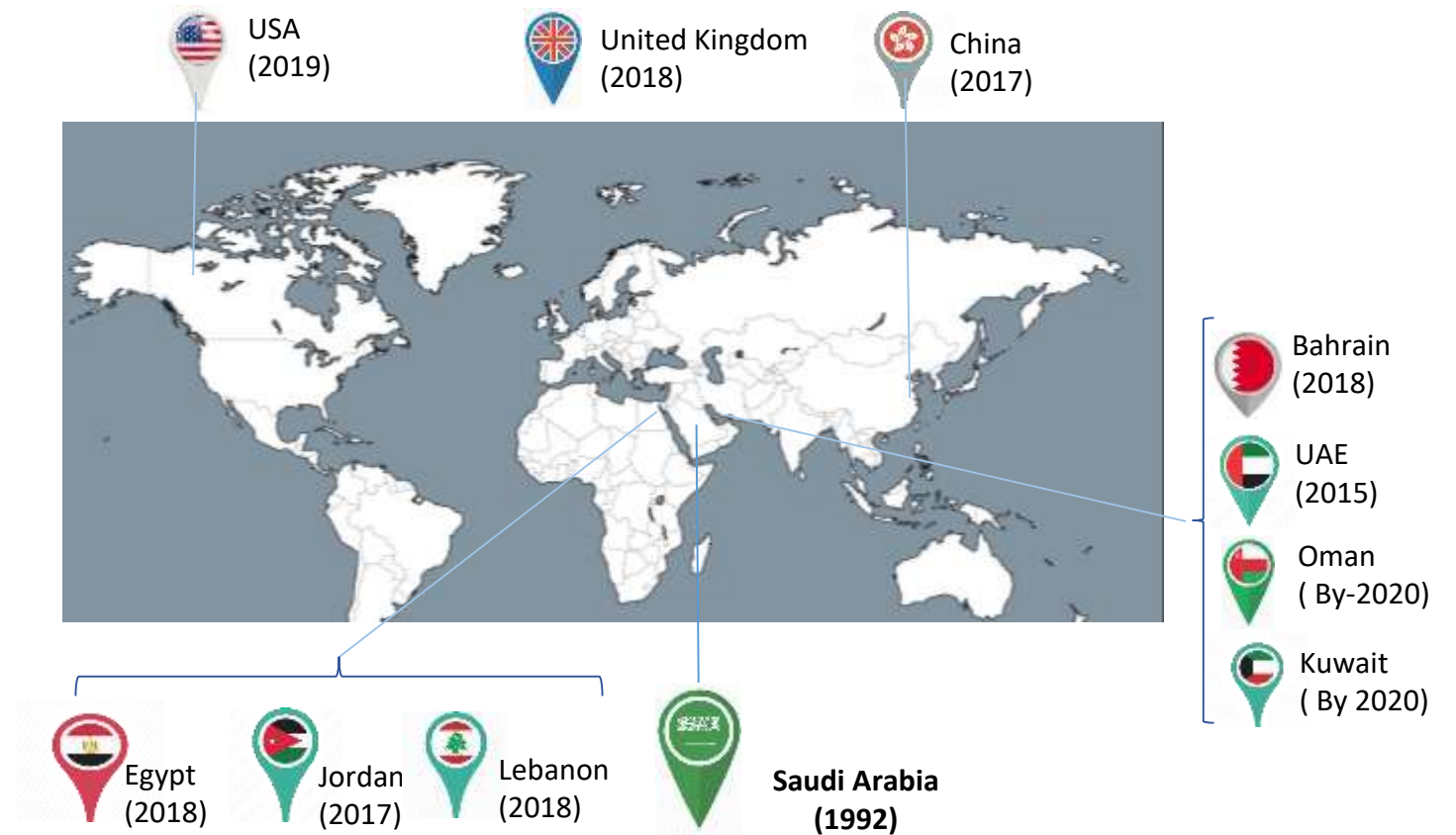


Opportunities in the Middle East



OUR FOCUS IS B2C TO AND WITHIN THE MIDDLE EAST

NAQEL will be an established leader in the Express Logistics Sector in the Middle East region with a strong presence in all the continents around the world.



OUR DEVELOPMENT

2019:

Our current capabilities



49 Facilities



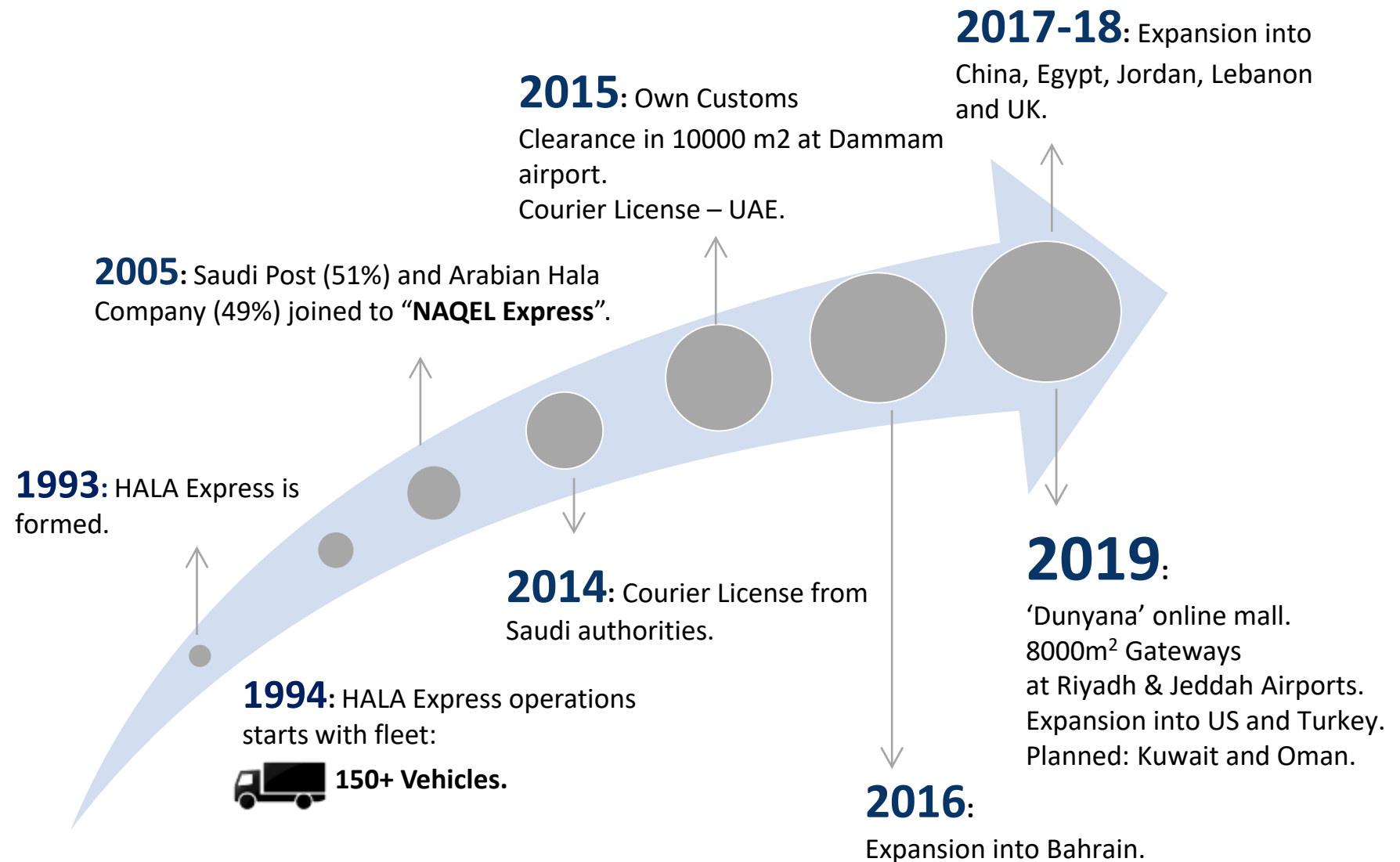
8+ Mil. Shipments handled



3500+ Employees



3000+ Vehicles



OUR CAPABILITIES



EXAMPLES OF CUSTOMERS ON KEY SECTORS

Automotive	Electronics	Healthcare	Retail, FMCG	Fashion	Government	e-Merchandisers
 TOYOTA	 Canon	 Bausch & Lomb	 IKEA	 CHANEL	 ارامكو السعودية Saudi Aramco	 amazon
 LEXUS	 Panasonic	 MEDISERV	 LuLu	 GIORGIO ARMANI		 Alibaba.com
 HONDA	 SIEMENS	 NOVARTIS	 Carrefour	 TAG Heuer	 Ministry of Interior Kingdom of Saudi Arabia	 JollyChic.com
 HYUNDAI	 SONY	 Abbott	 Baskin Robbins	 LOUIS VUITTON		 SHEIN
 NISSAN	 Nikon	 alshifa	 Tetra Pak	 ESPRIT	 الهيئة العامة للتأمينات الاجتماعية General Organization for Social Insurance	 INDITEX
 BMW	 alfanar	 Kimberly-Clark	 ESMO	 OMEGA		 MAC
 Audi	 lenovo	 Bristol-Myers Squibb	 SIPCO PAINTS	 REDTAG	 الصندوق السعودي للتأمينات الاجتماعية	 H&M
 Volkswagen	 DELL	 Poh Arabia MEDICAL CANADA	 hoshan	 max		 MANGO
 mazda	 hp	 Boehringer Ingelheim	 TAMER	 bossini	 الوزارة Ministry of Health	 SEPHORA
 PEUGEOT	 SAMSUNG	 Fisher & Paykel HEALTHCARE	 HEMPEL	 L'ORÉAL	 الوزارة Ministry of Education	 AVON
	 axiom telecom	 tabuk	 SIGMA PAINTS	 THE BODY SHOP	 الوزارة Ministry of Economy and Planning	 ORIFLAME SWEDEN
	 xerox	 MAGRABI OPTICAL	 JOTUN	 GUESS		
		 GE Healthcare		 LONGINES®		

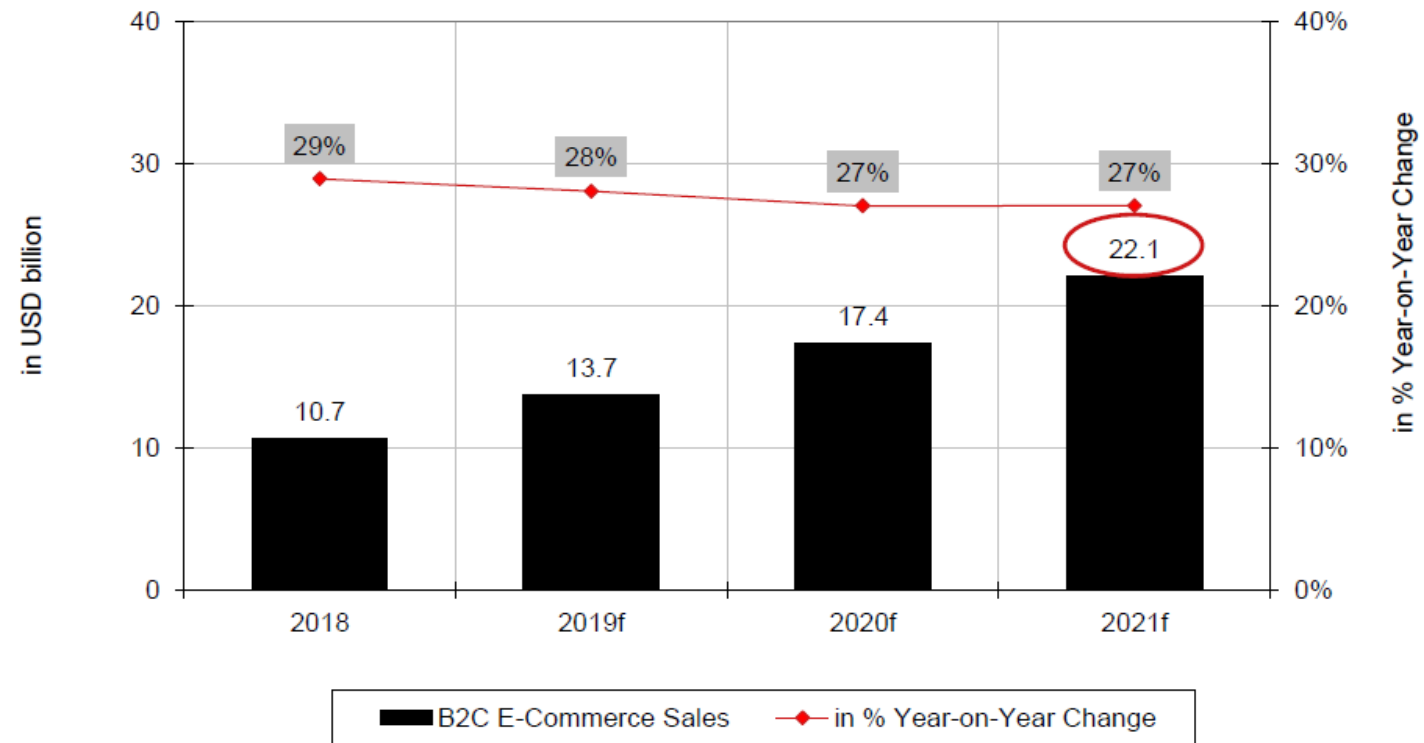


Handling 1000s of eCommerce shipments daily.

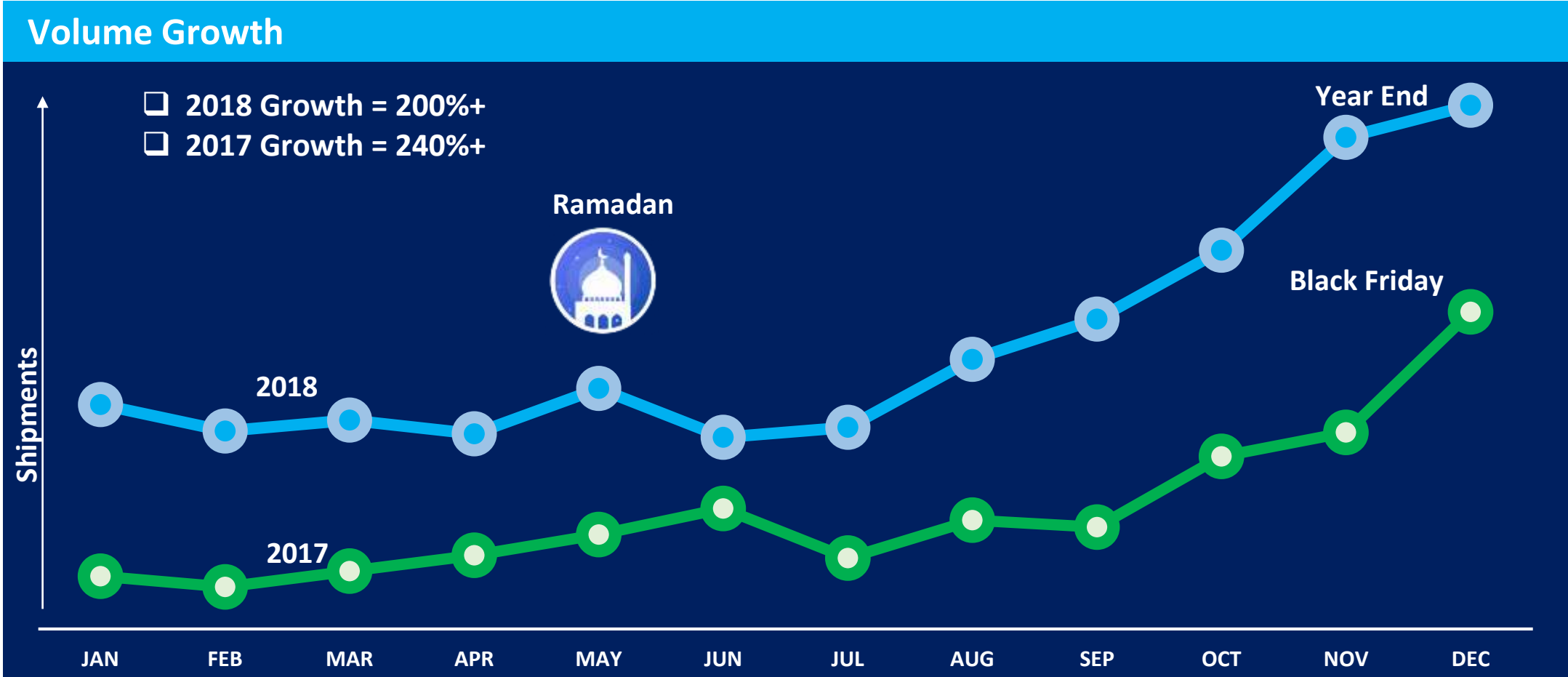
OPPORTUNITIES – MARKET POTENTIAL

B2C E-Commerce sales in the Middle East & North Africa have a high growth potential, projected to reach USD 22 billion by 2021.

MENA: B2C E-Commerce Sales, in USD billion, and Year-on-Year Change, in %, 2018 - 2021f



OPPORTUNITIES: Volume Growth



OPPORTUNITIES: Why the Middle East?

MARKET SIZE



PURCHASE POTENTIAL



Large untapped revenue potential

- **62%** of Arabian Gulf Market = Saudi Arabia
- **24%** = United Arab Emirates
- Fashion (31%), Electronics (31%) & Toys (13%)

Young tech-savvy consumers

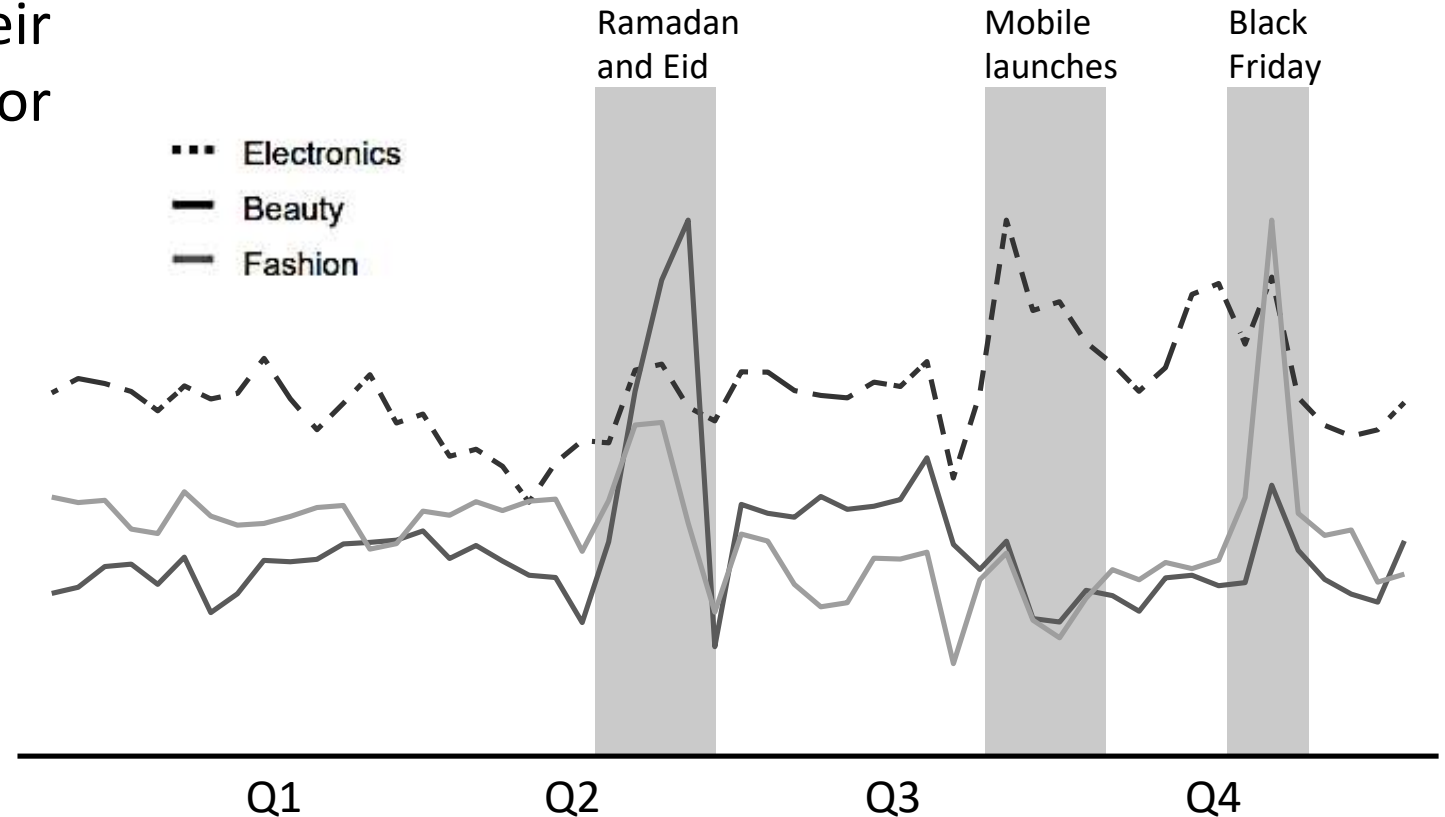
- **70%** of population **< 30** years old and embrace digital purchasing
- High consumer buying power
- An average basket value of at least **£100** and **8 items** per order in Saudi Arabia

PROMOTIONAL CAMPAIGNS

There are many occasions where Middle Eastern customers open their wallet and start shopping either for themselves or for their loved ones.




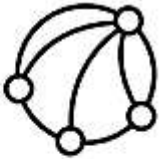
Typical occasions attracting on-line purchase:

- Ramadan – May 2019, Apr/May 2020
- Eid Al-Fitr and Eid Al-Adha, which are a religious holidays – June 19, May 2020 & Sep 20 19 Jul/Aug 2020
- Back to school season - September
- National Day - September
- 11/11 Singles Day – November
- Black Friday – November
- Cyber Monday – December



MARKET RESEARCH

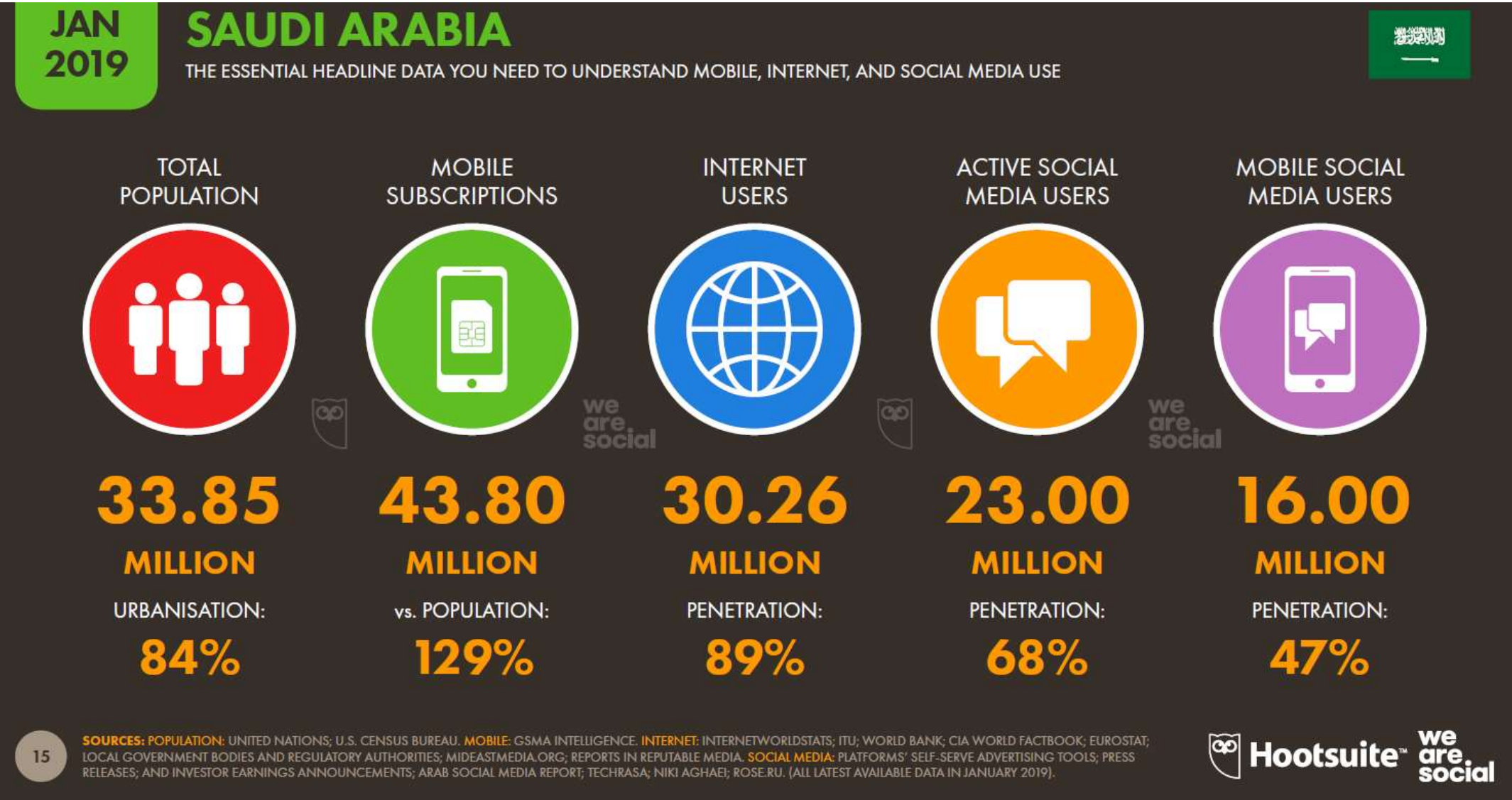
Compared with more developed e-commerce markets, the Arabian Gulf region is ahead on metrics such as Internet, smartphone and social media penetration

				
	Internet penetration	Time spent online daily	Smartphone penetration	Social media penetration
UAE	91%	7 hours, 49 minutes	66%	99%
Saudi Arabia	73%	6 hours, 45 minutes	62%	75%
Egypt	43%	8 hours, 10 minutes	28%	40%
US	85%	6 hours, 30 minutes	69%	71%
China	59%	6 hours, 30 minutes	49%	65%



Source: Bain (2019) 'E-Commerce in MENA'



SAUDI ARABIA: HEADLINE DATA



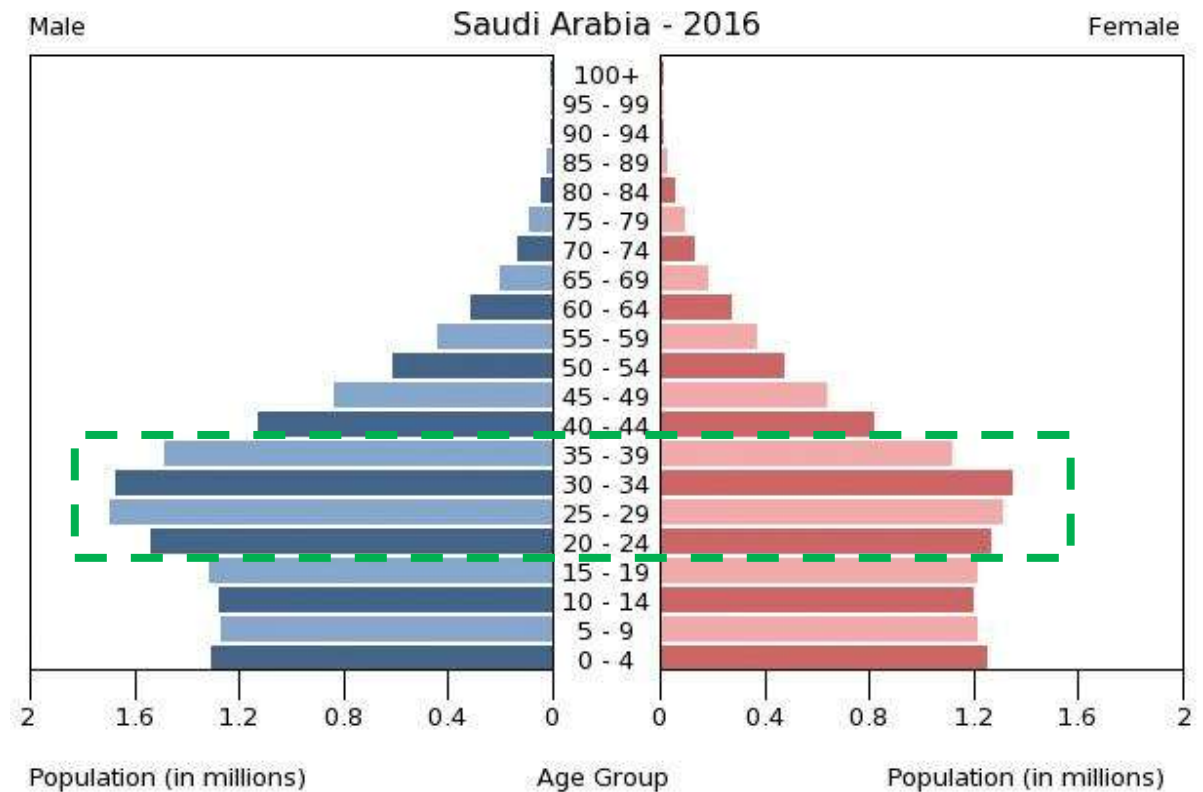
SAUDI ARABIA: HEADLINE DATA

JAN 2019		SIMILARWEB'S TOP WEBSITES				RANKING OF WEBSITES BY AVERAGE MONTHLY TRAFFIC	
#	WEBSITE	CATEGORY	MONTHLY TRAFFIC	TIME PER VISIT	PAGES PER VISIT		
01	YOUTUBE.COM	TV & VIDEO	83,000,000	26M 04S	11.1		
02	GOOGLE.COM	SEARCH	70,300,000	11M 02S	10.6		
03	GOOGLE.COM.SA	SEARCH	64,600,000	10M 35S	9.3		
04	FACEBOOK.COM	SOCIAL	21,000,000	16M 08S	13.6		
05	TWITTER.COM	SOCIAL	18,600,000	15M 14S	11.8		
06	WHATSAPP.COM	COMMUNICATION	9,800,000	02M 33S	2.0		
07	LIVE.COM	EMAIL	9,700,000	08M 40S	9.2		
08	WIKIPEDIA.ORG	REFERENCE	7,100,000	04M 04S	3.0		
09	AMAZON.COM	SHOPPING	6,700,000	09M 25S	11.2		
10	NETFLIX.COM	TV & VIDEO	6,600,000	09M 38S	4.8		

SOURCE: SIMILARWEB (JANUARY 2019). FIGURES BASED ON MONTHLY AVERAGES FOR Q4 2018. **NOTES:** 'MONTHLY TRAFFIC' DOES NOT REPRESENT UNIQUE VISITORS. 'TIME PER VISIT' FIGURES REPRESENT THE AVERAGE DURATION OF USERS' VISITS, MEASURED IN MINUTES AND SECONDS. **ADVISORY:** SOME WEBSITES FEATURED IN THIS RANKING MAY CONTAIN ADULT CONTENT. PLEASE USE CAUTION WHEN VISITING UNKNOWN WEBSITES.

 **Hootsuite™** 

OPPORTUNITIES: Demographics



Source: the World Fact Book – Central Intelligence Agency

“20 and 30 somethings” with high spending power

WHY IS CASH/CARD ON DELIVERY (COD) CRUCIAL?

Up to **80%** of shipments are COD

Why is COD used?

- **64%** of customers want to see the package has arrived before paying *(Source: Bain (2019) 'E-Commerce in MENA')*
- Cash based economy e.g. **75%** in UAE

WHY IS COD A PREFERRED METHOD?



I only want to pay when I have
the product(s) in hand, not earlier



64%

It is easier to keep track of my
expenses in cash



35%

I don't trust my credit card
information is stored safely



33%

Credit card is a more expensive
payment option



9%

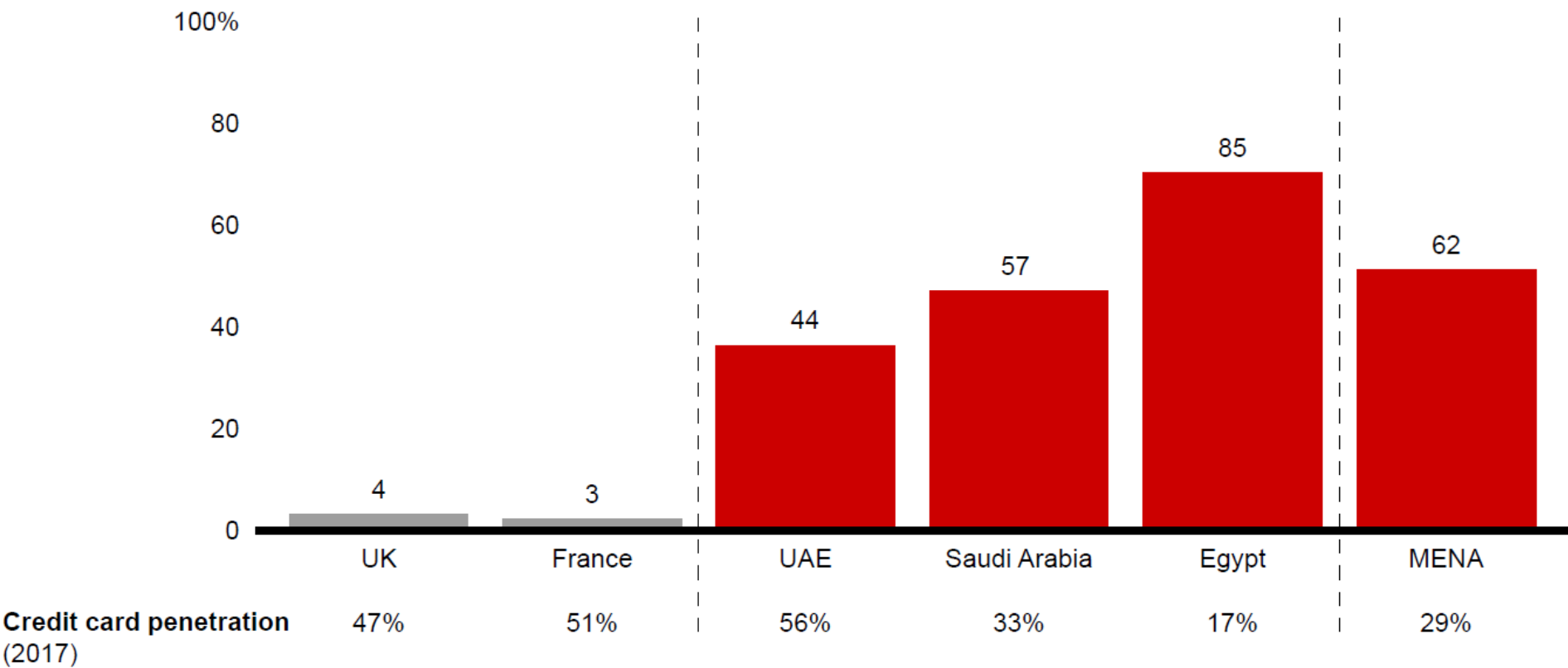
I don't want to make other people
aware of my purchases



8%

% OF CUSTOMERS WHO PREFER COD VS CREDIT CARD PENETRATION

Percentage of consumers who prefer cash on delivery (2018)

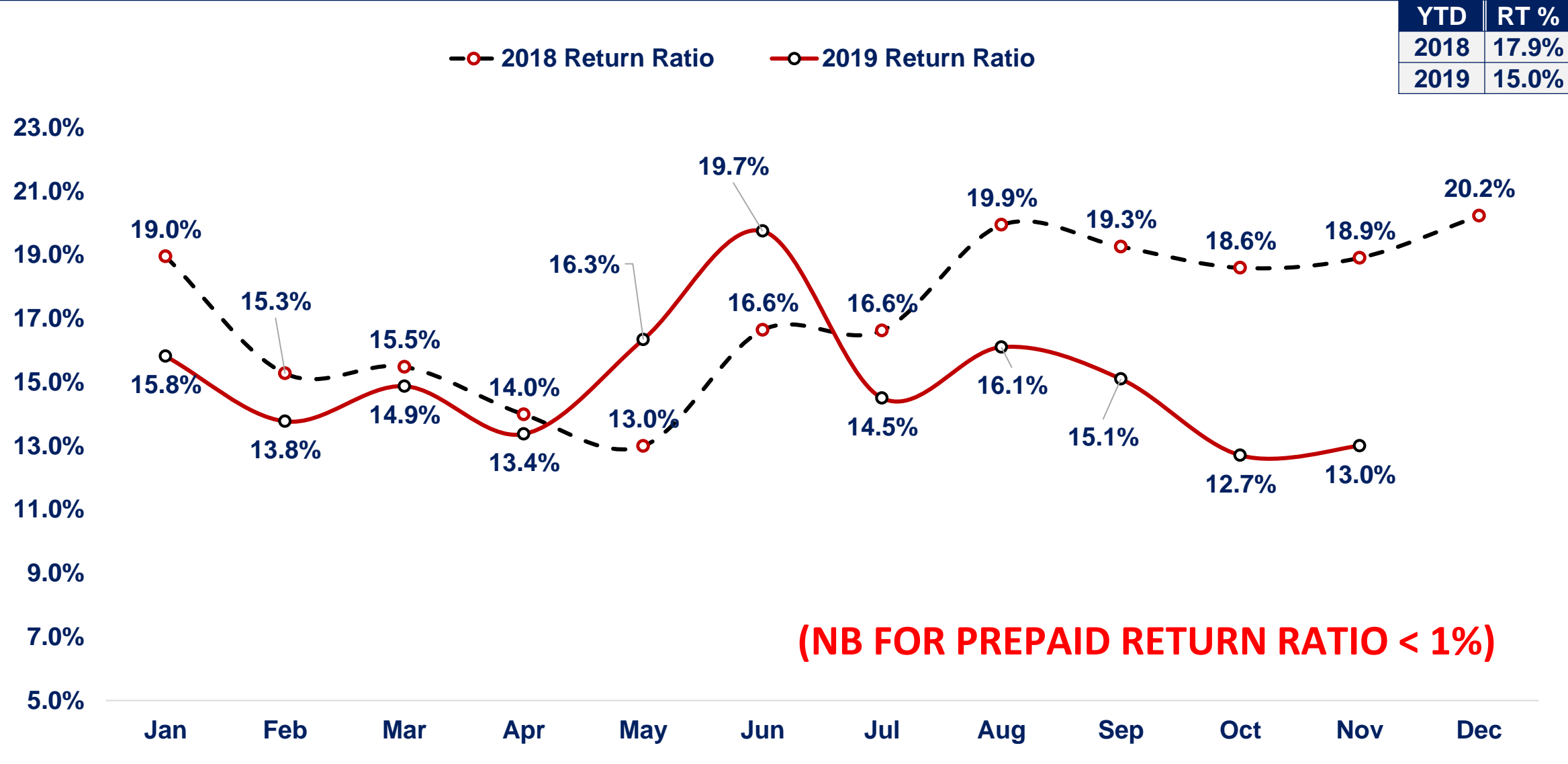


Notes: The survey included UAE, Saudi Arabia, Egypt, UK and France; UK and France figures are for 2016; GCC stands for Gulf Cooperation Council and includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE; MENA includes all GCC countries and Egypt, Algeria, Iraq, Jordan, Lebanon, Libya, Mauritania, Morocco, Syria, Tunisia and Yemen
Sources: Google MENA consumer survey 2018 (n=6,295, Saudi Arabia/UAE/Egypt); PAYFORT; eMarketer; GlobalData; State of the union e-commerce MENA 2018; Bain analysis

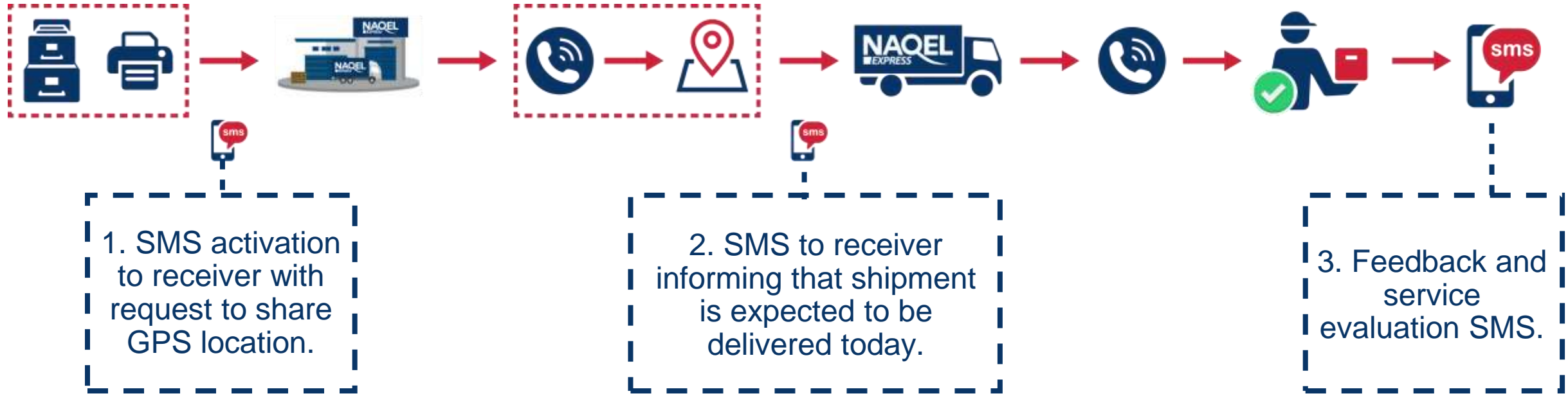
CASH ON DELIVERY (COD) PROCESS



Return Ratio COD %



DELIVERY AND NOTIFICATIONS TO RECEIVER



OPPORTUNITY TO REDUCE TRANSIT TIME BY 2 DAYS – SAUDI ARABIA

- **Control:** Only company with own customs clearance licence in Saudi Arabia.
- **Optimise customs process:** Extra transit time reductions through further gateways opening enabling **same day clearance** and **pre-clearance** opportunities.



Dammam



Jeddah



Riyadh

RIYADH (KKIA) GATEWAY



- Currently e-commerce shipments are cleared from Riyadh airport (KKIA) (RUH) in a facility shared by express companies until an 'Express Zone' is developed.
- New Naqel Express only gateway ready to be open by end 2019.
- Around 6,000m², 12 in house customs officers and 24/7 clearance.

JEDDAH (KAIA) GATEWAY



- Jeddah Gateway will serve the West, South & North West of Saudi Arabia.
- Only 2 courier companies have a gateway in Jeddah and NAQEL is one of them.
- Due to open by Q1 2020.
- Around 6,300m², 12 in house customs officers, 24/7 clearance.



King Abdulaziz International Airport
مطار الملك عبدالعزيز الدولي

DAMMAM (KFIA) GATEWAY



- 10,000m², 16 in house customs clearance officers clearing goods in 2 shifts, 6 days in a week.

INBOUND CLEARANCE: VAT AND CUSTOMS DUTIES

DDU available, however, DDP = better customer experience

Process:

1. Naqel Express pays VAT and customs duties on behalf of eRetailers directly to customs.
2. eRetailer to use a bonded account for prepaid VAT and customs.
3. For 'Cash on Delivery' (COD) shipments, the VAT and duties can be deducted from the COD amount or from the bonded account.
4. If DDU then duties and VAT collected from client on delivery.
5. If DDU and undelivered, VAT and duties will need to be paid by Retailer.

GULF DELIVERY MARKET

Driving accessibility



- Pick Up / Drop off points not in a such common use as in other regions especially in Saudi Arabia.
- Expectation to deliver the package to their home.

Address system



- Postcodes often not used or still developing.
- Information of customers' GPS location is **key** for delivery and is an option used by NAQEL through SMS prompts with customers.


ORDER SCREEN BEST PRACTICE FOR MIDDLE EASTERN DELIVERIES

Request for Customer to share GPS Location

<

Add New Address

Save



First Name:

Last Name:

Country/Region: Saudi Arabia >

State/Prov./Region: Al-Riyadh >

City: Riyadh >

District: Al Munsiyah >

Street: 3577 Ath Thumamah Road 3400 Ath Thuma...

Address Details: Building, Floor No. (Optional)

Nearest Landmark: Optional

Mobile Phone Number:

Country, State, City, District & Street are mandatory fields

3 DELIVERY INFORMATION

Any

Body

 USE MY CURRENT LOCATION

Address (House number, Street name, Area)*

City*

District*

*Mobile Telephone

Country Code*

+966

Carrier Code*

Select

Number (last 7 digits) *

Alternative Telephone

Country Code*

+966

Carrier Code*

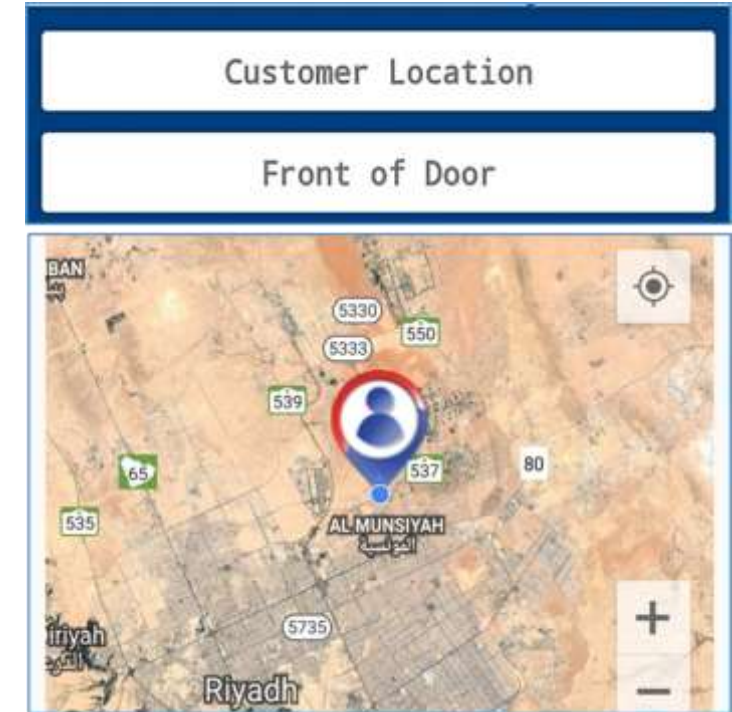
Select

Number (last 7 digits) *

SYSTEMS TO FIND AND CONTACT THE CUSTOMER

Combination of communication methods to enhance delivery %:

- SMS notifications (Arabic/English)
- GPS -> courier handset
- WhatsApp
- Our mobile app and website including Chatbot
- Courier calling
- Proactive traces through dedicated Customer Service contact



OUR PROCESS



INDICATIVE TRANSIT TIMES FROM US

DESTINATION	TRANSIT TIME
SAUDI ARABIA	
Riyadh and main cities	4 days
Other cities	5 days
Rest	6-9 days
UNITED ARAB EMIRATES	
Dubai and main cities	3-4 days
Rest	4-6 days

Transit times will be dependent on where from US picked up or dropped off. These times are based on shipments being received and processed to link with flight cut offs.

OUR TRANSIT TIMES

DESTINATION	TRANSIT TIME
BAHRAIN	4-5 days
EGYPT	
Cairo and other cities	4-5 days
Rest	6-8 days
JORDAN	4-6 days
LEBANON	4-6 days
TURKEY	4-6 days

Transit times will be dependent on where from US picked up or dropped off. These times are based on shipments being received and processed to link with flight cut offs.



AFTER SALES RETURNS

- After Sales Returns is a possible option through:
- Integration with our API services e.g. through ZigZag or ReBound.
- Return label via Metapack integration



NAQEL EXPRESS - advertising opportunities

WHAT

- Possible part of an affiliate programme.
- Opportunity for **eRetailers** to promote their services on our website and app to increase purchases.
- Direct SMSes also an option
- Exposure of 1000s of potential customer hits per day

HOW

- Advert of **eRetailers** appears on app and web window.
- Hyperlink to your own webpage from your advert.
- Can use **NAQEL Express** promo code.

COST

- Just **5%** of the order revenue made with such promo codes.



WHY USE NAQEL EXPRESS IN THE MIDDLE EAST?

1

Customs Licence



- **ONLY** company in Saudi Arabia with Clearance license.

2

Cash on Delivery



- Cash On Delivery **revenue** opportunity.
- Market leading returns for COD (<15%).

3

Use of GPS Locations



- **GPS** usage to enable quicker deliveries even for PO Box addresses.

4

Customer Support



- Female Call Centre to process local calls appropriately.
- Tracking via web & app.

5

Reporting & Cash Reconciliation



- Reporting & **secure** Cash Reconciliation services for the key COD market.

A faint, light blue world map is centered in the background of the slide, showing the outlines of continents and countries.

Thank you!

Service Completion and Network Completion

