THOB AL ASEEL COMPANY
(SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE THREE AND SIX-MONTHS
PERIOD ENDED 30 JUNE 2026 (Unaudited)
AND INDEPENDENT AUDITOR'S REVIEW REPORT

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

C.R. No. 1010383821
Unified No. 7000117205

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

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Thob Al Aseel Company ("the Company") and its subsidiaries (collectively referred to as "the Group" as at 30 June 2026, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods ended 30 June 2026, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

for Ernst & Young Professional Services

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

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سجل تجاري ١٠١٠٣٨٣٨٢١
CR. 1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 22 Safar 1448H
(5 August 2026)

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

	Note	**As at 30 June 2026 (Unaudited)**	**As at 31 December 2025 (Audited)**
Assets			
Non-current assets			
Property and equipment		**26,100,891**	26,335,173
Right-of-use assets		**33,163,672**	32,390,173
Financial assets at fair value through profit or loss (FVTPL)	7	**14,990,210**	9,770,000
Investments in an associate		**626,608**	-
Intangible assets		**569,953**	652,092
Total non-current assets		**75,451,334**	69,147,438
Current assets			
Inventory	6	**203,901,110**	262,529,341
Trade receivables	15	**235,992,082**	106,392,009
Prepayments and other receivables		**38,497,814**	33,149,725
Due from related parties	8	**2,484,047**	3,165,558
Financial assets at fair value through profit or loss (FVTPL)	7	**398,321**	384,036
Cash and cash equivalents		**276,183,750**	283,643,516
Total current assets		**757,457,124**	689,264,185
Total assets		**832,908,458**	758,411,623
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	10	**400,000,000**	400,000,000
Retained earnings		**254,033,436**	210,579,357
Total shareholders' equity		**654,033,436**	610,579,357
Liabilities			
Non-current liabilities			
Lease liabilities		**13,329,702**	12,464,522
Employees' end of service benefits		**21,263,445**	21,244,011
Total non-current liabilities		**34,593,147**	33,708,533
Current liabilities			
Trade payables		**18,047,201**	18,841,297
Lease liabilities		**23,313,082**	20,750,869
Accrued expenses and other liabilities	11	**90,710,618**	59,314,005
Provision for zakat		**12,210,974**	15,217,562
Total current liabilities		**144,281,875**	114,123,733
Total liabilities		**178,875,022**	147,832,266
Total shareholders' equity and liabilities		**832,908,458**	758,411,623

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
(Saudi Joint Stock Company)
Interim condensed consolidated statement of profit or loss (Unaudited)
For the three- and six-month period ended 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2026	**2025**	**2026**	**2025**
Sales	12-2	**103,912,709**	87,355,060	**356,755,775**	312,835,128
Cost of sales		**(59,582,591)**	(51,049,468)	**(200,180,157)**	(177,563,972)
Gross profit		**44,330,118**	36,305,592	**156,575,618**	135,271,156
General and administrative expenses		**(10,429,510)**	(8,223,337)	**(22,812,488)**	(20,918,639)
Selling and distribution expenses		**(19,090,524)**	(18,279,063)	**(44,388,395)**	(39,203,846)
(Provision for) / reversal of provision for expected credit losses		**(1,650,878)**	3,415,146	**(1,848,998)**	10,383,661
Unrealized profit from remeasurement of financial assets at fair value through profit or loss, net	7	**5,234,495**	93,653	**5,234,495**	93,653
Other income		**2,256,550**	2,107,069	**3,042,339**	2,309,191
Operating profit		**20,650,251**	15,419,060	**95,802,571**	87,935,176
Finance cost		**(1,834,829)**	(1,212,675)	**(2,662,350)**	(1,625,403)
Share of net results from associate		**(26,308)**	(1,507,477)	**814,679**	(2,299,282)
Profit for the period before zakat		**18,789,114**	12,698,908	**93,954,900**	84,010,491
Zakat expense		**(3,484,472)**	(3,472,371)	**(12,210,974)**	(11,757,871)
Profit for the period		**15,304,642**	9,226,537	**81,743,926**	72,252,620
Basic and diluted earnings per share of the period according to the profit attributable to the shareholders of the Group	13	**0.04**	0.02	**0.20**	0.18

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
(Saudi Joint Stock Company)
Interim condensed consolidated statement of comprehensive income (Unaudited)
For the three- and six-month period ended 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Three-month period ended 30 June		**Six-month period ended 30 June**	
	2026	**2025**	**2026**	**2025**
Profit for the period	**15,304,642**	9,226,537	**81,743,926**	72,252,620
Items that may not be reclassified subsequently in the statement of profit or loss:				
Re-measurement of employees' end of service benefits	**(480,841)**	744,309	**1,710,153**	(414,505)
Total comprehensive income for the period	**14,823,801**	9,970,846	**83,454,079**	71,838,115

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
(Saudi Joint Stock Company)
Interim condensed consolidated statement of changes in shareholders' equity
For the six-month period ended 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Share capital	Retained earnings	Total shareholders' equity
Balance as at 1 January 2025 (Audited)		400,000,000	192,983,600	592,983,600
Profit for the period		-	72,252,620	72,252,620
Other comprehensive loss		-	(414,505)	(414,505)
Total comprehensive income for the period		-	71,838,115	71,838,115
Dividends	9	-	(40,000,000)	(40,000,000)
Balance as at 30 June 2025 (Unaudited)		400,000,000	224,821,715	624,821,715
Balance as at 1 January 2026 (Audited)		**400,000,000**	**210,579,357**	**610,579,357**
Profit for the period		**-**	**81,743,926**	**81,743,926**
Other comprehensive income		**-**	**1,710,153**	**1,710,153**
Total comprehensive income for the period		**-**	**83,454,079**	**83,454,079**
Dividends	9	**-**	**(40,000,000)**	**(40,000,000)**
Balance as at 30 June 2026 (Unaudited)		**400,000,000**	**254,033,436**	**654,033,436**

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
(Saudi Joint Stock Company)
Interim condensed consolidated statement of cash flows (Unaudited)
For the six-month period ended 30 June 2026
(All amounts are in Saudi Riyals unless otherwise stated)

	Note	Six-month period ended 30 June	
		2026	**2025**
Cash flows from operating activities			
Profit for the period before zakat		**93,954,900**	84,010,491
Adjustments for:			
Depreciation of property and equipment		**3,186,210**	2,546,505
Amortisation of intangible assets		**82,139**	77,346
Depreciation of the right-of-use assets		**8,202,678**	7,593,705
provision for obsolescence inventory		**(6,144,991)**	(1,028,834)
Gains on disposal of property and equipment		**(132,088)**	(63,163)
Unrealized profit from remeasurement of financial assets at fair value through profit or loss	7	**(5,234,495)**	(93,653)
Share of net results from associate		**(814,679)**	2,299,282
Provision for / (reversal of) provision for expected credit losses		**1,848,998**	(10,383,661)
Provision for employees' end-of-service benefits		**1,819,222**	1,532,039
Finance cost		**2,662,350**	1,625,403
Change in working capital			
Inventories		**64,773,222**	42,382,415
Trade receivables		**(131,449,071)**	(33,742,674)
Prepayments and other receivables		**(5,348,089)**	10,282,971
Due from related parties		**681,511**	-
Due to related parties		**-**	(6,925,587)
Trade payables		**(794,096)**	(7,885,957)
Accrued expenses and other liabilities		**31,584,684**	46,047,317
Zakat Paid		**(15,217,562)**	(14,706,584)
Employees' end of service benefits paid		**(89,635)**	(1,247,507)
Net cash generated from operating activities		**43,571,208**	122,319,854
Cash flows from investing activities			
Purchase of property, equipment		**(3,285,738)**	(4,372,356)
Purchase of intangible assets		**-**	(75,870)
Proceeds from disposal of property and equipment		**465,898**	135,790
Net cash used in investing activities		**(2,819,840)**	(4,312,436)
Cash flows from financing activities			
Lease payments		**(8,211,134)**	(7,836,711)
Dividends paid	9	**(40,000,000)**	(40,000,000)
Net cash used in financing activities		**(48,211,134)**	(47,836,711)
Net change in cash and cash equivalents		**(7,459,766)**	70,170,707
Cash and cash equivalents at the beginning of the period		**283,643,516**	190,468,452
Cash and cash equivalents at the end of the period		**276,183,750**	260,639,159
Significant non-cash transactions:			
Additions to right-of-use assets and lease liabilities		**8,976,177**	7,626,990
Change in re-measurement of employees' end of service benefits		**1,710,153**	(414,505)

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**

(All amounts are in Saudi Riyals unless otherwise stated)

1 General information

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

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

		Ownership percentage as of	
Subsidiary	**Country of Incorporation**	**30 June 2026**	**31 December 2025**
Al Jedaie Fabrics Company	Kingdom of Saudi Arabia	**100%**	100%
Qiwa Al Aseel Contracting Company	Kingdom of Saudi Arabia	**100%**	100%
Aseela Trade Company	Kingdom of Saudi Arabia	**100%**	100%

Subsidiaries

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

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

- Qiwa Al Aseel Contracting Company (the "Subsidiary") was incorporated as a limited liability Company in Riyadh in the Kingdom of Saudi Arabia under commercial registration number 1010910044 dated 21 Muharram 1445H (corresponding to 8 August 2023) with a share capital amounting to Saudi Riyals 5,000. The Subsidiary is mainly engaged in construction of all types of residential buildings, renovating residential and non-residential buildings and general cleaning of buildings.

- Aseela Trade Company ("the Subsidiary") was incorporated as a limited liability Company in Riyadh in the Kingdom of Saudi Arabia under commercial registration number 1010938400 dated 2 Rabi' al-Akhir 1445H (corresponding to 17 October 2023) with a share capital amounting to Saudi Riyals 5,000. The capital was increased to SAR 500,000 on 29 Safar 1446H (corresponding to 2 September 2024). The Subsidiary's main activity is the retail sale of clothing, shoes, and leather goods in specialized stores.

  The Subsidiary practices its activities through 14 branches (31 December 2025: 11 branches).

Geopolitical developments

During the period ended 30 June 2026, the geopolitical tensions in the Middle East has escalated, leading to a state of regional instability. Management continues to monitor the geopolitical situation in the Middle East to assess if any further escalation or continuation of the conflict could result in any impact on the Group's operations and results.

2 Basis of preparation

2.1 Statement of compliance

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

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

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

2 Basis of preparation (continued)

2.2 Preparation of the condensed consolidated interim financial information

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

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

2.3 Use of estimates, assumptions and judgments

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

3 Basis of consolidation

These condensed consolidated interim financial information comprise those of the Company and its subsidiaries as at 30 June 2026.

Subsidiary

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

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains and losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

4 Functional and presentation currency

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

5 New Standards, Amendment to Standards and Interpretations

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

5 New Standards, Amendment to Standards and Interpretations (continued)

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements" was issued by the International Accounting Standards Board in April 2024 and will replace IAS 1 "Presentation of Financial Statements". The standard has been endorsed in the Kingdom of Saudi Arabia by the Saudi Organization for Chartered and Professional Accountants (SOCPA) and is effective for annual reporting periods beginning on or after 1 January 2027.

The major changes introduced by the standard include the introduction of specified categories and new defined subtotals in the statement of profit or loss and consequential amendments to the statement of cash flows. In addition, the standard introduced the concept of management-defined performance measures and corresponding disclosure requirements. Further, the standard also provides enhanced guidance on aggregation and disaggregation of items presented in the financial statements and accompanying notes.

At the date of approval of these condensed consolidated interim financial statements, IFRS 18 is expected to primarily affect the presentation and disclosure of information in the consolidated financial statements rather than the recognition and measurement of underlying transactions and balances.

Based on the preliminary assessment, the Group expects the following impacts on the presentation and disclosures of the consolidated financial statements:

- Presentation of an additional mandatory subtotal of "Profit or loss before financing and income taxes" in the statement of profit or loss.

- Use of the operating profit or loss subtotal as the starting point for the statement of cash flows.

- Since the Group allocates some of the expenses based on functional presentation within the statement of profit or loss, the Group will be subject to additional disclosure requirements and will therefore need to provide disclosure in a single note for the five predefined types of expenses.

- With regard to the expanded guidance on aggregation, the Group will review the presentation of income and expense line items in the statement of profit or loss to ensure alignment with IFRS 18. As part of this assessment, impairment losses, reversals and recoveries relating to trade and other receivables are expected to be presented on a net basis as net impairment losses / recoveries on receivables within the operating category.

- In respect of requirements related to disaggregation, the Group expects certain changes in the notes to the financial statements to comply with IFRS 18.

- The Group has assessed whether it has any specified main business activities as defined in IFRS 18, including investing in assets and providing financing to customers. Based on the assessment performed to date, the Group has not identified activities that constitute providing financing to customers as a main business activity. Further, the Group's investing activities are limited to treasury and investment placements. Accordingly, the Group does not expect to have any specified main business activities under IFRS 18.

- Under IFRS 18, specific guidance is provided for the classification of income and expenses in the newly introduced investing and financing categories, while the operating category is defined as a residual category. Accordingly, the following items are expected to be assigned to different categories compared with their presentation under IAS 1:

    - Investment income from Murabaha deposits – Investing
    - Unrealized gains or losses on financial assets at fair value through profit or loss – Investing
    - Net share in results of associate – Investing
    - Other investment expenses – Investing
    - Finance costs – Financing

- Further, in respect of management-defined performance measures, based on the preliminary assessment performed to date, management has not identified any financial metrics in its public communications that are expected to qualify as MPMs under IFRS 18. This assessment will be revisited if management decides to disclose any additional performance measures in public communications.

(All amounts are in Saudi Riyals unless otherwise stated)

6 Inventory

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Finished goods	**203,265,913**	276,978,959
Raw materials under processing	**20,123,585**	16,080,705
Goods in-transit	**7,955,069**	3,058,125
	231,344,567	296,117,789
Less: provision for slow-moving inventory	**(27,443,457)**	(33,588,448)
	203,901,110	262,529,341

Movement in provision for slow-moving inventory is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Balance at the beginning of period / year	**33,588,448**	28,901,349
Utilized during the period / year	**(422,244)**	(343,250)
(Reversal of provision) / provision during the period / year	**(5,722,747)**	5,030,349
	27,443,457	33,588,448

7 Financial assets at fair value through profit or loss

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

	Six-month period ended 30 June 2026 (Unaudited)	The year ended 31 December 2025 (Audited)
Balance at the beginning of period / year	**10,154,036**	290,383
Additions during the period / year	**-**	9,770,000
Unrealized profit from remeasurement	**5,234,495**	93,653
Balance at the end of the period / year	**15,388,531**	10,154,036
Current	**398,321**	384,036
Non-current	**14,990,210**	9,770,000

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

8 Transactions with related parties

a Transactions with key management personnel

The following table describes compensation of key management personnel:

	Three-month period ended 30 June (Unaudited)		**Six-month period ended 30 June (Unaudited)**	
	2026	2025	**2026**	2025
Short-term employees' benefits	**629,366**	534,369	**1,253,733**	1,063,785
Employees' end of service benefits	**50,417**	42,500	**100,417**	83,171
Board of Directors and related committees' remunerations	**-**	965,000	**2,170,000**	1,930,000
	679,783	1,541,869	**3,524,150**	3,076,956

(All amounts are in Saudi Riyals unless otherwise stated)

8 Transactions with related parties (continued)

b Due to related parties

	Nature of relationship	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Shareholders – lease liabilities (Part of lease liabilities)	Shareholders	**3,402,656**	2,563,167

c Due from related parties

	Nature of relationship	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Jada Al-Harir Company	Associate	**2,484,047**	3,165,558

d Transactions with shareholders

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

		Six-month period ended 30 June (Unaudited)	
	Nature of Transaction	**2026**	2025
Shareholders	Rentals	**1,201,379**	834,220
Jada Al-Harir Company	Payment on behalf	**681,511**	6,925,587

9 Dividends

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

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

- Subsequent to the end of the period, the Board of Directors decided on its meeting dated 2 August 2026 to distribute SR 44 million (at 11 Halala for each share) as dividends for the first half of the financial year 2026 in accordance with an authorization of the Ordinary General Assembly held on 11 June 2026 for the Board to distribute interim dividends for the year 2026.

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

10 Share capital

The Company’s capital as of 30 June 2026 consists of 400 million shares with a nominal value of SR 1 per share (31 December 2025: 400 million shares with a nominal value of SR 1 per share).

11 Accrued expenses and other liabilities

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Contract liabilities	**73,527,531**	38,157,405
Accrued bonuses	**5,895,072**	6,300,000
Accrued salaries	**3,045,430**	3,300,172
Meeting attendance allowance	**2,170,000**	2,170,000
Provision for legal obligations	**1,991,080**	1,991,080
Value added tax, net	**991,577**	1,735,486
Commissions payable	**822,206**	2,437,790
Advances from customers	**666,653**	1,356,536
Others	**1,601,069**	1,865,536
	90,710,618	59,314,005

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.

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

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

(All amounts are in Saudi Riyals unless otherwise stated)

12 Segment information (continued)

12.2 Segment financial information (unaudited)

	Three-month period ended 30 June 2026				Three-month period ended 30 June 2025			
	Thobs	**Fabrics**	**Fashions**	**Total**	Thobs	Fabrics	Fashions	Total
Segment sales	**77,262,000**	**22,056,263**	**4,594,446**	**103,912,709**	60,964,691	22,827,594	3,562,775	87,355,060
Inter-segment sales	**-**	**-**	**-**	**-**	-	-	-	-
Total sales to external customers	**77,262,000**	**22,056,263**	**4,594,446**	**103,912,709**	60,964,691	22,827,594	3,562,775	87,355,060

	Six-month period ended 30 June 2026				Six-month period ended 30 June 2025			
	Thobs	**Fabrics**	**Fashions**	**Total**	Thobs	Fabrics	Fashions	Total
Segment sales	**273,356,361**	**72,918,951**	**10,480,463**	**356,755,775**	231,779,852	72,796,851	8,258,425	312,835,128
Inter-segment sales	**-**		**-**	**-**	-	-	-	-
Total sales to external customers	**273,356,361**	**72,918,951**	**10,480,463**	**356,755,775**	231,779,852	72,796,851	8,258,425	312,835,128

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

	Six-month period ended 30 June 2026				Six-month period ended 30 June 2025			
	Thobs	**Fabrics**	**Fashions**	**Total**	Thobs	Fabrics	Fashions	Total
Cost of sales	**(156,772,604)**	**(37,273,499)**	**(6,134,054)**	**(200,180,157)**	(136,696,287)	(35,773,582)	(5,094,103)	(177,563,972)
General and administrative expenses	**(13,366,719)**	**(6,098,396)**	**(1,343,612)**	**(20,808,727)**	(12,724,005)	(5,008,101)	(1,185,785)	(18,917,891)
Selling and distribution expenses	**(22,929,367)**	**(9,071,726)**	**(2,920,036)**	**(34,921,129)**	(20,169,741)	(9,082,082)	(1,735,215)	(30,987,038)
Reversal of / (losses) on impairment of trade receivables	**(1,692,284)**	**(156,714)**	**-**	**(1,848,998)**	10,343,348	40,313	-	10,383,661
Depreciation and amortization	**(1,267,933)**	**(1,295,793)**	**(704,623)**	**(3,268,349)**	(1,058,558)	(1,186,539)	(378,754)	(2,623,851)
Amortization expense of right-of-use assets	**(2,982,255)**	**(3,230,236)**	**(1,990,187)**	**(8,202,678)**	(3,177,072)	(3,181,697)	(1,234,936)	(7,593,705)
Unrealized profits from remeasurement of financial assets at fair value through profit or loss, net	**5,220,210**	**14,285**	**-**	**5,234,495**	-	93,653	-	93,653
Other income	**2,526,894**	**515,445**	**-**	**3,042,339**	1,987,592	321,599	-	2,309,191
Finance cost	**(1,335,949)**	**(1,282,997)**	**(43,404)**	**(2,662,350)**	(509,730)	(959,534)	(156,139)	(1,625,403)
Share of results of associate	**-**	**-**	**814,679**	**814,679**	-	-	(2,299,282)	(2,299,282)
Zakat expense	**(11,360,974)**	**(850,000)**	**-**	**(12,210,974)**	(10,957,871)	(800,000)	-	(11,757,871)
Profit for the period	**69,395,380**	**14,189,320**	**(1,840,774)**	**81,743,926**	58,817,528	17,260,881	(3,825,789)	72,252,620

(All amounts are in Saudi Riyals unless otherwise stated)

12 Segment information (continued)

12.2 Segment financial information (unaudited) (continued)

Total segment assets

	Thobs	Fabrics	Fashions	Eliminated transactions	Total
30 June 2026 (Unaudited)	**777,555,727**	**182,995,933**	**23,147,276**	**(150,790,478)**	**832,908,458**
31 December 2025 (Audited)	703,845,532	162,890,235	21,787,210	(130,111,354)	758,411,623

Total segment liabilities

	Thobs	Fabrics	Fashions	Eliminated transactions	Total
30 June 2026 (Unaudited)	**122,819,342**	**109,951,423**	**36,433,092**	**(90,328,835)**	**178,875,022**
31 December 2025 (Audited)	92,792,428	104,988,894	33,453,506	(83,402,562)	147,832,266

13 Earnings per share (EPS)

Earnings per share has been calculated by dividing the net profit for the periods ended 30 June 2026 and 2025 by weighted average number of shares throughout the period.

	Three-month period ended 30 June (Unaudited)		Six-month period ended 30 June (Unaudited)	
	2026	2025	**2026**	2025
Profit for the period	**15,304,642**	9,226,537	**81,743,926**	72,252,620
Weighted average number of ordinary shares	**400,000,000**	400,000,000	**400,000,000**	400,000,000
Basic and diluted earnings per share	**0.04**	0.02	**0.20**	0.18

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:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Bank balances	**275,426,321**	283,073,625
Trade receivables, prepayments and other receivables	**237,654,679**	108,715,846
	513,081,000	391,789,471

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

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

Trade receivables
The Group applies the simplified approach in calculating its expected credit losses as prescribed by IFRS 9 which uses the lifetime expected loss provision on such exposures. The loss provision as at 30 June 2026 and 31 December 2025 is determined as follows:

In monitoring customer credit risk, customers are grouped according to their credit characteristics (including the type of customer such as retail, wholesale, etc), trading history with the Group and existence of previous financial difficulties. As at 30 June 2026, the exposure to credit risks for trade receivables by types of customers was as follows:

(All amounts are in Saudi Riyals unless otherwise stated)

15 Credit Risk (continued)

Trade receivables as at 30 June 2026 (unaudited)

1 Thobs segment:

Debt status	**Expected loss rate**	**Total Carrying amount**	**Expected credit losses**
Current	**1.97%**	**10,844,767**	**213,381**
Past due > 30 days	**2.21%**	**28,451,366**	**627,919**
Past due > 60 days	**2.51%**	**37,676,312**	**944,739**
Past due > 90 days	**2.87%**	**54,989,204**	**1,576,489**
Past due > 120 days	**3.38% - 3.95%**	**83,548,158**	**2,883,627**
Past due > 180 days	**4.67% - 6.94%**	**1,610,423**	**91,496**
Past due > 270 days till 1 year	**8.81% - 13.63%**	**18,974**	**1,701**
Past due > 1 year till 2 years	**17.08% - 52.99%**	**4,738**	**986**
Default customers and others that are past due for more than two years	**56.09% - 100%**	**62,661,095**	**62,661,095**
		279,805,037	**69,001,433**

2 Fabrics segment:

Debt status	**Expected loss rate**	**Total Carrying amount**	**Expected credit losses**
Current	**0.80%**	**2,631,839**	**20,976**
Past due > 30 days	**0.92%**	**1,938,641**	**17,826**
Past due > 60 days	**1.08%**	**3,491,469**	**37,737**
Past due > 90 days	**1.26%**	**2,471,739**	**31,205**
Past due > 120 days	**1.49% - 1.77%**	**12,673,032**	**205,006**
Past due > 180 days	**2.15% - 3.24%**	**1,012,774**	**27,326**
Past due > 270 days till 1 year	**4.09% - 6.89%**	**297,200**	**16,230**
Past due > 1 year till 2 years	**8.61% - 50.03%**	**1,200,750**	**198,248**
Default customers and others that are past due for more than two years	**56.52% - 100%**	**2,610,211**	**2,584,623**
		28,327,655	**3,139,177**
Total		**308,132,692**	**72,140,610**

Trade receivables as at 31 December 2025 (Audited)

1 Thobs segment:

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

(All amounts are in Saudi Riyals unless otherwise stated)

15 Credit Risk (continued)

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

2 Fabrics segment:

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

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

	Trade receivable	**Other receivables**	**Total**
At 1 January 2026 (Audited)	**70,291,612**	**753,813**	**71,045,425**
Charge during the period	**1,848,998**	**23,986**	**1,872,984**
At 30 June 2026 (Unaudited)	**72,140,610**	**777,799**	**72,918,409**

	Trade receivables	**Prepayments and other receivables**	**Total**
At 1 January 2025 (Audited)	76,121,436	298,063	76,419,499
(Reversal) during the period	(10,383,661)	-	(10,383,661)
Add recoverable written off provision*	5,722,336	-	5,722,336
At 30 June 2025 (Unaudited)	**71,460,111**	**298,063**	**71,758,174**

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

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 2025 to ZATCA. The Group also obtained a certificate of zakat valid until 23 Dhul-Qi'dah 144٨H (corresponding to 30 April 2027).

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

17 Subsequent events

Except for the statement in note (9), in management’s view, there have been no significant subsequent events since 30 June 2026 till the approval date of these condensed consolidated interim financial information that may have significant impact on the Group condensed consolidated interim financial information or the disclosures.

18 Board of directors’ approval

These condensed consolidated interim financial information have been approved by the Board of Directors on 19 Safar 1448H (corresponding to 2 August 2026).