

HAIR TRADING (OFFSHORE) S.A.L.

Financial statements

31 March 2025

(With independent auditor's report thereon)

HAIR TRADING (OFFSHORE) S.A.L.

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

To the shareholders of Hair Trading Offshore S.A.L.

Opinion

We have audited the financial statements of Hair Trading SAL (Offshore) (the "Company"), which comprise the statement of financial position as at 31 March 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Lebanon and we have fulfilled our ethical responsibilities in accordance with the Code's requirements and 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

We draw attention to Note 11 - 'Revenues from sale of goods' of the financial statements which describes that the Company's sales to a single customer are equal to 100% of its revenues for the year ended 31 March 2025 (2024:100%). Further, as described in Note 14 (a) (i) - 'Financial instruments – fair values and risk management', the outstanding receivables from this single customer are equal to 100% of the company's total trade receivables as at 31 March 2025 (2024:100%). This indicates the Company's reliance on one customer and significant credit risk concentration with one counterparty. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Independent Auditor's Report (continued)

To the Shareholders of Hair Trading Offshore S.A.L. (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

2 May 2025
Beirut, Lebanon

HAIR TRADING (OFFSHORE) S.A.L.

Statement of financial position

As at 31 March

In U.S. Dollars

	Note	2025	2024
Assets			
Trade and other receivables	9	33,467,901	15,728,259
Cash and cash equivalent	7	36,144	4,766,726
Total current assets		33,504,045	20,494,985
Total assets		33,504,045	20,494,985
Equity			
Share capital	8	20,000	20,000
Retained earnings		32,413,230	19,958,527
Legal reserves		6,667	6,667
Total equity		32,439,897	19,985,194
Liabilities			
Trade and other payables	10	966,747	76,193
Due to a related party	15 (b)	96,845	433,042
Current tax liability		556	556
Total current liabilities		1,064,148	509,791
Total liabilities		1,064,148	509,791
Total equity and liabilities		33,504,045	20,494,985

The notes on pages 7 to 20 are integral part of these financial statements.

The financial statements were authorised for issue by the director on behalf of the Board of Directors on 2 May 2025

Mr. Omar Ghandour
Director

HAIR TRADING (Off Shore) S.A.L

HAIR TRADING (OFFSHORE) S.A.L.

Statement of profit or loss and other comprehensive income

For the year ended 31 March

In U.S. Dollars

		2025	2024
Revenues from sale of goods	11	41,245,493	15,687,643
Cost of sales	12	(28,687,440)	(12,252,749)
Gross profit		12,558,053	3,434,894
General and administrative expenses	13	(102,794)	(104,396)
Results from operating activities		12,455,259	3,330,498
Finance income		—	920
Profit before tax		12,455,259	3,331,418
Tax expense		(556)	(556)
Profit for the year		12,454,703	3,330,862
Total comprehensive income for the year		12,454,703	3,330,862

The notes on pages 7 to 20 are integral part of these financial statements.

Hair Trading (OFFSHORE) S.A.L.

Statement of changes in equity

For the year ended 31 March

In U.S. Dollars

	Share capital	Retained earnings	Legal reserves	Total equity
Balance as at 1 April 2023	20,000	20,127,665	6,667	20,154,332
Total comprehensive income for the year				
Profit for the year	—	3,330,862	—	3,330,862
Total comprehensive income for the year	—	3,330,862	—	3,330,862
Transactions with owners of the Company				
Dividends declared and paid	8	(3,500,000)	—	(3,500,000)
Total transactions with owners of the Company	—	(3,500,000)	—	(3,500,000)
Balance at 31 March 2024	20,000	19,958,527	6,667	19,985,194

Balance as at 1 April 2024	20,000	19,958,527	6,667	19,985,194
Total comprehensive income for the year				
Profit for the year	—	12,454,703	—	12,454,703
Total comprehensive income for the year	—	12,454,703	—	12,454,703
Balance at 31 March 2025	20,000	32,413,230	6,667	32,439,897

The notes on pages 7 to 20 are integral part of these financial statements.

Hair Trading (OFFSHORE) S.A.L.

Statement of cash flows

For the year ended 31 March

In U.S. Dollars

Cash flows from operating activities

Profit for the year

Adjustments for:

Tax expense

Changes in:

- Trade and other receivables

- Goods in transit

- Trade and other payables

- Due to a related party

Tax expense paid

Net cash (used in) / from operating activities

Cash flows from financing activities

Dividends distribution

Net cash used in financing activities

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at 31 March

Note	2025	2024
	12,454,703	3,330,862
	556	556
	12,455,259	3,331,418
	(17,739,642)	3,119,904
	—	108,540
	890,554	(269,184)
	(336,197)	(540,053)
	(4,730,026)	5,750,625
	(556)	(556)
	(4,730,582)	5,750,069
8	—	(3,500,000)
	—	(3,500,000)
	(4,730,582)	2,250,069
	4,766,726	2,516,657
7	36,144	4,766,726

The notes on pages 7 to 20 are integral part of these financial statements.

Hair Trading (OFFSHORE) S.A.L.

Notes to the financial statements

31 March 2025

(1) Reporting entity and macro economic environment in Lebanon

Hair Trading (Offshore) S.A.L (the “Company”) is a Company domiciled in Lebanon. The address of the Company’s registered office is Beirut, Lebanon. The Company is registered in the Lebanese Commercial Register under the number 1805473, dated 26 September 2011. The Company is primarily involved in negotiating and signing contracts and agreements pertaining to operations and transactions to be performed outside Lebanon concerning House Care, Hair Care and Personal Care Products such as toilet soaps, hair color & hair weaving, toiletries, repellents and household insecticides and liquid detergents.

The Parent Company is Weave Trading Mauritius PVT Limited

The Ultimate Parent Company is Godrej Consumer Products Limited (GCPL).

Macroeconomic factors

Lebanon has been experiencing since 2019 a severe economic and financial crisis that is impacting the banking sector and the economic and business environment more generally, resulting in a significantly heightened level of country risk.

Following the decision of the Lebanese Government in March 2020 to withhold payment on its US Dollar denominated Treasury Bills (Eurobonds), Lebanon's sovereign credit rating was downgraded by international credit rating agencies to Default. As a result, the ability of the Lebanese Government and the banking sector in Lebanon to borrow funds from international markets was significantly reduced. Banks in Lebanon have restricted access to US Dollars and have frozen companies credit facilities, which has in turn created significant liquidity pressure. Banks have implemented their own exchange controls that prohibit US Dollar transfer outside Lebanon and limit the amount of US Dollars that may be withdrawn from accounts, all of which added to the disruption of the country’s economic activity, given the extent to which the Lebanese economic model is reliant upon imports and consumption.

Furthermore, and as a result of the above there was a significant increase in inflation. Since 30 September 2020, the Lebanese economy was recognised as a hyperinflationary economy.

The deep economic and financial crisis, combined with COVID-19, the explosion of the Port of Beirut on 4 August 2020 and the banking sector foreign currency restrictions, have led to the emergence of an unofficial US Dollar exchange rate in the foreign exchange market that is at a significant premium compared to the official rate.

Foreign currencies that are not subject to banking restrictions on withdrawals are referred to as "unrestricted" foreign currencies. Companies have been transacting on the basis of multiple exchange rates depending on the nature of transactions and stakeholders (clients, suppliers, other stakeholders).

In May 2021, the Central Bank of Lebanon ('the BDL') launched a new foreign exchange platform, namely the Sayrafa platform, where US Dollars can be sold or purchased at a rate determined by BDL. The Sayrafa rate was set at LBP 12,000 to the US Dollar upon the launching of the platform and had reached LBP 89,500 as of 31 December 2023. It has remained stable during 2024 at the rate of 89,500.

The average daily trading exchange rates and daily volume of foreign currency traded on the Sayrafa platform are published on the Central Bank of Lebanon website.

Closing exchange rate on 31 December 2024: USD 1 = LBP 89,500

Average exchange rate during the year ended 31 December 2024: USD 1 = LBP 89,500

Closing exchange rate on 31 December 2023: USD 1 = LBP 89,500

Average exchange rate during the year ended 31 December 2022: USD 1 = LBP 79,550

In September 2022, the decision to formally devalue the Lebanese Pound was initially announced by the Central Bank of Lebanon and the Ministry of Finance. For the first time in 25 years, the Central Bank of Lebanon devalued the official exchange rate on 1st of February 2023, lowering it to LBP 15,000 to the US dollar, a 90 percent decline but one that still left the local currency well below its market value and Sayrafa rate.

Hair Trading (OFFSHORE) S.A.L.

Notes to the financial statements

31 March 2025

(1) Reporting entity and macro economic environment in Lebanon (continued)

Macroeconomic factors (continued)

The financial crisis and in particular the difficulty of accessing foreign currency and credit have created significant liquidity pressure for businesses in Lebanon. This has in turn led to:

- A general slowdown in economic activity leading to lower revenue and cash flows and an increased risk of asset impairment;
- Increased unemployment and poverty to unprecedented levels;
- Increased cost in connection with obtaining hard currency; and
- Uncertainty about whether some companies will be able to survive the crisis and remain in business for the foreseeable future.

Management is implementing the following measures to mitigate the effect of the economic situation:

- Revising selling prices to compensate for the losses on exchange.
- Taking measures to decrease expenditures and freeze spending where possible.
- Continuing to take the appropriate commercial decisions to optimise the operations and ensure the continuance of the Group's business and at the appropriate size.
- Limiting collection through cheque payments and relying more on cash collections to ensure there is adequate cash liquidity.
- Continuously monitoring cashflow forecasts to maintain an adequate balance between cash in banks and cash on hand.

Going concern: based on the above measures taken and on the readiness of the shareholders to provide any needed financial support, management believes there is no material uncertainty with respect to the Company's ability to continue as a going concern.

(2) Basis of accounting

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards.

Details of the Company's material accounting policies are included in Note 5.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis using the accrual basis for accounting and going concern concept.

(c) Basis of preparation

(i) Going concern

The Company's intention is to continue and has the ability to continue as a going concern. The Company's management is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Hair Trading (OFFSHORE) S.A.L.

Notes to the financial statements

31 March 2025

(2) Basis of accounting (continued)

(c) Basis of preparation (continued)

(ii) Effects of hyperinflation

Lebanon has experienced an economic crisis including a shortage of US dollars and a soaring inflation rate:

- Cumulative inflation over the past three years has risen well above 100% in the third quarter of 2020 and hit 224% by the fourth quarter of 2021; and reached 162% by the third quarter of 2022 and over 250% in the second quarter on 2023. The annual inflation rate in Lebanon climbed to 18.1% in December 2024, up from 15.4% in the preceding month, which was the lowest since February 2020.
- General population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency; and
- The general population regards monetary amounts not in terms of local currency but in terms of a relatively stable foreign currency.

Given the economic factors and indicators, Lebanon is to be considered a hyperinflationary economy for reporting periods ending on or after 30 September 2020. IAS 29 “Financial Reporting in Hyperinflationary Economies” shall be applied to financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy. As disclosed in Note 3 the functional currency of the Company is USD. Accordingly, there is no impact on the financial statements.

(3) Functional and presentation currency

The financial statements are presented in U.S. Dollars (USD), which is the Company’s functional currency. All amounts have been rounded to the nearest U.S. Dollar, unless otherwise indicated.

(4) Use of judgements and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and the disclosure of contingent liabilities at the end of each reporting period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) Expected credit losses (ECL) on financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Company’s financial assets are disclosed in note 14 and note 5(b) to these financial statements.

Hair Trading (OFFSHORE) S.A.L.

Notes to the financial statements

31 March 2025

(5) Material accounting policies

The Company has consistently applied the following material accounting policies to the periods presented in these financial statements.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities 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 recognized in profit or loss and presented within net finance expense.

(b) Financial instruments

(i) *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Hair Trading (OFFSHORE) S.A.L.

Notes to the financial statements

31 March 2025

(5) Material accounting policies (continued)

(b) Financial instruments (continued)

(ii) *Classification and subsequent measurement (continued)*

Financial assets (continued)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume, and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the company considers:

- contingent events that would change the amount or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable-rate features.
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Hair Trading (OFFSHORE) S.A.L.

Notes to the financial statements

31 March 2025

(5) **Material accounting policies (continued)**

(b) **Financial instruments (continued)**

(ii) **Classification and subsequent measurement (continued)**

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

- Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
- Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) **Derecognition**

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the financial asset.

Financial liabilities

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

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Hair Trading (OFFSHORE) S.A.L.

Notes to the financial statements

31 March 2025

(5) Material accounting policies (continued)

(b) Financial instruments (continued)

(iv) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Impairment

(i) *Non-derivative financial assets*

The Company recognises loss allowances for ECLs on Financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECL.

Loss allowances for trade and other receivables are always measured at an amount equal to lifetime ECLs.

Loss allowances for cash and cash equivalents are measured at an amount equal to lifetime ECL since there was a significant increase incurred in its risk since origination.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).
- The financial asset is more than 360 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

The Company has adopted the simplified approach as allowed by IFRS 9 and measures the loss allowance at an amount equal to lifetime expected credit losses for all trade receivables that result from contracts with the customers. The Company determines the expected credit losses on trade receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Hair Trading (OFFSHORE) S.A.L.

Notes to the financial statements

31 March 2025

(5) Material accounting policies (continued)

(c) Impairment (continued)

(i) Non-derivative financial assets (continued)

Measurement of ECLs (continued)

The Company considers evidence of impairment at both a specific asset and collective level. All individually significant financial instruments found not to be specifically impaired are then collectively (with similar risk characteristics) assessed for any impairment that has been incurred but not yet identified.

Credit-impaired financial assets

At each reporting date, the Company assesses whether the financial asset carried at amortised cost are credit impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer.
- a breach of contract such as a default.
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise.
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company has a policy of writing off the gross carrying amount when the Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

(d) Revenues from contracts with customers

The Company recognizes revenue based on a five-step model as set out in IFRS 15 ‘Revenue from contracts with customers’ (“IFRS 15”).

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and trade discounts.

Revenue is recognised at a point in time in the statement of profit or loss, indicators of the transfer of control include:

- The company has a right to payment for the asset
- The customer has legal title to the asset
- The company transferred physical possession of the asset
- The customer has significant risks and rewards of ownership
- The customer has accepted the asset.

The Company has assessed its Principal Agent relationships and concluded that it is acting as Principal on all its revenue streams and performance obligations.

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Notes to the financial statements

31 March 2025

(5) Material accounting policies (continued)

(e) Tax expense

Tax expense comprises current tax expense. Tax expense is recognised in profit or loss.

Offshore companies are subject to a lump sum tax amounting to LBP 50,000,000 equivalent to USD 556 at Sayrafa rate.

(6) Standards issued but not yet effective

A number of new accounting standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these financial statements.

- Lack of Exchangeability (Amendments to IAS 21), effective for annual periods beginning on or after 1 January 2025.
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective for annual periods beginning on or after 1 January 2026.
- Presentation and Disclosure in Financial Statements (IFRS 18), effective for annual periods beginning on or after 1 January 2027.
- Subsidiaries without Public Accountability: Disclosures (IFRS 19), effective for annual periods beginning on or after 1 January 2027.

The above-mentioned standards are not expected to have a significant impact on the financial statements of the Company.

(7) Cash and cash equivalents

<i>In U.S. Dollars</i>	2025	2024
Current bank balances	32,705	4,766,347
Cash on hand	3,439	379
	<u>36,144</u>	<u>4,766,726</u>

Information about the Company's exposure to credit and market risks related to cash and cash equivalent, and expected credit losses is disclosed in Note 14.

(8) Share Capital

At 31 March 2025 and 2024, the authorised share capital comprised 2,000 shares with a par value of USD 10. All issued shares are fully paid.

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time.

Dividends distribution

The Company declared and paid dividends amounting to USD 3,500,000 (USD 1,750 per share) for the year ended 31 March 2024 (2025: Nil).

(9) Trade and other receivables

<i>In U.S. Dollars</i>	2025	2024
Trade receivables	32,670,703	15,357,414
Advances to suppliers	797,198	370,845
	<u>33,467,901</u>	<u>15,728,259</u>

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Notes to the financial statements

31 March 2025

(9) Trade and other receivables (continued)

The Company's sales to only one customer amount to USD 41,245,493 for the year ended 31 March 2025 (2024: USD 15,687,643), equivalent to 100% (2024: 100%) of the Company's revenues with an outstanding receivable balance at year end amounting to USD 32,670,703 (2024: USD 15,357,414) which results in a significant concentration of operations with one party and accordingly a high concentration risk.

Information about the Company's exposure to credit and market risks related to trade receivables and expected credit losses is disclosed in Note 14.

(10) Trade and other payables

In U.S. Dollars

Trade payables

Accrued expenses

2025	2024
958,497	76,193
8,250	—
<u>966,747</u>	<u>76,193</u>

Information about the Company's exposure to market and liquidity risks related to trade and other payables is included in Note 14.

(11) Revenues from sale of goods

In U.S. Dollars

Sale of goods

Discount on sales

2025	2024
41,306,159	15,800,143
(60,666)	(112,500)
<u>41,245,493</u>	<u>15,687,643</u>

In U.S. Dollars

Primary geographic markets

Africa Region

2025	2024
<u>41,245,493</u>	<u>15,687,643</u>

Timing of revenue recognition

Sale of goods - At a point in time

2025	2024
<u>41,245,493</u>	<u>15,687,643</u>

The Company's sales to only one customer amount to USD 41,245,493 (2024: USD 15,687,643), equivalent to 100% (2024: 100%) of the Company's revenues with an outstanding receivable balance at year end amounting to USD 32,670,703 (2024: USD 15,357,414), which results in a significant concentration of operations with one party and accordingly a high concentration risk.

(12) Cost of sales

In U.S. Dollars

Purchases

Discount on purchases

2025	2024
28,730,469	12,293,822
(43,029)	(41,073)
<u>28,687,440</u>	<u>12,252,749</u>

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Notes to the financial statements

31 March 2025

(13) General and administrative expenses

<i>In U.S. Dollars</i>	2025	2024
Administration charges	60,000	60,000
Bank charges	20,258	18,259
Professional fees	16,500	16,261
Legal fees	4,203	4,046
Other expenses	1,833	5,830
	<u>102,794</u>	<u>104,396</u>

(14) Financial instruments – Fair values and risk management

(a) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, 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 Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk is mainly attributable to the current bank balances and trade receivables. The exposure to credit risk on the trade receivables is monitored on an ongoing basis.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

<i>In U.S. Dollars</i>	Note	2025	2024
Cash and cash equivalents (excluding cash on hand)	7	32,705	4,766,347
Trade receivables	9	32,670,703	15,357,414
Advances to Suppliers	9	797,198	370,845
		<u>33,500,606</u>	<u>20,494,606</u>

Cash and cash equivalents

The cash and cash equivalents comprises of current bank balances and cash on hand. Impairment on current bank balances with Lebanese banks has been measured on life time ECL basis and reflects the short-term maturity of the exposures. The Company believes that the impairment loss on current bank balances is immaterial.

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Notes to the financial statements

31 March 2025

(14) Financial instruments – Fair values and risk management (continued)

(a) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables

Trade receivables are shown net of allowance for impairment. The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Expected credit losses on trade receivables

The Company reviews the recoverable amount of each trade debt on an individual basis at the end of the reporting period to ensure that adequate loss allowance is made for irrecoverable amounts.

Further, an impairment analysis is also performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the receivables are categorized into portfolios comprising of homogeneous receivables. Each portfolio is then assessed for impairment using the Expected Credit Loss (ECL) model as per the provisions of IFRS 9. The calculation is based on provision matrix which considers actual historical data adjusted appropriately for the future expectations and probabilities.

Receivables from group companies and secured receivables are excluded for the purposes of this analysis since no credit risk is perceived on them. The loss rates are based on actual credit loss experience over past years.

These loss rates are then adjusted appropriately to reflect differences between current and historical economic conditions and the Company's view of economic conditions over the expected lives of the receivables.

The loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

As at 31 March, the aging of trade receivables at the reporting date was as follows:

<i>In U.S. Dollars</i>	Gross 2025	Gross 2024
Current (not past due)	–	5,633,052
Past due 0-90 days	12,264,331	3,694,733
Past due 91-180 days	15,229,977	5,958,716
Past due 181-270 days	5,176,395	–
Past due 271-360 days	–	–
More than 360 days	–	70,913
	32,670,703	15,357,414

The management believes the ECL is immaterial.

The Company's sales to only one customer amount to USD 41,245,493 (2024: USD 15,687,643), equivalent to 100% (2024: 100%) of the Company's revenues with an outstanding receivable balance at year end amounting to 32,670,703 (2024: USD 15,357,414) which results in a significant concentration of operations with one party and accordingly a high concentration risk.

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Notes to the financial statements

31 March 2025

(14) Financial instruments – Fair values and risk management (continued)

(a) Financial risk management (continued)

(ii) Liquidity risk

Exposure to liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

31 March 2025	Carrying	Contractual	1 year
<i>In U.S. Dollars</i>	amount	Cash flows	or less
Due to a related party	96,845	(96,845)	(96,845)
Trade and other payables	966,747	(966,747)	(966,747)
Current Tax Liability	556	(556)	(556)
	1,064,148	(1,064,148)	(1,064,148)

31 March 2024	Carrying	Contractual	1 year
<i>In U.S. Dollars</i>	amount	Cash flows	or less
Due to a related party	433,042	(433,042)	(433,042)
Trade and other payables	76,193	(76,193)	(76,193)
Current Tax Liability	556	(556)	(556)
	509,791	(509,791)	(509,791)

(iii) Market risk

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

Currency risk

The Company is exposed to currency risk on transactions that are denominated in a currency other than the functional currency. The company's exposure to currency risk is insignificant as most transactions are held in USD.

(15) Related parties

(a) Parent and ultimate controlling party

The Parent Company is Weave Trading Mauritius PVT Limited

The Ultimate Parent Company is Godrej Consumer Products Limited (GCPL).

(b) Due to a related party

In U.S. Dollars

Entity under common control

Subinite (South Africa)

Balance due to a related party are interest free and have no repayment terms.

	2025	2024
	96,845	433,042

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Notes to the financial statements

31 March 2025

(15) Related parties (continued)

(c) Transactions with a related party

In U.S. Dollars

Purchases from Subinite LTD

Transaction value for the year ended 31 March 2025	Transaction value for the year ended 31 March 2024
1,732,919	2,495,434

(d) Key management personnel

All significant management decisions are made by management at the Parent Company. Accordingly, the compensation of key management personnel is borne and paid by the Parent Company

(16) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Company's approach to capital management during the year.

(17) Fair value

The fair value of financial assets and liabilities does not differ significantly from their carrying amounts.

(18) Subsequent event

There have been no significant subsequent events since the year-end, that would require disclosures or adjustments in these financial statements.