

**FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INDEPENDENT AUDITOR'S REVIEW REPORT AND
UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT AND UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2025**

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE SHAREHOLDERS OF FAD INTERNATIONAL COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of FAD International Company (A Saudi Joint Stock Company) (the "Company") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2025, and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in shareholders' equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of the persons responsible for the 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 ("ISAs") as endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

for Ernst and Young Professional Services

Ahmed Ibrahim Reda
Certified Public Accountant
License No. (356)

Jeddah: 19 Safar 1447H
(13 August 2025G)




FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED)

As at 30 June 2025

	Note	30 June 2025 Unaudited SR	31 December 2024 Audited SR
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		6,961,431	8,801,540
Intangible assets		712,038	815,067
Right-of-use assets	3(a)	24,079,085	24,140,197
TOTAL NON-CURRENT ASSETS		31,752,554	33,756,804
CURRENT ASSETS			
Inventories	4	22,567,201	29,326,862
Trade and other receivables	5	9,784,779	8,155,016
Cash and cash equivalents	6	9,566,198	11,091,432
TOTAL CURRENT ASSETS		41,918,178	48,573,310
TOTAL ASSETS		73,670,732	82,330,114
EQUITY AND LIABILITIES			
EQUITY			
Share capital	7	12,000,000	12,000,000
Statutory reserve	7	1,972,464	1,972,464
Retained earnings		13,705,962	6,891,682
TOTAL EQUITY		27,678,426	20,864,146
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	3(b)	8,201,232	8,207,341
Employee benefit obligations		6,696,852	6,865,517
TOTAL NON-CURRENT LIABILITIES		14,898,084	15,072,858
CURRENT LIABILITIES			
Trade and other payables	8	11,051,422	21,051,864
Short-term borrowings	9	5,168,808	11,413,436
Current portion of lease liabilities	3(b)	14,693,958	13,244,717
Provision for zakat	10	180,034	683,093
TOTAL CURRENT LIABILITIES		31,094,222	46,393,110
TOTAL LIABILITIES		45,992,306	61,465,968
TOTAL EQUITY AND LIABILITIES		73,670,732	82,330,114


Mohammed Abdul Rahman Moumena
Chairman of Board of Directors


Eyad Abdullah Mashat
Chief Executive Officer


Muhammad Shazam Ziad Butt
Chief Financial Officer

The attached notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements

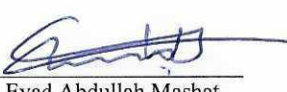
FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)


INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the six-month period ended 30 June 2025

		<i>For the six-month period ended 30 June 2025</i>	<i>For the six-month period ended 30 June 2024</i>
	<i>Note</i>	<i>Unaudited SR</i>	<i>Unaudited SR</i>
Revenue	13	97,818,911	105,098,949
Cost of sales	14	(33,463,017)	(37,734,275)
GROSS PROFIT		64,355,894	67,364,674
Selling and distribution expenses	15	(34,815,320)	(35,689,540)
General and administrative expenses	16	(15,840,275)	(15,376,892)
Impairment (loss)/reversal on financial assets	5	(76,897)	780,478
Other operating income		316,637	304,272
OPERATING PROFIT		13,940,039	17,382,992
Finance cost		(1,512,256)	(1,662,461)
PROFIT BEFORE ZAKAT		12,427,783	15,720,531
Zakat credit / (expense)	10	384,963	(631,877)
PROFIT FOR THE PERIOD		12,812,746	15,088,654
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		12,812,746	15,088,654
Earnings per share			
Basic and diluted	17	10.68	12.57


Mohammed Abdul Rahman Moumena
Chairman of Board of Directors


Eyad Abdullah Mashat
Chief Executive Officer

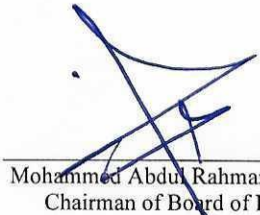

Muhammad Shazam Ziad Butt
Chief Financial Officer

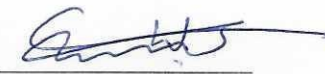
FAD INTERNATIONAL COMPANY
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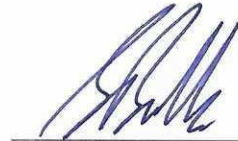
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

For the six-month period ended 30 June 2025

	<i>Capital SR</i>	<i>Statutory reserve SR</i>	<i>Retained earnings SR</i>	<i>Total SR</i>
Balance as at 1 January 2024	12,000,000	1,538,348	3,322,370	16,860,718
Profit for the period	-	-	15,088,654	15,088,654
Other comprehensive loss for the period	-	-	-	-
Total comprehensive income for the period	-	-	15,088,654	15,088,654
Balance as at 30 June 2024	12,000,000	1,538,348	18,411,024	31,949,372
Balance as at 1 January 2025	12,000,000	1,972,464	6,891,682	20,864,146
Profit for the period	-	-	12,812,746	12,812,746
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	12,812,746	12,812,746
Dividend (note 18)	-	-	(5,998,466)	(5,998,466)
Balance as at 30 June 2025	12,000,000	1,972,464	13,705,962	27,678,426


Mohammed Abdul Rahman Moumena
Chairman of Board of Directors


Eyad Abdullah Mashat
Chief Executive Officer


Muhammad Shazam Ziad Butt
Chief Financial Officer

FAD INTERNATIONAL COMPANY
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

For the six-month period ended 30 June 2025

	Note	For the six-month period ended 30 June 2025 Unaudited SR	For the six-month period ended 30 June 2024 Unaudited SR
OPERATING ACTIVITIES			
Profit before zakat		12,427,783	15,720,531
<i>Adjustments to reconcile profit before zakat to net cash flows:</i>			
Depreciation of property and equipment		2,336,058	1,915,136
Amortisation of intangible assets		168,715	52,227
Depreciation of right-of-use assets	3(a)	9,605,053	10,726,990
Finance costs on borrowings		593,528	629,690
Finance costs on lease liabilities	3(b)	918,728	1,032,771
Reversal of provision for slow-moving inventories	4	(3,585,269)	(1,960,492)
Provision for employee benefit obligations		808,449	770,780
Impairment loss / (reversal of impairment loss) on financial assets		76,897	(780,478)
Write off related to property and equipment	15	598,091	-
		23,948,033	28,107,155
<i>Working capital adjustments:</i>			
Decrease in inventories		10,344,930	9,777,650
(Increase) / decrease in trade and other receivables		(1,706,660)	4,085,116
Decrease in trade and other payables		(10,000,441)	(1,379,231)
Cash flows from operations		22,585,862	40,590,690
Employees' benefits liabilities paid		(977,114)	(431,687)
Zakat paid	10	(118,096)	(833,208)
Net cash from operating activities		21,490,652	39,325,795
INVESTING ACTIVITIES			
Payments for purchases of property and equipment		(1,094,038)	(3,166,263)
Payments for purchases of intangible assets		(65,686)	(193,535)
Net cash used in investing activities		(1,159,724)	(3,359,798)
FINANCING ACTIVITIES			
Dividends paid	18	(5,998,466)	-
Finance costs paid on borrowings		(593,528)	(490,320)
Short term borrowings settled		(11,364,760)	(21,785,381)
Short term borrowings received		5,120,132	3,790,532
Principal element of lease payments	3(b)	(8,100,812)	(10,767,753)
Finance cost element of lease payments	3(b)	(918,728)	(1,032,771)
Net cash used in financing activities		(21,856,162)	(30,285,693)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(1,525,234)	5,680,304
Cash and cash equivalents at 1 January		11,091,432	8,282,461
CASH AND CASH EQUIVALENTS AS AT 30 JUNE 2025	6	9,566,198	13,962,765
Supplemental information for non-cash information			
Additions to right-of-use assets (including renewals) and lease liabilities	3	9,543,944	13,013,281

Mohammed Abul Rahman Moumena
Chairman of Board of Directors

Eyad Abdullah Mashat
Chief Executive Officer

Muhammad Shazam Ziad Butt
Chief Financial Officer

The attached notes from 1 to 22 form an integral part of these interim condensed consolidated financial statements

**FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

For the six-month period ended 30 June 2025

1. GENERAL INFORMATION

FAD International Company (the “Company”) is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia. The Group consists of the Company and its wholly owned subsidiaries (collectively the “Group”):

<i>Name of the entity</i>	<i>Place of business / Country of incorporation</i>	<i>Ownership interest held by the Group</i>		<i>Principal activities</i>
		<i>30 June 2025</i>	<i>31 December 2024</i>	
Think Contemporary Marketing for Trading Company (“Think”) – CR number 4030169641	Kingdom of Saudi Arabia	100%	100%	Think is a single shareholder limited liability company licensed in the Kingdom of Saudi Arabia. Think is engaged in retail and wholesale trading of clothes and shoes.
FAD Retail Limited (“FAD UK”) – Company number 7996208	United Kingdom	100%	100%	FAD UK is a dormant entity and does not have any operations.

The Group is ultimately owned and controlled by Mr. Eyad Abdullah Mashat, the majority shareholder (the “Ultimate shareholder”). The Group’s registered office is located at Abu Saeed Al-Naqqash Street, Al Andalus, Jeddah 23322, Kingdom of Saudi Arabia.

The Group is engaged in retail and wholesale trading of clothes, fabrics, bags, suitcases, shoes and their accessories, leather products, artificial and natural perfumes, cosmetics, makeup and lotions, sunglasses for men, women and children. Currently, the Group is engaged in retail and wholesale of women dresses and related accessories under the brand names “Vivid Flair London” and “Femi9”. The details of branches of the Group have been disclosed in note 19 to these interim condensed consolidated financial statements.

The Company is registered in the Kingdom of Saudi Arabia under Commercial Registration (“CR”) number 4030193915 and unified number 7001616882 dated 28 Shawwal 1430H (corresponding to 17 October 2009). On 28 November 2023, the Company became listed on Nomu, the parallel equity market in the Kingdom of Saudi Arabia (“Nomu”). The listing involved the offering of 240,000 shares, equivalent to 20% of the Company’s share capital.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Statement of Compliance

These interim condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with IFRS Accounting Standard that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA), and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024 (last annual consolidated financial statements). In addition, results for the six-month periods ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

2.2 Functional and presentational currency

These interim condensed consolidated financial statements have been presented in Saudi Riyals (“SR”) which is also the functional and presentational currency of the group, except as otherwise indicated.

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

For the six-month period ended 30 June 2025

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.3 Basis of measurement

These interim condensed consolidated financial statements are prepared under the historical cost convention using the accrual basis of accounting and going concern assumption.

2.4 Significant accounting judgement, estimates and assumptions

The preparation of Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Group based its assumptions and estimates on parameters available when the interim condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2.5 Material Accounting Policy Information

The accounting policies adopted, and methods of computation applied in these interim condensed consolidated financial statements are the same as those applied in the Group's annual consolidated financial statement as at and for the year ended 31 December 2024 except for the adoption of new standards as disclosed in note 2.6 (b) effective as of 1 January 2025. The Group has not adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.6 New standards, interpretations and amendment

a) Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these standards, interpretations and amendments if applicable, when they become effective. Management do not anticipate material impact on the interim condensed consolidated financial statements on adopting the standards, interpretations and amendments if applicable.

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instrument Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 & IAS 7	Annual Improvements to IFRS Accounting Standards	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

For the six-month period ended 30 June 2025

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.6 New standards, interpretations and amendment (continued)

b) Standards, interpretations and amendments that became effective during the period

Following amendments to IFRS and International Accounting Standards were effective on or after 1 January 2025, but they did not have a material effect on the Group's interim condensed consolidated financial statements:

<u>Standard / Interpretation</u>	<u>Description</u>	<u>Effective from periods beginning after the following date</u>
IAS 21	Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2025

3. LEASES

a) Right-of-use assets

During the period ended 30 June 2025, the Group has recognised right-of-use assets and corresponding lease liabilities of SR 1.45 million (Year ended 31 December 2024: SR 7.35 million) in respect of lease arrangements relating to new stores.

During the period, the Group has renewed lease agreements for multiple stores, amounting to SR 8.1 million (Year ended 31 December 2024: SR 16.4 million). The original lease term for such leases was concluded during the period. As per the original contracts, there were no automatic renewal options and contractual terms are renewed only by mutual agreement between the lessor and lessee and were renewed on revised terms, under a new signed agreement.

During the period, the Group recognised depreciation charge of SR 9.6 million (Year ended 31 December 2024: SR 19 million) on right-of-use assets.

The carrying value of right-of-use assets as at 30 June 2025 is SR 24.1 million (31 December 2024: SR 24.1 million).

b) Lease liabilities

	30 June 2025 Unaudited SR	31 December 2024 Audited SR
Opening balance	21,452,058	16,074,640
Additions during the period / year	1,450,339	7,346,654
Renewals	8,093,605	16,365,903
Accretion of finance costs during the period / year	918,728	1,739,675
Lease payments during the period / year	(9,019,540)	(20,074,814)
Closing balance	22,895,190	21,452,058
Less: current portion of lease liabilities	(14,693,958)	(13,244,717)
Non-current portion of lease liabilities	8,201,232	8,207,341

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

For the six-month period ended 30 June 2025

3. LEASES (continued)

- c) Amounts recognised in the interim condensed consolidated statement of profit or loss and other comprehensive income:

	<i>For the six-month period ended 30 June 2025 Unaudited SR</i>	<i>For the six-month period ended 30 June 2024 Unaudited SR</i>
Depreciation charge on right-of-use assets	9,605,056	10,726,990
Finance costs on lease liabilities	918,728	841,745
Expense relating to short-term leases	4,199,317	4,408,998

The total cash outflow for leases during the six-month period ended 30 June 2025 was SR 13.2 million (30 June 2024: SR 16.2 million).

4. INVENTORIES

	<i>30 June 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Ready-made clothes	21,244,197	30,947,528
Consumables	2,607,276	3,248,875
	23,851,473	34,196,403
Less: provision for slow-moving inventories (see note below)	(1,284,272)	(4,869,541)
	22,567,201	29,326,862

Movement in the provision for slow-moving inventories is as follows:

	<i>30 June 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Opening balance	4,869,541	8,557,177
Reversal of provision for the period / year	(3,585,269)	(3,687,636)
Closing balance	1,284,272	4,869,541

The movement in inventory provision balance is assessed on a portfolio basis, with the current period impact representing the change between the opening and closing balances of inventory. During the period, certain old inventories were sold resulting in reversal of provision for slow-moving inventories.

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

For the six-month period ended 30 June 2025

5. TRADE AND OTHER RECEIVABLES

		30 June 2025	31 December 2024
	<i>Note</i>	Unaudited SR	Audited SR
Trade receivables		5,471,987	1,461,846
Due from related parties	11	23,336	1,004,065
Less: allowance for expected credit losses	5.2	(210,016)	(133,119)
		5,285,307	2,332,792
Prepayments		2,004,059	3,195,859
Security deposit		2,445,780	2,405,762
Other receivables (see note 5.1)		49,633	220,603
		9,784,779	8,155,016

5.1 Other receivables include balances due from delivery service providers and loans provided to employees and are expected to be collected within one year from the reporting date.

5.2 Movement in the allowance for expected credit losses is as follows:

	30 June 2025	31 December 2024
	Unaudited SR	Audited SR
Opening balance	133,119	874,465
Charge / (reversal) for the period / year	76,897	(741,346)
Closing balance	210,016	133,119

The Group uses a provision matrix in the calculation of the ECL on trade and related party receivables to estimate the lifetime ECL, applying certain provision rates to respective contractual past due aging buckets. The provision matrix was developed considering probability of default based on historical collection trends of the Group's customers and credit rating of the Group's related parties assigned by reputed credit rating agencies and loss given default. The loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product and the inflation rate of the Kingdom of Saudi Arabia as the most relevant factor and accordingly adjusts the loss rates based on expected changes in these factors.

While other receivables are also subject to impairment requirements of IFRS 9, these are considered as low risk, and the impairment loss is not material.

The following table provides information about the exposure to credit risk and ECL for trade receivables as at 30 June 2025 and 31 December 2024 is as follows:

	Trade Receivables		
	Gross carrying amount		Loss Allowance
30 June 2025 – Unaudited	SR	Loss rate (%)	SR
Current	5,407,309	2.69%	145,338
1 - 90 days past due	-	-	-
91 - 180 days past due	-	-	-
180 days and above	64,678	100.00%	64,678
	5,471,987		210,016

FAD INTERNATIONAL COMPANY
(A SAUDI JOINT STOCK COMPANY)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED) (CONTINUED)

For the six-month period ended 30 June 2025

5. TRADE AND OTHER RECEIVABLES (continued)

<i>31 December 2024 – Audited</i>	<i>Trade Receivables</i>		<i>Loss Allowance SR</i>
	<i>Gross carrying amount SR</i>	<i>Loss rate (%)</i>	
Current	1,356,843	2.07%	28,116
1 - 90 days past due	-	-	-
91 - 180 days past due	-	-	-
180 days and above	105,003	100%	105,003
	<u>1,461,846</u>		<u>133,119</u>

During the period, the Group has recorded an allowance for expected credit loss on receivables amounting to SR 76,897 (Year ended 31 December 2024: reversal of ECL of SR 741,346). Management considers that the impairment of related party balances is not material to the interim condensed consolidated financial statements therefore not recorded.

6. CASH AND CASH EQUIVALENTS

	<i>30 June 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Cash at bank	8,440,538	9,890,509
Cash in hand	1,125,660	1,200,923
Cash and cash equivalents	<u>9,566,198</u>	<u>11,091,432</u>

As of each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Group's bank balances. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

7. SHARE CAPITAL AND STATUTORY RESERVE

At 30 June 2025 and 31 December 2024, the Company's share capital of SR 12 million consist of 1.2 million authorised, issued and fully paid shares of SR 10 each.

In accordance with the previous Companies Law and the Company's By-laws, the Group was required to set aside 10% of its net income in each year to the statutory reserve until such reserve equals to 30% of its share capital. In accordance with the new Companies Law, issued through Royal Decree M/132 on 1/12/1443H (corresponding to 30 June 2022) that came into force on 26/6/1444H (corresponding to 19 January 2023), the Company amended its By-laws on 29 May 2025 to comply with the provisions of the new Companies Law.

According to the new Companies Law, the mandatory statutory reserve requirement has been removed. The Company is in the process of amending its bylaws with respect to statutory reserve to ensure compliance with the provisions of the new Companies' Law.

8. TRADE AND OTHER PAYABLES

	<i>30 June 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Trade payables	6,235,154	12,298,842
Accrued expenses	2,205,596	2,344,005
Rent payable	-	3,862,036
VAT payable, net	1,401,995	801,053
Others (see note below)	1,208,677	1,745,928
	<u>11,051,422</u>	<u>21,051,864</u>

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For the six-month period ended 30 June 2025

8. TRADE AND OTHER PAYABLES (continued)

Other payables include balances payable to suppliers for advertising services, transportation services, utilities and governmental fees and are expected to be paid within one year from the reporting date.

Due to the short-term nature of trade and other payables, their carrying amount is considered approximate to their fair value.

9. SHORT-TERM BORROWINGS

During the year ended 31 December 2023, the Group had availed bank facilities from local commercial banks for managing its working capital. The facility is denominated in Saudi Riyal and bears finance costs based on prevailing market rates. The facilities are secured by the personal guarantee of the ultimate shareholder. These loan facilities were settled during the year ended 31 December 2024.

Moreover, during the year ended 31 December 2024, the Group obtained a short-term borrowing facility from local commercial banks amounting to SR 40 million. The facility is denominated in SR and bear finance costs based on prevailing market rates. The facility is secured by the personal guarantee of the ultimate shareholder. The maturity of the borrowing is less than six-months from the date of interim condensed consolidated financial statements.

During the period, the Group utilized SR 5.12 million from the credit facilities and repaid SR 11.96 million including finance cost of SR 0.59 million.

The total unused credit facilities available to the Group as at 30 June 2025 is SR 34.88 million (31 December 2024: SR 28.59 million).

10. ZAKAT PROVISION

The Parent Company and its wholly owned subsidiary have filed their individual zakat returns up to the year ended 31 December 2023. However, the Group filed zakat return for the year ended 31 December 2024 on consolidated basis and obtained the zakat certificate valid till 30 April 2026.

Zakat (reversal) / charge for the period comprise of:

	<i>For the six-month period ended 30 June 2025 Unaudited SR</i>	<i>For the six-month period ended 30 June 2024 Unaudited SR</i>
Charge for the period	200,000	600,000
Adjustment related to prior period	(584,963)	31,877
Zakat (reversal) / expense for the period	(384,963)	631,877
Movement of zakat provision for the period is as follows:		
	<i>30 June 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Opening balance	683,093	828,977
Charge for the period / year	200,000	655,447
Adjustment related to prior period / year	(584,963)	81,406
Paid during the period / year	(118,096)	(882,737)
Closing balance	180,034	683,093

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11. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholders, subsidiaries, affiliates (the Company and the entities that are members of the same group), directors and key management personnel of the Company. Balances and transactions between the Company and its subsidiaries (refer note 1 for list of subsidiaries), which are related parties, have been eliminated on consolidation and are not disclosed below. The significant transactions between the Company and the affiliates are disclosed below. The terms and conditions of these transactions are agreed by the management of the concerned parties:

Related Party	Nature of transactions	<i>For the six-month period ended 30 June 2025 Unaudited SR</i>	<i>For the six-month period ended 30 June 2024 Unaudited SR</i>
Abdullah Suliman Mashat Establishment	Sales to related party	-	537,093
Femi9 Bahrain	Sales to related party (see note below)	-	2,030,304
FAD (Guangzhou) Management Consulting Company (FAD China)	Reimbursement of expense incurred by the related party on behalf of the Group	1,657,543	1,472,822

During the period, one of the shareholders of the Parent Company sold its interest in Femi9 Bahrain to an external party and hence, is not considered a related party in the current period.

(a) Due from related parties as at 30 June 2025 and 31 December 2024 are comprised of the following:

<i>Name of related parties</i>	<i>30 June 2025 Unaudited SR</i>	<i>31 December 2024 Audited SR</i>
Femi9 Bahrain	-	998,603
FAD (Guangzhou) Management Consulting Company (FAD China)	23,336	5,462
	23,336	1,004,065

The above balances are unsecured, interest free and have no fixed repayment. The management estimate the allowance on due from related party balances at the reporting date at an amount equal to lifetime ECL. No receivable balance from related parties at the reporting date are past due, taking into account the historical default experience and the future prospects of the industries in which the related parties operate, the management considers that related party balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

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11. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Key management personnel compensation:

Key management personnel include Managers and other senior management personnel. Their compensation comprised of the following:

	<i>For the six-month period ended 30 June 2025 Unaudited SR</i>	<i>For the six-month period ended 30 June 2024 Unaudited SR</i>
Salaries	2,242,000	1,572,000
Bonus and other benefits	113,910	154,682
Provision for employee benefit obligations	186,833	225,219
	<u>2,542,743</u>	<u>1,951,901</u>

12. SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Board of Directors ("BoD") of the Group assesses the financial performance and position of the Group and makes strategic decisions. The BoD has been identified as being the CODM.

Segment results that are reported to the Group's CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The business activities of the Group are concentrated in the Kingdom of Saudi Arabia and all non-current operating assets of the Group are located in the Kingdom of Saudi Arabia.

The following summary describes the operations, performance and resource allocation of each reportable segment:

	<i>For the six-month period ended 30 June 2025 (Unaudited)</i>		
	<i>Vivid Flair London</i>	<i>Femi9</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
Revenue from external customers	10,961,269	86,857,642	97,818,911
Revenue from related parties*	-	-	-
Cost of sales	(2,769,249)	(30,693,768)	(33,463,017)
Gross profit	8,192,020	56,163,874	64,355,894
Depreciation and amortization	2,253,709	9,856,119	12,109,828
Finance costs	726,340	785,916	1,512,256
Profit before zakat	3,267,351	9,160,432	12,427,783
Zakat expense	(100,000)	484,963	384,963
Profit for the period	<u>3,167,351</u>	<u>9,645,395</u>	<u>12,812,746</u>

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12. SEGMENT INFORMATION (continued)

	<i>For the six-month period ended 30 June 2024 (Unaudited)</i>		
	<i>Vivid Flair London</i>	<i>Femi9</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
Revenue from external customers	7,267,163	95,264,389	102,531,552
Revenue from related parties*	-	2,567,397	2,567,397
Cost of sales	(3,623,838)	(34,110,437)	(37,734,275)
Gross profit	3,643,325	63,721,349	67,364,674
Depreciation and amortization	2,662,272	10,032,083	12,694,355
Finance costs	728,642	933,819	1,662,461
(Loss) / profit before zakat	(9,293,269)	25,013,800	15,720,530
Zakat expense	(331,877)	(300,000)	(631,877)
(Loss)/profit for the period	(9,625,146)	24,713,800	15,088,654

*Revenue from related parties include sales made to Al-Mashat and Femi9 Bahrain.

	<i>As at 30 June 2025 (Unaudited)</i>		
	<i>Vivid Flair London</i>	<i>Femi9</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
Property and equipment	1,373,226	5,588,205	6,961,431
Intangible assets	711,965	73	712,038
Right-of-use assets	4,000,025	20,079,060	24,079,085
Current assets	12,755,720	29,162,458	41,918,178
Total assets	18,840,936	54,829,796	73,670,732
Lease liabilities – non-current portion	804,513	7,396,719	8,201,232
Employee benefit obligations	1,784,277	4,912,575	6,696,852
Current liabilities	17,126,233	13,967,989	31,094,222
Total liabilities	19,715,023	26,277,283	45,992,306

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12. SEGMENT INFORMATION (continued)

	<i>As at 31 December 2024 (Audited)</i>		
	<i>Vivid Flair London</i>	<i>Femi9</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>
Property and equipment	1,842,275	6,959,265	8,801,540
Intangible assets	815,067	-	815,067
Right-of-use assets	3,640,305	20,499,892	24,140,197
Current assets	18,260,278	30,313,032	48,573,310
Total assets	24,557,925	57,772,189	82,330,114
Lease liabilities – non-current portion	1,036,446	7,170,895	8,207,341
Employee benefit obligations	1,513,275	5,352,242	6,865,517
Current liabilities	31,224,450	15,168,660	46,393,110
Total liabilities	33,774,171	27,691,797	61,465,968

The management has categorized its geographical operations as follows:

	<i>For the six-month period ended 30 June 2025 Unaudited SR</i>	<i>For the six-month period ended 30 June 2024 Unaudited SR</i>
Geographic information		
Revenue from local sales		
Kingdom of Saudi Arabia	92,008,075	101,434,421
Revenue from export sales		
Kingdom of Bahrain	2,550,388	2,030,304
United Arab Emirates	-	157,590
Egypt	2,169,062	1,476,634
Qatar	1,091,386	-
Total	97,818,911	105,098,949

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13. REVENUES

	<i>For the six-month period ended 30 June 2025 Unaudited SR</i>	<i>For the six-month period ended 30 June 2024 Unaudited SR</i>
Retail (in-store)	80,886,391	88,213,404
Retail (e-commerce)	9,972,101	11,305,025
Wholesale	6,960,419	5,580,520
	<u>97,818,911</u>	<u>105,098,949</u>

14. COST OF SALES

	<i>For the six-month period ended 30 June 2025 Unaudited SR</i>	<i>For the six-month period ended 30 June 2024 Unaudited SR</i>
Material cost	37,040,030	39,694,767
(Reversal) / provision for slow-moving inventories	(3,577,013)	(1,960,492)
	<u>33,463,017</u>	<u>37,734,275</u>

Material cost includes purchase price of clothes and other goods sold, import duties, non-refundable taxes, transport and handling costs.

15. SELLING AND DISTRIBUTION EXPENSES

	<i>For the six-month period ended 30 June 2025 Unaudited SR</i>	<i>For the six-month period ended 30 June 2024 Unaudited SR</i>
Salaries and other benefits	11,042,375	11,682,480
Depreciation of right-of-use assets	9,328,550	10,452,189
Advertising and marketing	4,529,170	4,433,370
Rental expenses for short-term leases	3,993,767	4,201,234
Depreciation of property and equipment	1,676,477	1,536,090
Bank Charges	993,141	1,053,130
Maintenance	410,179	539,068
Government related expenses	554,726	246,392
Utilities	418,592	439,454
Information and technology related expenses	351,308	217,867
Travelling	65,552	28,228
Amortisation of intangible assets	118,434	-
Write-off related to property and equipment	598,091	-
Others	734,958	860,038
	<u>34,815,320</u>	<u>35,689,540</u>

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16. GENERAL AND ADMINISTRATIVE EXPENSES

		<i>For the six-month period ended 30 June 2025</i>	<i>For the six-month period ended 30 June 2024</i>
		<i>Unaudited SR</i>	<i>Unaudited SR</i>
	<i>Note</i>		
Salaries and other benefits		10,678,841	10,120,342
Legal and professional expenses		984,621	1,171,551
Information and technology related expenses		657,197	451,456
Government related expenses		326,084	219,558
Depreciation of right-of-use assets	3	276,506	274,801
Depreciation of property and equipment		659,581	379,047
Travelling		429,901	372,170
Rental expenses for short-term leases	3	205,550	207,764
Utilities		150,287	171,687
Maintenance costs		40,088	223,030
Communication		93,155	119,044
Bank Charges		38,256	45,698
Amortisation of intangible assets		50,282	52,227
Others		1,249,926	1,568,517
		15,840,275	15,376,892

17. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period. As the Company does not have any dilutive potential shares, the dilutive earnings / (loss) per share is the same as the basic earnings / (loss) per share.

The basic and dilutive earnings per share is computed as follows:

	For the six-month period ended 30 June	
	2025	2024
Profit for the period	12,812,746	15,088,654
Weighted average number of ordinary shares outstanding and used in calculating basic and diluted earnings per share	1,200,000	1,200,000
Basic and diluted earnings per share	10.68	12.57

18. DIVIDENDS

During the current period ended 30 June 2025, the shareholders of the Group approved and paid dividends amounting to SR 5.99 million (period ended 30 June 2024: SR nil).

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19. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 takes place either:

- In the accessible principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability
- Fair value information of the Group's financial instruments is analysed below:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices in inactive markets for similar assets and liabilities or valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

As at 30 June 2025, the financial assets of the Group comprise of trade receivables, due from a related party, cash and cash equivalents and other receivables which are recorded at amortised cost and whose carrying value approximates its fair value.

As at 30 June 2025, the Group's financial liabilities include trade payables, short-term borrowings and other liabilities. There were no financial assets and financial liabilities measured at fair value.

20. FINANCIAL RISK MANAGEMENT

The Group's activities are exposed to a variety of financial risks which mainly include market risk (including foreign exchange risk, interest rate risk and price risk) credit risk and liquidity risk. The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; and therefore, should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024. There have been no changes in the risk management policies since the year end.

21. BRANCHES OF THE GROUP

The results, assets and liabilities of the following branches are included in these interim condensed consolidated financial statements:

No.	Branch	CR Number	Date
1	Abraj Al Bait	4031050027	07/11/1447
2	Ahsaa Mall	2251051565	07/11/1447
3	Al Andalus Mall	4030169641	01/06/1447
4	Al Hayatt Mall	1010528083	18/03/1447
5	Al Noor Mall	4650045887	25/06/1447
6	Al Salam Mall	4030169641	15/08/1447
7	Aliat Al Madina	4650238971	15/08/1447
8	Aliat Al Madina	4650045887	15/08/1447
9	Arab Mall	4030169641	15/08/1447
10	Arab Mall	4030193915	15/08/1447
11	Aziz Mall	4030169641	15/08/1447
12	Dana Mall	4700012142	15/08/1447
13	Dareen Mall	2050130021	15/08/1447
14	Dhahran Mall	2052001307	15/08/1447
15	Flamingo Mall	2051160309	15/08/1447
16	Grenada Center	1010450986	15/08/1447
17	Jedai Mall	1131022848	05/10/1447

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21. BRANCHES OF THE GROUP (continued)

No.	Branch	CR Number	Date
18	Jouri Mall	4032151187	05/10/1447
19	Kadi Mall	4030169641	05/10/1447
20	Khamis Avenue	5855066181	05/10/1447
21	Khobar Mall	2051160309	05/10/1447
22	Makkah Mall	4031255745	05/10/1447
23	Makkah Mall	4031050027	05/10/1447
24	Marina Mall	1010450986	05/10/1447
25	Marina Mall	2050130021	12/09/1447
26	Nakheel Mall	1010467911	10/03/1447
27	Nakheel Mall	1010450986	10/03/1447
28	Nakheel Mall	2050130021	10/03/1447
29	Nakheel Plaza	1131022848	03/07/1447
30	Obikan Mall	4032151187	03/07/1447
31	Othaim Mall	2251051565	06/07/1448
32	Othaim Rabwah	1010450986	06/07/1448
33	Park Avenue	1010450986	18/09/1447
34	Rashid Abha	5850116732	27/08/1447
35	Rassifa Mall	4031050027	27/08/1447
36	Red Sea Mall	4030193915	27/08/1447
37	Red Sea Mall	4030169641	10/11/1447
38	Riyadh Gallery	1010450986	10/11/1447
39	Riyadh Park	1010450986	10/11/1447
40	Tabuk Park	3550126012	05/05/1447
41	The Park Mall	4032151187	05/09/1447
42	The View Mall	1010450986	05/09/1447
43	The Village Mall	4030169641	29/01/1448
44	U Walk Mall	4030169641	13/09/1447
45	Yasmin Mall	4030169641	12/09/1447

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors on 10 August 2025G (corresponding to 16 Safar 1447H).