

**Nice One Beauty Digital Marketing  
Company (formerly: Product Sea  
Trading Company)  
(A Limited Liability Company)**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

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

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2024

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## 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) (LIMITED LIABILITY 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) ("the Company") and its subsidiaries (collectively referred to as the "Group") as at 31 March 2024, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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: 19 Thul-Qi'dah 1445H  
27 May 2024

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	<b>66,085,704</b>	62,972,121
Intangible assets		<b>1,481,793</b>	1,422,498
Right-of-use assets		<b>10,660,101</b>	11,582,690
<b>TOTAL NON-CURRENT ASSETS</b>		<b>78,227,598</b>	75,977,309
<b>CURRENT ASSETS</b>			
Inventories	5	<b>158,043,221</b>	150,784,552
Trade receivables	6	<b>29,430,206</b>	18,871,726
Prepayments, advances and other receivables	7	<b>43,306,263</b>	33,898,467
Cash and cash equivalents	8	<b>94,656,618</b>	69,705,550
<b>TOTAL CURRENT ASSETS</b>		<b>325,436,308</b>	273,260,295
<b>TOTAL ASSETS</b>		<b>403,663,906</b>	349,237,604
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Capital		<b>1,063,000</b>	1,063,000
Statutory reserve	9	<b>318,900</b>	318,900
Additional contribution to capital	10	<b>27,136,000</b>	27,136,000
Retained earnings		<b>106,051,040</b>	84,152,623
<b>TOTAL EQUITY</b>		<b>134,568,940</b>	112,670,523
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	11	<b>11,842,110</b>	13,157,899
Lease liabilities		<b>7,659,527</b>	8,008,752
Employees' defined benefit liability		<b>5,221,413</b>	4,729,208
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>24,723,050</b>	25,895,859
<b>CURRENT LIABILITIES</b>			
Current portion long term borrowings	11	<b>5,263,156</b>	5,263,156
Current portion of lease liabilities		<b>3,114,945</b>	3,282,185
Trade payables, accruals and other payables		<b>197,482,000</b>	168,200,064
Short term borrowings	11	<b>34,894,417</b>	23,258,418
Zakat provision	12	<b>3,617,398</b>	2,667,399
Dividend payable	13	<b>-</b>	8,000,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>244,371,916</b>	210,671,222
<b>TOTAL LIABILITIES</b>		<b>269,094,966</b>	236,567,081
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>403,663,906</b>	349,237,604

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

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

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

For the three-month period ended 31 March 2024

	<i>Notes</i>	<i>2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>2023</i> <i>(Unaudited)</i> <i>SR</i>
Revenue	15	<b>250,052,829</b>	155,142,288
Cost of revenue		<b>(178,953,405)</b>	(108,103,191)
<b>GROSS PROFIT</b>		<b>71,099,424</b>	47,039,097
Selling and marketing expenses		<b>(35,317,265)</b>	(30,117,720)
General and administrative expenses		<b>(11,899,687)</b>	(7,710,185)
<b>OPERATING PROFIT</b>		<b>23,882,472</b>	9,211,192
Other income		<b>33,573</b>	1,217,790
Finance cost		<b>(1,067,628)</b>	(800,374)
<b>PROFIT BEFORE ZAKAT</b>		<b>22,848,417</b>	9,628,608
Zakat	12	<b>(950,000)</b>	(750,000)
<b>NET PROFIT FOR THE PERIOD</b>		<b>21,898,417</b>	8,878,608
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>21,898,417</b>	8,878,608
Earnings per interest – Basic and diluted	19	<b>20,600.58</b>	8,411.42

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

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the three-month period ended 31 March 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)	-	-	-	8,878,608	8,878,608
Other comprehensive income for the period (unaudited)	-	-	-	-	-
Total comprehensive income	-	-	-	8,878,608	8,878,608
As at 31 March 2023 (unaudited)	<u>1,063,000</u>	<u>318,900</u>	<u>27,136,000</u>	<u>68,841,680</u>	<u>97,359,580</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)	-	-	-	21,898,417	21,898,417
Other comprehensive income for the period (unaudited)	-	-	-	-	-
Total comprehensive income	-	-	-	21,898,417	21,898,417
<b>As at 31 March 2024 (unaudited)</b>	<b><u>1,063,000</u></b>	<b><u>318,900</u></b>	<b><u>27,136,000</u></b>	<b><u>106,051,040</u></b>	<b><u>134,568,940</u></b>

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

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2024

	<i>31 March 2024</i> <i>(Unaudited)</i>	<i>31 March 2023</i> <i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>
<b>OPERATING ACTIVITIES:</b>		
Profit before zakat	22,848,417	9,628,608
<i>Adjustment to reconcile profit before zakat to net cash inflows:</i>		
Provision for expected credit losses on trade receivables	368,808	-
Provision for inventory obsolescence	1,269,517	950,925
Depreciation on property and equipment	543,529	534,191
Depreciation on right-of-use assets	922,438	783,025
Amortization of intangible assets	105,273	107,822
Loss on disposal of property and equipment	96,453	-
Gain on lease liability extinguishment	-	(57,657)
Provision of employees' defined benefit liability	538,751	353,205
Finance charge on lease liability	247,860	261,470
Finance cost on bank borrowings	819,768	538,904
	<u>27,760,814</u>	<u>13,100,493</u>
<i>Working capital adjustments:</i>		
Trade receivables	(10,927,288)	(8,637,168)
Prepayments, advances and other receivables	(9,407,651)	(32,519,868)
Inventories	(8,528,186)	9,075,061
Trade payables, accruals and other payables	29,281,941	7,668,633
	<u>28,179,630</u>	<u>(11,312,849)</u>
<b>Cash generated from/(used in) operations</b>		
Finance cost paid on bank borrowings	(819,768)	(538,904)
Employees' defined benefit liability paid	(46,546)	(47,456)
	<u>27,313,316</u>	<u>(11,899,209)</u>
<b>Net cash flow from/ (used in) operating activities</b>		
<b>INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(6,921,048)	(1,539,215)
Proceeds from disposal of property and equipment	3,167,483	-
Purchase of intangible assets	(164,568)	(95,864)
	<u>(3,918,133)</u>	<u>(1,635,079)</u>
<b>Net cash flows used in investing activities</b>		
<b>FINANCING ACTIVITIES:</b>		
Repayment of lease obligations	(764,325)	(2,035,253)
Repayment of long-term borrowings	(1,315,789)	(563,333)
Proceeds from short-term borrowings	11,635,999	-
Dividends paid	(8,000,000)	-
	<u>1,555,885</u>	<u>(2,598,586)</u>
<b>Net cash flows from/ (used in) financing activities</b>		
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>24,951,068</u>	<u>(16,132,874)</u>
Cash and cash equivalents at the beginning of the period	69,705,550	46,679,827
<b>Cash and cash equivalents at the end of the period</b>	<u><u>94,656,618</u></u>	<u><u>30,546,953</u></u>
<b>Significant non-cash transactions:</b>		
Addition to lease liabilities & right of use assets	-	6,066,189

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

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2024

**1. COMPANY INFORMATION**

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company) (the “Company”) is a limited liability company registered in Riyadh; Kingdom of Saudi Arabia under Commercial Registration numbered 1010705691 dated 4 Shabaan 1438H (corresponding to 30 April 2017). 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>March 2024</b>	December 2023	March 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

Both subsidiaries are still in start-up phase and are yet to start commercial operations.

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”).

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 31 March 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.



Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2024

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

**2.2 BASIS OF CONSOLIDATION**

The interim condensed consolidated financial statements comprise the interim condensed consolidated financial statements of Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading 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 three 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 three 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.

**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

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 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 (continued)**

***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.

**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 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.

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2024

**4. PROPERTY AND EQUIPMENT**

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Additions during the period/year	<b>6,921,048</b>	21,159,545
Disposals during the period/year	<b>(3,263,936)</b>	(9,502,450)

**5. INVENTORIES**

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Goods for sale	<b>154,063,494</b>	149,034,738
Packing material	<b>9,856,847</b>	6,357,417
Less: Provision for obsolete inventory	<b>(5,877,120)</b>	(4,607,603)
	<b><u>158,043,221</u></b>	<u>150,784,552</u>

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

	<i>31 March 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>1,269,517</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>5,877,120</u></b>	<u>4,607,603</u>

**6. TRADE RECEIVABLES**

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Trade receivables	<b>32,346,836</b>	21,419,548
Less: Allowance for expected credit losses (ECL)	<b>(2,916,630)</b>	(2,547,822)
	<b><u>29,430,206</u></b>	<u>18,871,726</u>

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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2024

**6. TRADE RECEIVABLES (continued)**

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

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
At the beginning of the period/year	2,547,822	2,916,777
Charge/ (reversal) during the period/year	368,808	(368,955)
At the end of the period/year	<u>2,916,630</u>	<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>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Advances to suppliers	23,188,846	23,378,343
Prepaid expenses	14,974,209	5,540,625
Employee receivables	2,490,140	3,087,531
Refundable deposits	466,616	466,616
Other receivables *	2,186,452	1,425,352
	<u>43,306,263</u>	<u>33,898,467</u>

\* This includes an amount of SR 1,127,196 (31 December 2023:1,425,352) represents right of return to the assets against which a refund liability has been booked at year end.

**8. CASH AND CASH EQUIVALENTS**

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Bank balances	93,922,150	69,378,296
Cash in hand	734,468	327,254
	<u>94,656,618</u>	<u>69,705,550</u>

Nice One Beauty Digital Marketing Company (formerly: Product Sea Trading Company)  
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended 31 March 2024

**9. STATUTORY RESERVE**

The Group sets aside 10% of its net income each year as statutory reserve until the reserve equals to 30% of the capital. This has been achieved, the Group has therefore discontinued this transfer. This reserve is not available for distribution.

**10. ADDITIONAL CONTRIBUTION TO CAPITAL**

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

This balance is interest free and has no charge attached to it. There are no repayment terms, and the amount can be paid at any time at the discretion of the Company's management.

**11 BANK BORROWINGS**

**11.1 Short-term borrowings**

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
<i>Bank</i>		
Al Rajhi Bank *	21,919,959	14,354,467
SAB Bank *	12,974,458	8,903,951
	<u>34,894,417</u>	<u>23,258,418</u>

\* 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>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Balance at beginning of the period/year	23,258,418	24,149,343
Drawn down during the period/year	31,270,459	43,903,951
Repayment during the period/year	(19,634,460)	(44,794,876)
<b>Balance at end of the period/year</b>	<u>34,894,417</u>	<u>23,258,418</u>

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**11 BANK BORROWINGS (continued)**

**11.2 Long-term borrowings**

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Al Rajhi Bank (Medium term loan) *	<b>17,105,266</b>	18,421,055
	<b>17,105,266</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>11,842,110</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.

Movement in the long-term borrowings is as follows:

	<i>31 March 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>(1,315,789)</b>	(9,456,306)
<b>Balance at end of the period/year</b>	<b>17,105,266</b>	18,421,055

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

	<i>31 March 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>11,842,110</b>	13,157,899
<b>Total</b>	<b>17,105,266</b>	18,421,055

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**12. ZAKAT PROVISION**

Movement during the period/year:

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
At the beginning of the period/year	2,667,398	1,962,072
Provision provided during the period/year (*)	950,000	3,000,000
Paid during the period/year	-	(2,294,674)
At the end of the period/year	<u>3,617,398</u>	<u>2,667,398</u>

(\*) 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.

**13. DIVIDEND PAYABLE**

During the period ended 31 March 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.

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

**14. 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.

<i>Name of related parties</i>	<i>Nature of relationship</i>
Mr. Abdul Rahman Ali Abdul Rahman Alolayan	Partner
Mr. Omar Abdul Rahman Ali Abdul Rahman Alolayan	Partner
Wagehat Al Hamraa for Investment Company	Partner
Zahret Astar for Cosmetics Company	Subsidiary
Mr. Ali Alolayan	Affiliate
International Leadership Establishment	Affiliate
Bahr Al Montajat general trading co. Egypt	Subsidiary
Nice One perfume and cosmetics trading LLC	Subsidiary

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

*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>31 March 2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 March 2023</i> <i>(Unaudited)</i> <i>SR</i>
Short term employees' benefits	2,142,000	1,778,931
Post-employment benefits	2,703,292	2,067,885
	<u>4,845,292</u>	<u>3,846,816</u>

*Related party transactions:*

The following transactions occurred with related parties during the period.

<i>Related parties</i>	<i>Nature of transactions</i>	<i>31 March</i>	<i>31 March</i>
		<i>2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>2023</i> <i>(Unaudited)</i> <i>SR</i>
Bahr Al Montajat general trading co. Egypt	Payment	375,754	79,358
Nice One perfume and cosmetics trading LLC	Payment	212,265	-

There were no balances due to/due from related parties as at current and comparative periods end.

**15. REVENUE**

	<i>For three-months period 31 March</i>	
	<i>2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>2023</i> <i>(Unaudited)</i> <i>SR</i>
Revenue from sales of goods	240,237,447	148,475,859
Revenue from sales of service	9,815,382	6,666,429
	<u>250,052,829</u>	<u>155,142,288</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:

<b>Category</b>	<i>For three-months period 31 March</i>	
	<i>2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>2023</i> <i>(Unaudited)</i> <i>SR</i>
Local sales	240,362,880	150,903,341
International sales	9,689,949	4,238,947
	<u>250,052,829</u>	<u>155,142,288</u>



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**15. REVENUE (continued)**

**15.1 DISAGGREGATION OF REVENUE (continued)**

	<i>For three-months period 31 March</i>	
	<i>2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>2023</i> <i>(Unaudited)</i> <i>SR</i>
<b>Timing of revenue recognition</b>		
Sales made at a point in time	<u>250,052,829</u>	<u>155,142,288</u>

**16. COMMITMENTS**

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

	<i>31 March</i> <i>2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December</i> <i>2023</i> <i>(Audited)</i> <i>SR</i>
Commitments for capital expenditure	<b>12,100,510</b>	14,354,122

**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 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.

**17.1 Financial Assets**

*Financial assets measured at amortised cost*

	<i>31 March</i> <i>2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December</i> <i>2023</i> <i>(Audited)</i> <i>SR</i>
Trade receivables	<b>29,430,206</b>	18,871,726
Bank balances	<b>93,922,150</b>	69,378,296
Employee receivables	<b>2,490,140</b>	3,087,531
Refundable deposits	<b>466,616</b>	466,616
Other receivables	<b>2,186,452</b>	1,425,352
<b>Total financial assets at amortised cost</b>	<u><b>128,495,564</b></u>	<u>93,229,521</u>

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17. FINANCIAL INSTRUMENTS (continued)

17.2 Financial Liabilities

*Financial liabilities measured at amortised cost*

	<b>31 March 2024 (Unaudited) SR</b>	<i>31 December 2023 (Audited) SR</i>
Trade and other payables	<b>179,415,606</b>	161,077,205
Short-term borrowings	<b>34,894,417</b>	23,258,418
Long term borrowings	<b>17,105,266</b>	18,421,055
Lease liabilities	<b>10,774,472</b>	11,290,937
<b>Total financial liabilities measured at amortised cost</b>	<b>242,189,761</b>	214,047,615

18. 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.

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**18. SEGMENTAL INFORMATION (continued)**

*For the period ended 31 March 2024*

*Kingdom of Saudi Arabia*

	<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	92,009,312	114,787,320	33,566,248	9,689,949	<b>250,052,829</b>
Cost of revenues					<b>(178,953,405)</b>
Gross profit					<b>71,099,424</b>
Selling and marketing expenses					<b>(35,317,265)</b>
General and administrative expense:					<b>(11,899,687)</b>
Operating profit					<b>23,882,472</b>
Other income					<b>33,573</b>
Finance cost					<b>(1,067,628)</b>
<b>Profit before zakat</b>					<b>22,848,417</b>
Zakat charge for the period					<b>(950,000)</b>
<b>Net profit for the period</b>					<b>21,898,417</b>
<i>As at 31 March 2024</i>					
Total assets					<b>403,663,906</b>
Total liabilities					<b>(269,094,966)</b>

*For the period ended 31 March 2023*

*Kingdom of Saudi Arabia*

	<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	58,700,602	70,800,930	21,401,809	4,238,947	155,142,288
Cost of revenues					<b>(108,103,191)</b>
Gross profit					<b>47,039,097</b>
Selling and marketing expenses					<b>(30,117,720)</b>
General and administrative expense					<b>(7,710,185)</b>
Operating profit					<b>9,211,192</b>
Other income					<b>1,217,790</b>
Finance cost					<b>(800,374)</b>
Profit before zakat					<b>9,628,608</b>
Zakat charge for the period					<b>(750,000)</b>
<b>Net profit for the period</b>					<b>8,878,608</b>
<i>As at 31 December 2023</i>					
Total assets					<b>308,113,734</b>
Total liabilities					<b>(210,754,154)</b>

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

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**19. EARNINGS PER INTEREST**

Earnings per interest is calculated by dividing the net income during the period over the weighted average number of interests during the period/year.

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>	<i>31 March 2023 (Unaudited) SR</i>
Net income for the period/year	<b>21,898,417</b>	32,624,482	8,941,341
Weighted average number of interests - basic and diluted	<b>1,063</b>	1,063	1,063
Earnings per interest	<b><u>20,600.58</u></b>	<u>30,690.95</u>	<u>8,411.42</u>

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

**20. INTERIM RESULTS**

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

**21. SUBSEQUENT EVENTS**

There were no subsequent events after the interim condensed statement of financial position date which require adjustment to/or disclosure in these interim condensed consolidated financial statements.

**22. 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 19 Thul-Qi'dah 1445H (corresponding to 27 May 2024).