

**Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)**

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

For the Three Months Period ended 31 March 2025

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 March 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NICE ONE BEAUTY DIGITAL MARKETING COMPANY (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Nice One Beauty Digital Marketing Company and its subsidiaries (collectively referred to as the "Group") as at 31 March 2025, and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three months 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: 2 Thul-Qi'dah 1446H
(30 April 2025G)

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 March 2025

		31 March 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
	Notes		
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	91,867,289	90,769,561
Intangible assets		1,085,983	1,195,881
Right-of-use assets	5	39,654,302	12,659,770
TOTAL NON-CURRENT ASSETS		132,607,574	104,625,212
CURRENT ASSETS			
Inventories	6	309,425,863	254,540,000
Trade receivables	7	42,011,757	34,315,476
Prepayments, advances and other receivables	8	79,422,088	71,891,581
Amounts due from related parties	14	-	14,830,181
Cash and cash equivalents	9	180,081,534	49,976,430
TOTAL CURRENT ASSETS		610,941,242	425,553,668
TOTAL ASSETS		743,548,816	530,178,880
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	115,500,000	110,000,000
Share premium	10	187,000,000	-
Statutory reserve	11	318,900	318,900
Retained earnings		97,779,685	75,539,556
TOTAL EQUITY		400,598,585	185,858,456
NON-CURRENT LIABILITIES			
Long term borrowings	12	-	7,894,743
Lease liabilities	5	26,848,613	8,446,505
Employees' defined benefit liability		6,613,300	6,893,215
TOTAL NON-CURRENT LIABILITIES		33,461,913	23,234,463
CURRENT LIABILITIES			
Current portion of long-term borrowings	12	-	5,263,156
Current portion of lease liabilities	5	9,807,752	3,693,944
Trade payables, accruals and other payables		291,087,020	245,136,089
Short term borrowings	12	-	61,142,696
Zakat provision	13	6,095,416	4,037,446
Amounts due to related parties	14	2,498,130	1,812,630
TOTAL CURRENT LIABILITIES		309,488,318	321,085,961
TOTAL LIABILITIES		342,950,231	344,320,424
TOTAL EQUITY AND LIABILITIES		743,548,816	530,178,880



Chief Financial Officer



Chief Executive Officer



Chairman of the Board of Directors

The attached notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months period ended 31 March 2025

		<i>For the three months period ended 31 March</i>	
		2025 (Unaudited) ﷲ	2024 (Unaudited) ﷲ
	Notes		
Revenue	15	324,970,633	250,052,829
Cost of revenue		(243,702,185)	(178,953,405)
GROSS PROFIT		81,268,448	71,099,424
Selling and marketing expenses		(39,809,008)	(35,317,265)
General and administrative expenses		(14,545,944)	(11,899,687)
OPERATING PROFIT		26,913,496	23,882,472
Other (expenses)/income, net		(5,893)	33,573
Finance income		707,916	-
Finance cost		(1,433,387)	(1,067,628)
PROFIT BEFORE ZAKAT		26,182,132	22,848,417
Zakat		(2,057,970)	(950,000)
NET PROFIT FOR THE PERIOD		24,124,162	21,898,417
Other comprehensive income			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
<u>Remeasurement loss on employees' terminal benefits</u>		(89,980)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		24,034,182	21,898,417
Earnings per share – Basic and diluted, attributable to equity holders of the Parent Company	19	0.21	20,600.58



Chief Financial Officer



Chief Executive Officer



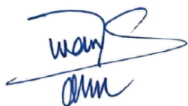
Chairman of the Board of Directors

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2025

	<i>Share capital</i> ﷲ	<i>Share Premium</i> ﷲ	<i>Statutory reserve</i> ﷲ	<i>Additional contribution to capital</i> ﷲ	<i>Retained earnings</i> ﷲ	<i>Total</i> ﷲ
Balance as at 31 December 2023 (audited)	1,063,000	-	318,900	27,136,000	84,152,623	112,670,523
Net profit for the period	-	-	-	-	21,898,417	21,898,417
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	21,898,417	21,898,417
Balance as at 31 March 2024 (unaudited)	1,063,000	-	318,900	27,136,000	106,051,040	134,568,940
Balance as at 31 December 2024 (audited)	110,000,000		318,900	-	75,539,556	185,858,456
Net profit for the period	-	-	-	-	24,124,162	24,124,162
Other comprehensive loss	-	-	-	-	(89,980)	(89,980)
Total comprehensive income	-	-	-	-	24,034,182	24,034,182
Issuance of share capital (note 9)	5,500,000	-	-	-	-	5,500,000
Issuance of share premium (note 9)	-	187,000,000	-	-	-	187,000,000
Transactions costs related to issue of share capital	-	-	-	-	(1,794,053)	(1,794,053)
Balance as at 31 March 2025 (unaudited)	115,500,000	187,000,000	318,900	-	97,779,685	400,598,585



Chief Financial Officer



Chief Executive Officer



Chairman of the Board of Directors

The attached notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months period ended 31 March 2025

	31 March 2025 (Unaudited) ﷲ	31 March 2024 (Unaudited) ﷲ
OPERATING ACTIVITIES:		
Profit before zakat	26,182,132	22,848,417
<i>Adjustment to reconcile profit before zakat to net cash inflows:</i>		
Provision for expected credit losses on trade receivables	34,456	368,808
Provision for inventory obsolescence	1,250,000	1,269,517
Depreciation on property and equipment	1,461,363	543,529
Depreciation on right-of-use assets	1,666,278	922,438
Amortization of intangible assets	109,898	105,273
(Gain)/loss on disposal of property and equipment	(21,753)	96,453
Gain on termination of lease	(54,899)	-
Provision for employees' defined benefit liability	(215,460)	538,751
Finance costs	1,433,387	1,067,628
Finance income	(707,916)	-
	31,137,486	27,760,814
<i>Working capital adjustments:</i>		
Inventories	(56,135,863)	(8,528,186)
Decrease in due from related parties	14,830,181	-
Increase in due to related parties	685,500	-
Trade receivables	(7,730,737)	(10,927,288)
Prepayments, advances and other receivables	(9,324,560)	(9,407,651)
Trade payables, accruals and other payables	45,950,940	29,281,924
Cash generated from operations	19,412,947	28,179,630
Finance costs paid	(1,433,387)	(866,314)
Employees' defined benefit liability paid	(154,435)	-
Net cash flows from operating activities	17,825,125	27,313,316
INVESTING ACTIVITIES:		
Purchase of property and equipment	(2,579,078)	(6,921,048)
Proceeds from disposal of property and equipment	41,740	3,167,483
Purchase of intangible assets	-	(164,568)
Finance income received	707,916	-
Net cash flows used in investing activities	(1,829,422)	(3,918,133)
FINANCING ACTIVITIES:		
Repayment of lease obligations	(4,090,004)	(764,325)
Repayment of long-term borrowings	(13,157,899)	(1,315,789)
Proceeds from short-term borrowings	-	31,270,459
Repayments of short-term borrowings	(61,142,696)	(19,634,460)
Issuance of share capital	5,500,000	-
Issuance of share premium	187,000,000	-
Dividends paid	-	(8,000,000)
Net cash flows generated from financing activities	114,109,401	1,555,885
Net increase in cash and cash equivalents	130,105,104	24,951,068
Cash and cash equivalents at the beginning of the period	49,976,430	69,705,550
Cash and cash equivalents at the end of the period	180,081,534	94,656,618
Significant non-cash transactions:		
Addition to lease liabilities and right of use assets	29,749,517	-
Termination of lease liabilities and right of use assets	1,143,535	-

Chief Financial Officer

Chief Executive Officer

Chairman of the Board of Directors

The attached notes from 1 to 21 form an integral part of these interim condensed consolidated financial statements.

Nice One Beauty Digital Marketing Company

(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025

1. COMPANY INFORMATION

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company) (the “Company”) is a Saudi Joint Stock Company (formerly: Limited Liability Company) registered in Riyadh; Kingdom of Saudi Arabia under Commercial Registration numbered 1010705691 dated 4 Sha’ban 1438H (corresponding to 30 April 2017). On 21 May 2024, Ministry of Commerce approved the conversion of Limited Liability Company to Joint Stock Company. The registered address of the Group is: P.O 5497, Riyadh 51422, Kingdom of Saudi Arabia. The Shareholders have changed its name from Product Sea Trading Company to Nice One Beauty Digital Marketing Company with effect from 30 March 2024.

The objectives of the Company and its subsidiaries (“the Group”) is the retail business of perfumes, cosmetics, soap and incense. The Group is practicing its activities through the following branches:

Branch	Registration No.	Registration Date
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	1010591825	21 Thul-Hijjah 1440H (corresponding to 22 August 2019G)

The subsidiaries included in these interim condensed consolidated financial statements are as follows:

	Relationship	Country of Incorporation	Effective ownership		Principal Activity
			31 March 2025	31 December 2024	
Bahr Al-Montajat General Trading Co.*	Subsidiary	Egypt	100%	100%	Retail business of perfumes, cosmetics, soap and incense
Nice one Perfumes and Cosmetic Trading LLC**	Subsidiary	United Arab Emirates	100%	100%	Retail business of perfumes, cosmetics, soap and incense
Creative Reflection Marketing Co.***	Subsidiary	Kingdom of Saudi Arabia	100%	100%	Marketing Activities

* On 6 Muharram 1444H (corresponding to 4 August 2022), the Group established a new Subsidiary “Bahr Al-Montajat General Trading Co.”, in which the Group owns 100% capital, for the purpose of opening same retail business as the Group in Egypt and registered under Commercial Registration (“CR”) number 190854. The subsidiary has not commenced yet the commercial business operations.

** On 14 Shawwal 1444H (corresponding to 4 May 2023), the Group established a new Subsidiary “Nice one Perfumes and Cosmetic Trading LLC”, in which the Group owns 100% capital, for the purpose of opening same retail business as the Group in the United Arab Emirates and registered under license number 1149849. The subsidiary has not commenced yet the commercial business operations.

***On 24 Jumada Al-Alkhirah 1446H (corresponding to 25 December 2024), the Group established a new Subsidiary “Creative Reflection Marketing Co.”, in which the Group owns 100% capital, for the purpose of marketing business in the Kingdom of Saudi Arabia registered under CR number 1009162765. The subsidiary is recently established and is in its start-up phase.

On 29 May 2024, the shareholders of the Company decided to go for an Initial Public Offering (IPO). On 29 September 2024, the Capital Market Authority’s (CMA) Board has issued its resolution approving the Company’s application for the registration and offering of 34,650,000 shares representing 30 % of Company’s share capital post listing in Saudi Stock Exchange (Tadawul).

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
31 March 2025

1. COMPANY INFORMATION (continued)

On 24 November 2024, the Company announced its intention to proceed with the initial public offering and listing of its ordinary shares through the sale of 29,150,000 ordinary shares of the existing shares by the Company's existing shareholders on a pro-rata basis, and the issuance of 5,500,000 new shares.

On 16 December 2024, the Company announced commencement of retail subscription period from 24 December 2024 to 25 December 2024 and institutional investors subscription period from 24 December 2024 to 25 December 2024 at an offer price of SR 35 per share. Allotment of shares to new shareholders completed on 31 December 2024 and the Company's 5,500,000 new ordinary shares are issued on 8 January 2025 on listing and commencement of trading on the Saudi Stock Exchange. The Company also changed its legal form from closed joint stock company ("CJSC") to Saudi joint stock company ("SJSC") on the same day.

<i>Shareholder</i>	<i>Pre-Offering</i>			<i>Post-Offering</i>		
	<i>No. of shares</i>	<i>Ownership (%)</i>	<i>Nominal value</i>	<i>No. of shares</i>	<i>Ownership (%)</i>	<i>Nominal value</i>
Pre-IPO shareholders	110,000,000	100%	110,000,000	80,850,000	70%	80,850,000
Public	-	-	-	34,650,000	30%	34,650,000
	110,000,000	100%	110,000,000	115,500,000	100%	115,500,000

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 that are endorsed by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (collectively referred as "IAS 34 as endorsed in KSA").

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 2024. In addition, the results of the operations for the period ended 31 March 2025 do not necessarily represent an indication for the results of the operations for the year ending 31 December 2025.

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 defined benefits liability which is measured at present value. 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.

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 2024.

2.2 BASIS OF CONSOLIDATION

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

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 BASIS OF CONSOLIDATION (continued)

(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 can use its power over the entity to affect the amount of the entity's returns.

The Group re-assesses whether 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.

2.3.1 New standards, interpretations and amendments adopted by the Group applicable from 1 January 2025

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 2024, except for the adoption of new standards effective as of 1 January 2025. 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 2025, but do not have a significant impact on the condensed interim consolidated financial information of the Group.

<i>Standard/ interpretation</i>	<i>Description</i>	<i>Effective from periods beginning on or after</i>
Amendment to IFRS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3.2 New standards issued and not yet effective

<i>Standard/ Interpretation</i>	<i>Description</i>	<i>Effective from periods beginning on or after</i>
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026.
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations. It defines a subset of measures related to an entity's financial performance as 'management-defined performance measures' ('MPMs'). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027
IFRS S1, 'General requirements for disclosure of sustainability-related financial information'	This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.	Not yet endorsed by SOCPA
IFRS S2, 'Climate-related disclosures'	This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.	Not yet endorsed by SOCPA

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
31 March 2025

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 31 March 2025, 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 2024.

4. PROPERTY AND EQUIPMENT

During the three months period ended 31 March 2025, the Group acquired property and equipment amounting to total cost of ₪ 2.6 million (31 December 2024: ₪ 33.5 million).

During the three months period ended 31 March 2025, the Group disposed property and equipment with a net book value of ₪ 19.9k resulting in a gain on sale of ₪ 21.7k (31 December 2024: ₪ 3.26 million resulting in a loss of ₪ 74.6k)

Depreciation charges for the three months period ended 31 March 2025 amounting ₪ 1.4 million (31 March 2024: ₪ 0.5 million).

5. RIGHT OF USE ASSETS AND LEASES

During the three months period ended 31 March 2025, the net additions in right of use assets and leases amounted to ₪ 29.7 million (31 December 2024: ₪ 9 million) which are all non-cash additions.

Amortization charges for the three months period ended 31 March 2025 amounting ₪ 108k (31 March 2024: ₪ 105k).

6. INVENTORIES

	<i>31 March 2025 (Unaudited) ₪</i>	<i>31 December 2024 (Audited) ₪</i>
Goods for sale	306,943,484	250,686,690
Packing material	11,267,817	11,885,275
Less: Provision for obsolete inventory	(8,785,438)	(8,031,965)
	<u>309,425,863</u>	<u>254,540,000</u>

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

	<i>31 March 2025 (Unaudited) ₪</i>	<i>31 December 2024 (Audited) ₪</i>
At the beginning of the period/year	8,031,965	4,607,603
Provision during the period/year	1,250,000	3,424,362
Obsolete stock written-off during the period/year	(496,527)	-
At the end of the period/year	<u>8,785,438</u>	<u>8,031,965</u>

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
31 March 2025

7. TRADE RECEIVABLES

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
Trade receivables	44,883,954	37,153,218
Less: Allowance for expected credit losses (ECL)	(2,872,197)	(2,837,742)
	42,011,757	34,315,476

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>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
At the beginning of the period/year	2,837,741	2,547,822
Charge during the period/year	34,456	289,920
At the end of the period/year	2,872,197	2,837,742

All trade receivables are interest free. Unimpaired trade receivables are expected, based on 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.

8 PREPAYMENTS, ADVANCES AND OTHER RECEIVABLES

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
Advances to suppliers	71,614,252	62,899,047
Employee receivables	2,509,786	2,351,557
Prepaid expenses	2,253,921	2,274,258
Deferred IPO costs	-	1,794,053
Refundable deposits	554,591	414,591
Other receivables	2,489,538	2,158,075
	79,422,088	71,891,581

Nice One Beauty Digital Marketing Company
(A Saudi Joint Stock Company)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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9. CASH AND CASH EQUIVALENTS

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
Bank balances	88,912,905	48,628,460
Short term deposits (*)	90,000,000	-
Cash in hand	1,168,629	1,347,970
	180,081,534	49,976,430

* These deposits have an original maturity of 3 months or less and earn interest ranging between 5.25% to 5.75% per annum.

10. SHARE CAPITAL

The Company's share capital is divided into 115,500,000 shares of ﷲ 1 each (31 December 2024: 110,000,000 shares of ﷲ 1 each).

On 28 Thul-Hijjah 1445H (corresponding to 4 July 2024), the shareholders resolved to increase the share capital from 110,000,000 ordinary shares to 115,500,000 ordinary shares of ﷲ 1 each by issuing new 5,500,000 ordinary shares. The additional 5,500,000 ordinary shares are issued on 8 January 2025 on commencement of trading on the Saudi Stock Exchange as part of initial public offering, at an offer price of ﷲ 35 per share, resulted in a share premium of ﷲ 187 million.

11. STATUTORY RESERVE

The Company's Bylaws are updated in accordance with the new Companies Law which does not require to set aside a statutory reserve. Previously, in accordance with the Company's Bylaws, the Company was required to transfer 10% of the net income to the statutory reserve until this reserve reached 30% of the capital. The management is currently studying the appropriate action in respect of the statutory reserve.

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12. BANK BORROWINGS

12.1 Short-term borrowings

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
<i>Bank</i>		
Al Rajhi Bank *	-	28,146,575
SAB Bank *	-	32,996,121
	-	61,142,696

* The Group obtained short-term credit facilities from two local banks (Al Rajhi bank and SAB bank) to meet the requirements of working capital. The group has fully settled all short term and long-term loans during the quarter.

Movement in the short-term borrowings is as follows:

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
Balance at beginning of the period/year	61,142,696	23,258,418
Drawn down during the period/year	-	102,805,234
Repayment during the period/year	(61,142,696)	(64,920,956)
Balance at end of the period/year	-	61,142,696

12.2 Long-term borrowings

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
Al Rajhi Bank (Medium term loan) *	-	13,157,899
	-	13,157,899
Less: current portion of long-term borrowings	-	(5,263,156)
Non-current portion of long-term borrowings	-	7,894,743

* The Group has fully paid long term loans during the period.

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12. BANK BORROWINGS (continued)

12.2 Long-term borrowings (continued)

Movement in the long-term borrowings is as follows:

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
Balance at beginning of the period/year	13,157,899	18,421,055
Repayment during the period/year	(13,157,899)	(5,263,156)
Accrued interest during the period/year	-	1,747,505
	<hr/>	<hr/>
	-	14,905,404
Less: accrued interest within current liabilities	-	(1,747,505)
	<hr/>	<hr/>
Balance at end of the period/year	-	13,157,899
	<hr/> <hr/>	<hr/> <hr/>

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

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
Within one year	-	5,263,156
Between two to five years	-	7,894,743
	<hr/>	<hr/>
Total	-	13,157,899
	<hr/> <hr/>	<hr/> <hr/>

13. ZAKAT PROVISION

Movement during the period/year:

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 December 2024 (Audited) ﷲ</i>
At the beginning of the period/year	4,037,446	2,667,398
Provided during the period/year	2,445,715	3,320,892
Prior period reversal	(387,745)	-
Paid during the period/year	-	(1,950,844)
	<hr/>	<hr/>
At the end of the period/year	6,095,416	4,037,446
	<hr/> <hr/>	<hr/> <hr/>

Status of assessments

All zakat returns up to year 2024 have been filed by the Group on self-assessment basis under the zakat law and the related implementing regulations. No zakat assessments have been issued by Zakat, Tax and Customs Authority till date.

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14. RELATED PARTY BALANCES AND TRANSACTIONS

In the ordinary course of its activities, the Group transacts business with related parties. Related parties include shareholders, members of Board of Directors ("BOD"), 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 Group.

Key Management Personnel Compensation

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

	31 March 2025 (Unaudited) S	31 March 2024 (Unaudited) S
Short-term employee benefits	2,457,973	2,142,000
Post-employment benefits	(549,241)	2,703,292
Board and other management committees' remuneration	685,500	-

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

	31 March 2025 (Unaudited) S	31 December 2024 (Audited) S
Initial Public Offering ("IPO") costs (*)	-	14,830,181

(*) This amount represents the IPO costs relating to secondary offering (sale of existing shares by shareholders) which is reimbursed by the shareholders.

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

	31 March 2025 (Unaudited) S	31 December 2024 (Audited) S
Board and other management committees' remuneration payable	2,498,130	1,812,630

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15. REVENUE

	<i>For the three months period ended 31 March</i>	
	<i>2025 (Unaudited) ﷲ</i>	<i>2024 (Unaudited) ﷲ</i>
Revenue from sales of goods	312,761,880	240,237,447
Revenue from rendering services	12,208,753	9,815,382
	<u>324,970,633</u>	<u>250,052,829</u>

15.1 DISAGGREGATION OF REVENUE

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

	<i>For the three months ended period 31 March</i>	
	<i>2025 (Unaudited) ﷲ</i>	<i>2024 (Unaudited) ﷲ</i>
Category		
Local sales	312,742,335	240,362,880
International sales	12,228,298	9,689,949
	<u>324,970,633</u>	<u>250,052,829</u>
	<i>For three months period ended 31 March</i>	
	<i>2025 (Unaudited) ﷲ</i>	<i>2024 (Unaudited) ﷲ</i>
Timing of revenue recognition		
At a point in time	324,970,633	250,052,829

For management purposes, the Group monitors revenue as per following categorizations:

For the period ended 31 March 2025

	<i>Central Region (Unaudited) ﷲ</i>	<i>Western Region (*) (Unaudited) ﷲ</i>	<i>Eastern Region (Unaudited) ﷲ</i>	<i>International Region (Unaudited) ﷲ</i>	<i>Total (Unaudited) ﷲ</i>
Revenues	127,303,598	144,771,458	40,667,279	12,228,298	324,970,633

For the period ended 31 March 2024

	<i>Central Region (Unaudited) ﷲ</i>	<i>Western Region (*) (Unaudited) ﷲ</i>	<i>Eastern Region (Unaudited) ﷲ</i>	<i>International Region (Unaudited) ﷲ</i>	<i>Total (Unaudited) ﷲ</i>
Revenues	92,009,312	114,787,320	33,566,248	9,689,949	250,052,829

(*) Western region includes southern and northern regions.

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16. COMMITMENTS

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

	31 March 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Commitments for capital expenditure	3,851,173	1,995,493

17. 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, trade receivables, and certain other current assets. Its financial liabilities mainly consist of trade payables, long term and short-term borrowings, lease liabilities and accruals.

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

17.1 Financial assets and financial liabilities

Financial assets measured at amortised cost

	31 March 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Trade receivables	42,011,757	34,315,476
Cash and cash equivalents	178,912,905	48,628,460
Amounts due from related parties	-	14,830,181
Employee receivables	2,509,786	2,351,557
Refundable deposits	554,591	414,591
Other receivables	2,489,538	2,158,075
Total financial assets at amortised cost	226,478,577	102,698,340

Financial liabilities measured at amortised cost

	31 March 2025 (Unaudited) ﷲ	31 December 2024 (Audited) ﷲ
Trade payables, accruals and other payables	291,087,020	238,295,613
Short-term borrowings	-	61,142,696
Long term borrowings	-	13,157,899
Lease liabilities	36,656,365	12,140,450
Amounts due to related parties	2,498,130	1,812,630
Total financial liabilities measured at amortised cost	330,241,515	326,549,288

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18. SEGMENTAL INFORMATION

The Group determines its operating segments based on the internal reports reviewed by the Chief Operating Decision Maker, which is the Chief Executive Officer (CEO) to allocate resources and assess performance. Currently, the Group's Chief Operating Decision Maker considers the entire operations as one single operating segment.

19. EARNINGS PER SHARE

Earnings per share/interest is calculated by dividing the net profit for the period over the weighted average number of shares during the period.

	<i>31 March 2025 (Unaudited) ﷲ</i>	<i>31 March 2024 (Unaudited) ﷲ</i>
Net profit for the period	24,124,162	21,898,417
Weighted average number of shares - basic and diluted*	115,072,222	1,063
Earnings per share/interest**	0.21	20,600.58

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

*Subsequent to the comparative period ended 31 March 2024, the 1,063 shares with nominal value of SR 1,000 each have been converted into 1,063,000 shares with nominal value of SR 1 each due to share split.

**Earnings per share/interest are calculated by dividing the net income by the weighted average number of outstanding shares/interests at the respective period end.

20. EVENTS AFTER THE REPORTING PERIOD

No events have occurred subsequent to the reporting date and before the issuance of these interim condensed consolidated financial statements which requires adjustment to, or disclosure, in these interim consolidated financial statements.

21. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements of the Group were authorised for issuance in accordance with the Board of Directors' resolution dated 29 Shawwal 1446H (corresponding to 27 April 2025G).