, the total contract value amounted to AED 7.1 million.

In addition to the above, the outstanding bank guarantees issued on behalf of certain members of our Group amounted to AED 28.7 million as of 29 September 2024.

Judgements and Use of Estimates

In the application of the accounting policies, which are described in Note 3 to the Interim Combined Financial Statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Critical judgements in applying accounting policies

Revenue recognition of commissions from marketplace services

We consider ourselves an agent with respect to the provision of food ordering service via our online platform as we are neither (i) the obligor for the ordered food, (ii) exposed to the inventory risk; nor (iii) have pricing power for the food offered by Restaurants but receive a commission as remuneration from Restaurants.

Although users of our platform are generally not a contracting party of ours, they purchase the goods or services from our Partners.

Accordingly, we deduct vouchers and discounts granted to customers, equal to a consideration payable to the Partner, from revenue.

Revenue recognition of delivery services

As the demand for logistic services not offered by Restaurants or Local Shops, courier models are continuously being adapted to market demand and towards efficiency with consideration of the regulatory environment. The adaptation of delivery models considers changes to the responsibilities of parties involved in delivering the service and therefore judgement is required in weighing all facts and circumstances for determination of being a principal or an agent for these services. We assessed to operate as a principal for organising delivery activities through electronic platforms and control all services before they are transferred to the customer.

Determination of lease term and implicit interest rate

Lease contracts entered into by entities occasionally include extension options. We apply judgment on whether exertion of extension options is reasonably certain. We also apply judgment in determining the incremental borrowing rate in the lease.

Determining whether activities should be considered research activities or development activities

Activities which have been carried out merely to maintain an existing asset are expensed. The costs of research activities related to development of new features are expensed whereas the costs incurred on activities for development of new features within the platform are capitalized as it is probable that there would be future economic benefits which would be derived from the new features. Our management carries out a review on a monthly basis to check the accuracy and completeness of the assets capitalized and cost expensed.

Assumptions and estimation uncertainty

Goodwill impairment testing

Determination of a CGU's recoverable amount for the purpose of impairment testing requires assumptions and estimates, in particular on the Weighted Average Cost of Capital (WACC), future development of EBITDA and revenue growth per annum over the planning period. While our management believes that the assumptions and estimates used are appropriate, any unforeseeable changes to these assumptions could affect our financial position and financial performance.

Determining whether the conditions for recognising an internally generated intangible asset are met requires assumptions about future market conditions, customer demand, and other developments.

The following conditions are considered for recognising an intangible asset:

(a) Technical feasibility of completing the intangible asset so that it will be available for the use or sale;
(b) We have an intention to complete the asset and ability to use the asset;
(c) Asset will generate future probable economic benefits;
(d) We have availability of resources to complete and use the asset; and
(e) Expenditure for development can be measured reliably.

All costs incurred are reviewed and any assumptions relating to future market conditions, customer demand and other developments are considered before determining if the cost is to be recognised as an intangible asset.

Determining whether a cost is directly or indirectly attributable to an intangible asset and whether a cost is necessary for completing a development.

Direct and indirect costs to develop an asset are identifiable and those costs cannot be avoided as they are necessary to the completion of it. Our management carries out a feasibility study and acquires all necessary approvals internally before incurring a particular cost.

Amortisation of intangible assets with finite useful lives

The determination of the useful lives of intangible assets with finite useful lives requires the use of assumptions and estimates, which serve as the basis for calculating the appropriate amortisation charge. These useful lives are regularly reviewed by our management and adjusted when necessary to reflect any changes in circumstances or new information.

Useful lives of property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. Our management has not considered any residual value as it is deemed immaterial.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. We use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on our past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the combined and carve out financial statements.

Financial Risk Management

Our management has overall responsibility for the establishment and oversight of our risk management framework. Our management is responsible for developing and monitoring our risk management policies.

Our risk management policies are established to identify and analyse the risks faced by us, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities. We, through our training and management standards and procedures, aim to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from our trade and other receivables. The carrying amounts of financial assets represent the maximum credit exposure.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to us. As at 31 December 2023, our maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to us due to failure to discharge an obligation by the counterparties and financial guarantees provided by us arises from the carrying amount of the respective recognised financial assets as stated in the combined and carve out statement of financial position.

	2023 AED	2022 AED
Trade and other receivables *(excluding prepayments)*	319,391,823	307,201,026
Cash at bank	1,262,394,054	1,250,003,746
Short term deposits	11,904,762	249,587,347
Loans to related parties	252,785,439	208,980,058
Due from related parties	75,653,771	5,537,244
	1,922,129,849	2,021,309,421

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our objective when managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

The following table summarises the maturity profile of our financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements was as follows:

		Contractual Cash flows			
31 December 2023	**Carrying amount** AED	**Total** AED	**Less than one year** AED	**One to five years** AED	**More than five years** AED
Trade and other payables *(excluding advance from customer and unearned income classified as other receivables)*	1,014,368,838	1,014,368,838	1,014,368,838	-	-
Due to related parties	141,684,042	141,684,042	141,684,042	-	-
Loans from related parties	1,403,801,184	1,966,725,459	-	1,966,725,459	-
Lease liabilities	281,595,129	335,744,537	75,635,631	187,482,993	72,625,913
Total	**2,841,449,193**	**3,458,522,876**	**1,231,688,511**	**2,154,208,452**	**72,625,913**

		Contractual Cash flows			
31 December 2022	**Carrying amount** AED	**Total** AED	**Less than one year** AED	**One to five years** AED	**More than five years** AED

Trade and other payables *(excluding advance from customer and unearned income classified as other receivables)*	798,837,158	798,837,158	798,837,158	-	-
Due to related parties	106,538,931	106,538,931	106,538,931	-	-
Loans from related parties	1,560,461,593	2,186,206,692	-	2,186,206,692	-
Lease liabilities	223,684,707	251,977,527	75,290,895	126,909,510	49,777,122
Total	**2,689,522,389**	**3,343,560,308**	**980,666,984**	**2,313,116,202**	**49,777,122**

Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates and equity prices – will affect our income or the value of our holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. We are is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and receivables are denominated and the respective functional currencies of Group companies.

We are exposed to currency risk due to mismatches between the currencies in which sales, purchases, and borrowings are denominated and the functional currencies of our Group. The functional currencies of our Group companies are primarily the UAE Dirham (AED), Jordanian Dinar (JOD), Kuwaiti Dinar (KWD), Egyptian Pound (EGP), Omani Rial (OMR), Bahraini Dinar (BHD), Iraqi Dinar (IQD) and Qatari Riyal (QRY).

	2023			**2022**		
	Assets	**Liabilities**	**Net Assets**	**Assets**	**Liabilities**	**Net Assets**
EUR	101,846,299	1,538,985,898	(1,437,139,599)	2,132,421	1,661,674,860	(1,659,542,439)
IQD	30,883,267	165	30,883,102	12,564,671	164	12,564,507
BHD	58,475,798	40,565,602	17,910,196	91,078,038	41,454,358	49,623,680
EGP	72,022,836	775,779	71,247,057	51,454,289	10,054,395	41,399,894
JOD	103,127,121	49,233	103,077,888	104,767,029	676,833	104,090,196
KWD	93,533,837	259,836,815	(166,302,978)	61,068,627	514,958,239	(453,889,612)
OMR	60,207,268	758,195	59,449,073	90,826,735	824,416	90,002,319
QAR	24,661,922	49,533,568	(24,871,646)	8,797,354	77,549,774	(68,752,420)
SAR	396,560,201	3,336,446	393,223,755	354,738,954	4,284,782	350,454,172

The following significant exchange rates were applied:

	Average rate		**Spot rate**	
	2023	**2022**	**2023**	**2022**
EUR	3.991	4.050	4.054	3.931
IQD	0.003	0.003	0.003	0.003
BHD	9.756	9.803	9.709	9.804
EGP	0.134	0.190	0.119	0.148
JOD	5.178	5.179	5.177	5.178
KWD	11.968	12.101	11.905	12.032
OMR	9.547	9.572	9.524	9.569
QAR	1.011	1.016	1.007	1.015
SAR	0.978	0.978	0.979	0.977

Our exposure to foreign currency risk for a reasonably possible change of 1% fluctuation in foreign currencies is as follows:

2023

	Strengthening		**Weakening**	
	Equity	**Profit**	**Equity**	**Profit**
	AED	AED	AED	AED

EUR	(14,371,396)	(14,371,396)	14,371,396	14,371,396
IQD	308,831	308,831	(308,831)	(308,831)
BHD	179,102	179,102	(179,102)	(179,102)
EGP	712,471	712,471	(712,471)	(712,471)
JOD	1,030,779	1,030,779	(1,030,779)	(1,030,779)
KWD	(1,663,030)	(1,663,030)	1,663,030	1,663,030
OMR	594,491	594,491	(594,491)	(594,491)
QAR	(248,716)	(248,716)	248,716	248,716
SAR	3,932,238	3,932,238	(3,932,238)	(3,932,238)
	(9,525,230)	**(9,525,230)**	**9,525,230**	**9,525,230**

2022

		Strengthening		**Weakening**
	Equity AED	**Profit** AED	**Equity** AED	**Profit** AED
EUR	(16,595,424)	(16,595,424)	16,595,424	16,595,424
IQD	125,645	125,645	(125,645)	(125,645)
BHD	496,237	496,237	(496,237)	(496,237)
EGP	413,999	413,999	(413,999)	(413,999)
JOD	1,040,902	1,040,902	(1,040,902)	(1,040,902)
KWD	(4,538,896)	(4,538,896)	4,538,896	4,538,896
OMR	900,023	900,023	(900,023)	(900,023)
QAR	(687,524)	(687,524)	687,524	687,524
SAR	3,504,542	3,504,542	(3,504,542)	(3,504,542)
	(15,340,496)	**(15,340,496)**	**15,340,496**	**15,340,496**

Interest rate risk

Exposure to interest rate risk

At 31 December 2023, the interest rate profile of our interest-bearing financial instruments was as follows:

	Carrying amount 2023 AED	2022 AED
Fixed rate instruments		
Short term deposits	11,904,762	249,587,347
Variable rate instruments		
Loans to related parties	252,785,439	208,980,058
Loans from related parties	1,403,801,184	1,560,461,593
Net exposure- variable rate instruments	**1,151,015,745**	1,351,481,535

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at 31 December 2023 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant:

	Profit or loss		**Equity**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
2023				
Variable rate instruments	(11,510,157)	11,510,157	(11,510,157)	11,510,157
Cash flow sensitivity (net)	(11,510,157)	11,510,157	(11,510,157)	11,510,157
2022				
Variable rate instruments	(13,514,815)	13,514,815	(13,514,815)	13,514,815
Cash flow sensitivity (net)	(13,514,815)	13,514,815	(13,514,815)	13,514,815

Capital Risk Management

We manage our capital to ensure that we will be able to continue as a going concern while maximising returns to our shareholder through the optimisation of the debt and equity balance. Our overall strategy remains unchanged from those of the prior years. Our capital structure consists of equity attributable to the shareholder, comprising issued capital, reserves, and retained earnings.

INDUSTRY OVERVIEW

Unless otherwise specifically stated, the information set forth below is based on the Industry Report which has been prepared by the Industry Consultants, for the benefit of the Company in relation to the markets in which the Group operates. See "Market, Economic and Industry Data".

1.1 Introduction

Background

The information shown below is based on an independent market study developed by OC&C Strategy Consultants ("**OC&C**"), working with Redseer Consulting ("**Redseer**") in August 2024 (the "**OC&C Sector Report**"). The Company contracted OC&C to develop a sector study covering the on-demand online foodservice, and groceries and convenience retail sectors in talabat's countries of operation. OC&C and Redseer are independent international companies with offices in the GCC, Western and Eastern Europe, India, China, Australasia and USA. They provide corporate strategy services, business advisory and market analysis to clients across a range of industry sectors, including foodservice and retail. They have conducted projects in the online ordered food delivery sector in a number of countries around the world, including the GCC countries. They have developed sector reports for a number of companies involved in initial public offerings processes, including those in the food delivery sector.

Neither OC&C nor Redseer nor any of their affiliates or sister companies, partners, shareholders, members of board of directors, directors or their relatives, own any kind of share or interest in the Company or its affiliate companies. OC&C and Redseer have given their written approval for the use of their name, logo, the market information and data provided by them to the company as shown in this Offering Memorandum, and such approval has not been withdrawn to the date of this Offering Memorandum.
The members of the board of directors of the Company believe that the information and data shown in this Offering Memorandum and received from other sources, including those provided by OC&C and Redseer are credible data and information. However, neither the Company nor the members of the board of directors or its directors or other consultants have checked or verified the accuracy or completion of the information shown in this section.

Sectoral and category data is inherently forward-looking and subject to uncertainty and does not necessarily reflect the actual position in a given competitive market. Such data is based on market research, which itself is based on sampling and subjective judgments and recall by respondents.

Information in this section shall not constitute the sole basis for taking or refraining to take any investment-related decisions by Prospective Investors in the equity or debt of talabat or associated financial instruments. Prospective investors should be aware that the statistics, data, lists and other information related to sector, categories and shares thereof, positions therein and other sectoral data included in this Offering Memorandum (and expectations, assumptions and estimates based on this information) may not be accurate indicators of the Company's future performance in the sector in which it operates. The projections and expectations contained in this section do not guarantee the future performance of the Company nor of the categories or countries mentioned.

Generally, the industry information presented in this Industry Overview is taken directly or derived from the OC&C Sector Report, unless indicated otherwise.

Methodology

All the analyses outlined in this Industry Overview are a product of research conducted in August to September 2024 and include: (i) secondary research of publicly available sources such as government agencies, academic reports, industry reports; (ii) analysis of materials provided by the Company; (iii) primary research among a sample of consumers in each of the 8 countries as well as interviews with delivery riders and the companies which provide the services of such delivery riders to the online aggregators in the region; and (iv) data from specific research companies on specific aspects of the sectors examined.

Data from multiple sources was cross-checked and triangulated to develop an OC&C perspective, presented as the OC&C Market Model. Specific research / data directly reproduced from third party providers is sourced to the relevant named information provider. Important general sources utilised for developing the report and OC&C Market Model include World Bank, Government Statistics, Redseer for consumer and rider research and local market knowledge. Estimates of category shares among participants in country markets were based upon responses from consumers indicating the number of orders placed and spend per order across different participants' platforms, supplemented with data and estimates from delivery drivers and logistics providers.

Glossary of Terms

In the following sections we use a number of terms which are explained in more detail below:

'Eat-at-home': All non-'dine-in' foodservice spend – e.g. foodservice spend in drive-through, collection & delivery – see foodservice definition below.

Foodservice: Spend on meals and refreshments, including soft drinks and hot drinks but excluding alcoholic drinks except where they are served with a meal, in a hotel, full-service restaurant, café, bar, fast food outlet, street stall/kiosk, home delivery/takeaway outlet or self-service cafeteria (cafes/bars, stalls/kiosks etc); excludes contract foodservice (e.g. hospitals, military, schools).

Grocery: Includes all spend on food (including drinks, tobacco, pet food) & non-food products (e.g. household cleaning, personal care & other household consumables) in grocery retailers (convenience, super/hypermarkets, discounters, warehouse clubs, food/drink/tobacco specialists, small local grocers) offline and online, direct and via aggregators.

On-demand delivery: quick delivery from time of order, typically in less than an hour.

Target Addressable Categories (TAC):

- Foodservice: spend in drive-through, collection & delivery (to 'eat at home') ordered via any channel;
- Grocery: total grocery spending (including from supermarkets, convenience, e-commerce, etc.) in grocery categories;
- Retail: online spend in non-grocery stores on categories with high potential for on-demand delivery including: flowers, fashion, pharmacy, health & beauty, small electronics, pet care.

Serviceable Addressable Categories (SAC): Foodservice: spend on collection & delivery, ordered online; Grocery: online spend on grocery categories delivered by the retailer or intermediary platforms; Retail: online spend on flowers, pharmaceuticals, health & beauty and small electronics products

1.2 Macroeconomic Situation in the Region

talabat operates in 8 countries in the region (the "**talabat countries**").

Of these, we refer to five (UAE, Kuwait, Qatar, Bahrain, Oman) as "**GCC Countries**" (Gulf Co-operative Council Countries) and three (Jordan, Egypt, Iraq) are referred to as "**Non-GCC countries**".

In terms of macro-economic characteristics, the talabat countries are attractive when compared to other leading countries in the global economy, particularly those in North America (USA, Canada) and Western Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom) altogether referred to as "Western Countries". The attractive characteristics exist across a number of dimensions which affect long-term growth in demand for delivered foodservices and/or grocery and retail categories namely: Population growth; GDP growth and GDP growth per capita; real disposable income growth per capita; age of population, concentration of population; penetration of internet and mobile internet.

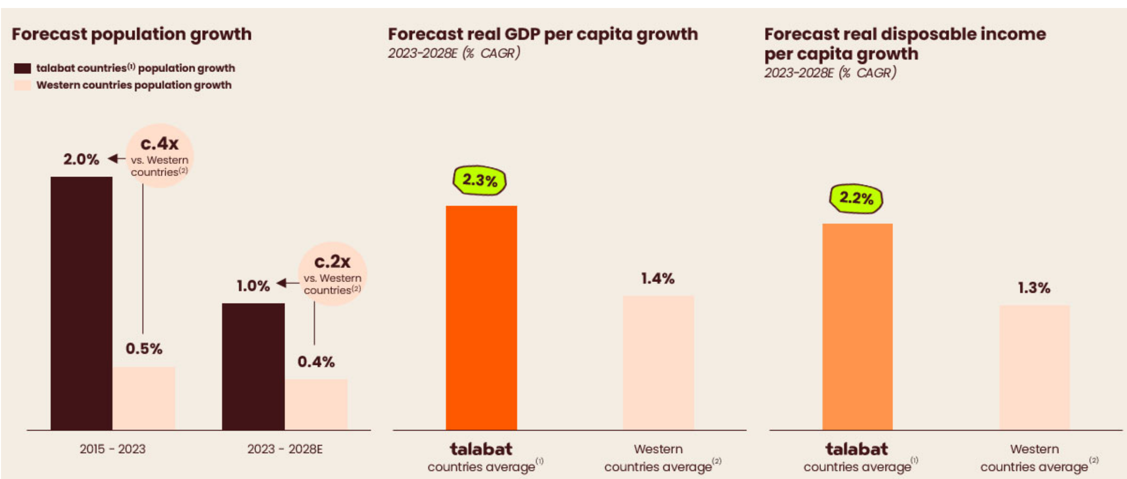
In addition, as a positive macroeconomic frame there are conditions in place to maintain currency stability through pegging of local currency exchange rates to the US dollar in seven of the eight talabat countries (Egypt being the one non-pegged currency country).

Population in the talabat GCC Countries is projected to grow at 1.0% per annum on a population weighted average basis from 2023 to 2028. This is around twice as fast compared to Western Countries which are forecast to grow at 0.4% per annum on a weighted average basis. This projected outperformance continues a pattern of more rapid growth than Western Countries whose population grew from 2015 to 2023 at 0.5% per annum while talabat GCC Countries grew at 2.0% per annum during the same period.

Projected population growth combined with GDP growth supports a strong macroeconomic growth environment in the talabat GCC countries with GDP per capita forecast to grow at 2.3% per annum from 2023 to 2028 on a GDP weighted average basis. This compares to Western countries where GDP per capita growth is forecast to grow at a lower rate of 1.4% per annum on a similar GDP weighted average basis.

Disposable income levels per capita in the talabat GCC Countries are nearing those in Western Europe. talabat GCC countries had an estimated disposable income per capita of USD 19,000 in 2023 compared to USD 28,000 in Western Europe on a population weighted average basis, according to OC&C analysis of Euromonitor International data.

Projected disposable income growth per capita in talabat GCC Countries is higher than that forecast for Western countries. talabat GCC countries are forecast to grow disposable income per capita at approximately 2.2% per annum (2023 to 2028) compared to Western Countries at 1.3% per annum over the same period. These comparative growth rates are illustrated in the chart below.



Sources: OC&C and Redseer analysis from Euromonitor International data.

1) Weighted average for talabat's GCC Countries – Bahrain, Kuwait, Oman, Qatar, UAE
2) Weighted average for western countries include North America (United States, Canada) and Western Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom)

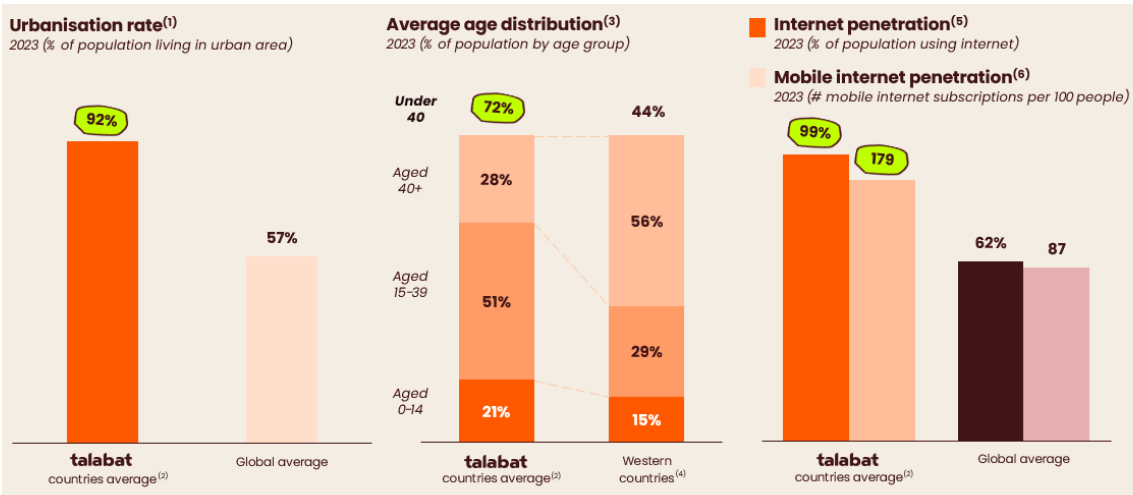
The characteristics of the current population in the talabat countries is also relevant in terms of future growth for the sector and categories. The population is concentrated in urban areas, young, and displaying high levels of internet and mobile internet penetration. A young population that is digitally aware and connected is considered positive for future demand for online ordered products in foodservice, grocery and relevant other retail categories.

In terms of urban concentration, 92% of the population in talabat GCC Countries live in urban areas, calculated on a population weighted average basis, compared to a global average of 57%.

The population of the talabat GCC Countries is relatively young - 72% of the population are under 40 years old, 21% are under 14 years old, 51% are aged 15 to 39 years old and only 28% are over 40 years old. This compares to Western countries in which 44% are under 40 years old, 15% under 14 years old, 29% are aged 15-39 and those over 40 years old account for 56% of the population.

The talabat GCC Countries are highly connected digitally. Internet penetration is at 99% (defined as the % of population using the internet in 2023 on a weighted average basis) and the number of mobile internet subscriptions per 100 people is estimated to be 179. This compares to global averages of 62% internet penetration and 87 mobile internet subscriptions per 100 people.

These factors are displayed in the exhibit below:



Sources: OC&C and Redseer analysis from Euromonitor International data.
1) Calculated as total population living in urban areas in specified region / total population in specified region
2) Weighted average for talabat's GCC Countries – Bahrain, Kuwait, Oman, Qatar, UAE
3) Calculated as total population per age band in specified region / total population in specified region; percentages may not sum to 100% due to rounding
4) Weighted average for western countries include North America (United States, Canada) and Western Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom)
5) Refers to the percentage of population in specified region with access to the world-wide network via home, work internet enabled computers, internet cafes or mobile phones
6) Calculated by dividing the number of mobile internet subscribers in specified region by the total population in the specified region and multiplying by 100

A young, highly digitally connected section of the population suggests good potential for future growth for on-demand delivery services. This group of consumers will age and become addressable customers with growing disposable income.

1.3 Foodservice, Grocery and Retail in the MENA Region

talabat offers the ability for its customers to order products from two main categories: Food Vertical (referred to below as "**Foodservice**") and Groceries and Retail Vertical (referred to below as "**Grocery & Retail**").

Foodservice

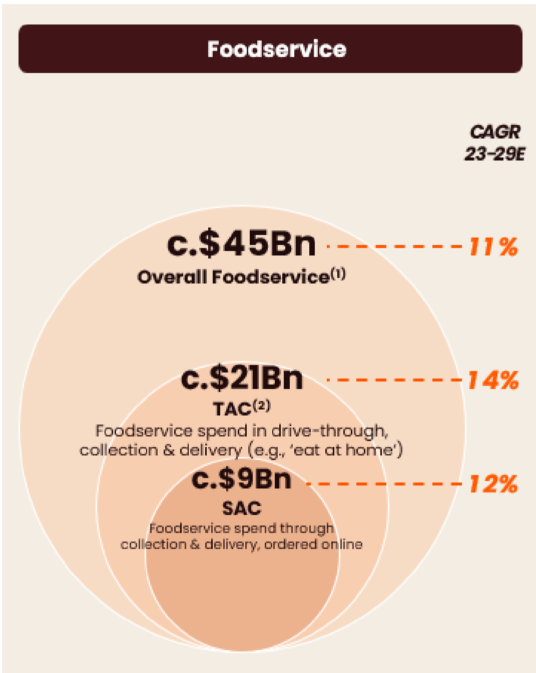
The foodservice category at its most aggregate level comprises spend on meals and refreshments, including soft drinks and hot drinks but excluding alcoholic drinks except where they are served with a meal, in a hotel, full-service restaurant, café, bar, fast food outlet, street stall/kiosk, home delivery/takeaway outlet or self-service cafeteria (cafes/bars, stalls/kiosks, etc.) but excluding contract catering. The value of sales in these categories is estimated at around $45 billion in 2023 in talabat countries.

talabat's Target Addressable Category "**TAC**" in the foodservice space is food which is made available to "eat at home" rather than served in and consumed in a restaurant property or other out of home fixed locations. This TAC is estimated to be worth around USD 21 billion in sales in 2023. Sub-categories within "eat at home" are food purchased via drive through, collected from the providers premises, or delivered to the consumer. Ordering can be in person at a foodservice premises, by telephone or online.

Within the foodservice TAC, talabat's Serviceable Addressable Category "**SAC**" is foodservice spend on food for collection or delivery, ordered online. This SAC represents sales to the value of an estimated USD 9 billion in 2023.

With a growing population and growing per capita disposable incomes, the foodservice market and talabat's TAC and SAC are projected to grow in excess of 10% per annum over the next 5 years. Overall food service is projected to grow at around 11% per annum in value terms. The TAC at around 14% per annum and the SAC at 12% per annum. These projected rates of growth are faster than in Western Countries. The overall foodservice growth in the talabat countries is projected to grow at around twice the rate of Western Countries for the projection period.

These details for the Foodservice category are shown in the exhibit below.



Sources: OC&C Model from Euromonitor International, Statista, Partner Interviews, Expert Interviews, Consumer Survey, Company Information, OC&C and Redseer analysis.

1) Spend on meals and refreshments, including soft drinks and hot drinks but excluding alcoholic drinks except where they are served with a meal, in a hotel, full-service restaurant, café, bar, fast food outlet, street stall/kiosk, home delivery/takeaway outlet or self-service cafeteria (cafes/bars, stalls/kiosks etc.); excludes contract foodservice (e.g. hospitals, military, schools)

Grocery & Retail

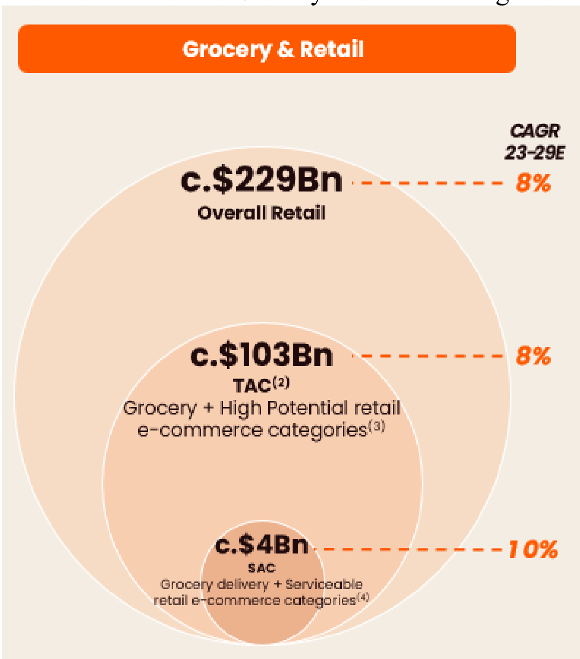
Overall Retail sales (grocery and non-grocery categories) in the talabat Countries are estimated to be around USD 229 billion in 2023.

Within this total, talabat's Target Addressable Category "**TAC**" is considered as Grocery and Retail which together are estimated to be worth around USD 103 billion in sales in 2023. This is composed of spend on all Grocery categories (food (including, drinks, tobacco and pet food) and non-food products - e.g. household cleaning, personal care and other household consumables) in grocery retailers plus Retail non-grocery categories which have high potential to be ordered online and delivered to consumers' homes (e.g. flowers, fashion, pharmacy, health & beauty, small electronics, pet care).

Within the Grocery and Retail TAC, talabat's Serviceable Addressable Category "**SAC**" is composed of sales of Grocery categories bought online for delivery to home and Retail non-grocery categories bought online for delivery to home. This SAC represents sales of merchandise, estimated at a value of USD 4 billion in 2023.

With a growing population and growing per capita disposable incomes the Grocery and Retail category and talabat's associated TAC and SAC are projected to grow in excess of 8% per annum over the next 5 years. Overall Retail is projected to grow at around 8% per annum in value terms from 2023 to 2029, with the TAC at around 8% per annum and the SAC at 10% per annum over the same period. These projected rates of growth are faster than in Western Countries. The overall TAC growth rate in Grocery and Retail in the talabat countries is projected to be around twice the rate of Western Countries for the projection period.

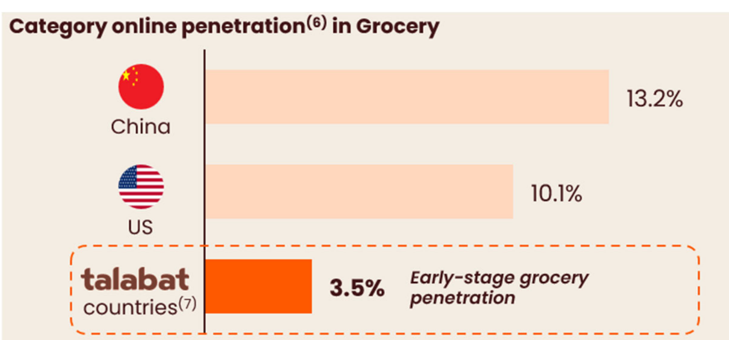
These details for the Grocery and Retail categories are shown in the exhibit below.



Sources: OC&C Model from Euromonitor International, Statista, Partner Interviews, Expert Interviews, Consumer Survey, Company Information, OC&C and Redseer analysis

1) Spend on meals and refreshments, including soft drinks and hot drinks but excluding alcoholic drinks except where they are served with a meal, in a hotel, full-service restaurant, café, bar, fast food outlet, street stall/kiosk, home delivery/takeaway outlet or self-service cafeteria (cafes/bars, stalls/kiosks etc.); excludes contract foodservice (e.g. hospitals, military, schools)
2) TAC values may not sum to USD 125 billion due to rounding
3) Includes high potential categories for Grocery & Retail based on logistics ease / price – incl. flowers, fashion, pharmacy, health & beauty, small electronics & pet care
4) Categories incl. flowers, pharmacy, health & beauty, small electronics

Strong growth in talabat's SAC in Grocery & Retail is supported by the currently relatively low levels of online penetration in these categories when compared to other international markets. The data indicates that across all talabat countries, online purchase of groceries accounts for only 3.5% of sales in the category while other markets such as USA and China have reached higher penetration levels at 10.1% and 13.2% respectively, as illustrated in the exhibit below.



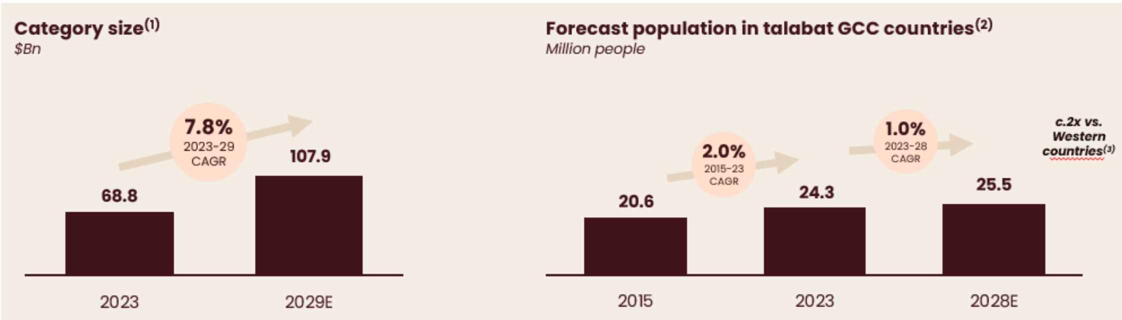
Sources: OC&C Market Model from Euromonitor International data
6) Online penetration calculated as serviceable addressable category / total addressable category
7) talabat countries include all countries – UAE, Bahrain, Kuwait, Oman, Qatar, Egypt, Iraq and Jordan

Regional Detail

The total of Foodservice, Grocery and Retail categories in the talabat region can be decomposed into GCC and Non-GCC Countries.

GCC Countries

In the talabat GCC Countries, talabat's TAC in Foodservice, Grocery and Retail is estimated at USD 68.8 billion in 2023, projected to grow at 7.8% per annum to USD 107.9 billion by 2029. This is in part driven by a forecast population growth of 1% per annum from 2023 to 2029, expanding the population from 24.3 million people in 2023 to 25.5 million in 2028. This population growth rate is slower than early periods – for example 2015 to 2023 when population grew at 2% per annum – but for future periods it is around twice the level of the projected population growth rate for Western Countries. This data is illustrated in the exhibit below.



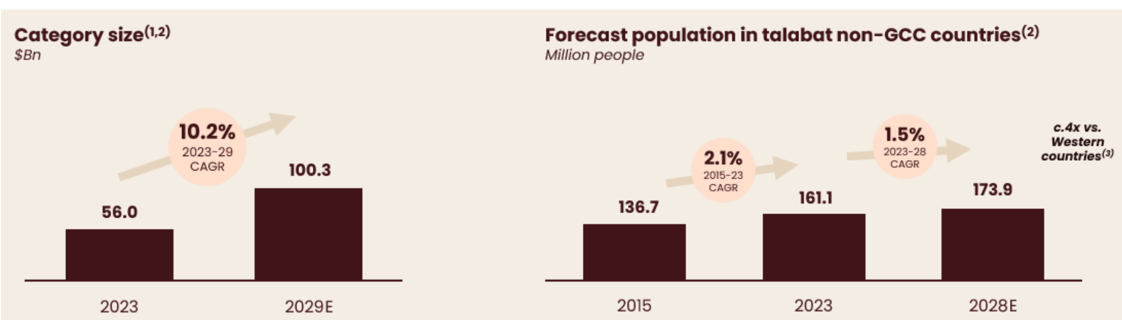
Sources: OC&C and Redseer analysis from Euromonitor International data, Company Information

1) Category size shown as the total addressable category for Foodservices and Grocery & retail for GCC region
2) talabat's GCC Countries – Bahrain, Kuwait, Oman, Qatar, UAE
3) Weighted average growth rate; Western countries include North America (United States, Canada) and Western Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom)

As discussed in the following sub-section (*Category Participants*), talabat is the leading multi-country delivery platform in the GCC Countries with strong potential to benefit from projected market growth.

Non-GCC Countries

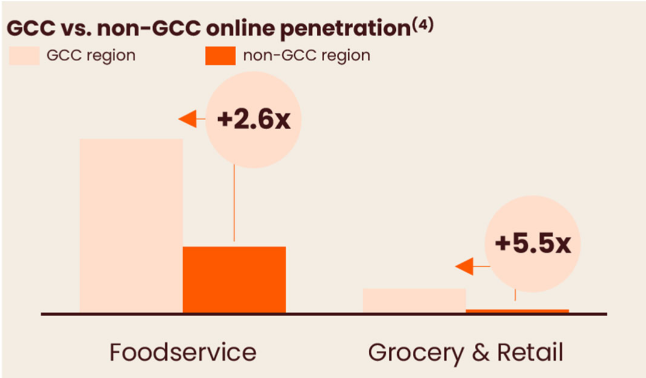
In the talabat Non-GCC Countries, large and growing populations combined with growing household affluence, are projected to drive significant growth in talabat's TAC from USD 56 billion in 2023 to USD 100.3 billion in 2029, growing at a rate of 10.2% per annum over the period. Population in these countries is projected to grow from 161.1 million in 2023 to 173.9 million in 2028 at a rate of 1.5% per annum which is four times the rate of growth of Western Countries. With strong growth projected, Non-GCC Countries categories are projected to be similar in size (USD 100 billion) as GCC Countries (USD 108 billion) by 2029.



Sources: OC&C and Redseer analysis from Euromonitor International data, Company information

1) Category size shown as the total addressable category for Foodservice and Grocery & Retail
2) talabat Non-GCC Countries only (Egypt, Jordan, Iraq)
3) Weighted average growth rate; Western countries include North America (United States, Canada) and Western Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom)

There is considered to be substantial further growth potential in Non-GCC countries for on-demand delivery. In Non-GCC Countries, online penetration in Foodservice and Grocery & Retail categories as a proportion of the total addressable category is significantly below that of GCC Countries. This is illustrated in the exhibit below which shows the multiple by which Non-GCC Countries' penetration could grow before it reached GCC Countries' current penetration. In Foodservice it could grow 2.6 times and in Grocery & Retail 5.5 times indicating substantial headroom for continued future growth.



Sources: OC&C and Redseer analysis from Euromonitor International data, Company information
4) Online penetration calculated as serviceable addressable category / total addressable category

1.4 Category Participants

Across the talabat countries there are a large number of participants in the business of delivering foodservices, grocery products and non-food retail products to consumers on-demand. These include platform players such as talabat who operate a pickup and delivery service, restaurants themselves who take orders and deliver them through their own riders or drivers and retailers (online or store based) who may offer rapid delivery of grocery or non-food retail products on-demand.
In each country through our research among consumers – covering around 8,000 respondents across the 8 countries - we have identified a broad set of participants offering on-demand delivery of foodservice, grocery and retail products. Using the research methodology described earlier we assessed the position of the leading online intermediary platform participants in the categories in each country.

Foodservice category shares

talabat is the only multi-country leading platform player in Foodservice delivery in its region. Other players are more local and operate in fewer countries.

In Foodservice, the data shows that talabat is the leading online intermediary platform in each country in the delivered eat at home foodservice category based on estimated sales achieved by each participant.

talabat's sales in Foodservice give it an estimated category position which in the GCC Countries ranges from more than 10 times the size of the next closest participant to more than 3 times the size (UAE >3x; Kuwait >8x; Qatar >3x; Bahrain >4x; Oman >10x) while in Non-GCC Countries the range is more than 10 times to more than 2 times (Jordan >4x; Egypt >10x; Iraq >2x).

Data analysis also shows that across these countries the next largest player in foodservice is a different participant in each country, implying that talabat is the only multi-country leading player in foodservice delivery in its region.

Grocery & Retail category shares

talabat is the only multi-country leading platform player in Grocery and Retail delivery in its region. Other players are more local and operate in fewer countries.

In on-demand delivered Grocery and Retail category, the data shows that talabat is the leading online platform participant in seven out of eight countries based on estimated sales achieved by each participant.

talabat's sales in Grocery and Retail give it an estimated category position which in the GCC Countries ranges from more than 10 times the size of the next closest participant to around 2 times the size (UAE ~2x; Kuwait >10x; Qatar >5x; Bahrain >10x; Oman >10x) while in Non-GCC Countries (Jordan, Egypt) the range is more than 9 times to more than two times, considering that the remaining market (Iraq) is in very early stages given the recent launch of grocery and retail delivery here. (Jordan >9x; Egypt >2x; Iraq -nascent position).

Data analysis also shows that across these countries the next largest player in Grocery and Retail is a different participant in each country. Implying that talabat is the only multi-county leading player in Grocery and Retail in its region.

The relative category share positions are shown in the exhibit below.

Region	Country	Relative category share	
		Foodservice(2)	Grocery & Retail(3)
GCC region	UAE	3x+	~2x
	Kuwait	8x+	10x+
	Qatar	3x+	5x+
	Bahrain	4x+	10x+
	Oman	10x+	10x+
Non-GCC region	Jordan	4x+	9x+
	Egypt	10x+	2x+
	Iraq	2x+	Nascent

Sources: OC&C and Redseer analysis, OC&C Market Model, Company information

2) Relative size of talabat Foodservice delivery sales versus Foodservice delivery sales of next largest online intermediary platform by geography – based on data for the first six months of 2024 (based on OC&C category analysis)

3) Relative size of talabat Grocery & Retail sales versus Grocery & Retail sales of next largest online intermediary platform by geography –based on data for the first six months of 2024 (based on OC&C category analysis)

BUSINESS

Investors should read this section of this Offering Memorandum in conjunction with the more detailed information contained in this Offering Memorandum, including the financial and other information appearing in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in the Financial Statements, including the related notes, included elsewhere in this Offering Memorandum.

Vision and Mission

Empowering our communities. We proudly deliver to the region that delivers. **We're the Orange ones**.

Overview

talabat is the leading on-demand online food ordering, delivery, takeaway and groceries and convenience retail marketplace in the MENA region, with operations in the UAE, Kuwait, Qatar, Bahrain, Egypt, Oman, Jordan and Iraq. Our marketplace benefits from powerful network effects, with each constituent of our three-sided marketplace (customers, partners and riders) contributing to our growth flywheel. For the month of September 2024, our platform had more than 6 million active customers, more than 65,000 restaurants and other groceries and retail vendors (whom we collectively refer to as "**Partners**") and more than 119,000 active riders.

Our online marketplace provides a convenient, personalised and simple way of ordering food, groceries and other convenience products from a wide selection of Partners. Through our online food ordering offering (our "**Food Vertical**"), customers order food from our Partner restaurants ("**Restaurants**"). Through our groceries and convenience retail offering (our "**Groceries and Retail Vertical**"), customers are provided with access to everyday essentials, including but not limited to groceries, pharmacy products, beverages, snacks, household items, and personal care products, primarily sourced from various local Partners, such as grocery stores, pharmacies, and flower shops ("**Local Shops**"), and through our own warehousing and distribution centres designed for the fulfilment of online, on-demand orders of convenience products and groceries ("**tMarts**").

Underpinning our offering is our pioneering and scalable logistics and service technology stack, aimed at transforming the ordering, delivery and takeaway market by automating and personalising all aspects of order placement, processing, fulfilment, delivery and support, to provide a superior experience for our Partners, customers and riders. We constantly seek to improve our technology and processes based on the analysis of data we collect. In developing our technology, we place a particular emphasis on mobile platforms. We also aim to optimise the online fulfilment of orders, enhancing the efficiency of picking, packing, and delivery processes. By focusing on streamlining these operations, we are able to handle orders more effectively, improving operational efficiency and enhancing the overall customer experience. Additionally, our streamlined process often leads to faster fulfilment, resulting in quicker order processing and delivery times, which significantly boosts customer satisfaction.

We have a number of initiatives aimed at enhancing our customers' experience and journey on our platform by (i) expanding our offering (e.g. talabat Fintech, DineOut Deals), and (ii) strengthening customer loyalty through subscription (talabat pro) and rewards (talabat Rewards) programmes.

In 2023, gross merchandise value ("**GMV**") generated from our platform was AED 22,263.8 million (equivalent to USD 6,062 million), compared to GMV of AED 18,991.8 million (equivalent to USD 5,171 million) in 2022 and GMV of AED 14,490.0 million (equivalent to USD 3,946 million) in 2021. In the period between 1 January and 29 September 2024, our GMV was AED 19,772.5 million (equivalent to USD 5,384 million) compared to GMV of AED 16,303.4 million (equivalent to USD 4,439 million) for the comparable period of 2023. In 2023, our Adjusted Free Cash Flow was AED 1,105.3 million (equivalent to USD 301 million) compared to AED 616.9 million (equivalent to USD 168 million) in 2022. In the period between 1 January and 29 September 2024, 1,265.3 million (equivalent to USD 345 million) compared to AED 752.6 million (equivalent to USD 205 million) for the comparable period of 2023. Our Adjusted Free Cash Flow Margin for the period between 1 January and 29 September 2024 was 6.4% compared to 4.6% for the comparable period of 2023.

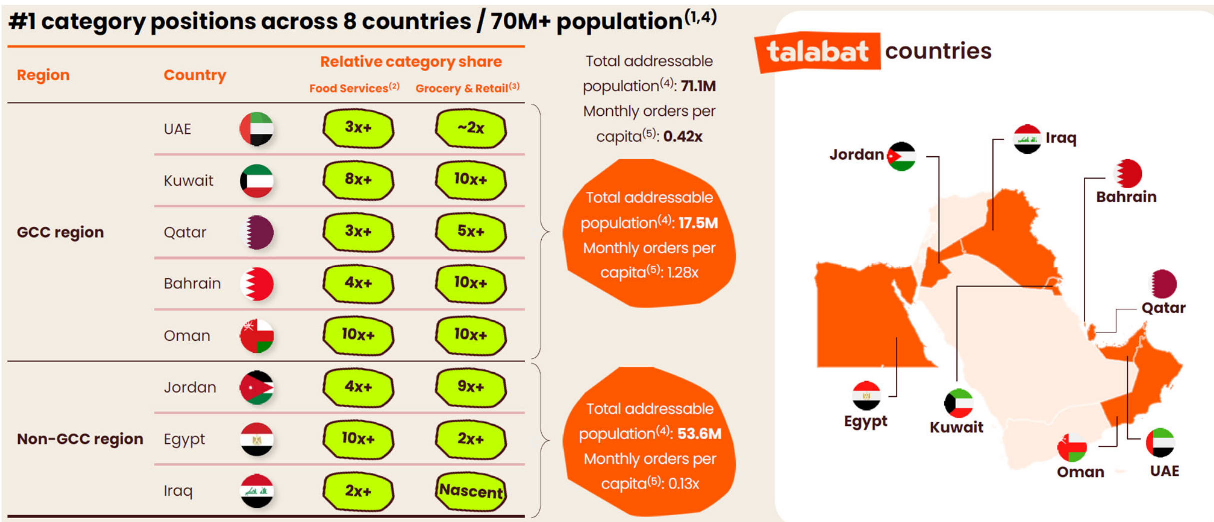
Our journey began in 2004 as a food delivery company that offered traditional food delivery services. We have spent the last 20 years working to improve our proposition, market by market, area by area, Partner by Partner and are now the leading on-demand online food ordering, delivery, takeaway and groceries and convenience retail marketplace in the MENA region.

Following the Global Offering, we will remain indirectly majority-owned by Delivery Hero, which is, by its own estimate, a leading local online food delivery and quick commerce platform, with a presence in around 70 countries grouped in four geographical segments, comprising Asia, the MENA region, Europe and Americas.

Group Strengths

We are leaders in a highly attractive and under-penetrated market

For the month of September 2024, we had more than 6 million active customers, over 65,000 active Partners and over 119,000 active riders, making us the largest platform in the countries in which we operate, with the highest number of orders, largest relative category share, and widest geographic reach amongst our peers in the MENA region (according to the Industry Consultants).



Source: OC&C market analysis, talabat information, addressable population based on Euromonitor data.

(1) These comprise the countries within the MENA region in which we operate. These figures are based on our management's estimates (which are based on publicly available data but may not reflect the actual position in a given competitively relevant market).

(2) Relative category share is measured as the relative size of the talabat food service delivery sales compared to the food delivery sales of the next largest online peer platform by geography for the first half of 2024 (based on OC&C market analysis).

(3) Relative category share is measured as the relative size of the talabat groceries and convenience retail service sales compared to the groceries and convenience retail service sales of the next largest online peer platform by geography for the first half of 2024 (based on OC&C market analysis).

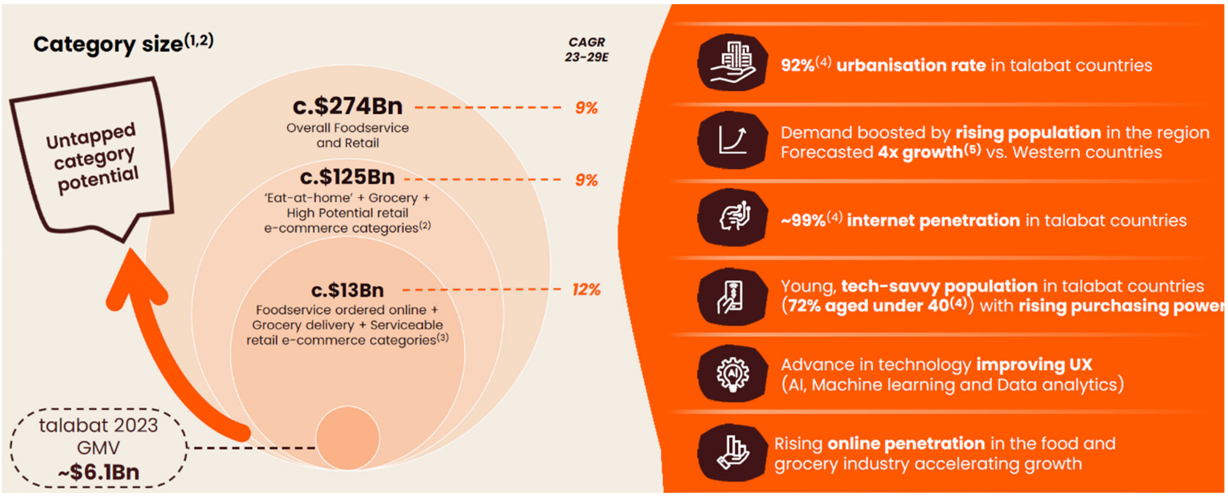
(4) We define addressable population as the population aged between 15 and 64 living in urban areas by multiplying the total population by the percentage of that age group and the percentage of urbanisation.

(5) Our monthly orders per capita are calculated as the average monthly orders for the year 2023 divided by addressable population.

Our platform connects customers, Partners and riders in eight countries in the MENA region, which have a population of over 185 million and an addressable population of approximately 71.1 million (in each case according to the Industry Consultants). For the year ended 31 December 2023, our GMV was approximately USD 6.1 billion (equivalent to AED 22.3 billion). From 2015 to 2023, our GMV CAGR was 51%.

We capitalise on the region's urbanisation rate, growing population and rising online penetration rate in the food and grocery and retail industry, offering localised services that meet the diverse needs of our customers. Our aim is to deliver to our customers the best experience and selection of food, grocery and retail products at the highest value for their money. We believe that our value proposition, across the markets in which we operate, has enabled us to grow at scale, deliver profit growth and have category leadership.

We operate in a region with attractive fundamentals that is under-penetrated.



Source: OC&C model from Euromonitor International, Statista, interviews and consumer surveys, OC&C and Redseer market analysis

(1) This chart does not provide a complete representation of any competitively relevant markets and the actual competitive constraints exercised, as competition comes from a number of different channels including offline order channels.

(2) The market size includes high potential product categories under the Groceries and Retail Vertical based on ease of logistics and price, including flowers, fashion, pharmacy, health and beauty, small electronics and pet care.

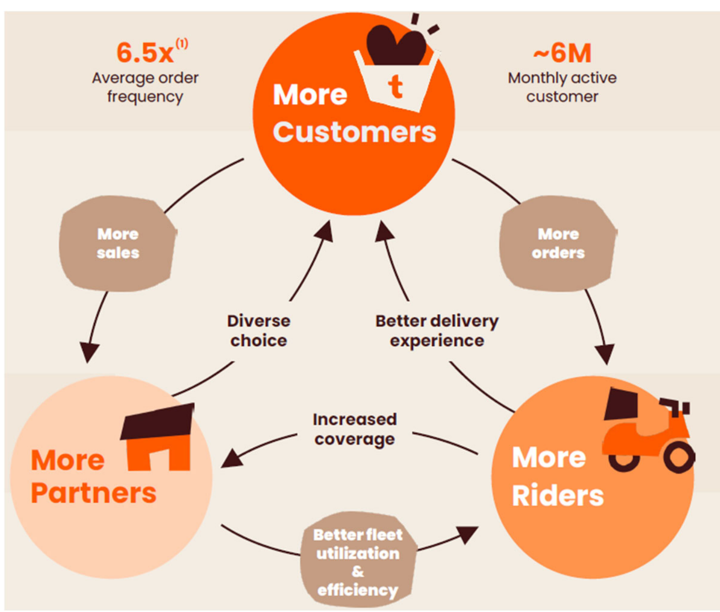
(3) Product categories include flowers, pharmacy, health and beauty, and small electronics.

(4) Urbanisation rate, internet penetration rate and percentage of young, tech-savvy population have been calculated using a weighted average of the population for the year 2023 in the GCC markets in which talabat operates (UAE, Kuwait, Bahrain, Qatar and Oman)

(5) Calculated using a weighted average of the population for the year 2023 across all markets in which we operate.

Our business model fuels growth, service quality and platform loyalty

Our business model benefits from powerful local network effects, which fuel a virtuous cycle of growth, improvements to service quality and deepening of platform loyalty – the "**talabat flywheel**". As our value proposition attracts more customers to join our platform, we receive more orders. Greater customer demand attracts more Partners, who benefit from more sales due to the higher volume available on the platform. More Partners provide diverse selection to our customers. More customers and Partners on our platform attract more riders, which in turn leads to better delivery experience to our customers, increased coverage for our Partners and better fleet utilisation and efficiency.



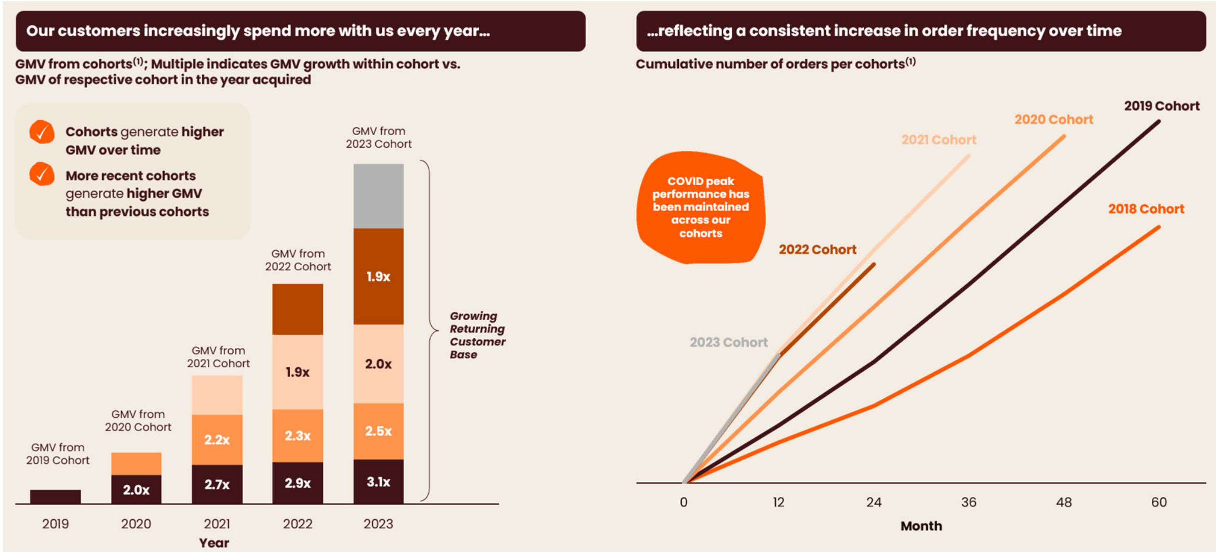
(1) For the month of September 2024, the average order frequency per customer on our platform was 6.5x compared to 6.0x for the month of September 2023. Average order frequency is calculated as total orders for the month of September divided by September active customers.

This provides a faster and more reliable service for customers, who also benefit from a wider selection of restaurants or shops and cuisines or products they love, at all price points. As a result of a wider selection, value-for-money and a more efficient and reliable delivery network, customers order more frequently and for a wider set of occasions and circumstances, establishing a virtuous circle which is continuously reinforced to the benefit of all constituents within our marketplace. Since 2019, the number of customers who are active on our platform and the number of transactions from existing customers on our platform have increased significantly. Since January 2019, the number of active Partners on our platform increased by approximately 4.5x, at a CAGR of approximately 30%, from 15,000 (including 300 Local Shops) to over 65,000 (including over 9,500 Local Shops) for the month of September 2024. Since January 2019, the number of active riders has increased at a CAGR of approximately 80%, from more than 4,000 to more than 119,000 for the month of September 2024.

We are focused on continuously delivering an attractive value proposition to our customers. We do so across three critical dimensions:

- ***Selection***: We have over 56,300 Restaurants, 9,500 Local Shops, and more than 155 cuisines and non-food categories on our platform, including over 20,000 Restaurants and 4,000 Local Shops (of which more than 3,000 are grocery shops) in the UAE (our largest market), signifying what matters to us most: quality, quantity and variety.
- ***Experience***: We focus on convenience, reliability and personalisation. For the month of September 2024, our customers benefited from approximately 99% order success rate and an average delivery time of less than 30 minutes.
- ***Value***: We offer targeted and personalised promotions and discounts to our customers granting them aggregate annual savings of more than AED 1,565.7 million (equivalent to EUR 391 million) from 29 September 2023 to 29 September 2024, which are funded by Partners, business-to-business partnerships and bank partnerships. During the month of September 2024, approximately 72% of our Partners offered discounts on our platform (excluding business-to-business and bank discounts) and one-third of the orders made on our platform were discounted by our Partners. The total customer savings funded by our Partners was approximately AED 470 million (equivalent to USD 128 million) in the first half of 2023 (representing 4.6% of our GMV), AED 661 million (equivalent to USD 180 million) in the second half of 2023 (representing 5.7% of our GMV), and AED 764 million (equivalent to USD 208 million) in the first half of 2024 (representing 5.9% of our GMV), reflecting an increase at a CAGR of approximately 38%. The broad selection of Partners on our platform further strengthens value, offering customers a breadth of options at various price points. Our subscription and rewards programmes also drive affordability, by rewarding customer loyalty. In addition, as of 29 September 2024, 80% of our customers in Kuwait, the UAE, Egypt, Qatar and Bahrain ranked us as their number one preferred platform.

We track our customers on the basis of historical cohorts, with each cohort representing customers who placed their first order on our platform in a given year and have continued to use our platform. As demonstrated in the chart below, each customer cohort has consistently increased the amount it spends on our platform in subsequent years, leading to higher GMV over time, with more recent cohorts generating higher GMV than previous cohorts. This demonstrates our ability to increase customer engagement over time.



(1) Cohort refers to customers grouped by the calendar year in which they first placed an order with talabat. The projected multiples for the full year 2024 calculated by extrapolating the data available through 29 September 2024 are 3.5x since 2019, 3.1x since 2020, 2.9x since 2021, 2.7x since 2022 and 2.0x since 2023.

We have an attractive financial profile with a robust growth track record

We have a strong track record of delivering profit growth, with GMV for cohorts of customers acquired since 2019 having increased by approximately 4x over a period of 5 years, and our cash conversion rate (which we define as Adjusted Free Cash Flow divided by Adjusted EBITDA) was 96% for the first nine months of 2024.

In 2023, our GMV was AED 22,263.8 million (equivalent to USD 6,062 million), compared to GMV of AED 18,991.8 million (equivalent to USD 5,171 million) in 2022 and GMV of AED 14,490.0 million (equivalent to USD 3,946 million) in 2021, reflecting a CAGR of 24% reported growth from 2021 to 2023. In the period between 1 January and 29 September 2024, our GMV was AED 19,772.5 million (equivalent to USD 5,384 million) compared to GMV of AED 16,303.4 million (equivalent to USD 4,439 million) for the comparable period of 2023, reflecting a period-on-period increase of 21.3%.

Our revenue amounted to AED 7,987.7 million (equivalent to USD 2,175 million) in 2023 compared to AED 6,310.3 million (equivalent to USD 1,718 million) in 2022, reflecting a year-on-year increase of 26.6%. In the period between 1 January and 29 September 2024, our revenue amounted to AED 7,604.3 million (equivalent to USD 2,071 million) compared to AED 5,760.9 million (equivalent to USD 1,569 million) for the comparable period of 2023, reflecting a period-on-period increase of 32.0%.

Our Adjusted Free Cash Flow amounted to AED 1,105.3 million (equivalent to USD 301 million) in 2023 compared to AED 616.9 million (equivalent to USD 168 million) in 2022, reflecting a year-on-year increase of 79.2%. In the period between 1 January and 29 September 2024, our Adjusted Free Cash Flow amounted to AED 1,265.3 million (equivalent to USD 345 million) compared to AED 752.6 million (equivalent to USD 205 million) for the comparable period of 2023, reflecting a period-on-period increase of 68.1%. Our Adjusted Free Cash Flow Margin for the period between 1 January and 29 September 2024 was 6.4% compared to 4.6% for the comparable period of 2023.

We are pioneers in technological innovation and have the ability to leverage the reach, experience and expertise of Delivery Hero

Our technology is the engine that drives our business, supported by over 480 talented product, design, engineering, and data technologists across our Dubai and Cairo tech-hubs. We leverage cutting-edge platforms including teams at Delivery Hero, alongside select local technologies, to deliver high growth opportunities for Partners, earnings potential for riders, and a broad selection, better experience and value for money to customers. Our data science capabilities seek to optimise these interactions, fuelling the talabat flywheel and aiming to sustain a self-reinforcing cycle of growth and efficiency.

We believe that our commitment to leveraging technology and data at scale is what sets us apart. This is reflected through our approach: "it is not just about keeping pace—it is about setting the pace". As we continue to scale, the data we collect becomes more valuable, powering the talabat flywheel and delivering superior experiences for customers, Partners, and riders alike.

As customers deepen their engagement with us, we learn more about their favourite Restaurants and Local Shops, and what services they are most likely to try next. Our machine learning models allow us to introduce and cross-sell verticals, as well as initiatives such as talabat pro and talabat Rewards, at the right time for our customers to benefit from. Our understanding of customers also helps us understand the next set of Partners and deals we should introduce to each geography, allowing us to seamlessly bridge the gap between customer demand and Partner interest. Additionally, our rider staffing algorithm (licensed by Delivery Hero) translates our order demand forecasts across time and space into optimised shifts for riders to pick in advance. This enables riders to plan their work schedules ahead of time, swap shifts flexibly, with assurance that each shift they select offers a compelling earning potential.

We also have the ability to leverage the reach, experience and expertise of Delivery Hero's global teams to amplify our capabilities and to benefit from innovations taking place outside of the MENA region. Our access to, and use of, technology owned by Delivery Hero enables us to have industry-leading innovation capabilities and tailored solutions for our customers, Partners and riders. Over the past 9 years, we have leveraged the competitive advantages of our relationship with Delivery Hero, including access to its tech-stack, technical know-how, innovation capabilities, exchange of in-depth knowledge and best practices on commercial and operational excellence. These factors have contributed to our growth and advantageous position as the leading on-demand online food ordering, delivery, takeaway and groceries and convenience retail marketplace in the MENA region.

We have a passionate and highly experienced management team with a proven execution track record

Our success to date has been achieved through our experienced management team, which is fully dedicated to building the best order experience for all constituents of our marketplace. We are proud to have over 40 years combined c-suite management experience in our ranks, with members of our management having previously worked at Uber, Grab, Sultan Center, McKinsey & Company, Jumia, Careem, Microsoft, Bain & Company and others. This translates to a high bar for recruiting and a similar calibre for the broader leadership across both regional and local teams.

Our strategy has been to build effective teams that bring the right mix of technical and management skills, and knowledge of the local and regional online delivery and logistics sector. We also invest in building tools and systems to gather business intelligence and develop a deep understanding of the key market trends and competitive environment in which we operate. Together, we believe this means that we are well-equipped to execute on our future growth and innovation agenda.

Additionally, our local and regional organisational structure provides us with significant operational leverage and allows us to maintain a more efficient selling, general and administrative cost base compared to our regional and international peers. By empowering regional teams, we aim to foster innovation, ensure consistency in planning and execution, and effectively implement best practices across all our markets. Meanwhile, our country teams focus on high-quality execution and cultivating strong relationships with key stakeholders, including Partners, third-party logistics providers, and government regulators. We believe this dual-layered approach enhances our operational effectiveness and supports our strategic objectives.

Group Strategies

Our aim is to enhance our product offering and increase market penetration

For the year 2023, in the GCC countries in which we operate, the average number of monthly orders per capita (which we define as the average monthly orders for the year 2023 divided by addressable population) was 1.28x. In our other non-GCC markets, this figure was 0.13x. Overall, for the year 2023, our Group average stood at 0.42x monthly orders per capita. We therefore believe that there remains ample room to expand the average number of monthly orders per capita through our platform. The way we think about it is simple: there are 90 meal occasions in a month – breakfast, lunch and dinner – 30 days a month.

In 2023, the food service total addressable category, grocery and retail total addressable category, and other adjacent product categories total addressable category amounted to approximately USD 21 billion, USD 95 billion and USD 8 billion, respectively, across all of our markets, according to the Industry Consultants. Our aim is to increase our penetration within these markets, which for the year 2023 was 22%, 1% and 1%, respectively, in each of those total addressable categories.

Additionally, the Industry Consultants estimate that the addressable population, as of 31 December 2023, in our non-GCC markets was approximately 54 million, which signifies a substantial opportunity for growth by increasing the penetration of our product offerings in these markets.

We believe that continuing to build out our existing offering will help us support long-term sustainable growth across our Food Vertical and Groceries and Retail Verticals, improving competitive advantage over our peers while pushing us forward towards our goal of being the platform of choice for our customers, Partners and riders.

We plan to continue to invest in our FinTech and Customer Loyalty Programmes

At talabat, we are continually exploring initiatives to enhance customer engagement, with a particular focus on our "FinTech" and customer loyalty offerings.

We plan to continue investing into our "FinTech" operations by enhancing our payment acceptance capabilities both in terms of performance and cost saving, expanding usage of talabat Postpaid into existing and new markets, increasing adoption of co-branded cards in the UAE as well as expanding into new markets, and continuing to look for more opportunities within the "FinTech" space that can potentially add significant direct and indirect value to our platform. See "*–Platform Wide Operations–Operations Enhancement*". talabat Postpaid enables customers to place orders immediately and defer payment without incurring additional costs. This initiative led to a 14% increase in order frequency and reduced order cyclicality (which was measured for the period between November 2021 to January 2024, by comparing order frequency per talabat Postpaid user starting 3 months after they began using talabat Postpaid versus before using talabat Postpaid). As of the date of this Offering Memorandum, talabat Postpaid service is profitable and has considerable potential for further growth within our existing customer base. As of 29 September 2024, approximately 2.7% of our customers utilised talabat Postpaid. We believe talabat Postpaid presents a viable alternative for customers without credit cards as they are able to be billed up to one month after their purchase, thereby expanding the use of such service among debit card users (whose purchases for the month of September 2024, excluding our customers in Iraq, represent more than 50% of our GMV).

We plan to continue to leverage our extensive loyalty programme and subscription service, talabat pro, with a view to increasing order frequency. See "*–Platform Wide Operations–Customer Loyalty Drivers*". talabat pro provides benefits such as free delivery and exclusive deals for a fixed monthly or yearly fee. This subscription model has proven effective in boosting customer engagement and retention, with over 20% increase in order frequency amongst talabat pro subscribers for the month of July 2024. We believe that there remains substantial room for growth, as only 8.3% of our customers were subscribed to talabat pro as of 29 September 2024.

We plan to maintain and enhance the effectiveness of our advertising offerings

We provide Partners with a range of innovative advertising solutions ("**AdTech products**") designed to increase their visibility and broaden their customer reach. Our AdTech products have demonstrated significant growth, from 33 million orders generated through AdTech products generating AED 712.5 million (equivalent to USD 194 million) in revenue for the year 2023 (which represents 3.2% of our GMV) compared to 18 million orders generated through AdTech products generating AED 528.8 million (equivalent to USD 144 million) in revenue for the year 2022 (which represents 2.8% of our GMV), and 9 million orders generated through AdTech products generating AED 308.5 million (equivalent to USD 84 million) in revenue for the year 2021 (which represents 2.1% of our GMV). Between 2021 and 2023, the orders generated through AdTech products increased at a CAGR of 86% and our annual AdTech revenue increased at a CAGR of 52%.

We consider our advertising products to be a beneficial proposition for our Partners, which significantly contributed to a reduction in their customer acquisition costs. Partners on our platform benefit from sophisticated targeting tools that allow them to reach the right customers (i.e., those most likely to generate the best return-on-investment). Through our data-driven approach, Partners can fine-tune their marketing strategies, offering promotions and deals that resonate with the most relevant customer segments, ultimately driving higher sales and improved business performance.

Our plan is to maintain and enhance the effectiveness of our advertising offerings, and we intend to continually innovate and develop new features, which include: (i) automation, (ii) targeted advertisements, and (iii) algorithmic efficiency. See "*–Platform Wide Operations–Advertisements*".

These advancements aim to ensure that our advertising solutions remain effective and valuable for our Partners, supporting their growth and success within our platform.

We plan to enter into adjacent product categories

We are focused on expanding beyond core food delivery services. Our Grocery and Retail Vertical has become a significant and rapidly growing part of our operations, showcasing our ability to enter and scale new verticals. Leveraging our platform, we are pursuing further diversification. Our Grocery and Retail Vertical is a key element of this strategy, meeting the demand for fast delivery of everyday essentials and paving the way for growth into additional product categories, including beauty and cosmetics, health products, flowers, and pet essentials. We are in the early stages of capturing these opportunities, with plans for further expansion. For the month of September 2024, the frequency of orders for food only users (i.e. customers that only ordered food) was 3.8 with a monthly spend of AED 194 (equivalent to USD 53). For that same month, the frequency of orders for multi-vertical users (i.e. customers that order food and groceries and retail products) was 12.8 with a monthly spend of AED 814 (equivalent to USD 222). Accordingly, we believe that the Groceries and Retail Vertical enhances our overall operations and provides us with the opportunities for future growth.

Additionally, we plan to continue rolling out more tMarts. We believe this aligns with our objective of being the platform of choice for our customers. tMarts provide our customers with the convenience of ordering groceries and essentials through the same platform they use for Restaurant deliveries. Furthermore, the expansion of tMarts allows us to capitalise on evolving consumer behaviours and preferences. We believe the continued rollout of tMarts will broaden our market footprint, and lead to additional revenue streams and opportunities for partnerships with additional suppliers and brands.

We intend to pursue targeted investments, acquisitions, and strategic partnerships

To complement our organic growth strategy, we expect to continue to selectively pursue investments and acquisitions that we believe will enhance customer experience, as well as solidify and extend our category leadership position, such as our planned acquisition of InstaShop (see "*Recent Developments*"). We have pursued a strategy of making strategic alliances with suitable partners (e.g. "Zomato" in the UAE and "Otlob" in Egypt), and we expect to continue to do so in the future. We intend to focus on investments, acquisitions and alliances that we believe will enhance the experience of existing customers, attract new customers to our platform, and broaden our offerings.

History and Development

An overview of the principal events in connection with the history and growth of the Group's business is set out below.

Timeline

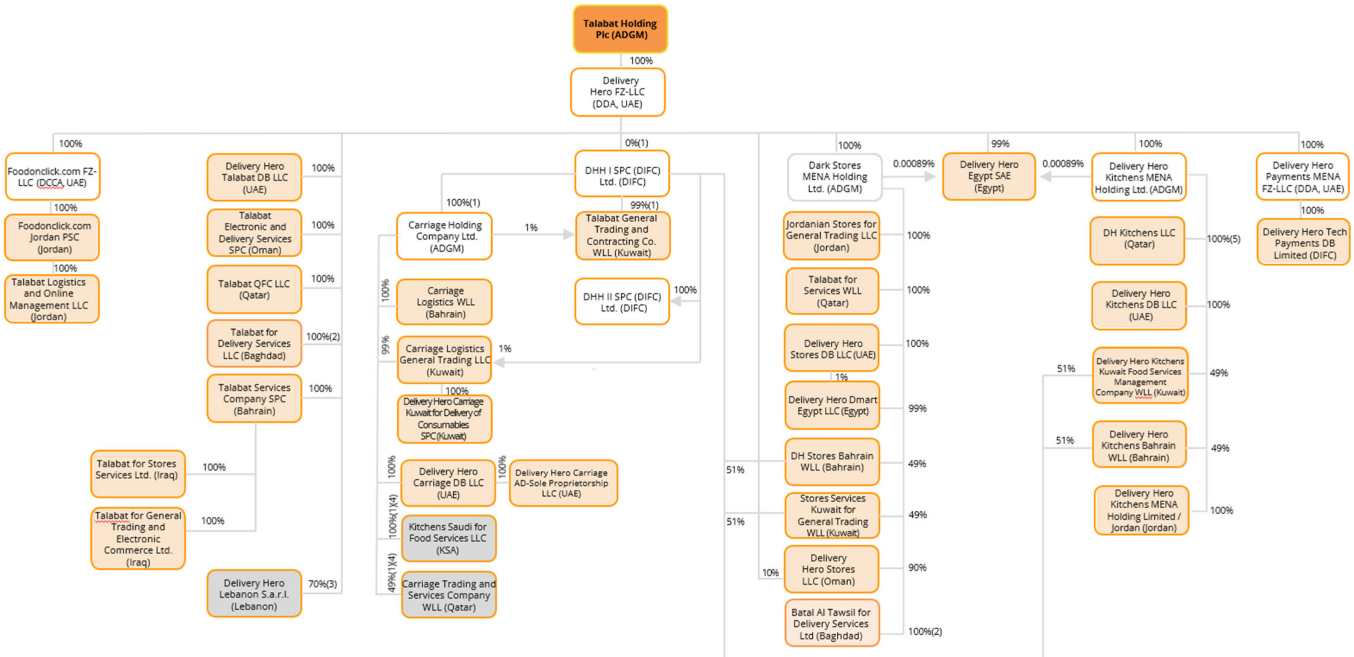
Year	Milestone
2004	talabat launches in Kuwait with a goal: to make food ordering simple and easy
2012	Expansion to UAE, Bahrain and Oman
2013	Expansion to Qatar
2015	talabat acquired by Delivery Hero

	Acquisition of iFood.jo and foodonclick
2017	Launch of own-delivery service and expansion to Jordan and Egypt
	Delivery Hero, our parent, listed on the Frankfurt Stock Exchange
	Acquisition of Carriage (Kuwait, Bahrain and UAE)
2018	100 million lifetime orders milestone
2019	talabat launches Groceries and Retail Vertical with Local Shops and tMarts
	Acquisition of Zomato's food delivery assets in the UAE
2020	talabat launches "talabat Rewards" loyalty programme
	talabat rebrands | Otlob rebrands to talabat in Egypt
2021	Expansion to Iraq
2022	talabat launches PostPaid
	talabat launches "talabat pro" subscription programme
2023	talabat partners with ADCB to launch Co-Branded Credit Card
	talabat launches tech-hub headquarters in City Walk, Dubai
	talabat reaches 1 million orders per day
2024	talabat launches DineOut Deals in the UAE
	Acquisition of InstaShop[(1)], expected to close in 2025

(1) See "*Recent Developments*"

Corporate Structure

The Group's current corporate structure is set out below:



(1) 100% of our ownership interests in Talabat General Trading and Contracting Co. WLL, 51% of our ownership interests in the Group entities operating our Tmarts and Kitchens businesses in Kuwait and Bahrain, and 100% of our ownership interests in the Group entities operating our Carriage business (with the exception of Carriage Qatar – see note 4 below) are structured through nominee arrangements in the form of Islamic finance (asset management) instruments (referred to as mudaraba agreements) with DHH SPC I (DIFC) Ltd ("**DHH I**") (which is directly wholly owned by Links Equiom Commercial Brokers LLC ("**Links**")) and Carriage Holding Company Limited (which is indirectly wholly owned by Links through DHH I). The mudaraba agreements provide us with profit sharing and governance rights in respect of these entities (including certain governance rights in respect of DHH I). See "*Material Agreement—Nominee Arrangements— Mudaraba Agreements – Bahrain and Kuwait businesses, and Carriage business*".

(2) 100% of our ownership interests in Talabat for Delivery Services LLC (Baghdad, Iraq) and 100% of our ownership interests in Batal Al Tawsil for Delivery Services Ltd (Baghdad, Iraq) are structured through nominee arrangements. See "*Material Agreement–Nominee Arrangements–Nominee Agreements – Iraq business*" and "*Related Party Transactions – Framework Agreement*". Following completion of the transfer and registration of the change in legal title in 49% of the shares in Talabat for Delivery Services LLC (Baghdad, Iraq) to Delivery Hero FZ LLC and 49% of the shares in Batal Al Tawsil for Delivery Services Ltd (Baghdad, Iraq) to Dark Stores MENA Holding Ltd, which was initiated prior to 29 September 2024 and is expected to complete prior to or shortly after Admission, only 51% of our ownership interests in these two Group entities will be structured through nominee arrangements.

(3) Company is non-operational and is to be liquidated following Admission.

(4) Our interests in Carriage Trading and Services Company WLL and Kitchens Saudi for Food Services LLC are held through the mudaraba arrangements; however, these businesses are to be liquidated following Admission.

(5) 100% of our ownership interests in DH Kitchens LLC (Qatar) is structured through a nominee arrangement, pending completion of the registration of the change in legal title to Delivery Hero Kitchens MENA Holding Ltd, which was initiated prior to 30 September 2024 and is expected to complete prior to or shortly after Admission. See "*Related Party Transactions – Framework Agreement*".

Pre-IPO Reorganisation

On 26 September 2024, the transfer of Delivery Hero's entire shareholding in Delivery Hero FZ LLC to the Company was completed pursuant to the terms of a share purchase agreement between the Company and Delivery Hero, with such transfer at Delivery Hero's carrying value of such shareholding. In connection with completion of the transfer of Delivery Hero FZ LLC to the Company, the Company issued 178,040,951 shares of USD 1.00 each in the Company to the Selling Shareholder.

On 30 September 2024, Delivery Hero (and its affiliates) and Delivery Hero FZ LLC (and its affiliates) entered into agreements to transfer to Delivery Hero FZ LLC, and/or its relevant affiliates, the following: (i) Delivery Hero's 100% shareholding interest in Foodonclick.com FZ-LLC; (ii) Delivery Hero's 49% shareholding interest in Talabat for Delivery Services LLC; (iii) Delivery Hero's 100% indirect shareholding interests in Delivery Hero Egypt SAE; (iv) Delivery Hero's 100% indirect shareholding interest in Dark Stores MENA Holding Ltd; (v) Delivery Hero's 10% indirect shareholding interest in Delivery Hero Stores LLC; (vi) Delivery Hero's 100% indirect shareholding interest in Delivery Hero Kitchens MENA Holding Ltd.; (vii) Delivery Hero's 100% indirect shareholding interest in DH Kitchens LLC; and (viii) Delivery Hero's 100% indirect shareholding interest in Delivery Hero Payments MENA FZ-LLC (the "**Extended Perimeter Group**"), in each case, at nominal value or the transferor's carrying value of such shareholding.

In connection with the completion of the transfer of the Extended Perimeter Group to Delivery Hero FZ LLC, the Company issued 75,608,949 shares of USD 1.00 each in the Company to the Selling Shareholder. See also "*Related Party Transactions – Framework Agreement*".

On 9 October 2024, our Shares were re-denominated from USD to AED, with the Company having a share capital of AED 931,529,625 consisting of 253,650,000 ordinary shares of AED 3.6725 each following the re-denomination. Immediately following the re-denomination of our Shares, we sub-divided our total share capital from 253,650,000 ordinary shares of AED 3.6725 each to AED 931,529,625 consisting of 23,288,240,625 ordinary shares of AED 0.04 each. See "*Description of Share Capital–Our Share Capital*".

Our Parent

Overview of Delivery Hero

Delivery Hero SE and its consolidated subsidiaries, offer online food ordering, quick commerce and delivery services in around 70 countries across Asia, the Middle East and Africa, Europe, and Latin America. Delivery Hero is, by its own estimate, a leading local online food delivery and quick commerce platform with approximately 48,000 employees (as of 31 December 2023).

Delivery Hero's business model is based on the vision of always delivering an amazing experience – fast, easy, and to the door. The subsidiaries of the Delivery Hero group operate online platforms under various brand names where users of the online food ordering platform are referred to restaurants as well as other vendors and can access on-demand delivery services. Delivery Hero also provides quick commerce solutions, where it primarily offers two distinctive services: it partners with local vendors from whom it delivers groceries, electronics, flowers, pharmaceutical products, or other household items (agent model), and it operates "Dmarts" that are strategically located in densely populated areas to make smaller deliveries of groceries and other convenience products within an hour, sometimes as quickly as in 20–30 minutes (principal model). Orders for both are placed via subsidiary platforms.

Delivery Hero provides a range of IT, marketing, and other services – in particular, commercial consultancy services, as well as product and technology development – to its group entities. In its capacity as the holding company, Delivery Hero also assumes functions such as group controlling and accounting, public relations, investor relations, risk management, and human resources management.

The Delivery Hero group was founded in 2011 and grew rapidly through a combination of organic growth and strategic acquisitions, which included the acquisition of the talabat group in 2015. In 2017, Delivery Hero listed its shares on the Frankfurt Stock Exchange.

Our Business Model

Our Food Vertical

Our platform brings together an industry-leading network of over 56,300 Restaurants across our markets, which we have built and expanded meticulously over two decades. We offer our customers access to the most comprehensive selection of dining options in the region (based on the number of Restaurants on our platform), featuring offerings from "hidden gems" and locally-loved spots to renowned national and international brands. Out of the more than 56,300 Restaurants, more than 17,600 are regional favourite restaurants, 34,700 are boutique restaurants and 4,000 are global leading restaurants, which represented 42% of our GMV, 16% of our GMV and 15% of our GMV, respectively, in each case for the month of September 2024. Our Restaurant offering is aligned to the demands of customers who can choose from a wide range of menu items from Restaurants in their neighbourhood and beyond.

Our core mission is to cater to all dining occasions—breakfast, lunch, dinner, and everything in between, twenty-four hours per day— providing a diverse array of cuisines so our customers can enjoy their favourite foods whenever they wish, all from the comfort of their homes.

We offer our Partners a point-of-sale system for them to view and accept orders made on our platform on a live basis. In addition to the online food marketplace, we offer our own delivery services to Restaurants (primarily through the riders provided by third-party logistics providers), with which we deliver the vast majority of our orders. For those orders, we offer our own tracking, rider and customer support, as well as compensation for experience disruptions (e.g. long delays) via the mobile application and online. To spur growth and increase discoverability on the platform, we provide our Partners with a range of advertising and campaigning solutions, designed to drive visibility, brand awareness, and new customer acquisition. Our sophisticated self-service tools allow Restaurants to directly book these advertising solutions or participate in campaigns. Our "Partner portal" and mobile application offer valuable analytics and performance insights related to orders, cuisine performance, customer acquisition and more. Restaurants also gain actionable insights to drive operational excellence, such as optimising food preparation processes to drive preparation time improvements and staffing efficiency. We also offer guidance on menu design and brand development by analysing consumer tastes and preferences. Finally, we often partner with local and global brands in our out-of-home campaigns driving "top of mind" awareness across the region for those Restaurants.

When signing Restaurants to our platform, we seek to optimise our selection at an area level by analysing customer cuisine and choice preferences in each market. We map our customers to the cuisines, dishes, and price points they prefer by market and design our offering to capture both local favourites and large regional and global brands. This may vary substantially across different locations. For example, in urban centres with a higher concentration of white-collar workers, our customers may have a higher purchasing power and seek a broader choice of different cuisines. In other areas, our customers may prefer a broader choice of affordable restaurant options. Our goal is to optimise the right quantity, variety, and affordability of Restaurants in every area. We also ensure we have the highest quality restaurants that exist in each area on our platform. We do so through a data driven approach and rating classification system. Variety and affordability mean that we seek to cover all cuisines and price points that are relevant for the customer demographic in a certain area. Based on conversion rates, our sales teams analyse how to optimise the Restaurant selection. In areas with high customer traffic but low conversion rates and orders, our sales teams determine whether the quantity, variety, or affordability of Restaurants needs to be improved. For example, if the Restaurant quantity is not right, we will seek to sign more Restaurants, or potentially introduce a Kitchen (as defined below) if an area lacks Restaurant supply or a particular cuisine type.

We also offer a cloud kitchens solution ("**Kitchens**") whereby we selectively offer Restaurants with commercial kitchen spaces to prepare their meals and, in turn, sell these meals to customers on our platform via a delivery-only model. As of 29 September 2024, we had more than 4,000 cloud kitchen partnerships. Kitchens help us bring quality choices closer to customers. Through Kitchens, we aim to enable our Restaurant to overcome geographic barriers and scale into new areas in an economic and lower risk way. As part of our Kitchens operations, we enter into a lease agreement to rent out an appropriate premises, renovate it so that it can accommodate multiple different kitchen spaces, purchase equipment and then rent out each kitchen space to different Partners to operationalise as a delivery-only restaurant under their brand. In return, we charge a fixed rental fee and a commission fee. When a Restaurant leaves a Kitchen, our sales teams begin approaching alternatives, based on a curated list. As most Restaurants in our Kitchens also operate from non-Kitchen locations, we manage the relationship as one.

Our data-driven approach to building our Restaurant selection is supported by a tightly managed sales process. The Restaurant acquisition activities comprise a review of any geographical, cuisine and price tier gaps in our inventory of Restaurants followed by the generation of relevant leads to close those gaps. The performance of our sales teams is monitored, and we have a standard contract approval process. New Restaurants are assigned to our onboarding team, who provide a detailed introduction to our platform and operational processes. Our Restaurant account management team focuses on improving the commercial and operational performance of Restaurants, optimising menu design and affordability, and suggesting advertising products or campaign participation to boost growth. We work closely together with Restaurants that do not perform well from an operational perspective, and in some cases off-board Restaurants whose operational performance does not improve over time given the negative impact on customer experience. We also have automated systems that may temporarily mark restaurants that are not operationally compliant (e.g. continuously rejecting customer orders) as busy or offline. This approach aims to safeguard the customer experience and eases the order load on Restaurants facing operational challenges.

We generate revenue from our Food Vertical primarily through commissions and advertising fees charged to our Restaurants, and from customer fees, including delivery fees, service fees (in some markets), fees for our subscription offering and small order fees (if the basket size is below the minimum order value). See "*–Platform-Wide Operations–Customer Loyalty Drivers*".

Commissions are either based on a contractually agreed percentage of the order value and/or a fixed amount, including VAT. The percentage varies across countries, types of restaurants and the services offered by us, such as our own vs. restaurants' delivery service. In addition to commissions, we generate non-commission-based revenue, which primarily includes advertising services such as premium placements or targeted discounts to specific profiles of customers. Restaurants may participate in our premium placements to be listed before others in a certain area against payment of a fee. Since we select Restaurants eligible for a premium listing based on strict criteria, we can ensure that only the Restaurants that we expect to provide a great customer experience get a prominent spot. Our Restaurants benefit from premium placements through higher visibility on our platform, which in turn may lead to increase in customer acquisitions and thus order volumes. If there is more than one Restaurant in the relevant area that desires to use our premium listing feature, we either use an auction system enabling the Restaurant making the highest bid to be listed first, or, alternatively, charge a fixed fee and rotate the top position among the Restaurants that paid such a fee. We also charge an annual fee and a set-up fee to cover our expenses related to equipping and onboarding Restaurants.

With regards to customer fees, we mainly charge delivery fees to cover delivery service costs, service fees (only in some markets, to cover other services provided, such as customer service), and subscription fees (if customers subscribe to talabat pro). Delivery fees may vary with distance from Restaurant to customer, time of day or basket size.

In 2023, GMV generated from our Food Vertical was AED 17,551.2 million (equivalent to USD 4,779 million) (representing 79% of our total GMV), compared to GMV of AED 15,773.4 million (equivalent to USD 4,295 million) in 2022 (representing 83% of our total GMV). In the period between 1 January and 29 September 2024, GMV generated from our Food Vertical was AED 14,843.6 million (equivalent to USD 4,042 million) (representing 75% of our total GMV), compared to GMV of AED 12,961.4 million (equivalent to USD 3,529 million) (representing 80% of our total GMV) for the comparable period of 2023.

Our Groceries and Retail Vertical

The Groceries and Retail Vertical at talabat represents a strategic expansion beyond our core Food Vertical, encompassing categories beyond food for our customers' needs with the convenience of fast delivery. Through our platform, we offer a comprehensive range of essential products across various categories, including but not limited to groceries, pharmacy products, cosmetics, electronics, flowers, and pet supplies. These products are sourced from third-party Partners, which we refer to as Local Shops, and from our tMarts. Our core focus is on fast and reliable delivery, reflecting our approach of "everything you want delivered right away." Our Groceries and Retail offering is available in all of the markets in which we operate. For the month of December 2023, 28% of our customers were multi-vertical customers (i.e., customers who placed at least one order in both our Food Vertical and Groceries and Retail Vertical), representing a CAGR of 38% from December 2019 to December 2023.

As of the date of this Offering Memorandum, groceries dominate our Groceries and Retail Vertical. Pharmacy (where we deliver over-the-counter pharmaceutical products) is our next strongest category in terms of GMV contribution to our platform, particularly in key markets like the UAE, where we have established a strong presence. Additionally, we hold a solid position in the flowers category, with significant growth expected from other categories as well.

Our Groceries and Retail platform operates as a marketplace with a flexible model that offers both delivery and picking services directly through us (own-delivery and own-picking), tailored to our Partners' needs. This model allows us to secure the customer experience by maintaining control over the preparation and delivery processes. It also supports Partners who may lack the necessary capabilities to meet fast delivery expectations, allowing them to still deliver a high-quality service. By leveraging our existing technology and rider network, we aim to enhance both our service offerings and the flexibility we provide to our Partners.

Our Groceries and Retail Vertical has already established a strong customer base, which is being seamlessly connected to an expanding Partner network. This growth is driven by our proprietary technology, designed to enhance every aspect of the customer and Partner experience:

- Customer Base: As of 29 September 2024, our Groceries and Retail had a 39% penetration rate of our total active customers.
- Partner Base: As of 29 September 2024, our Groceries and Retail Vertical had a network of more than 9,500 Local Shops across all of the markets in which we operate.
- Onground Operations Base: As of 29 September 2024, we deployed more than 4,300 onground operational staff (who are primarily sourced through our third-party logistics providers) in both Local Shops and tMarts across all of the markets in which we operate who are situated in the stores or tMarts (as the case may be) and, among other things, manage the end-to-end product fulfilment, including product picking, dispatching, receiving and scanning.

In 2023, GMV generated from our Groceries and Retail Vertical was AED 4,712.6 million (equivalent to USD 1,283 million) (representing 21% of our total GMV), compared to GMV of AED 3,218.5 million (equivalent to USD 876 million) in 2022 (representing 17% of our total GMV). In the period between 1 January and 29 September 2024, GMV generated from our Groceries and Retail Vertical was AED 4,928.9 million (equivalent to USD 1,342 million) (representing 25% of our total GMV), compared to GMV of AED 3,342.0 million (equivalent to USD 910 million) (representing 20% of our total GMV) for the comparable period of 2023. Between 2019 and 2023 the CAGR of our GMV generated from our Groceries and Retail Vertical was 130%.

The business models forming our Groceries and Retail Vertical are further described below:

Local Shops business model

We offer our platform and delivery services to a wide variety of Partners including, but not limited to, supermarkets and hypermarkets, convenience shops, pharmacies, and flower shops, in all of the markets in which we operate. We refer to these Partners collectively as our Local Shops.

We aim to provide Local Shops with a cost-effective online presence, and, in turn, provide our customers with access to a variety of retail goods quickly and conveniently via the same mobile application used for Restaurant food deliveries. Similar to our Food Vertical, we believe the value proposition of our Local Shops for customers is built on three key pillars: (i) choice, (ii) affordability, and (iii) experience. Firstly, selection is a significant strength, with over 9,500 Local Shops and more than 700,000 stock keeping units across all of the markets in which we operate as of 29 September 2024, providing customers with extensive options. Our marketplace ensures comprehensive coverage of local and popular brands across all verticals, with Local Shops onboarded with their full assortment and supported by content and inventory management tools to keep their listings up to date. Secondly, we aim to maintain affordability by encouraging Local Shops to match in-store prices. In addition, approximately 27% of the orders delivered through our Local Shops include at least one item with a promotion, resulting in a more affordable price for our customers. Our integrated inventory tools and self-service discount options also enable Local Shops to offer exclusive discounts, and our advertising tools enable Partners to use our platform to help drive the growth of their businesses. We believe our automated tools and operational frameworks achieve a high level of customer satisfaction.

Operationally, our Local Shops business model is managed through a combination of dedicated human resources and advanced technology. Local Shops partnerships are driven by our local sales executives who identify gaps in our offering, and target and onboard both major brands and local businesses that suit customer needs with tailored services. These services include listing only (whereby we manage the listing of our Local Shop's products on our mobile application but the Local Shops deliver the orders to our customers directly), listing with logistics (whereby we deliver the orders to our customers), or comprehensive solutions encompassing logistics and order fulfilment (whereby we provide dedicated onground operations staff stationed at the Local Shops to pick and pack the orders and hand them over to our riders for delivery). Sales executives also provide training on how shops can operate and grow on our platform. Post onboarding, our Local Shops are managed by our account management teams, but also may get access to many self-service tools such as (i) inventory updates, which show the availability status of the products listed by Local Shops (i.e. whether or not such products are in stock) and allow Local Shops to manage such updates, (ii) product creation, which is the process of adding new products on our platform and linking such products to the Local Shops' profile within our product listing system, (iii) discounts, and (iv) advertisements, to be able to manage and grow their business.

From 2021 to 2023, our GMV CAGR for our Local Shops business model was 64%, and our Gross Profit as a percentage of GMV for the year 2023 was 5.7%. For the month of September 2024, the Local Shops on our platform represented 14.5% of our GMV.

We generate revenue from our Local Shops business model through commissions, listing fees, and advertising fees charged to our Local Shops, and from customer fees, including delivery fees, service fees (in some markets), and fees for our subscription offering. See "*–Platform-Wide Operations–Customer Loyalty Drivers*".

<u>*tMarts business model*</u>

In 2019, we identified a gap in the MENA region for reliable and fast grocery delivery. Accordingly, we rolled out tMarts in all of the markets in which we operate. Through our tMarts, we aim to reliably meet customers' immediate needs and complement the offerings of our Local Shops. To further enhance this synergy, we also enable our Local Shops to leverage fast delivery by allowing them to utilise our tMart tech stack (for back-end technology, logistics systems, HR services, and treasury services), providing them with the tools and infrastructure needed to fulfil online orders with the same efficiency, which includes, among other things, the use of our picking devices (which are handheld devices sourced from third parties, and that use our software) for several functions such as scanning items for availability, managing order picking, and overseeing picker operations.

Our customers order from tMarts directly through our platform in the same manner as they would do for Restaurants and Local Shops. Through our delivery platform, customers have the ability to order from a variety of items that are picked and delivered from our tMarts within a targeted time of less than 30 minutes.

Our operations involve renting warehouses or retail spaces in locations that are close to the existing customer base (to cater for speed) and fitting the locations to enable us to operate an online-only retail business. While the exact size and assortment of tMarts vary across the different markets in which we operate, it mainly focuses on snacks and fresh and ultra fresh products, such as fruits, vegetables, and dairy products. Goods are sourced by our own commercial teams from suppliers and are stocked on shelves within the warehouse, which are organised to facilitate quick picking by our employees. Items are arranged based on their picking frequency and ease of access, with high-turnover products placed in easily reachable locations to accelerate order fulfilment. Our tMarts are configured with narrow aisles to accommodate only single-person access, optimising the picking process. When a customer places an order, the order is transmitted to the relevant tMart and our employees in the tMart (known as "pickers" or "shoppers") collect the goods from within that tMart and prepare them in the final packaging bags, which are branded as "talabat mart". Designated picking zones minimise walking distances, while packing and dispatching stations are equipped with necessary packaging materials, tools for labelling, and security checks before products are handed over to our riders. In the meantime, the delivery rider is dispatched and arrives to pick up the order from the tMart to deliver the ordered products to the customer location. As part of this business model, we also collaborate with consumer-packaged goods (CPG) companies, which play an increasingly important role in enhancing the interaction between us, our customers, and our Partners. We share certain data points (such as sales information) with CPG companies for them to improve their offering, while they help us enhance our product content.

tMarts are designed to optimise the online fulfilment of grocery orders, enhancing the efficiency of picking, packing, and delivery processes. By focusing on streamlining these operations, tMarts enable us to handle high volumes of orders more effectively, without the complexities associated with managing a physical storefront. This model not only improves operational efficiency but also enhances the overall customer experience. Furthermore, our tMarts employ real-time inventory tracking to ensure that items are available when ordered, minimising the likelihood of stockouts and improving inventory management.

As of 29 September 2024, we had 127 strategically located tMarts within the markets in which we operate, spread across Egypt, the UAE, Kuwait, Jordan, Qatar, Oman, Bahrain, and Iraq, thereby enhancing choice and proximity for our customers. The size of our tMarts typically ranges from 200 to 400 sqm. Additionally, significant investments in technology and operational models seek to ensure a seamless customer experience, achieving approximately 99% seamless orders, as of 29 September 2024. From 2021 to 2023, our GMV CAGR for our tMart business model was 76%, and our Gross Profit as a percentage of GMV was 5.9%.

The primary revenue stream for our tMarts consists of the retail sale of products, which we source directly from suppliers and wholesalers. In certain locations, private label products, as well as ready-to-eat and ready-to-drink items prepared in tMarts, are also available for purchase through the tMarts section on the mobile application. In addition to retail sales, revenue is generated from customer fees and advertising fees from suppliers.

Platform-Wide Operations

Technology and Data

Our technology is at the core of our ability to deliver food and groceries seamlessly from one location to another and to exceed the expectations of our customers, Partners, and riders. It aims to balance all three sides of our marketplace, leading to Partners increasing sales, riders enhancing their earning potential, and customers receiving their food and everyday essentials of choice on time with high quality.

Our technology is supported by over 480 talented employees (out of which 25% are female) from more than 70 different nationalities across our Dubai and Cairo tech-hubs.

We benefit from a highly scalable tech stack with the ability to support 2x the current order level on our platform.

1) Data-Driven Growth

Every interaction on our platform generates data that we harness to enhance the experience for all stakeholders. As of 29 September 2024, approximately 13 terabytes of data is generated daily.

- Customer behaviour informs personalised recommendations (which require at least 6 orders per customer to be placed on our platform), driving higher conversion rates and order values.
- Partners receive targeted insights, enabling them to advertise more effectively and enhance their inventory, pricing and assortment, boosting their sales and return-on-investment.
- Our order data pinpoints supply gaps, allowing us to strategically onboard new Partners and enhance market coverage.
- For riders, our technology seeks to optimise routes and delivery schedules, reducing costs and improving efficiency.

These continuous optimisations seek to create a virtuous cycle—each improvement feeds back into our system, enhancing overall performance and reinforcing our market position.

2) Our Customer Mobile Application

Our aim is to make ordering seamless and delightful to transition customers from ordering offline to online. The talabat mobile application provides customers with a personalised, efficient ordering experience—whether they are selecting food, groceries, or other essentials. Our data-driven approach aims to deliver the right products to the right customers at the right time, enhancing both customer satisfaction and Partners' return-on-investment.

3) Optimising Rider and Delivery Efficiency

Our rider technology is designed to enhance efficiency and satisfaction. Advanced dispatch algorithms, real-time GPS tracking, and optimised payment systems allow riders to complete deliveries quickly and efficiently, reducing fuel consumption and improving their earnings. Additionally, our rider staffing algorithm (licensed to us from Delivery Hero (see "*Related Party Transactions–Global Licensing and Services Agreement with Delivery Hero*")) translates our order demand forecasts into optimised shifts for riders to pick in advance, enabling them to plan their work schedules ahead of time and swap shifts flexibly, with assurance that each shift they pick offers compelling earning potential. Further, our order dispatch algorithms (also licensed from Delivery Hero (see "*Related Party Transactions–Global Licensing and Services Agreement with Delivery*

Hero")) are designed to seek to optimise both rider pay and delivery experience. From 2020 to the first half of 2024, we have seen a 15% increase in the area covered by our riders (based our estimates for orders delivered by talabat riders only) and a 17% improvement in average delivery time (which we define as the time indicated to the customer for delivery upon placing an order on our platform).

4) Empowering Partner Growth

The "talabat Partner Portal" (licensed by Delivery Hero) is at the essence of our Partner growth strategy. Partners can manage their operations, optimise their menus, and tap into powerful advertising tools—all within a user-friendly, mobile-first interface. This platform allows Partners to track their performance, gain valuable insights on customer preferences, and manage their menus and hours of availability on our mobile application efficiently. Additionally, it helps Partners attract new customers by enabling them to directly launch targeted ad campaigns and offer discounts on our mobile application.

5) Optimising Shops Order Fulfilment

For Local Shops, our integration capabilities allow us to capture up-to-date inventory of the Local Shops, our picking tools (licensed by Delivery Hero) allow onground operations staff to pick orders efficiently, as well as enable customers to simulate in-store experience (e.g. recommending the right items if something is unavailable). Our forecasting algorithms align rider arrivals with order readiness, improving wait times and consequently enhancing the freshness of fresh deliveries.

6) Leveraging Data for Competitive Advantage

We generate vast amounts of data daily, from backend systems, mobile apps, and customer interactions. This data is collected and actively analysed and applied across our operations. From refining our recommendation engines to accelerating "A/B testing" (which compares two versions of a mobile application or a webpage against each other to determine which one performs better), we use data to drive smarter decisions and faster innovations. Our experimentation culture allows us to continuously improve, seek to stay ahead of trends and deliver value to our customers and Partners.

Our data-driven approach also extends to internal operations, where we seek to optimise Partner management, inventory control, and fulfilment processes. By integrating data insights into daily, weekly, and monthly reports, we enable smarter business decisions that drive growth and efficiency.

Advertising

Our platform offers an attractive opportunity for Partners to amplify their visibility and drive revenue growth through targeted advertising. Our Partner advertising solutions are designed to help Restaurants and Local Shops enhance their presence directly within our mobile application, helping them reach the right customers at the right time. By leveraging our advanced analytics and user behaviour insights, Partners can create highly targeted campaigns that increase their chances of attracting new customers and boosting repeat business. Our platform allows for customised promotional strategies, including featured listings and sponsored search placements, which aim to elevate a Partner's profile on our platform and drive more orders. This targeted approach not only improves Partners' visibility but also helps to enhance their return-on-investment by aligning their promotions with customer preferences and behaviours. For the month of September, in respect of CPC ads only (which is an ad product that uses our machine learning algorithms to match customers with the relevant Partners and charges advertisers for each menu visit delivered through the ad), our Partners' average return on advertisements (which we define as GMV generated by Partners from CPC ads divided by the cost of the CPC ad after taking into account all Partner discounts) was approximately 6.2x.

Additionally, we offer a range of platform-wide advertising options, such as banner ads and promotional placements, to provide our Partners with the opportunity to further enhance revenue potential. These ads are strategically positioned throughout our mobile application to capture customer attention and drive engagement with diverse brands and offers. Our banner ads provide high-impact visibility, while promotional placements feature key messages and offers prominently in prime locations. By harnessing our proprietary and sophisticated ad placement algorithms and audience segmentation tools, advertisers can reach a broad customer base with precision, leading to higher click-through rates and conversions. We estimate that our ad personalisation features and algorithms have led to approximately USD 14 million incremental Adjusted EBITDA since January 2023.

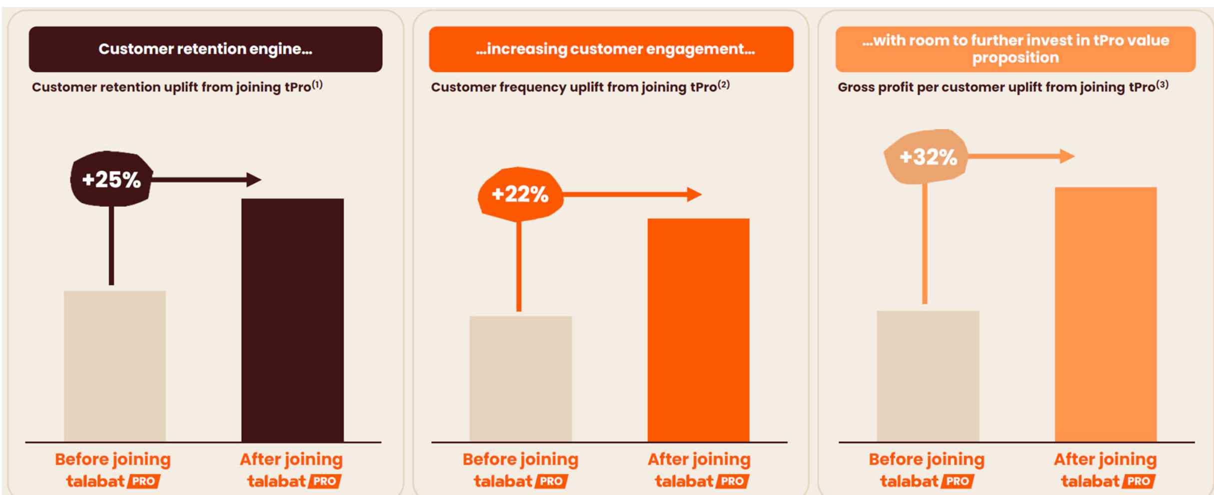
This robust advertising ecosystem creates additional revenue streams for us and delivers measurable results for our Partners, enhancing our ability to both attract and retain customers. In 2023, our AdTech revenue (which includes non-commission revenue from all the countries in which we operate) was approximately 3.2% of our GMV.

Customer Loyalty Drivers

In an effort to further engage our active customers and strengthen loyalty, we have launched a number of initiatives aiming to reward customer loyalty.

talabat pro

talabat pro is a subscription service that was initially launched in March 2022 in the UAE, designed to unlock savings for talabat pro subscribers by providing free delivery (subject to a minimum basket size) and exclusive deals on a wide selection of Partners participating in the service, in return for a fixed monthly or annual fee. As of the date of this Offering Memorandum, talabat pro is available in all our markets, except Egypt and Iraq. We believe that talabat pro has proved to be a popular programme amongst subscribers, yielding (on average) an attractive subscriber return-on-investment, which we measure by calculating customers' total monthly savings from talabat pro incentives (such as free delivery and exclusive deals) against the monthly subscription price.



(1) Retention is measured for customers who joined talabat pro in July 2023. This is calculated as a percentage of talabat pro customers that are retained on talabat 12 months after joining talabat pro, relative to lookalike customers (i.e., customers that have exactly the same frequency, average food value (being the average monetary value of food orders (excluding delivery and service fees) placed by customers on our platform over a specified period) and talabat tenure as talabat pro customers in the period before joining talabat pro, but that did not join talabat pro).

(2) talabat pro frequency uplift is measured for the month of July 2024. The data refers to the difference in frequency of talabat pro customer cohort versus lookalike customers.

(3) Measured for customers who joined talabat pro and paid subscription fees in July 2024 (except for Bahrain, which is based on June 2024) and calculated as a percentage increase in gross profit per customer for new talabat pro customers 30 days after paying for talabat pro, relative to gross profit per customer 30 days prior to joining talabat pro.

talabat pro is an essential lever of our growth flywheel. By providing free delivery and exclusive deals on top food and Groceries and Retail brands, including our tMarts, we enable customers to save on every talabat pro order, encouraging them to order more frequently. We estimate that the total annual savings for customers from October 2023 to September 2024 were approximately AED 135.2 million (equivalent to approximately EUR 34 million) from Partners and third-parties (including banks). Accordingly, we observe on average an increase in customer retention and rise in monthly order frequency among talabat pro subscribers. For the month of July 2024, there was more than a 20% uplift in order frequency among talabat pro subscribers. This indicates that customers who join talabat pro tend to order more often and develop greater loyalty to our platform. In the UAE, between September 2022 and September 2024, the CAGR of our talabat pro subscribers was 130%. Going forward, we aim to expand talabat pro customer adoption by continuously improving the value proposition of our service to further enhance overall customer loyalty and engagement.

talabat pro targets frequent customers with a monthly or yearly plan. Subscribers can cancel at any time on both the monthly and yearly plans; however, refunds are not provided. Once a subscriber cancels, they continue to enjoy talabat pro's benefits until the renewal date. The annual plan is provided at a discount compared to the monthly subscription and is designed to encourage long-term commitment to talabat pro and, consequently, to talabat.

Beyond benefiting customers, talabat pro aims to help participating Partners attract more talabat pro subscribers (through some of talabat pro’s key features described below), who on average tend to place orders more frequently on our platform and spend more than non-talabat pro customers. This, in turn, helps boost Partners’ order volumes on our platform.

In terms of profitability, we have approached funding talabat pro strategically from the start, as we are committed to maintaining a profitable programme. In addition to subscription fee revenue from subscribers, Partners contribute a fixed charge per talabat pro order to support the free delivery benefit. To access this benefit, customers must meet a minimum basket size, which we believe boosts basket sizes and, consequently, revenue for both Partners and us.

We continuously work on strengthening the talabat pro value proposition for both customers and Partners, with a view to ensuring that the program evolves to better serve our community. Some of the key features that subscribers receive today include:

(i) Free Delivery: access to free delivery (i.e. no delivery fees) on participating food, tMart, and Local Shops Partners, subject to a specific minimum basket size.

(ii) Exclusive Deals: access to exclusive talabat pro subscriber only discounts on popular food brands, top-selling items on tMarts, and talabat DineOut Deals (only in the UAE).

(iii) Exclusive Lifestyle Benefits: access to exclusive lifestyle benefits (e.g. discounts on taxi services, laundry services, and music streaming platforms) via the talabat Rewards catalogue.

(iv) 2-times Rewards Points (only in UAE): earning 2-times rewards points on each amount spent.

talabat Rewards

talabat Rewards is a loyalty programme designed to increase customer spend and retention on our platform. The programme allows customers to earn points for each order placed. Customers can then exchange those points against rewards. Our rewards programme has increasingly been adopted by our customers and has resulted in higher order frequency amongst our customers. As of 29 September 2024, the rewards programme adoption rate was approximately 18% and the uplift in average order frequency per customers was over 15% (calculated by comparing the frequency of first-time redeemers 30 days after redeeming their points for the first time versus 30 days prior). talabat rewards is available in all the markets in which we operate, and no subscription or active enrolment is required for talabat Rewards. Some of the key features of talabat Rewards include:

(i) Earn and Redeem Points: Customers accumulate reward points with every purchase, which can be redeemed for discounts, or exclusive offers such as those offered to talabat pro subscribers and other similar lifestyle benefits to non-talabat pro subscribers, from a wide range of Restaurants and Local Shops that opt in. The points earned differ from market to market based on the local currency of each market. Customers are able to redeem their points within a period of sixty (60) days.

(ii) Gamification: The points obtained by customers can be exchanged for raffle tickets for the opportunity to win prizes such as mobile phones, tablets and other electronic devices and vouchers with a specified monetary value to use on our platform, which are run every month on our platform in each of the markets in which we operate.

(iii) Integrated Experience: talabat Rewards is fully integrated in our mobile application, thereby enabling customers to track their points, view available rewards, and receive personalised notifications about their rewards status and opportunities.

talabat Dineout Deals

We officially launched our talabat Dineout Deals initiative in May 2024 in the UAE. Dineout Deals is designed to provide customers with the option to explore a range of Restaurants while enabling them to discover, save and seamlessly pay for their meal through our mobile application. talabat Dineout Deals enables customers to access discounts and deals (provided by the Restaurants) whenever they dine out at the Restaurants available on our platform without any subscription being required. There are also no limits on the number of times customers can utilise the talabat Dineout Deals feature on our mobile application. talabat Dineout Deals also offers Restaurants the opportunity to significantly expand their customer base and increase visits by attracting new customers through our platform, which provides access to the entire talabat customer network. Some of its key features include:

(i) Exclusive Discounts: talabat Dineout Deals provides customers with access to a range of special discounts at Restaurants.

(ii) Enhancing the value of talabat pro: talabat Dineout Deals enhances the value of the talabat pro subscription programme by offering additional subscriber-only discounts at select restaurants featured on talabat Dineout Deals, thereby strengthening the appeal of the subscription for our customers. See "–*Customer Loyalty Drivers–talabat pro*".

(iii) Curated Partnerships: Customers also benefit from a diverse array of Restaurants to choose from.

(iv) Enhanced Customer Engagement: By offering attractive dining incentives, talabat Dineout Deals drives customer engagement with the talabat platform and encourages increased frequency of visits to Restaurants.

(v) Growing Restaurant Partners: Dineout Deals allows us to onboard new Restaurants which we had not worked with before, thereby offering a broader variety of cuisines to our customers.

Operations Enhancement

Over the past three years, we have focused on enhancing our operations through financial technologies ("**FinTech**") by establishing a dedicated division and creating a robust payments platform to seamlessly accept online payments from customers. In addition to strengthening the core payments platform for accepting online payments, we have also created new products and services, such as postpaid and co-branded cards. We believe that these products and services deliver substantial value to our platform, offer direct benefits to customers and, as a result, strengthen our competitive advantage in the market. These services comprise: (i) postpaid; and (ii) co-brand cards, while we also continue to explore more opportunities.

Postpaid

talabat Postpaid service allows customers to be billed up to a month after their purchase. As customers' frequency of transactions on our platform increased, we looked to create a frictionless method for customers to pay for these frequent transactions. Historically, we have seen a decrease in the number of orders and spending from certain customers during the final days of each month (which precede salary payments). We believe the talabat Postpaid feature provides these customers with payment and budgeting flexibility, and in turn, allows us to seek to maintain the number of orders and customer spending throughout the month resulting in incremental business for talabat. talabat Postpaid is currently only offered in the UAE; however, we may in the future decide to launch this (or similar) service in other markets. Between September 2022 and September 2024, the CAGR of our talabat Postpaid users was 228%.

Co-Branded Cards

With the vast majority of talabat orders being paid online, representing a highly engaged and digital savvy customer base, we believe that there is a significant opportunity to partner with banks and card issuers across the region to offer co-branded credit and/or prepaid card products. These partnerships allow banks to digitally acquire a highly engaged customer base against incentives being offered on our platform. We started this programme in the UAE in August 2023 with Abu Dhabi Commercial Bank ("**ADCB**") and may expand it in more markets with other Partners. Our arrangement with ADCB is for a five-year period which may be renewed by mutual agreement. As part of our arrangement with ADCB, customers benefit from, among other things (i) a welcome bonus of AED 500 (as talabat credit which may be redeemed for orders on our platform) upon achieving a minimum spend of AED 2,500 in 45 days; (ii) unlimited free delivery in respect of Restaurants on talabat pro with a minimum order value of AED 50 for food orders and AED 100 for non-food orders; and (iii) certain cash-back benefits.

Payment Solutions

With a view to offering a seamless ordering experience, in addition to cash on delivery, we offer our customers a range of online payment options on our platform. These online payment options include saved cards on file (tokenised through our payment service provider), Apple Pay, Google Pay and direct payments with some local payment networks. To create and operate this significant online payment ecosystem, we work with payment service providers, various global and regional payment gateways such as Mastercard Payment Gateway Services, Knet, QPay, Benefit and Omannet, and more than a dozen banks and licensed acquirers. In addition, we operate a closed-loop wallet in most markets to facilitate instant refunds to customers, options to top-up credit and offer incentives in the form of wallet credit that can instantly be redeemed for spend on our platform. The key success metric for our online payments is the acceptance rate, which represents the percentage of orders that were successfully processed.

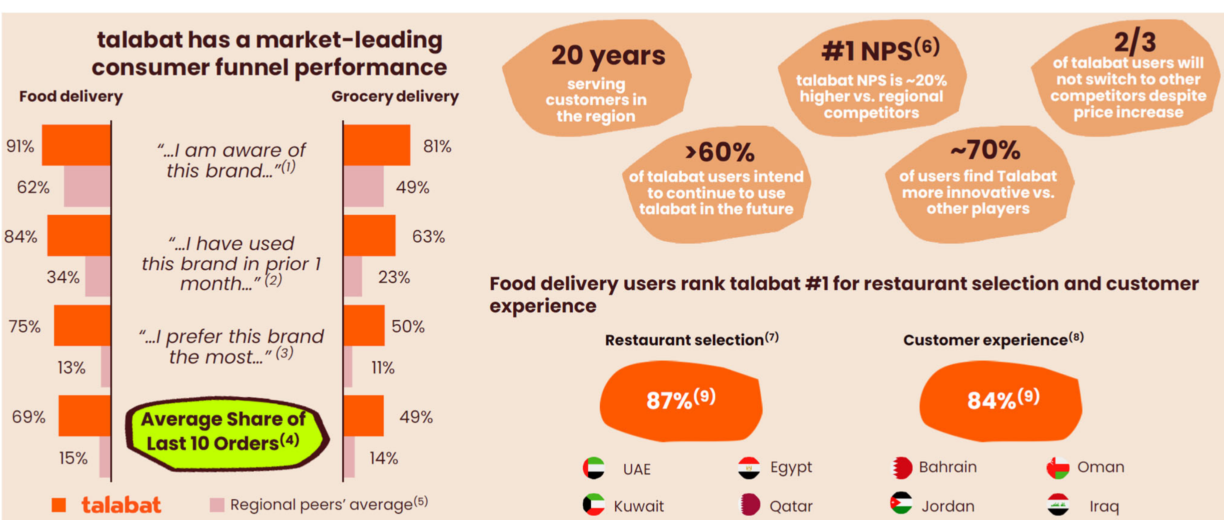
Our Value Proposition

Our value proposition is optimised for all three constituents of our flywheel (customers, Partners and riders), with each constituent contributing to our growth flywheel.

Customers

For customers, we strive to provide the broadest selection at the best prices. We offer a selection of both local and global brands and personalise the selection based on order preferences and needs. Together with our simple and fast order placement, we enable convenience for consumers throughout their entire day, from breakfast to lunch, to grocery or dinner delivery straight to their doorsteps. We believe that the convenient access we provide to the highest amount of selection at the best possible prices drives customer engagement and retention. We developed easy-to-use interfaces, one-click reorder options, a proprietary logistics technology for reliable delivery times and transparent delivery tracking which make our delivery experience seamless and consistent. We created various occasions in select markets such as "flash sales" during salary week, or "weekend drops" that feature the best deals the platform has to offer to showcase our selection and affordability and have been able to nurture repeat buying behaviour by our customers. Those occasions often prompt Partners to showcase special offers and, on a limited scale, we participate in the co-funding of those discounts. Given our size and scale, we believe this results in the highest volume of savings returned back to our customers.

We believe that based on our leading value proposition, customers prefer to use our platform:



Source: OC&C and Redseer analysis of consumer survey data in the UAE, Kuwait, Egypt, Qatar, Bahrain, Jordan, Oman and Iraq.

(1) Awareness Question: "Which of the following online food / grocery delivery players are you aware of?"; Food delivery number of respondents – 3,102; Grocery and retail delivery number of respondents – 3,913
(2) Usage Question: "Which of the following food / grocery delivery players have you used in the past 1 month?"; Food delivery number of respondents – 3,102; Grocery and retail delivery number of respondents – 3,913
(3) Preference Question: "Which of the following food / grocery delivery apps do you prefer the most?"; Food delivery number of respondents – 3,102; Grocery and retail delivery number of respondents – 3,913.
(4) Share of Average Last 10 Orders Question: "Of your last 10 orders, how many orders were placed through each food / grocery delivery app?"; Food delivery number of respondents – 3,102; Grocery and retail delivery number of respondents – 3,913.
(5) Includes next leading peers from UAE, Kuwait, Egypt, Qatar, Bahrain, Jordan, Oman and Iraq.
(6) "NPS" means net promoter score.
(7) Share of food delivery users ranking talabat as #1 for restaurant selection. Ranking Question: "Please rank the top 3 food delivery apps based on the selection (variety of restaurants and cuisines they offer)"; number of respondents – 3,102.
(8) Share of food delivery users ranking talabat as #1 for customer experience. Ranking Question: "Please rank the top 3 food delivery apps based on the experience (delivery time, rider behavior and customer support)"; number of respondents – 3,102.
(9) Based on the average of UAE, Kuwait, Egypt, Qatar, Bahrain, Jordan, Oman and Iraq.

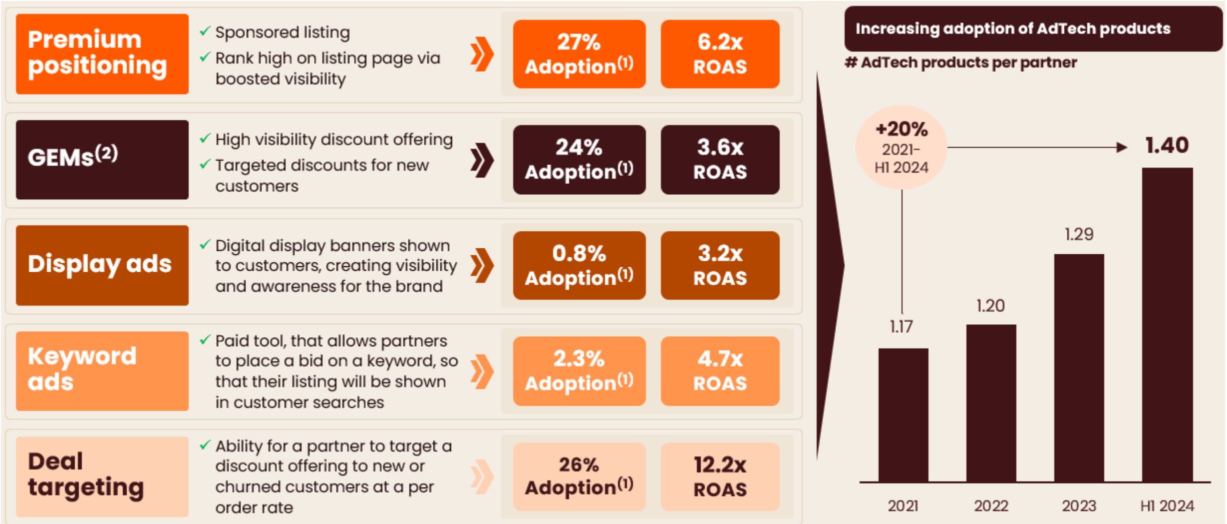
Our marketing engine tracks the entire customer journey from building awareness with our brand featured in marquee spaces and alongside key public and private Partners to digital ads and social and influencer campaigns that drive purchase behaviour. Our automated marketing engine learns based on previous customer behaviour and suggests the next best action or reactivation flows for those customers that might have reduced their ordering frequency. Finally, we believe our brand is recognised as the "authority on all things food" by customers throughout the 8 markets and we often sponsor or donate to causes, events, or competitions that speak to our customer base.

We have created a robust payments platform to seamlessly accept online payments from our customers (see "–*Platform-Wide Operations–Operations Enhancements*"). As part of our aim to enhance customer experience, we launched talabat Pay, which is a closed-loop wallet that allows us to facilitate instant refunds to customers, provide customers with the ability to top-up credit, and offer customer incentives (including third party incentives) and compensation in a seamless fashion.

Partners

For Partners, we offer access to our large customer base through a listing on our online marketplaces, offering them a path to incremental orders and GMV. We provide our Partners with a comprehensive, end-to-end solution that enables them to effortlessly receive orders from our customer base and fulfil them through our extensive logistics network. Partners gain access to a dedicated portal (see "*–Platform-Wide Operations–Technology and Data–Empowering Partner Growth*"), offering all the necessary tools to engage with talabat and meet customer demands. For grocery Partners, we also offer in-house pickers, equipped with our technology, to prepare orders with high precision and ensure timely dispatch, meeting our promised delivery times.

We also provide Partners with marketing and visibility tools, help them optimise their value chain and share data-driven insights with them (see "*–Platform-Wide Operations–Advertisements*"). Our in-app advertising solutions offer Partners the opportunity to grow their topline in a cost-controlled manner while being able to accurately track their return-on-investment. We provide our Partners with the capability to target either broad audiences or highly specific cohorts through deals, special offers, and enhanced visibility.



(1) This refers to the share of Partners using respective AdTech product.

(2) GEMs allow Restaurants to acquire new customers or win back lost customers, by offering a limited time discount. GEMs offer high visibility through prime real estate on our mobile application, such as the pop-up on the food list, and advertiser pay for every customer acquired. GEMs are recommended for Restaurant with low/declining customer acquisition or retention rates.

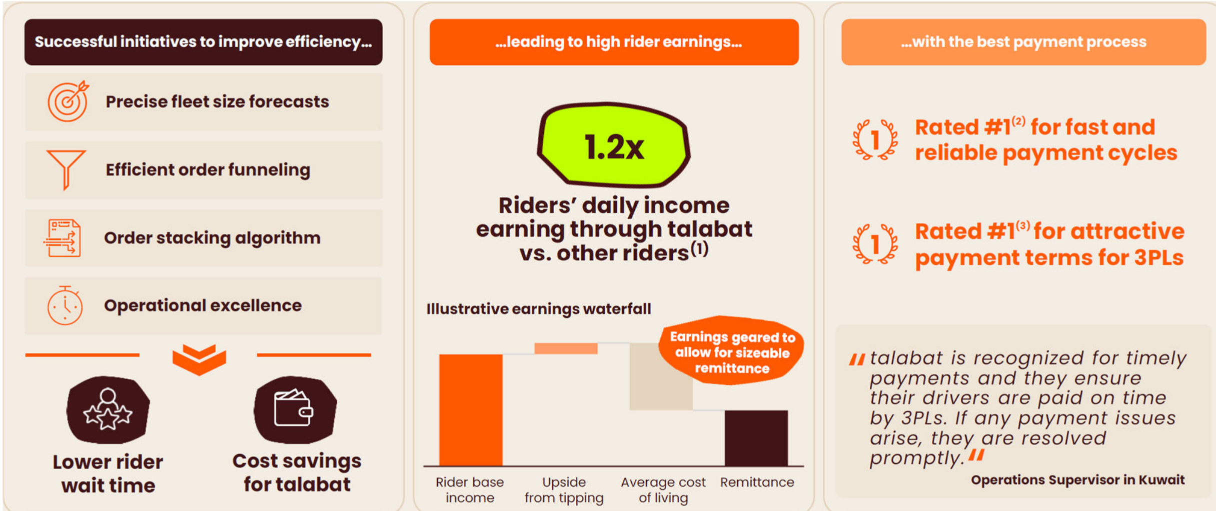
Furthermore, we provide our Partners with the opportunity to participate in our offline advertising and sponsorship events further driving visibility and growth for their brands. Our comprehensive solutions enable Partners to design a tailored marketing growth plan that best aligns with their brand.

Riders

To deliver orders from our Partners to customers, we source approximately 95% of our riders through third-party logistics providers that employ such riders and provide delivery services. See "*Material Agreements – Delivery Service Agreements*". For riders, we offer a comprehensive compliance and training programme to uphold high standards, including over 1,200 riders being trained in a physical academy in the UAE and 78,000 riders being trained on "tcamp" (an online training application) in Egypt, the UAE, Bahrain, Kuwait and Oman, over the last twelve months. For example, we complement the training provided by their third-party logistics employers on best practices in customer interactions, effective ways to maximise their earnings with talabat, as well as core food delivery and road safety lessons both in-person and through our digital learning platform. In addition, we provide or offer appropriate equipment in line with the standards of local authorities on road safety and food handling. We also invest in safety gear, such as our Group's food delivery bags, reflective shirts and jackets, and seasonal climate protection products with adequate replacement cycles.

We were also pioneers in launching initiatives like "tPatrollers" within the region. This dedicated on-ground fleet supports riders by providing timely reminders for kit replacement to maintain hygiene standards, sharing vital operational information, and ensuring real-time operational capability during challenging circumstances, such as inclement weather or road incidents.

We have taken a keen interest in investing in our riders and ensuring that they value the Group in return. For example, riders have full control over their schedule and starting points. We have managed to scale the size of our fleet together with the increase in number of orders, while also increasing the average tenure of riders from 33 weeks in January 2022 to 64 weeks in September 2024, reflecting an increase of 1.9x. As of 29 September 2024, our rider satisfaction rating in the UAE was approximately 4.2 (out of 5.0).



Source: Data is based on rider surveys and interviews carried out in August 2024 across the UAE, Kuwait, Qatar and Egypt .

(1) Earning potential is calculated on the basis of the number of orders served. Where a fixed monthly salary is provided, it is divided by days of the month.

(2) Rated as no. 1 for payment cycles by riders based on interviews.

(3) Rated as no. 1 for payment terms / payment cycles by third-party logistics providers based on interviews.

Our Medium-term Targets

As part of our business strategy aimed at positioning us for long term growth, we have set certain medium-term targets. The medium-term targets are not a profit forecast and no statement or projection in this Offering Memorandum should be interpreted to mean that earnings for the current or future financial periods or years would necessarily match or exceed historical earnings or meet the targets set out below. Our ability to meet the medium-term targets depends on a variety of factors, including market conditions and industry knowledge, the accuracy of various assumptions involving factors that are beyond our control and are subject to known and unknown risks, uncertainties and other factors that may result in our being unable to implement the strategy and achieve such medium-term targets. See "*Information Regarding Forward-Looking Statements*" and "*Risk Factors – Risks Relating to our Business – We are subject to risks related to our expansion and growth plans*". KPMG has not examined the medium-term targets and therefore does not express an opinion on them.

	Year-end 2024 Forecast	**Year-end 2025 Forecast**	**Strategic medium-term**
GMV growth	22-23% (year-on-year 2023 to 2024)	17-18% (year-on-year 2024 to 2025)	14 – 15%
Revenue growth	28-30% (year-on-year 2023 to 2024)	18-20% (year-on-year 2024 to 2025)	15 – 17%
Adjusted EBITDA Margin	Approximately 6.5%	6.5 – 7.0%	7.0 – 8.0%
Adjusted Net Profit Margin	Approximately 5.0%	5.0 – 5.5%	5.0 – 6.0%
Capital expenditure (as a percentage of GMV)	0.2 – 0.4%		
IFRS 16 lease payments (as a percentage of GMV)	0.2 – 0.4%		
Change in net working capital (as a percentage of GMV)	0.2 – 0.4%		
Adjusted Free Cash Flow Margin	6.0 – 6.5%		
Tax	We have an effective corporate income tax rate converging to 11% over the medium-term (taking into account the implementation of corporate income tax in the UAE).		
Capital structure	We do not expect to issue financial debt in the near-term. We aim to retain flexibility to add more leverage in the future to help support any potential corporate activity such as mergers and acquisitions.		

Note: All figures are presented in constant currency to ensure comparability across periods starting from 2025 onwards.

Our Brands and Intellectual Property

Our online marketplace and delivery services span eight countries: the UAE, Kuwait, Qatar, Bahrain, Egypt, Oman, Jordan and Iraq.

We hold the word and device trademarks: "Talabat" for our online delivery business and private label products in multiple jurisdictions, including Bahrain, Egypt, Iraq, Jordan, Kuwait, Oman, Qatar, and the UAE. For our tMarts business, we hold the sub-brands "Talabat mart" and "tMart". For our Kitchens business, we hold the sub-brand "Talabat Kitchen". For our payments related offers we hold the sub-brand "Talabat pay".

Further, we hold the trademark "Carriage" in Bahrain, Kuwait, and the United Arab Emirates, and the trademark "Otlob" in Egypt, both of which have been used for the respective online delivery businesses in the past. In the UAE, we acquired the assets of the food delivery business of Zomato Media Private Ltd. (Zomato) in February 2019, and operated under both brands, talabat and Zomato, until November 2022, at which point we merged the Zomato operations under the talabat brand. In Kuwait, Bahrain and the UAE, we also operated under the brand Carriage, which was rebranded to talabat in January 2020. In Egypt, we operated under the brand Otlob, which was rebranded to talabat in September 2020. In Qatar, operations under both the Carriage and talabat brands were continued. However, we have effectively focused all of our operations in Qatar on our talabat brand as operations under our Carriage business were wound down in June 2023, and we intend to liquidate the Carriage business following Admission.

In addition, we own the internet domains (both country-code and generic) that relate to our brands. The "Talabat" internet domain is considered material to our business. We also own the copyright in the talabat platform, including the talabat website and mobile applications.

Moreover, we use the Delivery Hero owned brand "EVERYDAY ROASTERY". The use of this brand is governed by licence agreements between Delivery Hero and the Group. We operate the Everyday Roastery brand in Egypt and the UAE. See "*Related Party Transactions–Everyday Roastery Trademark License Agreements*".

As of the date of this Offering Memorandum, we do not hold any patents.

Employees

As of 29 September 2024, the total number of employees employed by the Group was 6642:

	Number of employees as of 29 September 2024
In-house Contact Centre	517
Fleet Management	894
tPatrollers and riders(1)	627
Sales	1232
Product and Tech	481
Support Functions	1522
tMart and Kitchens	1369
Total number of employees	6642

(1) tPatrollers are dedicated on-ground fleet supporting riders. There are 627 tPatrollers and riders in Qatar, Bahrain and Kuwait.

We aim to build a high-performance culture through an engaged, talented and diverse workforce. Our employees are from approximately 90 different nationalities reflecting our commitment to innovation and inclusivity. We believe that our global perspective drives better results, creativity, and collaboration. We also believe in investing in our people. Since the start of 2024, approximately 50% of our managers have gone through at least one leadership development programme aimed at driving a learning culture within their respective teams, approximately 36% of senior leadership roles are made up of internal talent, and approximately one-third of women in middle management roles progress were promoted to the next level.

We care about high employee satisfaction. We received the "Great Place to Work" certificate in 5 of the countries in which we operate: (i) UAE between November 2023 and November 2024, (ii) Qatar between January 2023 and January 2024, (ii) Bahrain between June 2023 and June 2024, (iv) Kuwait between February 2024 and February 2025, and (v) Oman between March 2024 and March 2025. During the first nine months of 2024, we retained approximately 94% of our high-performers and only had a 13% attrition rate, which we believe reflects the strong commitment from our top-tier talent and our ability to retain employees.

Employee Benefits

We endeavour to provide employee compensation that we consider to be competitive with other organisations operating in the same markets. We provide a range of employee benefits, such as medical insurance, salary advances and housing advances (in the UAE), and other benefits. There are different types of leaves accorded to employees to help them attend to their exigencies such as annual leave, maternity leave, paternity leave, compassionate leave, celebratory leave, sick leave, and unpaid leave. These employee benefits are periodically reviewed, to ensure that the Group can attract and maintain a skilled workforce.

Long-Term Incentive Programme of Delivery Hero

Employees of the Group are currently or may be eligible to participate in equity programs offered by Delivery Hero. In 2018, Delivery Hero established a Long-Term Incentive Program ("**LTIP**") which comprises a restricted stocks plan ("**RSP**") and until March 2024, a stock option plan ("**SOP**"). Under the RSP, restricted stock units ("**RSU**" or "**RSUs**") can be granted to the members of the management board of the Delivery Hero, to certain key employees of Delivery Hero, as well as to members of managing corporate bodies and certain key employees of subsidiaries of Delivery Hero (including the Group). The SOP was only offered to senior management members and Delivery Hero ceased offering stock options ("**Stock Options**") as of March 2024. Under the LTIP, Delivery Hero awards a certain EUR amount annually ("**Equity Target**") to the eligible participants.

RSU: The number of RSUs awarded to a participant of the RSP is calculated by dividing Equity Target (in EUR) by the 30-day average share price of Delivery Hero prior to the award date. In order for RSUs to be settled to the participant, they must remain employed with the relevant company for at least 12 months ("**Cliff**"). Generally, once the Cliff has passed, the RSUs for the respective award vest on a quarterly basis. Upon satisfaction of the required conditions, the RSUs are settled to the participants. One RSU entitles to the transfer of one no-par-value registered share (*auf den Namen lautende Stückaktie*) of Delivery Hero or, at the discretion of Delivery Hero, to a payment of an amount equal to the market value of such share. A good leaver retains all vested RSUs, and bad leavers lose all vested and unvested awards.

SOP: Although Delivery Hero no longer offers Stock Options as at the time of publication of this Offering Memorandum, there may still be participants from the Group whose SOPs remain in effect from legacy awards. The number of Stock Options awarded to a SOP participant is calculated by taking the fair value of a stock option at the award date. Stock Options offered participants to purchase shares in Delivery Hero at the strike price (three (3)-month average price per share before the annual award date) at a later point in time. As these stock options are offered by Delivery Hero, they are subject to German law. In Germany, there is a statutory waiting period of four (4) years before Stock Options may be exercised. Additionally, the exercisability of Stock Options following the end of waiting period depends on the achievement of a revenue growth target. The performance target is derived from the Delivery Hero's corporate strategy. It is defined as a compound annual revenue growth rate (CAGR) of at least 20% over the performance period, i.e., an average revenue growth of 20% annually. Should this target not be reached, all stock options expire without substitute or compensation. The Stock Options can only be exercised within two (2) years following the end of the waiting period during exercise windows as determined by Delivery Hero.

Hero Grant

Since 2020, the RSP has also been adapted to provide a bonus award known as the "Hero Grant", which is issued as a one-time grant with varying amounts to certain employees of Delivery Hero and other Delivery Hero entities for various reasons (e.g. substitute for discretionary bonus payments). Under this program, Delivery Hero commits to issue RSUs to the employee on the basis of a certain EUR award amount. The number of RSUs is calculated by dividing the award amount by the fair market value of one RSU derived from the 30-trading day average share price of Delivery Hero prior to the award date. The Hero Grant is usually subject to a 12-month or 24-month Cliff and vesting period.

Following Admission, the Board of Directors intends to review possible additional or alternative incentive plans for employees of the Group.

Our Environmental, Social and Governance (ESG) Targets

At talabat, our environmental and social commitments are anchored around four key pillars: employees, the community (including riders, restaurants, charities, and government bodies), investors, and the environment (encompassing carbon footprint, packaging, and food waste). Guided by our materiality assessment, our current focus areas are giving back, climate action, and rider wellbeing.

Environmental Initiatives

We are dedicated to making our business more environmentally friendly and minimising the negative impacts of our operations. The primary environmental concerns in our sector include greenhouse gas emissions from our riders and Partners and waste from food packaging. To address these issues, we follow a strategic environmental program developed by Delivery Hero in 2019, which concentrates on reducing packaging waste and emissions.

Emissions

Our operations, along with those of our supply chain and Partners, contribute to greenhouse gas emissions. Given the global challenge of climate change, our strategy emphasises reducing carbon emissions over offsetting them. Our climate action plan includes measures such as increasing the use of renewable energy, expanding zero-emission deliveries, and promoting sustainable packaging among our suppliers, including those providing products for our tMarts.

Our approach involves measuring our carbon footprint and exploring further emission reduction opportunities to lower offsetting costs.

In alignment with the 13th UN Sustainable Development Goal ("**SDG**") on Climate Action, we partner with global organisations like the UN Global Compact, The Sustainable Restaurant Association, Klimato, and Emirates Nature WWF, as well as local entities such as the Circular Packaging Association and the UAE Alliance for Climate Action (UACA). We are in our third year of carbon footprint mapping, producing the most comprehensive report in our industry, which covers all facilities, activities, and resources (scopes 1, 2, and 3). In 2022, the majority of our delivery emissions came from tailpipe (45%) and packaging (18%). To address tailpipe emissions, we have launched an electric vehicle (EV) roadmap, aiming to scale EV use sustainably in our region. Our extensive pilot programs have demonstrated that transitioning to two-wheeler EVs could enhance rider earnings, reduce cost per order (by 2030), and decrease our overall emissions. In alignment with the 2nd UN SDG on Zero Hunger, we aim to reduce food waste, increase health and nutrition awareness.

Packaging

The packaging of food delivered through our platforms has historically relied on plastic due to its cost and availability. However, we acknowledge the environmental impact of plastic, from emissions during production to its persistence in the environment post-disposal. We support our Partners in finding solutions to mitigate this impact and conduct packaging surveys in each market to identify problem areas. We are committed to using sustainable packaging in our Kitchens, and tMarts are working towards transitioning the material of their bags from virgin plastic to 100% recycled-plastic bags to further reduce packaging waste.

Social

In alignment with the 2nd UN SDG on Zero Hunger, our commitment to social impact focuses on addressing societal issues that matter to our business, employees, and stakeholders. Recognising the power of our platform, we are dedicated to leveraging it for positive change through our #tech4good initiatives. True to our promise of always being there for our customers, we also strive to support our communities during critical times. We have launched impactful campaigns that have raised significant funds for regions including Gaza, Oman and Pakistan.

In 2020, we introduced our first virtual charity initiative in the UAE. Today, we support 40 charities across six markets, each featured in a "Give Back" section and accessible via a dedicated home screen widget in all our markets (other than Kuwait). This initiative provides a seamless donation experience, allowing customers to support causes they care about. Since its inception in 2020, we have facilitated over 7.3 million meal donations and contributed approximately AED 72.3 million (i.e., the equivalent of approximately USD 19.7 million) to registered charities.

In alignment with the 8th UN SDG on Decent Work and Economic Growth, we are also dedicated to supporting and growing small and medium-sized enterprises within our ecosystem. We offer special rates and host training sessions, known as "tAcademy", across various markets to aid in the growth of small and medium-sized enterprises. Our efforts include memoranda of understanding with government entities, collaborations with social and civil society organisations, and in-house solutions tailored to address the specific needs of smaller restaurants. These initiatives provide technical support and growth solutions to help these businesses thrive.

Ethics and Integrity

At talabat, we are committed to upholding a framework of ethics and integrity, ensuring compliance with all local laws and regulations in the markets where we operate. Our operations are guided by our Code of Conduct and the Third Party Code of Conduct ("**TPCoC**"), which are designed to foster awareness among employees that adherence to these standards benefits both the company and our stakeholders.

The Code of Conduct provides essential guidance for decision-making and establishes the standards of behaviour expected within talabat. It is mandatory for all employees across our Group, in accordance with relevant legal frameworks. The code is accessible through our training system and is presented to all new employees during onboarding. Prior to onboarding or dealing with any Restaurant, Local Shop or third-party logistics provider, we conduct a thorough due diligence process with the aim of ensuring their adherence to regulatory standards, and alignment with our quality and compliance requirements. We also conduct surveys with riders on a regular basis to identify any violations or areas of non-compliance.

Our TPCoC is grounded in principles from the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. It aims to promote responsible business practices throughout the value chain to mitigate financial, reputational, and supply chain risks associated with potential human rights violations. The TPCoC addresses issues such as fair remuneration and the prohibition of forced or illicit labour. It underscores that talabat evaluates suppliers not only on economic criteria but also on their environmental, human rights, labour, social standards, and anti-corruption practices. This evaluation occurs both when selecting suppliers and when extending contracts, covering criteria such as environmental impact, business ethics, anti-bribery and corruption, economic sanctions, conflicts of interest, antitrust, intellectual property protection, data protection, and food safety. In alignment with the 8th UN SDG, we aim to foster decent work and economic growth by applying good governance practices, create employment opportunities and increase rider safety and earnings.

Our commitment to ethical corporate behaviour is demonstrated through our dedication to respecting human rights, creating equal opportunities, and maintaining a workplace free from discrimination, harassment, intimidation, and abuse. We do not tolerate fraud, bribery, corruption, financial crimes, or any form of non-compliant behaviour from our employees or stakeholders. Employees are expected to make business decisions solely in the company's interest, avoiding personal benefit. Our fraud detection and prevention system led to approximately AED 22.0 million (equivalent to approximately USD 6 million) in savings for the year 2023.

The Governance, Risk, and Compliance ("**GRC**") team at talabat is responsible for reinforcing our ethical principles and ensuring compliance. This team, directed by the VP Legal and GRC, who reports to the CFO, addresses uncertainties and risks to help achieve business objectives. To facilitate access to compliance-related information, the GRC portal is available to all talabat employees, offering resources on compliance, data protection, and cybersecurity, including a comprehensive policy repository, disclosure forms, training materials, and information on the Speak Up Portal.

Mechanisms for reporting ethical concerns are regularly reviewed. The GRC team continually updates talabat's policies based on new concerns and business decisions, involving internal and external experts as needed. talabat enforces a strict zero-tolerance policy towards corruption, supported by our Group-wide Anti-Corruption and Anti-Bribery Policy, and a dedicated Gift, Hospitality, and Entertainment Policy. Employees are encouraged to report potential violations through internal contacts or the external online Speak Up Portal, which is available 24/7 in multiple languages and ensures anonymity and security for whistleblowers. All reports are carefully reviewed by the central compliance team of Delivery Hero, with appropriate handling and protection of all involved parties. Our aim is to raise awareness, mitigate risks, and promote a culture of integrity within the organisation.

Health and Safety

We seek to ensure that strict health and safety standards are observed throughout our operations. We are committed towards quality assurance and have implemented a robust rider equipment distribution, maintenance and replacement process to ensure orders are delivered in a safe and hygienic manner. This includes standardised thermal food pouches and delivery boxes to transport orders and maintain their conditions as long as possible. We also actively replace rider equipment to ensure cleanliness and roadworthiness with a third-party tracking solution. Furthermore, the talabat-branded rider kit (caps, shirts, jackets, and boxes) are designed to be highly visible and reflective to ensure rider safety on the road. For the month of September 2024, we had a 94% rider safety score (which reflects the average safety compliance of all riders based on multiple factors, including adherence to speed limits, avoidance of dangerous riding, and not using mobile phones while driving). Additionally, we lead regional initiatives and regulations focused on rider well-being. To protect riders from summer heat, we establish rest areas equipped with air conditioning, cooling kits, and water bottles. As part of our "Summer Together" 2024 initiative across the markets in which we operate, we had 44 rest areas in the form of 30 branded buses and 14 solar-powered rest areas set up for our riders. We also distributed to our riders over 57,800 thermal bottles (which represented a 71.3% year-on-year increase compared to summer 2023) and over 46,200 snoods (which represented a 35.2% year-on-year increase compared to summer 2023), and had over 36,300 windshields installed. We also have sustainability-focused pilot projects in Qatar aiming to contribute to Qatar's National Vision 2030, and a strategic partnership with the Jordanian Food Bank which aims to encourage customers to donate food parcels with our employees actively participating in the distribution of such donations. We also invest in safety technologies, such as telematics (which is technology used to monitor rider driving patterns, such as speed, acceleration, braking and cornering), and provide in-person defensive training through partnerships with established academies in select markets to enhance road safety. By analysing safety data, we collaborate with key regulators and public authorities to improve road infrastructure and co-organise quarterly road safety events to raise awareness on this crucial issue.

In our Groceries and Retail Vertical, we have stringent controls in place to ensure the maintenance of high standards for the products we deliver. This includes oversight of Partner storage conditions, where we collaborate with a third-party provider for tMarts. Our operational processes empower pickers to identify, flag, and address any issues during order preparation. Additionally, our logistics team enforces strict protocols for riders, and our customer service team follows comprehensive standards-of-operations to handle any concerns that arise post-delivery.

Insurance

We have insurance policies (covering different risks depending on business needs) in all jurisdictions where we operate, including Bahrain, Egypt, Iraq, Jordan, Kuwait, Oman, Qatar, and the UAE. These policies (as relevant) cover a range of risks including business interruption, director and officer liability, employee fidelity, goods in transit, cyberattacks, data breaches and other cyber security issues, motor incidents, professional indemnity, property all risk and public liability, as well as coverage against general liability claims that may arise through the course of our normal business operations. We engage an insurance broker to advise on the necessary types and levels of coverage. We continually review our coverage and consult with our broker at least annually.

Additionally, our insurance policies cover group life, personal accidents, workmen's compensation, occupational diseases and critical illness for our employees (including riders employed by our Group) at no cost to them.

Riders sourced through third-party logistics providers are covered by insurance policies in which such third-party logistics providers are the policyholders and the riders are the direct beneficiaries. Any claims are notified and managed by the third-party logistics providers through direct engagement with the relevant insurance provider (other than factual information requested by insurers in connection with a claim, which we would provide).

Properties

As of 29 September 2024, the Group owned two properties and leased 211 properties. These properties consist of the following:

Country	Kitchens[(1)]	tMart Stores[(2)]	Land	Offices, Hubs and Warehouses	Grand Total
Bahrain	2	6		5	**13**
Egypt		43		13	**56**
Iraq		4		8	**12**
Jordan		13	2	9	**24**
Kuwait	4	13		3	**20**
Oman		7		3	**10**
Qatar	1	7		4	**12**
UAE	20	34		12	**66**
Grand Total	**27**	**127**	**2**	**57**	**213**

(1) This refers to Kitchens locations.

(2) Inclusive of tMarts that have been leased but are not yet operational.

Litigation

In the ordinary course of our business and on an ongoing basis, the Group is involved in various legal disputes (either as a plaintiff or defendant) and is subject to regulatory oversight from various authorities. We have historically been successful in settling these disputes and address concerns raised by regulatory bodies out of court and without administrative adjudication. These disputes – and in a few cases judicial and administrative proceedings – are in most instances routine matters of labour, commercial and other laws, and do not have a significant impact on our business. We are currently the subject of regulatory and administrative investigations, audits, and inquiries conducted by governmental agencies concerning our business practices, the classification and compensation of riders, our key partnership clauses, and other matters. See "*Risk Factors–Risks Relating to Our Business–Government regulation of the internet, e-commerce, Groceries and Retail, and the food industry (including cloud kitchens) is still evolving, may not yet cover certain aspects of our business, and may change in a manner that could negatively impact our operations, and we may fail to comply with applicable regulations due to the complexity of the regulatory landscape–and–We may be subject to competition law and related investigations due to the perceived strong market position in some of our current markets*".

In addition, in 2022, the Telecommunications Regulatory Authority ("**TRA**") in Oman issued a decision requiring us to register as a postal service provider and obtain the necessary license for postal services, which we appealed by filing an administrative case against the TRA challenging its decision. Subsequently, the TRA filed a criminal case against us before the primary court in Muscat. The TRA's criminal case against us is currently suspended until the Omani administrative court renders its final judgment. The administrative court ruled in our favour, and accordingly, we view the chances of the primary court ruling in favour of the TRA to be remote. Nevertheless, should the TRA be successful in its claim, we will be subject to additional licensing requirements and fees to be paid to the TRA which could adversely affect our business in Oman. See "*Risk Factors–Risks Relating to Our Business–Government regulation of the internet, e-commerce, quick commerce, and the food industry (including cloud kitchens) is still evolving, may not yet cover certain aspects of our business, and may change in a manner that could negatively impact our operations, and we may fail to comply with applicable regulations due to the complexity of the regulatory landscape*".

As of the date of this Offering Memorandum, the Group is not involved in any governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened or of which we are aware) that may have significant effects on the Group's financial position or profitability.

Competition

The markets in which we operate are intensely competitive and characterised by shifting consumer preferences, fragmentation, and frequent introductions of new services and offerings. We believe that the main food delivery and takeaway platforms we compete with across our eight markets are: Deliveroo, Careem, noon, Jahez and Snoonu. We also compete with all the other channels through which customers are able to order or pick up food or consumer goods, including phone orders, takeaway, and orders on Partners' direct online channels. See "*Risk Factors–Risks Relating to our Business–We face competition from a wide range of channels, including phone-based services, restaurants, vendors, retailers, franchisors' direct offerings, third-party online platforms including social media ordering services, e-commerce platforms, our partners providing delivery and pick-up options, and new entrants to the industry, as well as consolidation in the markets in which we operate, which have a significant influence on our revenue and operating margins*."

MATERIAL AGREEMENTS

The following summaries of selected provisions of the material agreements are not considered or intended to be full statements of the terms of these agreements. Unless otherwise stated, any reference in this Offering Memorandum to any agreement will mean such agreement and all schedules, exhibits and attachments thereto as in effect on the date hereof. Definitions of capitalised terms defined within a description of any agreement in this section shall apply to that agreement only and not to any other agreement described in this section or elsewhere in this Offering Memorandum. Definitions of capitalised terms used but not defined in any description of any agreement in this section shall have the definition set forth under "Glossary of Selected Terms" or as otherwise provided in this Offering Memorandum.

General

Certain material or otherwise important agreements are summarised below and cover such areas as (i) our relationships with our Partners, (ii) engagement of riders who deliver orders placed through our platform to our customers, and (iii) certain payment and digital infrastructure support arrangements.

Subscription Agreements

We provide our services and grant access to our platform and other digital infrastructure to our Partners on a subscription basis. See "*Business—Overview*". Pursuant to the subscription model, a Partner (the "**Subscriber**") enters into a subscription agreement (the "**Subscription Agreement**") with one or several members of the Group (the "**talabat Provider**") in one or several jurisdictions where the Group and the Subscriber operate. Although the terms and conditions of the Subscription Agreements may vary to some extent in different jurisdictions in which the Group operates, the Subscription Agreements are generally standardised and follow a similar template.

Pursuant to the Subscription Agreement, the talabat Provider provides ordering, pick-up, delivery, payment processing and cash handling as well as other related services to the Subscriber and supplies the Subscriber with electronic devices to receive and process orders (the "**Subscription Services**").

In consideration for the Subscription Services, the Subscribers pay certain fees. The fee structure may include all or some of the following elements: (i) a one-time registration fee upon signing of the Subscription Agreement; (ii) a monthly subscription fee; (iii) a commission fee chargeable on the total order value; (iv) payment service provider charges and cash handling fees as well as any bank charges; and (v) an annual renewal fee. While the talabat Provider does not limit the Subscribers' ability to use other competing platforms, in some instances, in the event a Subscriber elects to only use our platform and not any other competing platforms, the Subscriber may be eligible for discounted commission rates.

Some Subscription Agreements also contain provisions regulating pricing and assortment of the Subscribers, advertising and marketing, customer compensation, cancellation refunds, further technological developments, performance data reporting and other aspects of the Subscription Services.

The Subscription Agreements are typically entered into for a term of one year and extend automatically for the same period, unless terminated earlier by either party upon providing 30 days' notice. Several Subscription Agreements with major Subscribers (i.e. Subscribers generating a significant share of the Group's revenue) are entered into for a period of five years.

The Subscription Agreements generally may be terminated by either party if: (i) a sum owing to that party is not paid within ten days of the due date; (ii) if the other party commits any material breach which continues unremedied (if applicable) for longer than ten days; or (iii) either party provides a 30-day prior notice of termination to the other party for any reason.

The Subscription Agreements are subject to talabat's Partner terms and conditions which are available on our website. Subscription Agreements are typically governed by the laws of the country of operation. Any disputes must be resolved through one-month consultations and negotiations or, if not so resolved, referred to the local courts of the country of operation.

Delivery Service Agreements

To deliver orders from our Partners to end-customers, the Group sources riders primarily through third-party logistics providers that employ riders and provide delivery services to the Group.

Pursuant to the general terms of the master services agreements between Group members ("**Delivery Services Recipients**") and third-party logistics providers ("**Master Delivery Service Agreement**"), the third-party logistics providers (the "**Third-Party Logistics Providers**") must at all times ensure that they engage a sufficient number of duly licensed and sufficiently experienced riders and that their riders are provided with or otherwise possess a sufficient number of fully equipped and registered vehicles to perform food and non-food delivery services (the "**Delivery Services**"), provided that, some individual terms of such Delivery Services may vary in different jurisdictions. The Third-Party Logistics Providers are fully responsible for the management, supervision and remuneration of their riders. The Master Delivery Service Agreements specify that the riders remain employees of the Third-Party Logistics Providers and can under no circumstances be considered employees of the Delivery Services Recipients.

The Third-Party Logistics Providers provide riders with mobile devices, whilst the Delivery Services Recipients grant them access to our mobile application that shows order requests (which riders can accept or reject), pick-up and drop-off locations and any time constraints. Upon accepting an order, the rider picks it up and delivers it to the drop-off location. Any failure to deliver or late delivery of the order is presumed to be the Third-Party Logistics Provider's fault, and the Third-Party Logistics Providers must rectify such fault or indemnify the Delivery Services Recipients for any relevant losses.

In consideration of the Delivery Services, the Third-Party Logistics Providers are paid certain fees that are calculated on a per-order basis (the fee depends on whether the order was successfully picked up, delivered or cancelled by the customer), and in some markets, additional fees for any longer deliveries. All costs related to the fleet of vehicles, vehicle maintenance, fuel, traffic fines and mobile devices are included in the fees payable to the Third-Party Logistics Providers. The Delivery Services Recipients, however, are responsible for providing riders with delivery boxes and our branded clothing, provided that, in some markets, riders co-pay for new rider kits.

The Master Delivery Service Agreements are typically entered into for a period of one year and renew automatically, unless terminated earlier by either party upon a 30-day written notice or for certain other reasons set forth in the Master Delivery Service Agreements.

Third-Party Payment Technology and Digital Infrastructure Arrangements

The Group has various arrangements in place with third-party service providers that provide payment gateway and digital infrastructure support services.

Merchant Agreements

In order to facilitate the processing of payments, the Group maintains a series of merchant agreements with financial services and payment processing companies. While the terms of such agreements vary, the service providers typically provide standard secure electronic payment gateway services (including automating transactions between the customers and Group entities and payment authentication). The payment processing companies generally take a small percentage as a commission for facilitating the payment process.

Application Programming Interface Agreements

The Group entities across Bahrain, Kuwait, Oman, Qatar, and the UAE have entered into several Application Programming Interface ("**API**") agreements with various third-party integrators relating to point-of-sale (POS) systems. The third-party integrators offer software applications that help restaurants, cafes, enterprises, and delivery locations ("**Brand Outlets**") manage their delivery channels. Under the API agreements, the Group entities license talabat API to the third-party integrator for the purposes of developing an integration with the third party's customer's POS system. A monthly fee per Brand Outlet is paid to the relevant Group member for the license granted to use talabat's API and certain talabat trademarks, trade names, service marks, branding or logos.

Typically, the initial term of these API agreements is five years, with automatic extension for periods of one year. The API agreements generally may be terminated for any reason by either party upon a 30-day prior notice of termination to the other party.

Certain Financing Arrangements of the Group

The Group does not have significant debt financing arrangements with third-party financial institutions. The Group maintains a facility line with HSBC Bank Middle East Limited (the "**HSBC Facility Line**") through one of its subsidiaries, talabat DB, pursuant to a facility offer letter dated as of 28 March 2023 (as renewed and amended pursuant to the offer letter dated as of 25 June 2024). The HSBC Facility Line is an ancillary facility line within the Credit Agreement dated as of 12 May 2022 by, amongst others, Delivery Hero, Delivery Hero Finco LLC, certain lenders party thereto, and J.P. Morgan SE, as an administrative agent. The total amount of the HSBC Facility Line is EUR 9 million, and it is used for the purposes of issuing letters of guarantees in the ordinary course of business. An additional commercial credit card facility in an amount of AED 200,000 is available under the HSBC Facility Line that is covered by a 100% cash margin.

As at 29 September 2024, the Group has issued letters of guarantees under the HSBC Facility Line to multiple beneficiaries, in a total amount of approximately EUR 7.5 million, with approximately EUR 1.5 million remaining outstanding.

Nominee Arrangements

Due to foreign ownership restrictions and other local law requirements in some of our markets, we have put in place contractual arrangements with local nominees to protect the Group's rights and ensure that we have the full benefit of, and control over, our operations subject to such arrangements in the UAE, Kuwait, Bahrain and Iraq. See "*Business–Corporate Structure*" and "*Risk Factors—Risks relating to the UAE and the MENA Region—The Group's business in the UAE, Kuwait, Bahrain and Iraq is subject to risks associated with foreign ownership restrictions*". Such contractual arrangements are structured either through Islamic finance (asset management) instruments or though nominee agreements.

Mudaraba Agreements – Bahrain and Kuwait businesses, and Carriage business

On 23 January 2018, an amended and restated mudaraba agreement (as amended from time to time) was entered into between Delivery Hero FZ LLC and DHH I SPC (the "**DHH Mudareb**") (the "**DHH Mudaraba Agreement**") and, on 17 July 2017 (with effect from 14 June 2017), a mudaraba agreement (as amended from time to time) was entered into between Delivery Hero FZ LLC and Carriage Holding Company Limited (the "**Carriage Mudareb**") ("**Carriage Mudaraba Agreement**" and, together with the DHH Mudaraba Agreement, the "**Mudaraba Agreements**"). The DHH Mudareb is a wholly-owned subsidiary of Links Nominee and the Carriage Mudareb is a wholly-owned subsidiary of DHH Mudareb.

In accordance with the terms of the Mudaraba Agreements, the following ownership in our Group entities is held by the DHH Mudareb and/or the Carriage Mudareb: (i) 100% of the shares in our Group entities that operate our business in Kuwait (including our Carriage business), excluding our tMart and Kitchens business; (ii) 51% of the shares in our Group entities that operate our tMart and Kitchens business in Bahrain and Kuwait, with the remaining 49% of the shares held by wholly-owned members of our Group; and (iii) 100% of the shares in our Group entities that operate our Carriage business in the UAE, Kuwait and Bahrain (together, the "**Asset Companies**").

The DHH Mudareb and the Carriage Mudareb are responsible for the management of the Asset Companies which they hold. The board of directors of the DHH Mudareb are comprised of directors appointed in consultation with Delivery Hero FZ LLC and the board of directors of the Carriage Mudareb are comprised of one director appointed by the Carriage Mudareb and two directors appointed in consultation with Delivery Hero FZ LLC.

The DHH Mudareb and the Carriage Mudareb are required to, among other things, comply with all reasonable and lawful instructions of Delivery Hero FZ LLC, procure the appointment to the board of directors of the Asset Companies persons nominated by Delivery Hero FZ LLC and carry out their obligations under the Mudaraba Agreements in such manner as they think best to promote the interests of Delivery Hero FZ LLC. Further, Delivery Hero FZ LLC is permitted to be actively engaged in the business of the Asset Companies. Certain actions cannot be taken without the prior consent of Delivery Hero FZ LLC, including passing board or shareholder resolutions, entering into any agreements, appointing, removing or replacing directors or, in respect of the DHH Mudareb, the Carriage Mudareb or the Asset Companies.

Following the discharge of any amounts due and payable by the DHH Mudareb or the Carriage Mudareb, as applicable, to creditors, Delivery Hero FZ LLC is entitled to 99.9% of the income in each financial year derived from the Asset Companies and the DHH Mudareb or the Carriage Mudareb, as applicable, is entitled to 0.1% of the income in each financial year derived from the Asset Companies.

The general terms and conditions of the two Mudaraba Agreement are substantially the same, save for the shares in our Asset Companies that are subjects of the Mudaraba Agreements and capital payment requirements which predominantly relate to the initial transfer of the shares in the Asset Companies to the DHH Mudareb or the Carriage Mudareb, as applicable.

Each of the Mudaraba Agreements remain valid and effective until the date the DHH Mudareb's interests or the Carriage Mudareb's interests, as applicable, in the Asset Companies that they hold have been sold or transferred or otherwise disposed of, or unless the Mudaraba Agreements are otherwise terminated.

The Mudaraba Agreements are governed by English law. Any disputes arising out of the Mudaraba Agreements must be resolved by arbitration under the Arbitration Rules of the DIFC-LCIA Arbitration Centre.

Security Documents

In connection with the Mudaraba Agreements, Delivery Hero FZ LLC and the Links Nominee entered into the Security Interest Agreement (the "**SIA**") and the Call Option Agreement (the "**COA**") on 26 October 2020.

Pursuant to the SIA, the Links Nominee has agreed to grant a security interest in favour of Delivery Hero FZ LLC with respect to its legal and beneficial ownership of equity interests in the DHH Mudareb, as a security for the secured obligations, which include all moneys, liabilities and obligations owed to the Delivery Hero FZ LLC by the Links Nominee and/or the DHH Mudareb pursuant to the SIA, the COA and the DHH Mudaraba Agreement. Delivery Hero FZ LLC is entitled to enforce its security interests in the event of a breach by the Links Nominee or the DHH Mudareb of the SIA, the COA and/or the DHH Mudaraba Agreement. The SIA is governed by the laws of the Dubai International Financial Centre. Any disputes arising out of the SIA must be resolved by arbitration under the Arbitration Rules of the DIFC-LCIA Arbitration Centre.

Pursuant to the COA, the Links Nominee (the "**Option Grantor**") has agreed to grant a call option (the "**Call Option**") in favour of Delivery Hero FZ LLC (the "**Option Holder**") with respect to the purchase of its equity interests in the DHH Mudareb for one US Dollar. The Call Option is exercisable in whole at any time as long as the DHH Mudaraba Agreement is in force. The Option Grantor is authorised to exercise any voting rights and to receive distributions, profit and income arising from holding equity interests in the DHH Mudareb. The Option Grantor must ensure that the DHH Mudareb carries on and conducts its business on a commercial basis in a proper, lawful and efficient manner for its own benefit, transacts all business on arm's length terms, and is duly supervised by its directors. The COA is governed by English law. Any disputes arising out of the SIA must be resolved by arbitration under the Arbitration Rules of the DIFC-LCIA Arbitration Centre.

Nominee Agreements – Iraq business

In Iraq, the ownership of our two Group entities is structured through nominee agreements (the "**Nominee Agreements**") Delivery Hero FZ LLC has entered into with Iraqi nationals (the "**Nominees**") pursuant to which the relevant Nominees hold 51% of shares in Talabat for Delivery Services LLC (Baghdad, Iraq) and 100% of shares in Batal Al Tawsil for Delivery Services Ltd (Baghdad, Iraq), in each case, on trust as nominees for our benefit. See also "*Related Party Transactions- Framework Agreement*" in respect of our ownership in 49% of the shares in Talabat for Delivery Services LLC which is structured through a nominee arrangement.

Pursuant to the Nominee Agreements, the Nominees declare and acknowledge that they hold the legal title to the shares and rights thereon on trust as nominees for our benefit or, to the extent the trust is not recognized under applicable law, agree to act as an agent and nominee, and hold the legal title to the shares and rights thereon in that capacity for us and on our behalf. The Nominees specifically acknowledge that they can only exercise any rights (including voting rights) in respect of the shares held by them in accordance with our instructions and are required to promptly account to us in respect of any dividends, distributions received in respect of the shares held by them.

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The Nominee Agreements also include call options pursuant to which we may require the Nominees to transfer to us or any third party designated by us any and all of the shares held by the Nominees at a price of 1 Iraqi Dinar per share.

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The Nominee Agreements are governed by the laws of the Republic of Iraq. Any disputes arising out of the Nominee Agreements must be resolved by arbitration under the DIFC-LCIA Rules, with the seat of arbitration at the Dubai International Financial Centre.

RELATED PARTY TRANSACTIONS

The Group is and has been a party to various agreements and other arrangements with related parties comprising the Company and certain of its other subsidiaries and Delivery Hero. The most significant of these transactions are described below. For details of the impact of related party transactions on the Group's financial position and financial results as at and for the years ended 31 December 2022 and 2023, please refer to note 9 of the Annual Combined Financial Statements, included elsewhere in this Offering Memorandum. For details of the impact of related party transactions on the Group's financial position and financial results as at, and for the period from 1 January to, 29 September 2023 and 2024, please refer to note 9 of the Interim Combined Financial Statements.

Information Sharing Agreement

Our relationship with Delivery Hero provides us with the ability to leverage the reach, experience and expertise of Delivery Hero's global teams to amplify our capabilities and to benefit from innovations taking place outside of the MENA region. As part of this relationship, we share certain information regarding the Group with Delivery Hero including, without limitation, in connection with our access to Delivery Hero's tech-stack, technical know-how, innovation capabilities and exchange of in-depth knowledge and best practices on commercial and operational excellence.

The Company and Delivery Hero entered into an information sharing agreement (the "**ISA**") in November 2024, which sets out the guidelines on sharing material non-public information and insider trading.

Pursuant to the ISA, we agree to provide Delivery Hero with access to such information regarding the Group as Delivery Hero may require from time to time, which may include, without limitation, for the purposes of: (i) satisfying the requirements of law, regulations or the rules and regulations of any regulatory body or international exchange, including the Frankfurt Stock Exchange, to which it is subject and any obligation relating thereto; (ii) financial and/or non-financial reporting obligations, including producing and verifying the consolidated group accounts of the Delivery Hero group and any related report or obligation; (iii) providing information as required by governmental authorities; and (iv) enhancing and optimising our performance and our technological capabilities.

The ISA contains certain obligations on both parties to ensure that they are in compliance with DFM and SCA rules, in particular, regarding the protection of inside information and to ensure that information shared with Delivery Hero is not used in a manner detrimental to the Group in the markets it operates in or plans to operate in.

The ISA is governed by the laws of the ADGM. Any disputes arising out of the ISA must initially be discussed between the parties in good faith with a spirit of cooperation to amicably settle any dispute, failing which, such dispute shall be referred to the parties senior managers for resolution, and if the dispute is still not resolved, it shall be resolved by arbitration in accordance with the rules then in effect of the London Court of International Arbitration.

Delivery Hero Licensing and Services Agreements

Overview

The Group's organisational structure is diversified and includes dozens of entities that operate in local markets and perform various functions. To operate the local businesses and perform such functions, Delivery Hero and/or its affiliates offer the Group entities access to various intangible assets and provide related services.

Global Licensing and Services Agreement with Delivery Hero

Several members of our Group located in Bahrain, Egypt, Iraq, Oman, Jordan and Qatar (the "**GLSA Recipients**") have entered into a global licensing and services agreement (the "**GLSA**") with Delivery Hero with effect as of 1 January 2024, which was amended on 29 October 2024.

Pursuant to the terms of the GLSA, Delivery Hero provides certain intellectual property developed and/or owned by Delivery Hero as well as certain products, technologies and services (the "**Central Value Baskets**") that the GLSA Recipients localise and use to run their businesses. The Central Value Baskets include, among other items, various data management and communication tools, logistics tools (including rider recruitment tools and mobile and web applications for our Partners), customer management tools, audit tools, various technical tools for our Partners, rating and review tools, quick commerce tools (catalogue and assortment intelligence, purchase management tools, supplier portal, inventory management tools, store management, supplier invoice module, rider management tools and advertising and promotion tools) and fintech tools (including wallets, payment and fraud protection solutions) and performance marketing strategy tools. The Central Value Baskets also include various business management services in the areas of sales and operation (i.e., managing commercial and operational aspects of products and services) and international marketing (i.e., marketing and media strategy and execution advice, support with the use of customer relationship and marketing tools, support with growth topics (e.g., pricing, customer loyalty and subscription) and marketing business intelligence).

In consideration of the Central Value Baskets, the GLSA Recipients pay Delivery Hero an arm's length compensation. The compensation is calculated as the sum of applicable fees for each specific Central Value Basket provided to a GLSA Recipient. The applicable fee is calculated by multiplying a GLSA Recipient's revenue by the respective percentage assigned to each Central Value Basket. The Central Value Basket fee depends on the actual Earnings before Interest and Taxes ("**EBIT**") of a GLSA Recipient for the current year. The Central Value Baskets fee becomes due in full if a GLSA Recipient's EBIT for the current year is equal to or greater than that GLSA Recipient's revenue multiplied by the full Central Value Basket rate and the full regional value basket rate regulated in separate agreements between the GLSA Recipients and the regional value basket provider. If a GLSA Recipient's EBIT is positive but lower than the revenue multiplied by the full Central Value Basket rate and the full regional value basket rate, then the maximum compensation paid by that GLSA Recipient to both Delivery Hero and the regional value basket provider equals the EBIT of that GLSA Recipient and must be proportionately shared between Delivery Hero and the regional value basket provider. If the EBIT of a GLSA Recipient is negative, then no Central Value Basket fee or regional value basket fee becomes due.

In respect of each GLSA Recipient, the GLSA remains valid and effective indefinitely, unless terminated based on convenience of that GLSA Recipient or Delivery Hero with prior notice, or for breach.

In accordance with the terms of the GLSA, Delivery Hero and the GLSA Recipients are party to the Delivery Hero Group Inter-Company Data Transfer Agreement (see *"—Delivery Hero Licensing and Services Agreements—Delivery Hero Group Inter-Company Data Transfer Agreement*").

The GLSA is governed by the laws of the Federal Republic of Germany. The courts in the Federal Republic of Germany have jurisdiction over any disputes arising out of the GLSA.

Global Licensing and Services Agreements with Delivery Hero Innovations Hub GmbH

Additionally, each of talabat Kuwait and talabat DB entered into separate global licensing and services agreements (the "**GLSA Kuwait**" and the "**GLSA UAE**", respectively) with DH Innovations, with effect as of 1 January 2024, which were amended on 28 October 2024 and 29 October 2024, respectively.

The terms and conditions of the GLSA Kuwait and GLSA UAE are substantially similar to the terms and conditions of the GLSA. According to the GLSA Kuwait and the GLSA UAE, DH Innovations provides the Central Value Baskets that talabat Kuwait and talabat DB localise and use to run their respective local businesses. In consideration of the Central Value Baskets, each of talabat Kuwait and talabat DB pay DH Innovations an arm's length compensation that is calculated as the sum of applicable fees for each specific Central Value Basket provided to talabat Kuwait and talabat DB, which is not dependent on the EBIT of talabat Kuwait and talabat DB.

In accordance with the terms of the GLSA Kuwait and the GLSA UAE, DH Innovations, talabat Kuwait and talabat DB are parties to the Delivery Hero Group Inter-Company Data Transfer Agreement (see *"—Delivery Hero Licensing and Services Agreements—Delivery Hero Group Inter-Company Data Transfer Agreement*").

The GLSA Kuwait and the GLSA UAE are governed by the laws of the Federal Republic of Germany. The courts in the Federal Republic of Germany have jurisdiction over any disputes arising out of the GLSA Kuwait and GLSA UAE.

Corporate Support Services Agreement with Delivery Hero

Several members of our Group (the "**CSSA Recipients**") entered into a corporate support services agreement (the "**CSSA**") with Delivery Hero with effect as of 1 January 2023, which was amended on 29 October 2024 and pursuant to which the Company entered into the CSSA and became a CSSA Recipient.

Pursuant to the CSSA, Delivery Hero provides the CSSA Recipients with certain corporate support services in the areas of finance, legal support, finance systems, human resources, and procurement (the "**CSSA DH Services**") on a continuing basis and engages third-party service providers to provide software and certain goods and services (the "**CSSA Third-Party Services**"). The CSSA DH Services include core people operations (human resources and talent acquisition), external reporting (accounting, treasury, tax and global payroll), finance insights, legal support (regulatory compliance, employment law and legal support of commercial operations), procurement, as well as System Applications and Products (SAP) services. The CSSA Third-Party Services also include software solutions and licenses for delivery and logistics, sales, business support, marketing and administration, server maintenance costs, insurance policies, supply of tangible merchandise products as well as consulting services. The CSSA Recipients may also request Delivery Hero to provide additional services to the extent necessary to facilitate efficient and expeditious implementation and execution of the business of objectives of the CSSA Recipients and Delivery Hero and to rationalise overheads and to create cost efficiencies (the "**CSSA Direct Services**", and together with the CSSA DH Services and the CSSA Third-Party Services, the "**CSSA Services**").

In consideration of the CSSA Services, the CSSA Recipients pay Delivery Hero an arm's length consideration calculated as follows:

for the CSSA DH Services and the CSSA Direct Services, fees are calculated on a cost-plus basis and include a cost basis (i.e., the actual costs incurred in rendering the CSSA DH Services and the CSSA Direct Services) plus an appropriate mark-up (which is subject to periodic review) varying depending on the relevant service; and

for the CSSA Third-Party Services, fees are calculated as an amount equal to the costs and expenses charged by the third-party providers by using an appropriate allocation key, where necessary.

In respect of each CSSA Recipient, the CSSA remains valid and effective indefinitely, unless terminated based on convenience of that CSSA Recipient or Delivery Hero with prior notice, or for breach.

In accordance with the terms of the CSSA, Delivery Hero and the CSSA Recipients are party to the Delivery Hero Group Inter-Company Data Transfer Agreement (see *"—Delivery Hero Licensing and Services Agreements—Delivery Hero Group Inter-Company Data Transfer Agreement*").

The CSSA is governed by the laws of the Federal Republic of Germany. The courts in the Federal Republic of Germany have jurisdiction over any disputes arising out of the CSSA.

Corporate Support Services Agreement with Delivery Hero Innovation Hub GmbH

Additionally, each of talabat Kuwait and talabat DB each entered into separate corporate support services agreements (the "**CSSA Kuwait**" and the "**CSSA UAE**", respectively) with DH Innovations, with effect as of 1 January 2024 and which were amended on 28 October 2024 and 29 October 2024, respectively.

The terms and conditions of the CSSA Kuwait and CSSA UAE are substantially similar to the terms and conditions of the CSSA. According to the CSSA Kuwait and the CSSA UAE, DH Innovations provides the CSSA Services to talabat Kuwait and talabat DB. In consideration of the CSSA Services, each of talabat Kuwait and talabat DB pays DH Innovations an arm's length compensation that is calculated according to the same principles as the compensation paid under the CSSA.

In accordance with the terms of the CSSA Kuwait and the CSSA UAE, DH Innovations, talabat Kuwait and talabat DB are parties to the Delivery Hero Group Inter-Company Data Transfer Agreement (see *"—Delivery Hero Licensing and Services Agreements—Delivery Hero Group Inter-Company Data Transfer Agreement*").

The CSSA Kuwait and the CSSA UAE are governed by the laws of the Federal Republic of Germany. The courts in the Federal Republic of Germany have jurisdiction over any disputes arising out of the CSSA Kuwait and the CSSA UAE.

Corporate Support Services Agreement with InstaShop

As part of the InstaShop integration into the Group (see "*Summary—Recent Developments*" and "*Risk Factors—Risks Relating to our Business—The InstaShop acquisition is subject to conditions precedent and there are no assurances that it will be consummated.*"), InstaShop DMCC (the "**InstaShop Services Provider**") entered into a corporate support services agreement (the "**IST Services Agreement**") with talabat DB, with effect as of 1 November 2024.

The IST Services Agreement sets out the terms on which the InstaShop Services Provider provides a portfolio of services in the areas of business support, support in operational and commercial activities, and other administrative and consultancy services (the "**InstaShop Services**") to talabat DB on an as-needed basis.

Additionally, the InstaShop Services Provider may engage third parties to provide certain services (the "**Third-Party InstaShop Services**") on an as-needed basis. talabat DB uses the InstaShop Services as well as the Third-Party InstaShop Services to run its businesses in the local markets where it operates. In consideration of the InstaShop Services, talabat DB pays the InstaShop Services Providers an arm's length compensation on a cost-plus basis plus an appropriate mark-up (which is subject to periodic review). The costs and expenses of the Third-Party InstaShop Services are passed through to talabat DB.

The IST Services Agreement remains valid and effective indefinitely, unless terminated based on convenience of InstaShop Services Provider or talabat DB with prior notice, or for breach.

In accordance with the terms of the IST Services Agreements, the InstaShop Services Provider and talabat DB are party to the Delivery Hero Group Inter-Company Data Transfer Agreement (see *"—Delivery Hero Licensing and Services Agreements—Delivery Hero Group Inter-Company Data Transfer Agreement*").

The IST Services Agreement is governed by the laws of the UAE. Any disputes arising out of the IST Services Agreement must be resolved by the courts of the jurisdiction of the InstaShop Services Provider's domiciliation (i.e., the Emirate of Dubai, UAE).

Central Q-Commerce Agreement

Several members of our Group that operate tMarts ("**CQCA Recipients**") entered into a Central Q-Commerce Agreement (the "**CQCA**") with Delivery Hero with effect as of 1 January 2023.

Delivery Hero develops, enhances and maintains global quick commerce standards by building 'Global Dmart Products' (i.e., an equivalent of tMarts in the markets where talabat has no operations). The 'Global Dmart Strategy and Guidance' outlines the implementation strategy for the 'Global Dmart Products'. Pursuant to the CQCA, the services and products provided by Delivery Hero to the CQCA Recipients include catalogue and assortment intelligence, purchase management tools, supplier portal, inventory management tools, store management, supplier invoice module, rider management tools and advertising and promotion tools. Additionally, Delivery Hero provides advisory services in the areas of grocery and retail global strategy trends monitoring, evaluation and development of new business opportunities and concepts, grocery and retail global standards, development of corporate relationship with suppliers, brands and retail partners, supplier performance management, store design, training of employees and other guidance.

The CQCA Recipients are required to use their best efforts to successfully operate the tMarts business in the local markets in which they operate and maintain the organisation necessary to ensure optimal business operations, including local procurement and supply chain management and the management of local tMarts operations.

In consideration of the CQCA Recipients operating the tMarts business, the CQCA Recipients earn arm's length compensation which ensures that each CQCA Recipient earns an agreed profit margin on their revenue. If the profit margin on the actual earnings before interest and taxes (the "**EBIT**") of a CQCA Recipient is below the agreed profit margin, Delivery Hero pays an amount to the relevant CQCA Recipient to ensure that the agreed profit margin is achieved. If the profit margin on the actual EBIT of a CQCA Recipient is above the agreed profit margin, the relevant CQCA Recipient is required to pay an amount to Delivery Hero which is equal to the excess above the agreed profit margin.

In respect of each CQCA Recipient, the CQCA remains valid and effective indefinitely, unless terminated based on convenience of that CQCA Recipient or Delivery Hero with prior notice, or for breach.

On 29 October 2024, the CQCA Recipients and Delivery Hero agreed to terminate the CQCA as it applies to the CQCA Recipients, with effect as of 31 December 2024. From 1 January 2025, the CQCA Recipients shall receive all required services and technical solutions (catalogue and assortment intelligence, purchase management tools, supplier portal, inventory management tools, store management, supplier invoice module, rider management tools and advertising and promotion tools) in order to operate the tMarts business pursuant to the GLSA, the GLSA Kuwait and the GLSA UAE by way of the GLSA Recipients, talabat Kuwait and talabat DB, respectively, sub-licensing such services and technical solutions to the CQCA Recipients in exchange for the GLSA Recipients, talabat Kuwait and talabat DB, respectively, receiving a commission fee which shall be calculated as an agreed percentage of the GMV of the tMart orders in addition to the commission fee that the CQCA Recipients pay to the GLSA Recipients, talabat Kuwait and talabat DB, respectively, for platform listing services. The GLSA Recipients, talabat Kuwait and talabat DB, respectively, pay Delivery Hero an arm's length compensation under the terms of the GLSA, the GLSA Kuwait and the GLSA UAE, as described in "*—Global Licensing and Services Agreement with Delivery Hero" and "—Global Licensing and Services Agreement with Delivery Hero Innovations Hub GmbH*" above.

In accordance with the terms of the CQCA, Delivery Hero and the CQCA Recipients are parties to the Delivery Hero Group Inter-Company Data Transfer Agreement (see *"—Delivery Hero Licensing and Services Agreements—Delivery Hero Group Inter-Company Data Transfer Agreement*").

The CQCA is governed by the laws of the Federal Republic of Germany. The courts in the Federal Republic of Germany have jurisdiction over any disputes arising out of the CQCA.

Kitchens Agreements

Delivery Hero entered into services agreements (the "**Kitchens Services Agreements**") with the Group entities that operate our Kitchens business in the UAE, Bahrain, Kuwait, Qatar and Jordan (the "**Kitchens Services Recipients**") with effect as of 1 January 2022, which were amended on 29 October 2024.

The Kitchens Services Agreements set out the terms on which Delivery Hero provides, or engages a third party to provide, a portfolio of services and intellectual property, i.e., various tools and products that constitute Delivery Hero's know-how as to how to run the Kitchens business and include a software suite to manage sales, orders, kitchen operation, data-related support, design and other products and services (the "**Kitchens Services**"). The Kitchens Services Recipients use the Kitchen Services to run the Kitchens business in the local markets where they operate.

In consideration of the Kitchens Services, the Kitchens Services Recipients pay the Kitchen Services Provider an arm's length compensation calculated by multiplying the Kitchens Services Recipient's gross revenue by an agreed rate, which is subject to re-evaluation and adjustment in the event of any significant changes of circumstances.

In respect of each Kitchens Services Agreement, the Kitchens Services Agreement remains valid and effective indefinitely, unless terminated based on convenience of Delivery Hero or the relevant Kitchens Recipient with prior notice, or for breach.

In accordance with the terms of the Kitchens Services Agreements, the Kitchen Services Provider and the Kitchens Services Recipients are party to the Delivery Hero Group Inter-Company Data Transfer Agreement (see *"—Delivery Hero Licensing and Services Agreements—Delivery Hero Group Inter-Company Data Transfer Agreement*").

The Kitchens Services Agreements are governed by the laws of the Federal Republic of Germany. Any disputes arising out of the Kitchens Services Agreements must be resolved by the courts of the jurisdiction of the Delivery Hero's domiciliation (i.e., the Federal Republic of Germany).

Delivery Hero Group Inter-Company Data Transfer Agreement

With the aim of governing the global processing of personal data and providing appropriate safeguards concerning the protection of privacy and rights and freedoms of personal data subjects and ensuring compliance with data protection laws, Delivery Hero has entered into an inter-company data transfer agreement, dated as of 15 October 2021 (the "**DTA**") and which were amended on 30 October 2024, with each of its controlled subsidiaries and affiliated entities, including certain entities in our Group.

The DTA sets out the principles for the processing of global transfer of personal data among the parties and is incorporated by reference into the GLSA. The DTA requires that any processing by a party thereto complies with the 'Binding Corporate Rules Policy' and associated guidelines, policies and standard procedures. Additionally, all parties to the DTA must maintain appropriate administrative, technical, and physical measures for security, confidentiality, and integrity of personal data.

The DTA and the relevant data transfer may be terminated: (i) with respect to a data importing party (a) that gives notice to a data exporting party that it is unable to comply with the applicable data protection laws, (b) that is in material breach of any of its obligations under the DTA, or (c) in relation to which the competent authority or judicial body has established that there has been a breach of any relevant laws, by the relevant data exporting party upon a thirty-day notice (unless a shorter period is required under applicable data protection laws); and (ii) with respect to a data exporting party that is in material breach of its obligations under the DTA, by the relevant data importing party upon a thirty-day notice.

The European Commission's Standard Contractual Clauses under Commission Implementing Decision (EU) 2021/914 of 04 June 2021 on standard contractual clauses for the transfer of personal data to third countries pursuant to Regulation (EU) 2016/679 of the European Parliament and of the Council, including any succeeding implementing decisions (the "**Standard Contractual Clauses**") are incorporated by reference into the DTA.

Except with respect to the Standard Contractual Clauses and certain other clauses, the DTA is governed by the laws of the Federal Republic of Germany. Any disputes arising of the DTA must be resolved pursuant to the Standard Contractual Clauses or, if the Standard Contractual Clauses are silent on the competent court in relation to a specific dispute, by the courts of Berlin in the Federal Republic of Germany.

talabat Software Development and Services Agreements

As part of our relationship with Delivery Hero, certain Group entities provide services to Delivery Hero and its affiliates, including contract software development services for Delivery Hero's key central and global projects and certain business advisory and support services in the UAE and Egypt.

Software Development Agreement

Delivery Hero and talabat DB entered into a software development agreement (the "**Software Development Agreement**") with effect as of 1 December 2023, which was amended on 29 October 2024. Under the terms of the Software Development Agreement, Delivery Hero outsources certain software development services to talabat DB, which Delivery Hero provides in both source code and object code format, includes building a global developer platform led by Delivery Hero, defining a roadmap for collaboration with product counterparts, planning and ensuring stability, scalability and long-term objectives and results, API related services, frontend related services and other software development services requested by Delivery Hero (together, the "**Software Services**").

In consideration of the Software Services, Delivery Hero pays talabat DB an arm's length compensation calculated on a cost-plus basis which includes a cost basis in providing the Software Services plus an appropriate mark-up. If talabat DB engages any third-party service providers, such costs are passed through (without any mark-up) to Delivery Hero.

Delivery Hero owns and holds all intellectual property rights to all Software Services individually developed by Delivery Hero, its employees, or consultants, including, but not limited to, copyright and trademark rights. In addition, Delivery Hero has the exclusive and unrestricted rights of use for any results, improvements, developments, inventions and other know-how, whether patentable or not, as well as documents and other material being subject to copyrights, created in the performance of the Software Development Agreement.

The Software Development Agreement may be terminated by either party for convenience with prior notice.

The Software Development Agreement is governed by the laws of the Federal Republic of Germany, and the courts of Berlin have non-exclusive jurisdiction over any disputes arising from the Software Development Agreement.

UAE Services Agreement

Delivery Hero and talabat DB entered into a services agreement (the "**talabat UAE Services Agreement**") with effect as of 1 June 2020, which was amended on 29 October 2024.

Under the terms of the talabat UAE Services Agreement, talabat DB may provide certain services to Delivery Hero in the areas of marketing, market research and analysis, logistics, product support, human resources, and finance and legal support and any other services requested on an as-needed basis directly or through third-parties (the "**talabat Services**").

As of the date of this Offering Memorandum, the talabat Services provided to Delivery Hero mainly include support services provided by certain employees solely for the benefit of Delivery Hero.

In consideration of the talabat Services, Delivery Hero pays talabat DB an arm's length compensation calculated based on the actual direct and indirect costs incurred in connection with providing the UAE Services plus an appropriate mark-up. If a third-party provider was engaged to provide the talabat Services, the costs invoiced by such third-party provider plus a handling fee are passed through to Delivery Hero.

The talabat UAE Services Agreement remains valid and effective indefinitely, unless terminated based on convenience of Delivery Hero or talabat DB with prior notice, or for breach.

In accordance with the terms of the talabat UAE Services Agreement, talabat DB and Delivery Hero are party to the Delivery Hero Group Inter-Company Data Transfer Agreement (see *"—Delivery Hero Licensing and Services Agreements—Delivery Hero Group Inter-Company Data Transfer Agreement*").

The talabat UAE Services Agreement is governed by the laws of the United Arab Emirates, and the courts of talabat DB's domicile (i.e., the Emirate of Dubai) have jurisdiction over any disputes arising out of the talabat UAE Services Agreement.

Egypt Services Agreements

Delivery Hero and Delivery Hero Egypt SAE entered into a services agreement with effect as of 1 June 2020 and Delivery Hero and Delivery Hero Dmart Egypt LLC (together with Delivery Hero Egypt SAE, the "**ESA Service Providers**") entered into a services agreement with effect as of 1 April 2024 (together, the "**talabat Egypt Services Agreements**"), which were amended on 29 October 2024.

The terms and conditions of the talabat Egypt Services Agreements are substantially similar to the terms and conditions of the talabat UAE Services Agreement (including the scope of the talabat Services). In consideration of the talabat Services, Delivery Hero pays the ESA Services Providers an arm's length compensation that is calculated according to the same principles as the compensation paid under the talabat UAE Services Agreement, provided that no handling fee is applied to costs invoiced by a third-party provider in the case of Delivery Hero Dmart Egypt LLC as the ESA Service Provider.

As of the date of this Offering Memorandum, the talabat Services provided to Delivery Hero include mainly support services provided by certain employees solely for the benefit of Delivery Hero.

In accordance with the terms of the talabat Egypt Services Agreements, the ESA Services Providers and Delivery Hero are party to the Delivery Hero Group Inter-Company Data Transfer Agreement (see *"—Delivery Hero Licensing and Services Agreements—Delivery Hero Group Inter-Company Data Transfer Agreement*").

The talabat Egypt Services Agreements are governed by the laws of Egypt, and the courts of the ESA Services Providers' domicile (i.e., Egypt) have jurisdiction over any disputes arising out of the talabat Egypt Services Agreements.

InstaShop Corporate Services Agreements

As part of the InstaShop integration into the Group (see "*Summary—Recent Developments*" and "*Risk Factors—Risks Relating to our Business—The InstaShop acquisition is subject to conditions precedent and there are no assurances that it will be consummated.*"), several Group entities have entered into services agreements with InstaShop DMCC. In particular, (i) talabat DB has entered into a corporate services agreement (the "**TIS Services Agreement**") with InstaShop DMCC (the "**talabat Services Recipient**") and (ii) Delivery Hero Stores DB LLC (the "**Stores Services Provider**") has entered into a corporate services agreement (the "**Stores-InstaShop Services Agreement**") with InstaShop DMCC (the "**Stores Services Recipient**"), each with effect as of 1 November 2024.

The TIS Services Agreement sets out the terms on which talabat DB provides a portfolio of services in the areas of human resources (talent acquisition, rewards and people systems), external reporting (accounting, treasury, tax and global payroll), finance insights, legal support (government relations and regulatory affairs, commercial matters and commercial operations), business support, support in operational and commercial activities, and administrative and consultancy services, and public and media relations (the "**talabat Portfolio Services**") to the Talabat Services Recipient on an as-needed basis.

The Stores-InstaShop Services Agreement sets out the terms on which the Stores Services Provider provides a portfolio of services in the areas of business support, support in operational and commercial activities, and other administrative and consultancy services (the "**Stores Services**") to Stores Services Recipient on an as-needed basis.

Additionally, talabat DB and the Stores Services Provider may engage third parties to provide certain services (the "**Third-Party Services To InstaShop**") on an as-needed basis. The talabat Services Recipient and the Stores Services Recipient use the talabat Portfolio Services and the Stores Services, respectively, as well as the Third-Party Services To InstaShop to run their InstaShop businesses in the local markets where they operate.

The terms of the TIS Services Agreement and the Stores-InstaShop Services Agreement regarding calculation and payment of consideration, validity term and termination, participation in the Delivery Hero Group Inter-Company Data Transfer Agreement, governing law and dispute resolution are substantially the same as the relevant terms of the IST Services Agreement described above (see *"—Delivery Hero Licensing and Services Agreements—Corporate Support Services Agreement with InstaShop").*

InstaShop Share Purchase Agreement

In connection with the acquisition of InstaShop ("**InstaShop Acquisition**"), Delivery Hero and Delivery Hero FZ LLC entered into a share purchase agreement dated 11 September 2024 (the "**InstaShop SPA**"). See "*Summary—Recent Developments*" and "*Risk Factors—Risks Relating to our Business—The InstaShop acquisition is subject to conditions precedent and there are no assurances that it will be consummated.*"

Pursuant to the InstaShop SPA, Delivery Hero agreed to sell and transfer, and Delivery Hero FZ LLC agreed to purchase, 100% of the share capital of InstaShop. The agreed purchase price under the InstaShop SPA is USD 31.9 million, which reflects the capital amount of InstaShop (including the subscribed capital and the capital reserves).

The closing of the InstaShop Acquisition is subject to certain conditions precedent outlined in the InstaShop SPA, including the provision of financial statements, accounting onboarding, and the commencement of liquidation of certain subsidiaries of InstaShop. The InstaShop Acquisition is expected to close in 2025. Upon completion of the InstaShop Acquisition, Delivery Hero FZ LLC will hold 100% of the share capital of InstaShop.

The InstaShop SPA is governed by the laws of the Dubai International Financial Centre ("**DIFC**). Any disputes arising out of the InstaShop SPA must be resolved through amicable settlement within one month. If the parties are unable to resolve any such dispute amicably within one month, the dispute must be referred to arbitration and finally settled in accordance with the rules of the London Court of International Arbitration, with the seat of arbitration at the DIFC.

In connection with the InstaShop SPA, Delivery Hero, InstaShop and the Company intend to enter into a common interest agreement prior to Admission relating to the sharing of information in respect of any legal proceedings arising relating to InstaShop in respect of the period InstaShop was fully owned by Delivery Hero.

Everyday Roastery Trademark License Agreement

The Group currently operates the Everyday Roastery brand, a Delivery Hero-owned brand, in Egypt and the UAE. In 2023 and 2024, Delivery Hero and certain Group entities in these and other jurisdictions where the Group used to in the past, and may in the future, operate the Everyday Roastery brand (each a "**ER Licensee**") entered into separate trademark license agreements (each a "**TLA**"), which were amended on 29 October 2024, with respect to the use of the "Everyday Roastery" trademarks (the "**ER Trademarks**") in the UAE, Kuwait, Bahrain, Qatar and Egypt.

Pursuant to the terms of each TLA, Delivery Hero granted the ER Licensee a non-exclusive, revocable, non-transferable, non-assignable and non-sublicensable license for the use of the ER Trademarks in the relevant jurisdictions. Each TLA specifies that the license is fully paid up.

In respect of each TLA, the TLA remains valid and effective indefinitely, unless terminated based on convenience of Delivery Hero or the relevant ER Licensee with prior notice, or for breach.

Each TLA is governed by the laws of the Federal Republic of Germany. Any disputes arising out of a TLA are to be resolved through arbitration pursuant to the Arbitration Rules of the German Institutions of Arbitration e.V.

DH Group Treasury Management Agreement

Overview

Under the DH Group Treasury Management Agreement to be entered prior to Admission, the Company, certain Group subsidiaries, and Delivery Hero agreed to centralise investment of surplus cash and streamline treasury operations by establishing a notional cash pool at ING Bank N.V., acting under the trade name Bank Mendes Gans, located in the Netherlands (the "**Cash Pooling Bank**"). Pursuant to the agreement, Delivery Hero and each participating Group company may set up a bank current account in its own name at the Cash Pooling Bank for purposes of investing Surplus Cash and incurring overdraft borrowings.

Investments of Surplus Cash

Pursuant to the terms of the DH Group Treasury Management Agreement, Delivery Hero and each participating Group company may opt to invest Surplus Cash in one or more bank current accounts established in its own name at the Cash Pooling Bank. The Group intends to deposit cash into the bank current accounts only to the extent that certain conditions are met, such as the interest rate received by the Group in such accounts being equal to or exceeding the Benchmark Bank Rates.

"**Surplus Cash**" is defined as the difference (if positive) at the time of determination between the total balance of cash and cash equivalents held by a Group company and the cash required in local bank accounts to maintain day-to-day operations. For the avoidance of doubt, cash collected by the Group on behalf of Partners is required for day-to-day operations and will not be considered surplus cash.

"**Benchmark Bank Rates**" are defined as the interest rates available to a Group company at the time of determination for demand deposits in bank current accounts in a given currency at banks in such Group company's country of domicile.

Ability to Borrow

Delivery Hero and each participating Group company may borrow from the Cash Pooling Bank by placing its account into an overdraft position. To secure any such overdraft borrowings, Delivery Hero and each participating Group company have each pledged to the Cash Pooling Bank all their present and future claims on bank current accounts set up under the DH Group Treasury Management Agreement. This arrangement will allow Delivery Hero to incur overdraft borrowings secured by a pledge over participating Group company bank current accounts with the Cash Pooling Bank but only to the extent that Delivery Hero has first provided to the Company an irrevocable and unconditional guarantee issued by a regulated financial institution with a long-term credit rating from at least two internationally recognised rating agencies of not less than A- (or equivalent), in an amount at least equal to the amount of any such overdraft borrowings by Delivery Hero.

Default Provisions

If Delivery Hero (or the relevant participating Group company) fails to repay overdraft borrowings from the Cash Pooling Bank when due, such bank has the right to enforce its pledge over any of the bank current accounts set up under the DH Group Treasury Management Agreement (including participating Group company accounts). The DH Group Treasury Management Agreement includes limits on borrowing to mitigate losses from such enforcement including the irrevocable and unconditional guarantee described above under "*–Ability to Borrow*". The Company will have the right to demand immediate payment on such irrevocable and unconditional guarantee to cover any losses to Group companies as a result of Delivery Hero's failure to repay overdraft borrowings from the Cash Pooling Bank.

In addition, pursuant to a side letter between the Company and Delivery Hero, the Company will, if it fails to be made whole pursuant to the irrevocable and unconditional guarantee described above under *"–Ability to Borrow*", be entitled to offset any shortfall in recovery against dividends, if any, payable to the Selling Shareholder.

Governing Law

The DH Group Treasury Management Agreement is governed by the laws of the Netherlands.

MasterCard Rebate Agreement

Among other payment systems and payment gateway services, the Group uses the MasterCard payment gateway infrastructure pursuant to an agreement between Delivery Hero and Mastercard Asia/Pacific Pte Ltd ("**Mastercard**"), dated as of 30 August 2020 (as amended, the "**Mastercard Agreement**") (see "*Material Agreements —General —Third-Party Payment Technology and Digital Infrastructure arrangements — Merchant Agreements*").

In connection with the rebate programme offered by Mastercard, Delivery Hero and several of its subsidiaries in the UAE, Kuwait, Qatar, Egypt, Oman, Jordan, Bahrain and other jurisdictions (the "**Rebate Recipients**") have entered into an intercompany agreement (the "**MasterCard Rebate Agreement**") to account for the rebates received by Delivery Hero but attributable to the Rebate Recipients and regulate the invoicing and compensation process for such rebates.

Pursuant to the MasterCard Rebate Agreement, Delivery Hero has agreed to pay each Rebate Recipient an appropriate portion of the Mastercard rebates attributable to such Rebate Recipient against an invoice issued by the Rebate Recipient approximately once in every six months. Alternatively, Delivery Hero and each Rebate Recipient may set any payment obligations under the MasterCard Rebate Agreement off against any other payment obligations owed to each other.

The MasterCard Rebate Agreement remains effective for as long as the Mastercard Agreement remains effective. Delivery Hero may also terminate the MasterCard Rebate Agreement upon thirty-days' written notice to a Rebate Recipient, provided that Delivery Hero reserves the right to terminate the MasterCard Rebate Agreement with immediate effect. If any Mastercard rebates to which a Rebate Recipient is entitled has not been invoiced at the time of termination of the MasterCard Rebate Agreement, the provisions of the terminated MasterCard Rebate Agreement will continue to apply until the outstanding compensation is paid.

The Delivery Hero MasterCard Rebate Agreement is governed by the laws of the Federal Republic of Germany. Any disputes arising out of the Delivery Hero MasterCard Rebate Agreement must be resolved by the courts of the jurisdiction where Delivery Hero is domiciled (i.e., the Federal Republic of Germany).

Framework Agreement

Certain members of our Group and Delivery Hero entered into a framework agreement (the "**Framework Agreement**") on 29 September 2024 pursuant to which, among other things, Delivery Hero agreed to hold: (i) 49% of the shares in Talabat for Delivery Services LLC (Baghdad, Iraq); and (ii) 100% of shares in DH Kitchens LLC (Qatar), in each case, on trust as nominees for our benefit on substantially the same terms as the existing nominee agreements with Iraqi nationals (see "*Material Agreements–Nominee Agreements–Iraq business*"), pending completion of the registration of the change in legal title in such shares to Delivery Hero FZ LLC and Delivery Hero Kitchens MENA Holding Ltd, respectively, which, in each case, was initiated prior to the date of the Framework Agreement and is expected to complete prior to or shortly after Admission. The Framework Agreement is governed by the laws of Germany.

MANAGEMENT

Board of Directors

The Board of Directors is responsible for the overall strategy, supervision and control of the Group. The Board of Directors will ensure that the Company's mission and strategy align with its vision.

In particular, the Board of Directors is in charge of: (i) reviewing the recommendations and findings of the Audit Committee and the Nominations and Remuneration Committee; (ii) approving all corporate matters relating to the overall strategy, management or financial matters of the Group; (iii) ensuring that the Group is at all times complaint with the applicable corporate governance rules; (iv) calling shareholder meetings and ensuring appropriate communication with shareholders; (v) proposing the issuance of new shares and any restructuring of the Company and its Group; (vi) appointing the senior executive management of the Company; (v) proposing the payment of dividends for consideration and approval at shareholders' meetings; and (vi) developing, defining, adopting and implementing an appropriate internal control and risk management framework. The Board of Directors will receive timely and formal updates on the Company's performance, including financial, operational, external market and competitor assessments, driving the Company's overall strategy and direction. The Board of Directors has final authority to decide on all issues, save for those which are specifically reserved to the General Assembly, by law, by the Articles of Association or by the SCA Governance Rules (as defined below).

The Board of Directors is required to meet at least four times each calendar year. The Board of Directors can delegate responsibility for overall day-to-day management to the senior management of the Company.

The Board of Directors consists of six members. The current members of the Board of Directors are as follows:

Name	Position	Independence
Pieter-Jan Vandepitte	Chairperson	Non-Executive
Andreas Krause	Vice-Chairperson	Non-Executive
Marie-Anne Popp	Member	Non-Executive
Tomaso Rodriguez	Member	Executive
Abdullah Alharoun	Member	Independent, Non-Executive
Muhammad Hussain Ghati Al Jbori	Member	Independent, Non-Executive

The management expertise and experience of each member of the Board of Directors is set out below:

Mr. Pieter-Jan Vandepitte – Chairperson

Pieter-Jan Vandepitte was appointed to our Board with effect from Admission. Pieter-Jan was appointed in August 2015 as Chief Operating Officer of Delivery Hero. Pieter-Jan is responsible for the International Markets at Delivery Hero, and he is the global lead for Sales, Customer Care and Business Intelligence. Prior to joining Delivery Hero, he worked as chief financial officer for Peak Games, International VP for Groupon, and was co-founder of Citydeal, before it was acquired by Groupon. Before entering the start-up scene, he worked for McKinsey as a management consultant and Deloitte in M&A and Transaction Support. Pieter-Jan holds a Master's degree in Commercial Engineering from the University of KU Leuven and an MBA from INSEAD Business School.

Mr. Andreas Krause – Vice-Chairperson

Andreas Krause was appointed to our Board with effect from Admission. Andreas joined Delivery Hero as General Counsel in 2016 after working for the founding shareholder of the company. At Delivery Hero, he built out and continues to lead the global legal, governance, and assurance functions. His expertise spans across regulatory compliance, M&A, corporate governance, and digital business models. Prior to Delivery Hero, Andreas started his career at an international law firm before transitioning to work for incubators and venture capital firms. He is a solicitor in both Germany and England/Wales. He holds an LLM in International Business Law from the National University of Singapore and an Executive MBA from IE Madrid.

Ms. Marie-Anne Popp – Non-Executive Director

Marie-Anne Popp was appointed to our Board with effect from Admission. Marie-Anne Popp has been Delivery Hero's interim Chief Financial Officer since July 2024. She joined Delivery Hero in September 2023 as SVP Finance, and was responsible for Delivery Hero's central finance functions. During a career spanning over 25 years, Marie-Anne has built leadership experience in financial management, business development and strategy.

She has vast corporate finance expertise in emerging markets. Prior to joining us, she held several global and emerging-market focused senior leadership roles. She was SVP Corporate Finance at Adidas, following 19 years at General Electric, including as CFO Emerging Markets and Head of Project Finance for the MENA region.

Marie-Anne holds an MBA from Harvard Business School and a Master of Economics from ESCP, a leading European Business School.

Mr. Tomaso Rodriguez – Executive Director

Tomaso Rodriguez was appointed to our Board as of the establishment of the Company. Since 2019, Tomaso has served as our Chief Executive Officer. Tomaso launched his career in 2008 by founding AgencyManagement, which was later acquired by a major consumer goods company. At Uber Eats, Tomaso led Regional Operations in the Asia-Pacific region and managed Uber in Italy and Greece. In 2018, as Head of GrabFood, he expanded its food delivery business from 1 to 250 cities in 18 months. Tomaso graduated from Università degli Studi di Padova, Italy, and holds an MBA from Collège des Ingénieurs, Paris.

Mr. Abdullah Alharoun – Independent, Non-Executive

Abdullah Alharoun was appointed to our Board with effect from Admission. Abdullah is an attorney based in Kuwaiti City and the Boston Area with a multidisciplinary professional and educational background. He is an expert on Kuwaiti law and has extensive experience acting on complex matters for major local and multinational clients across various industries. Abdullah is admitted to practice as an attorney in the State of Kuwait, the State of New York, and the Commonwealth of Massachusetts. He holds an LLM from Columbia Law School, an LLB from Queen Mary, University of London, and a BSc in Environmental Sciences from Dalhousie University (Canada).

Mr. Muhammad Hussain Ghati Al Jbori– Independent, Non-Executive

Muhammad Al Jbori was appointed to our Board with effect from Admission. He is the Chairman of Binghatti, one of the Middle-East's largest property development companies with an investment value exceeding USD 10 billion. Muhammad's expertise spans real estate, architecture, and brand development. Muhammad has also been a recipient of multiple awards and honorary recognitions and has been listed on Forbes Top 100 Most Impactful Real Estate Leaders in the Middle-East. Muhammad holds a bachelor's degree in Architecture and Design.

Senior Management

The day-to-day management of the Group's operations is conducted by the senior management team. The current members of the Group's senior management are as follows:

Name	Position(s)
Tomaso Rodriguez	Chief Executive Officer
Khaled Alfakesh	Chief Financial Officer
Jérémy Doutté	Chief Business Officer
Yi-Wei Ang	Chief Product Officer
Pedram Assadi	Chief Operations Officer
Stefano Vecchio	Vice-President of People & Strategy
Wassim Makarem	Senior Vice-President Grocery & Retail

Mr. Tomaso Rodriguez – Chief Executive Officer

Tomaso has served as our Chief Executive Officer since 2019. See "*–Board of Directors*".

Mr. Khaled Alfakesh – Chief Financial Officer

Khaled joined talabat as Chief Financial Officer in 2016. He leads a team of over 200 professionals and oversees our financial, legal, risk management, taxation, and capital control functions. With nearly 20 years of experience in corporate finance and governance, Khaled plays a critical role in driving talabat's growth.

Before joining talabat, Khaled served as Group Financial Controller at The Sultan Center for 10 years. Khaled holds a bachelor's degree in commerce from Damascus University. He is passionate about innovation, driving growth, and leading diverse teams

Mr. Jérémy Doutté – Chief Business Officer

Jérémy Doutté, joined talabat in September 2020 as Chief Business Officer. He manages talabat's eight markets and collaborates with managing directors to grow business across the region. Previously, he was Vice President of talabat UAE, leading operations and growth with a team of over 250 people.

Before talabat, Jérémy spent eight years at Jumia in Africa, ending as Executive Vice President, and worked as a management consultant at McKinsey & Company. He holds a Business bachelor's degree from ESSEC Business School and an MBA from Harvard Business School.

Mr. Yi-Wei Ang – Chief Product Officer

Yi-Wei joined talabat in 2020 as Chief Product Officer and oversees the development of the Technology, Product & Design teams in Cairo and Dubai. He also oversees the Branding department. Prior to talabat, Yi-Wei was VP of Product at Property Finder and Director of Product at TradeGecko, which was acquired by Intuit. He also held positions at Microsoft and IBM.

Yi-Wei has extensive global experience, having lived in Singapore, Seattle, Vancouver, Toronto, Beijing, Hong Kong, and Kuala Lumpur, establishing him as a leading figure in product management. Yi-Wei graduated from the University of Toronto in 2013 and holds a bachelor of Applied Science degree in Industrial Engineering.

Mr. Pedram Assadi – Chief Operations Officer

Pedram Assadi joined talabat in 2024 as Chief Operations Officer, leading operations, commercial, marketing and customer experience regionally. Pedram brings over a decade of experience in scaling high-growth food and grocery delivery companies across three regions. He previously served as chief executive officer of Foodora and Yemeksepeti at Delivery Hero, where he led the quick commerce and delivery business across eight European markets. Before that, he was the chief operations officer of Foodpanda, where he significantly expanded operations and scaled the business across the Asia Pacific region.

In the MENA region, Pedram founded a food delivery startup in Dubai and also launched and led Uber Eats' operations as one of its first employees. His diverse background includes roles at leading tech-companies like Amazon, IBM, and Rocket Internet. Pedram holds a degree in International Business Administration from the Rotterdam School of Management, Erasmus University.

Mr. Stefano Vecchio – Vice-President of People & Strategy

Stefano serves as VP of People & Strategy at talabat, where he leverages his global experience to drive strategic initiatives. He oversees organisational objectives and key results, governance, and leads the "New Ventures" function, spearheading key projects like talabat DineOut Deals, and talabat loyalty programmes. Further, he leads the people and culture department and oversees communications, public affairs and sustainability as well.

With nearly 20 years in diverse sectors including Ride-Hailing and Consumer Goods, Stefano's prior roles include positions at Fiat Automobiles, Bain & Company, Axiata, Ernst & Young, and Grab. He holds a degree in Economics and Business Law from Università Cattolica del Sacro Cuore and studied in Amsterdam through the Erasmus Exchange Program.

Mr. Wassim Makarem – Senior Vice-President Grocery & Retail

In his role as Senior Vice President Grocery & Retail at talabat, Wassim Makarem is at the forefront of driving talabat's regional quick commerce initiatives, leading our groceries and retail business across the MENA region.

With a keen focus on building and scaling businesses, Wassim fosters strategic thinking, innovation and adaptation across various markets.

Previously serving as VP of Grocery & Retail, Wassim played a pivotal role in building high-performing teams that significantly enhanced sustainable growth, profitability, and customer experience. His earlier tenure leading talabat Kuwait also showcased his strategic acumen in fostering accelerated growth. Wassim holds a bachelor's degree in Computer Science from the American University of Beirut and an MBA from Maastricht University.

Long Term Incentive Plan

While the Company does not have a long-term incentive plan for the Board of Directors or senior executives, it may in the future implement one. See "*Business–Employees–Employee Benefits–Long-Term Incentive Programme of Delivery Hero*".

Corporate Governance

The Board of Directors is committed to standards of corporate governance that are in line with international best practice.

As at the date of this Offering Memorandum and following Admission, the Board of Directors intends to comply with the corporate governance requirements applicable to joint stock companies as set out in Chairman of Authority's Board of Directors' Decision No. 3 of 2020 (as amended) concerning Approval of Joint Stock Companies Governance Guide (the "**SCA Governance Rules**"), with certain modifications as agreed with the DFM. In this respect, taking into account matters such as the governance regime contained in talabat's articles of association and the fact that a number of topics are already regulated under the Companies Regulations, the DFM issued a no objection to talabat not applying a number of provisions of the SCA Governance Rules, including: 6(3), 6(4), 7(B), 8(3)(A), 8(3)(F), 15, 16, 20, 21, 22, 23, 24(5)(C), 24(9), 25(1) and (2), 26(1), 27, 32, 40 – 48 (other than 41(1)), 51(1)(a), 59(5), (6), (7), (9), (10) and (11), 59(12), 60(1), 62(1), 64 (third), 65, 67(3)(B), 67(5), 68(7), 69(2), 71(2) and (4), 80, and 82(1)(B) and (C). The DFM has also issued a no objection to the interpretation of a number of other provisions of the SCA Governance Rules in a manner consistent with the Companies Regulations and talabat's articles of association.

The SCA Governance Rules require that at least one member of the Board of Directors should be female, that a majority of the Board of Directors must be composed of non-executive directors and that a least one-third must be composed of independent directors, none of which may be the Chairperson. The Group regards two of the six Board members as "independent members of the Board" within the meaning of the SCA Governance Rules. The SCA Governance Rules further require that the Board of Directors meet at least four times each year.

Board Committees

The Board will establish three permanent committees—an Audit Committee, a Nomination and Remuneration Committee (each of which will be subject to the composition requirements of the SCA Governance Rules), and an Executive Committee. If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with the SCA Governance Rules, the Chairperson is not permitted to be a member of either the Audit Committee or the Nomination and Remuneration Committee.

Our Articles of Association state that the composition of the Audit Committee, the Nomination and Remuneration Committee and the Executive Committee will be as specified in the relevant terms of reference adopted by the Board of Directors from time to time.

A high-level overview of the mandate of each of these committees, as at Admission, is set out below.

Audit Committee

Name	Position
Abdullah Al Haroun	Chairperson
Muhammad Hussain Ghati Al Jbori	Member
Marie-Anne Popp	Member
Stijn Merks	Member
Thomas Haas	Member

The duties of the Audit Committee include assisting the Board of Directors in reviewing the Group's financial and accounting policies and procedures, monitoring and reviewing the integrity of the Group's financial statements and reports and its controls, overseeing matters relating to the Group's external auditor, overseeing matters relating to the Group's internal audit, reviewing related party transactions and making appropriate recommendations to the Board of Directors in respect of any such matters, and overseeing the Group's risk management. The ultimate responsibility for reviewing and approving the Group's annual report and financial statements remains with the Board of Directors. The Audit Committee shall be required to take appropriate steps to ensure that the Group's external auditors are independent of the Group.

The SCA Governance Rules require that the Audit Committee must have a minimum of three and a maximum of five members who are non-executive and at least two members who are independent, none of whom may be the Chairperson. One of the independent members must be appointed as chairperson of the Audit Committee. All the members of the Audit Committee are required to be well-informed on financial and accounting matters and at least one of the members is required to have prior experience and/or certifications in accounting, finance or other related fields.

The Audit Committee shall be required to meet at least four times per year or as may be further required.

Nomination and Remuneration Committee

The current members of the Nomination and Remuneration Committee appointed in November 2024 are as follows:

Name	Position
Muhammad Hussain Ghati Al Jbori	Chairperson
Marie-Anne Popp	Member
Andreas Krause	Member
Abdullah Al Haroun	Member
Ana Mitrasevic	Member

The duties of the Nominations and Remuneration Committee include assisting the Board of Directors in developing a policy to apply for membership to the Board of Directors and senior management taking into account gender diversity, and relevant regulatory and independence requirements, ensuring the independence of independent Board members, reviewing and overseeing the remuneration and benefits of senior management and employees, reviewing human resource policies of the Group and making recommendations to the Board of Directors in respect of any of the relevant matters where appropriate. Moreover, the Committee is responsible for evaluating the balance of skills, knowledge and experience and the size, structure and composition of the Board of Directors and committees of the Board of Directors.

The SCA Governance Rules require that the Nomination and Remuneration Committee must consist of a minimum of three and a maximum of five members who are non-executive and at least two members who are independent, none of whom may be the Chairperson. One of the independent members must be appointed as chairperson of the Nominations and Remuneration Committee.

The Nomination and Remuneration Committee shall to meet at least once a year and are required to hold meetings as needed.

Executive Committee

The current members of the Executive Committee appointed in November 2024 are as follows:

Name	Position
Suseem Jain	Chairperson
Julia Schmidtmann	Member
Khaled Alfakesh	Member

The Executive Committee will assist the Board in discharging its responsibilities, including in relation to the Company's commercial, financial and operational performance, function and planning. The Executive Committee's role will include the approval and/or endorsement of any matters delegated to it for approval and/or endorsement under the Company's delegation of authority matrix. The Executive Committee will also receive information and reporting relating to the business and operations of the Group. All members of the Executive Committee will be required to comply with the Company's insider trading policy which sets out guidelines on matters relating to the sharing of material non-public information and insider trading.

The Executive Committee Terms of Reference to be adopted prior to Admission will require that the Executive Committee must comprise three members. The Executive Committee will meet at least every two weeks.

PRINCIPAL AND SELLING SHAREHOLDER

Principal Shareholders

The following table details the shareholders holding the Shares (i) as at the date of this Offering Memorandum, with a total share capital of 23,288,240,625 Shares of AED 0.04 each, and (ii) immediately following the Global Offering, assuming that the Selling Shareholder sells all of the Shares being offered:

	As at the date of this Offering Memorandum		Immediately following the Global Offering[1]	
	Number of Shares	**Percentage**	**Number of Shares**	**Percentage**
Shareholder				
Delivery Hero MENA Holding GmbH	23,288,240,625	100.00%	19,795,004,532	85%
New Shareholders[2]	—	—	3,493,236,093	15%

(1) Assumes that all of the Shares have been sold, that the Selling Shareholder has not exercised its right to increase the size of the Global Offering at any time prior to the end of the subscription and that the size of the Global Offering is not increased. 3,493,236,093 Shares are being offered in the Global Offering.

(2) New Shareholders include the Cornerstone Investors. See "*Sale of Shares—Cornerstone Investors*" for further information on Cornerstone Investors.

No Shares have voting rights that differ from those of any other shares.

DESCRIPTION OF SHARE CAPITAL

Set out below is a summary of certain information concerning the Shares, certain provisions of our Articles of Association (the "Articles") adopted in connection with the Global Offering, and certain requirements of applicable laws and regulations in effect as at the date hereof. This summary does not purport to be complete.

Our Share Capital

On incorporation in the ADGM on 3 September 2024, our total issued share capital was USD 100 consisting of 100 ordinary shares with a nominal value of USD 1.00 each, which was subscribed for in full by the Selling Shareholder.

On 26 September 2024, the Company issued 178,040,951 ordinary shares with a nominal value of USD 1.00 each to the Selling Shareholder in connection with the transfer of Delivery Hero FZ LLC to the Company. This increased the Company's share capital to USD 178,041,051 consisting of 1.00 ordinary shares of USD 1.00 each.

On 26 September 2024, the Company issued 75,608,949 ordinary shares with a nominal value of USD 1.00 each to the Selling Shareholder in connection with the transfer of certain entities in the Extended Perimeter Group to Delivery Hero FZ LLC and the settlement of an intra-group receivable held by the Selling Shareholder. This increased the Company's share capital to USD 253,650,000 consisting of 1.00 ordinary shares of USD 1.00 each.

On 9 October 2024, our Shares were re-denominated from USD to AED, with the Company having a share capital of AED 931,529,625 consisting of 253,650,000 ordinary shares of AED 3.6725 each following the re-denomination. Immediately following the re-denomination of our Shares, we sub-divided our total share capital from 253,650,000 ordinary shares of AED 3.6725 each to AED 931,529,625 consisting of 23,288,240,625 ordinary shares of AED 0.04 each.

By a written resolution passed by the Selling Shareholder on 10 October 2024, it was resolved that: (i) the Company be re-registered as a public limited company under the Companies Regulations by the name of "Talabat Holding plc"; and (ii) the Articles be adopted in substitution for and to the exclusion of the existing articles of association of the Company. The re-registration took place on 14 October 2024.

As at the date of this Offering Memorandum, the Company does not hold any Shares in treasury and its total issued share capital is AED 931,529,625 consisting of 23,288,240,625 Shares of AED 0.04 each. The Selling Shareholder will offer 15% of the Company's share capital for sale as part of the Global Offering. Immediately following the Global Offering, assuming that the Selling Shareholder sells all of the Shares being offered, 19,795,004,532 Shares shall be owned by Delivery Hero (representing approximately 85% of the Company's total issued share capital).

Our Articles of Association

The following is a summary of selected rights under our Articles and the Companies Regulations and the rules and regulations that will apply to the Company following Admission.

Share capital

In the following description of the rights attaching to the Shares, a holder of Shares and a shareholder is, in both cases, the person registered in the Company's register of shareholders as the holder of the relevant shares.

Without prejudice to any rights attached to any existing shares, and subject to the other provisions of the Articles, the Company may issue shares with such rights or restrictions as determined by either the Company by ordinary resolution or, if the Company passes a resolution to so authorise them, by the Board. Subject to the other provisions of the Articles, the Company may also issue shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or the holder and the Board may determine the terms, conditions and manner of redemption of any such shares.

<u>*Share register*</u>

Upon Admission on the DFM, the Shares will be dematerialised and the share register will be maintained by the DFM.

The Shares may be sold, transferred, or otherwise disposed of in accordance with the provisions of the Articles and the applicable regulations for selling, purchasing, clearing, settling and recording.

Deceased shareholders

In the event of a death of a shareholder, the persons entitled to that shareholders' shares shall be entitled to choose to become a holder of the shares or to transfer them to another person and, after being registered as a shareholder in accordance with the Articles, shall have the same rights as a shareholder as the deceased shareholder had in relation to such Shares, subject to the Articles of Association and pending any transfer of shares to another person. The estate of the deceased shareholder shall not be exempted from any outstanding obligation relating to any Share held by them at the time of death.

Any person who becomes entitled to rights to Shares as a result of the death or bankruptcy of any shareholder, or pursuant to an attachment order issued by any competent court of law, should:

(i) produce evidence of such right to the Board; and

(ii) select either to be registered as a shareholder or to nominate another person to be registered as a shareholder of the relevant Share(s).

Changes in share capital

The provisions of the Articles governing the conditions under which the Company may alter its share capital are no more stringent than the conditions imposed by the Companies Regulations.

Pre-emption rights on new issues of shares

Any issue of new Shares for cash must first be offered to the existing shareholders for subscription, in proportion to their existing shareholdings, before being offered to any third-party. In no circumstances shall the Directors be empowered to issue and allot any equity securities absent a valid authorisation.

Dividends

Subject to the other provisions of the Articles of Association, the Company may declare dividends to be paid to its shareholders. However, no dividend shall be declared unless it has been recommended by the Board of Directors and does not exceed the amount recommended by the Board of Directors.

Transfer of Shares

The Shares offered pursuant to this Offering Memorandum shall be held in dematerialised form in a shareholder registry maintained by DFM and transfers shall be governed by and shall comply with the regulations applicable to companies listed on DFM. The Shares may be sold, transferred, pledged or otherwise disposed of in accordance with the Articles. Transfers made other than in accordance with the Articles shall be void.

General Meetings

Annual general meeting

An annual general meeting shall be held in each period of 4 months beginning with the day following the Company's accounting reference date, at such place or places (including electronic platforms), date and time as may be decided by the directors.

Convening of general meetings

The directors may, whenever they think fit, call a general meeting. The directors are required to call a general meeting once the Company has received requests from its members to do so in accordance with the Companies Regulations. The directors shall determine whether a general meeting is to be held as a physical general meeting or an electronic general meeting.

Notice of general meetings etc.

Notice of general meetings shall include all information required to be included by the Companies Regulations and shall be given to all members other than those members who are not entitled to receive such notices from the Company under the provisions of the Articles.

Quorum

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum will require the presence, in person or by proxy, of shareholders representing a simple majority of the total issued and outstanding share capital of the Company.

In the event that a general meeting is adjourned due to a lack of quorum and then reconvened in accordance with the Articles of Association, the reconvened general meeting shall be subject to the same quorum requirement. If the meeting is again adjourned for lack of quorum and reconvened once more, a quorum will exist at that second reconvened meeting provided that shareholders representing at least a simple majority of the total issued and outstanding share capital of the Company are present (in person or by proxy).

Directors

The Board of Directors

Pursuant to the Articles of Association, the Board shall be responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company. Board members will be elected by the shareholders in general meeting in accordance with the cumulative voting process set out in the Articles of Association. The Board holding office as at the date of this Offering Memorandum was appointed by the Selling Shareholder for a period of three years commencing on the date of Admission.

If a position becomes vacant during the term of the Board, then the relevant shareholder (if such shareholder is a "Major Shareholder", meaning that it holds at least 25% of our shares) that cast the most votes for that director may appoint a replacement, otherwise the replacement will be appointed by the Board as a simple majority matter. In either case, the replacement shall serve the remaining term of the director who vacated her or his position, provided that the appointment of such replacement shall be ratified at our next annual general meeting.

Number of directors

The Board shall consist of six Directors. The number of directors comprising the board may be increased or decreased pursuant to a vote of a simple majority of the board.

Board meetings

The Board shall hold its meetings either (a) by telephone, video conferencing or other similar methods by means of which all persons participating in the meeting can at all times during such meeting hear and speak to each other (provided that if any directors participate in a Board meeting by telephone, video conference or other similar method, the meeting shall be initiated in the UAE, and as such shall be deemed to be held in the UAE); or (b) in person. At least half the Directors participating in Board meetings shall be present in person in the UAE for at least half of the Board meetings in each year. The quorum necessary for the transaction of business of the Board is the presence, either in person or via a duly appointed alternate director, of a simple majority of the total number of directors subject to the conflict of interest provisions in the Articles.

If a meeting of the Board is adjourned due to a lack of quorum and then reconvened in accordance with the Articles of Association, the reconvened board meeting shall be subject to the same quorum requirement. If the Board meeting is again adjourned for lack of quorum and reconvened once more, a quorum will exist at that second reconvened meeting provided that a simple majority of the directors are in attendance or represented by an alternate.

A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board. Resolutions are adopted by a majority of the votes of the Directors present or represented, and in case of a tie, the Chairperson shall have a casting vote.

Directors' interests

For the purposes of section 165 of the Companies Regulations, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. Any such authorisation will be effective only if:

(i) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director; and

(ii) the matter was agreed by a unanimous vote of the Directors, other than the interested Directors.

The Directors may extend any such authorisation to any actual or potential conflict of interest which may arise out of the matter so authorised and may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions they expressly impose, but such authorisation is otherwise given to the fullest extent permitted. The Directors may also terminate any such authorisation at any time. Further details are set out in the Articles of Association.

Liability of the Board of Directors

The members of the Board owe general duties to the Company in accordance with the Companies Regulations (including exercising reasonable care, skill and diligence and acting to promote the success of the Company). The Company may bring a claim against any member of the Board in breach of their duties as a director, with available remedies varying depending on the severity of the breach but may include damages, injunctive relief and other remedies.

Subject to the prior permission of the ADGM court, an eligible shareholder may independently initiate proceedings against any member of the Board if the Company fails to do so in respect of a cause of action arising from an actual or proposed act or omission involving negligence, default, breach of duty or breach of trust by that member of the Board.

So far as may be permitted by the Companies Regulations, every director, officer, senior manager or alternate director (or former director, officer, senior manager or alternate director) of the Company or of an associated company (as contemplated by section 278 of the Companies Regulations) may be indemnified out of the Company's assets against any liability incurred by them in connection with any negligence, default, breach of duty or breach of trust by them or any other liability incurred by them in the execution of their duties, the exercise of their powers or otherwise in connection with their duties, powers or offices.

Directors' remuneration

The method of calculating the remuneration of the members of the Board shall be determined by the Board.

Liquidation rights

In the event of liquidation of the Company, each Shareholder shall be entitled to a part of the Company's surplus assets in accordance with the applicable law and regulation in the ADGM.

Form of notices and communications

Unless the Articles of Association expressly require otherwise, any notice, document or information to be sent or supplied by the Company to shareholders (including forms of appointment of a proxy and copies of the Company's annual accounts) may be sent or supplied in hard copy form, in electronic form (for example, by email or facsimile) or by means of the Company's or another website.

TAXATION

Certain U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax consequences to U.S. Holders (as defined below) relating to the ownership and disposition of the Shares. This summary does not purport to be a comprehensive description of all of the U.S. federal income tax considerations that may be relevant to a particular person's decision to acquire the Shares. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and U.S. Treasury regulations promulgated thereunder, as well as judicial and administrative interpretations thereof, in each case as of the date of this Offering Memorandum. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below, and there can be no assurance that the U.S. Internal Revenue Service (the "**IRS**") or U.S. courts will agree with the tax consequences described in this summary.

This summary applies only to U.S. Holders that purchase Shares in the Global Offering and hold the Shares as capital assets (generally, property held for investment). This summary does not address any U.S. federal estate and gift tax, alternative minimum tax or Medicare tax on net investment income consequences, or any U.S. state or local or non-U.S. tax consequences.

This summary also does not address the tax considerations that may be relevant to certain types of investors subject to special treatment under U.S. federal income tax laws, such as banks and other financial institutions; insurance companies; regulated investment companies or real estate investment trusts; dealers or traders in securities or commodities that use a mark-to-market method of accounting; broker-dealers; tax-exempt organisations, retirement plans, individual retirement accounts and other tax-deferred accounts; persons holding the Shares as part of a straddle, hedging, conversion or integrated transaction for U.S. federal income tax purposes; U.S. expatriates; U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar ("**USD**"); any entity or arrangement classified as a partnership for U.S. federal income tax purposes or investors therein; persons who own or are deemed to own, directly, indirectly or constructively, 10% or more of the Company's stock (by vote or value); or persons holding the Shares in connection with a trade or business conducted outside the United States.

As used in this discussion, the term "U.S. Holder" means any beneficial owner of the Shares that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organised in the United States or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The U.S. federal income tax treatment of a partner in an entity or arrangement classified as a partnership for U.S. federal income tax purposes that holds the Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships considering an investment in the Shares and partners in such partnership should consult their tax advisors regarding the specific U.S. federal income tax consequences to them of the acquisition, ownership and disposition of the Shares.

THE DISCUSSION BELOW IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SHARES.

Dividends and Other Distributions

Subject to the passive foreign investment company ("**PFIC**") rules discussed below, the gross amount of any distribution made by the Company to a U.S. Holder with respect to the Shares generally will be included in such U.S. Holder's gross income as non-U.S. source dividend income to the extent that the distribution is paid out of the Company's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because the Company does not maintain calculations of its earning and profits under U.S. federal income tax principles, it is expected that any distributions generally will be reported to U.S. Holders as dividends. Any dividends the Company pays will not be eligible for the dividends-received deduction allowed to corporations. The Company does not expect that distributions will be eligible for the reduced qualified dividend income rate.

The amount of any distribution paid in AED will be included in income in an amount equal to the USD value of such AED on the date the distribution is actually or constructively received by a U.S. Holder, regardless of whether the payment is in fact converted into USD at that time. The U.S. Holder will have a basis in such AED received equal to such USD value on the date of receipt. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend is includable in the income of the U.S. Holder to the date such payment is converted into USD (or the U.S. Holder otherwise disposes of the AED) will be foreign currency exchange gain or loss and will be treated as U.S. source ordinary income or loss for foreign tax credit limitation purposes. If all AED is converted into USD on the date of receipt, a U.S. Holder generally should not be required to recognise foreign currency gain or loss in respect of the distribution.

Any dividends the Company pays to U.S. Holders generally will constitute non-U.S. source "passive category" income for foreign tax credit limitation purposes. The rules governing the foreign tax credit are complex and involve the application of rules that depend upon a U.S. Holder's particular circumstances. Accordingly, a U.S. Holder is urged to consult its tax advisor regarding the availability or calculation of the foreign tax credit or deduction in the alternative under its particular circumstances.

Sale, Exchange or Other Taxable Dispositions of Shares

Subject to the "PFIC" rules discussed below, a U.S. Holder generally will recognise taxable gain or loss on any sale, exchange or other taxable disposition of a Share in an amount equal to the difference between the amount realised for the Share and the U.S. Holder's tax basis in the Share. The gain or loss generally will be capital gain or loss, and generally will be a long-term capital gain or loss if the U.S. Holder has held the Share for more than one year at the time of disposition. For certain non-corporate taxpayers (including individuals), long-term capital gains are subject to tax at favourable rates. The deductibility of capital losses is subject to limitations.

A U.S. Holder's initial tax basis in the Shares is the USD value of the AED denominated purchase price determined on the settlement date, in the case of a cash basis U.S. Holder, or the trade date in the case of an accrual basis U.S. Holder. If the Shares are treated as traded on an "established securities market", an accrual basis U.S. Holder may elect to determine the USD value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

With respect to the sale, exchange or other taxable disposition of Shares, the amount realised generally will be the USD value of the payment received determined on (i) the date of receipt of payment in the case of a cash basis U.S. Holder and (ii) the date of disposition in the case of an accrual basis U.S. Holder. If the Shares are treated as traded on an "established securities market", an accrual basis U.S. Holder may elect to determine the USD value of the amount realised by translating the amount received at the spot rate of exchange on the settlement date of the sale. The election by an accrual basis U.S. Holder discussed above to use the settlement date for purposes of determining basis and the amount realised must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

An accrual basis U.S. Holder that does not make the special election will recognise exchange gain or loss (taxable as ordinary income or loss) to the extent attributable to the difference between the exchange rates on the trade date and the settlement date. Any gain or loss that a U.S. Holder recognises on a disposition of a Share generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes. U.S. Holders should consult their tax advisors regarding the proper treatment of any gain or loss in their particular circumstances, including the effects of any applicable income tax treaties.

Passive Foreign Investment Company Considerations

A non-U.S. corporation will be classified as a PFIC for any taxable year if at least 75% of its gross income consists of passive income (such as dividends, interest, rents, royalties or the excess of gains over losses from the disposition of assets that produce passive income), or at least 50% of the average value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce, or are held for the production of, passive income (including for this purpose its pro rata share of the gross income and assets of any corporation in which it is considered to own at least 25% of the shares, by value).

The IRS has issued a notice that treats all cash holdings as a passive asset for this purpose. More recently, however, proposed Treasury regulations were issued which, if finalized, would permit cash that meets specified requirements to be treated as nonpassive working capital. A taxpayer is permitted to apply the rules set forth in the proposed regulations, provided that it does so consistently for subsequent taxable years. It is not currently known if, when, or the extent to which such proposed regulations will be finalized and become effective.

The Company does not expect to be a PFIC for U.S. federal income tax purposes in the current taxable year and, based on the nature of its business and anticipated composition of its income and assets, does not expect to be a PFIC in the foreseeable future. However, this is a factual determination made annually after the close of each taxable year, based on the Company's composition of income and assets and the application of the proposed regulations. Accordingly, the Company cannot provide any assurance that it will not be a PFIC for the current taxable year or any future taxable year. If the Company were characterised as a PFIC for any taxable year in which the U.S. Holder held the Shares, such U.S. Holder would suffer adverse tax consequences. These consequences may include having gains realised on the disposition of the Shares treated as ordinary income rather than capital gains and being subject to punitive interest charges on certain dividends and on the proceeds of the sale, exchange or other taxable disposition of the Shares. U.S. Holders also would be subject to annual information reporting requirements if the Company were a PFIC. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to their ownership of the Shares.

Information Reporting and Backup Withholding

Payments of dividends and other proceeds with respect to the Shares, by a U.S. paying agent or other U.S. intermediary, or made into the United States, will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding or information reporting.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder will be refunded (or credited against such U.S. Holder's U.S. federal income tax liability, if any), provided the required information is timely furnished to the IRS. Prospective investors should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

Foreign Financial Asset Reporting

Certain U.S. Holders may be required to report to the IRS certain information relating to an interest in the Shares unless such Shares are held in accounts maintained by certain financial institutions. A U.S. Holder required to report such information must file a complete IRS Form 8938 (Statement of Specified Foreign Financial Assets) with its tax return for each year in which it holds an interest in the Shares. Penalties apply if a U.S. Holder is required to submit such information to the IRS and fails to do so. U.S. Holders should consult their tax advisors regarding the application of these rules in their particular circumstances, including the significant penalties for noncompliance.

UAE Taxation

The following comments are general in character and are based on the current and proposed tax regimes applicable in the UAE and the current practice of the UAE authorities as at the date of this Offering Memorandum. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not relate to any taxation regime outside the UAE. Each *shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay.*

UAE Emirate-level Corporate Taxation

Historically, most of the individual Emirates have enacted their own corporate tax decrees. Whilst in theory these decrees could potentially levy corporate tax on all companies in the relevant Emirate, in practice, corporate tax was only applied to certain companies operating in the upstream oil and gas industry and to mainland branches of foreign banks in the UAE on their net income. Therefore, the Company should in principle continue to be subject to the Emirate-level corporate tax regime. In practice, however, the Company is not currently paying any Emirate-level corporate tax and not required to make any Emirate-level corporate tax filings.

UAE Federal-level Corporate Taxation

Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses (the "**Corporate Tax Law**") introduced corporate tax on juridical persons with a permanent establishment or nexus in the UAE or deriving UAE sourced income, including corporations, partnerships, foundations, non-resident entities and natural persons engaged in a business or business activity from 25 October 2022; effective for businesses for tax periods commencing on or after 1 June 2023.

This Corporate Tax Law is as yet untested and guidance published by the Ministry of Finance (the "**MoF**") and the Federal Tax Authority (the "**FTA**") have not resolved all points of uncertainty. Consequently, how the Corporate Tax Law will be applied to the Company remains unclear.

Corporate Tax Rates

The corporate tax rate is set at 0% for taxable income up to AED 375,000, and 9% for taxable income that exceeds AED 375,000.

The MoF has announced that, as a member of the OECD Base Erosion and Profit Shifting ("**BEPS**") Inclusive Framework, it is committed to addressing the challenges faced by tax jurisdictions internationally. On the announcement of the UAE corporate tax, the MoF stated that UAE entities within a large multinational group that fall under the scope of Pillar 2 of the OECD BEPS 2.0 framework, being those with consolidated global annual revenue of more than EUR 750 million, equivalent to approximately AED 3 billion, will be subject to a different higher rate, which is still yet to be announced. The global minimum effective tax rate proposed by the OECD is 15%.

It is not currently clear how the UAE will embed the Pillar 2 rules into domestic legislation and how the Pillar 2 regime will interact with the new corporate tax regime, but it should be noted that this may impact the application of the zero rate for Qualifying Free Zone entities that fall within the Pillar 2 rules. The UAE is expected to enact Pillar 2 from 2025.

Taxable profit

UAE corporate tax will be payable on taxable income, being the net profit reported in the financial statements of the business, subject to certain adjustments.

No deductions are available when calculating taxable income for the following items, among others:

- expenditure not incurred for the purpose of the taxable person's business;
- losses not connected with, or arising out of, the taxable person's business;
- net interest / finance expense which exceeds the higher of: (i) 30% of tax adjusted EBITDA, or (ii) AED 12,000,000 (subject to certain additional requirements);
- penalties, bribes or other illicit payments;

- dividends or other profit distributions;
- corporate tax imposed under the Corporate Tax Law, tax imposed on the taxable person outside the UAE and recoverable VAT;
- donations paid to organisations that are not a Qualifying Public Benefit Entity (as defined under Article 9 of the Corporate Tax Law);
- 50% of expenditure incurred by the taxable person on the entertainment of customers, shareholders, suppliers or other business partners;
- adjustment for transactions with related parties that are not on arm's length;
- such other expenditure as may be specified in a decision issued by the cabinet; and
- "**Exempt Income**" and expenditure incurred in deriving Exempt Income, defined as: (i) dividends paid by UAE resident juridical person; (ii) dividends and other profit distributions received from a foreign participation that is not a resident person and local/foreign capital gains or losses on the transfer, sale or other disposition of participating interest (or part thereof) subject to complying with the participation exemption rules; (iii) income of a foreign permanent establishment where an election under Article 24 of the Corporate Tax Law has been made; and (iv) income derived by a non-resident person from operating aircraft or ships in international transportation that meets certain conditions.

Free Zone Persons

The Corporate Tax Law provides for a specific regime for "**Qualifying Free Zone Persons**", being persons incorporated, established or otherwise registered in one of the UAE's free zones, including a branch of a non-resident person registered in a free zone, ("**Free Zone Persons**") meeting all of the following criteria:

- it maintains adequate substance in the free zone;
- its income is derived from transactions with other Free Zone Persons, except for income derived from "**Excluded Activities**" (as defined in Ministerial Decision No. 139 of 2023 Regarding Qualifying Activities in Excluded Activities). The other Free Zone Persons must be the beneficial recipients of a transaction where that other Free Zone Person has the right to use and enjoy the supply by the Qualifying free Zone Person without being under a legal or contractual obligation to pass on the services or goods supplied to another person; or income derived from transactions with a non-Free Zone Person, but only in respect of qualifying activities that are not Excluded Activities; or any other income provided that the Qualifying Free Zone Person satisfies the "de minimis" requirements of the Corporate Tax Law ("**Qualifying Income**"). Qualifying Income cannot include income attributable to a foreign permanent establishment or a domestic permanent establishment or income attributable to the ownership or exploitation of immovable property (except in the case of transactions with Free Zone Persons involving commercial property located in a free zone).
- it has not elected to be subject to corporate tax;
- it has complied with the arms-length principle and transfer pricing documentation requirements of the Corporate Tax Law;
- it does not fail the "de minimis test" defined in the Cabinet Decision No. 55 of 2023;
- it prepares audited financial statements in accordance with Ministerial Decision No.82 of 2023; and
- it has complied with any other conditions set by the MoF.

A Free Zone Person who fails to satisfy any of the above criteria will be subject to a corporate tax rate of 9% for each year in which it fails to meet the above criteria and for a further four years following a year that it fails to qualify. A Free Zone Person subject to a corporate tax rate of 9% does not benefit from the AED 375,000 zero tax band. The corporate tax FAQs published by the MoF and FTA specify that Qualifying Free Zone entities that are part of a large multinational group are expected to be subject to the Pillar 2 global minimum tax, once implemented.

Withholding tax

The UAE applies withholding tax at a rate of 0% to certain domestic and cross-border payments made by UAE businesses. Consequently, UAE businesses will not be required to make any deductions from payments made to resident or non-resident recipients, nor will there be an obligation to file withholding tax returns.

The Corporate Tax Law includes provisions which specifically allow the UAE Cabinet of Ministers to change the withholding tax rate. The Corporate Tax Law also specifies that a Cabinet decision will be issued which will detail the categories of income which will be subject to withholding taxes. The UAE Cabinet of Ministers decisions have not yet been issued.

Transfer Pricing

Under the Corporate Tax Law, transactions carried out between related parties and connected parties should be priced in line with the arm's length principle. The arm's length principle is met where the transaction or agreement is consistent with the results that would have been realised where unrelated parties had engaged in a similar transaction or agreement under similar circumstances.

The arm's length principle should be supported by a functional, assets and risk analysis which is intended to be aligned with the OECD TP Guidelines as clarified by the explanatory guide issued by the MoF.

Value Added Tax

VAT was introduced in the UAE on 1 January 2018, pursuant to Federal Decree Law No. (8) of 2017 on VAT and its Executive Regulations. The standard VAT rate is 5% and applies to most goods and services, with some goods and services subject to a 0% rate or an exemption from VAT (subject to specific conditions being met).

The 0% VAT rate applies to goods and services exported outside the UAE, international transportation, the supply of crude oil and natural gas, the first supply of residential real estate, and some specific areas, such as health care and education.

A VAT exemption applies to certain financial services, as well as to the subsequent supply of residential real estate. In addition, transactions related to bare land, residential buildings (other than the first supply) and domestic passenger transport are also exempt from VAT. Further, certain transactions in goods between companies established in UAE Designated Free Zones (as notified specifically for VAT purposes) ("**DZs**") may not be subject to VAT. The supply of goods and services within DZs is, however, subject to VAT in accordance with the general application of the UAE VAT legislation. The purchase of Shares is considered an exempt supply for the purposes of VAT (unless a zero-rating provision applies) pursuant to Article 42 of the UAE VAT Executive Regulations. Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of shares would be subject to VAT at the standard rate of 5%.

Businesses are entitled to claim a credit for VAT paid on their purchases (subject to maintaining the relevant supporting documents especially a tax invoice) if they relate to a supply that is standard rated or zero-rated (taxable supplies). However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed. Where VAT incurred cannot be attributed specifically to a taxable or an exempt supply, it is possible to recover a portion of this (for example, overhead costs for the business). This recovery can be made in line with an apportionment calculation and subsequent annual washup exercise.

Excess input VAT can, in principle, be claimed back from the FTA, subject to a specific procedure. Alternatively, VAT credits may be carried forward and offset against the net VAT payable in the next taxable period(s). The FTA may offset unclaimed VAT credits against taxpayer liabilities, including outstanding penalty amounts.

Businesses that do not comply with their VAT obligations can be subject to fines and penalties. There are both fixed and percentage based penalties. The FTA may offset unclaimed VAT credits against taxpayer liabilities, including outstanding penalty amounts.

Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of Shares would be subject to VAT at the standard rate of 5%. Certain fees may be subject to VAT at 0% where the buyer is non-resident and the sale meets the conditions for zero-rated export of services.

For completeness, dividend income received by merely holding shares in a company does not constitute consideration for a supply. Therefore, passively earned dividend income would not amount to a consideration for a taxable supply and should be outside the scope of UAE VAT.

A sale of assets would be subject to VAT at the standard rate of 5% unless it qualifies as a transfer of a business as a going concern (in which case a transaction should be outside the scope of UAE VAT). Capital gains realised from the sale of assets would not constitute a consideration for a taxable supply and should be outside the scope of UAE VAT.

UAE Taxation Considerations for Prospective Investors

As of the date of this Offering Memorandum, there is currently no federal-level or Emirate-level personal income tax levied on individuals in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Global Offering based on local tax regulations in their respective jurisdictions.

Individuals who conduct a business or business activity in the UAE will be subject to corporate tax. Businesses or business activities conducted by a resident person or non-resident person shall be subject to corporate tax only where the total turnover derived from such businesses or business activities exceeds AED 1 million within a calendar year.

Taxation on purchase of shares

Completion of the Global Offering is likely to be characterised for UAE tax purposes as a purchase of shares by the investor. If an investor is tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Global Offering may be characterised differently and may be subject to tax in that other tax jurisdiction.

There are no transfer taxes in the UAE on the purchase of shares. Accordingly, a purchase of Shares should not result in any UAE tax liabilities for investors who are individuals or corporations that are tax resident in the UAE. Non-UAE tax residents, or dual tax resident individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

From a VAT perspective, the purchase of shares is considered an exempt supply for the purposes of VAT unless a zero rate provision applies pursuant to Article 42 of the UAE VAT Executive Regulations. Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of shares would be subject to VAT at the standard rate of 5% (see "—*Value Added Tax*").

Investors should seek advice in relation to the impact of VAT in relation to their acquisition of Shares.

Taxation of dividends and capital gains on sale of shares

UAE tax resident individual shareholders

Pursuant to the Corporate Tax Law, a purchase of shares and any related dividend income, or gains on sale of shares, should not result in any UAE tax liabilities for UAE tax resident or non-resident natural persons so long as it qualifies as a "personal investment". Under UAE Cabinet decision No 49 for 2023 a "personal investment" is defined as investment activity that a natural person conducts for their personal account that is neither conducted through a licence or requiring a licence from a licensing authority in the UAE, nor considered as a commercial business in accordance with the UAE Federal Decree-Law No 50 of 2022, Commercial Transactions Law.

Non-UAE tax resident individual shareholders

Non-UAE tax residents, or dual tax residents, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with the Shares based on local tax regulations in their respective jurisdictions.

UAE tax resident corporate shareholders

Under the Corporate Tax Law, the purchase of Shares should not result in any UAE tax liabilities for corporations which are tax resident in the UAE. Similarly, dividends received from UAE resident juridical persons are exempt from tax.

Gains realised by UAE resident corporate investors in relation to the disposal of their investment will be subject to corporate tax at a rate of 9%. The participation exemption may exempt any gain arising where all of the following conditions are met:

- the ownership interest held by the investor represents at least 5% or the minimum historical acquisition costs of AED 4,000,000 is met;
- the investor holds the investment for a 12-month uninterrupted period (or has the intention to hold the investment for a 12-month period);
- the investment is subject to tax in its country or territory of residence at a rate that is not lower than 9% (this condition is assumed to be met where the investment is either a Qualifying Free Zone Person or an Exempt Person);
- not more than 50% of the direct and indirect assets held by the underlying foreign subsidiaries / investments consist of ownership interests that would not have qualified for a participation exemption if held directly by the investment;
- the investor has a right to receive at least 5% of the profits and liquidation proceeds of the subsidiary; and
- any other conditions as may be prescribed by the MoF.

Where the participation exemption applies on the disposal of the investment, any expenditure incurred in relation to the acquisition, transfer or sale of the investment, will not be deductible.

Non-UAE tax resident corporate shareholders

Non-UAE tax resident companies or dual tax resident corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

Under the Corporate Tax Law, dividends from resident juridical persons are exempt from tax. Where dividends from resident juridical persons are classed as state sourced income, the dividend income would be subject to withholding tax which is currently charged at 0%. Gains realised by non-UAE tax resident corporate investors or a non-UAE permanent establishment in relation to the disposal of their investment would represent UAE sourced income and therefore would be subject to tax under the Corporate Tax Law. This gain would be subject to withholding tax which is currently charged at 0% (see "—*Withholding Tax*").

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

SALE OF SHARES

The Company, the Selling Shareholder and the Joint Bookrunners named below have entered into an Underwriting Agreement with respect to the Shares, in connection with the Qualified Investor Offering (the "**Sale Shares**"). Subject to the satisfaction of certain conditions set out in the Underwriting Agreement including the execution of the Pricing Agreement (as defined below), each Joint Bookrunner has agreed, severally but not jointly, to procure purchasers for, or failing which to purchase, such number of Sale Shares as are set forth and on the terms specified in the Underwriting Agreement and Pricing Agreement.

The Offer Price Range is AED 1.50 to 1.60 per Share. The Offer Price Range is indicative only and may change during the course of the Global Offering. The Offer Price for the Sale Shares will be agreed between the Selling Shareholder and the Joint Bookrunners following a bookbuilding process.

All expenses of the Global Offering (including base fees and any discretionary fee) will ultimately be borne by the Selling Shareholder.

Underwriting Agreement and Pricing Agreement

In the Underwriting Agreement, the Company and the Selling Shareholder have made certain representations and warranties and the Company has agreed to indemnify the several Joint Bookrunners against certain liabilities, including liability under the Securities Act. The Joint Bookrunners are offering the Sale Shares on behalf of the Selling Shareholder and when, as and if delivered to and accepted by it, subject to approval of legal matters by their counsel, including the validity of the Shares, and other conditions contained in the Underwriting Agreement, such as Admission and the receipt by the Joint Bookrunners of officers' certificates and legal opinions.

The underwriting commitment of the several Joint Bookrunners will be subject to certain conditions precedent, including among others, the execution of a pricing agreement, a form of which is set out in the Underwriting Agreement (the "**Pricing Agreement**") by the Company, the Selling Shareholder and the Joint Bookrunners confirming the offer price for the Sale Shares, the final number of Sale Shares offered in the Global Offering and the number of Sale Shares each Joint Bookrunner has agreed to procure purchasers for, or failing which to purchase. The Pricing Agreement is expected to be executed on the Expected Pricing Date.

The Joint Global Coordinators, acting on behalf of the Joint Bookrunners, may terminate the Underwriting Agreement prior to the closing of the Global Offering under certain specified conditions that are typical for an agreement of this nature. If any of such conditions are not satisfied or waived, or the Underwriting Agreement is terminated prior to the closing of the Global Offering, then the Global Offering will lapse.

Pricing of the Global Offering

It is expected that the offer price will be within the Offer Price Range. The Offer Price Range is indicative only and may change during the course of the Global Offering, and the offer price may be set within, above or below the Offer Price Range.

Prior to the Global Offering, there has been no public market for the Shares. The offer price will be determined by negotiations between the Company, the Selling Shareholder and the Joint Global Coordinators. Among the factors considered in determining the offer price following the bookbuilding process will be the Group's future prospects and the prospects of the Group's industry in general, its revenue, profit and certain other financial operating information with respect to the Group in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in similar activities to the Group.

Lock-up Arrangements

Pursuant to the terms of the Underwriting Agreement, the Company has contractually agreed, for a period of 180 days after the Closing Date, not to (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed.

Pursuant to the terms of the Underwriting Agreement, the Selling Shareholder has contractually agreed, for a period of 180 days after the Closing Date, not to (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed. The foregoing restriction will not apply to:

(i) the sale of the Shares to be sold pursuant to the Global Offering;

(ii) any inter-company transfers of Shares by the Selling Shareholder in favour of its respective affiliates ("**Transferees**");

(i) accepting a general offer made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein);

(ii) selling or otherwise disposing of Shares to the extent that the proceeds of such sale or disposition are used to take up any rights granted in respect of a pre-emptive share offering by the Company;

(iii) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares;

(iv) any disposal by and/or allotment and issue of shares to the Selling Shareholder pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by the Selling Shareholder, provided that any shares issued to or otherwise acquired by the Selling Shareholder pursuant to such capital reorganisation shall be subject to the lock-up restrictions;

(v) transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members of any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority; or

(vi) transferring or otherwise disposing of Shares where such transfer or disposal is required by law or by any competent authority or by a final order of a court of competent jurisdiction.

The Underwriting Agreement provides that the carve-out set in paragraph (ii) above is subject to the following conditions: (a) that any of such Transferees shall agree to be bound by the lock-up obligations of the Selling Shareholder; and (b) that any of such inter-company transfers of Shares shall be performed on terms and conditions that do not conflict with the Global Offering.

The Shariah pronouncement issued in relation to the Offering does not extend in scope to the transactions listed above and the parties involved in any transactions that lead to a lock-up waiver request should undertake their own assessment as to whether such transactions are structured in a Shariah compliant manner.

Pursuant to the Cornerstone Investor Agreements, the Cornerstone Investors have respectively agreed that, subject to certain customary exceptions, during a period of not less than 180 days from the Closing Date, such Cornerstone Investor will not offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Shares it has acquired under the Cornerstone Investor Agreements (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Allocation

The Global Offering comprises the Qualified Institutional Offering, the ADGM Exempt Offer, the DIFC Exempt Offer and the UAE Retail Offer. The allocation of Shares among the Qualified Investor Offering (including the ADGM Exempt Offer and the DIFC Exempt Offer) will be determined by the Joint Global Coordinators, the Selling Shareholder and the Company. Cornerstone Investors will also participate in the Global Offering in accordance with the commitments opposite each Cornerstone Investor's name in the table set out in "—*Cornerstone Investors*".

Factors that may be taken into account by the Joint Global Coordinators, the Selling Shareholder and the Company when determining the allocations between prospective investors in the event of over-subscription may include participation in the marketing process for the Global Offering, holding behaviour in previous offerings, holdings in similar companies, pre-funding of indication of interest and other factors that the Joint Global Coordinators, the Selling Shareholder and the Company may deem relevant.

Cornerstone Investors

On 18 November 2024, the Company and the Selling Shareholder entered into cornerstone investor agreements (the "**Cornerstone Investor Agreements**") with each of Emirates NBD AM SPC (acting on behalf of the UAE Strategic Investment Fund), The Abu Dhabi Pension Fund, and Emirates International Investment Company LLC (the "**Cornerstone Investors**") pursuant to which each of the Cornerstone Investors severally (and neither jointly nor jointly and severally) has committed to purchase Shares in the Global Offering, and the Selling Shareholder has agreed to sell, and procure the allotment and transfer of, Shares to the Cornerstone Investors from the Qualified Investor Offering at the offer price and in accordance with the commitments opposite each Cornerstone Investor's name in the table below. The aggregate commitments of all the Cornerstone Investors pursuant to the Cornerstone Investor Agreements are USD 250,000,000 (equivalent to AED 918,125,000). The Cornerstone Investor Agreements are conditional upon Admission and certain other customary conditions being satisfied, and will terminate automatically if such conditions have not been fulfilled on or before 31 December 2024 (or such other date as may be agreed between the Company and the Cornerstone Investors).

Name of Cornerstone Investor	**Investor Commitment Amount** *(USD)*
Emirates NBD AM SPC (acting on behalf of the UAE Strategic Investment Fund)(1)......	140,000,000
The Abu Dhabi Pension Fund(2)..	60,000,000
Emirates International Investment Company LLC(3)..	50,000,000
Cornerstone Investor Commitment Amount..	250,000,000

(1) Emirates NBD AM SPC is acting on behalf of the UAE Strategic Investment Fund, which was established to act as a strategic long-only investor in key Dubai IPOs resulting in more than AED 3.5 billion invested since 2022 as a cornerstone investor. The UAE Strategic Investment Fund is a segregated portfolio of Emirates NBD AM SPC managed by Emirates NBD Asset Management, which is one of the largest and longstanding asset managers in the Middle East with a recognised track record of investing in, amongst other asset classes, listed equities within the MENA region via segregated mandates and mutual funds.

(2) The Abu Dhabi Pension Fund ("**ADPF**") is an important Abu Dhabi Government entity. ADPF was founded in 2000 to manage contributions, pensions and end-of-service benefits for UAE nationals working in or retired from the government and private sectors in the Emirate of Abu Dhabi and their beneficiaries.

(3) Emirates International Investment Company LLC ("**EIIC**") is the strategic investment vehicle of National Holding, an Abu Dhabi-based group with strategic investments across leading sectors in the UAE and MENA region. Since the early 1990s, EIIC has been a significant investor in the MENA region and globally. EIIC is a patient, long-term investor that scouts for sustainable growth and value creation across its investment portfolio. EIIC has made long-term strategic investments in a number of regional and international companies, such as Abu Dhabi Islamic Bank, ADIB – Egypt, Modon Holding and Abu Dhabi National Hotels, which owns some of the most reputable hotels in the UAE. EIIC is also an active investor in the regional and global capital markets, private equity and venture capital. EIIC may direct the delivery of any of the Shares purchased through this Global Offering, to any of its affiliates. Any such transferee will remain subject to the 180-day lock-up period detailed below.

The Cornerstone Investors will acquire the Shares pursuant to, and as part of, the Global Offering. The Shares to be acquired by the Cornerstone Investors will rank *pari passu* with the Shares sold in the Global Offer. No special rights have been granted to the Cornerstone Investors as part of their commitment to purchase Shares pursuant to the Cornerstone Investor Agreements.

Pursuant to the Cornerstone Investor Agreements, the Cornerstone Investors have respectively agreed that, subject to certain customary exceptions, during a period of not less than 180 days from the Closing Date, such Cornerstone Investor will not offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce an offer of any Shares it has acquired under the Cornerstone Investor Agreements (or any interest therein in respect thereof) or enter into any transaction with the same economic effect as any of the foregoing.

Other Relationships

In connection with the Global Offering, each of the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Shares in the Global Offering as a principal position and in that capacity, may subscribe for and/or acquire Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its own account in such Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this Offering Memorandum to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, any of the Joint Bookrunners and any of their respective affiliates acting in such capacity. In addition, certain of the Joint Bookrunners or their affiliates may enter into financing arrangements with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of Shares.

Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Joint Bookrunners (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company or the Selling Shareholder.

None of the Joint Bookrunners intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Selling Restrictions

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Shares or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company or the Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, nor may this Offering Memorandum or any other offering material or advertisement or other document or information in connection with the Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States

The Shares have not been and will not be registered under the Securities Act or under any applicable securities laws or regulations of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Shares are being offered and sold outside the United States in reliance on Regulation S. The Underwriting Agreement provides that certain of the Joint Bookrunners may, directly or through their respective U.S. broker-dealer affiliates, arrange for the offer and resale of the Shares within the United States only to a person which such Joint Bookrunner reasonably believes is a QIB purchasing for its own account or for the account of another QIB in reliance on Rule 144A.

In addition, until 40 days after the commencement of the Global Offering, an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities

Act if such offer or sale is made other than in accordance with Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration under the Securities Act.

UK

In relation to the UK, no Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in the UK prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority in the UK in accordance with the UK Prospectus Regulation and the FSMA, except that offers of Shares may be made to the public in the UK at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

- to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- at any time in other circumstances falling within section 86 of the FSMA,

provided that no such offer of Shares shall result in a requirement for the publication by the Company or any Joint Bookrunner to publish a prospectus pursuant to Section 85 of the FSMA or Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the UK who initially acquires any Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Bookrunners that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the UK to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, and the expression "FSMA" means the Financial Services and Markets Act 2000.

In connection with the Global Offering, the Joint Bookrunners are not acting for anyone other than the Company and the Selling Shareholder and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients nor for providing advice in relation to the Global Offering.

This Offering Memorandum is for distribution only to persons who are qualified investors as defined under the UK Prospectus Regulation and who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations etc.**") of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

European Economic Area

In relation to each member state of the European Economic Area (each a "Relevant State"), no Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State all in accordance with the Prospectus Regulation, except that offers of Shares may be made to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication by the Company, the Selling Shareholder or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who initially acquires any Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Bookrunners that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression of an "offer to the public" in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of Professional Investors, within the meaning of the United Arab Emirates SCA's Board of Directors Decision No. 13 of 2021 Concerning the Financial Activities Rule Book, and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this Offering Memorandum, you should consult an authorised financial adviser.

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by or filed with the UAE Central Bank, the SCA or any other authorities in the UAE, nor have the Joint Bookrunners received authorisation or licensing from the UAE Central Bank, the SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE. It should not be assumed that any of the Joint Bookrunners is a licensed broker, dealer or investment advisor under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Shares offered pursuant to this Offering Memorandum may not be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law No. 32 of 2021 (as amended) or otherwise.

Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

Australia

The Shares have not been offered and will not be offered pursuant to the Global Offering in Australia, except to select investors who are able to demonstrate that they fall within one or more of the following categories of investors:

- a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;
- a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- a person associated with the company under section 708(12) of the Corporations Act; or
- a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

This document does not constitute a prospectus or other disclosure document under Chapter 6D.2 of the Corporations Act, has not been, and will not be, lodged or registered with the ASIC or the ASX or any other regulatory body or agency in Australia and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

Abu Dhabi Global Market

The Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

- an "Exempt Offer" in accordance with the FSRA Financial Services and Markets Regulations and the Market Rules of the FSRA; and
- made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the FSMR)

or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

Dubai International Financial Centre

The Shares have not been offered and will not be offered to any persons in the DIFC except on the basis that an offer is:

- an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the DFSA Rulebook; and
- made only to persons who are existing clients of the DFSA Authorised Person distributing this Offering Memorandum or who otherwise meet the Deemed Professional Client criteria set out in Rule 2.3.4 of the DFSA Rulebook Conduct of Business Module and who are not natural persons.

Kingdom of Saudi Arabia

This Offering Memorandum may not be distributed in the Kingdom of Saudi Arabia, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Offering Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Memorandum. Prospective purchasers of the Shares should conduct their own due diligence on the accuracy of the information relating to the Shares. If a prospective purchaser does not understand the contents of this Offering Memorandum, they should consult an authorised financial adviser.

Lebanon

This Offering Memorandum does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any subscription or purchase.

The Company has not been, and will not be, authorised or licensed by the Central Bank of Lebanon and its Shares cannot be marketed and sold in Lebanon. No public offering of the Shares is being made in Lebanon and no mass-media means of contact are being employed. This Offering Memorandum is aimed at institutions and sophisticated, high net worth individuals only, and this Offering Memorandum will not be provided to any person in Lebanon except upon the written request of such person.

Recipients of this Offering Memorandum should pay particular attention to the section titled "*Risk Factors*" in this Offering Memorandum. Investment in the Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks associated with such an investment, and said investors must be prepared to bear those risks.

Oman

This Offering Memorandum does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No.1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This Offering Memorandum is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to make an offer to the Company to enter into commitments to invest in the Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

Additionally, this Offering Memorandum is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Company is incorporated and existing under the laws of the UAE. The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this Offering Memorandum or for the performance of the Company with respect to the Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Bahrain

The Shares have not been offered or sold, and will not be offered or sold to any person in the Kingdom of Bahrain except on a private placement basis to persons who are "accredited investors".

For this purpose, an "accredited investor" means:

- an individual holding financial assets (either singly or jointly with a spouse) of USD 1,000,000 or more;

- a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than USD 1,000,000; or
- a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kuwait

The Shares have not been and will not be offered, sold, promoted or advertised in Kuwait except on the basis that an offer is made in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Shares is being made in Kuwait, and no agreement relating to the sale of the Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Shares in Kuwait.

Jordan

Any marketing of the Shares to Jordanian investors shall be done by way of private placement only. The Shares are being offered in Jordan on a cross border basis based on one-on-one contacts to no more than 30 potential investors and accordingly the Shares will not be registered with the Jordanian Securities Commission and a local prospectus in Jordan will not be issued.

Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "**FIEL**"). This Offering Memorandum is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The offering of the Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because the Shares are offered to less than 500 investors and the Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Offering Memorandum does not constitute a prospectus or a similar document pursuant to FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Shares.

Canada

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, *provided that* the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Joint Bookrunners are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

Hong Kong

This Offering Memorandum has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Shares may not be offered or sold in Hong Kong by means of this Offering Memorandum or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer to the public within the meaning of the Companies Ordinance, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore, and the Shares will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act"). Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Shares, namely a person who is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Shares under Section 275 of the Securities and Futures Act except:

- to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or
- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law; or
- pursuant to Section 276(7) of the Securities and Futures Act.

People's Republic of China

This Offering Memorandum, the Shares and any material or information contained or incorporated by reference herein relating to the Shares have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the People's Republic of China (the "**PRC**") (which, for the sole purpose herein, does not include Hong Kong, Macau or Taiwan) pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Shares in the PRC. Neither this Offering Memorandum nor any material or information contained or incorporated by reference herein relating to the Shares constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC.

The Shares may only be invested by PRC investors that are authorised to engage in the investment in the Shares of the type being offered or sold. PRC investors are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the People's Bank of China, the State Administration of Foreign Exchange, CSRC, the China Banking and Insurance Regulatory Commission and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or overseas investment regulations.

Qatar and the Qatar Financial Centre

This Offering Memorandum is being provided by the Joint Bookrunners on an exclusive basis to the specifically intended recipient (being a qualified investor for the purposes of the Qatar Financial Markets Authority or the Qatar Financial Centre Regulatory Authority) in the State of Qatar, including the Qatar Financial Centre, upon that person's request and initiative, and for the recipient's personal use only.

Nothing in this Offering Memorandum constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of Shares in the State of Qatar or in the Qatar Financial Centre or the marketing or promotion in the State of Qatar or in the Qatar Financial Centre of the Shares or an attempt to do business, as a bank, a financial services company, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing offering, marketing or sale of the Shares.

This Offering Memorandum and/or the Shares have not been approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or any other regulator in the State of Qatar or in the Qatar Financial Centre.

Recourse against the Company, the Selling Shareholder and/or the Joint Bookrunners may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar (including the Qatar Financial Centre). The information contained in this Offering Memorandum is confidential and must not be reproduced in whole or in part (whether in electronic or hard copy form). Any distribution of this Offering Memorandum by the recipient to third parties in the State of Qatar or in the Qatar Financial Centre beyond the terms set out above is not authorised and shall be at the liability of such recipient.

Malaysia

This Offering Memorandum has not been and will not be registered as a prospectus with the Securities Commission Malaysia ("**SC**") under the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**"). No prospectus or other offering material or document in connection with the offer and sale of the Shares which complies with the requirements of the CMSA and the guidelines of the SC has been or will be registered with the SC under the CMSA or with any other regulatory body in Malaysia. Also, no approval, authorisation or recognition of the SC has been granted for making available, offering for subscription or purchase, or issuing an invitation to subscribe for or purchase or sale, of the Shares in Malaysia. This Offering Memorandum does not constitute and may not be used for the purpose of an offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase of sale of any securities requiring (a) the approval, authorisation or recognition of the SC and (b) the registration of a prospectus with the SC under the CMSA.

Accordingly, this Offering Memorandum and any other document or material in connection with the Shares will not be circulated or distributed, nor will the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than to the categories of persons specified in paragraph 14 of Schedule 5 of the CMSA and this is also *provided that* the distribution of the Shares to such categories of exempted persons is made by a holder of a Capital Markets Services License in Malaysia who carries on the business of dealing in securities.

New Zealand

Any offer or sale of any Shares described in this Offering Memorandum and the distribution of the information contained in or accompanying this Offering Memorandum in New Zealand will only be made in accordance with the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act") and to a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act or (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act. Each purchaser of the Shares in New Zealand under the Global Offering:

- acknowledges that (i) Part 3 of the FMC Act shall not apply in respect of the offer of Shares, (ii) no product disclosure statement, registry entry or other disclosure document under the FMC Act will be prepared in respect of the Global Offering, (iii) any information provided to any persons in respect of the Global Offering is not required to, and may not, contain all of the information that a product disclosure statement under New Zealand law is required to contain, and (iv) the information contained or accompanying the Offering Memorandum or any other product disclosure statement, prospectus or similar offering or disclosure, have not been registered, filed with or reviewed or approved by any New Zealand regulatory authority or under or in accordance with the FMC Act;
- warrants that if in the future the purchaser of the Shares elects to directly or indirectly offer or sell any of the Shares allotted to that purchaser, or distribute (either directly or indirectly) the Offering Memorandum, any information contained in or accompanying the Offering Memorandum, or any other offering materials or advertisements in relation to the Global Offering, that person undertakes not to do so in a manner that could result in (i) such offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand, (ii) any contravention of the FMC Act or (iii) the Company or its directors incurring any liability; and (iii) warrants that (i) any person for whom the persons are acquiring or procuring Shares meets one or more of the criteria specified in (i) – (iv) of the first paragraph of this selling restriction and (ii) the purchaser of the Shares has delivered, where applicable, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMC Act.

Republic of Korea

A registration statement for the offering and sale of the Shares has not been filed with the Financial Services Commission of the Republic of Korea ("**Korea**") under the current laws and regulations of Korea, including but not limited to the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Shares may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the Foreign Exchange Transactions Law of Korea) or to others for reoffering or resale, directly or indirectly in Korea or for the account or benefit of any resident of Korea, except as otherwise permitted under applicable Korean laws and regulations.

South Africa

The Shares are not the subject of a registered prospectus in terms of chapter 4 of the South African Companies Act, 71 of 2008 ("**Companies Act**"). Any purchaser of the Shares in South Africa may not offer the Shares for sale to the public in South Africa unless such offer is accompanied by a prospectus, or where applicable a written statement, that is registered with the Companies and Intellectual Property Commission in terms of the said chapter of the Companies Act and which complies with all relevant provisions in this regard. No advertisement in relation to a public offer may be made unless it complies with section 98 of the Companies Act. The "public" includes any section of the public.

Certain offers of Shares are deemed, in terms of the safe harbour provisions of section 96 of the Companies Act, to not be offers to the public. These include offers to (i) persons whose ordinary business is dealing in securities, whether as principals or agents; (ii) the Public Investment Corporation; (iii) registered banks; (iv) authorised and licensed financial services providers; and (v) financial institutions as defined in the Financial Services Board Act, 1990, or a combination of any of the aforegoing. Also included in the safe harbours are offers where the minimum offer consideration per offeree, acting as principal, is R1,000,000 (one million Rand). Accordingly, offers may be made to such institutions or under such circumstances without having to comply with chapter 4 of the Companies Act.

TRANSFER RESTRICTIONS

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Investors in the United States

Each purchaser of the Shares within the United States pursuant to Rule 144A, by accepting delivery of this Offering Memorandum, will be deemed to have represented, agreed and acknowledged that:

(i) It is: (a) a QIB; (b) acquiring such Shares for its own account or for the account of a QIB; and (c) aware, and each beneficial owner of such Shares has been advised, that the sale of such Shares to it is being made in reliance on Rule 144A.

(ii) It understands that such Shares have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except: (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB; (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case, in accordance with any applicable securities laws of any State of the United States.

(iii) It understands that such Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT: (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER; (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS SECURITY.

(iv) The Company, the Selling Shareholder, the Joint Bookrunners and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Investors outside of the United States

Each purchaser of the Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Offering Memorandum and the Shares, will be deemed to have represented, agreed and acknowledged as follows:

(i) The purchaser is, or, at the time the Shares were purchased, will be, the beneficial owner of such Shares and: (a) is, and the person, if any, for whose account it is acquiring the Shares is, outside the United States; (b) is not an affiliate of the Company or a person acting on behalf of such an affiliate; and (c) is not in the business of buying or selling securities or, if it is in such business, it did not acquire such Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

(ii) The purchaser is aware that such Shares: (a) have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States and (b) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Shares in an "offshore transaction" in reliance on Regulation S.

(iii) The purchaser acknowledges that the Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

SETTLEMENT AND DELIVERY

Trading of the Shares will take place through the trading system of the DFM. Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are Clearing Members. Settlement of securities trading on the DFM is governed by the DFM's rules and regulations, which are available from its website at www.dfm.ae.

Investors will be required to complete an application form for the Shares and return such form to the Joint Bookrunners during the bookbuilding period. Application forms will be available from the Joint Bookrunners.

Investors who receive an allocation of Shares will be required to deliver to the Joint Bookrunners a signed trade confirmation on the business day following notice of its allocation. The form of trade confirmation will be provided to such investors when allocations are notified on or around 29 November 2024 to investors subscribing in the Qualified Investor Offering.

Payment for the Shares purchased in connection with the Qualified Investor Offering shall be made in AED (unless otherwise agreed between the investor and a Joint Bookrunner). Purchasers will be required to make full payment for the Shares to the Joint Bookrunners for receipt by the Joint Bookrunners two business days prior to the expected Closing Date, unless otherwise agreed with the Joint Bookrunners. In the event of a failure to make timely payment, purchasers of Shares may incur significant charges.

Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the DFM. There can be no assurance that such Shares will be credited to the NIN account of the relevant investor during trading hours of the DFM on the Closing Date and such investor may not be able to deal in the relevant Shares comprising its allocation in the Global Offering until such time as they are in fact credited to its NIN account, which may be one or more business days following the Closing Date.

LEGAL MATTERS

Certain legal matters with respect to the Global Offering will be passed upon for the Company by Gibson, Dunn & Crutcher LLP, Dubai, UAE and Ibrahim & Partners. Certain legal matters with respect to the Global Offering will be passed upon for the Joint Bookrunners by Linklaters LLP, Dubai, UAE and Linklaters LLP, London, United Kingdom.

INDEPENDENT AUDITORS

The combined and carve out financial statements of Delivery Hero FZ LLC and other companies included in the Initial Perimeter and Extended Perimeter as of 31 December, 2023 and 2022 and for the two years then ended, included in this Offering Memorandum, have been audited by KPMG Lower Gulf Limited ("**KPMG**"), independent auditors, as stated in their report appearing herein, which includes an emphasis of matter paragraph related to the basis of preparation, including the approach to and purpose of preparing the combined and carve out financial statements.

With respect to the unaudited interim combined and carve out financial statements for the periods from 1 January to 29 September, 2024 and 2023 included herein, KPMG have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance of their report on such information should be restricted in light of the limited nature of the review procedures applied.

INDEX TO FINANCIAL STATEMENTS

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter – condensed combined and carve out interim financial statements for the period ended 29 September 2024

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter – combined and carve out interim financial statements for the year ended 31 December 2023

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter (the "Reporting Entity")

Condensed combined and carve out interim financial statements
29 September 2024

Initial

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter

Condensed combined and carve out interim financial statements
29 September 2024

Content ***Pages***

Initial

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Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.kpmg.com/ae

Independent Auditors' Report on Review of Condensed Combined and Carve out Interim Financial Information

To the Shareholder of Delivery Hero FZ- LLC

Introduction

We have reviewed the accompanying condensed combined and carve out interim statement of financial position of Delivery Hero FZ LLC ("the Company") and other companies included in Initial Perimeter and Extended Perimeter (together referred to as the Group), as at 29 September 2024, the condensed combined and carve out interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-month period then ended, and notes to the interim financial information ("the condensed combined and carve out interim financial information"). Management is responsible for the preparation and presentation of this condensed combined and carve out interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed combined and carve out interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed combined and carve out interim financial information as at 29 September 2024 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Emphasis of Matter – Basis of preparation

We draw attention to note 3 of the condensed combined and carve out interim financial information, which describes their basis of preparation, including the approach to and the purpose of preparing them.

This condensed combined and carve out interim financial information has been prepared for the purpose of inclusion in the International Offering Memorandum (IOM) issued in relation to the proposed listing of Talabat Holding Limited's shares on the Dubai Financial Market (DFM) through an Initial Public Offering ('IPO'). Our conclusion is not modified in respect of this matter.

KPMG Lower Gulf Limited

Richard Ackland
Registration No.: 1015
Dubai, United Arab Emirates
Date: 04 NOV 2024

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter

Condensed combined and carve out interim statement of financial position
As at 29 September 2024

	Notes	29 September 2024 AED (Unaudited)	31 December 2023 AED (Audited)
ASSETS			
Non-current assets			
Property and equipment	*5*	**545,084,600**	504,108,916
Intangible assets and goodwill	*6*	**1,166,956,599**	1,153,183,998
Loans to related parties	*9*	**-**	252,785,439
Trade and other receivables	*7*	**21,527,122**	16,211,629
Total non-current assets		**1,733,568,321**	1,926,289,982
Current assets			
Inventories	*8*	**142,935,781**	125,519,570
Trade and other receivables	*7*	**443,905,310**	371,065,212
Due from related parties	*9*	**3,528,826**	75,653,771
Cash and cash equivalents	*10*	**1,161,062,323**	1,278,849,061
Total current assets		**1,751,432,240**	1,851,087,614
Total assets		**3,485,000,561**	3,777,377,596
EQUITY AND LIABILITIES			
Equity			
Net Ultimate Parent's investment	*11*	**1,498,955,525**	661,361,258
Total equity		**1,498,955,525**	661,361,258
Non-current liabilities			
Loans from related parties	*9*	**5,829,687**	1,403,801,184
Trade and other payables	*12*	**2,796,205**	3,825,273
Lease liabilities	*13*	**269,953,688**	220,352,238
Employees' end of service benefits		**65,854,871**	52,308,858
Total non-current liabilities		**344,434,451**	1,680,287,553
Current liabilities			
Due to related parties	*9*	**78,163,349**	141,684,042
Trade and other payables	*12*	**1,420,714,930**	1,216,272,264
Lease liabilities	*13*	**69,717,898**	61,242,891
Income tax liabilities		**73,014,408**	16,529,588
Total current liabilities		**1,641,610,585**	1,435,728,785
Total liabilities		**1,986,045,036**	3,116,016,338
Total equity and liabilities		**3,485,000,561**	3,777,377,596

To the best of our knowledge, these condensed combined and carve out interim financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Reporting Entity as of, and for, the period ended 29 September 2024.

These condensed combined and carve out interim financial statements were authorised and approved for issue by the Board of Directors of Delivery Hero FZ – LLC on 04 November 2024 and signed on their behalf by:

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Director

The notes on pages 7 to 23 are an integral part of these condensed combined and carve out interim financial statements.
The independent auditors' review report is set out on pages 1 to 2.

Initial

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter

Condensed combined and carve out interim statement of profit or loss and other comprehensive income
For the period ended 29 September 2024

	Notes	**29 September 2024 AED (Unaudited)**	29 September 2023 AED (Unaudited)
Revenue	*14*	**7,604,254,410**	5,760,901,790
Cost of sales	*15*	**(5,179,174,959)**	(3,942,028,966)
Gross profit		**2,425,079,451**	1,818,872,824
Marketing expense		**(389,118,425)**	(365,754,591)
IT expense		**(165,119,212)**	(149,347,527)
General administrative expense		**(453,070,175)**	(413,599,226)
Other income	*16*	**39,650,221**	54,572,031
Other expenses and impairment	*17*	**(353,915,148)**	(328,604,491)
Operating profit		**1,103,506,712**	616,139,020
Net finance costs*		**(31,795,578)**	(69,129,082)
Foreign exchange loss, net		**(213,296,886)**	(68,826,779)
Profit before income tax		**858,414,248**	478,183,159
Current income tax	*18*	**(93,603,281)**	(29,211,005)
Net profit		**764,810,967**	448,972,154
Other comprehensive income (Net)			
Items that will be subsequently reclassified to profit or loss:			
Foreign currency translation reserve		**185,529,825**	62,804,825
Other comprehensive income, net of tax		**185,529,825**	62,804,825
Total comprehensive income		**950,340,792**	511,776,979

**This includes interest income amounting to AED 51,729,997 (29 September 2023: AED 12,758,673).*

The notes on pages 7 to 23 are an integral part of these condensed combined and carve out interim financial statements.
The independent auditors' review report is set out on pages 1 to 2.

Initial

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter

Condensed combined and carve out interim statement of changes in equity
For the period ended 29 September 2024

	Net Ultimate Parent's investment AED
Balance at 1 January 2023 (Audited)	819,375,472
Total comprehensive income for the period:	
Net profit (Unaudited)	448,972,154
Other comprehensive income (Unaudited)	62,804,825
	511,776,979
Transactions with owner of the Reporting Entity:	
Issuance of share capital of the Company	15,005,116
Equity settled share-based transactions *(Note 20)*	37,397,079
Dividends paid *(Note 23)*	(679,914,509)
Balance at 29 September 2023 (Unaudited)	**703,640,137**
Balance at 1 January 2024 (Audited)	**661,361,258**
Total comprehensive income for the period:	
Net profit (Unaudited)	**764,810,967**
Other comprehensive income (Unaudited)	**185,529,825**
	950,340,792
Transactions with owner of the Reporting Entity:	
Additional contribution *(Note 9 (b))*	**211,592,248**
Equity settled share-based transactions *(Note 20)*	**41,980,042**
Dividends paid *(Note 23)*	**(366,318,815)**
Balance at 29 September 2024 (Unaudited)	**1,498,955,525**

The notes on pages 7 to 23 are an integral part of these condensed combined and carve out interim financial statements.

Initial

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter

Condensed combined and carve out interim statement of cash flows
For the period ended 29 September 2024

	Notes	29 September 2024 AED (Unaudited)	29 September 2023 AED (Unaudited)
Cash flows from operating activities			
Net profit		**764,810,967**	448,972,154
Adjustments for:			
Depreciation of property and equipment		**122,035,896**	101,495,222
Gain on disposal of property and equipment		**(3,107,923)**	(318,266)
Amortisation of intangible assets		**15,883,064**	12,077,313
Interest expense on lease liabilities		**14,857,574**	8,307,487
Loss / (Gain) on termination of leases		**7,850,861**	(617,078)
Employees' end-of-service benefits		**27,251,368**	19,414,795
Provision for expected credit loss	*17*	**9,137,349**	20,687,628
Interest expense on loans from related parties		**68,668,001**	73,580,267
Interest income		**(51,729,997)**	(12,758,673)
Equity settled share-based transactions		**41,980,042**	37,397,079
Income tax expense	*18*	**93,603,281**	29,211,006
Unrealised foreign exchange losses		**210,277,830**	67,085,944
Operating cash flows before changes in working capital		**1,321,518,313**	804,534,878
Working capital changes:			
Inventories		**(17,416,211)**	(39,021,366)
Trade and other receivables		**(87,292,939)**	(38,221,529)
Due from related parties		**72,124,945**	2,495,285
Due to related parties		**(63,520,693)**	(3,036,193)
Trade and other payables		**203,413,598**	217,903,044
Cash generated from operating activities		**1,428,827,013**	944,654,119
Employees’ end-of-service indemnity paid		**(13,824,260)**	(4,757,024)
Interest received		**51,729,997**	12,758,673
Income tax paid		**(37,118,464)**	(33,202,847)
Net cash generated from operating activities		**1,429,614,286**	919,452,921
Cash flows from investing activities			
Purchase of property and equipment		**(85,082,151)**	(75,595,630)
Proceeds from disposal of property and equipment		**14,016,385**	9,223,491
Addition of intangible assets	*6*	**(29,806,595)**	(28,465,786)
Loans to the Ultimate Parent Company		**(997,912,110)**	(12,325,638)
Net cash used in investing activities		**(1,098,784,471)**	(107,163,563)
Cash flows from financing activities			
Proceeds from issuance of shares		**-**	15,005,116
Dividends paid	*23*	**(366,318,815)**	(679,914,509)
Payment of principle portion of lease liabilities		**(44,027,928)**	(53,023,692)
Payment of interest on lease liabilities		**(14,857,574)**	(8,307,487)
Proceeds of loans from related parties		**60,599,415**	246,919,522
Repayment of loans from related parties		**(84,220,282)**	(458,458,061)
Net cash used in financing activities		**(448,825,184)**	(937,779,111)
Net decrease in cash and cash equivalents		**(117,995,369)**	(125,489,753)
Exchange differences		**208,631**	(1,340,218)
Cash and cash equivalents at the beginning of the period		**1,278,849,061**	1,507,684,858
Cash and cash equivalents at the end of the period	*10*	**1,161,062,323**	1,380,854,887

The notes on pages 7 to 23 are an integral part of these condensed combined and carve out interim financial statements.
The independent auditors’ review report is set out on pages 1 to 2.

Initial

1. Reporting Entity

Delivery Hero FZ LLC (the "Company") and other companies mentioned in note 1 below ("Initial Perimeter") and companies mentioned in note 24 ("Extended Perimeter") are under common control of Delivery Hero SE (the "Ultimate Parent"). Initial Perimeter and Extended Perimeter together are referred to as the Group or Reporting Entity in these condensed combined and carve out interim financial statements. The Ultimate Parent is the ultimate controlling party.

One of the Company's subsidiaries, Talabat for Restaurants Company WLL ("Talabat KSA") is not included in these condensed combined and carve out interim financial statements, as subsequent to the period end the Company transferred shareholding of Talabat KSA to a related party under common control of the Ultimate Parent. These condensed combined and carve out interim financial statements also do not include assets, liabilities, equity, cashflows and results of the operations of InstaShop Ltd, a BVI Business Company registered under the laws of the British Virgin Islands, considering the fact as at the date of proposed listing on the Dubai Financial Market (DFM) through an Initial Public Offering ('IPO'), InstaShop Ltd. will not be part of the Group (Refer note 24).

In September 2024, the Ultimate Parent of the Company transferred its shareholding in the Company to Talabat Holding PLC (the "Parent") as part of a Group restructuring initiative. This restructuring was carried out with the objective of realigning the Group's corporate structure in preparation for an Initial Public Offering (IPO) by Talabat Holding PLC.

The registered address of the Company is Premises no. EX 75, Ground floor, Building no. 07, Co- Work, Dubai Outsource City, Dubai, United Arab Emirates. The Ultimate Parent is domiciled at Oranienburger Strasse 70, 10117 Berlin, Germany. The principal activity of the Group is to provide access to an online platform to restaurants and end customers to order food, groceries, delivery and advertisement services.

These condensed combined and carve out interim financial statements include the results of operations, cashflows and the financial position of below entities:

Initial Perimeter

Name of the entities	**Country of incorporation**	**Principal activities**
Delivery Hero FZ LLC	UAE	Provide access to an online platform to restaurants and end customers to order food, groceries, delivery and advertisement services
Talabat QFC LLC	Qatar	Provide professional services of information services in relation to an online restaurant ordering and advertisement services.
Talabat Services Company S.P.C	Bahrain	Engaged in business of retail sale via internet.
DHH I SPC (DIFC) Ltd.*	United Arab Emirates	Licensed to do structured financing for qualifying purposes.
DHH II SPC (DIFC) Ltd.	United Arab Emirates	Licensed to do structured financing for qualifying purposes.
Talabat Electronic and Delivery Services Company SPC	Oman	Licensed for export and import, delivery of meals, and software designing and programming.

Initial

1. Reporting Entity *(continued)*

Initial Perimeter *(continued)*

Name of the entities	Country of Incorporation	Principal activities
Delivery Hero Talabat DB LLC	United Arab Emirates	Provide access to an online platform to order food and deliver to end customers.
Talabat For General Trading and Electronic Commerce Ltd	Iraq	Online food ordering commercial services and electronic trading
Talabat For Stores Services Company (Private Shareholding Company)	Iraq	Commercial services and general trade of all kinds in the local and global market, exporting legally approved materials and equipment, providing delivery services for all legally permitted materials from all related services.
Talabat General Trading and Contracting Company W.L.L*	Kuwait	General trading and contracting
Carriage Holding Company Limited*	United Arab Emirates	Registered as Special Purpose Vehicle in Abu Dhabi Global Market and is acting as holding entity of its subsidiaries. The subsidiaries are engaged in processing online orders on behalf of customers and delivering food to customers.
Carriage Logistics General Trading LLC	Kuwait	Wholesale and retail trade
Delivery Hero Carriage Kuwait for Delivery of Consumables S.P.C.	Kuwait	Delivery service for consumables products
Carriage Logistics SPC	Bahrain	Retail sales via internet and food transportation for companies
Delivery Hero Carriage DB LLC	United Arab Emirates	Delivery services coordination and provision
Carriage Delivery Services AD LLC	United Arab Emirates	Delivery services coordination and provision
Kitchens Saudi For Food Services LLC	Saudi Arabia	Food services contractors including transportation, storage and cooling
Carriage Trading and Services W.L.L	Qatar	Trading via internet

Initial

1. Reporting Entity *(continued)*

Initial Perimeter *(continued)*

Name of the entities	Country of Incorporation	Principal activities
DH Stores Bahrain WLL	Bahrain	Food and beverage service activities, general trade and sale of tobacco products.
Stores Services Kuwait for General Trading Company WLL	Kuwait	Import and export, grocery, central market, non-food supermarket, general trade office, commission agent.
Delivery Hero Kitchens Kuwait Food Services Management Company WLL	Kuwait	Bakery management, management of catering services, food equipment, fast food stores, restaurant
Delivery Hero Kitchens Bahrain WLL	Bahrain	Real estate activities with own or leased property and general trade
Delivery Hero Lebanon	Lebanon	Online ordering of food and other consumer goods, distribution and delivery services for the individuals, companies and other entities in all sectors

* *These entities are effectively and beneficially fully owned by the Company under the terms of a Mudarabah Agreement, which grants Parent Company control over the relevant activities of these companies and rights over the variable returns.*

Extended Perimeter Group

Name of the entities	Country of Incorporation	Principal activities
Foodonclick.com FZ-LLC	United Arab Emirates	Registered as Special Purpose Vehicle in Abu Dhabi Global Market and is acting as holding entity of its subsidiaries. The subsidiaries are engaged in processing online orders on behalf of customers and delivering food to customers.
Foodclick .com Jordan Private Shareholding Co.	Jordan	Providing integrated solutions in the field of information and communications systems
Talabat Log. & Online Management	Jordan	Providing logistics services
Talabat for Delivery Services LLC	Iraq	Food and beverage service activities, general trade and sale of tobacco products.

Initial

1. Reporting Entity *(continued)*

Extended Perimeter Group ***(continued)***

Name of the entities	**Country of Incorporation**	**Principal activities**
Batal Al Tawsil for Delivery Services Ltd.	Iraq	Providing logistics services
Delivery Hero Egypt SAE	Egypt	Import and export, grocery, central market, non-food supermarket, general trade office, commission agent.
Dark Stores MENA Holding Ltd	United Arab Emirates	Bakery management, management of catering services, food equipment, fast food stores, restaurant
Jordanian Stores for General Trading LLC	Jordan	Ecommerce and retail trade
Talabat Services Company W.L.L.	Qatar	Wholesale and retail trade
Delivery Hero Stores DB LLC	United Arab Emirates	General trade
Delivery Hero Dmart Egypt LLC	Egypt	General trade and distribution
Delivery Hero Stores LLC	Oman	Real estate activities with own or leased property and general trade
Delivery Hero Kitchens MENA Holding Ltd	United Arab Emirates	Ecommerce and other activities
Delivery Hero Kitchen DB LLC	United Arab Emirates	Trading and service supply
DH Kitchens LLC	Qatar	Ready-meal supply and trade of fresh and preserved fruits and vegetables
Delivery Hero Kitchens MENA Holding Jordan LLC	Jordan	Real estate activities with own or leased property and general trade
Delivery Hero Payments MENA FZ-LLC	United Arab Emirates	Development, consultancy and support service provider
Delivery Hero Tech Payment Limited	United Arab Emirates	Development & research technology

Initial

2. New standards or amendments

New and amended IFRSs in issue but not yet effective and not early adopted

2.1 New and revised IFRSs applied with no material effect on the condensed combined and carve out interim financial statements of the Group

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these condensed combined interim financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported but may affect the accounting for future transactions or arrangements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

2.2. New and amended IFRSs in issue but not yet effective and not early adopted

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 1 – Lack of exchangeability	1 January 2025
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date deferred indefinitely

Initial

3. Basis of preparation

These condensed combined and carve out interim financial statements for the period ended 29 September 2024 have been prepared in accordance with International Accounting Standard 34 *'Interim Financial Reporting'* and should be read in conjunction with the last annual combined and carve out financial statements of the Reporting Entity as at and for the years ended 31 December 2023 and 31 December 2022. These do not include all the information required for a complete set of financial statements prepared in accordance with the IFRS accounting standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in financial position and performance since the last year end combined and carve out financial statements.

These condensed combined and carve out interim financial statements as at and for the period ended 29 September 2024 have been prepared for the purpose of inclusion in the International Offering Memorandum (IOM) issued in relation to the proposed listing of Talabat Holding PLC's shares on the Dubai Financial Market (DFM) through an Initial Public Offering ('IPO'). These condensed combined and carve out interim financial statements have been prepared as at and for the period ended 29 September 2024 (the "reporting date"), as the Extended Perimeter was not on said date under the control of the Company (and therefore no parent-subsidiary relationship existed between the Company and the Extended Perimeter), thereby allowing the Extended Perimeter to be reflected in the condensed combined and carve out interim statement of financial position, condensed combined and carve out statement of profit or loss and other comprehensive income, condensed combined and carve out statement of changes in equity and condensed combined and carve out statement of cash flows included in the condensed combined and carve out interim financial statements. Subsequent to the reporting date on 30 September 2024, the Company obtained control of the entities within the Extended Perimeter (refer note 24), accordingly the Company established a parent-subsidiary relationship with the Extended Perimeter.

These condensed combined and carve out interim financial statements include assets, liabilities, equity, cashflows and results of the operations of the Group for the period ended 29 September 2024.

The Group is combined using a bottom-up, line-by-line approach, reflecting the common ownership and control by the Ultimate Parent. Common costs and assets are mainly used for the operation of the Group, therefore, these costs and assets are allocated to the Group.

All intra-group balances and transactions arising from intra-group transactions are eliminated when preparing the condensed combined and carve out interim financial statements. Transactions with all the other entities which are not combined but are related parties as per IAS 24 for the entities being combined, have been disclosed as transactions with related parties.

4. Judgements and use of estimates

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period were the same as those described in the last year end combined and carve out financial statements.

5. Property and equipment

During the period ended 29 September 2024, the Reporting Entity acquired assets with a cost of AED 213,772,413 *(29 September 2023: AED 160,810,463)*.

Net foreign exchange translation differences on property and equipment during the period ended 29 September 2024 amounted to AED 18,170,064 *(29 September 2023: AED 12,083,462)*

6. Intangible assets and goodwill

During the period ended 29 September 2024, the additions to intangible assets amounted to AED 29,806,595 *(29 September 2023: AED 28,465,786)* mainly representing capitalisation of internally generated intangible assets.

7. Trade and other receivables

	29 September 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Trade receivables	**56,124,634**	35,842,790
Receivable from riders	**64,235,953**	57,800,069
Gross trade receivables	**120,360,587**	93,642,859
Less: Allowance for expected credit loss	**(17,687,961)**	(15,707,678)
Net trade receivables	**102,672,626**	77,935,181
Receivable from payment service providers	**159,772,450**	152,214,631
Deposits	**23,293,543**	20,488,696
Loans to employees	**2,209,484**	2,158,517
Other receivables	**177,484,329**	134,479,816
Total	**465,432,432**	387,276,841
thereof non-current	**21,527,122**	16,211,629
thereof current	**443,905,310**	371,065,212

Movement in provision for impairment of trade receivables, receivable from riders and other receivables is as follows:

	29 September 2024 AED (Unaudited)	31 December 2023 AED (Audited)
As of 1 January	**(15,707,678)**	(9,765,123)
Charge during the period / year	**(9,137,349)**	(19,137,261)
Utilized during the period / year	**7,096,390**	13,086,311
Translation differences	**60,676**	108,395
As of 29 September / 31 December	**(17,687,961)**	(15,707,678)

Initial

8. Inventories

	29 September 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Trading inventories	**132,812,454**	107,023,919
Rider equipment	**7,608,509**	17,099,782
Others	**2,514,818**	1,395,869
Total	**142,935,781**	125,519,570

9. Related party transactions and balances

The Reporting Entity enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

Balance included in the condensed combined and carve out interim statement of financial position as on 29 September 2024 (Unaudited):

	Ultimate Parent AED	Companies Under Common Control AED	Total AED
Due from related parties – current (1)	**1,855,683**	**1,673,143**	**3,528,826**
Due to related parties – current (1)	**45,053,088**	**33,110,261**	**78,163,349**
Loans from related parties – non-current (2)	**-**	**5,829,687**	**5,829,687**
	45,053,088	**38,939,948**	**83,993,036**

Balance included in the combined and carve out statement of financial position as on 31 December 2023 (Audited):

	Ultimate Parent AED	Companies Under Common Control AED	Total AED
Loans to related parties – non-current	27,657,454	225,127,985	252,785,439
Due from related parties – current (1)	73,769,196	1,884,575	75,653,771
	101,426,650	227,012,560	328,439,210
Due to related parties – current (1)	140,335,835	1,348,207	141,684,042
Loans from related parties – non-current (2)	1,398,206,593	5,594,591	1,403,801,184
	1,538,542,428	6,942,798	1,545,485,226

(1) Due to and from related parties are priced at a mutually agreed terms and are to be settled in cash within 12 months of the reporting date. None of these balances are secured. No exposure has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

Initial

9. Related party transactions and balances *(continued)*

(2) The movement for the loan from related parties is as follows:

	29 September 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Balance as at 1 January	**1,403,801,184**	1,560,461,593
Additions during the period / year	**60,599,415**	159,415,371
Interest charged during the period / year (a)	**68,668,001**	112,315,109
Repayments made during the period / year	**(84,220,282)**	(441,098,331)
Settlements made during the period / year (b)	**(1,462,289,304)**	-
Unrealised foreign exchange losses	**192,263,250**	83,568,180
Translation differences	**(172,992,577)**	(70,860,738)
Balance as at 29 September / 31 December	**5,829,687**	1,403,801,184

a) Intercompany loans bear interest ranging from 3%-9% for the period ended 29 September 2024 *(31 December 2023: 3%-9%).* Interest and principal are payable in full at the end of the loan's five-year term, with no covenants or security required.

b) The Company, the Parent and Ultimate Parent entered into a settlement agreement to settle the loans from the Ultimate Parent amounting to AED 1,237,161,309 with the loans to Ultimate Parent amounting to AED 1,025,569,565. Furthermore, one of the Extended Perimeter entities entered into a settlement agreement with the Ultimate Parent to settle loans from the Ultimate Parent amounting to AED 225,127,995 with the loans given to a related party amounting to AED 225,127,995. The net remaining loans payable to Ultimate Parent amounting to AED 211,591,744 were waived off and accordingly were reclassified to shareholder's contribution within the consolidated statement of changes in equity.

Transactions included in the condensed combined and carve out interim statement of profit or loss and other comprehensive income for the period ended 29 September 2024 (unaudited) excluding the loans given to Ultimate Parent Company as disclosed in (b) above:

	Ultimate Parent AED	**Companies Under Common Control AED**	**Total AED**
Other direct income	**-**	**5,070,802**	**5,070,802**
Other income from service allocation	**12,969,979**	**19,969,529**	**32,939,508**
Shared group cost charges	**(307,347,921)**	**-**	**(307,347,921)**

9. Related party transactions and balances *(continued)*

Transactions included in the condensed combined and carve out interim statement of profit or loss and other comprehensive income for the period ended 29 September 2023 (unaudited):

	Ultimate Parent AED	**Companies Under Common Control AED**	**Total AED**
Other direct income	-	7,239,031	7,239,031
Other income from service allocation	11,687,007	39,054,676	50,741,683
Shared group cost charges	(272,889,497)	-	(272,889,497)

The transactions with related parties are entered on mutually agreed terms.

Compensation of key management personnel

The remuneration of members of key management during the period was as follows:

	29 September 2024 AED (Unaudited)	29 September 2023 AED (Unaudited)
Short-term benefits	**17,741,241**	15,722,149
Share-based compensation	**15,454,182**	11,551,545
Employees' end of service benefits	**604,342**	458,910
	33,799,765	27,732,604

The above shows the compensation received by key management personnel who were actively engaged with the Reporting Entity throughout the period.

10 Cash and cash equivalents

	29 September 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Cash at banks (a)	**1,155,578,465**	1,262,394,054
Cash in hand	**5,483,858**	4,550,245
Short term deposits (a and b)	**-**	11,904,762
Total	**1,161,062,323**	1,278,849,061

(a) The Reporting Entity's cash at bank and short term deposits are amounting to AED 1,155,578,465 at 29 September 2024 *(31 December 2023: AED 1,274,298,816)*. These are held with financial institutions, which are rated AA- to AA+, based on S&P Global Ratings. Impairment on cash at bank and short term deposit has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures.

10 Cash and cash equivalents (continued)

(b) The Reporting Entity considers that these have low credit risk based on the external credit ratings of the counterparties.

Short term deposits carry interest rate of 4.5% - 5% per annum *(31 December 2023: 4.5% - 5% per annum).*

11. Net Ultimate Parent's investment

Net Ultimate Parent's investment includes cumulative balances of combined share capital, retained earnings, shareholder's contributions, foreign currency translation reserve and other reserves. Out of total balance, the foreign currency translation reserves amounted to AED 432,801,241 as at 29 September 2024 *(31 December 2023: 242,555,193).*

12. Trade and other payables

	29 September 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Liabilities to restaurants	**359,239,251**	349,964,982
Liabilities for outstanding invoices	**436,106,727**	339,015,223
Trade payables	**383,663,949**	324,155,390
Liabilities to riders	**1,566,199**	1,221,158
Staff related accruals	**128,872,509**	120,707,746
Other payables*	**114,062,500**	85,033,038
Total	**1,423,511,135**	1,220,097,537
thereof non-current	**2,796,205**	3,825,273
thereof current	**1,420,714,930**	1,216,272,264

**Other payables include an amount of AED 12,077,534 due to the Ultimate Parent Company.*

13. Lease Liabilities

During the period, the Reporting Entity entered into new lease agreements and recognised right of use assets and lease liabilities amounting to AED 128,690,262 *(29 September 2023: AED 85,214,833)* on the commencement of the lease.

During the period, the Reporting Entity derecognised lease liabilities amounting to AED 13,774,804 *(29 September 2023: AED 23,481,447)* as a result of termination of lease contracts prior to the end of the lease term. Lease liabilities are monitored within the Reporting Entity's treasury function.

Net foreign exchange translation differences on lease liabilities during the period ended 29 September 2024 amounted to AED 12,778,924 *(30 September 2023: AED 7,728,178).*

Initial

14. Revenue

	29 September 2024 AED (Unaudited)	29 September 2023 AED (Unaudited)
Commission fees	**2,839,714,821**	2,343,954,084
Delivery fees	**1,590,432,352**	1,266,248,021
Advertising and listing fees	**658,014,054**	496,358,702
Service fees	**262,758,772**	163,872,678
Subscription fees	**74,857,740**	39,757,998
Other direct income	**2,418,035,061**	1,646,567,972
Less:		
- Vouchers	**(165,698,386)**	(130,842,314)
- Others	**(73,860,004)**	(65,015,351)
Total	**7,604,254,410**	5,760,901,790

The Reporting Entity's operations and main revenue streams are those described in the last year end financial statements. The Reporting Entity's revenue is mainly derived from contracts with customers.

Timing of revenue recognition

	29 September 2024 AED (Unaudited)	29 September 2023 AED (Unaudited)
Revenue recognized at point in time	**6,871,382,616**	5,224,785,090
Revenue recognized over time	**732,871,794**	536,116,700
	7,604,254,410	5,760,901,790

The following table summarizes the geographic information of the revenue based on IFRS and a reconciliation of revenue as monitored by management:

Nine months ended 29 September 2024 (unaudited)

Region	**IFRS revenue**	**Vouchers and other discounts**	**Reconciliation effects**	**Revenue as monitored by management**
	AED	**AED**	**AED**	**AED**
GCC	**6,423,437,088**	**165,501,272**	**(11,566,753)**	**6,577,371,607**
Non GCC	**1,180,817,322**	**74,057,118**	**(2,249,198)**	**1,252,625,242**
Total	**7,604,254,410**	**239,558,390**	**(13,815,951)**	**7,829,996,849**

Initial

14. Revenue (continued)

Nine months ended 29 September 2023 (unaudited)

Region	IFRS revenue	Vouchers and other discounts	Reconciliation effects	Revenue as monitor by management
	AED	AED	AED	AED
GCC	5,045,515,213	132,626,978	(17,472,912)	5,160,669,279
Non GCC	715,386,577	63,230,687	(2,183,650)	776,433,614
Total	5,760,901,790	195,857,665	(19,656,562)	5,937,102,893

Following are the major reconciliation items between revenue reported under IFRS 15 in the condensed combined and carve out interim statement of profit and loss and other comprehensive income and revenue as monitored by the management.

(a) Vouchers and other discounts issued to users of the platforms that are treated as marketing expenses for management reporting. These are deducted from the amount of revenue in accordance with IFRS 15 in the condensed combined and carve out interim statement of profit and loss and other comprehensive income.

(b) Reconciliation effects mainly include adjustments to other direct income for on demand riders' revenue, for which Group is principle and revenue is presented on gross basis whereas for management reporting purpose such revenue is netted of against its respective related cost.

The following table provides information about receivables and payables from contract with customers.

	29 September 2024 AED (Unaudited)	31 December 2023 AED (Audited)
Receivables included in "trade receivables" *(Note 7)*	**84,347,244**	93,642,859
Payables to restaurants included in "trade and other payables "*(Note 12)*	**359,239,251**	349,964,982

15. Cost of sales

Cost of sales primarily includes expenses related to the delivery operations of the Reporting Entity, costs associated with order processing, and other direct costs.

16. Other income

Other income represents domestic and cross-border intra-group transactions involving the allocation of use of licenses and operational requirements at various organizational levels.

Initial

17. Other expenses and impairment

	29 September 2024 AED (Unaudited)	29 September 2023 AED (Unaudited)
Shared group cost (a)	**(307,347,921)**	(272,889,497)
Provision for expected credit loss	**(9,137,349)**	(20,687,628)
Other expenses	**(37,429,878)**	(35,027,366)
Total	**(353,915,148)**	(328,604,491)

(a) Shared group cost mainly represents the charges from the Ultimate Parent, as disclosed in note 9, in relation to the use of global services.

18. Current income tax

	29 September 2024 AED (Unaudited)	29 September 2023 AED (Unaudited)
Current tax expense	**(93,603,281)**	(29,211,005)

Reconciliation of effective tax rate	**29 September 2024 AED (Unaudited)**	29 September 2023 AED (Unaudited)
Earnings before Income Taxes *(A)*	**858,414,248**	478,183,159
Tax at the Company's domestic rate of 9%/0%	**(52,622,618)**	-
Effect of tax rates in foreign jurisdictions	**(27,012,119)**	(14,635,403)
Withholding taxes	**(13,968,544)**	(14,575,602)
Total tax expense *(B)*	**(93,603,281)**	(29,211,005)
Net results (Net profit after taxes)	**764,810,967**	448,972,154
Effective tax rate (B/A)	**10.90%**	6.11%

19. Contingent liabilities and bank guarantees

During the period, one of the companies in the extended parameter entered a contract for the construction of a solar energy project. As a part of the contractual obligations, the entity issued a performance guarantee in favor of the service provider. The service provider has acquired two plots of land for the project, with the legal titles of these plots held in the name of the entity. As at 29 September 2024, the total contract value amounted to AED 7,086,967.

As of 29 September 2024, in addition to the above, the outstanding bank guarantees issued on behalf of the certain entities of the Group amounted to AED 28,654,702 *(31 December 2023: AED 32,079,939)*.

Initial

20. Share-based payment

The Ultimate Parent has been operating share-based payment programs since 2011. As at 29 September 2024, the Reporting Entities are participating in share-based payment arrangements managed by the Ultimate Parent.

During the period ended 29 September 2024, a total of 883,805 RSUs were granted *(29 September 2023: 393,905 RSUs)*. The plans contributed AED 41,980,042 of expenses *(29 September 2023: AED 37,397,079)*.

21. Fair value measurement

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of cash and bank balances, amounts due from related parties and trade and other receivables. Financial liabilities consist of trade payables and other payable and amounts due to related parties.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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 advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Reporting Entities.

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.

A fair value measurement of a financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Reporting Entities use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair values of the financial instruments are not materially different from their carrying values.

The Reporting Entities use the following hierarchy for determining and disclosing the fair value of available-for-sale investments and investment properties by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Initial

21. Fair value measurement (continued)

The management considers that the carrying amounts of financial assets and financial liabilities recognized at amortised cost in the condensed combined and carve out interim financial statements approximate their fair values.

22. Capital risk management

The Reporting Entities manages their capital to ensure that they will be able to continue as a going concern while maximizing the return to Shareholders through the optimization of the debt and equity balance. The Reporting Entity's overall strategy remains unchanged from those of the prior periods. The capital structure of the Reporting Entities consists of equity attributable to the shareholders, comprising issued capital, reserves, and retained earnings.

23. Dividends

During the period, the Board of Directors of the Reporting Entity approved and paid dividends of AED 24,340 *(29 September 2023: AED 45,177)* per share amounting to AED 366,318,815 *(29 September 2023: AED 679,914,509)* to the Ultimate Parent.

24. Subsequent events

Acquisition of Extended Perimeter

On 30 September 2024, the Company and Ultimate Parent entered into agreement to transfer to the Company the following: (i) Ultimate Parent's 100% shareholding interest in Foodonclick.com FZ-LLC; (ii) Ultimate Parent's 49% shareholding interest in Talabat for Delivery Services LLC; (iii) Ultimate Parent's 100% indirect shareholding interests in Delivery Hero Egypt SAE; (iv) Ultimate Parent's 100% indirect shareholding interest in Dark Stores MENA Holding Ltd; (v) Ultimate Parent's 10% indirect shareholding interest in Delivery Hero Stores LLC (90% already held by extended perimeter entity); (vi) Ultimate Parent's 100% indirect shareholding interest in Delivery Hero Kitchens MENA Holding Ltd.; (vii) Ultimate Parent's 100% indirect shareholding interest in DH Kitchens LLC; and (viii) Ultimate Parent's 100% indirect shareholding interest in Delivery Hero Payments MENA FZ-LLC, in each case, at a consideration amounting to AED 111,078,336. Thereafter, the Company, Parent and Ultimate Parent Company entered into a settlement agreement to waive off the consideration payable amounting to AED 66,176,921 to equity. Accordingly, subsequent to the reporting date the consideration amounting to AED 66,176,416 was reclassified to shareholder's contribution within the consolidated statement of changes in equity. Further, the remaining payable amounting to AED 44,901,415 is recognised as due to related parties.

Accordingly, the Company acquired the right over 100% returns, as well as authority to make decisions regarding approving of budgets, setting strategies, incur major capital expenditures for acquisition of assets, appointment of management and board of directors and devising strategic, operational and financial policies of the following entities and their respective subsidiaries as part of the common control transaction.

- Foodonclick.com FZ-LLC; *
- Talabat for Delivery Services LLC;**
- Delivery Hero Egypt SAE;**
- Dark Stores MENA Holding Ltd;*
- Delivery Hero Kitchens MENA Holding Ltd;*
- DH Kitchens LLC; and**
- Delivery Hero Payments MENA FZ-LLC.*

24. Subsequent events (continued)

* The shares of these entities have been legally transferred to the Company as of 30 September 2024.
** The shares of these entities have not been legally transferred to the Company as of 30 September 2024 on account of procedural legal matters which will be completed in due course. Subsequently on 20 October 2024, the shares of Delivery Hero Egypt SAE have been transferred to the Company.

Carve out of a subsidiary

The Company entered into an agreement with a company under common control to transfer the control of 100% indirect shareholding interest in Talabat for Restaurants Company WLL ("Talabat KSA").

Acquisition of Instashop

The Company and Ultimate Parent entered into an agreement to acquire InstaShop Ltd, a BVI Business Company registered under the laws of the British Virgin Islands from its Ultimate Parent. The consideration agreed with the Ultimate Parent is AED 117,258,845 (USD 31,928,889), which reflects the subscribed capital and the other reserves, excluding retained earnings as at the date of signing of the agreement. The acquisition is subject to certain conditions which are expected to be completed by 2025.

Primary reason for the acquisition

The acquisition of the aforementioned subsidiaries were strategically executed to streamline and centralize both operational and financial management. By restructuring under the full control of the Reporting Entity, Ultimate Parent's goal is to enhance efficiency, improve decision-making processes, and align all business activities with the Reporting Entity's long-term strategic objectives. The Reporting Entity was already under common control, with Delivery Hero SE as the Ultimate Parent.

Initial

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter (the "Reporting Entity")

Combined and carve out financial statements
31 December 2023

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter

Combined and carve out financial statements
31 December 2023

Content — ***Pages***

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Independent auditors' report

To the Shareholder of Delivery Hero FZ LLC

Opinion

We have audited the combined and carve out financial statements of the Delivery Hero FZ LLC ("the Company") and other companies included in Initial Perimeter and Extended Perimeter (together referred to as the Group), which comprise the combined and carve out statements of financial position as at 31 December 2023 and 31 December 2022, the combined and carve out statements of profit or loss and other comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying combined and carve out financial statements present fairly, in all material respects, the combined and carve out financial position of the Group as at 31 December 2023 and 31 December 2022 and its combined and carve out financial performance and its combined and carve out cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined and Carve Out Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the combined and carve out financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to note 2 (a) to the combined and carve out financial statements, which describes their basis of preparation, including the approach to and the purpose of preparing them. The combined and carve out financial statements have been prepared for the purpose of inclusion in the International Offering Memorandum (IOM) issued in relation to the proposed listing of Talabat Holding Limited's shares on the Dubai Financial Market (DFM) through an Initial Public Offering ('IPO'). Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Combined and Carve out Financial Statements

Management is responsible for the preparation and fair presentation of the combined and carve out financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of combined and carve out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined and carve out 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 are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Combined and Carve out Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined and carve out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined and carve out financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the combined and carve out 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.

— 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, we are required to draw attention in our auditors' report to the related disclosures in the combined and carve out 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

Auditors' Responsibilities for the Audit of the Combined and Carve out Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the combined and carve out financial statements, including the disclosures, and whether the combined and carve out 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 combined and carve out 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.

KPMG Lower Gulf Limited

Richard Ackland
Registration No.: 1015
Dubai, United Arab Emirates

Date: 24 OCT 2024

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter

Combined and carve out statement of financial position
As at 31 December 2023 and 2022

	Notes	2023 AED	2022 AED
ASSETS			
Non-current assets			
Property and equipment	*5*	**504,108,916**	422,677,406
Intangible assets and goodwill	*6*	**1,153,183,998**	1,145,459,903
Loans to related parties	*9*	**252,785,439**	208,980,058
Trade and other receivables	*7*	**16,211,629**	10,989,997
Total non-current assets		**1,926,289,982**	1,788,107,364
Current assets			
Inventories	*8*	**125,519,570**	105,620,120
Trade and other receivables	*7*	**371,065,212**	353,638,472
Due from related parties	*9*	**75,653,771**	5,537,244
Cash and cash equivalents	*10*	**1,278,849,061**	1,507,684,858
Total current assets		**1,851,087,614**	1,972,480,694
Total assets		**3,777,377,596**	3,760,588,058
EQUITY AND LIABILITIES			
Equity			
Net Ultimate Parent's investment	*11*	**661,361,258**	819,375,472
Total equity		**661,361,258**	819,375,472
Non-current liabilities			
Loans from related parties	*9*	**1,403,801,184**	1,560,461,593
Trade and other payables	*12*	**3,825,273**	3,377,988
Lease liabilities	*13*	**220,352,238**	165,660,595
Employees' end of service benefits	*14*	**52,308,858**	34,403,793
Total non-current liabilities		**1,680,287,553**	1,763,903,969
Current liabilities			
Due to related parties	*9*	**141,684,042**	106,538,931
Trade and other payables	*12*	**1,216,272,264**	996,266,023
Lease liabilities	*13*	**61,242,891**	58,024,112
Income tax liabilities		**16,529,588**	16,479,551
Total current liabilities		**1,435,728,785**	1,177,308,617
Total liabilities		**3,116,016,338**	2,941,212,586
Total equity and liabilities		**3,777,377,596**	3,760,588,058

To the best of our knowledge, the combined and carve out financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Reporting Entity as of, and for, the years ended 31 December 2023 and 31 December 2022.

These combined and carve out financial statements were authorised and approved for issue by the Board of Directors of Delivery Hero FZ – LLC on 21 October 2024 and signed on their behalf by:

DocuSigned by:
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Khaled Al Fakesh
Chief Financial Officer

DocuSigned by:
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Abdullah Al Ghrawi
Vice President

The notes on pages 8 to 51 are an integral part of these combined and carve out financial statements.
The independent auditors' report is set out on pages 1 to 3.

Initial

Combined and carve out statement of profit or loss and other comprehensive income

For the year ended 31 December 2023 and 2022

	Notes	2023 AED	2022 AED
Revenue	*15*	**7,987,738,908**	6,310,279,038
Cost of sales	*16*	**(5,448,421,725)**	(4,369,959,410)
Gross profit		**2,539,317,183**	1,940,319,628
Marketing expense	*17*	**(485,640,354)**	(507,960,903)
IT expense	*18*	**(205,056,834)**	(181,447,745)
General administrative expense	*19*	**(538,077,620)**	(548,536,494)
Other income	*20*	**95,732,420**	140,866,832
Other expenses and impairment	*21*	**(420,798,953)**	(224,548,677)
Operating profit		**985,475,842**	618,692,641
Net finance costs	*22*	**(87,925,041)**	(70,595,421)
Foreign exchange loss, net		**(91,061,503)**	(137,580,997)
Profit before income tax		**806,489,298**	410,516,223
Current income tax expense	*23*	**(29,181,375)**	(44,680,664)
Net profit		**777,307,923**	365,835,559
Other comprehensive income (Net)			
Items that will be subsequently reclassified to profit or loss:			
Foreign currency translation reserve		**66,715,636**	174,713,239
Other comprehensive income, net of tax		**66,715,636**	174,713,239
Total comprehensive income		**844,023,559**	540,548,798

The notes on pages 8 to 51 are an integral part of these combined and carve out financial statements.
The independent auditors' report is set out on pages 1 to 3.

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter

Combined and carve out statement of changes in equity
For the year ended 31 December 2023

	Net Ultimate Parent's investment AED
Balance at 1 January 2022	894,218,936
Total comprehensive income for the year:	
Net profit	365,835,559
Other comprehensive income	174,713,239
	540,548,798
Transactions with owner of the Reporting Entity:	
Issuance of share capital	55,434
Equity settled share-based transactions (Note 25)	89,341,863
Dividends paid (Note 28)	(704,789,559)
Balance at 31 December 2022	819,375,472
Balance at 1 January 2023	**819,375,472**
Total comprehensive income for the year:	
Net profit	**777,307,923**
Other comprehensive income	**66,715,636**
	844,023,559
Transactions with owner of the Reporting Entity:	
Issuance of share capital	**15,005,116**
Equity settled share-based transactions (Note 25)	**52,290,063**
Reduction in capital (Note 11.1)	**(3,426,899)**
Dividends paid (Note 28)	**(1,065,906,053)**
Balance at 31 December 2023	**661,361,258**

The notes on pages 8 to 51 are an integral part of these combined and carve out financial statements.

Delivery Hero FZ LLC and other companies included in Initial Perimeter and Extended Perimeter

Combined and carve out statement of cash flows

For the year ended 31 December 2023 and 2022

	Notes	**2023 AED**	2022 AED
Cash flows from operating activities			
Net profit		**777,307,923**	365,835,559
Adjustments for:			
Depreciation of property and equipment	*5*	**146,355,717**	127,686,505
Amortisation of intangible assets	*6*	**15,673,533**	23,696,689
Employees' end-of-service benefits	*14*	**23,907,294**	16,292,887
Gain on disposal of property and equipment	*20*	**(3,454,041)**	(220,837)
Provision for expected credit loss	*21*	**19,137,261**	10,576,361
Interest expense on lease liabilities	*13,22*	**12,278,847**	10,299,815
Loss on termination of leases	*13,27*	**6,402,240**	14,904,576
Equity settled share-based transactions	*25*	**52,290,063**	89,341,863
Interest expense on loans from related parties	*9*	**112,315,109**	69,671,363
Interest income	*22*	**(36,668,915)**	(9,375,757)
Current income tax expense	*23*	**29,181,375**	44,680,664
Unrealised foreign exchange losses	*9*	**83,568,180**	127,062,189
Impairment charge	*26*	**-**	15,000,000
Operating cash flows before changes in working capital		**1,238,294,586**	905,451,877
Working capital changes:			
Inventories		**(19,899,450)**	(30,892,875)
Trade and other receivables		**(41,785,633)**	(134,174,248)
Due from related parties		**(70,116,527)**	(12,627,299)
Due to related parties		**35,145,110**	(42,132,841)
Trade and other payables		**233,682,729**	159,106,921
Cash generated from operating activities		**1,375,320,815**	844,731,535
Employees' end-of-service indemnity paid	*14*	**(6,960,407)**	(3,849,702)
Interest received		**36,668,915**	9,375,757
Income tax paid		**(29,131,335)**	(43,548,961)
Net cash generated from operating activities		**1,375,897,988**	806,708,629
Cash flows from investing activities			
Purchase of property and equipment	*5,27*	**(112,635,666)**	(151,286,736)
Proceeds from disposal of property and equipment		**8,091,671**	18,688,704
Addition of intangible assets	*6*	**(36,652,425)**	(30,613,888)
Loans provided to related parties	*9*	**(43,805,381)**	(69,262,537)
Net cash used in investing activities		**(185,001,801)**	(232,474,457)
Cash flows from financing activities			
Proceeds from issuance of shares		**15,005,116**	55,434
Repayment on account of shareholder's contribution		**(3,426,899)**	-
Dividend paid	*28*	**(1,065,906,053)**	(704,789,559)
Payment of principal portion of lease liabilities	*13*	**(72,734,472)**	(61,200,944)
Payments of interest on lease liabilities	*13*	**(12,278,847)**	(10,299,815)
Proceeds of loans from related parties	*9*	**159,415,371**	415,727,832
Repayment of loans from related parties	*9*	**(441,098,331)**	(279,419,013)
Net cash used in financing activities		**(1,421,024,115)**	(639,926,065)
Net decrease in cash and cash equivalents		**(230,127,928)**	(65,691,893)
Exchange differences		**1,292,131**	41,358,683
Cash and cash equivalents at the beginning of the year		**1,507,684,858**	1,532,018,068
Cash and cash equivalents at the end of the year	*10*	**1,278,849,061**	1,507,684,858

The notes on pages 8 to 51 are an integral part of these combined and carve out financial statements.
The independent auditors' report is set out on pages 1 to 3

1. Reporting Entity

Delivery Hero FZ LLC (the "Company") and other companies mentioned in note 1 below ("Initial Perimeter") and companies mentioned in note 32 ("Extended Perimeter") are under common control of Delivery Hero SE (the "Ultimate Parent"). Initial Perimeter and Extended Perimeter together are referred to as the Group or Reporting Entity in these combined and carve out financial statements. The Ultimate Parent is the ultimate controlling party.

One of the Company's subsidiaries, Talabat for Restaurants Company WLL ("Talabat KSA") is not included in these combined and carve out financial statements, as subsequent to the yearend the Company transferred shareholding of Talabat KSA to a related party under common control of the Ultimate Parent. These combined and carve out financial statements also do not include assets, liabilities, equity, cashflows and results of the operations of InstaShop Ltd, a BVI Business Company registered under the laws of the British Virgin Islands, considering the fact as at the date of proposed listing on the Dubai Financial Market (DFM) through an Initial Public Offering ('IPO'), InstaShop Ltd. will not be part of the Group (Refer note 32).

Subsequent to the reporting date, the Ultimate Parent transferred its shareholding in the Company to Talabat Holding Limited (Refer note 2a and note 32).

The registered address of the Company is Premises no. EX 75, Ground floor, Building no. 07, Co- Work, Dubai Outsource City, Dubai, United Arab Emirates. The Ultimate Parent is domiciled at Oranienburger Strasse 70, 10117 Berlin, Germany.

The principal activity of the Group is to provide access to an online platform to restaurants and end customers to order food, groceries, delivery and advertisement services.

These combined and carve out financial statements include the results of operations, cashflows and the financial position of below entities:

Initial Perimeter

Name of the entities	Country of incorporation	Principal activities
Delivery Hero FZ LLC	UAE	Provide access to an online platform to restaurants and end customers to order food, groceries, delivery and advertisement services
Talabat QFC LLC	Qatar	Provide professional services of information services in relation to an online restaurant ordering and advertisement services.
Talabat Services Company S.P.C	Bahrain	Engaged in business of retail sale via internet.
DHH I SPC (DIFC) Ltd.*	United Arab Emirates	Licensed to do structured financing for qualifying purposes.
DHH II SPC (DIFC) Ltd.	United Arab Emirates	Licensed to do structured financing for qualifying purposes.
Talabat Electronic and Delivery Services Company SPC	Oman	Licensed for export and import, delivery of meals, and software designing and programming.

1. Reporting Entity *(continued)*

Initial Perimeter *(continued)*

Name of the entities	Country of Incorporation	Principal activities
Delivery Hero Talabat DB LLC	United Arab Emirates	Provide access to an online platform to order food and deliver to end customers.
Talabat For General Trading and Electronic Commerce Ltd	Iraq	Online food ordering commercial services and electronic trading
Talabat For Stores Services Company (Private Shareholding Company)	Iraq	Commercial services and general trade of all kinds in the local and global market, exporting legally approved materials and equipment, providing delivery services for all legally permitted materials from all related services.
Talabat General Trading and Contracting Company W.L.L*	Kuwait	General trading and contracting
Carriage Holding Company Limited*	United Arab Emirates	Registered as Special Purpose Vehicle in Abu Dhabi Global Market and is acting as holding entity of its subsidiaries. The subsidiaries are engaged in processing online orders on behalf of customers and delivering food to customers.
Carriage Logistics General Trading LLC	Kuwait	Wholesale and retail trade
Delivery Hero Carriage Kuwait for Delivery of Consumables S.P.C.	Kuwait	Delivery service for consumables products
Carriage Logistics SPC	Bahrain	Retail sales via internet and food transportation for companies
Delivery Hero Carriage DB LLC	United Arab Emirates	Delivery services coordination and provision
Carriage Delivery Services AD LLC	United Arab Emirates	Delivery services coordination and provision
Kitchens Saudi For Food Services LLC	Saudi Arabia	Food services contractors including transportation, storage and cooling
Carriage Trading and Services W.L.L	Qatar	Trading via internet

1. Reporting Entity *(continued)*

Initial Perimeter *(continued)*

Name of the entities	Country of Incorporation	Principal activities
DH Stores Bahrain WLL	Bahrain	Food and beverage service activities, general trade and sale of tobacco products.
Stores Services Kuwait for General Trading Company WLL	Kuwait	Import and export, grocery, central market, non-food supermarket, general trade office, commission agent.
Delivery Hero Kitchens Kuwait Food Services Management Company WLL	Kuwait	Bakery management, management of catering services, food equipment, fast food stores, restaurant
Delivery Hero Kitchens Bahrain WLL	Bahrain	Real estate activities with own or leased property and general trade
Delivery Hero Lebanon	Lebanon	Online ordering of food and other consumer goods, distribution and delivery services for the individuals, companies and other entities in all sectors

** These entities are effectively and beneficially fully owned by the Company under the terms of a Mudarabah Agreement, which grants the Company control over the relevant activities of these companies and rights over the variable returns.*

Extended Perimeter Group

Name of the entities	Country of Incorporation	Principal activities
Foodonclick.com FZ-LLC	United Arab Emirates	Registered as Special Purpose Vehicle in Abu Dhabi Global Market and is acting as holding entity of its subsidiaries. The subsidiaries are engaged in processing online orders on behalf of customers and delivering food to customers.
Foodclick .com Jordan Private Shareholding Co.	Jordan	Providing integrated solutions in the field of information and communications systems
Talabat Log. & Online Management	Jordan	Providing logistics services
Talabat for Delivery Services LLC	Iraq	Food and beverage service activities, general trade and sale of tobacco products.

1. Reporting Entity *(continued)*

Extended Perimeter Group *(continued)*

Name of the entities	Country of Incorporation	Principal activities
Batal Al Tawsil for Delivery Services Ltd.	Iraq	Providing logistics services
Delivery Hero Egypt SAE	Egypt	Import and export, grocery, central market, non-food supermarket, general trade office, commission agent.
Dark Stores MENA Holding Ltd	United Arab Emirates	Bakery management, management of catering services, food equipment, fast food stores, restaurant
Jordanian Stores for General Trading LLC	Jordan	Ecommerce and retail trade
Talabat Services Company W.L.L.	Qatar	Wholesale and retail trade
Delivery Hero Stores DB LLC	United Arab Emirates	General trade
Delivery Hero Dmart Egypt LLC	Egypt	General trade and distribution
Delivery Hero Stores LLC	Oman	Real estate activities with own or leased property and general trade
Delivery Hero Kitchens MENA Holding Ltd	United Arab Emirates	Ecommerce and other activities
Delivery Hero Kitchen DB LLC	United Arab Emirates	Trading and service supply
DH Kitchens LLC	Qatar	Ready-meal supply and trade of fresh and preserved fruits and vegetables
Delivery Hero Payments MENA FZ-LLC	United Arab Emirates	Development, consultancy and support service provider
Delivery Hero Tech Payment Limited	United Arab Emirates	Development & research technology

2. Basis of preparation

(a) Basis of combination

These combined and carve out financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and have been prepared on the historical cost basis as explained in the accounting policies disclosed in note 3.

These combined and carve out financial statements have been prepared based on the financial information of all the combined entities as specified in note 1 and these entities have always prepared their financial statements in accordance with IFRS Accounting Standards. Therefore, management determined that the Group is not a first-time adopter. Hence IFRS 1 is not applied.

These combined and carve out financial statements have been prepared for the purpose of inclusion in the International Offering Memorandum (IOM) issued in relation to the proposed listing of Talabat Holding Limited's shares on the Dubai Financial Market (DFM) through an Initial Public Offering ('IPO').

These combined and carve-out financial statements have been prepared on a retroactive basis to present the assets, liabilities, equity, cash flows, and results of operations of the Group for the years ended 31 December 2023 and 31 December 2022, as if the Group structure had been effective from 1 January 2022. However, as disclosed in Note 32, the Group structure actually came into effect after the year-end presented.

The Group is combined using a bottom-up, line-by-line approach, reflecting the common ownership and control by the Ultimate Parent. Common costs and assets are mainly used for the combining entities, therefore such costs and assets are allocated to the Group.

All intra-group balances and transactions arising from intra-group transactions are eliminated when preparing the combined and carve out financial statements. Transactions with all the other entities which are not combined but are related parties as per IAS 24 for the entities being combined, have been disclosed as transactions with related parties.

(b) Basis of measurement

The combined and carve out financial statements have been prepared on the historical cost basis as explained in the accounting polices below.

(c) Functional and presentation currency

These combined and carve out financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the functional and presentation currency of the Reporting Entity. Items included in the combined and carve out financial statements in respect of foreign subsidiaries are measured using the currency of the primary economic environment in which they operate and are translated in accordance with the policy stated in note 3.8.

(d) Use of estimates and judgments

In preparing these combined and carve out financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these combined and carve out financial statements are described in note 4.

3. Material accounting policy information

The material accounting policies set out below have been applied consistently to all years presented in these combined and carve out financial statements.

3.1 Current vs non-current classification

The Reporting Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Reporting Entity classifies all other assets and liabilities as non-current.

3.2 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Reporting Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For the purpose of fair value disclosures, the Reporting Entity 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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

3. Material accounting policy information *(continued)*

3.3 Interests in equity-accounted investees

An associate is an entity over which the Reporting Entity has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these combined and carve out financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate is initially recognised in the combined and carve out statement of financial position at cost and adjusted thereafter to recognised the Reporting Entity's share of the profit or loss and other comprehensive income of the associate. When the Reporting Entity's share of losses of an associate exceeds the Reporting Entity's interest in that associate (which includes any long-term interests that, in substance, form part of the Reporting Entity's net investment in the associate or joint venture), the Reporting Entity discontinues to recognise its share of further losses. Additional losses are recognised only to the extent that the Reporting Entity has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Reporting Entity's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Reporting Entity's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When the Reporting Entity transacts with an associate of the Reporting Entity, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Reporting Entity's combined and carve out financial statements only to the extent of interests in the associate or joint venture that are not related to the Reporting Entity.

3.4 Revenue recognition

Revenue recognition under IFRS 15 Revenue from Contracts with Customer:

The Reporting Entity recognises revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1: Identify the contract(s) with a customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract

A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

3. Material accounting policy information *(continued)*

3.4 Revenue recognition (continued)

Step 3: Determine the transaction price

The transaction price is the amount of consideration to which the Reporting Entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract

For a contract that has more than one performance obligation, the Reporting Entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Reporting Entity expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Reporting Entity satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Reporting Entity's performance as and when the Reporting Entity performs; or
- The Reporting Entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Reporting Entity's performance does not create an asset with an alternative use to the Reporting Entity and the Reporting Entity has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for selling of goods or rendering services to the customers, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected sales discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Reporting Entity recognises revenue after the services are rendered to their customers and on the basis of contractual rates agreed with the customers.

The stand-alone selling prices are determined based on the observable price at which the Reporting Entity sells the goods or services. For items that are not sold separately the Reporting Entity estimates standalone selling prices using other methods.

The Reporting Entity generates revenue mainly from online marketplace services, separately charged delivery fees, orders placed in the Reporting Entity's delivery-only stores and advertising services, as well as subscription fees, service fees and, in certain cases, separately charged payment fees.

The Reporting Entity determines for each specified good and service promised to the customer, primarily restaurants and/or orderers, whether it obtains control of the good or service before it is transferred to the customer. Often the Reporting Entity is principal for a specified service, but agent for another service, when a single order is placed through their online marketplaces (refer to note 4 for more details).

3. Material accounting policy information *(continued)*

3.4 Revenue recognition (continued)

For online marketplace services in which the Reporting Entity arranges for restaurants to sell food to orderers, the Reporting Entity acts as an agent. The consideration for the online marketplace services primarily consists of commission fees charged to restaurants. Based on the specific contract with the partner restaurant, the Reporting Entity might charge and recognise separately a fee for online payments, despite this payment option not representing a distinct performance obligation. Revenue from commission fees is recognised at a point in time when the order has been placed.

The Reporting Entity also offers delivery services in which the ordered meals or other products are collected at a restaurant or store and delivered to the orderers, the Reporting Entity acts as principal. The Reporting Entity carries out the delivery services to the orderer (customer for delivery service) as principal. The consideration for the usage of delivery services primarily consists of delivery fees charged to customers and restaurants. Revenue from delivery fees is recognised at a point in time when the order is delivered.

For the sale and delivery of a variety of grocery and other convenience items through our delivery-only stores to orderers (customer of sold items), the Reporting Entity acts as principal. The consideration for the orders placed in delivery-only stores comprises the Gross Merchandise Value ("GMV") net of VAT. GMV is the total value paid by customers (including VAT, delivery fees, service fees less other subsidies, such as voucher and other discounts). Revenue from delivery-only stores sales is recognised at a point in time when the order is delivered.

For advertising services to restaurants and other businesses (customer of the service), the Reporting Entity also acts as principal. The control over the advertising services passes to the customer over time. Revenue for advertising services is recognised based on the time elapsed relative to the contract term at the reporting date or in the amount to which the Reporting Entity has a right to invoice.

For subscription programs offered to orderers, the Reporting Entity acts as principal. Revenue from subscription fees is recognised on a straight-line basis over the period of the subscription.

Service fees are separately charged to orderers in certain markets for the usage of marketplace platforms. The Reporting Entity acts as principal for the services offered. Revenue from services fees is recognised at a point in time when an order has been placed.

Other direct income mainly includes revenue generated from retail sales, payment processing fee, and other income streams. Retail sales are attributable to orders placed through our stores where the Reporting Entity acts as a principal. Revenue from retail sales is recognised at a point in time when the order is delivered. For payment processing fees, based on the specific contract with the partner restaurant, the Reporting Entity might charge and recognise separately a fee for online payments, despite this payment option not representing a distinct performance obligation. Vouchers and other discounts are treated as a reduction of revenue. The consideration is collected via online payment providers, as cash or via invoices to the restaurants. Settlement of the earned commissions and fees is initiated on a weekly, bi-weekly, or monthly basis contingent on an individual contractual agreement. The payment terms vary between two and ninety days.

3.5 Leases

As a lessee, the Reporting Entity leases various offices, warehouses, retail stores, equipment and cars. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

3. Material accounting policy information *(continued)*

3.5 Leases (continued)

At inception of a contract, the Reporting Entity assesses 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 consideration.

At commencement or on modification of a contract that contains a lease component, the Reporting Entity allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of property the Reporting Entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Reporting Entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Reporting Entity by the end of the lease term or the cost of the right-of-use asset reflects that the Reporting Entity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Reporting Entity's incremental borrowing rate. Generally, the Reporting Entity uses their incremental borrowing rate as the discount rate.

The Reporting Entity determines their incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Reporting Entity is reasonably certain to exercise, lease payments in an optional renewal period if the Reporting Entity is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Reporting Entity is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Reporting Entity' estimates of the amount expected to be payable under a residual value guarantee, if the Reporting Entity changes their assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

3. Material accounting policy information *(continued)*

3.5 Leases (continued)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'General and administrative expenses' in the combined and carve out statement of profit or loss and other comprehensive income.

Short-term leases and leases of low-value assets

The Reporting Entity have elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Reporting Entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Reporting Entity presents right-of-use assets in 'property and equipment', and lease liabilities in 'lease liabilities'.

Whenever the Reporting Entity incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

In order to determine the lease term for lease contracts in which the Reporting Entity is a lessee that include renewal or termination options, judgment is applied to assess the exercise of the respective option (refer to note 4 for more details).

3.6 Foreign currencies and operations

Foreign currencies

Transactions in foreign currencies are translated into AED at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the Reporting Entity at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

Foreign operations

The assets and liabilities of foreign operations and fair value adjustments arising on acquisition are translated into AED at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to AED at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

3. Material accounting policy information *(continued)*

3.7 Employee benefits

Provision is made for the full amount of end of service indemnity due to employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Reporting Entity 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.

Provision for end of service benefits

The Reporting Entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Share-based payment

The Reporting Entity participates in several share-based payment arrangements established and operated by the Ultimate Parent, under which its employees are awarded shares in the Ultimate Parent in return for their services to the Reporting Entity. The Reporting Entity classifies its share-based compensation programs as equity settled as the Reporting Entity has no obligation to settle the award on behalf of the Ultimate Parent.

The grant date fair value of equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in the retained earning in equity over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect forfeited awards.

3.8 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and any impairment losses. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Reporting Entity. All other repairs and maintenance are expensed when incurred. Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

	Years
Buildings	5-10
Leasehold improvements	2-10
Tools and machinery	5
Furniture and fixtures	5
Vehicles fleet	3
Office equipment	4-5
Technical equipment	3

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3. Material accounting policy information *(continued)*

3.8 Property and equipment (continued)

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in combined and carve out statement of profit or loss and other comprehensive income.

Capital work in progress

Properties in the course of construction for supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Reporting Entity's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when assets are ready for their intended use.

3.9 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful life of the asset. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses and tested for impairment annually.

The estimated useful lives for the current and comparative years of intangible assets are as follows:

	Years
Goodwill	Indefinite
Licenses and software	2-5
Development costs of internally generated intangible assets	1.5-2
Other intangible assets	2-5

Research and development expenditure on internally generated intangible assets

Expenditure on research activities is recognised in the combined and carve out statement of profit or loss and other comprehensive income as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Reporting Entity intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in combined and carve out statement of profit or loss and other comprehensive income as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

3. Material accounting policy information *(continued)*

3.9 Intangible assets (continued)

Intangible assets acquired in a business combination (continued)

For the purposes of impairment testing, goodwill is allocated to each of the Reporting Entity's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

3.10 Impairment of non-financial assets including goodwill

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than it carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

At each reporting date, the Reporting Entity reviews the carrying amounts of their non-financial assets, including goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Reporting Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets, including goodwill, with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than it carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss on non-financial assets, excluding goodwill, subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. Material accounting policy information *(continued)*

3.12 Provisions

Provisions are recognised when the Reporting Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Reporting Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows discounted at pre-tax rate. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

3.13 Financial instruments

Financial assets

Initial measurement of financial assets

At initial recognition, the Reporting Entity measures a financial asset at its fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of a financial asset measured at fair value through profit or loss are recognised in profit or loss. A trade receivable is initially measured at the transaction price.

Classification of financial assets

The Reporting Entity classifies financial assets at initial recognition as either financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (not applicable at the reporting date), or financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost.

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The financial asset is held within the Reporting Entity's business model of which the objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss.

Within the Reporting Entity, such financial assets are represented by cash and cash equivalents and receivables. Cash and bank balances comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. Material accounting policy information *(continued)*

3.13 Financial instruments (continued)

Financial assets (continued)

Financial assets measured at amortized cost (continued)

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables), bank balances and cash and others were measured at amortised cost using the effective interest method, less any impairment.

Financial instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- 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.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Impairment of financial assets

The Reporting Entity always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Reporting Entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Reporting Entity recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Reporting Entity measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Reporting Entity writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Reporting Entity's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. Material accounting policy information *(continued)*

3.13 Financial instruments (continued)

Financial assets (continued)

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Reporting Entity has transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Reporting Entity has transferred substantially all the risks and rewards of the asset, or (b) the Reporting Entity has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Reporting Entity has transferred their rights to receive cash flows from an asset or has entered into a 'pass-through' arrangement, they evaluate if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Reporting Entity continues to recognise the transferred assets to the extent of their continuing involvement. In that case, the Reporting Entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Reporting Entity has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Reporting Entity could be required to repay.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Reporting Entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Reporting Entity, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

3. Material accounting policy information *(continued)*

3.13 Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities measured subsequently at amortised cost (continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Reporting Entity derecognises financial liabilities when, and only when, the Reporting Entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Reporting Entity exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Reporting Entity accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

New and amended IFRSs in issue but not yet effective and not early adopted

1 January 2023

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 with earlier application permitted, however, the Group has not early adopted any of these new or amended standards in preparing these combined and carve out financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- IFRS 17 Insurance contracts and amendments to IFRS 17 Insurance contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)

3. Material accounting policy information *(continued)*

New and amended IFRSs in issue but not yet effective and not early adopted (continued)

1 January 2024

Following are the new and revised IFRSs, which will become effective for annual periods beginning on or after 1 January 2024. The application of these revised IFRSs will not have any material impact on the amounts reported but may affect the accounting for future transactions or arrangements.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 21– Lack of exchangeability	1 January 2025
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided.
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS Accounting Taxonomy 2023 – Update 1 International Tax Reform – Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability	Effective date not yet decided.
IFRS Accounting Taxonomy 2023 – Update 2 Common Practice for Financial Instruments, General Improvements and Technology Update	Effective date not yet decided.

The new standards and amendments are not expected to have a material impact on the Group's combined and carve out financial statements in the period of initial application.

4. Judgements and use of estimates

In the application of the accounting policies, which are described in note 3 to these combined and carve out financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The significant judgements and estimates made by management that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

4.1 Critical judgements in applying accounting policies

Revenue recognition of commissions from marketplace services

The Reporting Entity considers itself an agent with respect to the provision of food ordering service via its online platforms as the companies of the Group are neither (i) the obligor for the ordered food, (ii) exposed to the inventory risk nor (iii) have pricing power for the food offered by restaurants but receive a commission as remuneration from restaurants.

Although users of the Reporting Entity platform are generally not a contracting party of the Reporting Entity, they purchase the goods or services from the Reporting Entity customers (e.g. restaurants).

Accordingly, the Reporting Entity deducts vouchers and discounts granted to orderers, equal to a consideration payable to the customer, from revenue.

Revenue recognition of delivery services

As the demand for logistic services not offered by restaurant or quick commerce-partners, courier models are continuously being adapted to market demand and towards efficiency with consideration of the regulatory environment. The adaptation of delivery models considers changes to the responsibilities of parties involved in delivering the service and therefore judgement is required in weighing all facts and circumstances for determination of being a principal or an agent for these services. The Reporting Entity assessed to operate as a principal for organizing delivery activities through electronic platforms and controls all services before it is transferred to the orderer.

Determination of lease term and implicit interest rate

Lease contracts entered into by entities occasionally include extension options. The Reporting Entity applies judgment on whether exertion of extension options is reasonably certain. The Reporting Entity also applies judgment in determining the incremental borrowing rate in the lease.

Determining whether activities should be considered research activities or development activities

Activities which have been carried out merely to maintain an existing asset are expensed. The costs of research activities related to development of new features are expensed whereas the costs incurred on activities for development of new features within the platform are capitalized as it is probable that there would be future economic benefits which would be derived from the new features. The management carries out a review on a monthly basis to check the accuracy and completeness of the assets capitalized and cost expensed.

4. Judgements and use of estimates *(continued)*

4.2 Assumptions and estimation uncertainty

Goodwill impairment testing

Determination of a CGU's recoverable amount for the purpose of impairment testing requires assumptions and estimates, in particular on the Weighted Average Cost of Capital (WACC), future development of EBITDA and revenue growth per annum over the planning period. While management believes that the assumptions and estimates used are appropriate, any unforeseeable changes to these assumptions could affect the Reporting Entity's financial position and financial performance.

Determining whether the conditions for recognising an internally generated intangible asset are met requires assumptions about future market conditions, customer demand, and other developments.

Following conditions are considered for recognising an intangible asset:

a) Technical feasibility of completing the intangible asset so that it will be available for the use or sale;
b) The Reporting Entity has intention to complete the asset and ability to use the asset;
c) Asset will generate future probable economic benefits;
d) The Reporting Entity has availability of resource to complete and use the asset; and
e) Expenditure for development can be measured reliably.

All costs incurred are reviewed and any assumptions relating to future market conditions, customer demand and other developments are considered before determining if the cost is to be recognised as an intangible asset.

Determining whether a cost is directly or indirectly attributable to an intangible asset and whether a cost is necessary for completing a development.

Direct and indirect costs to develop an asset are identifiable and those costs cannot be avoided as they are necessary to the completion of it. The management carries out a feasibility study and acquires all necessary approvals internally before incurring a particular cost.

Amortisation of intangible assets with finite useful lives

The determination of the useful lives of intangible assets with finite useful lives requires the use of assumptions and estimates, which serve as the basis for calculating the appropriate amortisation charge. These useful lives are regularly reviewed by the Reporting Entity management and adjusted when necessary to reflect any changes in circumstances or new information.

Useful lives of property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Reporting Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Reporting Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the relevant notes to the combined and carve out financial statements.

5. Property and equipment

	Buildings and leasehold improvements	Technical equipment and machineries	Office equipment and others	Vehicle fleet	Computers and IT equipment	Capital work in progress	Total
	AED	AED	AED	AED	AED	AED	AED
Cost							
As at 1 January 2022	234,533,404	70,348,612	62,142,925	63,370,674	36,971,048	20,274,987	487,641,650
Additions	164,426,183	19,298,601	6,092,597	12,436,043	11,968,341	87,327,040	301,548,805
Reclassifications	27,478,197	3,012,508	3,721,645	2,498,690	1,951,068	(38,662,108)	-
Disposals / write off	(13,773,073)	(1,726,017)	(2,084,869)	(2,769,414)	(285,528)	(8,648,452)	(29,287,353)
Termination of leases (Note 27)	(44,269,697)	-	-	-	-	-	(44,269,697)
Translation differences	(30,341,848)	(10,279,686)	(7,556,180)	(196,853)	(2,596,030)	(266,985)	(51,237,582)
As at 31 December 2022	338,053,166	80,654,018	62,316,118	75,339,140	48,008,899	60,024,482	664,395,823
Additions	**180,952,676**	**15,037,468**	**10,283,914**	**13,851,661**	**7,570,245**	**39,598,060**	**267,294,024**
Reclassifications	**52,430,204**	**3,226,991**	**2,461,816**	**290,680**	**232,561**	**(58,642,252)**	**-**
Disposals / write off	**(16,649,638)**	**(2,337,844)**	**(914,345)**	**(12,940,634)**	**(1,692,730)**	**(1,977,133)**	**(36,512,324)**
Termination of leases (Note 27)	**(34,011,587)**	**-**	**-**	**(27,847,145)**	**-**	**-**	**(61,858,732)**
Translation differences	**(11,571,177)**	**(3,567,612)**	**(3,199,617)**	**(378,927)**	**(1,444,413)**	**(310,836)**	**(20,472,582)**
As at 31 December 2023	**509,203,644**	**93,013,021**	**70,947,886**	**48,314,775**	**52,674,562**	**38,692,321**	**812,846,209**
Accumulated depreciation:							
As at 1 January 2022	(60,020,077)	(25,024,045)	(25,274,894)	(25,389,238)	(16,466,849)	-	(152,175,103)
Depreciation (a)	(69,995,770)	(17,418,021)	(14,642,251)	(18,101,728)	(7,528,735)	-	(127,686,505)
Disposals / write off	8,071,735	141,148	44,889	2,385,912	175,802	-	10,819,486
Termination of leases (Note 27)	13,733,568	-	-	-	-	-	13,733,568
Translation differences	6,160,231	2,358,277	3,084,501	836,109	1,151,019	-	13,590,137
As at 31 December 2022	**(102,050,313)**	**(39,942,641)**	**(36,787,755)**	**(40,268,945)**	**(22,668,763)**	**-**	**(241,718,417)**
Depreciation (a)	**(80,664,848)**	**(22,629,569)**	**(10,968,141)**	**(17,759,076)**	**(14,334,083)**	**-**	**(146,355,717)**
Disposals / write off	**16,602,631**	**1,305,795**	**170,626**	**12,463,453**	**1,332,189**	**-**	**31,874,694**
Termination of leases (Note 27)	**27,792,864**	**-**		**11,647,127**			**39,439,991**
Translation differences	**3,581,679**	**1,621,558**	**1,978,312**	**168,481**	**672,126**	**-**	**8,022,156**
As at 31 December 2023	**(134,737,987)**	**(59,644,857)**	**(45,606,958)**	**(33,748,960)**	**(34,998,531)**	**-**	**(308,737,293)**
Carrying amount as at 31 December 2022	236,002,853	40,711,377	25,528,363	35,070,195	25,340,136	60,024,482	422,677,406
Carrying amount as at 31 December 2023	**374,465,657**	**33,368,164**	**25,340,928**	**14,565,815**	**17,676,031**	**38,692,321**	**504,108,916**

(a) Depreciation has been apportioned as follows in the combined and carve out statement of profit or loss and other comprehensive income:

	2023	2022
	AED	AED
Cost of sales	**(16,408,218)**	(11,304,760)
General administrative expense	**(129,947,499)**	(116,381,745)
	(146,355,717)	(127,686,505)

6. Intangible assets and goodwill

	Goodwill	Licenses	Software	Development costs of internally generated intangible assets	Other intangible assets	Intangibles under development	Total
	AED	AED	AED	AED	AED	AED	AED
Cost							
As at 1 January 2022	1,110,232,368	1,041,803	57,253,367	14,148,877	11,170,859	-	1,193,847,274
Additions	-	-	131,688	17,201,246	-	13,280,954	30,613,888
Translation differences	-	(11,783)	(657,905)	(76,521)	-	(11,299)	(757,508)
As at 31 December 2022	**1,110,232,368**	**1,030,020**	**56,727,150**	**31,273,602**	**11,170,859**	**13,269,655**	**1,223,703,654**
Additions	**-**	**-**	**36,725**	**36,579,079**	**-**	**36,622**	**36,652,426**
write of	**-**	**-**	**-**	**-**	**-**	**(13,229,204)**	**(13,229,204)**
Translation differences	**-**	**(10,913)**	**(597,033)**	**(75,001)**	**-**	**(8,618)**	**(691,565)**
As at 31 December 2023	**1,110,232,368**	**1,019,107**	**56,166,842**	**67,777,680**	**11,170,859**	**68,455**	**1,246,435,311**
Accumulated amortisation							
As at 1 January 2022	-	(653,365)	(36,615,582)	(7,504,899)	(10,284,500)	-	(55,058,346)
Amortisation	-	(54,918)	(18,130,483)	(4,624,929)	(886,359)	-	(23,696,689)
Translation differences	-	7,390	430,142	73,752		-	511,284
As at 31 December 2022	**-**	**(700,893)**	**(54,315,923)**	**(12,056,076)**	**(11,170,859)**	**-**	**(78,243,751)**
Amortisation	**-**	**(287,332)**	**(2,103,368)**	**(13,282,833)**	**-**	**-**	**(15,673,533)**
Translation differences	**-**	**8,948**	**585,574**	**71,449**	**-**	**-**	**665,971**
As at 31 December 2023	**-**	**(979,277)**	**(55,833,717)**	**(25,267,460)**	**(11,170,859)**	**-**	**(93,251,313)**
Carrying amount as at 31 December 2022	1,110,232,368	329,127	2,411,227	19,217,526	-	13,269,655	1,145,459,903
Carrying amount as at 31 December 2023	**1,110,232,368**	**39,830**	**333,125**	**42,510,220**	**-**	**68,455**	**1,153,183,998**

Goodwill impairment

In February 2019, the Group acquired an online delivery business in the UAE where the acquisition was completed for a total consideration amounting to AED 792 million. The consideration included cash consideration amounting to AED 631 million, out of which AED 503 million was payable at the time of acquisition and AED 128 million was payable after one year of acquisition. The consideration also included AED 161 million consideration that was contingent over the future performance of the acquired business. The Group discounted deferred and contingent consideration payable at present value. The group identified intangible assets related to customer contracts amounting to AED 15 million. Accordingly, goodwill amounting to AED 768 million was recognised at the time of acquisition.

Management had planned expected synergies from the acquisition of this business considering the intention of the Group to transfer the customers eventually to a unified platform i.e. Talabat. These synergies would be materialized mainly in Talabat's UAE business (Talabat UAE). Talabat UAE obtained significant benefits from the synergies due to the acquisition of the business in the UAE. Accordingly, Goodwill related to the above acquisition has been allocated and tested using "value in use" cash flows related to Talabat UAE.

Additionally, in January 2020, the Group restructured its business in the MENA region, merging one of its online food delivery businesses that was acquired in 2017, into Talabat Kuwait. This reorganization involved the transfer of all customer data and relevant restaurant contracts from this business to Talabat Kuwait where this brand was phased out and its platform orders redirected to Talabat Kuwait. As a result of the business reorganization, this business is no longer operated or monitored as a separate entity but is fully integrated into the Talabat Kuwait business. Consequently, the Goodwill amounting to AED 342 million is allocated to Talabat Kuwait. Accordingly, Goodwill related to this acquisition has been tested using "value in use" cash flows related to Talabat Kuwait.

In line with the requirements of IAS 36, the Group conducted annual impairment testing for both of the above allocated Goodwill to assesses indicators for possible impairment as of 31 December 2023 and 31 December 2022. Based on this assessment, no indications of impairment were identified as the recoverable amount was assessed as being higher than its carrying value.

6. Intangible assets and goodwill *(continued)*

The value in use was calculated by applying the discounted cash flow method. The basis for determining the expected future cash flow is a detailed planning period of five years (forecast period) for the free cashflows.

The following table shows the range of key assumptions of Talabat UAE and Talabat Kuwait for 2023 and 2022:

	2023	2022
	%	%
Revenue growth p. a. in planning period (CAGR)	**13-17**	13-17
EBITDA margin in planning period	**19-22**	19-22
Terminal value revenue growth	**1**	1
EBITDA margin after end of planning period	**19-24**	19-24
Discount rate in planning period/WACC (pre tax)	**12**	12

For calculating EBITDA and revenue budgets, the process is based on a structured bottom-up approach that is carried out once a year. The overall process is directed by regional management via top-down target-setting in the form of specific KPIs. The respective local management then prepares the budget and adjusts it in an iterative process together with regional management. The business plan is prepared by regional management.

Local management teams use cohort models for revenue planning. The cohort models analyse the past order behaviour of (local) end customers and apply statistical methods to forecast the future behaviour of existing end customers. Future revenue from new end customers is derived from the planned marketing expenses and the development of estimated acquisition costs per new end customer. The key inputs of the cohort models include the customer retention/reorder rate, customer activity rate, average order size, and commission rates.

The discount rate was a post-tax measure estimated based on the historical industry weighted average cost of capital.

As part of the annual impairment testing in 2023 and 2022, a sensitivity analysis was conducted with regard to the headroom. Management noted that any reasonably possible change (+/- 5%) in the key assumptions shown above will not lead to a situation where the carrying value exceeds its value in use.

7. Trade and other receivables

	2023	2022
	AED	AED
Trade receivables	**35,842,790**	27,191,504
Receivable from riders	**57,800,069**	59,937,848
Gross trade receivables	**93,642,859**	87,129,352
Less: Allowance for expected credit loss (Note 30)	**(15,707,678)**	(9,765,123)
Net trade receivables	**77,935,181**	77,364,229
Receivable from payment service providers (a)	**152,214,631**	119,235,441
Deposits	**20,488,696**	17,695,910
Loans to employees	**2,158,517**	3,597,277
Other receivables	**134,479,816**	146,735,612
Total	**387,276,841**	364,628,469
there of non-current	**16,211,629**	10,989,997
there of current	**371,065,212**	353,638,472

7. Trade and other receivables *(continued)*

Information about the Reporting Entity's exposure to credit and market risks, and impairment losses for trade receivables and other receivables is included in note 30.

(a) As an online delivery service platform, a significant portion of the Reporting Entity's Gross Merchandise Value (GMV) is collected through online payments made via debit and credit cards, reflecting the Reporting Entity's high level of online penetration. The Reporting Entity typically receives funds from its payment service providers and payment gateways within one to two days (T+1 or T+2) depending on the country of operation. These accumulated balances are subsequently settled and distributed to the Reporting Entity's restaurant partners following the clearing of funds from payment service providers usually on a weekly basis, depending on the specific country of operation.

(b) Movement in provision for impairment of trade receivables and receivable from riders is as follows:

	2023	2022
	AED	AED
As at 1 January	**(9,765,123)**	(9,293,971)
Charge during the year	**(19,137,261)**	(10,576,361)
Utilized during the year	**13,086,311**	9,396,430
Translation differences	**108,395**	708,779
As at 31 December	**(15,707,678)**	(9,765,123)

8. Inventories

	2023	2022
	AED	AED
Trading inventories	**107,023,919**	70,986,877
Rider equipment	**17,099,782**	32,754,473
Others	**1,395,869**	1,878,770
Total	**125,519,570**	105,620,120

9. Related party transactions and balances

The Reporting Entity enters into transactions with the parties that fall within the definition of a related party as contained in International Accounting Standard 24 Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common control, key management personnel and shareholders. The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as on other charges.

Balance included in the combined and carve out statement of financial position as on 31 December 2023:

	Ultimate Parent	**Companies Under Common Control**	**Total**
	AED	**AED**	**AED**
Loans to related parties – non-current (2)	**27,657,454**	**225,127,985**	**252,785,439**
Due from related parties – current (1)	**73,769,196**	**1,884,575**	**75,653,771**
	101,426,650	**227,012,560**	**328,439,210**
Due to related parties – current (1)	**140,335,835**	**1,348,207**	**141,684,042**
Loans from related parties – non-current (3)	**1,398,206,593**	**5,594,591**	**1,403,801,184**
	1,538,542,428	**6,942,798**	**1,545,485,226**

9. Related party transactions and balances *(continued)*

Balance included in the combined and carve out statement of financial position as on 31 December 2022:

	Ultimate Parent	Companies Under Common Control	Total
	AED	AED	AED
Loans to related parties – non-current	-	208,980,058	208,980,058
Due from related parties – current (1)	2,001,231	3,536,013	5,537,244
	2,001,231	212,516,071	214,517,302
Due to related parties – current (1)	106,320,092	218,839	106,538,931
Loan from a related party – non-current (3)	1,560,461,593	-	1,560,461,593
	1,666,781,685	218,839	1,667,000,524

(1) Due to and from related parties are priced at mutually agreed terms and are to be settled in cash within 12 months of the reporting date. None of these balances are secured. No exposure has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(2) During the year ended 31 December 2023, the Reporting Entity issued loans to the Ultimate Parent with an outstanding balance of AED 27,657,454 *(2022: AED Nil)*. These loans carry interest rate of 5% plus KIBOR and mature in 2028. The loan balance of AED 225,127,985 *(2022: AED 208,980,058)* related to the companies under common control is unsecured and carries interest rate of 9%. These loans are maturing in 2026.

(3) The movement for the loans from related parties is as follows:

	2023	2022
	AED	AED
Balance as at 1 January	**1,560,461,593**	1,373,547,011
Additions during the year	**159,415,371**	415,727,832
Interest charged during the year *(a)*	**112,315,109**	69,671,363
Repayments made during the year	**(441,098,331)**	(279,419,013)
Unrealised foreign exchange losses	**83,568,180**	127,062,189
Translation differences	**(70,860,738)**	(146,127,789)
Balance as at 31 December	**1,403,801,184**	1,560,461,593

(a) Intercompany loans bear interest ranging from 3%-9% for the year ended 31 December 2023 *(2022: 3%-9%)*. Interest and principal are payable in full at the end of the loan's five-year term, with no covenants or security required.

Transactions included in the combined and carve out statement of profit or loss and other comprehensive income for the year ended 31 December 2023:

	Ultimate Parent	**Companies Under Common Control**	**Total**
	AED	**AED**	**AED**
Other income from service allocation	**46,685,859**	**44,782,795**	**91,468,654**
Other direct income	**-**	**10,111,095**	**10,111,095**
Shared group cost charges	**(382,745,753)**	**-**	**(382,745,753)**

Transactions included in the combined and carve out statement of profit or loss and other comprehensive income for the year ended 31 December 2022:

9. Related party transactions and balances *(continued)*

	Ultimate Parent	Companies Under Common Control	Total
	AED	AED	AED
Other income from service allocation	1,652,220	52,072,331	53,724,551
Other direct income	-	6,328,406	6,328,406
Shared group cost charges	(196,596,709)	-	(196,596,709)

Transactions with related parties are priced at a mutually agreed terms and are in normal course of business.

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	2023	2022
	AED	AED
Short-term benefits	**21,701,083**	22,062,968
Share based compensation	**16,056,745**	17,067,246
Employees' end of service benefits	**635,943**	649,814
	38,393,771	39,780,028

The above shows the compensation received by key management personnel who were actively engaged with the Reporting Entity throughout the year.

10. Cash and cash equivalents

	2023	2022
	AED	AED
Cash at banks (a)	**1,262,394,054**	1,250,003,746
Cash in hand	**4,550,245**	8,093,765
Short term deposits (a and b)	**11,904,762**	249,587,347
Total	**1,278,849,061**	1,507,684,858

(a) The Reporting Entity's cash at bank and short term deposits are amounting to AED 1,274,298,816 at 31 December 2023 *(2022: AED 1,499,591,093)*. These are held with financial institutions, which are rated AA- to AA+, based on S&P Global Ratings. Impairment on cash at bank and short term deposit has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Reporting Entity considers that these have low credit risk based on the external credit ratings of the counterparties.

(b) Short term deposits carry interest rate of 4.5% - 5.0% per annum *(2022:4.5 % - 5.0% per annum)* and have an original maturity of less than 90 days.

11. Net Ultimate Parent's investment

Net Ultimate Parent's investment includes cumulative balances of combined share capital, retained earnings, shareholder's contributions, foreign exchange and other reserves. Out of total balance, the foreign exchange reserves amounted to AED 242,555,193 as at 31 December 2023 *(2022: AED 175,839,557 and 2021: AED 1,126,318).*

12. Trade and other payables

	2023 AED	2022 AED
Liabilities to restaurants	**349,964,982**	301,233,409
Liabilities for outstanding invoices	**339,015,223**	253,433,500
Trade payables	**324,155,390**	242,425,882
Liabilities to riders	**1,221,158**	1,732,186
Staff related accruals	**120,707,746**	108,112,934
Other payables	**85,033,038**	92,706,100
Total	**1,220,097,537**	999,644,011
thereof non-current	**3,825,273**	3,377,988
thereof current	**1,216,272,264**	996,266,023

The Reporting Entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

13. Lease liabilities

The movement in the lease liabilities is as follows:

	2023 AED	2022 AED
As at 1 January	**223,684,707**	175,229,054
Additions	**154,658,359**	150,262,069
Related to early termination of right-of-use assets	**(16,016,501)**	(15,631,553)
Finance charges on lease liabilities	**12,278,847**	10,299,815
Lease payments	**(85,013,319)**	(71,500,759)
Translation adjustments	**(7,996,964)**	(24,973,919)
As at 31 December	**281,595,129**	223,684,707
thereof non-current	**220,352,238**	165,660,595
thereof current	**61,242,891**	58,024,112

During the year, the Reporting Entity derecognised lease liabilities amounting to AED 16,016,501 *(2022: AED 15,631,553)* as a result of termination of lease contracts prior to the end of the lease term. Lease liabilities are monitored within the Reporting Entity's treasury function.

13. Lease liabilities *(continued)*

Amounts recognised in profit or loss

	2023 AED	2022 AED
Finance charges on lease liabilities	**(12,278,847)**	(10,299,815)
Loss on termination of leases	**(6,402,240)**	(14,904,576)
Depreciation on right-of-use assets (Note 27)	**(69,953,676)**	(53,923,496)
Short term and low value leases (Note 19)	**(2,523,164)**	(13,759,449)

Amounts recognised in statement of cash flow

	2023 AED	2022 AED
Payment of principal portion lease liabilities	**(72,734,472)**	(61,200,944)
Payments of interest on lease liabilities	**(12,278,847)**	(10,299,815)

14. Employees' end of service benefits

The movement in the provision for employees' end of service benefits is as follows:

	2023 AED	2022 AED
As at 1 January	**34,403,793**	22,107,124
Charge for the year	**23,907,294**	16,292,887
Payments during the year	**(6,960,407)**	(3,849,702)
Translation adjustments	**958,178**	(146,516)
As at 31 December	**52,308,858**	34,403,793

15. Revenue

	2023 AED	2022 AED
Commission fees	**3,120,744,981**	2,712,104,561
Delivery fees	**1,741,851,431**	1,460,522,500
Advertising and listing fees	**698,555,704**	518,931,215
Service fees	**231,643,339**	89,278,544
Subscription fees	**57,427,993**	16,228,161
Other direct income*	**2,407,599,004**	1,708,932,699
Less: reductions		
- Vouchers	**(180,605,081)**	(125,947,912)
- Other discounts	**(89,478,463)**	(69,770,730)
Total	**7,987,738,908**	6,310,279,038

*This includes other direct income from related parties, refer note 9.

Timing of revenue recognition

	2023 AED	2022 AED
Revenue recognised at point in time	**7,231,755,211**	5,775,119,662
Revenue recognised over time	**755,983,697**	535,159,376
	7,987,738,908	6,310,279,038

15. Revenue *(continued)*

The following table summarizes the geographic information of the revenue based on IFRS and a reconciliation of revenue as monitor by management:

2023

Region	**IFRS revenue**	**Vouchers and other discounts**	**Reconciliation effect**	**Revenue as monitored by management**
	AED	**AED**	**AED**	**AED**
GCC	**6,944,733,659**	**180,381,683**	**(22,082,043)**	**7,103,033,299**
Non GCC	**1,043,005,249**	**89,701,861**	**(3,276,672)**	**1,129,430,438**
Total	**7,987,738,908**	**270,083,544**	**(25,358,716)**	**8,232,463,737**

2022

Region	IFRS revenue	Vouchers and other discounts	Reconciliation effect	Revenue as monitored by management
	AED	AED	AED	AED
GCC	5,625,775,623	124,754,996	(38,274,031)	5,712,256,588
Non GCC	684,503,415	70,963,646	(1,257,660)	754,209,401
Total	6,310,279,038	195,718,642	(39,531,691)	6,466,465,989

Following are the major reconciling items between revenue reported under IFRS 15 in the combined and carve out statement of profit and loss and other comprehensive income and revenue as monitored by the management.

(a) Vouchers and other discounts issued to users of the platforms that are treated as marketing expenses for management reporting. These are deducted from the amount of revenue in accordance with IFRS 15 in the combined and carve out statement of profit and loss and other comprehensive income.

(b) Reconciliation effect mainly include adjustments to other direct income for on demand riders' revenue, for which Group is a principal and revenue is presented on gross basis whereas for management reporting purpose such revenue is netted of against its related cost.

The following table provides information about receivables and payables from contract with customers.

	2023	2022
	AED	AED
Receivables included in “trade receivables” (Note 7)	**93,642,859**	87,129,352
Payables to restaurants included in “trade and other payables” (Note 12)	**349,964,982**	301,233,409

16. Cost of sales

	2023	2022
	AED	AED
Delivery expenses	**(3,301,205,928)**	(2,805,281,992)
Order processing cost	**(423,611,693)**	(363,991,404)
Other direct cost	**(1,723,604,104)**	(1,200,686,014)
Total	**(5,448,421,725)**	(4,369,959,410)

17. Marketing Expense

	2023	2022
	AED	AED
Restaurant acquisition costs (a)	**(266,572,301)**	(260,524,882)
Customer acquisition costs (b)	**(147,973,013)**	(174,872,954)
Other marketing expenses (c)	**(71,095,040)**	(72,563,067)
Total	**(485,640,354)**	(507,960,903)

(a) Restaurant acquisition costs relate to general support to restaurants' sales.

(b) Customer acquisition costs include television, radio, offline marketing, search engine marketing (SEM) and other costs related to social media, display, and mobile marketing.

(c) Other marketing expenses mainly include personnel costs for salaries and wages, expenses for influencers, vendor branding, marketing tools and research and sponsorships costs.

18. IT Expense

	2023	2022
	AED	AED
Personnel expenses	**(177,200,677)**	(162,817,866)
Other non-personnel IT expenses	**(27,856,157)**	(18,629,879)
Total	**(205,056,834)**	(181,447,745)

IT expenses are primarily associated with research focusing on platform and product innovation.

19. General administrative expenses

	2023	2022
	AED	AED
Personnel expenses	**(241,160,538)**	(202,060,643)
Share-based compensation (Note 25)	**(52,290,063)**	(89,341,863)
Depreciation and amortization	**(145,621,032)**	(140,078,434)
Consulting and professional services	**(16,200,711)**	(18,654,973)
Other (non-income) taxes	**(5,570,242)**	(9,526,669)
Other office expenses	**(24,841,929)**	(24,780,788)
Travel expenses	**(9,418,078)**	(6,719,460)
Insurances	**(5,131,090)**	(3,861,084)
Telecommunications	**(8,935,897)**	(9,377,927)
Other HR and recruiting costs	**(3,636,420)**	(1,182,801)
Bank charges	**(4,818,628)**	(4,000,839)
Rent and lease expenses	**(2,523,164)**	(13,759,449)
Miscellaneous	**(17,929,828)**	(25,191,564)
Total	**(538,077,620)**	(548,536,494)

20. Other income

	2023	2022
	AED	AED
Other income (a)	**92,278,379**	60,063,776
Gains on disposal of property and equipment	**3,454,041**	220,838
Reversal of contingent consideration (b)	**-**	80,582,218
Total	**95,732,420**	140,866,832

20. Other income *(continued)*

(a) Other income comprises domestic and cross-border intragroup transactions with entities outside the Reporting Entity, related to the allocation of licenses and operational resources across various organizational levels.

(b) In 2022, the Reporting Entity reversed contingent liability related to a previous acquired business as management did not expect to repay the liability.

21. Other expenses and impairment

	2023	2022
	AED	AED
Shared group cost *(i)*	**(382,745,753)**	(196,596,709)
Provision for impairment (Note 7)	**(19,137,261)**	(10,576,361)
Other expenses	**(18,915,939)**	(2,375,607)
Impairment charge (Note 26)	**-**	(15,000,000)
Total	**(420,798,953)**	(224,548,677)

(i) Shared group cost mainly represents the charges from the Ultimate Parent, as disclosed in note 9, in relation to the use of global services.

22. Net finance costs

	2023	2022
	AED	AED
Interest income	**36,668,915**	9,375,757
Interest expense on lease liabilities (Note 13)	**(12,278,847)**	(10,299,815)
Interest expense on loans (Note 9)	**(112,315,109)**	(69,671,363)
Total	**(87,925,041)**	(70,595,421)

23. Current income tax

	2023	2022
	AED	AED
Current tax expense	**29,181,375**	44,680,664

Reconciliation of effective tax rate	**2023**	2022
	AED	AED
Earnings before Income Taxes *(A)*	**806,489,298**	410,516,223
Tax at the Company's domestic rate of 0%	**-**	-
Effect of tax rates in foreign jurisdictions	**(16,550,076)**	(16,347,598)
Withholding taxes	**(21,442,484)**	(17,829,472)
Current tax (prior year adjustments)	**(847,963)**	(844,446)
Reversal / (Effect) of income tax provision*	**9,659,148**	(9,659,148)
Total tax expense *(B)*	**(29,181,375)**	(44,680,664)
Net results (Net profit after taxes)	**777,307,923**	365,835,559
Effective tax rate (B/A)	**3.75%**	12.21%

* In 2022, a provision was recognised for an income tax claim in one of the jurisdictions where the Reporting Entity operates. However, in 2023, following a favourable resolution of the matter, the provision was reversed. Accordingly, the reversal of the provision has been accounted for, reducing the current tax expense for 2023.

24. Contingent liabilities and guarantees

Except for the ongoing business obligations which are under normal course of business, there has been no other known capital commitment on Reporting Entity's financial statements as at reporting date. As at 31 December 2023, in addition to the above, the outstanding bank guarantees issued on behalf of the certain entities of the Group amounted to AED 32,079,939 *(2022: AED 30,564,108)*.

25. Share-based payment

The Ultimate Parent has been operating share-based payment programs since 2011. As at 31 December 2023, the Reporting Entity is participating in the following share-based payment arrangements managed by the Ultimate Parent.

25.1 Long-term incentive plan

Terms and conditions

Ultimate Parent is operating a long-term incentive plan (LTIP) consisting of two types of awards: Restricted Stock Plan (RSP) and Stock Option Program (SOP). Eligible participants are the management board, managing directors of certain subsidiaries, other members of the management, as well as certain employees. The Ultimate Parent commits to award restricted stock units (RSUs) and stock options based of a certain euro amount per year-over-the period of four years. The award consists of individual annual tranches that are awarded to the participants in a single award agreement in year one.

Measurement of fair values

The grant date fair value of the awards is a contractually fixed euro value. The instruments are vested in instalments over the one year or quarterly vesting period, based on the contract with employees. As a result, the total cost recognised each year will be different over the vesting period, which will result in recognition of a higher proportion of cost in the early years of the overall plan. Additionally, the stock options also have a non-market based performance condition which the Ultimate Parent is expected to meet.

	2023			2022		
	Number of options	**Weighted average exercise price EURO**	**Number of RSUs**	Number of options	Weighted average exercise price EURO	Number of RSUs
Outstanding as at January 1	**214,400**	**55.19**	**432,735**	174,105	65.73	88,802
Granted during the year*	**25,231**	**41.52**	**470,361**	52,532	49.42	451,981
Forfeited during the year	**87**	**38.94**	**55,364**	12,237	53.10	37,459
Exercised/released during the year	**-**		**369,434**	-	-	70,589
Outstanding as at December 31	**239,544**	**53.75**	**478,298**	214,400	55.19	432,735

* *Reflects number of options and shares fixed at the reporting date.*

The options outstanding as at December 31, 2023 had strike prices between Euro 28.68 and Euro 122.14 respectively *(2022: year: Euro 35.30 and Euro 122.14 respectively)* and a weighted average remaining contractual life of 39 months *(2022: 43 months)*. The plan contributed AED 46,313,848 of expenses in 2023 *(2022: AED 82,467,653)*.

25. Share-based payment *(continued)*

25.2 Hero Grant *(continued)*

Terms and conditions

Since 2020, the Hero Grant is issued as a one-time grant with different amounts to certain employees of the Reporting Entity for various reasons (e.g. a substitute for discretionary bonus payments). Under this program, the Ultimate Parent committed itself to issue RSUs on the basis of a certain euro amount. The Hero Grant is usually subject to a twelve-month vesting and cliff period; in certain cases, up to two years respectively.

Measurement of fair values

The grant date fair value of the awards is the contractually fixed euro value. Such fair value does not incorporate dividend expectations. A total of 14,660 RSUs were granted in 2023 *(2022: 105,051 RSUs)*. The plan contributed AED 5,976,215 of expenses in 2023 *(2022: AED 6,874,210)*.

26. Investment in equity-accounted investees

The investment in equity-accounted investees represent the following:

Name of the associate	Principal activity	Place of incorporation	2023 AED	2022 AED
Zone Elite Investment LLC	Logistics	United Arab Emirates	-	-

The Reporting Entity's ownership interest in Zone Elite Investment LLC was 30% as at 31 December 2023 (2022: 30%). The principal activities of Zone Elite Investment LLC is to manage riders fleet. During the year ended 31 December 2022, investment in Zone Elite Investment LLC was written off in entirety and an impairment charge of AED 15,000,000 was recognised in the combined and carve out statement of profit or loss and other comprehensive income.

The movement in the investment in equity-accounted investees is as follows:

	2023 AED	2022 AED
As at 1 January	-	15,000,000
Impairment charge for the year	-	(15,000,000)
As at 31 December	-	-

27. Right-of-use assets

The movement in the right-of-use assets balance, included in property and equipment (Note 5), during the year is as follows:

	Buildings and leasehold improvements	Technical equipment and machineries	Vehicle fleet	Total
	AED	AED	AED	AED
Cost				
As at 1 January 2022	199,596,712	-	37,337,732	236,934,444
Additions	136,733,244	-	13,528,825	150,262,069
Termination of leases (Note 5)	(44,269,697)	-	-	(44,269,697)
Translation differences	(29,298,994)	-	(176,443)	(29,475,437)
As at 31 December 2022	**262,761,265**	-	**50,690,114**	**313,451,379**
Additions	**145,278,016**	**2,480,634**	**6,899,708**	**154,658,358**
Termination of leases (Note 5)	**(34,011,587)**	-	**(27,847,145)**	**(61,858,732)**
Translation differences	**(11,395,954)**	**120,225**	**(345,926)**	**(11,621,655)**
As at 31 December 2023	**362,631,740**	**2,600,859**	**29,396,751**	**394,629,350**
Accumulated depreciation				
As at 1 January 2022	(57,149,797)	-	(7,055,399)	(64,205,196)
Depreciation	(41,339,320)	-	(12,584,176)	(53,923,496)
Termination of leases (Note 5)	13,733,568	-	-	13,733,568
Translation differences	5,960,454	-	26,683	5,987,137
As at 31 December 2022	**(78,795,095)**	-	**(19,612,892)**	**(98,407,987)**
Depreciation	**(60,103,645)**	**(815,191)**	**(9,034,840)**	**(69,953,676)**
Termination of leases (Note 5)	**27,792,864**	-	**11,647,127**	**39,439,991**
Translation differences	**3,463,082**	**(39,508)**	**163,328**	**3,586,902**
As at 31 December 2023	**(107,642,794)**	**(854,699)**	**(16,837,277)**	**(125,334,770)**
Carrying amount as at 31 December 2022	183,966,170	-	31,077,222	215,043,392
Carrying amount as at 31 December 2023	**254,988,946**	**1,746,160**	**12,559,474**	**269,294,580**

28. Dividend

During the year the Board of Directors of the Reporting Entity approved and paid dividends of AED 70,824 *(2022: AED 46,830)* per share amounting to AED 1,065,906,053 *(2022: AED 704,789,559)* to the Ultimate Parent.

29. Financial instruments/ Financial risk management

Risk management framework

The Reporting Entity's management has overall responsibility for the establishment and oversight of the Reporting Entity's risk management framework. The Reporting Entity's management is responsible for developing and monitoring the Reporting Entity's risk management policies.

The Reporting Entity's risk management policies are established to identify and analyse the risks faced by the Reporting Entity, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Reporting Entity's activities. The Reporting Entity, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Reporting Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Reporting Entity's trade and other receivables. The carrying amounts of financial assets represent the maximum credit exposure.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Reporting Entity. As at 31 December 2023, the Reporting Entity's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Reporting Entity due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Reporting Entity arises from the carrying amount of the respective recognised financial assets as stated in the combined and carve out statement of financial position.

Exposure to credit risk

	Note	**2023** **AED**	2022 AED
Trade and other receivables *(excluding prepayments)*		**319,391,823**	307,201,026
Cash at bank	*10*	**1,262,394,054**	1,250,003,746
Short term deposits	*10*	**11,904,762**	249,587,347
Loans to related parties	*9*	**252,785,439**	208,980,058
Due from related parties	*9*	**75,653,771**	5,537,244
		1,922,129,849	2,021,309,421

The Reporting Entity held cash at bank and short term deposit balances of AED 1,274,298,816 as at 31 December 2023 *(2022: AED 1,499,591,093)*. The cash and cash bank balances are held with bank and financial institution counterparties, which are rated AA- to AA+, based on S&P Global Ratings.

29. Financial instruments/ Financial risk management *(continued)*

Credit risk (*continued)*

Expected credit loss for receivables

The following table provides information about the exposure to credit risk and ECL for trade and other receivables:

	Weighted average loss rate	Gross carrying amount AED	Loss allowance AED
31 December 2023			
Current	**0.24%**	**48,370,443**	**(114,639)**
1-30 Days	**4.12%**	**17,849,696**	**(735,136)**
31-60 Days	**69.84%**	**15,795,721**	**(11,031,100)**
61-90 Days	**17.13%**	**4,389,230**	**(752,041)**
91-120 Days	**20.05%**	**2,425,958**	**(486,381)**
120-180 Days	**23.86%**	**2,126,872**	**(507,407)**
Above 180 days	**77.51%**	**2,684,939**	**(2,080,974)**
Total		**93,642,859**	**(15,707,678)**

	Weighted average loss rate	Gross carrying amount AED	Loss allowance AED
31 December 2022			
Current	0.46%	63,413,430	(289,884)
1-30 Days	14.38%	5,389,930	(775,294)
31-60 Days	42.13%	4,937,834	(2,080,224)
61-90 Days	27.88%	3,855,154	(1,074,822)
91-365 Days	51.83%	2,075,556	(1,075,708)
120-180 Days	54.21%	2,034,558	(1,102,988)
Above 180 days	62.07%	5,422,890	(3,366,203)
Total		87,129,352	(9,765,123)

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Reporting Entity's view of economic conditions over the expected lives of the receivables.

In order to minimise credit risk, the Reporting Entity has tasked its management to develop and maintain the Reporting Entity's credit risk gradings to categories exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, management uses other publicly available financial information and the Reporting Entity's own trading records to rate its major customers and other debtors. The Reporting Entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Amounts due from related parties is not considered to be credit-impaired as at 31 December 2023 *(2022: not credit-impaired).*

29. Financial instruments/ Financial risk management *(continued)*

Liquidity risk

Liquidity risk is the risk that the Reporting Entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Reporting Entity's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Reporting Entity's reputation.

The following table summarizes the maturity profile of the Reporting Entity's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements was as follows:

31 December 2023	**Carrying amount AED**	**Contractual Cash flows** Total AED	Less than one year AED	One to five years AED	More than five years AED
Trade and other payables *(excluding advance from customer and unearned income classified as other receivables)*	**1,014,368,838**	**1,014,368,838**	**1,014,368,838**	**-**	**-**
Due to related parties	**141,684,042**	**141,684,042**	**141,684,042**	**-**	**-**
Loans from related parties	**1,403,801,184**	**1,966,725,459**	**-**	**1,966,725,459**	**-**
Lease liabilities	**281,595,129**	**335,744,537**	**75,635,631**	**187,482,993**	**72,625,913**
Total	**2,841,449,193**	**3,458,522,876**	**1,231,688,511**	**2,154,208,452**	**72,625,913**

31 December 2022	Carrying amount AED	Contractual Cash flows Total AED	Less than one year AED	One to five years AED	More than five years AED
Trade and other payables *(excluding advance from customer and unearned income classified as other receivables)*	798,837,158	798,837,158	798,837,158	-	-
Due to related parties	106,538,931	106,538,931	106,538,931	-	-
Loans from related parties	1,560,461,593	2,186,206,692	-	2,186,206,692	-
Lease liabilities	223,684,707	251,977,527	75,290,895	126,909,510	49,777,122
Total	2,689,522,389	3,343,560,308	980,666,984	2,313,116,202	49,777,122

Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates and equity prices – will affect the Reporting Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and receivables are denominated and the respective functional currencies of Group companies.

29. Financial instruments/ Financial risk management *(continued)*

Market risk *(continued)*

Currency risk (continued)

The Reporting Entity is exposed to currency risk due to mismatches between the currencies in which sales, purchases, and borrowings are denominated and the functional currencies of Group entities. The functional currencies of Group companies are primarily the UAE Dirham (AED), Saudi Arabia Riyal (SAR), Jordanian Dinar (JOD), Kuwaiti Dinar (KWD), Egyptian Pound (EGP), Omani Rial (OMR), Bahraini Dinar (BHD), Iraqi Dinar (IQD) and Qatari Riyal (QRY).

	2023			2022		
	Assets	**Liabilities**	**Net Assets**	Assets	Liabilities	Net Assets
EUR	101,846,299	1,538,985,898	(1,437,139,599)	2,132,421	1,661,674,860	(1,659,542,439)
IQD	30,883,267	165	30,883,102	12,564,671	164	12,564,507
BHD	58,475,798	40,565,602	17,910,196	91,078,038	41,454,358	49,623,680
EGP	72,022,836	775,779	71,247,057	51,454,289	10,054,395	41,399,894
JOD	103,127,121	49,233	103,077,888	104,767,029	676,833	104,090,196
KWD	93,533,837	259,836,815	(166,302,978)	61,068,627	514,958,239	(453,889,612)
OMR	60,207,268	758,195	59,449,073	90,826,735	824,416	90,002,319
QAR	24,661,922	49,533,568	(24,871,646)	8,797,354	77,549,774	(68,752,420)
SAR	396,560,201	3,336,446	393,223,755	354,738,954	4,284,782	350,454,172

The following significant exchange rates were applied:

	Average rate		**Spot rate**	
	2023	2022	**2023**	2022
EUR	3.991	4.050	4.054	3.931
IQD	0.003	0.003	0.003	0.003
BHD	9.756	9.803	9.709	9.804
EGP	0.134	0.190	0.119	0.148
JOD	5.178	5.179	5.177	5.178
KWD	11.968	12.101	11.905	12.032
OMR	9.547	9.572	9.524	9.569
QAR	1.011	1.016	1.007	1.015
SAR	0.978	0.978	0.979	0.977

29. Financial instruments/ Financial risk management *(continued)*

Market risk *(continued)*

Currency risk (continued)

Sensitivity analysis

The Reporting Entity's exposure to foreign currency risk for a reasonably possible change of 1% fluctuation in foreign currencies is as follows:

2023

	Strengthening		**Weakening**	
	Equity AED	**Profit AED**	**Equity AED**	**Profit AED**
EUR	(14,371,396)	(14,371,396)	14,371,396	14,371,396
IQD	308,831	308,831	(308,831)	(308,831)
BHD	179,102	179,102	(179,102)	(179,102)
EGP	712,471	712,471	(712,471)	(712,471)
JOD	1,030,779	1,030,779	(1,030,779)	(1,030,779)
KWD	(1,663,030)	(1,663,030)	1,663,030	1,663,030
OMR	594,491	594,491	(594,491)	(594,491)
QAR	(248,716)	(248,716)	248,716	248,716
SAR	3,932,238	3,932,238	(3,932,238)	(3,932,238)
	(9,525,230)	**(9,525,230)**	**9,525,230**	**9,525,230**

2022

	Strengthening		Weakening	
	Equity AED	Profit AED	Equity AED	Profit AED
EUR	(16,595,424)	(16,595,424)	16,595,424	16,595,424
IQD	125,645	125,645	(125,645)	(125,645)
BHD	496,237	496,237	(496,237)	(496,237)
EGP	413,999	413,999	(413,999)	(413,999)
JOD	1,040,902	1,040,902	(1,040,902)	(1,040,902)
KWD	(4,538,896)	(4,538,896)	4,538,896	4,538,896
OMR	900,023	900,023	(900,023)	(900,023)
QAR	(687,524)	(687,524)	687,524	687,524
SAR	3,504,542	3,504,542	(3,504,542)	(3,504,542)
	(15,340,496)	**(15,340,496)**	**15,340,496**	**15,340,496**

29. Financial instruments/ Financial risk management *(continued)*

Market risk *(continued)*

Interest rate risk

Exposure to interest rate risk

At the reporting date the interest rate profile of the Reporting Entity's interest-bearing financial instruments was as follows.

	Carrying amount	
	2023	2022
	AED	AED
Fixed rate instruments		
Short term deposits (Note 10)	**11,904,762**	249,587,347
Variable rate instruments		
Loans to related parties (Note 9)	**252,785,439**	208,980,058
Loans from related parties (Note 9)	**1,403,801,184**	1,560,461,593
Net exposure- variable rate instruments	**1,151,015,745**	1,351,481,535

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased *(decreased)* equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss		**Equity**	
	100 bp increase	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
2023				
Variable rate instruments	**(11,510,157)**	**11,510,157**	**(11,510,157)**	**11,510,157**
Cash flow sensitivity (net)	**(11,510,157)**	**11,510,157**	**(11,510,157)**	**11,510,157**
2022				
Variable rate instruments	**(13,514,815)**	**13,514,815**	**(13,514,815)**	**13,514,815**
Cash flow sensitivity (net)	**(13,514,815)**	**13,514,815**	**(13,514,815)**	**13,514,815**

30. Fair value measurement

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of cash and bank balances, amounts due from related parties, loans to related parties and trade and other receivables. Financial liabilities consist of trade payables and other payable, loans from related parties and amounts due to related parties.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The 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 advantageous market for the asset or liability.

30. Fair value measurement *(continued)*

The principal or the most advantageous market must be accessible to the Reporting Entity.

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.

A fair value measurement of a financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Reporting Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the combined and carve out financial statements approximate their fair values.

31. Capital risk management

The Reporting Entity manages its capital to ensure that it will be able to continue as a going concern while maximising the return to Shareholder through the optimisation of the debt and equity balance. The Reporting Entity's overall strategy remains unchanged from those of the prior years. The capital structure of the Reporting Entity consists of equity attributable to the shareholder, comprising issued capital, reserves, and retained earnings.

32. Subsequent events

Acquisition of Extended Perimeter

Subsequent to the reporting date in September 2024, the Company and Ultimate Parent have entered into agreements to transfer to the Company the following: (i) Ultimate Parent's 100% shareholding interest in Foodonclick.com FZ-LLC; (ii) Ultimate Parent's 49% shareholding interest in Talabat for Delivery Services LLC; (iii) Ultimate Parent's 100% indirect shareholding interests in Delivery Hero Egypt SAE; (iv) Ultimate Parent's 100% indirect shareholding interest in Dark Stores MENA Holding Ltd; (v) Ultimate Parent's 10% indirect shareholding interest in Delivery Hero Stores LLC *(90% already held by extended perimeter entity)*; (vi) Ultimate Parent's 100% indirect shareholding interest in Delivery Hero Kitchens MENA Holding Ltd.; (vii) Ultimate Parent's 100% indirect shareholding interest in DH Kitchens LLC; and (viii) Ultimate Parent's 100% indirect shareholding interest in Delivery Hero Payments MENA FZ-LLC, in each case, at nominal value or the transferor's carrying value of such shareholding

Accordingly, the Company acquired the right over 100% returns, as well as authority to make decisions regarding approving of budgets, setting strategies, incur major capital expenditures for acquisition of assets, appointment of management and board of directors and devising strategic, operational and financial policies of Extended Perimeter entities as listed below.

- Foodonclick.com FZ-LLC
- Foodclick .com Jordan Private Shareholding Co.
- Talabat Log. & Online Management
- Talabat for Delivery Services LLC
- Batal Al Tawsil for Delivery Services Ltd.
- Delivery Hero Egypt SAE
- Dark Stores MENA Holding Ltd

32. Subsequent events (continued)

Acquisition of Extended Perimeter (continued)

- Jordanian Stores for General Trading LLC
- Talabat Services Company W.L.L.
- Delivery Hero Stores DB LLC
- Delivery Hero Dmart Egypt LLC
- Delivery Hero Stores LLC
- Delivery Hero Kitchens MENA Holding Ltd
- Delivery Hero Kitchen DB LLC
- DH Kitchens LLC
- Delivery Hero Payments MENA FZ-LLC
- Delivery Hero Tech Payment Limited
- Delivery Hero Kitchens MENA Holding Jordan LLC

Transfer of shareholding of the Company

Subsequent to the reporting date, the Ultimate Parent signed a share purchase agreement on 18 September 2024 to transfer Ultimate Parent's entire shareholding in the Company to Talabat Holding Limited for consideration equal to the book value of the Company in the accounts of Ultimate Parent.

Carve out of a subsidiary

Further, the Company entered into an agreement with a company under common control to transfer the control of 100% indirect shareholding interest in Talabat for Restaurants Company WLL ("Talabat KSA").

Settlement of inter-company balances with the Ultimate Parent

During September 2024, the Parent, its Ultimate Parent and certain entities included in Extended Perimeter entered into various assignment agreements regarding loans disbursed by the Ultimate Parent to the certain entities included in Extended Perimeter. As per these agreements, the Ultimate Parent transferred its rights over the loans to the Parent and accordingly, subsequent to the yearend the Parent recognised the related receivable from these entities included in Extended Perimeter with a corresponding liability to the Ultimate Parent.

Thereafter as of 30 September 2024 the Parent, Talabat Holding Limited and Ultimate Parent entered into a settlement agreement to settle these loans from the Ultimate Parent with the loans to Ultimate Parent and the net remaining loans payable amounting to AED 211,591,744 were waived of by the Ultimate Parent and were recorded in equity as shareholder contribution.

Acquisition of Instashop

The Company and Ultimate Parent entered into an agreement to acquire InstaShop Ltd, a BVI Business Company registered under the laws of the British Virgin Islands from its Ultimate Parent. The consideration agreed with the Ultimate Parent is AED 117,258,845 (USD 31,928,889), which reflects the subscribed capital and the other reserves, excluding retained earnings as at the date of signing of the agreement. The acquisition is subject to certain conditions which are expected to be completed by 2025.

32. Subsequent events (continued)

Acquisition of Instashop *(continued)*

Primary reason for the acquisition:

The acquisition of the aforementioned companies was strategically executed to streamline and centralize both operational and financial management. By restructuring under the full control of the Reporting Entity, Ultimate Parent's goal is to enhance efficiency, improve decision-making processes, and align all business activities with the Reporting Entity's long-term strategic objectives. The Reporting Entity was already under common control, with Delivery Hero SE as the Ultimate Parent.

33. Impact of UAE Corporate Tax Law

On December 9, 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after June 1, 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

For the Reporting Entity, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the year ended 31 December 2023.The Reporting Entity has assessed the deferred tax implications for the year ended 31 December 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not expected to be material.

The Reporting Entity shall continue to monitor critical Cabinet Decisions to determine the impact on the Reporting Entity, from deferred tax perspective.

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