

**Nice One Beauty Digital Marketing  
Company (formerly: Product Sea  
Trading Company)  
(A Closed Joint Stock Company)**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

---

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
30 June 2024

<i>Index</i>	<i>Pages</i>
Independent auditor's review report	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of profit or loss and other comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 – 20



Ernst & Young Professional Services (Professional LLC)  
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)  
Head Office  
Al Faisaliah Office Tower, 14<sup>th</sup> Floor  
King Fahad Road  
P.O. Box 2732  
Riyadh 11461  
Kingdom of Saudi Arabia

C.R. No. 1010383821

Tel: +966 11 215 9898

+966 11 273 4740

Fax: +966 11 273 4730

[ey.ksa@sa.ey.com](mailto:ey.ksa@sa.ey.com)

[ey.com](http://ey.com)

## INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE PARTNERS OF NICE ONE BEAUTY DIGITAL MARKETING COMPANY (FORMERLY: PRODUCT SEA TRADING COMPANY) (A CLOSED JOINT STOCK COMPANY)

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company), A Closed Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2024, and the related interim condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024, and the related interim condensed consolidated statements of changes in equity and 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 Engagements 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 statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are 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 & Young Professional Services

Abdullah A. Alshenaibir  
Certified Public Accountant  
License No. (583)



Riyadh: 02 Safar 1446H  
06 August 2024

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<i>Notes</i>	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	73,130,489	62,972,121
Intangible assets		1,379,617	1,422,498
Right-of-use assets		11,462,956	11,582,690
Other non-current assets		466,616	466,166
<b>TOTAL NON-CURRENT ASSETS</b>		<b>86,439,678</b>	<b>76,443,475</b>
<b>CURRENT ASSETS</b>			
Inventories	5	171,257,936	150,784,552
Trade receivables	6	18,379,659	18,871,726
Prepayments, advances and other receivables	7	41,972,618	33,432,301
Due from related parties	15	4,800,978	-
Cash and cash equivalents	8	76,981,316	69,705,549
<b>TOTAL CURRENT ASSETS</b>		<b>313,392,507</b>	<b>272,794,128</b>
<b>TOTAL ASSETS</b>		<b>399,832,185</b>	<b>349,237,603</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Capital	9	110,000,000	1,063,000
Statutory reserve	10	318,900	318,900
Additional contribution to capital	11	-	27,136,000
Retained earnings		42,417,282	84,152,623
<b>TOTAL EQUITY</b>		<b>152,736,182</b>	<b>112,670,523</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	12	10,526,321	13,157,899
Lease liabilities		8,222,954	8,008,752
Employees' defined benefit liability		5,699,964	4,729,208
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>24,449,239</b>	<b>25,895,859</b>
<b>CURRENT LIABILITIES</b>			
Current portion long term borrowings	12	5,263,156	5,263,156
Current portion of lease liabilities		3,653,600	3,282,185
Trade payables, accruals and other payables		174,627,478	168,200,064
Short term borrowings	12	36,619,802	23,258,418
Zakat provision	13	2,482,728	2,667,398
Dividend payable	14	-	8,000,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>222,646,764</b>	<b>210,671,221</b>
<b>TOTAL LIABILITIES</b>		<b>247,096,003</b>	<b>236,567,080</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>399,832,185</b>	<b>349,237,603</b>

The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

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

For the three and six-month period ended 30 June 2024

	Notes	<i>For the three-month period ended 30 June</i>		<i>For the six-month period ended 30 June</i>	
		<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
		<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>
Revenue	16	<b>208,771,317</b>	190,071,537	<b>458,824,146</b>	345,213,825
Cost of revenue		<b>(142,852,766)</b>	(130,986,201)	<b>(321,806,171)</b>	(239,089,392)
<b>GROSS PROFIT</b>		<b>65,918,551</b>	59,085,336	<b>137,017,975</b>	106,124,433
Selling and marketing expenses		<b>(35,324,439)</b>	(39,852,013)	<b>(70,641,704)</b>	(69,969,734)
General and administrative expenses		<b>(10,654,894)</b>	(7,473,782)	<b>(22,554,581)</b>	(15,183,967)
<b>OPERATING PROFIT</b>		<b>19,939,218</b>	11,759,541	<b>43,821,690</b>	20,970,732
Other income		<b>50,266</b>	1,790,599	<b>83,839</b>	3,008,389
Finance cost		<b>(1,006,068)</b>	(477,372)	<b>(2,073,696)</b>	(1,277,746)
<b>PROFIT BEFORE ZAKAT</b>		<b>18,983,416</b>	13,072,768	<b>41,831,833</b>	22,701,375
Zakat	13	<b>(816,174)</b>	(800,000)	<b>(1,766,174)</b>	(1,550,000)
<b>NET PROFIT FOR THE PERIOD</b>		<b>18,167,242</b>	12,272,768	<b>40,065,659</b>	21,151,375
Other comprehensive income		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>18,167,242</b>	12,272,768	<b>40,065,659</b>	21,151,375
Earnings per share – Basic and diluted	20	<b>0.27</b>	0.18	<b>1.18</b>	0.62

The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the six-month period ended 30 June 2024

	<i>Capital SR</i>	<i>Statutory reserve SR</i>	<i>Additional Contribution to Capital SR</i>	<i>Retained earnings SR</i>	<i>Total SR</i>
As at 1 January 2023 (audited)	1,063,000	318,900	27,136,000	59,963,072	88,480,972
Net profit for the period (unaudited)	-	-	-	21,151,375	21,151,375
Other comprehensive income for the period (unaudited)	-	-	-	-	-
Total comprehensive income	-	-	-	21,151,375	21,151,375
As at 30 June 2023 (unaudited)	<u>1,063,000</u>	<u>318,900</u>	<u>27,136,000</u>	<u>81,114,447</u>	<u>109,632,347</u>
As at 1 January 2024 (audited)	1,063,000	318,900	27,136,000	84,152,623	112,670,523
Net profit for the period (unaudited)	-	-	-	40,065,659	40,065,659
Other comprehensive income for the period (unaudited)	-	-	-	-	-
Total comprehensive income	-	-	-	40,065,659	40,065,659
Issue of new shares (note 9)	108,937,000	-	(27,136,000)	(81,801,000)	-
<b>As at 30 June 2024 (unaudited)</b>	<b><u>110,000,000</u></b>	<b><u>318,900</u></b>	<b><u>-</u></b>	<b><u>42,417,282</u></b>	<b><u>152,736,182</u></b>

The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
For the six-month period ended 30 June 2024

	<i>30 June 2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>30 June 2023</i> <i>(Unaudited)</i> <i>SR</i>
<b>OPERATING ACTIVITIES:</b>		
Profit before zakat	41,831,833	22,701,375
<i>Adjustment to reconcile profit before zakat to net cash inflows:</i>		
Provision (reversal) for expected credit losses on trade receivables	368,808	(368,956)
Provision for inventory obsolescence	2,295,897	2,115,925
Inventories written off	-	975,662
Depreciation on property and equipment	1,097,064	1,128,130
Depreciation on right-of-use assets	1,931,858	1,571,471
Amortization of intangible assets	214,273	222,454
Loss (gain) on disposal of property and equipment	96,453	(1,908,793)
Gain on lease liability extinguishment	(58,935)	(422,538)
Provision of employees' defined benefit liability	1,101,764	736,953
Finance charge on lease liability	552,545	582,354
Finance cost on bank borrowings	1,521,151	695,392
	<u>50,952,711</u>	<u>28,029,429</u>
<i>Working capital adjustments:</i>		
Trade receivables	123,259	(6,068,018)
Prepayments, advances and other receivables	(8,540,767)	(18,407,898)
Inventories	(22,769,281)	(2,939,434)
Due from related parties	(4,800,978)	-
Trade payables, accruals and other payables	6,427,414	8,702,472
	<u>21,392,358</u>	<u>9,316,551</u>
<b>Cash generated from operations</b>	<b>21,392,358</b>	<b>9,316,551</b>
Finance cost paid on bank borrowings	(1,521,151)	(695,392)
Employees' defined benefit liability paid	(131,008)	(70,889)
Zakat paid	(1,950,844)	(2,320,749)
	<u>17,789,355</u>	<u>6,229,521</u>
<b>Net cash flow from operating activities</b>	<b>17,789,355</b>	<b>6,229,521</b>
<b>INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(14,519,370)	(9,245,502)
Proceeds from disposal of property and equipment	3,167,485	8,243,760
Purchase of intangible assets	(171,392)	(504,383)
	<u>(11,523,277)</u>	<u>(1,506,125)</u>
<b>Net cash flows used in investing activities</b>	<b>(11,523,277)</b>	<b>(1,506,125)</b>
<b>FINANCING ACTIVITIES:</b>		
Repayment of lease obligations	(1,720,117)	(2,459,891)
Repayment (proceeds) of long-term borrowings, net	(2,631,578)	3,031,288
Proceeds from short-term borrowings, net	13,361,384	(3,503,810)
Dividends paid	(8,000,000)	(1,000,000)
	<u>1,009,689</u>	<u>(3,932,413)</u>
<b>Net cash flows from (used in) financing activities</b>	<b>1,009,689</b>	<b>(3,932,413)</b>
<b>Net increase in cash and cash equivalents</b>	<b>7,275,767</b>	<b>790,983</b>
Cash and cash equivalents at the beginning of the period	69,705,549	46,679,827
	<u>76,981,316</u>	<u>47,470,810</u>
<b>Cash and cash equivalents at the end of the period</b>	<b>76,981,316</b>	<b>47,470,810</b>
<b>Significant non-cash transactions:</b>		
Increase in share capital	108,937,000	-
Addition to lease liabilities & right of use assets	2,282,250	6,727,718
Termination of lease liabilities & right of use assets	529,061	3,118,977

The attached notes from 1 to 24 form an integral part of these interim condensed consolidated financial statements.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**1. COMPANY INFORMATION**

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company) (the “Company”) is a closed joint stock Company (formerly: Limited Liability Company) registered in Riyadh; Kingdom of Saudi Arabia under Commercial Registration numbered 1010705691 dated 4 Shabaan 1438H (corresponding to 30 April 2017). As at 21 May 2024, Ministry of Commerce approved the conversion of Limited Liability Company to Joint Stock Company. The registered address of the Company is: P.O 5497, Riyadh 51422, Kingdom of Saudi Arabia.

The Company is engaged in the retail business of perfumes, cosmetics, soap and incense. The Company is practicing its activities through the following branches:

<i>Branch</i>	<i>Registration No.</i>	<i>Registration Date</i>
Product Sea for Accessories Warehouse	1010947279	27 Jumada Al-Alkhirah 1439H (corresponding to 15 March 2018G)
Product Sea for Operation & Maintenance	1010581040	23 Ramadan 1440H (corresponding to 28 May 2019G)
Product Sea for Trading - Alsala	1010591825	21 Dhu Al-Hijjah 1440H (corresponding to 22 August 2019G)

The company has the following subsidiaries.

	<i>Relationship</i>	<i>Country of Incorporation</i>	<i>Effective ownership</i>			<i>Principal Activity</i>
			<b>June 2024</b>	December 2023	June 2023	
Bahr Al-Montajat General Trading Co.	Subsidiary	Egypt	<b>100%</b>	100%	100%	Retail business of perfumes, cosmetics, soap and incense
Niceone Perfumes and Cosmetic Trading LLC	Subsidiary	UAE	<b>100%</b>	100%	Nil	Retail business of perfumes, cosmetics, soap and incense

The Company has changed its name from Product Sea Trading Company to Nice One Beauty Digital Marketing Company with effect from 30 March 2024.

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

**2.1 BASIS OF PREPARATION**

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”), as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements as issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred as “IAS 34 as endorsed in KSA”).



Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

---

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.1 BASIS OF PREPARATION (continued)**

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2023. In addition, the results of the operations for the period ended 30 June 2024 do not necessarily represent an indicator for the results of the operations for the year ending 31 December 2024.

The interim condensed consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting and the going concern assumption concept, except for the valuation of employees' end of service benefits liability. The interim condensed consolidated financial statements are presented in Saudi Riyal (SR), except when otherwise indicated, which is also the functional currency of the Company.

**2.2 BASIS OF CONSOLIDATION**

The interim condensed consolidated financial statements comprise the interim condensed consolidated financial statements of the Company and its subsidiaries (see note 1). The interim condensed consolidated financial statements of the subsidiaries are prepared for the same reporting period as that of Company, using consistent accounting policies. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

(a) Subsidiaries

Subsidiaries are entities which are controlled by the Group. To meet the definition of control, all of the following criteria must be met:

- i) the Group has power over an entity;
- ii) the Group has exposure, or rights, to variable returns from its involvement with the entity; and
- iii) the Group has the ability to use its power over the entity to affect the amount of the entity's returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the six elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group.

(b) Transactions eliminated on consolidation

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**2.3 CHANGES TO THE ACCOUNTING POLICIES**

**2.3.1 Material accounting policy information**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

---

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.3 CHANGES TO THE ACCOUNTING POLICIES (continued)**

**2.3.2 New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

***Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7***

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in ***Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7 (continued)***

understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

***Amendments to IFRS 16: Lease Liability in a Sale and Leaseback***

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

***Amendments to IAS 1: Classification of Liabilities as Current or Non-current***

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of the asset or liability affected in the future. These estimates and assumptions are based upon experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised or in the revision period and future periods if the changed estimates affect both current and future periods.

As at 30 June 2024, management believes that all judgments and sources of estimation uncertainty remain similar to those disclosed in the Group's annual consolidated financial statements for the year ended 31 December 2023.

**4. PROPERTY AND EQUIPMENT**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Additions during the period/year	<b>14,519,370</b>	21,159,545
Disposals during the period/year	<b>(3,263,938)</b>	(9,502,450)

**5. INVENTORIES**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Goods for sale	<b>168,301,270</b>	149,034,738
Packing material	<b>9,860,166</b>	6,357,417
Less: Provision for obsolete inventory	<b>(6,903,500)</b>	(4,607,603)
	<b><u>171,257,936</u></b>	<u>150,784,552</u>

Set out below is the movement of provision for obsolete inventory:

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
At the beginning of the period/year	<b>4,607,603</b>	3,278,571
Provision during the period/year	<b>2,295,897</b>	5,016,915
Obsolete stock written off during the period/year	<b>-</b>	(3,687,883)
At the end of the period/year	<b><u>6,903,500</u></b>	<u>4,607,603</u>

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**6. TRADE RECEIVABLES**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Trade receivables	<b>21,296,289</b>	21,419,548
Less: Allowance for expected credit losses (ECL)	<b>(2,916,630)</b>	(2,547,822)
	<b><u>18,379,659</u></b>	<u>18,871,726</u>

Trade receivables are non-interest bearing and are generally on terms of 30 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
At the beginning of the period/year	<b>2,547,822</b>	2,916,777
Charge/ (reversal) during the period/year	<b>368,808</b>	(368,955)
At the end of the period/year	<b><u>2,916,630</u></b>	<u>2,547,822</u>

The majority of trade receivable comprises of interest free receivables. Unimpaired trade receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

**7. PREPAYMENTS, ADVANCES AND OTHER RECEIVABLES**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Advances to suppliers	<b>26,667,525</b>	23,378,343
Prepaid expenses	<b>11,886,463</b>	5,540,625
Employee receivables	<b>1,996,915</b>	3,087,531
Other receivables (*)	<b>1,421,715</b>	1,425,802
	<b><u>41,972,618</u></b>	<u>33,432,301</u>

(\*) This includes an amount of SR 1,191,892 (31 December 2023:1,425,352) represents right of return to the assets against which a refund liability has been booked at year end.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**8. CASH AND CASH EQUIVALENTS**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Bank balances	<b>76,678,046</b>	69,378,296
Cash in hand	<b>303,270</b>	327,253
	<b><u>76,981,316</u></b>	<u>69,705,549</u>

**9. SHARE CAPITAL**

The Group's share capital is divided into 110,000,000 shares of SR 1 each (31 December 2023: 1,063 shares of SR 1,000 each).

During the board meeting held on 5 May 2024, the shareholders decided to increase the shares of the company from 1,063 shares with nominal value of SR 1,000 to 110,000,000 shares with a nominal value of SR 1 (the old shares were also subdivided). The decision is based on transfer of an amount of SR 81,801,000 from retained earnings and an amount of SR 27,136,000 from additional capital contribution to share capital. The related legal formalities have been completed during the period ended 30 June 2024.

**10. STATUTORY RESERVE**

In accordance with the Company's article of association, the Group must set aside 10% of its net income in each year until it has built up a reserve equal to 30% of the share capital. The Group may resolve to discontinue such transfers when the reserve totals 30% of the share capital. The reserve is not available for distribution.

**11. ADDITIONAL CONTRIBUTION TO CAPITAL**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Omar Ali Alolayan (*)	-	11,002,461
Abdulrahman Ali Alolayan (*)	-	9,930,295
Wagehat Al Hamraa for Investment Company (*)	-	6,203,244
	<u>-</u>	<u>27,136,000</u>

(\*) The above mentioned additional contributions to capital were transferred to share capital during the quarter ended 30 June 2024 (note 9).

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)

(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**12 BANK BORROWINGS**

**12.1 Short-term borrowings**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
<i>Bank</i>		
Al Rajhi Bank *	<b>21,919,959</b>	14,354,467
SAB Bank *	<b>14,699,843</b>	8,903,951
	<b>36,619,802</b>	23,258,418

\* The Group obtained short-term credit facilities from the two local banks (Al Rajhi bank and SAB bank) to meet the requirements of working capital, which are guaranteed by personal guarantees provided by partners, as stipulated in the loan agreements.

Movement in the short-term borrowings is as follows:

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Balance at beginning of the period/year	<b>23,258,418</b>	24,149,343
Drawn down during the period/year	<b>36,619,802</b>	43,903,951
Repayment during the period/year	<b>(23,258,418)</b>	(44,794,876)
<b>Balance at end of the period/year</b>	<b>36,619,802</b>	23,258,418

**12.2 Long-term borrowings**

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Al Rajhi Bank (Medium term loan) *	<b>15,789,477</b>	18,421,055
Less: current portion of long-term borrowings	<b>(5,263,156)</b>	(5,263,156)
Non-current portion of long-term borrowings	<b>10,526,321</b>	13,157,899

\* The Group has obtained medium term loan (MTL) amount to SR 27.1 million from Al Rajhi Bank. The loan is due for repayment in 20 equal quarterly instalments of SR 1.315 million per instalment, and the last instalment is due in May 2027. These borrowings are secured against personal guarantees provided by partners, as stipulated in the loan's agreement.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**12 BANK BORROWINGS (continued)**

**12.2 Long-term borrowings (continued)**

Movement in the long-term borrowings is as follows:

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Balance at beginning of the period/year	<b>18,421,055</b>	21,968,712
Drawn down during the period/year	-	5,908,649
Repayment during the period/year	<b>(2,631,578)</b>	(9,456,306)
<b>Balance at end of the period/year</b>	<b>15,789,477</b>	18,421,055

Below is the repayment schedule of the outstanding long-term borrowings:

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Within one year	<b>5,263,156</b>	5,263,156
Between two to five years	<b>10,526,321</b>	13,157,899
<b>Total</b>	<b>15,789,477</b>	18,421,055

**13. ZAKAT PROVISION**

Movement during the period/year:

	<i>30 June 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
At the beginning of the period/year	<b>2,667,398</b>	1,962,072
Provision provided during the period/year (*)	<b>2,482,728</b>	3,000,000
Reversal for the prior year	<b>(716,554)</b>	-
Paid during the period/year	<b>(1,950,844)</b>	(2,294,674)
At the end of the period/year	<b>2,482,728</b>	2,667,398

(\*) Zakat provision charged for the period is provisional and is subject to adjustments based on annual results.

**Status of assessments**

All zakat returns up to year 2023 have been filed by the company on self-assessment basis under the zakat law and the related implementing regulations. No zakat assessments have been issued by ZATCA till date.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**14. DIVIDEND PAYABLE**

During the period ended 30 June 2024, no dividend was declared (31 December 2023: SR 7,526 per interest with a total amount of SR 8 million).

Following is the movement in dividends payable account.

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
At the beginning of the period/year	<b>8,000,000</b>	4,493,568
Dividend declared during the period/year	-	8,000,000
Settled during the period/year	<b>(8,000,000)</b>	(4,493,568)
At the end of the period/year	<b>-</b>	<b>8,000,000</b>

**15. RELATED PARTY BALANCES AND TRANSACTIONS**

In the ordinary course of its activities, the Company transacts business with related parties. Related parties include partners, members of Board of Directors, key management executives and entities controlled or significantly influenced by such parties, which are under common ownership. The transactions are carried out on mutually agreed terms approved by the management of the Company.

**15.1 Key Management Personnel Compensation**

The remuneration of directors and other key management personnel for the period were as follows:

	<i>For three-months period</i>		<i>For six-months period</i>	
	<b>30 June 2024 (Unaudited) SR</b>	<b>30 June 2023 (Unaudited) SR</b>	<b>30 June 2024 (Unaudited) SR</b>	<b>30 June 2023 (Unaudited) SR</b>
Short term employees' benefits	<b>2,322,000</b>	1,795,440	<b>4,644,000</b>	3,590,880
Post-employment benefits	<b>211,442</b>	146,158	<b>399,320</b>	286,902
Others	<b>70,000</b>	68,871	<b>195,554</b>	68,871
	<b>2,603,442</b>	2,010,469	<b>5,238,874</b>	3,946,653

**15.2 Related party transactions**

The following transactions occurred with related parties during the period:

<i>Related parties</i>	<i>Nature of relationship</i>	<i>Nature of transactions</i>	<i>For three-months period</i>		<i>For six-months period</i>	
			<b>30 June 2024 (Unaudited) SR</b>	<b>30 June 2023 (Unaudited) SR</b>	<b>30 June 2024 (Unaudited) SR</b>	<b>30 June 2023 (Unaudited) SR</b>
Bahr Al Montajat general trading co. Egypt	Subsidiary	Payment on behalf of subsidiary	<b>304,852</b>	244,538	<b>397,562</b>	323,123
Nice One perfume and cosmetics trading LLC	Subsidiary	Payment on behalf of subsidiary	<b>159,030</b>	-	<b>159,030</b>	-



Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)

(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**15. RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

**15.3 Related parties' balances**

The breakdown of amounts due from related parties is as follows:

a) *Amounts due from related parties*

	<b>30 June 2024 (Unaudited) SR</b>	<b>31 December 2023 (Audited) SR</b>
Initial Public Offering ("IPO") costs (*)	<b>4,800,978</b>	-

(\*) This amount represents the IPO cost incurred by the Group which is agreed to be reimbursed by the shareholders upon the successful listing process.

**16. REVENUE**

	<i>For three-months period 30 June</i>		<i>For six-months period 30 June</i>	
	<b>2024 (Unaudited) SR</b>	<b>2023 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>	<b>2023 (Unaudited) SR</b>
Revenue from sales of goods	<b>200,142,211</b>	181,459,502	<b>440,379,659</b>	329,935,361
Revenue from sales of service	<b>8,629,106</b>	8,612,035	<b>18,444,487</b>	15,278,464
	<b>208,771,317</b>	190,071,537	<b>458,824,146</b>	345,213,825

**16.1 DISAGGREGATION OF REVENUE**

In the following table, revenue is disaggregated by type of category and timing of revenue recognition as shown below:

	<i>For three-months period 30 June</i>		<i>For six-months period 30 June</i>	
	<b>2024 (Unaudited) SR</b>	<b>2023 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>	<b>2023 (Unaudited) SR</b>
<b>Category</b>				
Local sales	<b>199,785,846</b>	184,358,517	<b>439,434,524</b>	335,288,858
International sales	<b>8,985,471</b>	5,713,020	<b>19,389,622</b>	9,924,967
	<b>208,771,317</b>	190,071,537	<b>458,824,146</b>	345,213,825

	<i>For three-months period 30 June</i>		<i>For six-months period 30 June</i>	
	<b>2024 (Unaudited) SR</b>	<b>2023 (Unaudited) SR</b>	<b>2024 (Unaudited) SR</b>	<b>2023 (Unaudited) SR</b>
<b>Timing of revenue recognition</b>				
Sales made at a point in time	<b>208,771,317</b>	190,071,537	<b>458,824,146</b>	345,213,825

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**17. COMMITMENTS**

Significant capital expenditure contracted for as at the end of the reporting period but not recognized as liabilities is as follows:

	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Commitments for capital expenditure	<b>10,536,021</b>	14,354,122

**18. 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. Financial instruments comprise of financial assets and financial liabilities. The Group's financial assets mainly consist of bank balances and short-term deposits, trade receivables and contract assets, and certain other current assets. Its financial liabilities mainly consist of trade payables, lease liabilities and accruals.

The management has assessed that fair value of bank balances and short-term deposits, trade and other receivables, accruals and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

**18.1 Financial Assets**

*Financial assets measured at amortised cost*

	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Trade receivables	<b>18,379,659</b>	18,871,726
Cash and cash equivalents	<b>76,981,316</b>	69,705,549
Employee receivables	<b>1,996,915</b>	3,087,531
Refundable deposits	<b>466,616</b>	466,616
Other receivables	<b>1,421,715</b>	1,425,352
<b>Total financial assets at amortised cost</b>	<b>99,246,221</b>	93,556,774

*Financial liabilities measured at amortised cost*

	<i>30 June 2024 (Unaudited)</i>	<i>31 December 2023 (Audited)</i>
	<i>SR</i>	<i>SR</i>
Trade and other payables	<b>171,714,417</b>	161,077,205
Short-term borrowings	<b>36,619,802</b>	23,258,418
Long term borrowings	<b>15,789,477</b>	18,421,055
Lease liabilities	<b>11,876,554</b>	11,290,937
<b>Total financial liabilities measured at amortised cost</b>	<b>236,000,250</b>	214,047,615

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)

(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**19. SEGMENTAL INFORMATION**

For management purposes, the Group is organized into business units based on its geographical distribution, and has the following reportable operating segments:

- Kingdom of Saudi Arabia
  - Central region
  - Western region
  - Eastern region
- International – MENA

The Group's chief operating decision maker (the "CODM") evaluates the performance of the group's segments based on revenue. The Group uses revenue as its principal measure of segment performance as it enhances the Group's ability to compare past financial performance with current performance and analyse underlying business performance and trends. The following tables accordingly present revenue information for the geographical segments for both the current and prior periods. The cost of revenues, selling and marketing, general and administrative expenses till end of the statement of comprehensive income to net profit, total assets and liabilities are managed at the Group level, hence presented on a central basis.

For the period ended 30 June 2024

	<i>Kingdom of Saudi Arabia</i>				
	<i>Central Region</i>	<i>Western Region (*)</i>	<i>Eastern Region</i>	<i>International Region</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Revenues	174,942,935	204,020,730	60,470,859	19,389,622	458,824,146
Cost of revenues					(321,806,171)
<b>Gross profit</b>					<b>137,017,975</b>
Selling and marketing expenses					(70,641,704)
General and administrative expenses					(22,554,581)
Operating profit					43,821,690
Other income					83,839
Finance cost					(2,073,696)
<b>Profit before zakat</b>					<b>41,831,833</b>
Zakat charge for the period					(1,766,174)
<b>Net profit for the period</b>					<b>40,065,659</b>
<i>As at 30 June 2024</i>					
Total assets					<b>399,832,185</b>
Total liabilities					<b>(247,096,003)</b>

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**19. SEGMENTAL INFORMATION (continued)**

*For the period ended 30 June 2023*

	<i>Kingdom of Saudi Arabia</i>				<i>Total</i> SR
	<i>Central</i> <i>Region</i>	<i>Western</i> <i>Region (*)</i>	<i>Eastern</i> <i>Region</i>	<i>International</i> <i>Region</i>	
	SR	SR	SR	SR	
Revenues	133,916,256	156,843,367	44,529,235	9,924,967	345,213,825
Cost of revenues					(239,089,392)
Gross profit					106,124,433
Selling and marketing expenses					(69,969,734)
General and administrative expense					(15,183,967)
Operating profit					20,970,732
Other income					3,008,389
Finance cost					(1,277,746)
Profit before zakat					22,701,375
Zakat charge for the period					(1,550,000)
Net profit for the period					21,151,375
<i>As at 31 December 2023</i>					
Total assets					349,237,603
Total liabilities					(236,567,080)

(\*) Western region includes revenues from the Northern and Southern regions.

**20. EARNINGS PER SHARE**

Earnings per share is calculated by dividing the net income during the period over the weighted average number of shares during the period.

	<i>For three-months period 30</i> <i>June</i>		<i>For six-months period 30</i> <i>June</i>	
	<b>2024</b> <b>(Unaudited)</b> <b>SR</b>	2023 <i>(Unaudited)</i> SR	<b>2024</b> <b>(Unaudited)</b> <b>SR</b>	2023 <i>(Unaudited)</i> SR
Net income for the period	<b>18,167,242</b>	12,272,768	<b>40,065,659</b>	21,151,375
Weighted average number of shares - basic and diluted	<b>67,692,717</b>	67,692,717	<b>33,846,890</b>	33,846,890
Earnings per share	<b>0.27</b>	0.18	<b>1.18</b>	0.62

There has been no item of dilution affecting the weighted average number of shares.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
(A Closed Joint Stock Company)

---

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024

**21. INTERIM RESULTS**

The results of operations for the interim period may not be an accurate indication of the results of the full year operations.

**22. SUBSEQUENT EVENTS**

Subsequent to the period end on 4 July 2024, the shareholders resolved to increase the share capital from 110,000,000 ordinary shares to 115,500,000 ordinary shares of SR 1 each. The legal formalities to affect this increase are yet to be completed.

**23. COMPARATIVES**

Certain comparative figures have been reclassified to conform with the classification used for the period ended 30 June 2024.

**24. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These interim condensed consolidated financial statements of the company were authorised for issuance in accordance with the Board of Directors' resolution dated 01 Safar 1446H (corresponding to 05 August 2024).