

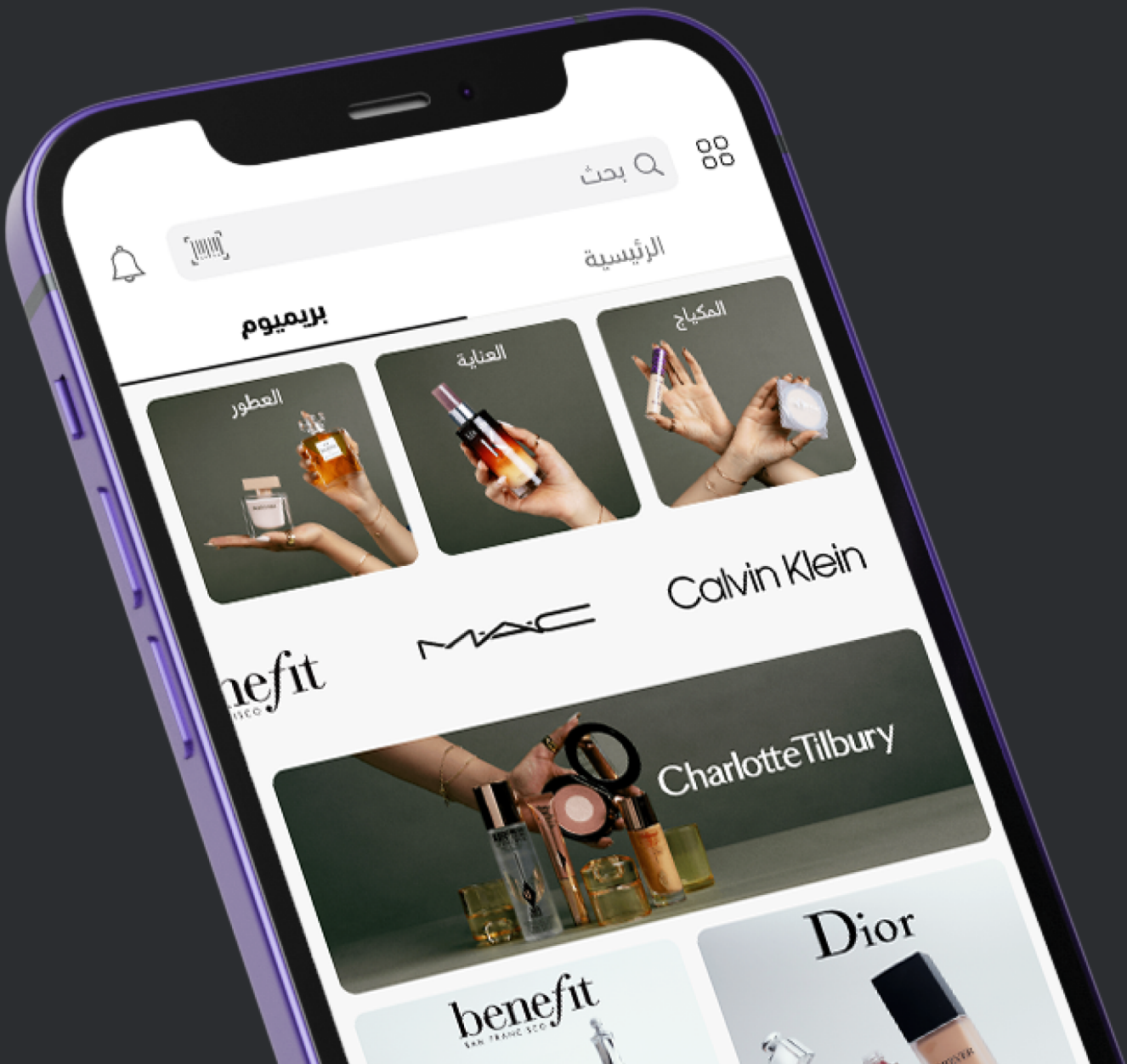


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NICE ONE

niceonesa.com



Announcement of Intention to Float on the Saudi Exchange



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Any investor should make their investment decision solely on the basis of the information that is contained in the prospectus copies of the prospectus will be available on the websites of the Company (<https://ipo.niceonesa.com/>), the Capital Market Authority (www.cma.org.sa), the Saudi Exchange (www.saudiexchange.sa), and the Financial Advisors EFG Hermes KSA (www.efghldg.com) and SNB Capital Company (www.alahlicapital.com).

Nice One Beauty Digital Marketing Company Announces its Intention to Float on the Main Market of the Saudi Exchange

Riyadh, Saudi Arabia – 24 November 2024: Nice One Beauty Digital Marketing Company (the “Company” or “Nice One”), the leading beauty and care e-commerce platform in the Kingdom of Saudi Arabia (the “Kingdom”), announces its intention to proceed with an initial public offering (the “IPO” or “Offering”) and the listing of its ordinary shares (“Shares”) on the Main Market of the Saudi Exchange (“Tadawul”).

On 25 September 2024G, the Capital Market Authority (the “CMA”) approved the Company’s application for registering its share capital and the Offering of 34,650,000 of ordinary shares (the “Offer Shares”), through the sale of 29,150,000 ordinary shares of the existing shares (the “Sale Shares”) by the Company’s existing shareholders on a pro-rata basis, and the issuance of 5,500,000 shares (the “New Shares”) through a capital increase. The Sale Shares represent 25.24% and the New Shares represent 4.76% of the Company’s capital upon completion of the Offering, totaling 30% of the issued share capital (after issuance of the New Shares and the Company’s capital increase).

The Offering’s net proceeds will be distributed to selling shareholders on a pro-rata based on their shareholding in the Sale Shares, with the remaining proceeds to be distributed to the Company to be used to finance working capital, develop and market its own brands and sales channels, enhance logistic and technical capabilities, and achieve its general business objectives.

OFFER OVERVIEW

- The IPO of Nice One comprises an offer of 34,650,000 ordinary shares, representing 30% of its share capital (post-increase) through the sale of a combination of existing and newly issued shares.
- Shares will be offered to individual subscribers and participating parties (as defined below).

- A maximum of 34,650,000 ordinary shares, representing 100% of the offer shares, will be allocated to the Participating Parties initially, with the final allocation determined after the end of the retail subscription period.
- In the event of sufficient demand from retail investors, they will be allocated a maximum of 3,465,000 Ordinary Shares representing 10% of the offer shares.
- The final Offering price will be determined at the end of the book-building process.
- The Offer Shares will be listed and traded on the Saudi Exchange's Main Market following the completion of the Offering and listing formalities with both the CMA and the Saudi Exchange.

COMPANY OVERVIEW

- The Company was established in 2017 as a startup e-commerce platform and has since scaled to become the largest online platform specializing in beauty and personal care in the Kingdom. Nice One offers a diverse range of high-quality beauty, skincare, haircare, fragrance and other personal care products, catering to millions of customers across the Kingdom and boasts a broad catalog of over 28,000 products.
- The Company's product range includes cosmetics, body care items, lenses, perfumes, skincare and haircare products, as well as nutritional supplements. These offerings feature more than 1,200 leading international and local brands, along with Nice One's own exclusive brands.
- The Makeup category includes a diverse selection of products from brands like Maybelline and Nyx, and exclusive options like Calla Makeup and Topface. Nail products feature brands such as Essence and Revolution, while the lenses subcategory offers a wide range of colored and prescription lenses from top brands like Lens Me and Beauteous.
- The Perfume category features designer and niche fragrances, body lotions, mists, and shower gels from renowned brands like Chanel, Dior, Versace, and Gucci, along with exclusive options such as Aroub.
- The Care category includes body and skincare products from brands like The Ordinary and COSRX, along with exclusives like Bodyblenz. The devices subcategory offers grooming tools and haircare devices from brands like Babyliss and Braun, plus exclusives such as Ola Hair. In 2024, the Company added vitamins and supplements from international brands like Centrum and Vitabiotics.
- The Company's primary sales channel is the Nice One app, which accounted for 95% of sales in Q1 2024. Launched in 2017 alongside the e-commerce platform, the app has been downloaded over 8 million times and maintains a user rating of 4.6 on both the Apple App Store and Google Play Store.

- Operating through a centralized distribution model, with all products distributed directly from its main warehouse in Riyadh through a combination of its own transportation fleet and 3rd party delivery providers. Nice One ensures seamless delivery to customers across all regions of the Kingdom.
- The Company's app-focused platform is enabled by proprietary systems and supported by an IT infrastructure that is fully hosted on Amazon Web Services (AWS), known for its best practices in designing and operating reliable, secure, efficient, cost-effective, and sustainable systems. This ensures that the Company's infrastructure and platforms are highly resilient, capable of handling any traffic volume, and achieved an uptime greater than 99% in 2023.

NICE ONE BY NUMBERS

- The Company has over 12 Exclusive Brands, with units sold exceeding 18 million per year. Customer base exceeds 4 million, with more than 5,000 exclusive SKUs, Nice One offers a unique selection of in-demand products not found elsewhere.
- With over 8 million app downloads since 2020, Nice One continues to be a leader in the beauty e-commerce landscape.
- Over the past three years, Nice One has sold more than 40 million units, reflecting its growing influence and customer demand.
- According to Company estimates, the site ranks among the most visited in the lifestyle, beauty, and cosmetics sector in Saudi Arabia, attracting over 17 million visits in 2023.
- A remarkable 90% customer satisfaction score highlights Nice One's commitment to delivering an exceptional shopping experience.
- Nice One achieved SAR 782.4 million in revenue for FY2023, a testament to its robust business model and market leadership. In Q1 2024, the company recorded SAR 250.1 million in revenue, reflecting a 61.2% year-on-year growth. The Company's primary sales channel is the Nice One app, which accounted for 95% of sales in Q1 2024.
- Net income for 2023 stood at SAR 32.6 million, with Q1 2024 net income surging to SAR 21.9 million—a 146.6% increase year-on-year.
- EBITDA grew at a CAGR of 44.6% from FY 2021 to FY 2023 with a year-on-year increase of 139.3% in Q1 2024, reaching SAR 25.5 million, reflecting Nice One's efficient marketing and operational strategies.
- EBITDA margin increased from 4.5% in FY2021 to 10.2% in Q1 2024, demonstrating improved cost efficiency and scalability as the Company continues to grow.

Omar Al Olayan, CEO & Co-founder

“This IPO marks a significant milestone in Nice One’s journey, one that fills me with immense pride. It reflects the dedication and hard work of everyone involved since we founded the company in 2017. Over the years, we have transformed Nice One from a startup into the largest e-commerce platform for beauty and personal care in Saudi Arabia, serving millions of customers and shaping the future of the industry through our pioneering approach.

We have consistently innovated and adapted, scaling the business in a dynamic marketplace by offering cutting-edge digital solutions and personalized experiences. Our ability to stay agile and customer-focused has been instrumental in maintaining our leadership position.

As we move forward with our IPO, we are excited to further expand our reach, invest in digitalization, and continue delivering world-class products and services to our customers. We have a clear strategy aligned with Vision 2030, and I am confident that, with our collective expertise and market insight, we are entering a promising future. The entire Nice One team is ready to embrace the next chapter of our growth, driving both capital growth and attractive returns for our shareholders.”

Abdulahman Al Olayan, CMO & Co-founder

“The IPO represents a pivotal moment in Nice One’s journey, that fills us all with pride. This event is a testament to the everyone’s efforts and commitment since our inception in 2017. Over the years, we’ve successfully grown from a startup to the Kingdom’s largest e-commerce platform for beauty and personal care, serving millions of customers and shaping the future of the industry with a forward-thinking vision.

Our ability to maintain leadership comes from our continuous adaptation to change, offering cutting-edge digital solutions, and delivering personalized experiences that prioritize the needs of our customers. These core values have been, and continue to be, the foundation of our success and growth.

As we approach the IPO, we are entering a new phase of expansion. We aim to enhance our investments in digital transformation, provide high-quality products and services, and broaden our impact. Our strategic direction is aligned with the Kingdom’s Vision 2030, focusing on sustainable growth to strengthen our market position.

I am confident that we are heading towards a bright future, fueled by our deep market insights and collective experience. Our team is prepared to embrace challenges and seize new opportunities, striving to deliver sustainable and rewarding returns for our shareholders, reflecting our collective success.”

KEY INVESTMENT HIGHLIGHTS

1. MARKET POSITION AND BRAND EQUITY

Since its founding in 2017, the Company has become a leading e-retailer in Saudi Arabia. With 2.9 million orders fulfilled and 18 million units sold in 2023, it has built a strong brand reputation, supported by 2 million social media followers.

2. STRONG MARKETING CAPABILITIES LEVERAGING DEEP EXPERTISE IN DIGITAL MARKETING AND CONTENT CREATION WITH INFLUENCERS

The Company's in-house marketing team leverages local expertise and digital campaigns, achieving a high ROI through influencer partnerships and targeted strategies. Its marketing efforts have successfully increased new customer acquisition by 58% from Q1 2023 to Q1 2024 while reducing customer acquisition costs by 36%.

3. AN INTEGRATED DIGITAL PLATFORM PROVIDING AN EXCEPTIONAL USER EXPERIENCE BASED ON A MASSIVE DATABASE

The Company's app and website provide a seamless customer experience, supported by advanced infrastructure and a database of over 4 million registered customers. With high customer satisfaction (90%+), high uptime (99% in 2023), and more than 8 million app downloads, the platform drives strong brand loyalty and operational efficiency.

4. PRODUCT SOURCING AND DYNAMIC SALES STRATEGY

Sourcing 82% of products from local suppliers, the Company offers over 28,000 SKUs, including exclusive and international brands. Its dynamic pricing and sales strategy, powered by advanced analytics, helps predict demand, enhance profitability, and optimize pricing.

5. EXTENSIVE AND RELIABLE SUPPLY CHAIN INFRASTRUCTURE

The Company oversees its entire supply chain, from product sourcing to delivery, with a focus on offering same-day delivery options in major cities. Supported by warehouse automation and a company-owned transportation fleet, the Company ensures efficient logistics, reducing human errors and enhancing customer satisfaction.

6. OWN BRANDS CATERING TO CUSTOMER NEEDS AND STRONG RELATIONSHIPS WITH LEADING INTERNATIONAL BRANDS

The Company has grown its own brands, which contributed 20% of Product Revenue in 2023, with a CAGR of 103.4%. Its partnerships with 1,200+ international brands provide customers with exclusive products and enhance market leadership through joint marketing campaigns.

7. FINANCIAL PERFORMANCE CHARACTERIZED BY REVENUE GROWTH, PROFITABILITY, AND HIGH LIQUIDITY

With a revenue CAGR of 32% between 2021 and 2023, the Company achieved SAR 782.4 million in revenue in FY 2023 and a net profit of SAR 32.6 million. A focus on high-margin products, cost reductions, and own-brand growth has driven profitability and liquidity.

8. AMBITIOUS MANAGEMENT TEAM WITH HIGH EXPERTISE AND A BASE OF STRATEGIC SHAREHOLDERS IN THE FIELD

Led by its founders, the Company benefits from a highly experienced management team with expertise in beauty, personal care, and digital technology. Supported by strategic shareholders, the team drives continuous innovation and strategic growth for long-term success.

HIGHLIGHTS OF THE OFFER

- In respect to the Offering, the Company has appointed EFG Hermes KSA and SNB Capital Company ("SNB Capital") as the joint financial advisors (hereinafter referred to as the "**Financial Advisors**"), bookrunners (the "**Bookrunners**"), and underwriters (the "**Underwriters**"). The Company also appointed SNB Capital as the lead manager (hereinafter referred to as the "**Lead Manager**") in respect to the Offering described herein.
- SNB Capital, SAB Invest, Al Rajhi Capital, Saudi Fransi Capital, Alinma Investment, Riyad Capital, AlJazira Capital, Alistithmar Capital, AlBilad Capital, ANB Capital, Derayah Financial Company, Yaqeen Capital, Alkhabeer Capital and Sahm Capital to act as receiving agents (collectively, the "Receiving Agents") for retail investors.
- The company has obtained the necessary approvals from the Capital Market Authority and Saudi Exchange to proceed with the offering and listing process as shown below:
 - The Offering will consist of 34,650,000 ordinary shares, representing 30% of its share capital (post-increase) through the sale of a combination of existing and newly issued shares.
 - The Offer Shares will be offered for subscription to Individual Subscribers and Participating Parties (as defined below).
 - A maximum of 34,650,000 ordinary shares, representing 100% of the offer shares, will be allocated to the participating parties initially, with the final allocation being made after the end of the retail subscription period.

- In the event of sufficient demand from retail investors, they will be allocated a maximum of 3,465,000 ordinary shares representing 10% of the offer shares.
- The final Offering price will be determined after the institutional bookbuilding period is completed
The Offer Shares will be listed and traded on the Saudi Exchange's Main Market following the completion of the Offering and listing formalities with both the CMA and the Saudi Exchange.
- Subscription for the Offer Shares is restricted to the following groups of investors:
 - **Tranche (A): Participating Parties:** This tranche comprises investors eligible to participate in the Book-Building process in accordance with the Instructions for Book Building Process. The number of Offer Shares to be initially allocated to Participating Parties is thirty-four million six hundred and fifty thousand (34,650,000) Ordinary Offer Shares, representing 100% of the total Offer Shares. The final allocation will take place after the end of the individual subscription period. In the event there is sufficient demand by Individual Subscribers (as defined under Tranche (B) below), the Financial Advisors shall have the right to reduce the number of Offer Shares allocated to Participating Parties to a minimum of thirty-one million one hundred and eighty-five thousand (31,185,000) Ordinary Shares, representing 90% of the total Offer Shares. The number and percentage of the Offer Shares to be allocated to the Participating Parties will be determined by the Financial Advisors, in coordination with the Company.
 - **Tranche (B): Individual Subscribers:** This tranche includes Saudi Arabian nationals, including any Saudi female divorcee or widow with minor children from a marriage to a non-Saudi person who can subscribe for her own benefit in her own name or in the names of her minor children, on the condition that she provides proof that she is a divorcee or widow and the mother of her minor children; and any natural non-Saudi Arabian national who is residing in Saudi Arabia and any national of countries in the Gulf Cooperation Council, in each case who has an investment account and an active portfolio with one of the Receiving Agents or has the right to open an investment account with a Capital Market Institution. Subscription by a person in the name of his divorcee shall be deemed invalid. If a transaction of this nature is proved to have occurred, the applicable regulations shall be enforced against such person. If a duplicate subscription is made, the second subscription will be deemed void, and only the first subscription will be accepted. A maximum of three million four hundred and sixty-five thousand (3,465,000) Ordinary Shares, representing 10% of the Offer Shares, shall be allocated to Individual Subscribers. In the event that the Individual Subscribers do not subscribe in full for the Offer Shares allocated to them, the Lead Manager may reduce the number of Offer Shares allocated to Individual Subscribers in proportion to the number of Offer Shares subscribed for thereby.

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