



**THOB AL ASEEL COMPANY
(SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE THREE-MONTH
PERIOD ENDED 31 March 2026**

Thob Al Aseel Company
(Saudi Joint Stock Company)
Interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (Unaudited)

Table of content	Page
Report on review of condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in shareholders' equity	5
Condensed consolidated interim statement of cash flows	6
Notes to the condensed consolidated interim financial information	7 - 15



Ernst & Young Professional Services (Professional LLC)
Paid-up capital (SR 5,500,000 – Five million five hundred thousand Saudi Riyal)

Head Office
Financial Boulevard 3126, Al Aqeeq Dist. 6717, Riyadh 13519
KAFD 1.11 B, South Tower, 8th Floor
P.O. Box 2732, Riyadh 11461
Kingdom of Saudi Arabia

C.R. No. 1010383821
Unified No. 7000117205

Tel: +966 11 215 9898
+966 11 273 4740
Fax: +966 11 273 4730
ey.ksa@sa.ey.com
ey.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF THOB AL ASEEL COMPANY (SAUDI JOINT STOCK COMPANY)

Introduction:

We have reviewed the accompanying interim condensed consolidated statement of financial position of Thob Al Aseel Company (the "Company") and its subsidiaries (collectively with the Company referred to as the "Group") as at 31 March 2026, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month period ended 31 March 2026, and the related interim condensed consolidated statements of changes in shareholders' 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") that is 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.

Other Matter:

The interim condensed consolidated financial statements for the three-month period ended 31 March 2025 were audited by another auditor who expressed unmodified conclusion on the interim condensed financial information of the Group on 15 Thul-Qi'dah 1446H (13 May 2025).

for Ernst & Young Professional Services

Hesham A. Alatiqi
Certified Public Accountant
License No. (523)



Riyadh: 11 Thul-Qi'dah 1447H
(28 April 2026)

Thob Al Aseel Company
(Saudi Joint Stock Company)
Interim condensed consolidated statement of financial position
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	As at 31 March 2026 (Unaudited)	As at 31 December 2025 (Audited)
Assets			
Non-current assets			
Property and equipment		25,788,919	26,335,173
Right-of-use assets		31,632,602	32,390,173
Financial assets at fair value through profit or loss (FVTPL)	6	9,770,000	9,770,000
Investments in an associate		652,916	-
Intangible assets		611,023	652,092
Total non-current assets		68,455,460	69,147,438
Current assets			
Inventory		188,276,527	262,529,341
Trade receivables		236,410,993	106,392,009
Prepayments and other receivables		21,350,601	33,149,725
Due from related parties	7	362,555	3,165,558
Financial assets at fair value through profit or loss (FVTPL)	6	384,036	384,036
Cash and cash equivalents		323,918,815	283,643,516
Total current assets		770,703,527	689,264,185
Total assets		839,158,987	758,411,623
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	9	400,000,000	400,000,000
Retained earnings		239,209,635	210,579,357
Total shareholders' equity		639,209,635	610,579,357
Liabilities			
Non-current liabilities			
Lease liabilities		10,893,362	12,464,522
Employees' end of service benefits		19,970,470	21,244,011
Total non-current liabilities		30,863,832	33,708,533
Current liabilities			
Trade payables		14,662,480	18,841,297
Lease liabilities		21,580,500	20,750,869
Accrued expenses and other liabilities	10	108,898,476	59,314,005
Provision for zakat		23,944,064	15,217,562
Total current liabilities		169,085,520	114,123,733
Total liabilities		199,949,352	147,832,266
Total shareholders' equity and liabilities		839,158,987	758,411,623

Notes from 1 to 17 form an integral part of these condensed consolidated interim financial information.

Chief Financial Officer

Chief Executive Officer

Chairman of the Board

Thob Al Aseel Company
(Saudi Joint Stock Company)
Interim condensed consolidated interim statement of profit or loss (Unaudited)
For the three-month period ended 31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Three-month period ended 31 March	
		2026	2025
Sales	11-2	252,843,066	225,480,068
Cost of sales		(140,597,566)	(126,514,504)
Gross profit		112,245,500	98,965,564
General and administrative expenses		(12,382,978)	(12,695,302)
Selling and distribution expenses		(25,297,871)	(20,924,783)
(Provision for) / reversal of provision for expected credit losses		(198,120)	6,968,516
Other income		785,789	202,121
Operating profit		75,152,320	72,516,116
Finance cost		(827,521)	(412,728)
Share of net results from associate		840,987	(791,805)
Profit for the period before zakat		75,165,786	71,311,583
Zakat expense		(8,726,502)	(8,285,500)
Profit for the period		66,439,284	63,026,083
Basic and diluted earnings per share of the period according to the profit attributable to the shareholders of the Group	12	0.17	0.16

Notes from 1 to 17 form an integral part of these condensed consolidated interim financial information.

Chief Financial Officer

Chief Executive Officer

Chairman of the Board

Thob Al Aseel Company
(Saudi Joint Stock Company)
Interim condensed consolidated statement of comprehensive income (Unaudited)
For the three -month period ended 31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Three-month period ended 31 March	
	2026	2025
Profit for the period	66,439,284	63,026,083
<i>Items that may not be reclassified subsequently in the statement of profit or loss:</i>		
Re-measurement of employees' end of service benefits	2,190,994	(1,158,814)
Total comprehensive income for the period	68,630,278	61,867,269

Notes from 1 to 17 form an integral part of these condensed consolidated interim financial information.

Chief Financial Officer

Chief Executive Officer

Chairman of the Board

Thob Al Aseel Company
(Saudi Joint Stock Company)
Interim condensed consolidated statement of changes in shareholders' equity
For the three -month period ended 31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Share capital	Retained earnings	Total shareholders' equity
Balance as at 1 January 2025 (Audited)	400,000,000	192,983,600	592,983,600
Profit for the period	-	63,026,083	63,026,083
Other comprehensive income	-	(1,158,814)	(1,158,814)
Total comprehensive income for the period	-	61,867,269	61,867,269
Dividends	-	(40,000,000)	(40,000,000)
Balance as at 31 March 2025 (Unaudited)	400,000,000	214,850,869	614,850,869
Balance as at 1 January 2026 (Audited)	400,000,000	210,579,357	610,579,357
Profit for the period	-	66,439,284	66,439,284
Other comprehensive loss	-	2,190,994	2,190,994
Total comprehensive income for the period	-	68,630,278	68,630,278
Dividends	-	(40,000,000)	(40,000,000)
Balance as at 31 March 2026 (Unaudited)	400,000,000	239,209,635	639,209,635

Notes from 1 to 17 form an integral part of these condensed consolidated interim financial information.

Chief Financial Officer

Chief Executive Officer

Chairman of the Board

Thob Al Aseel Company
(Saudi Joint Stock Company)
Interim condensed consolidated statement of cash flows (Unaudited)
For the three -month period ended 31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Three-month period ended 31 March	
		2026	2025
Cash flows from operating activities			
Profit for the period before zakat		75,165,786	71,311,583
Adjustments for:			
Depreciation of property and equipment		1,573,126	1,207,776
Amortisation of intangible assets		41,069	38,226
Depreciation of the right-of-use assets		4,251,481	3,846,721
provision for obsolescence inventory		(2,987,669)	(236,781)
Gains on disposal of property and equipment		(29,302)	-
Share of net results from associate		(840,987)	791,805
Provision for / (reversal of) provision for expected credit losses		198,120	(6,968,516)
Provision for employees' end-of-service benefits		966,679	840,329
Finance cost		827,521	412,728
Change in working capital			
Inventories		77,240,483	62,044,932
Trade receivables		(130,217,104)	(55,676,485)
Prepayments and other receivables		11,799,124	14,243,058
Due from related parties		2,803,003	-
Due to related parties		-	(4,648,504)
Trade payables		(4,178,817)	(5,759,598)
Accrued expenses and other liabilities		49,772,542	59,459,839
Employees' end of service benefits paid		(49,226)	(483,453)
Net cash generated from operating activities		86,335,829	140,423,660
Cash flows from investing activities			
Purchase of property, equipment		(1,026,874)	(1,011,851)
Proceeds from disposal of property and equipment		29,304	-
Net cash used in investing activities		(997,570)	(1,011,851)
Cash flows from financing activities			
Lease payments		(5,062,960)	(4,208,926)
Dividends paid	8	(40,000,000)	(40,000,000)
Net cash used in financing activities		(45,062,960)	(44,208,926)
Net change in cash and cash equivalents		40,275,299	95,202,883
Cash and cash equivalents at the beginning of the period		283,643,516	190,468,452
Cash and cash equivalents at the end of the period		323,918,815	285,671,335
Significant non-cash transactions:			
Additions to right-of-use assets and lease liabilities		3,493,910	4,113,410
Change in re-measurement of employees' end of service benefits		2,190,994	(1,158,814)

Notes from 1 to 17 form an integral part of these condensed consolidated interim financial information.

Chief Financial Officer

Chief Executive Officer

Chairman of the Board

Thob Al Aseel Company
(Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements
31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

1 General information

Thob Al Aseel Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration number 1010071301 and unified number 7001340160 on 1 Dhu Al-hijah 1437H (corresponding to 5 September 2016). The Company's registered address is Kingdom of Saudi Arabia, Riyadh, King Fahad Road, opposite to the Insurance Complex, Postal code: 11426, P.O. box: 23236. The primary activity of the Company is to import, export, wholesale and retail of fabrics and ready-made clothes. The Company practices its activities through 27 branches (31 December 2025: 26 branches).

The condensed consolidated interim financial information includes the accounts of the Company and its subsidiaries (collectively referred to as the "Group") as follows:

Subsidiary	Country of Incorporation	Ownership percentage as of	
		31 March 2026	31 December 2025
Al Jedaie Fabrics Company	Kingdom of Saudi Arabia	100%	100%
Qiwa Al Aseel Contracting Company	Kingdom of Saudi Arabia	100%	100%
Aseela Trade Company	Kingdom of Saudi Arabia	100%	100%

Subsidiaries

- Al Jedaie Fabrics Company (the "Subsidiary") was incorporated as a limited liability Company in Riyadh in the Kingdom of Saudi Arabia under commercial registration number 1010048637 dated 22 Jumada Al-Awal 1438H (corresponding to 19 February 2017). The Subsidiary is mainly engaged in sale of textiles, clothing and wholesale of men's fabrics and sale of textiles and fabrics of all kinds (wearables) for fabrics and men's clothing.

The Subsidiary practices its activities through 51 branches (31 December 2025: 54 branches) distributed over the Kingdom of Saudi Arabia.

- Qiwa Al Aseel Contracting Company (the "Subsidiary") was incorporated as a limited liability Company in Riyadh in the Kingdom of Saudi Arabia under commercial registration number 1010910044 dated 21 Muharram 1445H (corresponding to 8 August 2023) with a share capital amounting to Saudi Riyals 5,000. The Subsidiary is mainly engaged in construction of all types of residential buildings, renovating residential and non-residential buildings and general cleaning of buildings.
- Aseela Trade Company ("the Subsidiary") was incorporated as a limited liability Company in Riyadh in the Kingdom of Saudi Arabia under commercial registration number 1010938400 dated 2 Rabi' al-Akhir 1445H (corresponding to 17 October 2023) with a share capital amounting to Saudi Riyals 5,000. The capital was increased to SAR 500,000 on 29 Safar 1446H (corresponding to 2 September 2024). The Subsidiary's main activity is the retail sale of clothing, shoes, and leather goods in specialized stores.

The Subsidiary practices its activities through 13 branches (31 December 2025: 11 branches).

Geopolitical developments

During the period ended 31 March 2026, the geopolitical tensions in the Middle East has escalated, leading to a state of regional instability. As of the date of issuance of these consolidated financial statements, the Group has not identified any material impact on its operations, supply chains, or financial position. Management continues to monitor the geopolitical situation in the Middle East to assess if any further escalation or continuation of the conflict could result in any impact on the Group's operations and results.

2 Basis of preparation

2.1 Statement of compliance

These condensed consolidated interim financial information have been prepared in compliance with IAS 34 "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

A condensed consolidated interim financial statements is considered an integral part of the whole fiscal year, however, the results of operations for the interim periods may not be a fair indication of the results of the full year operations.

These condensed consolidated interim financial information do not include all required information and disclosures in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. However, the accounting policies and explanatory notes of important events and transactions have been included to understand the changes in the Group's financial position and performance since the last annual consolidated financial statements which were prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards, interpretations and pronouncements that are issued by SOCPA, hereinafter collectively referred to as "International Financial Reporting Standards".

2 Basis of preparation (continued)

2.2 Preparation of the condensed consolidated interim financial information

These condensed consolidated interim financial information are prepared under the historical cost convention except for the following significant items included in the condensed consolidated interim statement of financial position:

- Investments in equity instruments are measured at FVTPL; and
- Employees' termination benefits are recognized at the present value of future obligations using the projected unit credit method.

2.3 Use of estimates, assumptions and judgments

The preparation of the Group's condensed consolidated interim financial information requires the management to use certain critical estimates, assumptions and judgments that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures of contingent liabilities at the reporting date. However, the uncertainty about these assumptions and estimates may result in conclusions causing a material adjustment to the carrying amounts of the asset or liability affected in the future periods. The significant estimates made by the management when applying the Group's accounting policies and important sources for uncertainty cases regarding the estimates were similar to those included in the last annual consolidated financial statements.

3 Basis of consolidation

These condensed consolidated interim financial information comprise those of the Company and its subsidiaries as at 31 March 2026.

Subsidiary

Subsidiary is an entity (including structured entities) over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Control over the investee (i.e. existing rights that give the Group current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has control over an investee, including:

- The contractual arrangement with the other votes holders of the investee; and
- Rights result from other contractual arrangements; the Group's voting rights and potential voting rights.

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.

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. Unrealised gains and losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

4 Functional and presentation currency

These condensed consolidated interim financial information are presented in Saudi Riyals, which is the Group's functional and presentation currency.

5 New Standards, Amendment to Standards and Interpretations

No new standards have been issued. However, various amendments to the standards are effective from 1 January 2026 as explained in the Group's annual consolidated financial statements but do not have material impact on the Group's condensed consolidated interim financial statements.

Thob Al Aseel Company
(Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements (continued)
31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

6 Financial assets at fair value through profit or loss

The movement of financial assets at fair value through profit or loss during the year is as follows:

	Three-month period ended 31 March 2026	For the year ended 31 December 2025
	(Unaudited)	(Audited)
Balance at the beginning of period / year	10,154,036	290,383
Additions during the period / year	-	9,770,000
Realized profits	-	93,653
Balance at the end of the period / year	10,154,036	10,154,036
Current	384,036	384,036
Non-current	9,770,000	9,770,000

During the year 2025, the Group invested SR 9.77 million in Qimah Industrial Fund for the purpose of establishing an industrial city in the south of Riyadh. The investment was classified as a financial asset at fair value through profit or loss. The fair values of the above financial assets in the fair value hierarchy is Level 3.

7 Transactions with related parties

a Transactions with key management personnel

The following table describes compensation of key management personnel:

	Three -month period ended 31 March (Unaudited)	
	2026	2025
Short-term employees' benefits	624,367	529,416
Employees' end of service benefits	50,000	40,671
Board of Directors and related committees' remunerations	2,170,000	1,930,000
	2,844,367	2,500,087

b Due to related parties

	Nature of relationship	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Shareholders – lease liabilities (Part of lease liabilities)	Shareholders	2,513,005	2,563,167

c Due form related parties

	Nature of relationship	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Jada Al-Harir Company	Associate	362,555	3,165,558

d Transactions with shareholders

During the ordinary course of its business, the Group had the following significant transactions:

	Nature of Transaction	Three -month period ended 31 March (Unaudited)	
		2026	2025
Shareholders	Rentals	517,475	431,413
Jada Al-Harir Company	Payment on behalf	2,803,003	4,648,504

Thob Al Aseel Company
(Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements (continued)
31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

8 Dividends

- The Board of Directors decided on its meeting dated 17 February 2026 to distribute SR 40 million (at 10 Halala for each share) as dividends for the second half of the financial year 2025 in accordance with an authorization of the Ordinary General Assembly held on 18 June 2025 for the Board to distribute interim dividends for the year 2025.
- The Board of Directors decided on its meeting dated 27 February 2025, to distribute SR 40 million (at 10 Halala for each share) as dividends for the second half of the financial year 2024 pursuant to the authorization of the Extraordinary General Assembly held on 27 June 2024 to the Board of Directors to distribute interim dividends for 2024.

The dividends are subject to the approval by the shareholders during the General Assembly meeting

9 Share capital

The Company's capital as of 31 March 2026 consists of 400 million shares with a nominal value of SR 1 per share (31 December 2025: 400 million shares with a nominal value of SR 1 per share).

10 Accrued expenses and other liabilities

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Contract liabilities	78,064,723	38,157,405
Value added tax, net	12,521,872	1,735,486
Meeting attendance allowance	4,340,000	2,170,000
Accrued bonuses	4,282,836	6,300,000
Accrued salaries	2,878,541	3,300,172
Commissions payable	2,814,556	2,437,790
Provision for legal obligations	1,991,080	1,991,080
Advances from customers	639,133	1,356,536
Others	1,365,735	1,865,536
	108,898,476	59,314,005

11 Segment information

11.1 Description of segments and principal activities

The Group manages its operations by business segments. Management treats the operations of these segments separately for the purposes of monitoring, decision making and performance assessment. The Group mainly trades in fabrics and thobs where all activities are carried out in the Kingdom of Saudi Arabia.

Segment	Principal Activity
Thobs	Main activities include sales of readymade clothes.
Fabrics	Main activities include sales of fabrics.
Fashions	Main activities include sales of readymade garments for international brands

The Group's Chief Operating Decision Makers (CODM) are the executive directors, who monitor net profit to evaluate the performance of each operating segment reported above:

Thob Al Aseel Company
(Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements (continued)

31 March 2026

(All amounts are in Saudi Riyals unless otherwise stated)

11 Segment information (continued)

11.2 Segments financial information (unaudited)

	Three-month period ended 31 March 2026				Three-month period ended 31 March 2025			
	Thobs	Fabrics	Fashions	Total	Thobs	Fabrics	Fashions	Total
Segment sales	196,094,362	50,862,687	5,886,017	252,843,066	170,815,161	49,969,257	4,695,650	225,480,068
Inter-segment sales			-	-	-	-	-	-
Total sales to external customers	196,094,362	50,862,687	5,886,017	252,843,066	170,815,161	49,969,257	4,695,650	225,480,068

Revenue from above segments is recognized at a point of time.

	31 March 2026				31 March 2025			
	Thobs	Fabrics	Fashions	Total	Thobs	Fabrics	Fashions	Total
Cost of sales	(111,134,742)	(26,224,824)	(3,238,000)	(140,597,566)	(98,589,147)	(24,919,572)	(3,005,785)	(126,514,504)
General and administrative expenses	(7,172,449)	(3,489,924)	(652,103)	(11,314,476)	(7,830,744)	(3,075,120)	(728,932)	(11,634,796)
Selling and distribution expenses	(14,409,667)	(4,716,593)	(1,374,435)	(20,500,695)	(11,452,070)	(4,768,037)	(672,459)	(16,892,566)
Reversal of / (losses) on impairment of trade receivables	(129,032)	(69,088)	-	(198,120)	6,972,975	(4,459)	-	6,968,516
Depreciation and amortization	(618,341)	(655,232)	(340,623)	(1,614,196)	(489,745)	(578,761)	(177,496)	(1,246,002)
Amortization expense of right-of-use assets	(1,617,776)	(1,721,485)	(912,221)	(4,251,482)	(1,691,116)	(1,538,137)	(617,468)	(3,846,721)
Other income	675,145	110,644	-	785,789	202,121	-	-	202,121
Finance cost	(403,669)	(461,668)	37,816	(827,521)	(66,374)	(265,967)	(80,387)	(412,728)
Share of results of associate	-	-	840,987	840,987	-	-	(791,805)	(791,805)
Zakat expense	(8,176,502)	(550,000)	-	(8,726,502)	(7,835,500)	(450,000)	-	(8,285,500)
Profit for the year	53,107,329	13,084,517	247,438	66,439,284	50,035,561	14,369,204	(1,378,682)	63,026,083

Thob Al Aseel Company
(Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements (continued)
31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

11 Segment information (continued)

11.2 Segments financial information (unaudited) (continued)

Total segment assets

	Thobs	Fabrics	Fashions	Eliminated transactions	Total
31 March 2026 (Unaudited)	789,897,886	172,983,425	23,666,429	(147,388,753)	839,158,987
31 December 2025 (Audited)	703,845,532	162,890,235	21,787,210	(130,111,354)	758,411,623

Total segment liabilities

	Thobs	Fabrics	Fashions	Eliminated transactions	Total
31 March 2026 (Unaudited)	150,090,467	100,817,203	34,908,771	(85,867,089)	199,949,352
31 December 2025 (Audited)	92,792,428	104,988,894	33,453,506	(83,402,562)	147,832,266

12 Earnings per share (EPS)

Earnings per share has been calculated by dividing the net profit for the years ended 31 March 2026 and 2025 by weighted average number of shares throughout the period.

	For the three-month period ended	
	31 March 2026 (Unaudited)	31 March 2026 (Unaudited)
Profit for the period	66,439,284	63,026,083
Weighted average number of shares	400,000,000	400,000,000
Basic and diluted earnings per share of the period according to the profit attributable to the shareholders of the Group	0.17	0.16

13 Seasonality of activity

The Group's activity and revenues are influenced by seasonal factors during the year due to the different purchasing patterns, and these changes are reflected in the financial results of the Group's business during the period. The period results are not an accurate indicator about the Group's annual results.

14 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and will cause the other party to incur a financial loss. The Group seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables.

The table below shows the maximum exposure to credit risk for significant components of the condensed consolidated interim statement of financial position:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Bank balances	323,185,053	283,073,625
Trade receivables	238,005,737	108,715,846
	561,190,790	391,789,471

Credit risk on trade receivables and bank balances is limited to the following:

Bank balances

Bank balances are held with banks having a good credit rating.

Trade receivables

The Group applies the simplified approach in calculating its expected credit losses as prescribed by IFRS 9 which uses the lifetime expected loss provision on such exposures. The loss provision as at 31 March 2026 and 31 December 2025 is determined as follows:

In monitoring customer credit risk, customers are grouped according to their credit characteristics (including the type of customer such as retail, wholesale, etc), trading history with the Group and existence of previous financial difficulties. As at 31 March 2026, the exposure to credit risks for trade receivables by types of customers was as follows:

Thob Al Aseel Company
(Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements (continued)
31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

14 Credit Risk (continued)

Trade receivables as at 31 March 2026 (unaudited)

1 *Thobs segment:*

Debt status	Expected loss rate	Total Carrying amount	Expected credit losses
Current	1.59%	71,779,416	1,142,169
Past due > 30 days	1.78%	100,517,836	1,790,630
Past due > 60 days	2.02%	26,053,015	525,380
Past due > 90 days	2.30%	12,825,571	294,689
Past due > 120 days	2.70% - 3.13%	6,003,478	176,537
Past due > 180 days	3.70% - 5.49%	238,019	11,677
Past due > 270 days till 1 year	6.97% - 10.80%	31,442	2,685
Past due > 1 year till 2 years	13.57% - 44.66%	20,675	3,071
Default customers and others that are past due for more than two years	48.58% - 100%	63,491,347	63,491,343
		280,960,799	67,438,181

2 *Fabrics segment:*

Debt status	Expected loss rate	Total Carrying amount	Expected credit losses
Current	0.83%	3,259,914	27,009
Past due > 30 days	0.96%	8,021,484	76,842
Past due > 60 days	1.13%	8,350,813	94,235
Past due > 90 days	1.32%	462,491	6,101
Past due > 120 days	1.56% - 1.85%	815,907	13,961
Past due > 180 days	2.24% - 3.38%	591,582	15,584
Past due > 270 days till 1 year	4.27% - 7.20%	633,581	35,789
Past due > 1 year till 2 years	9.02% - 51.25%	1,139,519	159,746
Default customers and others that are past due for more than two years	58.08% - 100%	2,664,635	2,622,284
		25,939,926	3,051,551
Total		306,900,725	70,489,732

Trade receivables as at 31 December 2025 (Audited)

1 *Thobs segment:*

Debt status	Expected loss rate	Total carrying amount	Expected credit losses
Current	1.82%	33,331,483	605,967
Past due for more than 30 days	2.03%	26,288,431	533,559
Past due for more than 60 days	2.29%	26,918,394	616,224
Past due for more than 90 days	2.59%	1,376,525	35,692
Past due for more than 120 days	3.02% - 3.47%	2,915,492	92,034
Past due for more than 180 days	4.08% - 5.96%	8,008,074	414,878
Past due for more than 270 days up to 1 year	7.42% - 11.39%	217,809	16,518
Past due for 1 to 2 years	14.25% - 44.97%	11,298	3,864
Past due for more than 2 years and defaulters	100%	64,990,413	64,990,413
		164,057,919	67,309,149

Thob Al Aseel Company
(Saudi Joint Stock Company)
Notes to the interim condensed consolidated financial statements (continued)
31 March 2026
(All amounts are in Saudi Riyals unless otherwise stated)

14 Credit Risk (continued)

Trade receivables as at 31 December 2025 (Audited) (continued)

2 Fabrics segment:

Debt status	Expected loss rate	Total carrying amount	Expected credit losses
Current	0.88%	977,054	8,606
Past due for more than 30 days	1.01%	978,556	9,906
Past due for more than 60 days	1.18%	1,126,270	13,325
Past due for more than 90 days	1.37%	758,733	10,423
Past due for more than 120 days	1.61% - 1.90%	966,576	17,159
Past due for more than 180 days	2.30% - 3.41%	1,878,063	52,910
Past due for more than 270 days up to 1 year	4.29% - 7.11%	2,636,790	143,936
Past due for 1 to 2 years	8.85% - 50.00%	765,925	200,854
Past due for more than 2 years and defaulters	56.61% - 100%	2,537,735	2,525,344
		<u>12,625,702</u>	<u>2,982,463</u>
Total		<u>176,683,621</u>	<u>70,291,612</u>

Sensitivity analysis for future circumstances expectations as at 31 March 2026 (Unaudited)

Unemployment rate is the most significant futuristic assumption affecting the ECL allowance. Set out below are the changes to the ECL as at 31 March 2026 that would result from reasonably possible changes in the Unemployment rate parameters from the actual assumptions used in the Group's economic variable assumption:

	Value in SR
Basic value for impairment losses in trade receivables	70,489,732
If the expectations of future circumstances increased by 10%	70,504,522
If the expectations of future circumstances decreased by 10%	70,474,943

Sensitivity analysis for future circumstances expectations as at 31 December 2025 (Audited)

	Value in SR
Basic value for impairment losses in trade receivables	70,291,612
If the expectations of future circumstances increased by 10%	70,301,246
If the expectations of future circumstances decreased by 10%	70,281,978

Movement in provision for impairment losses on trade and other receivables are as follows:

	Trade receivable	Other receivables	Total
At 1 January 2026 (Audited)	70,291,612	753,813	71,045,425
Charge during the period	198,120	-	198,120
At 31 March 2026 (Unaudited)	70,489,732	753,813	71,243,545

	Trade receivables	Prepayments and other receivables	Total
At 1 January 2025 (Audited)	76,121,436	298,063	76,419,499
(Reversal) during the period	(6,968,516)	-	(6,968,516)
Add recoverable written off provision *	5,722,337	-	5,722,337
At 31 March 2025 (Unaudited)	74,875,257	298,063	75,173,320

* The Group have settled Value Added Tax amounted to SR 5.7 million. Therefore, the related provision has been reversed in the profit and loss.

15 Zakat related matters

Zakat status

The Group is subject to zakat according to the regulations of ZATCA in the Kingdom of Saudi Arabia. The Group files its zakat returns on a consolidated basis, starting from the financial year ended 31 December 2018 and thereafter. Zakat returns were submitted up to 2024 to ZATCA. The Group also obtained a certificate of zakat valid until 13 Dhul-Qi'dah 1447H (corresponding to 30 April 2026).

The Group has finalized its zakat status and zakat assessments until 2024 without due zakat liabilities.

During the period ended 31 March 2026, the geopolitical tensions in the Middle East has escalated, leading to a state of regional instability. As of the date of issuance of these consolidated financial statements, the Group has not identified any material impact on its operations, supply chains, or financial position. Management continues to monitor the geopolitical situation in the Middle East to assess if any further escalation or continuation of the conflict could result in any impact on the Group's operations and results.

16 Subsequent events

In management's view, there have been no significant subsequent events since 31 March 2026 till the approval date of these condensed consolidated interim financial information that may have significant impact on the Group condensed consolidated interim financial information or the disclosures.

17 Board of directors' approval

These condensed consolidated interim financial information have been approved by the Board of Directors on 06 Dhul-Qi'dah 1447H (corresponding to 23 April 2026).