



FIRST المطاحن
MILLS الأولى

THE FIRST MILLING COMPANY (A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the three-month and nine-month periods ended 30 September 2025

**TOGETHER WITH THE
INDEPENDENT AUDITORS' REPORT**

THE FIRST MILLING COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2025

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KPMG Professional Services Company

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Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جدة 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

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

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

Introduction

We have reviewed the accompanying 30 September 2025 condensed consolidated interim financial statements of The First Milling Company ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2025;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2025;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2025;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2025; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated 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 consolidated 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 consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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.



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

To the Shareholders of The First 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 September 2025 condensed consolidated interim financial statements of The First Milling Company and its subsidiaries 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

Ebrahim Oboud Baeshen
Regional Managing Partner - Jeddah
License No. 382



Jeddah, 29 October 2025
Corresponding to 7 Jumada Al Awal 1447H

THE FIRST MILLING COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	<u>Notes</u>	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Goodwill		1,107,630,230	1,090,669,302
Property, plant and equipment	8.1	765,529,407	682,102,483
Right-of-use assets	9	291,710,034	299,543,613
Intangible assets		11,043,720	9,162,686
Margins against letter of guarantees – restricted		2,232,315	2,561,809
Derivative financial instrument	10	--	7,727,210
Non-current assets		2,178,145,706	2,091,767,103
Derivative financial instrument	10	13,102,736	19,422,922
Margins against letter of guarantees – restricted		329,494	--
Inventories	11	185,556,399	161,698,540
Trade receivables	12	41,295,050	18,562,782
Prepayments and other current assets		36,950,714	11,535,531
Cash and cash equivalents		83,292,145	192,540,441
Current assets		360,526,538	403,760,216
Total assets		2,538,672,244	2,495,527,319
Equity and liabilities			
Equity			
Share capital	13	555,000,000	555,000,000
Treasury shares		(25,318,388)	(25,318,388)
Shareholders' contributions		6,751,214	6,751,214
Reserves		95,420,408	75,406,576
Retained earnings		357,943,040	333,209,421
Total equity		989,796,274	945,048,823
Liabilities			
Long-term loans	16	753,567,467	848,270,768
Lease liabilities	17	301,813,144	309,265,433
Long-term payable	18	19,696,110	23,596,226
Employees' defined benefit obligations		10,697,757	8,674,000
Non-current liabilities		1,085,774,478	1,189,806,427
Trade and other payables		77,864,722	60,133,757
Current portion of long-term loans	16	178,280,254	162,367,151
Current portion of lease liabilities	17	21,518,333	30,925,951
Current portion of long-term payable	18	9,705,417	9,536,174
Short-term loan	19	80,000,000	--
Dividends payable	15.4	19,907	19,907
Advances from customers		15,428,328	24,308,746
Due to related parties	27	85,868	3,134
Accrued expenses and other current liabilities		75,490,818	67,440,606
Accrued Zakat	24	4,707,845	5,936,643
Current liabilities		463,101,492	360,672,069
Total liabilities		1,548,875,970	1,550,478,496
Total equity and liabilities		2,538,672,244	2,495,527,319

The accompanying notes from 1 to 30 form an integral part of these condensed consolidated interim financial statements.

Tariq Mutlaq Abdullah Al-Mutlaq
Chairman

Abdullah Abdul-Aziz Abdullah Ababtain
CEO

Alaaeldin Mohammed Shousha
CFO

THE FIRST MILLING COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three-month and nine-month periods ended 30 September 2025
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	20	286,268,253	261,212,915	807,630,165	780,009,200
Cost of sales	21	(162,207,612)	(149,671,726)	(457,606,641)	(442,533,694)
Gross profit		<u>124,060,641</u>	<u>111,541,189</u>	<u>350,023,524</u>	<u>337,475,506</u>
General and administrative expenses		(19,301,384)	(19,573,235)	(58,138,723)	(62,136,830)
Selling and distribution expenses		(17,574,162)	(13,999,323)	(45,714,514)	(38,437,912)
Expected credit reversal/(loss) on trade receivables		108,528	(269,554)	436,442	(979,184)
Other income		801,202	--	2,369,496	14,702
Gain on disposal of property, plant and equipment		--	141,366	--	141,366
Operating profit		<u>88,094,825</u>	<u>77,840,443</u>	<u>248,976,225</u>	<u>236,077,648</u>
Finance income	22	5,683,594	8,607,819	19,549,942	26,585,697
Finance costs	23	(20,756,662)	(23,861,091)	(60,854,748)	(73,297,348)
Profit before zakat		<u>73,021,757</u>	<u>62,587,171</u>	<u>207,671,419</u>	<u>189,365,997</u>
Zakat expense	24.1	(1,363,882)	(1,308,681)	(4,943,628)	(4,858,549)
Profit for the period		<u>71,657,875</u>	<u>61,278,490</u>	<u>202,727,791</u>	<u>184,507,448</u>
Other comprehensive loss for the period					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Cash flow hedge and cost of hedging reserve	10	(3,470,386)	(14,396,542)	(10,459,297)	(13,816,556)
Total comprehensive income for the period		<u>68,187,489</u>	<u>46,881,948</u>	<u>192,268,494</u>	<u>170,690,892</u>
Earnings per share for the period attributable to shareholders of the Parent Company (SR):					
Basic	26.1	<u>1.30</u>	<u>1.11</u>	<u>3.67</u>	<u>3.34</u>
Diluted	26.2	<u>1.29</u>	<u>1.10</u>	<u>3.65</u>	<u>3.32</u>

The accompanying notes from 1 to 30 form an integral part of these condensed consolidated interim financial statements.

Tariq Mutlaq Abdullah AlMutlaq
Chairman

Abdullah Abdul-Aziz Abdullah Ababtain
CEO

Alaaeldin Mohammed Shousha
CFO

THE FIRST MILLING COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine-month period ended 30 September 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	Share capital	Treasury shares	Shareholders' contribution	Statutory reserve	General reserve	Share based payments reserve	Merger reserve	Cash flow hedge reserve	Total reserves	Retained earnings	Total
Nine-month period ended 30 September 2025:												
As at 31 December 2024 (audited)		555,000,000	(25,318,388)	6,751,214	82,823,399	--	10,165,117	(37,554,503)	19,972,563	75,406,576	333,209,421	945,048,82
Profit for the period		--	--	--	--	--	--	--	--	--	202,727,791	202,727,79
Other comprehensive loss for the period		--	--	--	--	--	--	--	(10,459,297)	(10,459,297)	--	(10,459,29
Total comprehensive income for the period		--	--	--	--	--	--	--	(10,459,297)	(10,459,297)	202,727,791	192,268,49
Dividends distribution	15	--	--	--	--	--	--	--	--	--	(152,904,000)	(152,904,000
Transfer to general reserve	14	--	--	--	--	25,090,172	--	--	--	25,090,172	(25,090,172)	
Employees' share based payments plan reserve – charged to statement of profit or loss and other comprehensive income		--	--	--	--	--	5,382,957	--	--	5,382,957	--	5,382,957
As at 30 September 2025 (unaudited)		555,000,000	(25,318,388)	6,751,214	82,823,399	25,090,172	15,548,074	(37,554,503)	9,513,266	95,420,408	357,943,040	989,796,27
Nine-month period ended 30 September 2024:												
As at 31 December 2023 (audited)		555,000,000	--	6,751,214	82,823,399	--	7,313,714	(37,554,503)	32,772,540	85,355,150	245,030,498	892,136,86
Profit for the period		--	--	--	--	--	--	--	--	--	184,507,448	184,507,44
Other comprehensive loss for the period		--	--	--	--	--	--	--	(13,816,556)	(13,816,556)	--	(13,816,556
Total comprehensive income for the period		--	--	--	--	--	--	--	(13,816,556)	(13,816,556)	184,507,448	170,690,89
Dividends distribution	15	--	--	--	--	--	--	--	--	--	(163,674,000)	(163,674,000
Purchase of treasury shares for employees' share based payments plan		--	(25,318,388)	--	--	--	--	--	--	--	--	(25,318,388
Employees' share based payments plan reserve – charged to statement of profit or loss and other comprehensive income		--	--	--	--	--	2,898,306	--	--	2,898,306	--	2,898,306
As at 30 September 2024 (unaudited)		555,000,000	(25,318,388)	6,751,214	82,823,399	--	10,212,020	(37,554,503)	18,955,984	74,436,900	265,863,946	876,733,67

The accompanying notes from 1 to 30 form an integral part of these condensed consolidated interim financial statements.

Tariq Mutlaq Abdullah AlMutlaq
Chairman

Abdullah Abdul-Aziz Abdullah Ababtain
CEO

Alaaeldin Mohammed Shousha
CFO

THE FIRST MILLING COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the nine-month period ended 30 September 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Cash flows from operating activities			
Profit before zakat		207,671,419	189,365,997
Adjustments:			
Depreciation on property, plant and equipment	8.2	32,097,753	28,919,935
Depreciation of right-of-use assets	9	12,203,153	12,003,700
Amortisation of intangible assets		842,556	566,098
Finance cost on lease liabilities	23	10,125,363	9,951,894
Finance cost on long-term loans	23	40,408,254	57,223,501
Finance cost on short term loans		866,840	--
Amortisation of loan transaction cost	23	4,190,131	2,308,036
Finance cost on long-term payable	23	1,676,058	2,123,573
Ineffective portion of changes in fair value of cash flow hedge	23	--	(94)
Amortisation of cost of hedging	23	3,588,102	1,690,439
Finance income	22	(19,549,942)	(26,585,697)
Adjustment for net realizable value for inventories	21	884,938	10,829,514
Provision for employees' defined benefit obligations		2,328,989	2,169,126
Employees' share based payments plan expense		5,382,957	2,898,306
Expected credit loss on trade receivables		(436,442)	979,184
Exchange loss on long-term payable		--	622,696
Gain on disposal of property, plant and equipment	8.2	--	(141,366)
Loss on termination of lease liability		--	6,802
		<u>302,280,129</u>	<u>294,931,644</u>
Changes in working capital:			
Inventories		(24,742,797)	(4,396,561)
Trade receivables		(22,295,826)	(15,908,773)
Prepayments and other current assets		(25,415,183)	(13,303,743)
Trade and other payables		17,730,965	(3,363,825)
Accrued expenses and other current liabilities		7,216,995	5,119,390
Advances from customers		(8,880,418)	1,472,608
Due to related parties		82,734	(686,140)
Cash generated from operating activities		<u>245,976,599</u>	<u>263,864,600</u>
Employees' defined benefit obligations paid		(471,023)	(532,240)
Finance cost paid		(55,195,283)	(87,064,375)
Finance income received		19,549,942	26,721,509
Zakat paid	24.1	(6,172,426)	(6,862,509)
Net cash from operating activities		<u>203,687,809</u>	<u>196,126,985</u>
Cash flows from investing activities			
Additions to property, plant and equipment	8.2	(54,861,677)	(41,741,025)
Additions to intangible assets		(2,723,590)	(3,298,751)
Proceeds from disposal of property, plant and equipment		--	218,266
Acquisition of subsidiary	7.2	(77,000,000)	--
Net cash used in investing activities		<u>(134,585,267)</u>	<u>(44,821,510)</u>
Cash flows from financing activities			
Dividends paid	15.4	(152,904,000)	(163,673,904)
Purchase of treasury shares		--	(25,318,388)
Proceeds from long-term loan		--	144,450,000
Proceeds from short-term loan		80,000,000	--
Repayment of long-term loans	16	(82,980,330)	(69,405,617)
Repayment of lease liabilities	17	(18,240,759)	(20,001,506)
Payment of long-term liability	18	(4,225,749)	(4,194,630)
Net cash used in financing activities		<u>(178,350,838)</u>	<u>(138,144,045)</u>
Net change in cash and cash equivalents during the period		<u>(109,248,296)</u>	<u>13,161,430</u>
Cash and cash equivalents at 1 January		192,540,441	192,106,283
Cash and cash equivalents at 30 September		<u>83,292,145</u>	<u>205,267,713</u>

Supplementary non-cash information:

Additions to right-of-use assets in exchange for lease liabilities 9 & 16 3,690,200 --

The accompanying notes from 1 to 30 form an integral part of these condensed consolidated interim financial statements.

Tariq Mutlaq Abdullah AlMutlaq
Chairman

Abdullah Abdul-Aziz Abdullah Ababtain
CEO

Alaaeldin Mohammed Shousha
CFO

THE FIRST MILLING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the nine-month period ended 30 September 2025
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION

The First Milling Company (the “Company” or the “Parent Company”), a Saudi Joint Stock Company, was incorporated in accordance with the Companies’ Regulations in the Kingdom of Saudi Arabia under Unified No. 7003698904 and Commercial Registration No. 4030291813 issued on 10 November 2016 (corresponding to 10 Safar 1438H).

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

On 9 September 2020 (corresponding to 17 Shawwal 1441H), 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). The Company’s shares were wholly sold to Al Raha Al Safi Food Company (the “Former Parent Company”) on 31 December 2020 (corresponding to 16 Jumada Al Awal 1442H).

The Company entered into a subsidised wheat purchase agreement with GFSA, as GFSA imports wheat to Saudi Arabia for the purpose of producing subsidised flour. This agreement was entered into force on 1 January 2017 (corresponding to 3 Rabi Al Thani 1438H). 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 30 November 2020 (corresponding to 15 Rabi’ Al Thani 1442H), 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 29 June 2022 (corresponding to 30 Dhul Qadah 1443H), the Company entered into a merger agreement (the “Merger”) pursuant to which the Company and the Parent Company have agreed to take necessary steps to implement the Merger between the two Companies. Subsequently, on 15 September 2022 (corresponding to 19 Safar 1444H), pursuant to the approval of the Ministry of Commerce (the “MOC”), the Parent Company ceased to exist and all of the assets and liabilities of the Parent Company were transferred to the Company.

The Company and the Parent Company have satisfied the required regulatory approvals and the Merger conditions agreed between the two companies in the Merger agreement. The legal formality has been completed and the amended By-Law and commercial registration were issued on 6 November 2022 (corresponding to 12 Rabi Al Thani 1444H).

THE FIRST MILLING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the nine-month period ended 30 September 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION (continued)

The members of the Extraordinary General Assembly have approved the offering and listing of the Company's shares in Tadawul on 6 November 2022 (corresponding to 12 Rabi Al Thani 1444H). On 17 May 2023 (corresponding to 27 Shawwal 1444H) the Company announced its intention to float 16,650,000 shares representing 30% of the Company's share capital and to proceed with an initial public offering and listing on the main market of the Saudi Exchange (Tadawul). The Company was successfully listed on the Saudi Exchange on 22 June 2023, corresponding to 4 Dhul Hijjah 1444H.

The Company announced the establishment of a limited liability company called "First Food Supplies Company Limited" bearing unified number 7036155526 and commercial registration number 4030549803 on 14 March 2024 (corresponding to 4 Ramadan 1445H) that will be wholly owned by the Company.

During the period, the Company announced the acquisition of a limited liability company called "Al-Manar Feed Company Limited" bearing unified number 7015228351 and commercial registration number 4030356301 on 20 May 2019 (corresponding to 15 Ramadan 1440H) that will be wholly owned by the Company. The date of acquisition is 18 September 2025 (corresponding to 26 Rabi Al Awal 1447H).

The registered address of the Company is as follows:

Jeddah Islamic Port
Between Gates 7 and 8
Jeddah 22312
Kingdom of Saudi Arabia

These accompanying condensed consolidated interim financial statements comprise the condensed financial statements of The First Milling Company (the "Company" (or) the "Parent Company") and its subsidiaries (collectively referred to as the "Group").

The Group's licensed activities include flour production in the Kingdom of Saudi Arabia and all activities related to the provision of wheat products, animal feed and related products, including making any contracts or making any related arrangements.

The Group is selling various products of flour, feed and bran out of which the selling prices of only the flour products weighing 45 KGs and above are determined by the GFSA.

THE FIRST MILLING COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the nine-month period ended 30 September 2025
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION (continued)

The Company is the ultimate controlling party of the Group. As at 30 September 2025, the Company has investment in the following subsidiaries:

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Effective ownership interest (%)</u>	
			<u>30 September 2025</u>	<u>31 December 2024</u>
First Food Supplies Company Limited	Saudi Arabia	Distribution	100	100
Al-Manar Feed Company Limited	Saudi Arabia	Feed Production	100	--

The Group operates through four branches, which are as follows:

<u>Branch Location</u>	<u>Date</u>	<u>Commercial Registration No.</u>
Jeddah	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	4030294014
Qassim	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	1131057624
Tabuk	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	3550038652
Al Ahsa	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	2250067938

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standards (IAS 34) "Interim Financial Reporting" as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and professional Accountants ("SOCPA") (collectively referred to as "IFRS as endorsed in KSA") and should be read in conjunction with the Group's last annual financial statements as at and for the year ended 31 December 2024 ("last annual financial statements").

These condensed consolidated interim financial statements do not include all the information and disclosures required to prepare a complete set of consolidated 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 Group since the last annual financial statements. In addition, the results for the nine-month period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the nine-month period ended 30 September 2025
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

2. BASIS OF PREPARATION (continued)

2.2 Basis of measurement

These condensed consolidated interim financial statements have 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 and derivative financial instrument which is recognised at fair value through other comprehensive income.

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.

2.3 Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries as at and for the nine-month period ended 30 September 2025 (note 1). 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:

- Power over the investee (i.e., existing rights that give it the 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.

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 power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the condensed consolidated interim financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests. All intra-group assets and liabilities, equity, income and expenses relating to transactions between members of the Group are eliminated in full on consolidation. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;

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2. BASIS OF PREPARATION (continued)

2.3 Basis of consolidation (continued)

- Recognises the fair value of consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.4 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's condensed consolidated interim financial statements requires 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 Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The significant judgments exercised in applying the Group'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 2024.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards, interpretations and amendments effective as at 1 January 2025, as mentioned in note 5.1. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

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5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

5.1 Standards, interpretations and amendments issued

Several amendments and interpretations apply for the first time in 2025, which are effective for annual periods beginning on or after 1 January 2025 which do not have a material effect on these condensed consolidated interim financial statements.

<u>Standards, amendments, interpretations</u>	<u>Description</u>	<i>Effective from periods beginning on or after the following date</i>
Amendments to IAS 21	Lack of exchangeability	1 January 2025

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 consolidated interim financial statements are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

<u>Standards, interpretations and amendments</u>	<u>Description</u>	<i>Effective from periods beginning on or after the following date</i>
Amendments to IFRS 9 and IFRS 7	Classification and measurement of Financial Instruments - disclosures	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Volume 11	Annual Improvements to IFRS Accounting Standards	1 January 2026
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 an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely

The Group is currently assessing the implications for other above-mentioned standards, interpretations and amendments on the Group's consolidated financial statements on adoption.

6. SEGMENT INFORMATION

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

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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.

<u>Reportable segments</u>	<u>Operations</u>
Jeddah	Production of flour, feed and bran
Qassim	Production of flour, feed and bran
Tabuk	Production of flour and bran
Al Ahsa	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 financial statements.

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 Group's executive committee of the Board of Directors reviews the internal management reports for each segment at least quarterly.

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
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(Unaudited)**

	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total revenue	136,640,856	89,371,479	30,510,121	29,745,797	286,268,253
Cost of inventories	(54,811,659)	(44,811,498)	(11,029,394)	(10,249,791)	(120,902,343)
Salaries and other benefits	(6,760,051)	(4,170,821)	(2,803,444)	(3,024,430)	(16,758,746)
Depreciation and amortization	(7,394,765)	(1,481,269)	(1,444,525)	(3,957,011)	(14,277,570)
Other expenses	(7,859,125)	(5,183,870)	(3,322,753)	(3,226,257)	(19,592,005)
Finance costs	(2,508,561)	(480,434)	(32,260)	(431,824)	(3,453,079)
Segment profit	<u>57,306,695</u>	<u>33,243,587</u>	<u>11,877,745</u>	<u>8,856,484</u>	<u>111,284,510</u>

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6. SEGMENT INFORMATION (continued)

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period ended 30
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(Unaudited)

	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total revenue	115,473,566	83,615,681	30,481,751	31,641,917	261,212,915
Cost of raw material	(42,655,786)	(39,421,289)	(10,024,911)	(10,868,454)	(102,970,440)
Employee benefits expenses	(7,645,789)	(4,196,436)	(3,343,734)	(3,233,659)	(18,419,618)
Depreciation and amortization	(6,414,465)	(1,460,529)	(1,474,814)	(3,995,200)	(13,345,008)
Other expenses	(12,312,994)	(6,737,281)	(2,867,765)	(2,594,732)	(24,512,772)
Financing costs	(2,413,169)	(491,575)	(33,093)	(442,342)	(3,380,179)
Gain on disposal of property, plant and equipment	141,366	--	--	--	141,366
Segment profit	<u>44,172,729</u>	<u>31,308,571</u>	<u>12,737,434</u>	<u>10,507,530</u>	<u>98,726,264</u>

For the nine-month
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	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total revenue	375,057,512	246,770,535	91,221,643	94,580,475	807,630,165
Cost of inventories	(146,062,313)	(116,964,655)	(32,234,059)	(34,017,421)	(329,278,449)
Salaries and other benefits	(22,330,978)	(13,224,646)	(8,514,209)	(8,975,567)	(53,045,400)
Depreciation and amortization	(21,992,305)	(4,579,580)	(4,374,037)	(11,904,139)	(42,850,061)
Other expenses	(28,224,927)	(15,159,378)	(9,202,430)	(8,741,903)	(61,328,638)
Finance costs	(7,343,935)	(1,402,668)	(94,918)	(1,265,090)	(10,106,611)
Segment profit	<u>149,103,054</u>	<u>95,439,608</u>	<u>36,801,990</u>	<u>29,676,355</u>	<u>311,021,006</u>

For the nine-month
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(Unaudited)

	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total revenue	351,259,984	245,318,206	87,996,072	95,434,938	780,009,200
Cost of raw material	(130,379,320)	(113,062,729)	(29,806,253)	(31,780,863)	(305,029,165)
Employee benefits expenses	(23,341,636)	(12,374,719)	(9,686,326)	(9,936,232)	(55,338,913)
Depreciation and amortization	(18,853,115)	(4,301,750)	(4,404,139)	(11,981,721)	(39,540,725)
Other expenses	(34,203,619)	(19,208,616)	(8,636,657)	(8,445,563)	(70,494,455)
Financing costs	(7,064,323)	(1,451,573)	(97,721)	(1,306,191)	(9,919,808)
Gain on disposal of property, plant and equipment	141,366	--	--	--	141,366
Segment profit	<u>137,559,337</u>	<u>94,918,819</u>	<u>35,364,976</u>	<u>31,984,368</u>	<u>299,827,500</u>

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6. SEGMENT INFORMATION (continued)

At 30 September 2025 (Unaudited)	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total assets	665,946,688	175,130,460	114,685,934	271,891,043	1,227,654,125
Total liabilities	340,070,432	98,182,673	15,789,128	58,961,556	513,003,789
Other disclosures:					
Property, plant and equipment with Right- of-use assets	553,985,950	110,977,672	100,498,134	257,155,640	1,022,617,396
Inventories	119,220,017	40,958,305	11,588,345	13,733,578	185,500,245
Intangible assets	--	824,319	--	--	824,319
At 31 December 2024 (Audited)	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total assets	598,545,350	164,572,300	123,495,995	282,505,336	1,169,118,981
Total liabilities	349,356,190	92,019,947	21,339,831	72,678,704	535,394,672
Other disclosures:					
Property, plant and equipment with right- of-use assets	493,071,177	99,241,375	105,835,431	267,902,411	966,050,394
Inventories	81,720,832	54,441,270	12,734,472	12,801,966	161,698,540
Intangible assets	3,948	919,964	3,048	255	927,215

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

i) Profit before tax

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total profit before zakat for reportable segments	111,284,510	98,726,264	311,021,006	299,827,500
Unallocated amounts				
Salaries and other benefits	(14,813,183)	(13,302,019)	(43,903,087)	(44,540,986)
Depreciation and amortization	(868,647)	(651,066)	(2,293,401)	(1,949,008)
Other expenses	(11,870,664)	(10,043,361)	(28,760,842)	(26,215,184)
Finance costs	(17,303,583)	(19,657,562)	(50,748,137)	(61,687,196)
Finance income	5,683,594	7,784,469	19,549,942	24,895,353
Other income	801,202	--	2,369,496	14,702
Expected credit reversal/(loss) on trade receivables	108,528	(269,554)	436,442	(979,184)
	<u>73,021,757</u>	<u>62,587,171</u>	<u>207,671,419</u>	<u>189,365,997</u>

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6. SEGMENT INFORMATION (continued)

6.1 Reconciliations of information on reportable segments to the amounts reported in the condensed consolidated interim financial statements (continued)

ii) Total assets

	30 September <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Total assets for reportable segments	1,227,654,125	1,169,118,981
Unallocated amounts	1,311,018,119	1,326,408,338
	<u>2,538,672,244</u>	<u>2,495,527,319</u>

iii) Total liabilities

	30 September <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Total liabilities for reportable segments	513,003,789	535,394,672
Unallocated amounts	1,035,872,181	1,015,083,824
	<u>1,548,875,970</u>	<u>1,550,478,496</u>

All revenue is generated from external customers. Revenue from one customer of the Group represented approximately SR 160.78 million (30 September 2024: SR 128.41 million) which represents 19.91% (30 September 2024: 16.46%) of the Group's total revenues.

7. ACQUISITION OF SUBSIDIARY

During the period, on 3 February 2025 (corresponding to 12 Sha'ban 1446H), the Board of Directors approved and entered into a preliminary binding agreement for the proposed acquisition of 100% of the shares in Al-Manar Feed Company, a single-person limited liability company based in Jeddah. Subsequently, after the fulfilment of the conditions stipulated in the preliminary agreement, the final Share Purchase Agreement (SPA) was signed on 11 August 2025 (corresponding to 17 Safar 1447H).

On 18 September 2025 (corresponding to 26 Rabi Al-Awal 1447), the Group acquired 100% shares and voting interests in Al-Manar Feed Company. The Commercial Registration and Articles of Association of Al-Manar Feed Company was updated and registered in the name of The First Milling Company. Al-Manar Feed Company is principally engaged in the production of feed in MODON Industrial Area in Jeddah and its acquisition aligns with the Group's strategy and marks significant progress in strengthening its feed production capabilities.

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7. ACQUISITION OF SUBSIDIARY (continued)

The acquisition aims to meet the growing demand of feed in local and regional markets, broaden the Group's geographical presence, diversify its income streams, and enhance its product portfolio, thereby creating greater value for its shareholders.

During the period from 18 September 2025 (corresponding to 26 Rabi Al-Awal 1447) till 30 September 2025 (corresponding to 8 Rabi Al-Thani 1447), Al-Manar Feed Company did not start its commercial operations and only administrative and payroll costs were incurred amounting to SR 243,372 were contributed to the Group's results.

The Parent Company acquired Al-Manar Feed Company for a total consideration of SR 77 million.

The Group incurred acquisition-related costs of SR 2.96 million relating to external professional fees and due diligence costs. These costs have been included in 'general and administrative expenses' in the condensed consolidated statement of profit or loss and other comprehensive income.

7.1 Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	<u>Amount in SR</u>
Property, plant and equipment	60,663,000
Right-of-use assets	679,374
Lease liabilities	(679,374)
Other liabilities	(623,928)
Total identifiable net assets acquired	<u>60,039,072</u>

The allocation of the purchase consideration to the identifiable assets acquired and liabilities assumed has been determined on a provisional basis. The Group is in the process of finalizing the fair values of the identifiable assets and liabilities, including property, plant and equipment. Accordingly, the amounts recognized are subject to change upon completion of purchase price allocation ("PPA") within the measurement period, which shall not exceed 12 months from the acquisition date, in accordance with the requirements of IFRS 3 Business Combinations.

7.2 Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	<u>Amount</u>
Consideration transferred	77,000,000
Fair value of identifiable net assets	<u>(60,039,072)</u>
Goodwill	<u>16,960,928</u>

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7. ACQUISITION OF SUBSIDIARY (continued)

7.2 Goodwill (continued)

The goodwill is attributable mainly to the plant and production facilities, and the synergies expected to be achieved from integrating the Company into Group's existing feed business. These synergies are expected to be achieved through enhanced production efficiency, including the utilization of raw materials sourced from the Parent Company.

8. PROPERTY, PLANT AND EQUIPMENT

8.1 Property, plant and equipment comprise of the following:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Buildings	344,991,939	322,030,167
Plant and equipment	329,737,025	311,818,641
Furniture and fittings	3,011,577	254,219
Computer equipment	633,988	979,966
Motor vehicles	3,644,325	4,950,126
Projects under progress	83,510,553	42,069,364
	765,529,407	682,102,483

8.2 For the purposes of preparing the condensed consolidated interim statement of cash flows, the movement in property, plant and equipment during the nine-month period ended 30 September is as follows:

	For the nine-month period ended 30 September 2025 (Unaudited)	2024 (Unaudited)
Depreciation	32,097,753	28,919,935
Additions	54,861,677	41,741,025
Gain on disposal	--	141,366
Proceeds from disposal	--	218,266
Acquisition through business combination	60,663,000	--

8.3 The buildings are constructed on land leased from the GFSA with an annual rental of SR 8,395,038.

8.4 Property, plant and equipment recognized during the period include assets acquired as part of the acquisition of Al-Manar Feed Company amounting to SR 60.66 million. The fair values of these assets are provisional and subject to change upon completion of purchase price allocation ("PPA").

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8. PROPERTY, PLANT AND EQUIPMENT (continued)

8.5 As at 30 September 2025, projects under progress mainly consist of the following:

- i) Bran tower in Jeddah expected to complete in January 2026
- ii) New Mill C in Qassim expected to complete in July 2026

Capital commitments relating to these projects amount to SR 83.09 million (31 December 2024: SR 49.70 million).

9. RIGHT-OF-USE ASSETS

The Group leases silos, lands, buildings, warehouses and equipments. Silos and lands are leased from the GFSA with a lease term of twenty-five calendar years commenced from 1 January 2017 (corresponding to 3 Rabi Al Thani 1438H) and is renewable for a similar period. In 2020, the lease term was extended by an additional three years. Other leases typically run for a period of 3 to 18 years, with an option to renew the lease after that date. For leases, the Group is restricted from entering into any sub-lease arrangements.

During the current period, the Parent Company has entered into two new lease arrangements for lands located in Modon Industrial Area for a period of twenty years each.

During the period, the Group has recognized leasehold lands of Al-Manar Feed Company as part of the acquisition. The lease agreements is for a period of 14 years and is renewable upon agreement of new terms and conditions.

The Group leases warehouses with contract terms of one year. These leases are short term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

	<u>Silos</u>	<u>Lands</u>	<u>Buildings and warehouses</u>	<u>Equipment</u>	<u>Total</u>
<u>Cost</u>					
At 31 December 2023 (audited)	262,147,500	110,595,477	19,267,315	1,561,840	393,572,132
Impact of modification	--	11,625,464	--	--	11,625,464
Disposals during the year	--	--	(348,073)	--	(348,073)
At 31 December 2024 (audited)	<u>262,147,500</u>	<u>122,220,941</u>	<u>18,919,242</u>	<u>1,561,840</u>	<u>404,849,523</u>
At 31 December 2023 (audited)	262,147,500	110,595,477	19,267,315	1,561,840	393,572,132
Impact of modification	--	11,625,464	--	--	11,625,464
Disposals during the period	--	--	(348,073)	--	(348,073)
At 30 September 2024 (unaudited)	<u>262,147,500</u>	<u>122,220,941</u>	<u>18,919,242</u>	<u>1,561,840</u>	<u>404,849,523</u>
At 31 December 2024 (audited)	<u>262,147,500</u>	<u>122,220,941</u>	<u>18,919,242</u>	<u>1,561,840</u>	<u>404,849,523</u>
Additions during the period	--	3,690,200	--	--	3,690,200
Acquired through business combination	--	<u>679,374</u>	--	--	<u>679,374</u>
At 30 September 2025 (unaudited)	<u>262,147,500</u>	<u>126,590,515</u>	<u>18,919,242</u>	<u>1,561,840</u>	<u>409,219,097</u>

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9. RIGHT-OF-USE ASSETS (continued)

	<u>Silos</u>	<u>Lands</u>	<u>Buildings and warehouses</u>	<u>Equipment</u>	<u>Total</u>
<u>Accumulated depreciation</u>					
At 31 December 2023 (audited)	61,416,283	19,309,907	7,720,852	1,159,402	89,606,444
Charge for the year	9,577,318	4,802,561	1,149,518	402,438	15,931,835
Disposals during the year	--	--	(232,369)	--	(232,369)
As at 31 December 2024 (audited)	<u>70,993,601</u>	<u>24,112,468</u>	<u>8,638,001</u>	<u>1,561,840</u>	<u>105,305,910</u>
At 31 December 2023 (audited)	61,416,283	19,309,907	7,720,852	1,159,402	89,606,444
Charge for the period	7,169,910	3,547,465	883,887	402,438	12,003,700
Disposals during the period	--	--	(232,369)	--	(232,369)
At 30 September 2024 (unaudited)	<u>68,586,193</u>	<u>22,857,372</u>	<u>8,372,370</u>	<u>1,561,840</u>	<u>101,377,775</u>
As at 31 December 2024 (audited)	70,993,601	24,112,468	8,638,001	1,561,840	105,305,910
Charge for the period	7,180,145	4,118,195	904,813	--	12,203,153
At 30 September 2025 (unaudited)	<u>78,173,746</u>	<u>28,230,663</u>	<u>9,542,814</u>	<u>1,561,840</u>	<u>117,509,063</u>
<u>Carrying amounts</u>					
At 31 December 2024 (audited)	<u>191,153,899</u>	<u>98,108,473</u>	<u>10,281,241</u>	<u>--</u>	<u>299,543,613</u>
At 30 September 2024 (unaudited)	<u>193,561,307</u>	<u>99,363,569</u>	<u>10,546,872</u>	<u>--</u>	<u>303,471,748</u>
At 30 September 2025 (unaudited)	<u>183,973,754</u>	<u>98,359,852</u>	<u>9,376,428</u>	<u>--</u>	<u>291,710,034</u>

10. DERIVATIVE FINANCIAL INSTRUMENT

To hedge the variability in interest rate on Term Murabaha facility with a maturity date of 31 December 2035, the Group entered into a profit rate cap agreement with Gulf International Bank.

The profit rate cap agreement requires the Group to pay floating rate of SAIBOR until it reaches to 2%, post which the Group will pay only the cap rate of 2%. The maturity date of the agreement is 29 March 2026.

For the purpose of hedge accounting, profit rate cap has been designated into cash flow hedge. The fair value and notional amount of the profit rate cap derivative is as follows:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
<u>Profit Rate Cap</u>		
Notional amount	<u>622,582,778</u>	<u>655,939,220</u>
<u>Positive fair value</u>		
Current	<u>13,102,736</u>	<u>19,422,922</u>
Non-current	<u>--</u>	<u>7,727,210</u>
	<u>13,102,736</u>	<u>27,150,132</u>

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10. DERIVATIVE FINANCIAL INSTRUMENT (continued)

The hedge has been assessed to be effective and as at 30 September 2025, net un-realised loss of SR 10.46 million (30 September 2024: net un-realised loss of SR 13.82 million) has been recognized in other comprehensive income.

The components of other comprehensive income are as follows:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flow hedge – effective portion of changes in fair value	(4,667,444)	(15,222,114)	(14,047,350)	(15,484,152)
Cash flow hedge – reclassified to profit or loss	--	(6)	--	(94)
Cost of hedging reserve – changes in fair value	(2)	2,221	(49)	(22,749)
Cost of hedging reserve – reclassified to profit or loss	<u>1,197,060</u>	<u>823,357</u>	<u>3,588,102</u>	<u>1,690,439</u>
	<u>(3,470,386)</u>	<u>(14,396,542)</u>	<u>(10,459,297)</u>	<u>(13,816,556)</u>

The amount of SR 9.51 million shown as cash flow hedging reserve in the condensed consolidated statement of financial position as at 30 September 2025 will affect the profit or loss in forthcoming years.

The table below summaries the maturity profile of the derivative financial instruments based on contractual undiscounted payments.

	Maturity		
	<u>Less than 12 months</u>	<u>1 – 5 years</u>	<u>Total</u>
30 September 2025	<u>13,438,044</u>	<u>--</u>	<u>13,438,044</u>
31 December 2024	<u>20,095,829</u>	<u>8,310,854</u>	<u>28,406,683</u>

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11. INVENTORIES

Inventories comprise of the following:

	30 September <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Spare parts	74,090,260	79,472,822
Raw materials	107,697,306	55,455,904
Finished goods	18,724,184	18,839,216
Goods in transit	7,358,037	29,159,057
Others	391,922	591,913
Less: adjustment for net realizable value of inventories	<u>(22,705,310)</u>	<u>(21,820,372)</u>
	<u>185,556,399</u>	<u>161,698,540</u>

12. TRADE RECEIVABLES

Trade receivables comprise of the following:

	30 September <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Trade receivables	42,470,818	20,174,992
Allowance for expected credit loss on trade receivables	<u>(1,175,768)</u>	<u>(1,612,210)</u>
	<u>41,295,050</u>	<u>18,562,782</u>

The settlement period of these trade receivables is 30 – 75 days and the Group holds no security against these receivables.

13. SHARE CAPITAL

The authorized, issued and fully paid-up share capital of the Company as at 30 September 2025 amounted to SR 555,000,000 (31 December 2024: SR 555,000,000) consists of 55,500,000 shares (31 December 2024: 55,500,000 shares) at SR 10 each share.

14. GENERAL RESERVE

In accordance with the By-laws of the Parent Company, the Parent Company is required to transfer an amount not exceeding 10% of the Company's profit, into the general reserve.

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15. DIVIDENDS PAYABLE

- 15.1** On 23 July 2025 (corresponding to 28 Muharram 1447H), and based on the resolution of the Extraordinary General Assembly of the Parent Company held on 24 June 2025 (corresponding to 28 Dhul Hijjah 1446H), regarding the authorization given to the Board of Directors to distribute the interim dividends for the year 2025, the Board of Directors resolved and approved the distribution of the interim (half yearly) dividends to shareholders for the period of the first six months of 2025 ended on 30 June 2025 (corresponding to 5 Muharram 1447H), with a total amount of SR 81,696,000 at SR 1.48 per share of the nominal capital. The dividends were distributed on 20 August 2025 (corresponding to 26 Safar 1447H).
- 15.2** On 12 March 2025 (corresponding to 12 Ramadan 1446H), and based on the resolution of the Extraordinary General Assembly of the Parent Company held on 10 January 2025 (corresponding to 28 Jumada Al Thani 1445H), regarding the authorization given to the Board of Directors to distribute the interim dividends for the year 2024, the Board of Directors resolved and approved the distribution of the interim (half yearly) dividends to shareholders for the period of the last six months of 2024 ended on 31 December 2024 (corresponding to 30 Jumada Al Thani 1446H), with a total amount of SR 71,595,000 at SR 1.29 per share of the nominal capital. The dividends were distributed on 22 April 2025 (corresponding to 24 Shawwal 1446H).
- 15.3** On 10 March 2024 (corresponding to 29 Shaban 1445H), and based on the resolution of the Ordinary General Assembly of the Parent Company held on 6 March 2023 (corresponding to 25 Shaban 1445H), regarding the authorization given to the Board of Directors to distribute the interim dividends for the year 2023, the Board of Directors resolved and approved the distribution of the interim (half yearly) dividends to shareholders for the period of the last six months of 2023 ended on 31 December 2023 (corresponding to 18 Jumada Al Thani 1445H), with a total amount of SR 78,255,000 at SR 1.41 per share of the nominal capital. The dividends were distributed on 23 April 2024 (corresponding to 14 Shawwal 1445H).

- 15.4** Movement in dividends payable is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period/year	19,907	19,811	19,811
Declared during the period/year	153,735,000	164,280,000	164,280,000
Paid during the period/year	(152,904,000)	(163,673,904)	(163,673,904)
Dividends on treasury shares	(831,000)	(606,000)	(606,000)
At the end of the period/year	19,907	19,907	19,907

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16. LONG-TERM LOANS

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Term Murabaha facility	832,271,456	877,751,786
Long Term Loan – SIDF	112,500,000	150,000,000
Less: unamortised loan transaction cost	(12,923,735)	(17,113,867)
	931,847,721	1,010,637,919
Current portion	178,280,254	162,367,151
Non-current portion	753,567,467	848,270,768
	931,847,721	1,010,637,919

Term Murabaha facility with Alinma Bank amounted to SR 1,371,000,000 of which the Group has utilised SR 1,300,000,000 as at 30 September 2025. This facility is subject to certain covenants and is secured by promissory notes, pledge over certain assets and shares of the Parent Company of which the pledge over a certain bank account and all shares of the Company was released as on 27 December 2023 (corresponding to 14 Jumada Al Thani 1445H) and 20 December 2023 (corresponding to 7 Jumada Al Thani 1445H) respectively. The loan carries interest at mutually agreed SAIBOR plus margin. The utilised facility is repayable in 30 instalments commenced from 30 June 2021.

During the year ended 31 December 2024, the Group has obtained an interest free loan from Saudi Industrial Development Fund (SIDF) amounted to SR 150,000,000 to finance its working capital needs. This loan is subject to certain covenants and is secured by promissory notes in an amount equal to the drawing concerned and with the maturity falling on the drawdown termination date. The loan is repayable in four equal instalments of SR 37.5 million within 12 months, 16 months, 20 months and 24 months from the date of disbursement of the first payment i.e. 5 August 2024.

These loan facilities have certain covenants including leverage and debt service cover ratio to be maintained during the period of facility agreement.

Movement in loan balance as on 30 September 2025 is as follows:

	Term Murabaha Facility	SIDF Loan	Total
At the beginning of the period	877,751,786	150,000,000	1,027,751,786
Paid during the period	(45,480,330)	(37,500,000)	(82,980,330)
At the end of the period (Unaudited)	832,271,456	112,500,000	944,771,456

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16. LONG TERM LOANS (continued)

Movement in loan balance as on 30 September 2024 is as follows:

	Term Murabaha Facility	SIDF Loan	Total
At the beginning of the period	1,059,449,501	--	1,059,449,501
Acquired during the period	--	150,000,000	150,000,000
Paid during the period	(69,405,617)	--	(69,405,617)
At the end of the period (Unaudited)	<u>990,043,884</u>	<u>150,000,000</u>	<u>1,140,043,884</u>

Movement in loan balance as on 31 December 2024 is as follows:

	Term Murabaha Facility	SIDF Loan	Total
At the beginning of the year	1,059,449,501	--	1,059,449,501
Acquired during the year	--	150,000,000	150,000,000
Paid during the year	(181,697,715)	--	(181,697,715)
At the end of the year (Audited)	<u>877,751,786</u>	<u>150,000,000</u>	<u>1,027,751,786</u>

Maturity analysis - contractual undiscounted cash flow

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Within one year	261,523,923	224,604,722
One to five years	254,895,404	610,145,311
More than five years	508,352,129	558,892,360
	<u>1,024,771,456</u>	<u>1,393,642,393</u>

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17. LEASE LIABILITIES

Movement in lease liabilities during the period/year is as follows:

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period/year	340,191,384	338,090,038	338,090,038
Impact of modification	--	11,625,464	11,625,464
Additions during the period/year	3,690,200	--	--
Acquired through business combination	679,374	--	--
Disposals during the period/year	--	(108,902)	(108,902)
Finance charges on lease liabilities	10,125,363	9,951,894	13,482,184
Repayment of lease liabilities	(18,240,759)	(20,001,506)	(13,545,414)
Finance cost paid on lease	(13,114,085)	(9,351,986)	(9,351,986)
At the end of the period/year	323,331,477	330,205,002	340,191,384
Current portion	21,518,333	20,989,858	30,925,951
Non – Current portion	301,813,144	309,215,144	309,265,433
	323,331,477	330,205,002	340,191,384

18. LONG-TERM PAYABLE

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	9,705,417	9,536,174
Non-current portion	19,696,110	23,596,226
	29,401,527	33,132,400

Long-term payable represents the amount payable to Buhler AG for the purchase of machines and equipment for projects under progress in Jeddah. The amount of SR 44.59 million (CHF 12,529,095) at the time of initial recognition is repayable in ten equal semi-annual instalments of CHF 1,252,909.50 commenced from 28 November 2023.

For the purposes of preparing the condensed consolidated interim statement of cash flows, the movement in long-term payable during the nine-month period ended 30 September is as follows:

	For the nine-month period ended 30 September 2025 (Unaudited)	2024 (Unaudited)
Amortisation of loan transaction cost	1,676,058	2,123,573
Finance cost paid on long-term liability	(1,181,182)	(1,212,300)
Payment of long-term liability	(4,225,749)	(4,194,630)

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18. LONG-TERM PAYABLE (continued)

Maturity analysis – contractual undiscounted cash flow

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Within one year	10,813,862	10,813,862
One to five years	21,627,724	27,034,655
	<u>32,441,586</u>	<u>37,848,517</u>

19. SHORT-TERM LOAN

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Short term finance loan – SAB	<u>80,000,000</u>	<u>--</u>

Short-term loan comprise of revolving finance facility from Saudi Awwal Bank for a period of one year, repayable in 90 days from the date of drawdown, to finance the working capital needs of the Group. The total facility amount is SR 40,000,000 that has been temporarily extended to SR 80,000,000 for a period of three months.

The facility is subject to certain covenants to be maintained at the end of financial year and is secured by promissory notes in an amount equal to the facility amount and with the maturity falling on the termination date.

The facility carries interest at SAIBOR plus 1 % margin.

20. REVENUE

The Group generates revenue primarily from the sale of flour, feed, and bran.

20.1 Disaggregation of revenue

Revenue is disaggregated by type of goods as shown below:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Type of goods				
Flour	156,202,347	150,440,924	466,182,325	444,557,850
Feed	97,391,697	80,162,781	235,027,912	225,497,502
Bran	32,674,209	30,609,210	106,419,928	109,953,848
	<u>286,268,253</u>	<u>261,212,915</u>	<u>807,630,165</u>	<u>780,009,200</u>

Revenue from flour includes semolina and flour mixes.

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20. REVENUE (continued)

Timing of revenue recognition

The sale of the goods is recognised by the Group at a point in time, and the performance obligation is fulfilled when the goods are dispatched from the warehouses.

21. COST OF SALES

Cost of revenue comprises the following:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Raw materials consumed	124,217,580	100,886,870	329,163,417	305,219,359
Salaries and other benefits	13,768,236	14,720,696	43,411,090	44,583,307
Depreciation and amortization	13,508,868	12,348,936	39,997,578	36,571,052
Fuel and power	7,736,474	6,648,172	21,498,167	20,381,575
Adjustment for net realizable value of inventories	823,439	4,254,783	884,938	10,829,514
Other expenses	5,468,252	8,728,699	22,536,419	25,139,081
	<u>165,522,849</u>	<u>147,588,156</u>	<u>457,491,609</u>	<u>442,723,888</u>
Finished goods inventory at the beginning of the period	15,408,947	15,718,873	18,839,216	13,445,109
Finished goods available for sale during the period	<u>180,931,796</u>	<u>163,307,029</u>	<u>476,330,825</u>	<u>456,168,997</u>
Finished goods inventory at the end of the period	<u>(18,724,184)</u>	<u>(13,635,303)</u>	<u>(18,724,184)</u>	<u>(13,635,303)</u>
	<u>162,207,612</u>	<u>149,671,726</u>	<u>457,606,641</u>	<u>442,533,694</u>

22. FINANCE INCOME

Finance income comprise the following:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Finance income on cash flow hedge (profit rate cap)	5,463,027	7,435,716	16,775,647	22,586,992
Finance income on bank deposits	<u>220,567</u>	<u>1,172,103</u>	<u>2,774,295</u>	<u>3,998,705</u>
	<u>5,683,594</u>	<u>8,607,819</u>	<u>19,549,942</u>	<u>26,585,697</u>

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23. FINANCE COSTS

Finance costs comprise the following:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Finance cost on long-term loans	13,429,378	17,820,193	40,408,254	57,223,501
Finance cost on short-term loan	866,840	--	866,840	--
Finance cost on lease liabilities	3,457,141	3,388,165	10,125,363	9,951,894
Amortisation of loan transaction cost	1,284,119	1,156,535	4,190,131	2,308,036
Finance cost on long-term payable	522,122	672,848	1,676,058	2,123,573
Ineffective portion of changes in fair value of cash flow hedge	--	(6)	--	(94)
Amortisation of cost of hedging	1,197,062	823,357	3,588,102	1,690,439
	<u>20,756,662</u>	<u>23,861,091</u>	<u>60,854,748</u>	<u>73,297,348</u>

24. ZAKAT

24.1 Movement in provision for Zakat during the period/year

	30 September <u>2025</u> (Unaudited)	30 September <u>2024</u> (Unaudited)	31 December <u>2024</u> (Audited)
At the beginning of the period/ year	5,936,643	6,654,883	6,654,883
Charged during the period/ year	4,943,628	4,858,549	6,144,269
Paid during the period/ year	(6,172,426)	(6,862,509)	(6,862,509)
At end of the period/ year	<u>4,707,845</u>	<u>4,650,923</u>	<u>5,936,643</u>

24.2 Zakat status

The Company has filed Zakat returns for the years up to 31 December 2024. The assessments for the years up to 2023 are finalised with no additional liabilities.

25. CAPITAL COMMITMENTS AND CONTINGENCIES

25.1 Contingencies

- The Parent Company has provided bank guarantees, issued by Bank Saudi Fransi, amounting to SR 2,232,315 in favor of GFSA for lease of silos in Jeddah, Qassim and Al-Ahsa. These guarantees are valid up to 31 December 2041.
- The Parent Company has provided bank guarantees issued by Bank Saudi Fransi, amounting to SR 329,494 in favor of GFSA for lease of lands in Qassim, Tabuk and Al-Ahsa. These guarantees are valid up to 22 June 2026.

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25. CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

25.1 Contingencies (continued)

- c) The Parent Company has provided bank guarantees, issued by Saudi Awwal Bank, amounting to SR 69,400,000 in favor of SIDF as a condition precedent for the proposed loan. These guarantees are valid up to 18 June 2026.
- d) The Parent Company has provided bank guarantees, issued by Saudi Awwal Bank, amounting to SR 329,494 in favor of GFSA for lease of lands in Qassim, Tabuk and Al-Ahsa. These guarantees have been entered into to replace the guarantees issued by Bank Saudi Fransi. These guarantees are valid up to 22 June 2026.

25.2 Commitments

- i) The Group has signed a binding agreement on 15 September 2025 (corresponding to 23 Rabi Al-Awal 1447) to acquire a 60% shareholding in Al-Kenan Arabia Trading Company, a single-person limited liability company, for a total consideration of SAR 48 million.

As of the approval date of these condensed consolidated interim financial statements, the contractual prerequisites and pre-conditions necessary to finalize the acquisition had not been fulfilled.

- ii) The following LCs are outstanding as at 30 September 2025:

- a) Import LC amounting to SR 59,959,428 (CHF 12,750,543) with an outstanding amount of SR 54,067,626 (CHF: 11,497,634) in favour of Buhler AG for supply of machines and equipment for five projects in Jeddah. The LC will remain valid till 28 February 2028.
- b) Import LC amounting to SR 61,863,861 (CHF 13,155,526) and fully outstanding balance in favour of Buhler AG for upgrade of Mill A and Mill B. The LC will remain valid till 16 August 2031.
- c) Import LC amounting to SR 2,129,532 (CHF 452,851) with an outstanding amount of SR 1,589,586 (CHF 338,030.04) in favour of Buhler + Scherler AG for purchase of supply of electrical cables with accessories for (Mill C and Pesa Mill) in Jeddah. The LC will remain valid till 21 March 2026.
- d) Import LC amounting to SR 5,698,560 with an outstanding balance of SR 88,613 in favour of Invuctus Trading FZE for the purchase of Wheat Bran for Jeddah Plant & Qassim Plant. The LC will remain valid until 15 October 2025.
- e) Import LC amounting to SR 17,077,500 with outstanding balance of SR 17,931,375 in favour of United Feed Company for the purchase of Yellow Corn for Jeddah Plant & Qassim Plant. The LC will remain valid until 15 December 2025.

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26. EARNINGS PER SHARE

26.1 Basic earnings per share

The calculation of basic 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 consolidated interim financial statements.

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	71,657,875	61,278,490	202,727,791	184,507,448
Weighted average number of ordinary shares for basic EPS	55,200,000	55,318,682	55,200,000	55,318,682
Earnings per share - basic	1.30	1.11	3.67	3.34

26.2 Diluted earnings per share

The calculation of diluted earnings per share has been based on the earnings attributable to shareholders of ordinary shares and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares if any. The diluted earnings per share is adjusted with the impact of the employees' share based payments plan.

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	71,657,875	61,278,490	202,727,791	184,507,448
Weighted average number of ordinary shares for diluted EPS	55,434,432	55,587,136	55,434,432	55,587,136
Earnings per share - diluted	1.29	1.10	3.65	3.32

27. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, associated companies, key management personnel of the Group and entities controlled or significantly influenced by such parties. The terms of the transactions with related parties are approved by the Group's management. Transactions with related parties are on the basis of contractual arrangements made with them.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

For the purposes of the disclosure requirements contained in IAS 24 Disclosures Related to Related Parties, the phrase "key management personnel" (i.e., those persons who have the authority and responsibility to plan, direct and control the activities of the Group) refers to the board of directors, chief executive officer and other executives of the Group.

THE FIRST MILLING COMPANY
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the nine-month period ended 30 September 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

27. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (continued)

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 Group for the three-month and nine-month periods ended 30 September:

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Short-term employee benefits	2,963,071	2,439,656	8,889,213	8,259,850
Post-employment benefits	75,725	249,894	1,014,499	1,204,733
Share-based payments	830,836	(485,204)	2,800,712	539,323
Total compensation paid to key management personnel	<u>3,869,632</u>	<u>2,204,346</u>	<u>12,704,424</u>	<u>10,003,906s</u>

Short-term employee benefits include SR 3.48 million (30 September 2024: SR 1.52 million) board and committees' fees, rewards and allowances.

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:

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u> For the nine-month period ended 30 September		<u>Closing balance</u> 30 September 2025		31 December 2024
			<u>2025</u>	<u>2024</u>	(Unaudited)	(Unaudited)	(Audited)
<u>Due to related parties</u>							
Al Mutlaq Group Industrial Investment Company	Shareholder	Expenses incurred on behalf of the Company	82,734	446,485	85,868	85,868	3,134
							3,134

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28. FINANCIAL INSTRUMENTS – FAIR VALUES

Financial assets

Set out below is an overview of financial assets held by the Group:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Financial assets at amortised cost:		
Bank balances and short-term deposits	82,895,729	192,540,441
Trade receivables	41,295,050	18,562,782
Margins against letter of guarantees	2,561,809	2,561,809
Other current financial assets	25,719	3,483
	126,778,307	213,668,515
	30 September 2025 (Unaudited)	31 December 2024 (Audited)

Financial assets at fair value – hedging instrument:

Derivative financial instrument	13,102,736	27,150,132
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Financial liabilities

Set out below is an overview of financial liabilities held by the Group:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Financial liabilities at amortised cost:		
Trade and other payables	77,864,722	60,133,757
Accrued expenses and other current liabilities	1,197,333	948,617
Long-term loans	944,771,456	1,027,751,786
Short-term loan	80,000,000	--
Lease liabilities	323,331,477	340,191,384
Long-term payable	29,401,527	33,132,400
Due to related parties	85,868	3,134
	1,456,652,383	1,462,161,078

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments comprise of financial assets and financial liabilities. The Group's financial assets consist of bank balances and short-term deposits, trade receivables, margins against letter of guarantees, and other current assets. Its financial liabilities consist of trade and other payables, certain accrued expenses and other current liabilities, long-term loans, short-term loan, obligations under finance lease, long-term payable and amounts due to related parties.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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For the nine-month period ended 30 September 2025
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

28. FINANCIAL INSTRUMENTS – FAIR VALUES (continued)

Fair value hierarchy (continued)

The management assessed that fair value of bank balances and short-term deposits, trade receivables, margins against letter of guarantees and letter of credits, other current assets, trade and other payables, certain accrued expense and other current liabilities, long-term loans, short-term loan, obligations under finance lease, long-term payable and amounts due to related parties approximate their carrying amounts, largely due to the short-term maturities of these instruments except for the long-term loans which carries floating rate based on the market terms.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

30 September 2025 (unaudited)				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial asset</u>				
Derivative Financial Instrument	--	13,102,736	--	13,102,736
31 December 2024 (audited)				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial asset</u>				
Derivative Financial Instrument	--	27,150,132	--	27,150,132

Derivative financial instrument has been valued using the present value technique under income approach as per IFRS 13. The fair value of the hedge instrument has been calculated as the present value of the intrinsic value that has been treated based on the difference between implied SAIBOR 3-months curve and cap rate as at 30th September in order to reflect the market conditions as at the date.

There were no transfers between levels of fair value measurements in 2025 and 2024. No transfers between any levels of the fair value hierarchy took place in the equivalent comparative period.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the nine-month period ended 30 September 2025

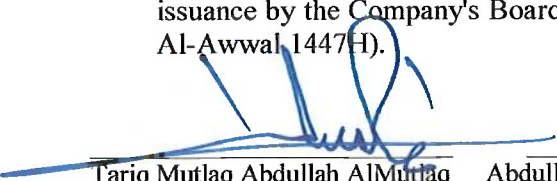
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

29. SUBSEQUENT EVENTS

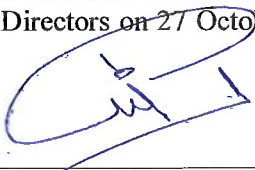
- 29.1** No matter has occurred up to and including the date of the approval of these condensed consolidated interim financial statements by the Board of Directors which could materially affect these condensed consolidated interim financial statements and the related disclosures for the nine-month period ended 30 September 2025.

30. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issuance by the Company's Board of Directors on 27 October 2025 (corresponding to 5 Jumada Al-Awwal 1447H).



Tariq Mutlaq Abdullah AlMutlaq
Chairman



Abdullah Abdul-Aziz Abdullah Ababtain
CEO



Alaaeldin Mohammed Shousha
CFO



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