



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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)  
AND REVIEW REPORT FOR THE THREE-MONTH  
PERIOD ENDED 31 March 2025**

**Thob Al Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim financial information for the three-month**  
**period ended 31 March 2025 (Unaudited)**

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

**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 of 31 March 2025 and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial information 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 this condensed consolidated interim financial information 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 interim financial information 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 information are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

**PricewaterhouseCoopers**

Khalid A. Mahdhar  
License No. 368

13 May 2025

**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<br>31 March<br>2025<br>(Unaudited) | As at<br>31 December<br>2024<br>(Audited) |
|---|----|--|---|
| <b>Assets</b>   |    |  |   |
| <b>Non-current assets</b>                             |    |  |   |
| Property and equipment                                |    | 23,620,207                               | 23,816,132                                |
| Right-of-use assets                                   |    | 30,045,730                               | 29,779,041                                |
| Investments accounted for using the equity method     |    | 15,571,831                               | 16,363,636                                |
| Intangible assets                                     |    | 663,744                                  | 701,970                                   |
| <b>Total non-current assets</b>                       |    | <b>69,901,512</b>                        | <b>70,660,779</b>                         |
| <b>Current assets</b>                                 |    |  |   |
| Inventory   |    | 212,585,089                              | 274,393,240                               |
| Trade receivables                                     |    | 236,686,495                              | 174,041,494                               |
| Prepayments and other receivables                     |    | 15,378,704                               | 29,621,762                                |
| Financial assets at fair value through profit or loss | 6  | 290,383                                  | 290,383                                   |
| Cash and cash equivalents                             |    | 285,671,335                              | 190,468,452                               |
| <b>Total current assets</b>                           |    | <b>750,612,006</b>                       | <b>668,815,331</b>                        |
| <b>Total assets</b>                                   |    | <b>820,513,518</b>                       | <b>739,476,110</b>                        |
| <b>Shareholders' equity and liabilities</b>           |    |  |   |
| <b>Shareholders' equity</b>                           |    |  |   |
| Share capital   | 9  | 400,000,000                              | 400,000,000                               |
| Retained earnings                                     |    | 214,850,869                              | 192,983,600                               |
| <b>Total shareholders' equity</b>                     |    | <b>614,850,869</b>                       | <b>592,983,600</b>                        |
| <b>Liabilities</b>                                    |    |  |   |
| <b>Non-current liabilities</b>                        |    |  |   |
| Lease liabilities                                     |    | 11,347,751                               | 12,772,113                                |
| Employees' end of service benefits                    |    | 18,840,204                               | 17,324,514                                |
| <b>Total non-current liabilities</b>                  |    | <b>30,187,955</b>                        | <b>30,096,627</b>                         |
| <b>Current liabilities</b>                            |    |  |   |
| Trade payables  |    | 17,131,474                               | 22,891,072                                |
| Lease liabilities                                     |    | 19,851,469                               | 18,109,895                                |
| Due to related parties                                | 7  | 11,715,132                               | 16,363,636                                |
| Accrued expenses and other liabilities                | 11 | 101,934,546                              | 42,474,707                                |
| Provision for zakat                                   |    | 24,842,073                               | 16,556,573                                |
| <b>Total current liabilities</b>                      |    | <b>175,474,694</b>                       | <b>116,395,883</b>                        |
| <b>Total liabilities</b>                              |    | <b>205,662,649</b>                       | <b>146,492,510</b>                        |
| <b>Total shareholders' equity and liabilities</b>     |    | <b>820,513,518</b>                       | <b>739,476,110</b>                        |

Notes from 1 to 18 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**  
**(A Saudi Joint Stock Company)**  
**Condensed consolidated interim statement of profit or loss (Unaudited)**  
(All amounts are in Saudi Riyals unless otherwise stated)

|   |             | <b>For the three-month<br/>period ended 31 March</b> |               |
|---|-------------|--|---------------|
|   | <b>Note</b> | <b>2025</b>  | <b>2024</b>   |
| Sales   | 12-2        | <b>225,480,068</b>                                   | 211,171,239   |
| Cost of sales   |             | <b>(126,514,504)</b>                                 | (130,749,529) |
| <b>Gross profit</b>   |             | <b>98,965,564</b>                                    | 80,421,710    |
| General and administrative expenses   |             | <b>(12,695,302)</b>                                  | (12,028,780)  |
| Selling and distribution expenses   |             | <b>(20,924,783)</b>                                  | (16,264,562)  |
| Reversal of / (losses) on impairment of trade receivables   |             | <b>6,968,516</b>                                     | (6,157,828)   |
| Realized and unrealized profit from remeasurement<br>of financial assets at fair value through profit or loss, net                      | 6           | -  | 1,146,242     |
| Other income  |             | <b>202,121</b>                                       | 450,492       |
| <b>Operating profit</b>   |             | <b>72,516,116</b>                                    | 47,567,274    |
| Finance cost  |             | <b>(412,728)</b>                                     | (965,796)     |
| Share of net results from associate   |             | <b>(791,805)</b>                                     | -             |
| <b>Profit for the period before zakat</b>   |             | <b>71,311,583</b>                                    | 46,601,478    |
| Zakat expense   |             | <b>(8,285,500)</b>                                   | (6,550,000)   |
| <b>Profit for the period</b>  |             | <b>63,026,083</b>                                    | 40,051,478    |
| <b>Basic and diluted earnings per share of the period<br/>according to the profit attributable to the shareholders<br/>of the Group</b> | 13          | <b>0.16</b>  | 0.10          |

Notes from 1 to 18 form an integral part of these condensed consolidated interim financial information.

\_\_\_\_\_  
**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 comprehensive income (Unaudited)**  
(All amounts are in Saudi Riyals unless otherwise stated)

|   | <b>For the three-month<br/>period ended 31 March</b> |             |
|---|--|-------------|
|   | <b>2025</b>  | <b>2024</b> |
| <b>Profit for the period</b>  | <b>63,026,083</b>                                    | 40,051,478  |
| <b><i>Items that may not be reclassified subsequently<br/>in the statement of profit or loss:</i></b> |  |             |
| Re-measurement of employees' end of service benefits  | <b>(1,158,814)</b>                                   | (90,290)    |
| <b>Total comprehensive income for the period</b>  | <b>61,867,269</b>                                    | 39,961,188  |

Notes from 1 to 18 form an integral part of these condensed consolidated interim financial information.

\_\_\_\_\_  
**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 2024 (Audited)</b>  |      | 400,000,000        | 77,317,791        | 107,381,428         | 584,699,219                |
| Profit for the period                          |      | -                  | -                 | 40,051,478          | 40,051,478                 |
| Other comprehensive Loss                       |      | -                  | -                 | (90,290)            | (90,290)                   |
| Total comprehensive income for the period      |      | -                  | -                 | 39,961,188          | 39,961,188                 |
| Dividends                                      | 8    | -                  | -                 | (40,000,000)        | (40,000,000)               |
| <b>Balance as at 31 March 2024 (Unaudited)</b> |      | <b>400,000,000</b> | <b>77,317,791</b> | <b>107,342,616</b>  | <b>584,660,407</b>         |
| <b>Balance as at 1 January 2025 (Audited)</b>  |      | <b>400,000,000</b> | -                 | <b>192,983,600</b>  | <b>592,983,600</b>         |
| Profit for the period                          |      | -                  | -                 | <b>63,026,083</b>   | <b>63,026,083</b>          |
| Other comprehensive Loss                       |      | -                  | -                 | <b>(1,158,814)</b>  | <b>(1,158,814)</b>         |
| Total comprehensive income for the period      |      | -                  | -                 | <b>61,867,269</b>   | <b>61,867,269</b>          |
| Dividends                                      | 8    | -                  | -                 | <b>(40,000,000)</b> | <b>(40,000,000)</b>        |
| <b>Balance as at 31 March 2025 (Unaudited)</b> |      | <b>400,000,000</b> | -                 | <b>214,850,869</b>  | <b>614,850,869</b>         |

Notes from 1 to 18 form an integral part of these condensed consolidated interim financial information.

\_\_\_\_\_  
**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 | Three-month period ended<br>31 March |                     |
|--|------|--------------------------------------|---------------------|
|  |      | 2025                                 | 2024                |
| <b>Cash flows from operating activities</b>  |      |                                      |                     |
| Profit for the period before zakat   |      | 71,311,583                           | 46,601,478          |
| <b>Adjustments for:</b>  |      |                                      |                     |
| Depreciation of property and equipment   |      | 1,207,776                            | 951,783             |
| Amortisation of intangible assets  |      | 38,226                               | 31,810              |
| Depreciation of the right-of-use assets  |      | 3,846,721                            | 3,229,902           |
| (Reversal)/provision for obsolescence inventory  |      | (236,781)                            | 7,354,130           |
| Gains on disposal of property and equipment  |      | -                                    | (38,260)            |
| Realized and unrealized profit from remeasurement of financial assets at fair value through profit or loss |      | -                                    | (1,146,242)         |
| Share of investments results accounted for using the equity method   |      | 791,805                              | -                   |
| Reversal of / (losses) on Impairment of Trade Receivables  |      | (6,968,516)                          | 6,157,828           |
| Provision for employees' end-of-service benefits   |      | 840,329                              | 641,679             |
| Finance cost   |      | 412,728                              | 965,796             |
| <b>Change in working capital</b>   |      |                                      |                     |
| Inventories  |      | 62,044,932                           | 48,130,812          |
| Trade receivables  |      | (55,676,485)                         | (105,591,270)       |
| Prepayments and other receivables  |      | 14,243,058                           | (1,778,807)         |
| Due to related parties   |      | (4,648,504)                          | -                   |
| Trade payables   |      | (5,759,598)                          | 1,540,042           |
| Accrued expenses and other liabilities   |      | 59,459,839                           | 22,810,382          |
| Employees' end of service benefits paid  |      | (483,453)                            | (78,973)            |
| <b>Net cash generated from operating activities</b>  |      | <b>140,423,660</b>                   | <b>29,782,090</b>   |
| <b>Cash flows from investing activities</b>  |      |                                      |                     |
| Purchase of property, equipment  |      | (1,011,851)                          | (760,312)           |
| Purchase of intangible assets  |      | -                                    | (153,548)           |
| Proceeds from disposal of property and equipment   |      | -                                    | 38,260              |
| <b>Net cash used in investing activities</b>   |      | <b>(1,011,851)</b>                   | <b>(875,600)</b>    |
| <b>Cash flows from financing activities</b>  |      |                                      |                     |
| Lease payments   |      | (4,208,926)                          | (3,272,075)         |
| Dividends paid   | 8    | (40,000,000)                         | (40,000,000)        |
| <b>Net cash used in financing activities</b>   |      | <b>(44,208,926)</b>                  | <b>(43,272,075)</b> |
| <b>Net change in cash and cash equivalents</b>   |      | <b>95,202,883</b>                    | <b>(14,365,585)</b> |
| Cash and cash equivalents at the beginning of the period   |      | 190,468,452                          | 130,711,135         |
| <b>Cash and cash equivalents at the end of the period</b>  |      | <b>285,671,335</b>                   | <b>116,345,550</b>  |
| <b>Significant non-cash transactions:</b>  |      |                                      |                     |
| Additions to right-of-use assets and lease liabilities   |      | 4,113,410                            | 4,401,355           |
| Change in re-measurement of employees' end of service benefits   |      | (1,158,814)                          | (90,290)            |

Notes from 1 to 18 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**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial information**  
**For the three-month period ended 31 March 2025**  
(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 2024: 27 branches).

The condensed consolidated interim financial information 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 |                  |
|-----------------------------------|--------------------------|----------------------------|------------------|
|                                   |                          | 31 March 2025              | 31 December 2024 |
| 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 53 branches (31 December 2024: 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 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 8 branches (31 December 2024: 8 branches).

**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).

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 2024. 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 2025.

### **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 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 information**  
**For the three-month period ended 31 March 2025**  
(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>Three-month<br/>period ended<br/>31 March<br/>2025<br/>(Unaudited)</b> | <b>For the<br/>year ended<br/>31 December<br/>2024<br/>(Audited)</b> |
|---|---|--|
| Balance at the beginning of period / year             | <b>290,383</b>  | 10,444,025   |
| Disposal during the period                            | -   | (12,392,015)   |
| Realized and unrealized gains from remeasurement, net | -   | 2,238,373  |
| Balance at the end of the period / year               | <b>290,383</b>  | 290,383  |

**7 Transactions with related parties**

*a Transactions with key management personnel*

The following table describes compensation of key management personnel:

|                                    | <b>Three-month period ended<br/>31 March<br/>(Unaudited)<br/>2025</b> | <b>2024</b> |
|------------------------------------|---|-------------|
| Short-term employees' benefits     | <b>529,416</b>  | 825,654     |
| Employees' end of service benefits | <b>40,671</b>   | 57,284      |
|                                    | <b>570,087</b>  | 882,938     |

*b Due to related parties*

|                                  | <b>31 March<br/>2025<br/>(Unaudited)</b> | <b>31 December<br/>2024<br/>(Audited)</b> |
|----------------------------------|--|---|
| Shareholders – lease liabilities | <b>2,949,687</b>                         | 2,420,026                                 |
| Jada Al-Harir Company            | <b>11,715,132</b>                        | 16,363,636                                |

*c Transactions with shareholders*

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

|                       | <b>Three-month period ended<br/>31 March<br/>(Unaudited)<br/>2025</b> | <b>2024</b> |
|-----------------------|---|-------------|
| Shareholders          | <b>431,413</b>  | 444,701     |
| Jada Al-Harir Company | <b>4,648,504</b>  | -           |

**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 27 February 2025, to distribute 40 million Saudi Riyals 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 Board of Directors decided on its meeting dated 20 February 2024 to distribute 40 million Saudi Riyals 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.

**Thob Al Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial information**  
**For the three-month period ended 31 March 2025**  
(All amounts are in Saudi Riyals unless otherwise stated)

**9 Share capital**

The Company's capital as of 31 March 2025 consists of 400 million shares with a nominal value of Saudi Riyal 1 per share (31 December 2024: 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.

**11 Accrued expenses and other liabilities**

|                              | <b>31 March<br/>2025</b> | <b>31 December<br/>2024</b> |
|------------------------------|--------------------------|-----------------------------|
| Contract liabilities         | <b>61,215,670</b>        | 20,397,168                  |
| Value added tax, net         | <b>22,989,880</b>        | 6,351,826                   |
| Accrued bonuses              | <b>4,024,286</b>         | 5,268,600                   |
| Commissions payable          | <b>3,081,991</b>         | 3,588,747                   |
| Accrued salaries             | <b>2,382,432</b>         | 2,193,368                   |
| Meeting attendance allowance | <b>3,860,000</b>         | 1,930,000                   |
| Advances from customers      | <b>633,533</b>           | 1,011,024                   |
| Others                       | <b>3,746,754</b>         | 1,733,974                   |
|                              | <b>101,934,546</b>       | 42,474,707                  |

**12 Segment information**

**12.1 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.

| <b>Segment</b> | <b>Principal Activity</b>  |
|----------------|--|
| 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:

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**12 Segment information** (continued)

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

|  | Three-month period ended 31 March 2025 |                   |                  |                    | Three-month period ended 31 March 2024 |            |          |             |
|--|--|-------------------|------------------|--------------------|--|------------|----------|-------------|
|  | Thobs                                  | Fabrics           | Fashions         | Total              | Thobs                                  | Fabrics    | Fashions | Total       |
| <b>Segment sales</b>                     | <b>170,815,161</b>                     | <b>49,969,257</b> | <b>4,695,650</b> | <b>225,480,068</b> | 162,138,538                            | 49,032,701 | -        | 211,171,239 |
| <b>Inter-segment sales</b>               | -                                      | -                 | -                | -                  | -                                      | -          | -        | -           |
| <b>Total sales to external customers</b> | <b>170,815,161</b>                     | <b>49,969,257</b> | <b>4,695,650</b> | <b>225,480,068</b> | 162,138,538                            | 49,032,701 | -        | 211,171,239 |

**Timing of revenues recognition**

|                              | Three-month period ended 31 March 2025 |                   |                  |                    | Three-month period ended 31 March 2024 |            |          |             |
|------------------------------|--|-------------------|------------------|--------------------|--|------------|----------|-------------|
|                              | Thobs                                  | Fabrics           | Fashions         | Total              | Thobs                                  | Fabrics    | Fashions | Total       |
| <b>At a point of time</b>    | <b>170,815,161</b>                     | <b>49,969,257</b> | <b>4,695,650</b> | <b>225,480,068</b> | 162,138,538                            | 49,032,701 | -        | 211,171,239 |
| <b>Over a period of time</b> | -                                      | -                 | -                | -                  | -                                      | -          | -        | -           |
| <b>Gross revenue</b>         | <b>170,815,161</b>                     | <b>49,969,257</b> | <b>4,695,650</b> | <b>225,480,068</b> | 162,138,538                            | 49,032,701 | -        | 211,171,239 |

|  | 31 March 2025     |                   |                    |                   | 31 March 2024 |              |          |               |
|--|-------------------|-------------------|--------------------|-------------------|---------------|--------------|----------|---------------|
|  | Thobs             | Fabrics           | Fashions           | Total             | Thobs         | Fabrics      | Fashions | Total         |
| Cost of sales  | (98,589,147)      | (24,919,572)      | (3,005,785)        | (126,514,504)     | (105,379,295) | (25,370,234) | -        | (130,749,529) |
| General and administrative expenses  | (7,830,744)       | (3,075,120)       | (728,932)          | (11,634,796)      | (7,658,061)   | (3,147,658)  | -        | (10,805,719)  |
| Selling and distribution expenses  | (11,452,070)      | (4,768,037)       | (672,459)          | (16,892,566)      | (8,668,296)   | (4,605,832)  | -        | (13,274,128)  |
| Reversal of / (losses) on impairment of trade receivables  | 6,972,975         | (4,459)           | -                  | 6,968,516         | (6,251,759)   | 93,931       | -        | (6,157,828)   |
| Depreciation and amortization  | (489,745)         | (578,761)         | (177,496)          | (1,246,002)       | (502,557)     | (481,036)    | -        | (983,593)     |
| Amortization expense of right-of-use assets  | (1,691,116)       | (1,538,137)       | (617,468)          | (3,846,721)       | (1,696,120)   | (1,533,782)  | -        | (3,229,902)   |
| Realized and unrealized profits from remeasurement of financial assets at fair value through profit or loss, net | -                 | -                 | -                  | -                 | -             | 1,146,242    | -        | 1,146,242     |
| Other income   | 202,121           | -                 | -                  | 202,121           | 450,492       | -            | -        | 450,492       |
| Finance cost   | (66,374)          | (265,967)         | (80,387)           | (412,728)         | (444,058)     | (521,738)    | -        | (965,796)     |
| Share of results of associate  | -                 | -                 | (791,805)          | (791,805)         | -             | -            | -        | -             |
| Zakat expense  | (7,835,500)       | (450,000)         | -                  | (8,285,500)       | (6,100,000)   | (450,000)    | -        | (6,550,000)   |
| <b>Profit for the year</b>   | <b>50,035,561</b> | <b>14,369,204</b> | <b>(1,378,682)</b> | <b>63,026,083</b> | 25,888,884    | 14,162,594   | -        | 40,051,478    |

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**12 Segment information (continued)**

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

**Total segment assets**

|                                   | <b>Thobs</b>       | <b>Fabrics</b>     | <b>Fashions</b>   | <b>Eliminated transactions</b> | <b>Total</b>       |
|-----------------------------------|--------------------|--------------------|-------------------|--------------------------------|--------------------|
| <b>31 March 2025 (Unaudited)</b>  | <b>755,494,801</b> | <b>159,697,463</b> | <b>34,988,249</b> | <b>(129,666,995)</b>           | <b>820,513,518</b> |
| <b>31 December 2024 (Audited)</b> | <b>703,009,840</b> | <b>144,393,485</b> | <b>-</b>          | <b>(107,927,215)</b>           | <b>739,476,110</b> |

**Total segment liabilities**

|                                   | <b>Thobs</b>       | <b>Fabrics</b>    | <b>Fashions</b>   | <b>Eliminated transactions</b> | <b>Total</b>       |
|-----------------------------------|--------------------|-------------------|-------------------|--------------------------------|--------------------|
| <b>31 March 2025 (Unaudited)</b>  | <b>140,297,402</b> | <b>89,323,389</b> | <b>38,111,128</b> | <b>(62,069,270)</b>            | <b>205,662,649</b> |
| <b>31 December 2024 (Audited)</b> | <b>111,353,794</b> | <b>87,427,888</b> | <b>-</b>          | <b>(52,289,172)</b>            | <b>146,492,510</b> |

**13 Earnings per share (EPS)**

Earnings per share has been calculated by dividing the net profit for the periods ending on 31 March 2025 and 2024 by 400 million shares.

**14 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.

**15 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>31 March 2025 (Unaudited)</b> | <b>31 December 2024 (Audited)</b> |
|-----------------------------|----------------------------------|-----------------------------------|
| Bank balances               | <b>283,968,636</b>               | 190,096,068                       |
| Trade and other receivables | <b>237,757,207</b>               | 175,018,220                       |
|                             | <b>521,725,843</b>               | 365,114,288                       |

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 31 March 2025 and 31 December 2024 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 2025, the exposure to credit risks for trade receivables by types of customers was as follows:

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**15 Credit Risk (continued)**

Trade receivables as at 31 March 2025 (unaudited)

1 *Thobs segment:*

| Debt status   | Expected<br>loss rate | Total<br>Carrying<br>amount | Expected<br>credit losses |
|---|-----------------------|-----------------------------|---------------------------|
| Current   | 1,82%                 | 122,598,143                 | 2,236,381                 |
| Past due > 30 days  | 2,08%                 | 51,887,567                  | 1,077,643                 |
| Past due > 60 days  | 2,28%                 | 8,367,832                   | 191,163                   |
| Past due > 90 days  | 2,55%                 | 13,183,902                  | 336,435                   |
| Past due > 120 days   | 3,17%                 | 10,254,022                  | 325,242                   |
| Past due > 180 days   | 4,74%                 | 6,848,282                   | 324,676                   |
| Past due > 270 days till 1 year   | 8,90%                 | 3,070,536                   | 273,285                   |
| Past due > 1 year till 2 years  | 22,66%                | 1,247,426                   | 282,616                   |
| Default customers and others that are past due<br>for more than two years | 52,73% - 100%         | 66,809,777                  | 66,785,175                |
|   |                       | <b>284,267,487</b>          | <b>71,832,616</b>         |

2 *Fabrics segment:*

| Debt status   | Expected<br>loss rate | Total<br>Carrying<br>amount | Expected<br>credit losses |
|---|-----------------------|-----------------------------|---------------------------|
| Current   | 0,66%                 | 5,158,111                   | 33,852                    |
| Past due > 30 days  | 0,81%                 | 6,291,495                   | 50,834                    |
| Past due > 60 days  | 0,88%                 | 8,774,243                   | 76,914                    |
| Past due > 90 days  | 0,98%                 | 438,516                     | 4,306                     |
| Past due > 120 days   | 1,27%                 | 775,016                     | 9,854                     |
| Past due > 180 days   | 2,09%                 | 719,153                     | 15,058                    |
| Past due > 270 days till 1 year   | 4,71%                 | 776,331                     | 36,577                    |
| Past due > 1 year till 2 years  | 14,24%                | 1,686,836                   | 240,188                   |
| Default customers and others that are past due<br>for more than two years | 45,42% - 100%         | 2,674,564                   | 2,575,058                 |
|   |                       | <b>27,294,265</b>           | <b>3,042,641</b>          |
| Total   |                       | <b>311,561,752</b>          | <b>74,875,257</b>         |

Trade receivables as at 31 December 2024 (Audited)

1 *Thobs segment:*

| Debt status   | Expected<br>loss rate | Total<br>Carrying<br>amount | Expected<br>credit losses |
|---|-----------------------|-----------------------------|---------------------------|
| Current   | 1,79%                 | 29,252,362                  | 524,867                   |
| Past due > 30 days  | 2,04%                 | 18,512,966                  | 378,439                   |
| Past due > 60 days  | 2,25%                 | 16,476,259                  | 370,474                   |
| Past due > 90 days  | 2,51%                 | 11,460,472                  | 287,571                   |
| Past due > 120 days   | 3,11%                 | 16,504,767                  | 513,693                   |
| Past due > 180 days   | 4,67%                 | 45,304,433                  | 2,113,951                 |
| Past due > 270 days till 1 year   | 8,70%                 | 33,410,333                  | 2,906,281                 |
| Past due > 1 year till 2 years  | 21,89%                | 439,161                     | 96,114                    |
| Default customers and others that are past due<br>for more than two years | 51,51% - 100%         | 65,936,310                  | 65,891,864                |
|   |                       | <b>237,297,063</b>          | <b>73,083,254</b>         |

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**15 Credit Risk (continued)**

*Trade receivables as at 31 December 2024 (Audited) (continued)*

**2 Fabrics segment:**

| <b>Debt status</b>   | <b>Expected loss rate</b> | <b>Total Carrying amount</b> | <b>Expected credit losses</b> |
|--|---------------------------|------------------------------|-------------------------------|
| Current  | 0,71%                     | 844,772                      | 6,008                         |
| Past due > 30 days   | 0,87%                     | 813,826                      | 7,110                         |
| Past due > 60 days   | 0,94%                     | 1,203,525                    | 11,333                        |
| Past due > 90 days   | 1,04%                     | 702,179                      | 7,335                         |
| Past due > 120 days  | 1,34%                     | 906,135                      | 12,100                        |
| Past due > 180 days  | 2,16%                     | 1,834,043                    | 39,683                        |
| Past due > 270 days till 1 year  | 4,77%                     | 2,837,188                    | 135,468                       |
| Past due > 1 year till 2 years   | 14,16%                    | 937,408                      | 132,752                       |
| Default customers and others that are past due for more than two years | 44,79% - 100%             | 2,786,791                    | 2,686,393                     |
|  |                           | 12,865,867                   | 3,038,182                     |
| <b>Total</b>   |                           | <b>250,162,930</b>           | <b>76,121,436</b>             |

**Sensitivity analysis for future circumstances expectations as at 31 March 2025 (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 2025 that would result from reasonably possible changes in the Unemployment rate parameters from the actual assumptions used in the Group's economic variable assumption:

|  | <b>Value in SR</b> |
|--|--------------------|
| Basic value for impairment losses in trade receivables       | <b>74,875,257</b>  |
| If the expectations of future circumstances increased by 10% | <b>74,915,432</b>  |
| If the expectations of future circumstances decreased by 10% | <b>74,835,082</b>  |

**Sensitivity analysis for future circumstances expectations as at 31 December 2024 (Audited)**

|  | <b>Value in SR</b> |
|--|--------------------|
| Basic value for impairment losses in trade receivables       | 76,121,436         |
| If the expectations of future circumstances increased by 10% | 76,153,553         |
| If the expectations of future circumstances decreased by 10% | 76,089,318         |

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

|                                     | <b>Trade receivable</b> | <b>Other receivables</b> | <b>Total</b>       |
|-------------------------------------|-------------------------|--------------------------|--------------------|
| <b>At 1 January 2025 (Audited)</b>  | <b>76,121,437</b>       | <b>298,063</b>           | <b>76,419,500</b>  |
| Adjustments during the period*      | <b>5,722,336</b>        | -                        | <b>5,722,336</b>   |
| Reversal during the period          | <b>(6,968,516)</b>      | -                        | <b>(6,968,516)</b> |
| <b>At 31 March 2025 (Unaudited)</b> | <b>74,875,257</b>       | <b>298,063</b>           | <b>75,173,320</b>  |
|                                     | <b>Trade receivable</b> | <b>Other receivables</b> | <b>Total</b>       |
| At 1 January 2024 (Audited)         | 61,580,932              | 1,882,213                | 63,463,145         |
| Charge for the period               | 6,157,828               | -                        | 6,157,828          |
| At 31 March 2025 (Unaudited)        | 67,738,760              | 1,882,213                | 69,620,973         |

\* The adjustments during the period represent settlements of the allowance for impairment of trade and other receivables. These adjustments relate to the write-off of bad debts from previous periods that can be recovered. Accordingly, the Company recognized those adjustments.

**16 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 2023.

**17 Subsequent events**

In management's view, there have been no significant subsequent events since 31 March 2025 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.

**18 Board of directors' approval**

These condensed consolidated interim financial information have been approved by the Board of Directors on 10 Dhu Al-Qi'dah 1446 H (corresponding to 8 May 2025).