



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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)  
AND REVIEW REPORT FOR THE THREE-MONTH  
AND SIX-MONTH PERIODS ENDED  
30 JUNE 2024**

**Thob Al Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim financial statements for the three-month and six-month**  
**periods ended 30 June 2024 (Unaudited)**

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## *Report on review of condensed consolidated interim financial statements*

**To the shareholders of Thob Al Aseel Company  
(A Saudi Joint Stock Company)**

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### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Thob Al Aseel Company (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2024 and the related condensed consolidated interim statements of profit or loss, comprehensive income for the three-month and six-month periods ended 30 June 2024 and the condensed consolidated interim statements of changes in shareholders' equity and cash flows for the six-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim 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 condensed consolidated interim financial statements based on our review.

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### *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 the condensed consolidated interim financial statements 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, as 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.

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### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

**PricewaterhouseCoopers**

A blue ink signature, appearing to read 'Khalid A. Mahdhar', written over a horizontal line.

Khalid A. Mahdhar  
License No. 368

23 Muharram 1446H  
(29 July 2024)

**Thob Al Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of financial position**  
(All amounts are in Saudi Riyals unless otherwise stated)

		As at 30 June 2024 (Unaudited)	As at 31 December 2023 (Audited)
	Note		
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment		23,406,109	23,550,249
Right-of-use assets		25,678,037	23,313,074
Intangible assets		639,883	549,955
<b>Total non-current assets</b>		<b>49,724,029</b>	<b>47,413,278</b>
<b>Current assets</b>			
Inventory		253,483,996	298,373,210
Trade receivables	14	237,424,891	194,644,467
Prepayments and other receivables		19,166,313	16,196,019
Financial assets at fair value through profit or loss	6	290,383	10,444,025
Cash and cash equivalents		154,795,359	130,711,135
<b>Total current assets</b>		<b>665,160,942</b>	<b>650,368,856</b>
<b>Total assets</b>		<b>714,884,971</b>	<b>697,782,134</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	9	400,000,000	400,000,000
Statutory reserve	10	-	77,317,791
Retained earnings		212,250,824	107,381,428
<b>Total shareholders' equity</b>		<b>612,250,824</b>	<b>584,699,219</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		8,800,729	8,182,886
Employees' end of service benefits		15,728,660	15,796,387
<b>Total non-current liabilities</b>		<b>24,529,389</b>	<b>23,979,273</b>
<b>Current liabilities</b>			
Trade payables		12,703,373	18,511,955
Lease liabilities		19,480,588	15,639,044
Accrued expenses and other liabilities		33,359,610	36,811,000
Provision for zakat		12,561,187	18,141,643
<b>Total current liabilities</b>		<b>78,104,758</b>	<b>89,103,642</b>
<b>Total liabilities</b>		<b>102,634,147</b>	<b>113,082,915</b>
<b>Total shareholders' equity and liabilities</b>		<b>714,884,971</b>	<b>697,782,134</b>

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

Chief Financial Officer

Chief Executive Officer

Chairman of the Board

**Thob Al Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of profit or loss (Unaudited)**  
(Amounts are in Saudi Riyals unless otherwise stated)

	Note	Three-month period ended		Six-month period ended	
		30 June		30 June	
		2024	2023	2024	2023
Sales	11	116,429,772	163,090,518	327,601,011	353,578,043
Cost of sales		(63,579,932)	(93,134,939)	(194,329,461)	(217,347,087)
<b>Gross profit</b>		<b>52,849,840</b>	69,955,579	<b>133,271,550</b>	136,230,956
General and administrative expenses		(10,442,813)	(9,409,183)	(22,471,593)	(19,232,575)
Selling and distribution expenses		(15,914,188)	(15,592,787)	(32,178,750)	(31,751,064)
Impairment reversal / (losses) on trade receivables	14	4,872,797	(8,115,868)	(1,285,031)	(14,579,656)
Realized and unrealized gain from remeasurement of financial assets at fair value through profit or loss, net		1,092,131	1,029,622	2,238,373	1,062,701
Other income		395,959	55,113	846,451	314,780
<b>Operating profit</b>		<b>32,853,726</b>	37,922,476	<b>80,421,000</b>	72,045,142
Finance cost		(1,130,251)	(693,199)	(2,096,047)	(1,157,588)
<b>Profit for the period before zakat</b>		<b>31,723,475</b>	37,229,277	<b>78,324,953</b>	70,887,554
Zakat expense		(5,052,251)	(4,700,000)	(11,602,251)	(10,600,000)
<b>Profit for the period</b>		<b>26,671,224</b>	32,529,277	<b>66,722,702</b>	60,287,554
<b>Basic and diluted earnings per share of the period according to the profit attributable to the shareholders of the Group</b>	12	<b>0.07</b>	0.08	0.17	0.15

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

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Chief Financial Officer

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Chief Executive Officer

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Chairman of the Board

**Thob Al Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of comprehensive income (Unaudited)**  
(All amounts are in Saudi Riyals unless otherwise stated)

	<b>Three-month period ended</b>		<b>Six-month period ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Profit for the period</b>	<b>26,671,224</b>	32,529,277	<b>66,722,702</b>	60,287,554
<b><i>Items that may not be reclassified subsequently in the statement of profit or loss:</i></b>				
Re-measurement of employees' end of service benefits	<b>919,193</b>	327,592	<b>828,903</b>	480,903
<b>Total comprehensive income for the period</b>	<b>27,590,417</b>	32,856,869	<b>67,551,605</b>	60,768,457

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

\_\_\_\_\_  
**Chief Financial Officer**

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**Chief Executive Officer**

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**Chairman of the Board**

**Thob Al Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of changes in shareholders' equity**  
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Share capital	Statutory reserve	Retained earnings	Total shareholders' equity
<b>Balance as at 1 January 2023 (Audited)</b>		400,000,000	69,626,212	102,882,776	572,508,988
Profit for the period		-	-	60,287,554	60,287,554
Other comprehensive income		-	-	480,903	480,903
Total comprehensive income for the period		-	-	60,768,457	60,768,457
Dividends	8	-	-	(30,000,000)	(30,000,000)
<b>Balance as at 30 June 2023 (Unaudited)</b>		<b>400,000,000</b>	<b>69,626,212</b>	<b>133,651,233</b>	<b>603,277,445</b>
<b>Balance as at 1 January 2024 (Audited)</b>		<b>400,000,000</b>	<b>77,317,791</b>	<b>107,381,428</b>	<b>584,699,219</b>
Profit for the period		-	-	66,722,702	66,722,702
Other comprehensive income		-	-	828,903	828,903
Total comprehensive income for the period		-	-	67,551,605	67,551,605
Transferred from the statutory reserve	10	-	(77,317,791)	77,317,791	-
Dividends	8	-	-	(40,000,000)	(40,000,000)
<b>Balance as at 30 June 2024 (Unaudited)</b>		<b>400,000,000</b>	<b>-</b>	<b>212,250,824</b>	<b>612,250,824</b>

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

\_\_\_\_\_  
**Chief Financial Officer**

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**Chief Executive Officer**

\_\_\_\_\_  
**Chairman of the Board**

**Thob Al Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of cash flows (Unaudited)**  
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Six-month period ended 30 June	
		2024	2023
<b>Cash flows from operating activities</b>			
Profit for the period before zakat		78,324,953	70,887,554
<b>Adjustments for:</b>			
Depreciation of property and equipment		1,932,753	1,105,441
Amortisation of intangible assets		63,619	63,634
Depreciation of the right-of-use assets		6,578,470	5,478,051
Provision for obsolescence inventory		10,408,539	5,664,023
Gain on disposal of property and equipment		(77,390)	(212,387)
Realized and unrealized gain from remeasurement of financial assets at fair value through profit or loss		(2,238,373)	(1,062,701)
Impairment losses on trade receivables		1,285,031	14,579,656
Provision for employees' end of service benefits		1,245,146	1,175,710
Finance cost		2,096,047	1,157,588
<b>Change in working capital</b>			
Inventories		34,480,675	85,497,751
Trade receivables		(43,820,236)	(79,219,035)
Prepayments and other receivables		(3,215,512)	(1,875,990)
Trade payables		(5,808,582)	(30,054,322)
Accrued expenses and other liabilities		(3,451,391)	13,547,491
Zakat paid		(17,182,707)	(21,646,268)
Employees' end of service benefits paid		(483,970)	(860,911)
<b>Net cash generated from operating activities</b>		<b>60,137,072</b>	<b>64,225,285</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(1,788,613)	(4,391,949)
Purchase of intangible assets		(153,547)	(79,000)
Proceeds from disposal of property and equipment		77,390	213,130
Proceeds from disposal of financial assets at fair value through profit or loss		12,392,015	-
<b>Net cash generated from / (used in) investing activities</b>		<b>10,527,245</b>	<b>(4,257,819)</b>
<b>Cash flows from financing activities</b>			
Lease payments		(6,580,093)	(6,816,930)
Dividends paid	8	(40,000,000)	(30,000,000)
<b>Net cash used in financing activities</b>		<b>(46,580,093)</b>	<b>(36,816,930)</b>
<b>Net change in cash and cash equivalents</b>		<b>24,084,224</b>	<b>23,150,536</b>
Cash and cash equivalents at the beginning of the period		130,711,135	94,551,373
<b>Cash and cash equivalents at the end of the period</b>		<b>154,795,359</b>	<b>117,701,909</b>
<b>Significant non-cash transactions:</b>			
Additions to right-of-use assets and lease liabilities		8,943,433	4,272,394
Change in re-measurement of employees' end of service benefits		828,903	480,903

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

Chief Financial Officer

Chief Executive Officer

Chairman of the Board



**Thob Al Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial statements**  
**For the three-month and six-month periods ended 30 June 2024**  
(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 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 26 branches (31 December 2023: 26 branches).

The condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries (collectively referred to as the “Group”) as follows:

Subsidiary	Country of incorporation	Ownership percentage as of	
		30 June 2024	31 December 2023
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%

**Subsidiary**

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 2023: 51 branches).

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 10109384400 dated 2 Rabi’ al-Akhir 1445H (corresponding to 17 October 2023) with a share capital amounting to Saudi Riyals 5,000. The subsidiary’s main activity is the retail sale of clothing, shoes and leather goods in specialized stores.

**2 Basis of preparation**

**2.1 Statement of compliance**

These condensed consolidated interim financial statements 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).

These condensed consolidated interim financial statements 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 2023. 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 statements**

These condensed consolidated interim financial statements 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 statements 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 statements comprise those of the Company and its subsidiaries as at 30 June 2024.

### **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 statements 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 2024 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**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial statements**  
**For the three-month and six-month periods ended 30 June 2024**  
(All amounts are in Saudi Riyals unless otherwise stated)

**6 Financial assets at fair value through profit or loss**

During 2022, the Group invested Saudi Riyals 10.3 million in a private investment portfolio for the purpose of trading in various investment categories. The investment was classified as a financial asset at fair value through profit or loss and the unrealized losses and gains from remeasurement are included in the condensed consolidated interim statement of profit or loss.

The movement of financial asset at FVTPL during the period is as follows:

	<b>Six-month period ended 30 June 2024 (Unaudited)</b>	<b>For the year ended 31 December 2023 (Audited)</b>
Balance at the beginning of period / year	<b>10,444,025</b>	8,692,709
Disposal during the period	<b>(12,392,015)</b>	-
Realized and unrealized gain from remeasurement, net	<b>2,238,373</b>	1,751,316
Balance at the end of the period / year	<b>290,383</b>	10,444,025

**7 Transactions with related parties**

*a Transactions with key management personnel*

The following table describes compensation of key management personnel:

	<b>Six-month period ended 30 June (Unaudited)</b>	
	<b>2024</b>	<b>2023</b>
Employees' end of service benefits	<b>1,675,559</b>	1,366,647
Short-term employees' benefits	<b>43,719</b>	99,755
	<b>1,637,375</b>	1,466,402

*b Due to related parties*

	<b>Nature of relationship</b>	<b>30 June 2024 (Unaudited)</b>	<b>31 December 2023 (Audited)</b>
Shareholders – lease liabilities	Shareholders	<b>3,290,338</b>	3,397,892

*c Transactions with shareholders*

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

	<b>Nature of Transaction</b>	<b>Six-month period ended 30 June (Unaudited)</b>	
		<b>2024</b>	<b>2023</b>
Shareholders	Rentals	<b>1,024,422</b>	951,783

**8 Dividends**

The final dividends are recorded in the period approved by the shareholders during the General Assembly meeting. The Board of Directors decided on its meeting dated 20 February 2024 to distribute Saudi Riyals 40 million (Saudi Riyals 10 per share) as dividends for the second half of the financial year 2023 in accordance with an authorization of the Extraordinary General Assembly held on 20 June 2023 for the Board to distribute interim dividends for the year 2023.

In its meeting held on 27 February 2023, the Board of Directors decided to distribute Saudi Riyals 30 million (Saudi Riyals 0.75 per share) as interim dividends for the second half of the financial year 2022 in accordance with the authorization of the Ordinary General Assembly held on 26 June 2022 for the Board to distribute interim dividends for 2022.

**Thob Al Aseel Company**  
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**Notes to the condensed consolidated interim financial statements**  
**For the three-month and six-month periods ended 30 June 2024**  
(All amounts are in Saudi Riyals unless otherwise stated)

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**9 Share capital**

The Company's capital as of 30 June 2024 consists of 400 million shares with a nominal value of Saudi Riyal 1 per share (31 December 2023: 400 million shares with a nominal value of Saudi Riyals 1 per share).

**10 Statutory reserve**

During the extraordinary general assembly meeting held on 27 June 2024, corresponding to 21 Dhu al-Hijjah 1445H, it was voted to transfer the total statutory reserve amounting to Saudi Riyals 77,317,791 to the retained earnings. Since the Company has updated their By-Laws in line with the new regulations for companies which does not require a statutory reserve.

**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. All of the Group's business segments are located in the Kingdom of Saudi Arabia. The CEO is the primary responsible for making operational decisions. The following is a statement of the main activities of these segments:

<b>Segment</b>	<b>Principal Activity</b>
Thobs	Main activities include sales of readymade clothes.
Fabrics	Main activities include sales of fabrics.

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**Notes to the condensed consolidated interim financial statements**  
**For the three-month and six-month periods ended 30 June 2024**  
(All amounts are in Saudi Riyals unless otherwise stated)

**11 Segment information (continued)**

**11.2 Segments financial information's (unaudited)**

	Three-month period ended 30 June 2024			Three-month period ended 30 June 2023		
	Thobs	Fabrics	Total	Thobs	Fabrics	Total
Segment sales	94,356,021	22,073,751	116,429,772	139,516,171	23,574,347	163,090,518
Inter-segment sales	-	-	-	-	-	-
Total sales to external customers	94,356,021	22,073,751	116,429,772	139,516,171	23,574,347	163,090,518
	Six-month period ended 30 June 2024			Six-month period ended 30 June 2023		
	Thobs	Fabrics	Total	Thobs	Fabrics	Total
Segment sales	256,494,560	71,106,451	327,601,011	284,635,918	68,942,125	353,578,043
Inter-segment sales	-	-	-	-	-	-
Total sales to external customers	256,494,560	71,106,451	327,601,011	284,635,918	68,942,125	353,578,043

**Timing of revenues recognition**

	Three-month period ended 30 June 2024			Three-month period ended 30 June 2023		
	Thobs	Fabrics	Total	Thobs	Fabrics	Total
At a point-of-time	94,356,021	22,073,751	116,429,772	139,516,171	23,574,347	163,090,518
Over a period of time	-	-	-	-	-	-
Gross revenue	94,356,021	22,073,751	116,429,772	139,516,171	23,574,347	163,090,518
EBITDA	31,776,442	5,438,631	37,215,073	34,168,578	7,059,475	41,228,053
	Six-month period ended 30 June 2024			Six-month period ended 30 June 2023		
	Thobs	Fabrics	Total	Thobs	Fabrics	Total
At a point-of-time	256,494,560	71,106,451	327,601,011	284,635,918	68,942,125	353,578,043
Over a period of time	-	-	-	-	-	-
Gross revenue	256,494,560	71,106,451	327,601,011	284,635,918	68,942,125	353,578,043
EBITDA	66,408,061	22,587,781	88,995,842	56,399,271	22,292,997	78,692,268

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**Notes to the condensed consolidated interim financial statements**  
**For the three-month and six-month periods ended 30 June 2024**  
(All amounts are in Saudi Riyals unless otherwise stated)

**11 Segment information (continued)**

**11.2 Segments financial information's (unaudited) (continued)**

**Total segment assets**

	<b>Thobs</b>	<b>Fabrics</b>	<b>Eliminated transactions</b>	<b>Total</b>
<b>30 June 2024 (Unaudited)</b>	<b>681,909,613</b>	<b>141,792,643</b>	<b>(108,817,285)</b>	<b>714,884,971</b>
<b>31 December 2023 (Audited)</b>	657,956,669	119,700,739	(79,875,274)	697,782,134

**Total segment liabilities**

	<b>Thobs</b>	<b>Fabrics</b>	<b>Eliminated transactions</b>	<b>Total</b>
<b>30 June 2024 (Unaudited)</b>	<b>69,803,316</b>	<b>77,002,370</b>	<b>(44,171,539)</b>	<b>102,634,147</b>
<b>31 December 2023 (Audited)</b>	73,191,401	72,005,910	(32,114,396)	113,082,915

A reconciliation of earnings before interest, taxes, depreciation and amortization (EBITDA) and profit before zakat for the period is provided as follows:

	<b>Three-month period ended</b>		<b>Six-month period ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>EBITDA</b>	<b>37,215,073</b>	41,228,053	<b>88,995,842</b>	78,692,268
<b>Depreciation and amortisation</b>	<b>(4,361,347)</b>	(3,305,577)	<b>(8,574,842)</b>	(6,647,126)
<b>Finance costs</b>	<b>(1,130,251)</b>	(693,199)	<b>(2,096,047)</b>	(1,157,588)
<b>Profit for the period before zakat</b>	<b>31,723,475</b>	37,229,277	<b>78,324,953</b>	70,887,554

**12 Earnings per share (EPS)**

Earnings per share has been calculated by dividing the net profit for the periods ended on 30 June 2024 and 2023 by 400 million shares.

**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:

	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Bank balances	<b>153,846,022</b>	128,836,348
Trade and other receivables	<b>238,240,473</b>	195,580,995
	<b>392,086,495</b>	324,417,343

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**14 Credit Risk (continued)**

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

Bank balances

Bank balances are held with banks having a credit rating of BBB+ and above.

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 30 June 2024 and 31 December 2023 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 30 June 2024, the exposure to credit risks for trade receivables by types of customers was as follows:

Trade receivables as at 30 June 2024 (unaudited)

1 *Thobs segment:*

Debt status	Expected loss rate	Gross Carrying amount	Expected credit losses
Current	2.35%	23,067,312	542,658
Past due > 30 days	2.68%	17,026,307	455,663
Past due > 60 days	2.97%	60,125,938	1,783,883
Past due > 90 days	3.35%	76,154,994	2,548,866
Past due > 120 days	4.20%	33,350,743	1,401,823
Past due > 180 days	6.34%	7,998,196	506,730
Past due > 270 days till 1 year	11.70%	959,501	112,269
Past due > 1 year till 2 years	28.02%	2,081,722	583,260
Default customers and others that are past due for more than two years	61.93% - 100%	52,152,925	52,135,506
		<b>272,917,638</b>	<b>60,070,658</b>

2 *Fabrics segment:*

Debt status	Expected loss rate	Gross Carrying amount	Expected credit losses
Current	0.66%	1,970,679	12,916
Past due > 30 days	0.81%	2,993,221	24,237
Past due > 60 days	0.88%	2,681,844	23,556
Past due > 90 days	0.98%	5,942,866	58,316
Past due > 120 days	1.26%	8,958,124	113,283
Past due > 180 days	2.07%	710,102	14,689
Past due > 270 days till 1 year	4.62%	311,323	14,375
Past due > 1 year till 2 years	13.87%	1,316,998	182,696
Default customers and others that are past due for more than two years	44.35% - 100%	2,488,059	2,351,237
		<b>27,373,216</b>	<b>2,795,305</b>
Total		<b>300,290,854</b>	<b>62,865,963</b>

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**14 Credit Risk (continued)**

Trade receivables as at 31 December 2023 (Audited)

**1 Thobs segment:**

<b>Debt status</b>	<b>Expected loss rate</b>	<b>Gross Carrying amount</b>	<b>Expected credit losses</b>
Current	1.64%	30,681,572	502,542
Past due > 30 days	1.94%	20,455,823	397,211
Past due > 60 days	2.35%	17,175,751	404,234
Past due > 90 days	2.98%	6,975,315	207,872
Past due > 120 days	4.31%	28,412,662	1,224,944
Past due > 180 days	7.65%	56,161,303	4,296,717
Past due > 270 days till 1 year	14.93%	28,834,703	4,305,825
Past due > 1 year till 2 years	35.71%	11,197,257	3,998,452
Default customers and others that are past due for more than two years	69.75% - 100%	43,825,774	43,343,348
		<b>243,720,160</b>	<b>58,681,145</b>

**2 Fabrics segment:**

<b>Debt status</b>	<b>Expected loss rate</b>	<b>Gross Carrying amount</b>	<b>Expected credit losses</b>
Current	1.30%	834,055	10,873
Past due > 30 days	1.54%	713,200	10,951
Past due > 60 days	1.69%	1,321,258	22,264
Past due > 90 days	1.94%	679,779	13,208
Past due > 120 days	2.57%	1,652,136	42,533
Past due > 180 days	4.21%	2,313,586	97,466
Past due > 270 days till 1 year	8.89%	1,820,409	161,836
Past due > 1 year till 2 years	23.36%	698,137	163,098
Default customers and others that are past due for more than two years	63.29% - 100%	2,472,679	2,377,558
		<b>12,505,239</b>	<b>2,899,787</b>
<b>Total</b>		<b>256,225,399</b>	<b>61,580,932</b>

**Sensitivity analysis for future circumstances expectations as at 30 June 2024 (Unaudited)**

	<b>Value in Saudi Riyals</b>
Basic value for impairment losses in trade receivables	<b>62,865,963</b>
If the expectations of future circumstances increased by 10%	<b>62,897,739</b>
If the expectations of future circumstances decreased by 10%	<b>62,834,185</b>

**Sensitivity analysis for future circumstances expectations as at 31 December 2023 (Audited)**

	<b>Value in Saudi Riyals</b>
Basic value for impairment losses in trade receivables	61,580,931
If the expectations of future circumstances increased by 10%	61,714,201
If the expectations of future circumstances decreased by 10%	61,447,663



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**14 Credit Risk (continued)**

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

	Trade receivable	Other receivables	Total
<b>At 1 January 2024 (Audited)</b>	<b>61,580,932</b>	<b>1,882,213</b>	<b>63,463,145</b>
Charge for the period	1,285,031	-	1,285,031
<b>At 30 June 2024 (Unaudited)</b>	<b>62,865,963</b>	<b>1,882,213</b>	<b>64,748,176</b>
	Trade receivable	Other receivables	Total
At 1 January 2023 (Audited)	94,167,477	1,820,577	95,988,054
Charge for the period	14,579,656	-	14,579,656
At 30 June 2023 (Unaudited)	108,747,133	1,820,577	110,567,710

**15 Zakat related matters**

**Zakat status**

The Group is subject to zakat according to the regulations of the Zakat, Tax and Customs Authority ("ZATCA") in the Kingdom of Saudi Arabia. The Group files its zakat returns on consolidated basis, starting from the financial year ended 31 December 2018 and thereafter. Zakat returns were submitted up to 2023 to ZATCA. The Group also obtained a certificate of zakat valid until 20 Dhul-Qi'dah 1446H (corresponding to 30 April 2025).

The Group has finalized its zakat status and zakat assessments until 2022.

For year 2023, the Group received a notice from ZATCA requesting additional information on the zakat return submitted for the year. The assessment is still currently under examination by ZATCA.

**16 Subsequent events**

The Board of Directors decided on its meeting dated 24 July 2024 to distribute Saudi Riyals 36 million (Saudi Riyals 0.09 per share) as dividends for the first half of the financial year 2024 in accordance with an authorization of the Extraordinary General Assembly held on 27 June 2024 for the Board to distribute interim dividends for the year 2024.

Other than what was mentioned above, in management's view, there have been no significant subsequent events since 30 June 2024 till the approval date of these condensed consolidated interim financial statements that may have significant impact on the Group condensed consolidated interim financial statements or the disclosures.

**17 Board of directors' approval**

These condensed consolidated interim financial statements have been approved by the Board of Directors on 18 Muharram 1446H (corresponding to 24 July 2024).