



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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)  
AND REVIEW REPORT FOR THE THREE-  
MONTH AND NINE-MONTH PERIODS  
ENDED 30 SEPTEMBER 2022**

**Thob Al-Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Condensed Consolidated Interim Financial Statements for the three-month and nine-month periods ended 30 September 2022 (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)**

### *Introduction*

We have reviewed the accompanying condensed consolidated interim statement of financial position of Thob Al-Aseel Company and its subsidiary (collectively referred to as the “Group”) as at 30 September 2022 and the related condensed consolidated interim statements of income, comprehensive income for the three-month and nine-month periods ended 30 September 2022 and the condensed consolidated interim statements of changes in shareholders’ equity and cash flows for the nine-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”, that is 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.

### *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 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.

### *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**

Mubadala Abbas Ali  
License No. 447



7 Rabi' Al-Thani 1444H  
(1 November 2022)

**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)

	Notes	As at 30 September 2022 (Unaudited)	As at 31 December 2021 (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment		17,461,035	16,877,542
Right-of-use assets		21,500,462	18,597,131
Intangible assets		627,696	715,741
<b>Total non-current assets</b>		<b>39,589,193</b>	<b>36,190,414</b>
<b>Current assets</b>			
Inventory		277,240,426	263,992,974
Trade receivables	13	272,034,507	241,153,345
Prepayments and other receivables		14,321,238	10,824,825
Financial assets at fair value through profit or loss	6	9,117,837	-
Cash and cash equivalents		68,699,229	134,510,281
<b>Total current assets</b>		<b>641,413,237</b>	<b>650,481,425</b>
<b>Total assets</b>		<b>681,002,430</b>	<b>686,671,839</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	9	400,000,000	400,000,000
Statutory reserve		64,282,586	64,282,586
Retained earnings		102,610,467	114,933,098
<b>Total shareholders' equity</b>		<b>566,893,053</b>	<b>579,215,684</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		7,357,840	4,256,698
Employees' end of service benefits		15,261,495	14,247,611
<b>Total non-current liabilities</b>		<b>22,619,335</b>	<b>18,504,309</b>
<b>Current liabilities</b>			
Trade payables		47,204,149	38,706,127
Lease liabilities		14,739,849	14,999,709
Accrued expenses and other liabilities		16,581,051	18,187,121
Provision for zakat		12,964,993	17,058,889
<b>Total current liabilities</b>		<b>91,490,042</b>	<b>88,951,846</b>
<b>Total liabilities</b>		<b>114,109,377</b>	<b>107,456,155</b>
<b>Total shareholders' equity and liabilities</b>		<b>681,002,430</b>	<b>686,671,839</b>

Notes on pages 7 to 16 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 income (Unaudited)**  
(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2022	2021	2022	2021
Sales	10	<b>65,429,583</b>	83,330,961	<b>408,360,915</b>	390,224,226
Cost of sales		<b>(36,748,059)</b>	(52,676,033)	<b>(239,584,894)</b>	(250,997,433)
<b>Gross Profit</b>		<b>28,681,524</b>	30,654,928	<b>168,776,021</b>	139,226,793
General and administrative expenses		<b>(7,886,130)</b>	(7,764,584)	<b>(24,681,744)</b>	(25,491,969)
Selling and distribution expenses		<b>(11,586,714)</b>	(10,610,724)	<b>(37,498,726)</b>	(36,588,580)
Impairment losses on trade receivables	13	<b>(1,691,507)</b>	(4,208,577)	<b>(43,138,952)</b>	(9,363,390)
Realized and unrealized gains / (losses) from remeasurement of financial assets at fair value through profit or loss	6	<b>169,330</b>	-	<b>(1,182,163)</b>	-
Other income		<b>175,459</b>	61,866	<b>410,753</b>	179,441
<b>Operating profit</b>		<b>7,861,962</b>	8,132,909	<b>62,685,189</b>	67,962,295
Finance cost		<b>(704,451)</b>	(514,021)	<b>(2,103,031)</b>	(1,124,403)
<b>Profit for the period before zakat</b>		<b>7,157,511</b>	7,618,888	<b>60,582,158</b>	66,837,892
Zakat expense		<b>(3,500,000)</b>	(4,038,897)	<b>(12,900,000)</b>	(14,798,492)
<b>Profit for the period</b>		<b>3,657,511</b>	3,579,991	<b>47,682,158</b>	52,039,400
<b>Basic and diluted earnings per share based on period profit attributable to the shareholders of the Company</b>	11	<b>0.09</b>	0.09	<b>1.19</b>	1.30

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**Chief Financial Officer**

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**Condensed consolidated interim statement of comprehensive income (Unaudited)**  
(All amounts are in Saudi Riyals unless otherwise stated)

	<b>Three-month period ended 30 September</b>		<b>Nine-month period ended 30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Profit for the period</b>	<b>3,657,511</b>	3,579,991	<b>47,682,158</b>	52,039,400
<b>Items that may not be reclassified subsequently in the statement of income:</b>				
Re-measurement of employees' end of service benefits	<b>(252,211)</b>	(221,374)	<b>(4,789)</b>	(664,625)
<b>Total comprehensive income for the period</b>	<b>3,405,300</b>	3,358,617	<b>47,677,369</b>	51,374,775

Notes on pages 7 to 16 form an integral part of these condensed consolidated interim financial statements.

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**Condensed consolidated interim statement of changes in shareholders' equity**  
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Share capital	Other reserves	Statutory reserve	Retained earnings	Total shareholders' equity
<b>Balance as at 1 January 2021 (Audited)</b>		300,000,000	58,309,559	42,912,185	141,585,540	542,807,284
Profit for the period		-	-	-	52,039,400	52,039,400
Other comprehensive loss		-	-	-	(664,625)	(664,625)
Total comprehensive income for the period		-	-	-	51,374,775	51,374,775
Dividends		-	-	-	(22,500,000)	(22,500,000)
<b>Balance as at 30 September 2021 (Unaudited)</b>		300,000,000	58,309,559	42,912,185	170,460,315	571,682,059
<b>Balance as at 1 January 2022 (Audited)</b>	9	400,000,000	-	64,282,586	114,933,098	579,215,684
Profit for the period		-	-	-	47,682,158	47,682,158
Other comprehensive loss		-	-	-	(4,789)	(4,789)
Total comprehensive income for the period		-	-	-	47,677,369	47,677,369
Dividends	8	-	-	-	(60,000,000)	(60,000,000)
<b>Balance as at 30 September 2022 (Unaudited)</b>		400,000,000	-	64,282,586	102,610,467	566,893,053

Notes on pages 7 to 16 form an integral part of these condensed consolidated interim financial statements.

**Chief Financial Officer**

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**Condensed consolidated interim statement of cash flows (Unaudited)**  
(All amounts are in Saudi Riyals unless otherwise stated)

	Notes	Nine-month period ended 30 September	
		2022	2021
<b>Cash flows from operating activities</b>			
Profit for the period before zakat		60,582,158	66,837,892
<b>Adjustments for:</b>			
Depreciation of property and equipment		1,315,387	1,146,867
Amortisation of intangible assets		88,045	152,159
Depreciation of the right-of-use assets		7,606,083	7,986,348
Provision for slow-moving inventories		913,441	4,835,550
Gains on disposal of property and equipment		(188,058)	(21,000)
Realized and unrealized losses from remeasurement of financial assets at fair value through profit or loss	6	1,182,163	-
Impairment losses on trade receivables		43,138,952	9,363,390
Provision for employees' end of service benefits		1,388,368	1,200,926
Finance cost		2,103,031	1,124,403
<b>Change in working capital</b>			
Inventory		(14,160,893)	97,244,218
Trade receivables		(74,020,114)	(91,091,979)
Prepayments and other receivables		(3,496,413)	(3,821,980)
Trade payables		8,498,022	(10,987,792)
Accrued expenses and other liabilities		(1,606,070)	(366,783)
Zakat paid		(16,993,896)	(15,391,070)
Employees' end of service benefits paid		(379,273)	(568,569)
<b>Net cash generated from operating activities</b>		<b>15,970,933</b>	<b>67,642,580</b>
<b>Cash flows from investing activities</b>			
Purchase of property, equipment and intangible assets		(1,901,677)	(1,291,503)
Proceeds from disposal of property and equipment		190,855	21,000
Additions to financial assets at fair value through profit or loss	6	(10,300,000)	-
<b>Net cash used in investing activities</b>		<b>(12,010,822)</b>	<b>(1,270,503)</b>
<b>Cash flows from financing activities</b>			
Lease payments		(9,771,163)	(9,291,975)
Credit facilities paid		-	(9,110,316)
Dividends paid	8	(60,000,000)	(22,500,000)
<b>Net cash used in financing activities</b>		<b>(69,771,163)</b>	<b>(40,902,291)</b>
<b>Net change in cash and cash equivalents</b>		<b>(65,811,052)</b>	<b>25,469,786</b>
Cash and cash equivalents at the beginning of the period		134,510,281	65,743,784
<b>Cash and cash equivalents at the end of the period</b>		<b>68,699,229</b>	<b>91,213,570</b>
<b>Significant non-cash transactions:</b>			
Right-of-use assets and related lease liabilities		10,509,414	8,019,772
Change in re-measurement of employees' end of service benefits		(4,789)	(664,625)

Notes on pages 7 to 16 form an integral part of these condensed consolidated interim financial statements.

**Chief Financial Officer**

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**Thob Al-Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2022**  
(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, King Fahad Road, opposite to the Insurance Complex, PO box: 23236, Riyadh, 11426.

The Company’s main activity is to import, export, wholesale retail in fabrics and readymade clothes.

The Company practices its activities through 21 branches (2021: 21 branches), each having a separate commercial registration.

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

Subsidiary	Country of incorporation	Ownership percentage as of	
		30 September 2022	31 December 2021
Aljedaie Fabrics Company	Kingdom of Saudi Arabia	100%	100%

**Subsidiary**

AlJedaie 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 sales of textiles, clothing and wholesale of women's and men's fabrics, sewing supplements, men's clothing, women's clothing, children's clothing and retail for fabrics and men's clothing.

The Subsidiary practices its activities through 33 branches (2021: 33 branches, each having a separate commercial registration).

**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” that is 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 as at 31 December 2021. 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 financial statements which were prepared in accordance with International Financial Reporting Standards that are issued by the International Accounting Standard Interpretations Committee as 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”.

**Thob Al-Aseel Company**  
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**Notes to the condensed consolidated interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2022**  
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**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:

- investment in equity instruments is measured at fair value through profit or loss;
- employees' termination benefits are recognized at the present value of future obligations using the projected unit credit method; and
- lease obligations are measured at net present value of future lease payments.

**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**

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiary as at 30 September 2022.

*Subsidiary*

Subsidiary is an entity 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of a subsidiary to bring its accounting policies into line with the Group's accounting policies. 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.

**Thob Al-Aseel Company**  
**(A Saudi Joint Stock Company)**  
**Notes to the condensed consolidated interim financial statements**  
**For the three-month and nine-month periods ended 30 September 2022**  
(All amounts are in Saudi Riyals unless otherwise stated)

**4 Functional and presentation currency**

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

**5 New Standards, Amendment to Standards and Interpretations**

There are no new standards issued, however, a number of amended standards became which are effective from 1 January 2022 and has been explained in the Group annual consolidated financial statements, but they do not have a material effect on the Group's condensed consolidated interim financial statements. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

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

During the nine-month period ended 30 September 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 is included in the condensed consolidated interim statement of income.

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

	<b>Nine -month period ended 30 September (Unaudited) 2022</b>
As at 1 January	-
Additions during the period	<b>10,300,000</b>
Realized and unrealized losses from remeasurement	<b>(1,182,163)</b>
As at 30 September 2022	<b><u>9,117,837</u></b>

**7 Transactions with related parties**

*a. Transactions with key management personnel:*

The following table describes compensation of key management personnel:

	<b>Nine-month period ended 30 September (Unaudited)</b>	
	<b>2022</b>	<b>2021</b>
Employees short-term benefits	<b>2,084,667</b>	1,995,911
End of service benefits	<b>162,112</b>	107,942
	<b><u>2,246,779</u></b>	<b><u>2,103,853</u></b>

*b. Due to related parties*

	<b>Nature of relationship</b>	<b>30 September (Unaudited) 2022</b>	<b>31 December (Audited) 2021</b>
Shareholders – lease liabilities	Shareholders	<b><u>4,263,497</u></b>	2,448,094

**Thob Al-Aseel Company**  
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**7 Transactions with related parties (continued)**

*c. Transactions with shareholders*

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

	Nature of Transaction	Nine-month period ended 30 September (Unaudited)	
		2022	2021
Shareholders	Rentals	<b>1,752,721</b>	1,190,212

**8 Dividends**

Final dividends are recorded in the period in which they are approved by the shareholders during the General Assembly meeting. The Board of Directors, in its meeting held on 20 February 2022, decided to distribute Saudi Riyals 30 million (Saudi Riyals 0.75 per share) as dividends for the second half of the fiscal year 2021 in accordance with the authorization granted by the Ordinary General Assembly held on 28 June 2021 to the Board of Directors to distribute interim dividends for the year 2021. Dividends have been paid on 26 April 2022. The Board of Directors, in its meeting held on 27 July 2022, have also decided to distribute Saudi Riyals 30 million (Saudi Riyals 0.75 per share) as dividends for the first half of the fiscal year 2022 in accordance with the authorization of the Ordinary General Assembly of the Board of Directors to distribute interim dividends for the year 2022, which was held on 26 June 2022. Dividends have been paid on 17 August 2022.

The Board of Directors, in its meeting held on 14 July 2021, decided to distribute Saudi Riyals 22.5 million (Saudi Riyals 0.75 per share) as dividends for the first half of the fiscal year 2021 in accordance with the authorization granted by the Ordinary General Assembly to the Board of Directors to distribute interim dividends for the year 2021, which was held on 28 June 2021. Dividends have been paid on 30 September 2021.

**9 Share capital**

The share capital of the Group as at 30 September 2022 comprises of 40 million shares (31 December 2021: 40 million shares) stated at Saudi Riyals 10 per share.

On 21 October 2021, the extra ordinary general assembly meeting approved the board of directors recommendation to increase share capital from Saudi Riyals 300 million to Saudi Riyals 400 million equivalent to 33% to increase the number of the Group's shares from 30 million shares to 40 million shares, by granting one free share for every three shares and the eligibility to be for shareholders who are registered in the Group's shareholder register with the Securities Depository Center at the end of the second trading day following the date of extra ordinary general assembly meeting. The value of the share capital increased through transferring an amount of Saudi Riyals 57.1 million from retained earnings and transferring an amount of Saudi Riyals 42.9 million from other reserves. The Group aims to strengthen its capital to match the size of its business and expansion of its business during the coming years and maintaining financial solvency.

**Thob Al-Aseel Company**  
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**10 Segment information**

**10-1 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 thobes 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 Chief executive Officer ("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>
Thobes	Main activities include sales of readymade clothes.
Fabrics	Main activities include sales of Fabrics.

**10-2 Segments financial information (unaudited)**

	<b>Three-month period ended 30 September 2022</b>			<b>Three-month period ended 30 September 2021</b>		
	<b>Thobes</b>	<b>Fabrics</b>	<b>Total</b>	<b>Thobes</b>	<b>Fabrics</b>	<b>Total</b>
<b>Segment sales</b>	<b>49,310,738</b>	<b>16,118,845</b>	<b>65,429,583</b>	68,609,184	14,721,777	83,330,961
<b>Inter-segment sales between Sectors</b>	-	-	-	-	-	-
<b>Gross sales to external customers</b>	<b>49,310,738</b>	<b>16,118,845</b>	<b>65,429,583</b>	68,609,184	14,721,777	83,330,961
	<b>Nine-month period ended 30 September 2022</b>			<b>Nine-month period ended 30 September 2021</b>		
	<b>Thobes</b>	<b>Fabrics</b>	<b>Total</b>	<b>Thobes</b>	<b>Fabrics</b>	<b>Total</b>
<b>Segment sales</b>	<b>334,191,849</b>	<b>74,169,066</b>	<b>408,360,915</b>	325,655,173	64,569,053	390,224,226
<b>Inter-segment sales between Sectors</b>	-	-	-	-	-	-
<b>Gross sales to external customers</b>	<b>334,191,849</b>	<b>74,169,066</b>	<b>408,360,915</b>	325,655,173	64,569,053	390,224,226

**Timing of revenues recognition**

	<b>Three-month period ended 30 September 2022</b>			<b>Three-month period ended 30 September 2021</b>		
	<b>Thobes</b>	<b>Fabrics</b>	<b>Total</b>	<b>Thobes</b>	<b>Fabrics</b>	<b>Total</b>
<b>At certain point of time</b>	<b>49,310,738</b>	<b>16,118,845</b>	<b>65,429,583</b>	68,609,184	14,721,777	83,330,961
<b>Over a period of time</b>	-	-	-	-	-	-
<b>Gross revenue</b>	<b>49,310,738</b>	<b>16,118,845</b>	<b>65,429,583</b>	68,609,184	14,721,777	83,330,961
<b>Adjusted EBITDA</b>	<b>6,728,936</b>	<b>4,132,795</b>	<b>10,861,731</b>	8,331,170	2,946,945	11,278,115

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**10 Segment information (continued)**

**10-2 Segments financial information (unaudited) (continued)**

**Timing of revenues recognition (continued)**

	Nine-month period ended 30 September 2022			Nine-month period ended 30 September 2021		
	Thobes	Fabrics	Total	Thobes	Fabrics	Total
<b>At certain point of time</b>	<b>334,191,849</b>	<b>74,169,066</b>	<b>408,360,915</b>	<b>325,655,173</b>	<b>64,569,053</b>	<b>390,224,226</b>
<b>Over a period of time</b>	-	-	-	-	-	-
<b>Gross revenue</b>	<b>334,191,849</b>	<b>74,169,066</b>	<b>408,360,915</b>	<b>325,655,173</b>	<b>64,569,053</b>	<b>390,224,226</b>
<b>Adjusted EBITDA</b>	<b>53,058,292</b>	<b>18,636,412</b>	<b>71,694,704</b>	<b>61,303,575</b>	<b>15,944,094</b>	<b>77,247,669</b>

A reconciliation of adjusted EBITDA to profit for the period is provided as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
<b>Adjusted EBITDA</b>	<b>10,861,731</b>	11,278,115	<b>71,694,704</b>	77,247,669
<b>Finance costs</b>	<b>(704,451)</b>	(514,021)	<b>(2,103,031)</b>	(1,124,403)
<b>Zakat</b>	<b>(3,500,000)</b>	(4,038,897)	<b>(12,900,000)</b>	(14,798,492)
<b>Depreciation and amortisation</b>	<b>(2,999,769)</b>	(3,145,206)	<b>(9,009,515)</b>	(9,285,374)
<b>Profit for the period</b>	<b>3,657,511</b>	3,579,991	<b>47,682,158</b>	52,039,400

**Total segment assets**

	Thobes	Fabrics	Eliminated transactions	Total
<b>30 September 2022 (Unaudited)</b>	<b>648,268,706</b>	<b>105,738,150</b>	<b>(73,004,426)</b>	<b>681,002,430</b>
<b>31 December 2021 (Audited)</b>	656,107,621	110,075,526	(79,511,308)	686,671,839

**Total segment liabilities**

	Thobes	Fabrics	Eliminated transactions	Total
<b>30 September 2022 (Unaudited)</b>	<b>81,319,604</b>	<b>72,229,600</b>	<b>(39,439,827)</b>	<b>114,109,377</b>
<b>31 December 2021 (Audited)</b>	76,835,888	61,260,316	(30,640,049)	107,456,155

**11 Earnings per share (EPS)**

Earnings per share has been calculated by dividing net profit for the three-month and nine-month periods ended 30 September 2022 and 2021 by 40 million shares.

**12 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.

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**13 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 September 2022 (Unaudited)</b>	<b>31 December 2021 (Audited)</b>
Bank balances	<b>68,111,813</b>	134,251,137
Trade receivables, prepayments and other receivables	<b>273,344,761</b>	242,399,581
	<b>341,456,574</b>	376,650,718

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

*Bank balances*

Cash balances are held with banks having a credit rating of BBB- and above.

*Trade receivables*

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, permits the use of the lifetime expected loss provision for all lifetime trade receivables. The loss provision as at 30 September 2022 and 31 December 2021 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 September 2022, the exposure to credit risks for trade receivables by types of customers was as follows:

*Trade receivables as at 30 September 2022 (Unaudited)*

*1- Thobes segment:*

<b>Debt status</b>	<b>Expected loss rate</b>	<b>Total carrying amount</b>	<b>Expected credit losses</b>
Current	1.41%	17,094,082	241,056
Past due > 30 days	1.69%	13,424,681	227,170
Past due > 60 days	2.08%	19,006,345	395,193
Past due > 90 days	2.69%	31,476,280	845,596
Past due > 120 days	4.01%	84,202,415	3,378,877
Past due > 180 days	7.65%	75,601,558	5,780,337
Past due > 270 days till 1 year	15.30%	12,183,425	1,864,143
Past due > 1 year till 2 years	36.34%	18,196,452	6,613,363
Default customers and others that are past due for more than two years	79.65% - 100%	71,028,383	69,837,718
		<b>342,213,621</b>	<b>89,183,453</b>

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**13 Credit Risk (continued)**

2- *Fabrics segment:*

<b>Debt status</b>	<b>Expected loss rate</b>	<b>Total carrying amount</b>	<b>Expect credit losses</b>
Current	1.44%	1,922,273	27,658
Past due > 30 days	1.69%	1,712,074	28,853
Past due > 60 days	1.85%	745,616	13,758
Past due > 90 days	2.13%	2,552,957	54,305
Past due > 120 days	2.82%	3,274,560	92,414
Past due > 180 days	4.63%	6,533,986	302,411
Past due > 270 days till 1 year	9.78%	1,127,264	110,251
Past due > 1 year till 2 years	25.62%	2,129,637	545,696
Default customers and others that are past due for more than two years	68.64% - 100%	2,999,830	2,818,512
		<b>22,998,197</b>	<b>3,993,858</b>
<b>Total</b>		<b>365,211,818</b>	<b>93,177,311</b>

Trade receivables as at 31 December 2021 (Audited)

1- *Thobes segment:*

<b>Debt status</b>	<b>Expected loss rate</b>	<b>Total carrying amount</b>	<b>Expected credit losses</b>
Current	0.18% - 0.99%	25,219,251	245,660
Past due > 30 days	1.19%	17,104,748	204,001
Past due > 60 days	1.49%	22,227,813	330,634
Past due > 90 days	1.96%	40,397,737	792,504
Past due > 120 days	3.03%	22,163,163	671,203
Past due > 180 days	5.92%	75,619,176	4,478,565
Past due > 270 days till 1 year	12.75%	16,551,387	2,109,534
Past due > 1 year till 2 years	32.85%	22,306,433	7,327,303
Default customers and others that are past due for more than two years	72.64% - 100%	31,585,151	29,911,361
		<b>273,174,859</b>	<b>46,070,765</b>

2- *Fabrics segment:*

<b>Debt status</b>	<b>Expected loss rate</b>	<b>Total carrying amount</b>	<b>Expect credit losses</b>
Current	1.35%	1,199,948	16,192
Past due > 30 days	1.58%	2,216,339	35,029
Past due > 60 days	1.73%	1,079,597	18,662
Past due > 90 days	1.99%	757,218	15,070
Past due > 120 days	2.64%	1,424,253	37,567
Past due > 180 days	4.32%	3,485,419	150,690
Past due > 270 days till 1 year	9.13%	2,781,675	254,087
Past due > 1 year till 2 years	23.90%	1,851,833	442,610
Default customers and others that are past due for more than two years	63.72% - 100%	3,220,563	2,997,687
		<b>18,016,845</b>	<b>3,967,594</b>
<b>Total</b>		<b>291,191,704</b>	<b>50,038,359</b>



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**13 Credit Risk (continued)**

**Sensitivity analysis for future circumstances expectations as at 30 September 2022 (Unaudited)**

	<b>Value in SR</b>
Basic value for impairment losses in trade receivables	93,177,311
If the expectations of future circumstances increased by 10%	93,635,429
If the expectations of future circumstances decreased by 10%	92,719,194

Impairment losses on trade receivables and provision for impairment of prepayments and other receivables are as follows:

	<b>Trade receivable</b>	<b>Prepayments</b>	<b>Total</b>
<b>At 1 January 2022 (Audited)</b>	<b>50,038,359</b>	<b>1,820,577</b>	<b>51,858,936</b>
Charge for the period	<b>43,138,952</b>	-	<b>43,138,952</b>
<b>At 30 September 2022 (Unaudited)</b>	<b>93,177,311</b>	<b>1,820,577</b>	<b>94,997,888</b>

**14 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, it includes both the parent company and its subsidiary. Zakat declarations were submitted until 2021 to ZATCA and the payment of zakat due thereunder. The Group also obtained a certificate of zakat valid until 10 Shawwal 1444H corresponding to 30 April 2023.

The Group received zakat assessments from ZATCA on zakat returns for the years from 2014 to 2018 claiming zakat differences amounting to Saudi Riyals 7.51 million compared to the zakat paid for those years. The Group appealed to these amendments and the amount was reduced to Saudi Riyals 3.50 million. Then the appeals for the years mentioned have been escalated to the General Secretariat of Tax Committees. The General Secretariat of Tax Committees issued its ruling that did not accept the appeal with the right of the Group to file an appeal. On 28 December 2021, the Group submitted a request to the appeal committees within the legal period to object to the ruling issued by the General Secretariat of the Zakat and Tax Committees, and the application is being studied by the appeal committees. Management believes that it has good reasons to rebut these assessments and has concluded that there is no need to adjust the zakat provision.

For the years 2019 and 2020, ZATCA examined the zakat returns submitted by the Group and based on the notification received from ZATCA, the examination case was closed without any additional claims.

**15 Impact of Covid pandemic**

In response to the spread of the new Coronavirus (Covid-19) in the Kingdom of Saudi Arabia, where the Group operates, and the consequent disruption of some aspects of economic and social activities in the Kingdom. The management has assessed the impact of the pandemic on its operations and took a series of preventive measures, to ensure the health and safety of its employees, its customers and the wider community as well as to ensure the continuity of supplying its products to the market. Despite these challenges, the Group was able to create additional sales channels, which supported the Group's operations during the first nine months of 2022. The Covid-19 pandemic did not have a material negative impact on the condensed consolidated interim financial statements except for the increase in the balance of trade receivables as of 30 September 2022 (Note 13). The Group continues to monitor the situation closely to take any necessary actions when needed.

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**16 Subsequent events**

In management's view, there have been no significant subsequent events since 30 September 2022 till the approval date of these condensed consolidated interim financial statements that may have significant impact on the Group condensed consolidated interim statement of financial position nor the disclosure of the condensed consolidated interim financial statement.

**17 Board of directors' approval**

These condensed consolidated interim financial statements have been approved by the Board of Directors on 29 Rabi' al-Awal 1444H (corresponding to 25 October 2022).