شركة المطاحن الرابعة

الدمام المدينة المنورة الخرج

**THE FOURTH MILLING COMPANY**
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS**

For the three-month and six-month periods ended 30 June 2026
together with the

**INDEPENDENT AUDITORS' REVIEW REPORT**

**THE FOURTH MILLING COMPANY**
(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS**
For the three-month and six-month periods ended 30 June 2026
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**INDEPENDENT AUDITORS' REVIEW REPORT**

**THE FOURTH MILLING COMPANY**
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**CONDENSED INTERIM FINANCIAL STATEMENTS**
For the six-month period ended 30 June 2026


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**KPMG Professional Services Company**
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P.O. Box 4803
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Kingdom of Saudi Arabia
Commercial Registration No 2051062328

**Headquarters in Riyadh**

**شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية**
الطابق ١٦، برج البرغش
٦١٨٩ طريق الأمير تركي، الكورنيش
ص.ب ٤٨٠٣
الخبر ٣٤٤١٢ - ٣١٤٦
المملكة العربية السعودية
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

**المركز الرئيسي في الرياض**

# Independent auditor's report on review of condensed interim financial statements

To the Shareholders of The Fourth Milling Company (A Saudi Joint Stock Company)

## Introduction

We have reviewed the accompanying 30 June 2026 condensed interim financial statements of The Fourth Milling Company ("the Company"), which comprises:

- the condensed statement of financial position as at 30 June 2026;
- the condensed statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026;
- the condensed statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed statement of cash flows for the six-month period ended 30 June 2026; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed 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 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.

KPMG

# Independent auditor's report on review of condensed interim financial statements

To the Shareholders of The Fourth Milling Company (A Saudi Joint Stock Company) (continued)

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2026 condensed interim financial statements of The Fourth Milling Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

**KPMG Professional Services Company**

**Mohammed Najeeb Alkhlaiwi**
License no: 481

Al Khobar, 3 August 2026G
Corresponding to: 20 Safar 1448H

**THE FOURTH MILLING COMPANY**
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF FINANCIAL POSITION**
As at 30 June 2026
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

| | Notes | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|---|
| **Assets** | | | |
| Property, plant and equipment | 7 | **522,777,165** | 501,129,769 |
| Right-of-use assets | 8 | **320,446,915** | 328,799,589 |
| Intangible assets | 9 | **57,661,009** | 58,045,648 |
| Advances to contractors and suppliers | 10 | **65,977,070** | 52,454,595 |
| **Non-current assets** | | **966,862,159** | 940,429,601 |
| Inventories | 11 | **58,242,061** | 62,006,494 |
| Trade receivables | 12 | **17,836,783** | 21,397,214 |
| Due from related parties | 25 | **1,884,443** | 4,713,852 |
| Prepayments and other current assets | 13 | **13,669,937** | 10,481,132 |
| Short-term Murabaha deposits | 14 | **64,840,023** | 156,222,892 |
| Cash and cash equivalents | 14 | **151,502,591** | 63,750,947 |
| **Current assets** | | **307,975,838** | 318,572,531 |
| **Total assets** | | **1,274,837,997** | 1,259,002,132 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | 15 | **540,000,000** | 540,000,000 |
| Actuarial reserve | | **(1,278,300)** | (1,233,112) |
| Retained earnings | | **289,631,091** | 255,962,700 |
| **Total equity** | | **828,352,791** | 794,729,588 |
| **Liabilities** | | | |
| Lease liabilities | 17 | **345,019,759** | 363,178,573 |
| Deferred tax liabilities | | **7,244,058** | 6,952,791 |
| Employees' defined benefit obligations | 18 | **9,286,668** | 7,965,917 |
| **Non-current liabilities** | | **361,550,485** | 378,097,281 |
| Trade and other payables | | **24,894,231** | 29,748,311 |
| Due to a related party | 25 | **76,075** | 106,377 |
| Current portion of lease liabilities | 17 | **13,650,442** | 13,175,237 |
| Contract liabilities | | **9,429,286** | 9,519,953 |
| Dividend payable | 16 | **98,772** | 102,313 |
| Accrued expenses and other current liabilities | 19 | **31,588,099** | 27,316,502 |
| Zakat and income tax payable | 22 | **5,197,816** | 6,206,570 |
| **Current liabilities** | | **84,934,721** | 86,175,263 |
| **Total liabilities** | | **446,485,206** | 464,272,544 |
| **Total equity and liabilities** | | **1,274,837,997** | 1,259,002,132 |

The condensed interim financial statements were approved by the Board of Directors and have been signed on their behalf by:

| | | |
|---|---|---|
| Rayan Mustafa Baaqeel<br>(Chief Financial Officer) | Khalid Abdul Aziz Al Maktary<br>(Chief Executive Officer) | Bader Hamed Al Aujan<br>(Chairman Board of Directors) |

The accompanying notes from 1 to 29 form an integral part of the condensed interim financial statements.

**THE FOURTH MILLING COMPANY**
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
For the three-month and six-month periods ended 30 June 2026
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

| | | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
|---|---|---|---|---|---|
| | Notes | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| Revenue | 20 | **167,839,571** | 138,021,853 | **343,080,217** | 304,150,129 |
| Cost of revenue | 21 | **(83,586,796)** | (78,239,771) | **(173,590,246)** | (166,406,725) |
| **Gross profit** | | **84,252,775** | 59,782,082 | **169,489,971** | 137,743,404 |
| Selling and distribution expenses | | **(13,685,739)** | (8,147,005) | **(25,527,951)** | (17,601,971) |
| General and administrative expense | | **(16,230,236)** | (14,424,188) | **(31,511,172)** | (28,427,736) |
| Reversal of / (provision for) expected credit loss | 12 | **405,287** | 487,031 | **(683,954)** | 206,458 |
| **Operating profit** | | **54,742,087** | 37,697,920 | **111,766,894** | 91,920,155 |
| Finance costs | | **(2,637,762)** | (2,819,462) | **(5,265,958)** | (5,616,216) |
| Finance income | | **2,234,553** | 2,321,306 | **4,994,646** | 4,957,606 |
| Other (expenses) / income, net | | **(10,362)** | (42,363) | **11,188** | 61,086 |
| **Profit before zakat and income tax** | | **54,328,516** | 37,157,401 | **111,506,770** | 91,322,631 |
| Zakat expense | 22 | **(1,245,742)** | (1,296,023) | **(2,444,409)** | (2,883,974) |
| Current income tax | 22 | **(2,334,177)** | (1,405,536) | **(4,902,702)** | (3,645,839) |
| Deferred income tax | | **(194,620)** | (403,431) | **(291,268)** | 1,955,414 |
| **Profit for the period** | | **50,553,977** | 34,052,411 | **103,868,391** | 86,748,232 |
| **Other comprehensive loss for the period** | | | | | |
| *Items that will not be reclassified to profit or loss:* | | | | | |
| Remeasurement loss on employees' defined benefit obligations | | **(19,471)** | (92,707) | **(45,188)** | (9,448) |
| **Total comprehensive income for the period** | | **50,534,506** | 33,959,704 | **103,823,203** | 86,738,784 |
| **Earnings per share for the period attributable to shareholders of the Company (SR):** | | | | | |
| Basic and diluted | 24 | **0.09** | 0.06 | **0.19** | 0.16 |

The condensed interim financial statements were approved by the Board of Directors and have been signed on their behalf by:

| | | |
|---|---|---|
| Rayan Mustafa Baaqeel | Khalid Abdul Aziz Al Maktary | Bader Hamed Al Aujan |
| (Chief Financial Officer) | (Chief Executive Officer) | (Chairman Board of Directors) |

The accompanying notes from 1 to 29 form an integral part of the condensed interim financial statements.

Headquarters المقر الرئيسي
الدمام المدينة المنورة الخرج
C.R: 2050110856 س.ت

**THE FOURTH MILLING COMPANY**
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF CHANGES IN EQUITY**
For the six-month period ended 30 June 2026
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

| | Notes | Share capital | Actuarial reserve | Retained earnings | Total |
|---|---|---|---|---|---|
| As at 31 December 2025 (Audited) | | **540,000,000** | **(1,233,112)** | **255,962,700** | **794,729,588** |
| Profit for the period | | - | - | **103,868,391** | **103,868,391** |
| Other comprehensive loss for the period | | - | **(45,188)** | - | **(45,188)** |
| **Total comprehensive income for the period** | | - | **(45,188)** | **103,868,391** | **103,823,203** |
| Dividends distribution | 16.1 | - | - | **(70,200,000)** | **(70,200,000)** |
| **As at 30 June 2026 (Unaudited)** | | **540,000,000** | **(1,278,300)** | **289,631,091** | **828,352,791** |
| As at 31 December 2024 (Audited) | | 540,000,000 | (596,990) | 173,970,022 | 713,373,032 |
| Profit for the period | | - | - | 86,748,232 | 86,748,232 |
| Other comprehensive loss for the period | | - | (9,448) | - | (9,448) |
| Total comprehensive income for the period | | - | (9,448) | 86,748,232 | 86,738,784 |
| Dividends distribution | 16.2 | - | - | (59,400,000) | (59,400,000) |
| As at 30 June 2025 (Unaudited) | | 540,000,000 | (606,438) | 201,318,254 | 740,711,816 |

The condensed interim financial statements were approved by the Board of Directors and have been signed on their behalf by:

| Rayan Mustafa Baaqeel | Khalid Abdul Aziz Al Maktary | Bader Hamed Al Aujan |
|---|---|---|
| (Chief Financial Officer) | (Chief Executive Officer) | (Chairman Board of Directors) |

Headquarters المقر الرئيسي
الدمام المدينة المنورة الخرج
C.R: 2050110856 س.ت

The accompanying notes from 1 to 29 form an integral part of the condensed interim financial statements.

**THE FOURTH MILLING COMPANY**
(A Saudi Joint Stock Company)

**CONDENSED STATEMENT OF CASH FLOWS**
For the six-month period ended 30 June 2026
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

| | Notes | **30 June 2026 (Unaudited)** | 30 June 2025 (Unaudited) |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the period | | **103,868,391** | 86,748,232 |
| ***Adjustments:*** | | | |
| Depreciation on property, plant and equipment | 7.1 | **19,659,872** | 18,502,272 |
| Depreciation of right-of-use assets | 8 | **8,352,674** | 8,465,182 |
| Amortisation of intangible assets | 9.1 | **532,067** | 416,278 |
| Finance cost on lease liabilities | 17 | **5,265,958** | 5,616,216 |
| Loss on disposal of property, plant and equipment | | **-** | 43,671 |
| Provision for / (reversal of) expected credit loss on trade receivables | 12 | **683,954** | (206,458) |
| Provision for employees' defined benefit obligations | 18 | **1,582,217** | 1,393,469 |
| Finance income | 14.3 | **(4,994,646)** | (4,957,606) |
| Zakat and income tax | 22 | **7,638,379** | 4,574,399 |
| | | **142,588,866** | 120,595,655 |
| ***Changes in working capital:*** | | | |
| Inventories | | **(2,079,501)** | (14,017,674) |
| Trade receivables | | **2,876,477** | (5,143,463) |
| Prepayments and other current assets | | **(3,188,805)** | (872,563) |
| Due from related parties | | **2,829,409** | 827,776 |
| Trade and other payables | | **(4,854,081)** | (7,779,428) |
| Due to a related party | | **(30,302)** | 15,391 |
| Contract liabilities | | **(90,667)** | (347,780) |
| Accrued expenses and other liabilities | | **4,271,597** | 3,378,997 |
| ***Cash generated from operating activities*** | | **142,322,993** | 96,656,911 |
| Employees' defined benefit obligations paid | 18 | **(306,654)** | (135,605) |
| Zakat and income tax paid | | **(8,355,865)** | (9,671,516) |
| **Net cash from operating activities** | | **133,660,474** | 86,849,790 |
| **Cash flows from investing activities** | | | |
| Additions to property, plant and equipment | 7 | **(35,463,334)** | (7,365,465) |
| Additions to intangible assets | 9 | **(147,428)** | (166,766) |
| Finance income received | | **4,994,646** | 4,333,274 |
| Advances to contractors and suppliers | | **(13,522,475)** | (495,429) |
| Proceeds from disposal of property, plant and equipment | | **-** | 65,217 |
| Net movement in short-term murabaha deposits | | **91,382,869** | (21,708,437) |
| **Net cash from / (used in) investing activities** | | **47,244,278** | (25,337,606) |
| **Cash flows from financing activities** | | | |
| Repayment of lease liabilities – principal portion | 17 | **(17,683,609)** | (17,143,107) |
| Finance costs paid on lease liabilities | 17 | **(5,265,958)** | (5,616,216) |
| Dividends paid | 16 | **(70,203,541)** | (59,586,702) |
| **Net cash used in financing activities** | | **(93,153,108)** | (82,346,025) |
| **Net change in cash and cash equivalents** | | **87,751,644** | (20,833,841) |
| Cash and cash equivalents as at 1 January | | **63,750,947** | 122,414,701 |
| **Cash and cash equivalents as at 30 June** | | **151,502,591** | 101,580,860 |
| **Significant non-cash transactions:** | | | |
| Transfer of plastic pallets from inventory to property, plant and equipment | | **5,843,934** | - |
| Modification in right of use assets against lease liabilities | | **-** | 131,305 |

The condensed interim financial statements were approved by the Board of Directors and have been signed on their behalf by:

| Rayan Mustafa Baaqeel | Khalid Abdul Aziz Al Maktary | Bader Hamed Al Aujan |
|---|---|---|
| (Chief Financial Officer) | (Chief Executive Officer) | (Chairman Board of Directors) |

The accompanying notes from 1 to 29 form an integral part of the condensed interim financial statements.



Headquarters المقر الرئيسي
الدمام المدينة المنورة الخرج
C.R: 2050110856 س.ت

## 1. COMPANY INFORMATION

The Fourth Milling Company (the "Company'') is a Saudi Joint Stock Company registered in Dammam, Kingdom of Saudi Arabia under commercial registration numbered 2050110856 dated 10 Safar 1438H (corresponding to 10 November 2016) and unified number 7003698870. The national address of the Company is Building no. 6729, King Saud Road, As Safa District, Dammam 34222, Kingdom of Saudi Arabia. The Company's licensed activities include packing and milling of wheat, maize and barley products.

The Company was formed by the Public Investment Fund (the "Former Owner") pursuant to the resolution of the Council of Ministers no. (35) of 27 Muharram 1437H (corresponding to 9 November 2015) approving the adoption of the necessary actions to establish four Joint Stock Flour Milling Companies according to the proposed geographical distribution. The Public Investment Fund, in coordination with the General Food Security Authority ("GFSA") (formerly Saudi Grains Organization ("SAGO")), completed so in accordance with Royal Decree no. 62 dated 4 Shawwal 1435H (corresponding to 31 July 2014).

On 17 Shawwal 1441H (corresponding to 9 September 2020), Cabinet Resolution No. (631) was issued to transfer the ownership of the Company to the National Center for Privatisation (the "NCP") and for the NCP to carry out the tasks assigned to the Public Investment Fund by Cabinet Resolution No. (118) and dated 30 October 2018 (corresponding to 21 Safar 1440H). On 25 Rabi Al-Thani 1443H (corresponding to 30 November 2021), the Company's share capital of 47,390,317 shares, the value of each share is 10 SR, were wholly sold to Gulf Flour Milling Industrial Company ("the Shareholder") for the purchase price specified in the share sale and purchase agreement on the same date.

The Company has entered into a subsidised wheat purchase agreement with General Food Security Authority ("GFSA"), as GFSA imports wheat to Saudi Arabia for the purpose of producing subsidised flour. This agreement was entered into force on 3 Rabi Al Thani 1438H (corresponding to 1 January 2017). The agreement stipulates that the purchase price of the subsidised wheat is calculated according to the monetary value per metric ton of subsidised wheat specified by the Government of the Kingdom of Saudi Arabia at SR 180 per metric ton since 2017. The Company also has an option to import the wheat directly or to source it from the open market.

On 15 Rabi' Al Thani 1442H (corresponding to 30 November 2020), the wheat purchase agreement was extended, and it will be in force until the date of expiry of the Company's milling operating license, subject to an automatic extension of the contract term to match the term of the Company's license. This license shall remain valid for a period of twenty-five (25) Gregorian years, counted from the date of completion of the transfer of ownership of all shares of the licensee to the private sector that was completed on 31 December 2020 (corresponding to 16 Jumada Al Awal 1442H).

On 19 Ramadan 1445H (corresponding to 24 March 2024), the General Assembly of Partners decided to go for an Initial Public Offering ("IPO") on Saudi Stock Exchange ("Tadawul"), which was approved by Capital Market Authority ("CMA") on 20 Duh Al-Hijjah 1445H (corresponding to 26 June 2024) and formal announcement was published in this regard. The allotment of shares to new shareholders was completed and the Company's ordinary shares began trading on Tadawul on 24 Rabi Al-Thani 1446H (corresponding to 27 October 2024).

## 1. COMPANY INFORMATION (CONTINUED)

The Company operates through its Head Office in Dammam and three branches in Kingdom of Saudi Arabia as follows:

| Branch Location | Date | Commercial Registration No. |
|---|---|---|
| Head Office (Dammam) | 10 Safar 1438H (corresponding to 10 November 2016) | 2050110856 |
| Dammam | 30 Jumada Al-Ula 1438H (corresponding to 27 February 2017) | 2050111821 |
| Madinah | 30 Jumada Al-Ula 1438H (corresponding to 27 February 2017) | 4650082090 |
| Al-Kharj | 30 Jumada Al-Ula 1438H (corresponding to 27 February 2017) | 1011024354 |

### 1.1 GEOPOLITICAL DEVELOPMENTS

The evolving geopolitical developments in the Middle East Region have increased economic and operational uncertainty across the region. The situation remains fluid and circumstances may change rapidly. The Company continues to monitor the regional geopolitical developments and their potential impact on Saudi Arabia. While the situation continues evolving, the Company maintains a robust operational framework to manage associated risks. These developments have not had a material impact on Company's condensed interim financial statements for the period ended 30 June 2026; however, given the evolving nature of the conflict, the potential long-term impact on the Company’s business will continue to be assessed on future reporting dates.

## 2. BASIS OF PREPARATION

### 2.1 STATEMENT OF COMPLIANCE

The accompanying condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard IAS 34 ‘Interim Financial Reporting’ that is endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (here and after referring to as “IFRSs as endorsed in KSA”) and should be read in conjunction with the Company’s last annual financial statements as at and for the year ended 31 December 2025 (“last annual financial statements”).

The condensed interim financial statements for the six-month period ended 30 June 2026 does not include all the information and disclosures required to prepare a complete set of financial statements in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia. However selected accounting policies and explanatory notes have been included to explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the last annual financial statements for the year ended 31 December 2025. In addition, the results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the year ending 31 December 2026.

### 2.2 BASIS OF MEASUREMENT

The condensed interim financial statements has been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except employees’ defined benefit obligations which are recognised at the present value of future obligation using the Projected Unit Credit Method.

Certain comparative figures have been rearranged and reclassified, wherever necessary. Refer to note 27.

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The condensed interim financial statements is presented in Saudi Arabian Riyals (SR) which is the functional and presentation currency of the Company. All amounts have been rounded to the nearest SR, unless otherwise stated.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company based its assumptions and estimates on parameters available when the condensed interim financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The significant judgments exercised in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2025.

## 4. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the adoption of new standards, interpretations and amendments effective as at 1 January 2026, as mentioned in note 5.1. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

## 5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

### 5.1 Standards, interpretations and amendments issued

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning after 1 January 2026 and that are available for early adoption in annual periods beginning on 1 January 2026.

| ***Standards, amendments, interpretations*** | ***Description*** | ***Effective from periods beginning on or after the following date*** |
|---|---|---|
| Amendments to IFRS 9 and IFRS 7 | Amendments to the classification and measurement of Financial Instruments - disclosures | 1 January 2026 |
| IFRS Accounting Standards – Volume 11 | Annual Improvements to IFRS Accounting Standards – Amendments to:<br>IFRS 1 First-time Adoption of International Financial Reporting Standards;<br>IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;<br>IFRS 9 Financial Instruments; and<br>IAS 7 Statement of Cash flows | 1 January 2026 |

## 5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

### 5.2 Standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments issued, but not yet effective up to the date of issuance of the condensed interim financial statements are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

| ***Standards, amendments, interpretations*** | ***Description*** | ***Effective from periods beginning on or after the following date*** |
|---|---|---|
| IFRS 18 | Presentation and disclosure in financial statements | 1 January 2027 |
| IFRS 19 | Subsidiaries without Public Accountability disclosures | 1 January 2027 |
| Amendments to IFRS 10 and IAS 28 | Sale or contribution of assets between investor and its Associate and Joint venture | To be determined |

The standards, interpretations, and amendments with an effective date of 1 January 2026 do not have any material impact on the Company’s condensed interim financial statements for the six-month period ended 30 June 2026.

The Company has assessed the estimated impact that the initial application of IFRS 18 will have on its financial statements.

**a) Structure of the Statement of Profit or Loss**

IFRS 18 requires entities to classify all income and expenses into categories in the statement of profit or loss, namely operating, investing, financing, income tax and discontinued operations. Classification of income and expenses depends on the main business activities of an entity. The Company has determined that its main business activity is the production and sale of flour and related milling products and that it does not have a specified main business activity of investing in assets or of providing financing to customers.

The Company will be required to present two newly defined subtotals, which are 'operating profit' and 'profit or loss before financing and income taxes'. However, operating profit subtotal differs from the current operating profit subtotal presented by the Company. Based on the information currently available, the Company expects changes to the current structure of the statement of profit or loss to result from the following:

- Interest income on bank deposits and gains or losses on disposal of assets will be presented within the investing category;
- Interest on end of service benefit obligations, currently presented within administrative expenses respectively, will be presented within the financing category;
- Net foreign exchange gains and losses are currently included and presented in other income / expenses. Under IFRS 18, foreign exchange differences are required to be presented in the same category as the income and expenses from the items that gave rise to the differences. The Company has determined that it has foreign exchange differences to be classified in the operating and financing categories. For example, foreign exchange differences on trade payables and trade receivables will be classified in the operating category.

## 5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

### 5.2 Standards, interpretations and amendments issued but not yet effective (continued)

**b) Management-defined performance measures**

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements that communicate users management's view of an aspect of the financial performance of the entity as a whole.

The Company is in the process of identifying the external communications (including investor presentations, earnings releases and management commentary) that may contain performance measures within the scope of IFRS 18. Based on the assessment performed to date, the Company uses 'Earnings before interest, taxes, depreciation and, amortization' ("EBITDA") in its external communications and has preliminarily concluded that EBITDA meets the definition of a management-defined performance measure. On adoption, EBITDA will be disclosed in a single note, together with a reconciliation to the most directly comparable subtotal and the income tax and non-controlling interest effect of each reconciling item. The Company will complete its review of all external communications before the effective date of implementation.

**c) Principles of aggregation and disaggregation**

IFRS 18 provides enhanced principles on how to group information in the financial statements (i.e. the primary financial statements and the notes). It also introduces guidance on labelling and describing items presented in the primary financial statements or disclosed in the notes. The Company is assessing the grouping of items on the basis of similar and dissimilar characteristics. Based on this assessment, it will present line items in the primary financial statements that provide useful structured summaries and disclose additional information in the note. The Company is also assessing line items currently labelled as 'other' and will use more informative labels.

**d) Consequential amendments**

IFRS 18 introduces consequential amendments to IAS 7, which require entities to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Company currently uses profit for the year/period as the starting point of the reconciliation to cash flows from operating activities. Certain adjusting items included in the reconciliation will change as a result of the new starting point.

The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows. Cash flows from interest received and from dividends paid will continue to be classified as investing activities and financing activities, respectively.

## 6. SEGMENT INFORMATION

The Company operates in three regions in the Kingdom of Saudi Arabia, which are its reportable segments. These regions are identified as a separate reportable segment because the Company managed them separately.

Chief Executive Officer ("CEO") is the Chief Operating Decision Maker ("CODM") who monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently in the condensed interim financial statements for the six-month period ended 30 June 2026. Also, the finance income and zakat and income tax are managed on a head office level and are not allocated to operating segments. All reportable segments have similar type of products. All inter-segment transfers during the period are recorded at cost (30 June 2025: same).

## 6. SEGMENT INFORMATION (CONTINUED)

The management has identified these business units based on their geographical locations. The following summary describes the operations of each reportable segment.

| Reportable segments | Operations |
|---|---|
| Dammam | Production of flour, feed and bran |
| Madinah | Production of flour and bran |
| Al-Kharj | Production of flour and bran |

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income and is measured consistently in the condensed interim financial statements for the six-month period ended 30 June 2026. Transfer prices between operating segments are on cost and any transmission and distribution costs are recovered from the segments in a manner similar to transactions with third parties.

The selected financial information for these business units is set out below. All unallocated amounts are related to the head office and are not allocatable to the operating segments. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

| **For the three-month period ended 30 June 2026 (Unaudited)** | **Dammam** | **Madinah** | **Al-Kharj** | **Total segments** |
|---|---|---|---|---|
| **Net revenue** | **67,815,935** | **52,470,009** | **47,553,627** | **167,839,571** |
| **Cost of material consumed** | **(23,054,438)** | **(15,722,302)** | **(17,144,465)** | **(55,921,205)** |
| **Employee benefits expenses** | **(6,237,382)** | **(5,639,990)** | **(3,449,590)** | **(15,326,962)** |
| **Depreciation and amortization** | **(4,164,835)** | **(5,792,077)** | **(3,450,216)** | **(13,407,128)** |
| **Finance costs** | **(1,415,201)** | **(1,056,421)** | **(112,014)** | **(2,583,636)** |
| **Other expenses** | **(8,544,783)** | **(2,840,890)** | **(4,632,634)** | **(16,018,307)** |
| **Segment profit before zakat and tax** | **24,399,296** | **21,418,329** | **18,764,708** | **64,582,333** |

| For the three-month period ended 30 June 2025 (Unaudited) | Dammam | Madinah | Al-Kharj | Total segments |
|---|---|---|---|---|
| Net revenue | 49,222,298 | 48,542,593 | 40,256,962 | 138,021,853 |
| Cost of material consumed | (15,132,104) | (14,317,614) | (18,357,363) | (47,807,081) |
| Employee benefits expenses | (5,236,007) | (5,421,087) | (3,471,978) | (14,129,072) |
| Depreciation and amortization | (3,989,916) | (5,618,530) | (3,503,501) | (13,111,947) |
| Finance costs | (1,470,324) | (1,091,285) | (115,431) | (2,677,040) |
| Other expenses | (4,905,123) | (4,942,565) | (3,290,237) | (13,137,925) |
| Segment profit before zakat and tax | 18,488,824 | 17,151,512 | 11,518,452 | 47,158,788 |

| **For the six-month period ended 30 June 2026 (Unaudited)** | **Dammam** | **Madinah** | **Al-Kharj** | **Total segments** |
|---|---|---|---|---|
| **Net revenue** | **138,055,705** | **110,708,380** | **94,316,132** | **343,080,217** |
| **Cost of material consumed** | **(47,378,322)** | **(33,230,275)** | **(34,160,588)** | **(114,769,185)** |
| **Employee benefits expenses** | **(12,499,542)** | **(11,595,453)** | **(7,123,833)** | **(31,218,828)** |
| **Depreciation and amortization** | **(8,419,470)** | **(11,870,900)** | **(6,987,861)** | **(27,278,231)** |
| **Finance costs** | **(2,830,401)** | **(2,112,842)** | **(224,028)** | **(5,167,271)** |
| **Other expenses** | **(14,234,058)** | **(9,922,953)** | **(9,695,573)** | **(33,852,584)** |
| **Segment profit before zakat and tax** | **52,693,912** | **41,975,957** | **36,124,249** | **130,794,118** |

## 6. SEGMENT INFORMATION (CONTINUED)

| For the six-month period ended 30 June 2025 (Unaudited) | Dammam | Madinah | Al-Kharj | Total segments |
|---|---|---|---|---|
| Net revenue | 110,114,690 | 105,367,335 | 88,668,104 | 304,150,129 |
| Cost of material consumed | (35,477,047) | (33,392,780) | (36,198,144) | (105,067,971) |
| Employee benefits expenses | (10,397,768) | (10,473,335) | (6,789,784) | (27,660,887) |
| Depreciation and amortization | (7,948,406) | (11,219,355) | (7,010,286) | (26,178,047) |
| Finance costs | (2,919,149) | (2,182,570) | (230,862) | (5,332,581) |
| Other expenses | (9,964,496) | (9,128,212) | (10,946,152) | (30,038,860) |
| Segment profit before zakat and tax | 43,407,824 | 38,971,083 | 27,492,876 | 109,871,783 |

| **At 30 June 2026 (Unaudited)** | **Dammam** | **Madinah** | **Al-Kharj** | **Total segments** |
|---|---|---|---|---|
| **Total assets** | **279,293,442** | **402,425,941** | **311,306,145** | **993,025,528** |
| **Total liabilities** | **182,414,555** | **204,013,204** | **39,482,998** | **425,910,757** |
| **Other disclosures:** | | | | |
| **Property, plant and equipment** | **100,162,605** | **198,379,534** | **221,412,866** | **519,955,005** |
| **Right-of-use assets** | **139,552,695** | **161,286,166** | **16,874,257** | **317,713,118** |
| **Intangible assets** | **10,960** | **9,104** | **9,104** | **29,168** |
| **Inventories** | **26,989,820** | **21,815,904** | **9,301,024** | **58,106,748** |

| At 31 December 2025 (Audited) | Dammam | Madinah | Al-Kharj | Total segments |
|---|---|---|---|---|
| Total assets | 285,982,074 | 397,805,155 | 285,870,930 | 969,658,159 |
| Total liabilities | 185,146,854 | 211,677,204 | 35,943,668 | 432,767,726 |
| Other disclosures: | | | | |
| Property, plant and equipment | 96,752,094 | 199,401,876 | 202,186,505 | 498,340,475 |
| Right-of-use assets | 143,238,371 | 165,219,975 | 17,285,824 | 325,744,170 |
| Intangible assets | 12,240 | 10,046 | 10,046 | 32,332 |
| Inventories | 31,281,580 | 21,458,558 | 9,235,194 | 61,975,332 |

### 6.1 Reconciliations of information on reportable segments to the amounts reported in the condensed interim financial statements

***i) Profit before tax***

| | **For the three-month period ended 30 June** | | **For the six-month period ended 30 June** | |
|---|---|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| Total profit before tax for reportable segments | **64,582,333** | 47,158,788 | **130,794,118** | 109,871,783 |
| **Unallocated amounts** | | | | |
| Employee benefits expenses | **(8,169,376)** | (8,989,844) | **(15,794,541)** | (17,557,032) |
| Depreciation | **(642,824)** | (625,222) | **(1,266,384)** | (1,205,683) |
| Finance costs | **(54,126)** | (142,422) | **(98,687)** | (283,635) |
| Finance income | **2,234,553** | 2,322,623 | **4,994,646** | 5,060,570 |
| Other expenses | **(3,622,044)** | (2,566,522) | **(7,122,382)** | (4,563,372) |
| | **54,328,516** | 37,157,401 | **111,506,770** | 91,322,631 |

## 6. SEGMENT INFORMATION (CONTINUED)

### 6.2 Reconciliations of information on reportable segments to the amounts reported in the condensed interim financial statements

***ii) Total assets***

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Total assets for reportable segments | **993,025,528** | 969,658,159 |
| Unallocated amounts | **281,812,469** | 289,343,973 |
| | **1,274,837,997** | 1,259,002,132 |

***iii) Total liabilities***

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Total liabilities for reportable segments | **425,910,757** | 432,767,726 |
| Unallocated amounts | **20,574,449** | 31,504,818 |
| | **446,485,206** | 464,272,544 |

## 7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Buildings (note 7.2) | **169,158,889** | 173,722,083 |
| Plant and equipment | **292,226,324** | 298,443,136 |
| Furniture and fittings | **9,772,162** | 2,676,566 |
| Computer equipment | **4,275,681** | 4,200,284 |
| Projects under progress (note 7.3) | **47,344,109** | 22,087,700 |
| | **522,777,165** | 501,129,769 |

**7.1** During the six-month period ended 30 June 2026, the Company acquired assets having cost of SR 35.46 million (30 June 2025: SR 7.36 million). Depreciation charge amounts to SR 19.66 million (30 June 2025: SR 18.50 million) during the six-month period ended 30 June 2026 and SR 9.61 million during the three-month period ended 30 June 2026 (30 June 2025: 9.30 million).

**7.2** Buildings are built on lands leased from the General Food Security Authority ("GFSA") (formerly Saudi Grains Organization ("SAGO")) with an annual rental value of SR 12.84 million. The initial term of the land lease is 25 calendar periods commencing from 1 January 2017 (corresponding to 3 Rabi Al-Thani 1438H), which was adjusted in 2021 to match with the duration of flour milling license up to 30 November 2046. The lease is renewable automatically subject to renewal of Company's milling license.

**7.3** Projects under progress, as at 30 June 2026, mainly consist of the following projects:

i) Expansion of Flour Mill & feed production plant for Al-Kharj Branch which is expected to be completed by second half of fiscal year 2027.

## 7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

ii) Project of implementing security and safety works in Dammam Branch, which has reached an execution progress of approximately 90% as of the reporting date and is expected to be completed by September 2026.

iii) Bran handling projects including bran bulk loading areas in Dammam, which is expected to be completed by October 2026.

iv) The replacement of the impact detacher with a Matador unit in the flour processing line at the Dammam branch is currently in progress and is expected to be completed by October 2026.

Capital commitments relating to these projects are disclosed in note 23.

## 8. RIGHT-OF-USE ASSETS

Right of use assets comprise of the following:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Silos | **144,666,155** | 148,194,597 |
| Lands | **173,046,961** | 177,549,571 |
| Buildings | **2,733,799** | 3,055,421 |
| | **320,446,915** | 328,799,589 |

For the purposes of preparing the condensed statement of cash flows, the movement in right of use assets during the six-month and three-month period ended 30 June is as follows:

| | **For the three-month period ended 30 June** | | **For the six-month period ended 30 June** | |
|---|---|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| Depreciation | **4,176,336** | 4,231,541 | **8,352,674** | 8,465,182 |
| Modification | **-** | - | **-** | 131,305 |

## 9. INTANGIBLE ASSETS

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Trademark (note 9.2) | **50,102,500** | 50,102,500 |
| Software | **7,558,509** | 7,943,148 |
| | **57,661,009** | 58,045,648 |

**9.1** During the six-month period ended 30 June 2026, the Company made additions amounting to SR 0.15 million (30 June 2025: 0.17 million). Amortization charge amounts to SR 0.53 million during the six-month period ended 30 June 2026 (30 June 2025: SR 0.42 million) and SR 0.27 million during the three-month period ended 30 June 2026 (30 June 2025: 0.20 million).

**9.2** The Company has acquired the trademark name (“FOOM”) from the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organization (“SAGO”)) in March 2022. After the acquisition, the Company is selling the products under the trademark name across the Kingdom with the exclusive rights. The acquired trademark has been designated as indefinite useful life and is stated at cost less accumulated impairment, if any.

## 10. ADVANCES TO CONTRACTORS AND SUPPLIERS

Advances to contractors and suppliers classified as non-current assets represent payments for machinery, equipment including installation and engineering works, and other project-related services. These amounts are recognised as advances until the related assets or services are received by the Company. The movement in advances to contractors and suppliers was as follows:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| At the beginning of the period/year | **52,454,595** | 9,430,802 |
| Payments during the period/year | **40,393,286** | 50,640,917 |
| Transfer to property, plant and equipment | **(26,870,811)** | (7,617,124) |
| At the end of the period/year | **65,977,070** | 52,454,595 |

## 11. INVENTORIES

Inventories comprise of the following:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Raw materials | **21,653,178** | 33,112,126 |
| Finished goods | **9,467,319** | 5,501,369 |
| Goods in transit | **1,076,514** | 77,240 |
| Spare parts and others | **38,234,605** | 35,734,618 |
| Less: adjustment for net realizable value of inventories | **(12,189,555)** | (12,418,859) |
| | **58,242,061** | 62,006,494 |

**11.1** During the six-month period ended 30 June 2026, inventories recognised as expense amounted to SR 114.78 million (30 June 2025: SR 105.08 million) and SR 55.93 million during the three-month period ended 30 June 2026 (30 June 2025: 47.82 million) included under cost of revenue. Furthermore, the Company has transferred plastic pallets amounting to SR 5.84 million to property, plant and equipment.

## 12. TRADE RECEIVABLES

Trade receivables comprise of the following:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Trade receivables | **18,912,553** | 21,789,030 |
| Less: allowance for expected credit loss on trade receivables | **(1,075,770)** | (391,816) |
| | **17,836,783** | 21,397,214 |

The movement in provision for expected credit losses is presented below:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| At the beginning of the period/year | **391,816** | 667,824 |
| Provision / (reversal) for the period/year | **683,954** | (276,008) |
| At the end of the period/year | **1,075,770** | 391,816 |

## 12. TRADE RECEIVABLES (CONTINUED)

During the six-month period ended 30 June 2026, the Company recognised an expected credit loss charge of SR 0.68 million (30 June 2025: reversal of SR 0.21 million). During the three-month period ended 30 June 2026, the Company recognised a reversal of expected credit loss amounting to SR 0.41 million (30 June 2025: reversal of SR 0.49 million).

## 13. PREPAYMENTS AND OTHER CURRENT ASSETS

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Prepaid expenses | **6,553,519** | 3,530,765 |
| Advance to suppliers (note 13.1) | **3,547,941** | 3,423,666 |
| Margin against letter of guarantees | **3,378,963** | 3,447,914 |
| Others | **189,514** | 78,787 |
| | **13,669,937** | 10,481,132 |

**13.1** Advances to suppliers represent payments made in advance for the procurement of materials, consumables, and services to be received within the normal operating cycle of the Company.

## 14. CASH AND CASH EQUIVALENTS

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Short-term murabaha deposits | **141,362,327** | 59,566,291 |
| Cash at bank | **8,898,836** | 3,424,727 |
| Accrued finance income | **1,136,045** | 650,513 |
| Cash in hand | **105,383** | 109,416 |
| | **151,502,591** | 63,750,947 |

**14.1** Short-term murabaha deposits are deposited with banks for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earns interest at floating rate based on daily bank deposit rate.

**14.2** Deposits with period exceeding 90 days amounting SR 64.84 million (31 December 2025: SR 156.22 million) are presented separately from cash and cash equivalents in the condensed statement of financial position. These balances include accrued finance income of SR 0.22 million as at 30 June 2026 (31 December 2025: SR 0.06 million).

**14.3** During the period ended 30 June 2026, finance income from short-term murabaha deposits amounting to SR 4.99 million (30 June 2025: SR 4.96 million) has been recognised in condensed statement of profit and loss and other comprehensive income. During the three-month period ended 30 June 2026, the Company recognised finance income from short-term murabaha deposits amounting to SR 2.23 million (30 June 2025: SR 2.25 million).

## 15. SHARE CAPITAL

The authorized, issued and fully paid-up share capital of the Company as at 30 June 2026 amounted to SR 540,000,000 (31 December 2025: SR 540,000,000) consists of 540,000,000 shares (31 December 2025: 540,000,000 shares) at SR 1 share each.

## 16. DIVIDENDS PAYABLE

In its meeting held on 29 Dul-Qi'dah 1446H (corresponding to 27 May 2025), the Ordinary General Assembly of the Company has authorised the Board of Directors to distribute interim dividends on a quarterly or semi-annual basis for fiscal period 2025.

**16.1** On 16 Ramadan 1447H (corresponding to 5 March 2026), the Board of Directors resolved to distribute interim cash dividend of SR 0.13 per share amounting to SR 70.20 million for the second half of the period ended 31 December 2025. The amount has been paid on 9 April 2026.

**16.2** On 7 Ramadan 1446H (corresponding to 7 March 2025), the Board of Directors resolved to distribute interim cash dividend of SR 0.11 per share amounting to SR 59.40 million for the second half of the period ended 31 December 2024. The amount was paid on 9 April 2025.

The movement in dividends payable is as follows:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| At the beginning of the period/year | **102,313** | 289,015 |
| Declared during the period/year | **70,200,000** | 118,800,000 |
| Paid during the period/year | **(70,203,541)** | (118,986,702) |
| At the end of the period/year | **98,772** | 102,313 |

## 17. LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities and the movements during the period/year:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| At the beginning of the period/year | **376,353,810** | 393,731,657 |
| Accretion of interest | **5,265,958** | 11,113,475 |
| Lease modification | **-** | (131,305) |
| Termination | **-** | (4,861,934) |
| Payments during the period/year | **(22,949,567)** | (23,498,083) |
| At the end of the period/year | **358,670,201** | 376,353,810 |
| Less: current portion | **(13,650,442)** | (13,175,237) |
| Non – current portion | **345,019,759** | 363,178,573 |

## 18. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS

The movement in employees' defined benefit liabilities were as follows:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Net liability at the beginning of the period/year | **7,965,917** | 5,621,768 |
| Current service and interest cost | **1,582,217** | 2,786,938 |
| Actuarial loss recognized in other comprehensive income | **45,188** | 636,122 |
| Benefits paid during the period/year | **(306,654)** | (1,078,911) |
| At the end of the period/year | **9,286,668** | 7,965,917 |

## 19. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| Accrued employees' costs | **10,631,846** | 14,091,702 |
| Accrued customer rebates | **4,996,797** | 2,948,958 |
| Value added tax ("VAT") payable | **4,569,867** | 2,501,804 |
| Accrued transport costs | **4,119,221** | 1,494,289 |
| Accrued fines and penalties (note 19.1) | **4,000,000** | 4,000,000 |
| Accrued utilities expense | **1,711,510** | 1,659,346 |
| Accrued professional fees | **896,813** | 582,475 |
| Accrued Board and committees' expenses | **55,000** | - |
| Other accruals | **607,045** | 37,928 |
| | **31,588,099** | 27,316,502 |

**19.1** Fines and penalties relate to the claim received from General Food Security Authority ("GFSA") on 18 Sha'ban 1446H (corresponding to 17 February 2025) for inspection made on 21 Rabi Al Thani 1446H (corresponding to 24 October 2024) alleging that the Company did not comply with the Flour Mills Production Regulation. The management has objected to the claim and shared their response on 4 Ramadan 1446H (corresponding to 4 March 2025). The Company's management took a prudent view of the matter and made a provision of full amount of SR 4 million in the financial statements for the year ended 31 December 2024. On 5 February 2026, the administrative court ruling was received with the violation confirmed for the full amount. On 1 April 2026, the Company had submitted a legal objection to the competent judicial authority. A hearing was subsequently held in July 2026, during which the GFSA requested additional time to submit its response to the Company's objection. As of the date of approval of these condensed interim financial statements, the Company is awaiting notification from the Administrative Court regarding the date of the next hearing.

## 20. REVENUE

The Company sells its goods based on sale orders from customers, majority of which is secured by the advance receipts of value of goods. Revenue is disaggregated as shown below:

| | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
|---|---|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| Sale of goods | **167,839,571** | 138,021,853 | **343,080,217** | 304,150,129 |

## 20. REVENUE (CONTINUED)

| | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
|---|---|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| **Primary geographical markets** | | | | |
| Local | **166,964,906** | 138,021,853 | **341,761,958** | 304,150,129 |
| Export | **874,665** | - | **1,318,259** | - |
| | **167,839,571** | 138,021,853 | **343,080,217** | 304,150,129 |
| **Type of sectors** | | | | |
| Corporate | **158,731,701** | 129,444,216 | **323,544,998** | 283,006,603 |
| Hypermarkets | **3,107,988** | 1,603,603 | **7,200,112** | 7,104,972 |
| Individual | **5,999,882** | 6,974,034 | **12,335,107** | 14,038,554 |
| | **167,839,571** | 138,021,853 | **343,080,217** | 304,150,129 |

***Timing of revenue recognition***

The sale of the goods is recognised by the Company at a point in time, and the performance obligation is fulfilled when the goods are delivered to the customer.

## 21. COST OF REVENUE

| | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
|---|---|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| Materials consumed | **55,927,368** | 47,817,625 | **114,780,685** | 105,078,515 |
| Employees' costs | **10,286,776** | 10,604,823 | **21,355,663** | 20,926,437 |
| Depreciation of property, plant and equipment (note 7) | **8,569,772** | 8,328,128 | **17,068,514** | 16,603,321 |
| Fuel and power | **4,912,733** | 3,493,147 | **9,700,052** | 7,813,819 |
| Depreciation of right-of-use assets (note 8) | **3,888,601** | 3,888,601 | **7,777,203** | 7,777,203 |
| Maintenance | **997,234** | 814,995 | **2,007,833** | 1,597,961 |
| Subscriptions | **282,996** | 754,090 | **584,038** | 1,212,740 |
| Insurance | **566,196** | 656,834 | **1,115,594** | 1,346,131 |
| Transportation | **1,041,899** | 1,613,321 | **1,889,529** | 2,657,662 |
| Consultancy fee | **100,510** | 90,459 | **362,614** | 176,781 |
| Rent | **172,003** | 175,250 | **344,007** | 347,250 |
| Other expenses | **211,986** | 292,866 | **570,464** | 430,923 |
| | **86,958,074** | 78,530,139 | **177,556,196** | 165,968,743 |
| Finished goods inventory at the beginning of the period | **6,096,041** | 7,846,746 | **5,501,369** | 8,575,096 |
| Finished goods available for sale during the period | **93,054,115** | 86,376,885 | **183,057,565** | 174,543,839 |
| Finished goods inventory at the end of the period | **(9,467,319)** | (8,137,114) | **(9,467,319)** | (8,137,114) |
| | **83,586,796** | 78,239,771 | **173,590,246** | 166,406,725 |

## 22. ZAKAT, INCOME TAX AND DEFERRED TAX

Zakat and income tax charged for the period consist of the following:

| | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| | **(Unaudited)** | (Unaudited) | **(Unaudited)** | (Unaudited) |
| Zakat expense | **1,245,742** | 1,296,023 | **2,444,409** | 2,883,974 |
| Current income tax | **2,334,177** | 1,405,536 | **4,902,702** | 3,645,839 |
| Deferred tax | **194,620** | 403,431 | **291,268** | (1,955,414) |
| | **3,774,539** | 3,104,990 | **7,638,379** | 4,574,399 |

The movement in zakat and income tax provision during the period / year were as follows:

| | Zakat | Income tax | Total |
|---|---|---|---|
| At 31 December 2024 (audited) | 3,445,688 | 4,033,360 | 7,479,048 |
| Charge for the year | 4,187,060 | 8,596,921 | 12,783,981 |
| Payments during the year | (3,445,688) | (10,610,771) | (14,056,459) |
| At 31 December 2025(audited) | 4,187,060 | 2,019,510 | 6,206,570 |
| **Charge for the period** | **2,081,023** | **4,902,702** | **6,983,725** |
| **Prior year charge** | **363,386** | **-** | **363,386** |
| **Payments during the period** | **(4,187,115)** | **(4,168,750)** | **(8,355,865)** |
| **At 30 June 2026 (unaudited)** | **2,444,354** | **2,753,462** | **5,197,816** |

**Zakat status**
The Company was subject to zakat and income tax from 1 December 2021 as previously its share capital was from public funds in accordance with the decision of the Zakat, Tax and Customs Authority (“ZATCA”). The Company has submitted its zakat and income tax returns for the periods from 1 December 2021 to 31 December 2025.

During June 2026, the Company received a zakat assessment from ZATCA for the financial year ended 31 December 2024, resulting in an additional zakat liability of SAR 0.36 million. Management has recognized a full provision for the additional zakat liability in the condensed interim financial statements for the period ended 30 June 2026.

As of the date of approval of these condensed interim financial statements, ZATCA has not issued assessments for the remaining zakat and income tax periods.

**Income tax**
The Company is subject to income tax at the rate of 20% of taxable income related to non-Saudi shareholder calculated in accordance with articles of association and income tax regulations enforced in the Kingdom of Saudi Arabia.

**Deferred tax**
Deferred taxes are recognised for all taxable temporary differences and all deductible temporary differences, carry forward of unused tax credits and unused tax losses only to the extent that it is probable that taxable profit will be available against which these assets can be utilised.

## 23. CONTINGENCIES AND COMMITMENTS

***Contingencies***

The Company has contingent liabilities in respect of legal proceedings and claims initiated by employees and regulatory authorities. These contingent liabilities arose in the normal course of business. No additional significant obligations are expected to be incurred from these potential claims, apart from the amount recorded under accrued expenses.

As of 30 June 2026, the Company has provided bank guarantees amounting to SR 3.38 million (30 June 2025: SR 3.45 million) in favor of General Food Security Authority ("GFSA") for lease of silos and land in Dammam, Madinah and Al-Kharj.

***Capital commitments***

At 30 June 2026, the capital commitments relating to ongoing capital work in progress projects amounts to SR 228.01 million (31 December 2025: SR 248.31 million).

Import Letters of credit (LC's) in favour of Buhler AG for supply of machines and equipment for two projects in Al-Kharj, amounting to SR 56.54 million (CHF 12.64 million) is outstanding as at six-month period ended 30 June 2026 (31 December 2025: Nil). These LC's will remain valid till 26 December 2026 (corresponding to 17 Rajab 1448H).

## 24. EARNINGS PER SHARE

**Basic and diluted earnings per share**

The calculation of basic and diluted earnings per share has been based on the distributable earnings attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the condensed interim financial statements.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of the condensed interim financial statements.

| | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
|---|---|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| Profit for the period | **50,553,977** | 34,052,411 | **103,868,391** | 86,748,232 |
| Weighted average number of ordinary shares | **540,000,000** | 540,000,000 | **540,000,000** | 540,000,000 |
| Earnings per share – basic and diluted | **0.09** | 0.06 | **0.19** | 0.16 |

## 25. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders of Parent Company with significant influence, key management personnel of the Company, and entities controlled or significantly influenced by such parties (other related parties). 'Other related parties' represent parties in addition to the requirements of IAS 24. The terms of the transactions with related parties are approved by the Company's management. Transactions with related parties are on the basis of contractual arrangements made with them.

## 25. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

| ***Name of related party*** | ***Nature of relationship*** |
|---|---|
| Gulf Flour Milling Industrial Company | Parent |
| Abdullah Al-Othaim Markets Company | Shareholder of parent company |
| United Feed Manufacturing Company | Shareholder of parent company |
| Allana International Limited Company | Shareholder of parent company |
| United Feed Company Limited | Other related party |
| Riyadh Food Industries Company | Other related party |
| Pure Food Corporations | Other related party |
| Abdulaziz Al-Othaim Markets Company | Other related party |
| Zod Factory for Pastries and Bakeries - a branch of Abdullah Al-Othaim Markets Company | Other related party |

### TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The compensation of the senior management personnel includes salaries and other benefits. The amounts disclosed in the table represent the amounts recognised as an expense during the financial period in respect of key management personnel.

Compensation of key management personnel of the Company are as follows:

| | For the three-month period ended 30 June | | For the six-month period ended 30 June | |
|---|---|---|---|---|
| | **2026 (Unaudited)** | 2025 (Unaudited) | **2026 (Unaudited)** | 2025 (Unaudited) |
| Short-term employee benefits | **1,620,933** | 1,386,162 | **4,960,840** | 2,997,668 |
| Post-employment benefits | **175,700** | 63,228 | **635,654** | 119,223 |
| Total compensation paid to key management personnel | **1,796,633** | 1,449,390 | **5,596,494** | 3,116,891 |

Board and committees' fees, rewards and allowances during the six-month period ended 30 June 2026 amounting to SR 1.81 million (30 June 2025: SR 1.76 million).

### OTHER RELATED PARTY TRANSACTIONS

Transactions with related parties arise mainly from services provided / received and payments made on behalf of each other and are undertaken at mutually agreed terms. Due to related parties are the balances payable on demand, interest free and unsecured.

The aggregate value of related parties' transactions and outstanding balances including those related to key management personnel, and entities over which they have control or significant influence are as follows:

## 25. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### OTHER RELATED PARTY TRANSACTIONS (Continued)

| Related parties | Nature of transactions | For the six-month period ended 30 June Amount of transactions 2026 | 2025 |
|---|---|---|---|
| Gulf flour Milling Industrial Company (Shareholder) | Expenses incurred on behalf of shareholder | **9,106** | 2,500 |
| | Collections | **(237,281)** | (403,477) |
| Abdullah Al-Othaim Markets Company (Shareholder of Parent Company) | Sales | **7,840,178** | 7,230,373 |
| | Rebates | **(5,391,525)** | (3,277,559) |
| | Collection | **(3,683,982)** | (5,036,017) |
| United Feed Manufacturing Company (Shareholder of Parent Company) | Sales | **13,042,840** | 25,953,691 |
| | Rebates | **-** | (358,273) |
| | Collection | **(14,313,823)** | (24,268,862) |
| Zod Factory for Pastries and Bakeries - a branch of Abdullah Al-Othaim Markets Company (Other related party) | Sales | **-** | 58,443 |
| | Collection | **-** | (85,612) |
| Pure Food Corporations (Other related party) | Sales | **5,907,396** | 2,725,673 |
| | Rebates | **(1,899,898)** | (703,857) |
| | Collection | **(4,102,419)** | (2,704,861) |
| United Feed Company Limited (Other related party) | Collections | **-** | (2,807) |
| Abdulaziz Al-Othaim Markets Company (Other related party) | Sales | **48,783** | 27,852 |
| | Rebates | **(18,570)** | (5,989) |

## 25. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### OTHER RELATED PARTY TRANSACTIONS (Continued)

Balances outstanding with the related parties is presented below:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| ***Amounts due from related parties*** | | |
| Abdullah Al-Othaim Markets Company | **1,551,267** | 2,786,596 |
| United Feed Manufacturing Company | **324,254** | 1,595,238 |
| Pure Food Cooperation | **7,097** | 102,018 |
| Gulf Flour Milling Industrial Company | **1,825** | 230,000 |
| | **1,884,443** | 4,713,852 |

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| ***Amounts due to a related party*** | | |
| Abdulaziz Abdullah Al-Othaim Markets Company | **76,075** | 106,377 |
| | **76,075** | 106,377 |

## 26. FINANCIAL INSTRUMENTS

### FAIR VALUES

*Financial assets*
Set out below is an overview of financial assets held by the Company:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| **Financial assets at amortised cost:** | | |
| Bank balances and short-term deposits | **216,342,614** | 219,973,839 |
| Trade receivables | **18,912,553** | 21,789,030 |
| Due from related parties | **1,884,443** | 4,713,852 |
| Other current financial assets | **3,568,477** | 3,526,701 |
| | **240,708,087** | 250,003,422 |

*Financial liabilities*
Set out below is an overview of financial liabilities held by the Company:

| | **30 June 2026 (Unaudited)** | 31 December 2025 (Audited) |
|---|---|---|
| **Financial liabilities at amortised cost:** | | |
| Lease liabilities | **358,670,201** | 376,353,810 |
| Trade and other payables | **24,894,231** | 29,748,311 |
| Due to related parties | **76,075** | 106,377 |
| Contract liabilities | **9,429,286** | 9,519,953 |
| Accrued expenses and other current liabilities | **27,018,232** | 24,814,698 |
| | **420,088,025** | 440,543,149 |

## 26. FINANCIAL INSTRUMENTS (CONTINUED)

**FAIR VALUES (Continued)**

The management assessed that fair value of bank balances and short-term deposits, trade receivables, amounts due from related parties, other current assets, trade and other payables, certain accrued expense and other liabilities, lease liabilities and amounts due to related parties approximate their carrying amounts, largely due to the short-term maturities of these instruments.

There are no financial instruments recognised at fair value and there were no transfers between levels of fair value measurements during six-month ended 30 June 2026 and year ended 31 December 2025. No transfers between any levels of the fair value hierarchy took place in the equivalent comparative period.

## 27. RECLASSIFICATION

Certain comparative figures have been reclassified, where necessary, to appropriately reflect the accounting treatment applicable to the comparative period and to align certain classifications with the current period presentation. The reclassifications have no impact on profit for the period, total assets, total liabilities or equity. The impact of the reclassifications on the condensed interim financial statements is presented below:

*For the three-month period ended 30 June 2025:*

| **Condensed statement of profit or loss and other comprehensive income** | Previously reported | Amount of reclassification | Reclassified amount |
|---|---|---|---|
| Revenue | 140,601,998 | (2,580,145) | 138,021,853 |
| Selling and distribution expenses | (10,727,150) | 2,580,145 | (8,147,005) |

*For the six-month period ended 30 June 2025:*

| **Condensed statement of profit or loss and other comprehensive income** | Previously reported | Amount of reclassification | Reclassified amount |
|---|---|---|---|
| Revenue | 310,745,019 | (6,594,890) | 304,150,129 |
| Selling and distribution expenses | (24,196,861) | 6,594,890 | (17,601,971) |

*For the year ended 31 December 2025:*

| **Condensed statement of financial position** | Previously reported | Amount of reclassification | Reclassified amount |
|---|---|---|---|
| Prepayments and other current assets | 11,190,924 | (709,792) | 10,481,132 |
| Cash and cash equivalents | 63,100,434 | 650,513 | 63,750,947 |
| Short-term Murabaha deposits | 156,163,613 | 59,279 | 156,222,892 |

The nature of above reclassifications is as follows:

- Transportation costs have been reclassified from selling and distribution expenses and presented as a deduction from revenue to reflect the accounting treatment applicable to contractual arrangements in effect during the comparative period.
- Accrued finance income has been reclassified from prepayments and other current assets to cash and cash equivalents and short-term murabaha deposits.

## 28. SUBSEQUENT EVENTS

Subsequent to the period ended 30 June 2026, on 16 Safar 1448H (corresponding to 30 July 2026), the Board of Directors resolved to distribute interim cash dividend of SR 0.13 per share amounting to SR 70.20 million for the first half of the year 2026. The amount will be paid on 21 Rabi al-Awwal 1448H (corresponding to 3 September 2026).

Other than as mentioned above, no matter has occurred up to and including the date of the approval of the condensed interim financial statements by the Board of Directors which could materially affect the condensed interim financial statements and the related disclosures for the six-month period ended 30 June 2026.

## 29. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The condensed interim financial statements was approved and authorised for issuance by the Company's Board of Directors on 15 Safar 1448H, corresponding to 29 July 2026.