

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

**CONDENSED INTERIM  
FINANCIAL INFORMATION (UNAUDITED)**

For the three-month and six-month periods ended 30 June 2025  
together with the  
**INDEPENDENT AUDITORS' REVIEW REPORT**

**THE FOURTH MILLING COMPANY**

(A Saudi Joint Stock Company)

**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the three-month and six-month periods ended 30 June 2025

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<u>Contents</u>	<u>Page</u>
Independent auditor's report on review of condensed interim financial information	--
Condensed interim statement of financial position	1
Condensed interim statement of profit or loss and other comprehensive income	2
Condensed interim statement of changes in equity	3
Condensed interim statement of cash flows	4
Notes to the condensed interim financial information	5-23



## KPMG Professional Services Company

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P.O. Box 4803  
Al Khobar, 34412 - 3146  
Kingdom of Saudi Arabia  
Commercial Registration No 2051062328

Headquarters in Riyadh

## شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

الطابق ١٦، برج البرغاش  
٦١٨٩ طريق الأمير تركي، الكورنيش  
ص.ب ٤٨٠٣  
الخبير ٣١٤٦ - ٣٤٤١٢  
المملكة العربية السعودية  
سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨

المركز الرئيسي في الرياض

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

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

## Introduction

We have reviewed the accompanying 30 June 2025 condensed interim financial information of The Fourth Milling Company ("the Company"), which comprises:

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

Management is responsible for the preparation and presentation of these condensed interim financial information 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 this condensed interim financial information 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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed interim financial information 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.



# Independent auditor's report on review of condensed interim financial information (continued)

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

## Other Matter

The condensed interim financial information of the Company for the three-month and six-month periods ended 30 June 2024, and three-month period ended 31 March 2025 were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial information on 10 Safar 1446H (corresponding to 14 August 2024) and 10 Dhul-Qi'dah 1446H (corresponding to 8 May 2025) respectively. In addition, the financial statements of the Company as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 16 Ramadan 1446H (corresponding to 16 March 2025).

## KPMG Professional Services Company

**Mohammed Najeeb Alkhelaiwi**  
License no:481



Al Khobar, 4 August 2025G  
Corresponding to: 10 Safar 1447H

**THE FOURTH MILLING COMPANY**  
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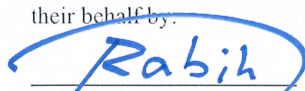
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

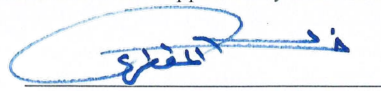
As at 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

		<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
	Notes		
<b>Assets</b>			
Property, plant and equipment	7	493,804,218	504,554,482
Right-of-use assets	8	341,204,937	349,801,424
Intangible assets		57,418,495	57,668,007
<b>Non-current assets</b>		<b>892,427,650</b>	<b>912,023,913</b>
Inventories	9	70,953,673	56,935,999
Trade receivables	10	13,660,260	8,409,070
Due from related parties	24	2,220,704	3,048,480
Prepayments and other current assets	11	21,881,848	20,384,954
Short-term Murabaha deposits		95,768,506	74,060,069
Cash and cash equivalents		101,580,860	122,414,701
<b>Current assets</b>		<b>306,065,851</b>	<b>285,253,273</b>
<b>Total assets</b>		<b>1,198,493,501</b>	<b>1,197,277,186</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	540,000,000	540,000,000
Actuarial reserve		(606,438)	(596,990)
Retained earnings		201,318,254	173,970,022
<b>Total equity</b>		<b>740,711,816</b>	<b>713,373,032</b>
<b>Liabilities</b>			
Lease liabilities	14	352,528,769	370,006,806
Deferred tax liabilities	21	6,834,075	8,789,489
Employees' defined benefit obligations	15	6,889,080	5,621,768
<b>Non-current liabilities</b>		<b>366,251,924</b>	<b>384,418,063</b>
Trade and other payables		25,784,074	33,563,502
Due to related parties	24	73,400	58,008
Current portion of lease liabilities	14	23,928,476	23,724,851
Advances from customers		9,411,528	9,858,000
Dividend payable	13	102,313	289,015
Accrued expenses and other current liabilities	16	27,892,625	24,513,667
Zakat and income tax payable	21	4,337,345	7,479,048
<b>Current liabilities</b>		<b>91,529,761</b>	<b>99,486,091</b>
<b>Total liabilities</b>		<b>457,781,685</b>	<b>483,904,154</b>
<b>Total equity and liabilities</b>		<b>1,198,493,501</b>	<b>1,197,277,186</b>

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

  
Rabi Abdul Kader Nahas  
(Chief Financial Officer)

  
Khalid Abdul Aziz Al Maktary  
(Chief Executive Officer)

  
Bader Hamed Al Aujan  
(Chairman Board of Directors)

The accompanying notes from 1 to 28 form an integral part of these condensed interim financial information.



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

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

For the three-month and six-month periods ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

		For the three-month period ended 30 June 2025		For the six-month period ended 30 June 2025	
	Notes	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	17	140,601,998	136,804,116	310,745,019	302,360,845
Cost of revenue	18	(78,239,771)	(79,646,619)	(166,406,725)	(165,792,499)
<b>Gross profit</b>		<b>62,362,227</b>	<b>57,157,497</b>	<b>144,338,294</b>	<b>136,568,346</b>
Selling and distribution expenses	19	(10,727,150)	(7,375,002)	(24,196,861)	(18,860,924)
General and administrative expense	20	(14,424,188)	(12,850,104)	(28,427,736)	(24,291,291)
Expected credit loss on trade receivables	10	487,031	463,158	206,458	(1,478,638)
<b>Operating profit</b>		<b>37,697,920</b>	<b>37,395,549</b>	<b>91,920,155</b>	<b>91,937,493</b>
Finance costs		(2,819,462)	(2,843,763)	(5,616,216)	(5,687,524)
Finance income		2,321,306	1,596,222	4,957,606	2,977,258
Other (expenses) / income, net		(42,363)	53,253	61,086	122,612
<b>Profit before zakat and income tax</b>		<b>37,157,401</b>	<b>36,201,261</b>	<b>91,322,631</b>	<b>89,349,839</b>
Zakat expense	21	(1,296,023)	(420,210)	(2,883,974)	(1,968,126)
Income tax	21	(1,405,536)	(1,656,248)	(3,645,839)	(4,639,607)
Deferred income tax		(403,431)	(977,360)	1,955,414	(977,360)
<b>Profit for the period</b>		<b>34,052,411</b>	<b>33,147,443</b>	<b>86,748,232</b>	<b>81,764,746</b>
<b>Other comprehensive income for the period</b>					
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement loss on employees' defined benefit obligations		(92,707)	(175,081)	(9,448)	(35,960)
<b>Total comprehensive income for the period</b>		<b>33,959,704</b>	<b>32,972,362</b>	<b>86,738,784</b>	<b>81,728,786</b>
<b>Earnings per share for the period attributable to shareholders of the Company (SR):</b>					
Basic and diluted	23	0.06	0.06	0.16	0.15



Rabih Abdul Kader Nahas  
(Chief Financial Officer)



Khalid Abdul Aziz Al Maktary  
(Chief Executive Officer)



Bader Hamed Al Aujan  
(Chairman Board of Directors)

The accompanying notes from 1 to 28 form an integral part of these condensed interim financial information.



# THE FOURTH MILLING COMPANY

(A Saudi Joint Stock Company)

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	Share capital	Proposed increase in share capital	Actuarial reserve	Retained earnings	Total
<b>Six-month period ended 30 June 2025:</b>						
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 income for the period		-	-	(9,448)	-	(9,448)
<b>Total comprehensive income for the period</b>		-	-	(9,448)	86,748,232	86,738,784
Dividends distribution	13	-	-	-	(59,400,000)	(59,400,000)
<b>As at 30 June 2025 (unaudited)</b>		<b>540,000,000</b>	<b>-</b>	<b>(606,438)</b>	<b>201,318,254</b>	<b>740,711,816</b>
<b>Six-month period ended 30 June 2024:</b>						
As at 31 December 2023 (audited)		473,903,170	66,096,830	(425,315)	143,438,669	683,013,354
Profit for the period		-	-	-	81,764,746	81,764,746
Other comprehensive income for the period		-	-	(35,960)	-	(35,960)
<b>Total comprehensive income for the period</b>		-	-	(35,960)	81,764,746	81,728,786
Transfer to share capital		66,096,830	(66,096,830)	-	-	-
Dividends distribution	13	-	-	-	(81,000,000)	(81,000,000)
<b>As at 30 June 2024 (unaudited)</b>		<b>540,000,000</b>	<b>-</b>	<b>(461,275)</b>	<b>144,203,415</b>	<b>683,742,140</b>



Rabih Abdul Kader Nahas  
(Chief Financial Officer)



Khalid Abdul Aziz Al Maktary  
(Chief Executive Officer)



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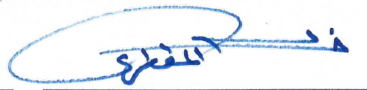
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**


For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit before zakat and income tax		91,322,631	89,349,839
<b>Adjustments:</b>			
Depreciation on property, plant and equipment	7	18,502,272	17,884,578
Depreciation of right-of-use assets	8	8,465,182	8,149,900
Amortisation of intangible assets		416,278	209,552
Finance cost on lease liabilities	14	5,616,216	5,687,524
Loss on disposal of property, plant and equipment	7	43,671	-
Expected credit loss on trade receivables	10	(206,458)	1,478,638
Provision for employees' defined benefit obligations	15	1,393,469	1,240,041
Finance income		(4,957,606)	(1,596,222)
		120,595,655	122,403,850
<b>Changes in working capital:</b>			
Inventories		(14,017,674)	1,348,458
Trade receivables		(5,143,463)	(4,147,918)
Prepayments and other current assets		(872,563)	1,404,347
Due from related parties		827,776	20,792,252
Trade payables		(7,779,428)	3,512,984
Due to related parties		15,391	(1,490,643)
Advances from customers		(347,780)	(89,926)
Accrued expenses and other liabilities		3,378,997	(5,427,999)
		96,656,911	138,305,405
Employees' defined benefit obligations paid	15	(135,605)	(105,252)
Zakat and income tax paid	21	(9,671,516)	(2,745,766)
<b>Net cash from operating activities</b>		86,849,790	135,454,387
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	7	(7,860,894)	(7,014,376)
Additions to intangible assets		(166,766)	(1,222,188)
Additions in short-term Murabaha deposits, net		(21,708,437)	-
Finance income received		4,333,274	870,002
Proceeds from disposal of property, plant and equipment		65,217	-
<b>Net cash used in investing activities</b>		(25,337,606)	(7,366,562)
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities	14	(22,759,323)	(22,986,091)
Dividends paid	13	(59,586,702)	(81,000,000)
<b>Net cash used in financing activities</b>		(82,346,025)	(103,986,091)
<b>Net change in cash and cash equivalents</b>		(20,833,841)	24,101,734
Cash and cash equivalents as at 1 January		122,414,701	106,343,470
<b>Cash and cash equivalents as at 30 June</b>		101,580,860	130,445,204
<b>Significant non-cash transactions:</b>			
Modification in right of use assets against lease liabilities		131,305	-

  
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(Chief Financial Officer)

  
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(Chairman Board of Directors)

The accompanying notes from 1 to 28 form an integral part of these condensed interim financial information.



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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

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**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 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). On 2 Rabi Al-Awwal 1446H (corresponding to 5 September 2024), 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).

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

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**1. COMPANY INFORMATION (continued)**

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

<u>Branch Location</u>	<u>Date</u>	<u>Commercial Registration No.</u>
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
Kharj	30 Jumada Al-Ula 1438H (corresponding to 27 February 2017)	1011024354

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

These condensed interim financial information 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 Company’s last annual financial statements as at and for the year ended 31 December 2024 (“last annual financial statements”).

This condensed interim financial information do not include all the information and disclosures required to prepare a complete set of consolidated financial information 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. In addition, the results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the year ended 31 December 2025.

**2.2 Basis of measurement**

This condensed interim financial information have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except employee benefits which are recognised at the present value of future obligation using the Projected Unit Credit Method.

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

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**2. BASIS OF PREPARATION (continued)**

**2.3 Functional and presentation currency**

This condensed interim financial information are 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 Company's condensed interim financial information 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 Company based its assumptions and estimates on parameters available when the condensed interim financial information were 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 2024.

**4. MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted in the preparation of the condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial information for the year ended 31 December 2024, except for the adoption of new standards, interpretations and amendments effective as at 1 January 2024, 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 2025 and that are available for early adoption in annual periods beginning on 1 January 2025.

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

**THE FOURTH MILLING COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)**

**5.1 Standards, interpretations and amendments issued but not yet effective (continued)**

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

<b><i><u>Standards, amendments, interpretations</u></i></b>	<b><i><u>Description</u></i></b>	<b><i><u>Effective from periods beginning on or after the following date</u></i></b>
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of Financial Instruments - disclosures	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027

The standards, interpretations, and amendments with an effective date of 1 January 2025 will not have any material impact on the Company's condensed interim financial information, whereas, for other above-mentioned standards, interpretations, and amendments, the Company is currently assessing the implications on the Company's financial information on adoption.

**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.

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

<b><u>Reportable segments</u></b>	<b><u>Operations</u></b>
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 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 FOURTH MILLING COMPANY**  
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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**6. SEGMENT INFORMATION (continued)**

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 2025  
(Unaudited)**

	<u>Dammam</u>	<u>Madinah</u>	<u>Al-Kharj</u>	<u>Total segments</u>
Total revenue	50,105,415	48,371,725	42,124,859	140,601,999
Cost of raw material	(15,132,104)	(14,317,615)	(18,361,488)	(47,811,207)
Employee benefits expenses	(5,236,006)	(5,421,087)	(3,471,978)	(14,129,071)
Depreciation and amortization	(3,989,917)	(5,618,530)	(3,503,501)	(13,111,948)
Finance costs	(1,470,324)	(1,091,285)	(115,431)	(2,677,040)
Other expenses	(5,788,240)	(4,771,851)	(5,158,134)	(15,718,225)
Segment profit	<u>18,488,824</u>	<u>17,151,357</u>	<u>11,514,327</u>	<u>47,154,508</u>

**For the three-month period  
ended 30 June 2024  
(Unaudited)**

	<u>Dammam</u>	<u>Madinah</u>	<u>Al-Kharj</u>	<u>Total segments</u>
Total revenue	57,970,269	41,091,644	37,742,205	136,804,118
Cost of raw material	(19,277,335)	(10,638,903)	(16,016,451)	(45,932,689)
Employee benefits expenses	(5,282,264)	(5,188,304)	(3,697,991)	(14,168,559)
Depreciation and amortization	(3,886,509)	(6,151,738)	(2,796,716)	(12,834,963)
Finance costs	(1,519,377)	(1,123,471)	(118,484)	(2,761,332)
Other expenses	(6,125,267)	(4,795,115)	(5,336,440)	(16,256,822)
Other income	13,047	2,124	38,111	53,282
Segment profit	<u>21,892,564</u>	<u>13,196,237</u>	<u>9,814,234</u>	<u>44,903,035</u>

**For the six-month period  
ended 30 June 2025  
(Unaudited)**

	<u>Dammam</u>	<u>Madinah</u>	<u>Al-Kharj</u>	<u>Total segments</u>
Total revenue	112,135,364	106,936,888	91,672,767	310,745,019
Cost of raw material	(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)	(7,010,287)	(26,178,048)
Finance costs	(2,919,149)	(2,182,570)	(230,862)	(5,332,581)
Other expenses	(11,985,171)	(10,697,920)	(13,950,814)	(36,633,905)
Segment profit	<u>43,407,823</u>	<u>38,970,928</u>	<u>27,492,876</u>	<u>109,871,627</u>

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**6. SEGMENT INFORMATION (continued)**

For the six-month period ended 30 June 2024 (Unaudited)	Dammam	Madinah	Al-Kharj	Total segments
Total revenue	124,633,540	94,591,701	83,135,604	302,360,845
Cost of raw material	(42,110,654)	(22,306,888)	(36,901,396)	(101,318,938)
Employee benefits expenses	(10,464,334)	(10,803,965)	(7,498,943)	(28,767,242)
Depreciation and amortization	(7,762,939)	(11,926,004)	(5,956,133)	(25,645,076)
Finance costs	(3,038,755)	(2,246,940)	(236,969)	(5,522,664)
Other expenses	(12,946,877)	(13,284,577)	(9,577,355)	(35,808,809)
Other income	44,513	16,952	61,155	122,620
Segment profit	48,354,494	34,040,279	23,025,963	105,420,736

At 30 June 2025 (Unaudited)	<u>Dammam</u>	<u>Madinah</u>	<u>Al-Kharj</u>	<u>Total segments</u>
Total assets	285,134,034	411,410,036	234,965,168	931,509,238
Total liabilities	181,740,689	206,234,048	37,585,366	425,560,103
Other disclosures:				
Property, plant and equipment	88,050,583	204,771,403	198,008,928	490,830,914
Right-of-use assets	146,924,048	169,153,784	17,697,391	333,775,223
Intangible assets	13,519	10,987	10,988	35,494
Inventories	35,201,161	27,133,400	8,513,073	70,847,634

At 31 December 2024 (Audited)	<u>Dammam</u>	<u>Madinah</u>	<u>Al-Kharj</u>	<u>Total segments</u>
Total assets	275,191,243	408,959,699	238,411,386	922,562,328
Total liabilities	208,288,529	224,555,488	48,876,138	481,720,155
Other disclosures:				
Property, plant and equipment	87,148,335	210,664,929	203,365,263	501,178,527
Right-of-use assets	150,743,130	173,087,594	18,108,959	341,939,683
Intangible assets	14,798	11,929	11,929	38,656
Inventories	27,927,108	20,128,913	8,839,343	56,895,364

**6.1 Reconciliations of information on reportable segments to the amounts reported in the financial statements**

**i) Profit before tax**

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total profit before tax for reportable segments	47,154,508	44,903,035	109,871,627	105,420,736
Unallocated amounts				
Employee benefits expenses	(8,989,844)	(8,092,321)	(17,557,032)	(14,901,220)
Depreciation	(625,222)	(396,626)	(1,205,683)	(598,954)
Finance costs	(142,422)	(82,430)	(283,635)	(164,861)
Finance income	2,322,623	1,596,193	5,060,570	2,977,251
Other expenses	(2,562,227)	(1,726,590)	(4,563,216)	(3,383,113)
	37,157,416	36,201,261	91,322,631	89,349,839

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**6. SEGMENT INFORMATION (continued)**

**6.2 Reconciliations of information on reportable segments to the amounts reported in the financial statements**

*ii) Total assets*

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Total assets for reportable segments	<b>931,509,238</b>	922,562,328
Unallocated amounts	<b>266,984,263</b>	274,714,858
	<b><u>1,198,493,501</u></b>	<u>1,197,277,186</u>

*iii) Total liabilities*

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Total liabilities for reportable segments	<b>425,560,103</b>	481,720,155
Unallocated amounts	<b>32,221,582</b>	2,183,999
	<b><u>457,781,685</u></b>	<u>483,904,154</u>

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**7. PROPERTY, PLANT AND EQUIPMENT**

**7.1** Property, plant and equipment comprise of the following:

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Buildings	<b>176,687,360</b>	179,531,655
Plant and equipment	<b>304,528,729</b>	315,000,297
Furniture and fittings	<b>3,079,474</b>	1,601,076
Computer equipment	<b>4,699,059</b>	4,488,198
Motor vehicles	<b>10</b>	172,914
Projects under progress	<b>4,809,586</b>	3,760,342
	<b><u>493,804,218</u></b>	<b><u>504,554,482</u></b>

**7.2** For the purposes of preparing the condensed interim statement of cash flows, the movement in property, plant and equipment during the six-month period ended 30 June is as follows:

	<b><u>For the six-month period ended 30 June 2025 (Unaudited)</u></b>	<b><u>2024 (Unaudited)</u></b>
Depreciation	<b><u>18,502,272</u></b>	<u>17,884,578</u>
Additions	<b><u>7,860,894</u></b>	<u>7,014,376</u>
Loss on disposal	<b><u>43,671</u></b>	<u>-</u>
Proceed from disposal	<b><u>65,217</u></b>	<u>-</u>

**7.3** 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 12.62 million. The initial term of the land lease is 25 calendar years 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.

**7.4** As at 30 June 2025, projects under progress mainly consist of the following projects:

- i) Expansion of feed production plant for Feed in Kharj which is expected to be completed by September 2027
- ii) Project of implementing security and safety works in Dammam Branch, which is expected to be completed by September 2025. Further, during the year ended 31 December 2024, SR 4.40 million related to this project has been written off, as it did not meet requirements of High Commission for Industrial Security (“HCIS”), Kingdom of Saudi Arabia
- iii) Installation of elevator lifts in Dammam, which is expected to be completed by July 2025
- iv) Internal and external warehouse air-conditioning and improvements in Dammam, which is expected to be completed by December 2025

Capital commitments relating to these projects amount to SR 23.82 million (31 December 2024: SR 17.63 million).



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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**8. RIGHT-OF-USE ASSETS**

The Company entered into lease agreements with the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organization (“SAGO”)) for the rental of silos, lands and building for the. The initial term of the lease was 25 calendar years commencing from 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017), which was adjusted in December 2021 to match with the duration of flour milling license up to 30 November 2046 and is renewable automatically subject to renewal of Company’s milling license. These leases do not transfer ownership of the assets to the lessor at the end of the lease. The estimated useful lives of right-of-use assets are 25 years and ending on 30 November 2046.

The Company’s obligations under its leases are secured by the lessor’s title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company leases office and staff accommodation with contractual terms of one year. These leases are classified as short-term leases. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Below are the carrying amounts of right-of-use assets recognised and the movements during the year/period:

	<u>Silos</u>	<u>Lands</u>	<u>Buildings</u>	<u>Total</u>
<b><u>Cost</u></b>				
As at 31 December 2023 (audited)	203,756,283	230,251,917	5,304,743	439,312,943
Additions during the year	-	-	3,767,142	3,767,142
<b>At 31 December 2024 (audited)</b>	<b>203,756,283</b>	<b>230,251,917</b>	<b>9,071,885</b>	<b>443,080,085</b>
<b>Impact of modification</b>	<b>-</b>	<b>-</b>	<b>(131,305)</b>	<b>(131,305)</b>
<b>At 30 June 2025 (unaudited)</b>	<b>203,756,283</b>	<b>230,251,917</b>	<b>8,940,580</b>	<b>442,948,780</b>
<b><u>Accumulated depreciation</u></b>				
At 31 December 2023 (audited)	41,447,916	34,556,998	816,982	76,821,896
Charge for the year	7,056,885	9,006,719	393,161	16,456,765
<b>As at 31 December 2024 (audited)</b>	<b>48,504,801</b>	<b>43,563,717</b>	<b>1,210,143</b>	<b>93,278,661</b>
<b>Charge for the period</b>	<b>3,528,443</b>	<b>4,504,711</b>	<b>432,028</b>	<b>8,465,182</b>
<b>At 30 June 2025 (unaudited)</b>	<b>52,033,244</b>	<b>48,068,428</b>	<b>1,642,171</b>	<b>101,743,843</b>
<b><u>Net book Value</u></b>				
At 31 December 2024 (audited)	155,251,482	186,688,200	7,861,742	349,801,424
<b>At 30 June 2025 (unaudited)</b>	<b>151,723,039</b>	<b>182,183,489</b>	<b>7,298,409</b>	<b>341,204,937</b>

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

	<b><u>For the six-month period ended 30 June</u></b>	
	<b>2025</b>	<b>2024</b>
	<b><u>(Unaudited)</u></b>	<b><u>(Unaudited)</u></b>
Depreciation	<b>8,465,182</b>	8,149,900
Modification	<b>131,305</b>	-

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**9. INVENTORIES**

9.1 Inventories comprise of the following:

	<b>30 June 2025 (Unaudited)</b>	31 December 2024 (Audited)
Raw materials	43,370,071	30,213,738
Finished goods	8,137,114	8,575,096
Goods in transit	96,080	54,461
Spare parts and others	32,185,507	30,845,725
Less: adjustment for net realizable value of inventories	<u>(12,835,099)</u>	<u>(12,753,021)</u>
	<u><b>70,953,673</b></u>	<u><b>56,935,999</b></u>

9.2 During the six-month period ended 30 June 2025, the Company has recognized the adjustment for net realizable value of plastic pallets amounting to SR 0.082 million (30 June 2024: Nil). The amount is included in selling and distribution expenses.

**10. TRADE RECEIVABLES**

Trade receivables comprise of the following:

	<b>30 June 2025 (Unaudited)</b>	31 December 2024 (Audited)
Trade receivables	14,121,626	9,076,894
Less: provision for expected credit loss on trade receivables	<u>(461,366)</u>	<u>(667,824)</u>
	<u><b>13,660,260</b></u>	<u><b>8,409,070</b></u>

**11. PREPAYMENTS AND OTHER CURRENT ASSETS**

	<b>30 June 2025 Un-audited</b>	31 December 2024 Audited
Advance to suppliers	12,399,198	12,325,107
Prepaid expenses	4,671,875	3,809,753
Margin against letter of guarantees	3,447,914	3,447,914
Accrued interest on deposits	1,340,758	716,426
Others	22,103	85,754
	<u><b>21,881,848</b></u>	<u><b>20,384,954</b></u>

**12. SHARE CAPITAL**

The authorized, issued and fully paid-up share capital of the Company as at 30 June 2025 amounted to SR 540,000,000 (31 December 2024: SR 540,000,000) consists of 540,000,000 shares (31 December 2024: 540,000,000 shares) at SR 1 each share.

**13. 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.

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**13. DIVIDENDS PAYABLE (continued)**

**13.1** 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 59.4 million for the second half of the year ended 31 December 2024. The amount has been paid subsequent to period-end on 9 April 2025.

**13.2** For the six-month period ended 30 June 2024, the Board of Directors resolved to distribute interim cash dividends as below:

- SR 14 million on 27 Rajab 1445H (corresponding to 8 February 2024); and
- SR 67 million on 1 Thul-Qi'dah 1445H (corresponding to 9 May 2024).

**13.3** Movement in dividends payable is as follows:

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
At the beginning of the period/year	289,015	-
Declared during the period/year	59,400,000	140,400,000
Paid during the period/year	<u>(59,586,702)</u>	<u>(140,110,985)</u>
At the end of the period/year	<u>102,313</u>	<u>289,015</u>

**14. LEASE LIABILITIES**

Movement in lease liabilities during the year is as follows:

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
At the beginning of the period/year	393,731,657	402,254,418
Addition during the year	-	3,767,142
Impact of modification	(131,305)	-
Finance cost on lease liabilities	5,616,216	11,434,948
Payments during the period/year	<u>(22,759,323)</u>	<u>(23,724,851)</u>
At the end of the period/year	<u>376,457,245</u>	<u>393,731,657</u>
Less: current portion	<u>(23,928,476)</u>	<u>(23,724,851)</u>
Non – Current portion	<u>352,528,769</u>	<u>370,006,806</u>

**15. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS**

	<b>30 June 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
Net liability at the beginning of the year	5,621,768	3,919,993
Current service and finance cost	1,393,469	2,480,083
Actuarial loss recognized in other comprehensive income	9,448	171,675
Amount paid during the year	<u>(135,605)</u>	<u>(949,983)</u>
Net liability at the end of the year	<u>6,889,080</u>	<u>5,621,768</u>

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**16. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>Un-audited</b>	<b>Audited</b>
Accrued employees' costs	<b>9,804,697</b>	11,591,805
Accrued customer rebates	<b>5,449,003</b>	1,209,322
Accrued fines and penalties (note 16.1)	<b>4,000,000</b>	4,000,000
Value added tax ("VAT") payable	<b>2,812,060</b>	226,129
Accrued transport costs	<b>2,646,494</b>	1,848,832
Accrued utilities expense	<b>1,387,742</b>	1,386,041
Accrued professional fees	<b>333,601</b>	308,000
Accrued Board and committees' expenses, rewards and allowances	-	2,975,952
Other accruals	<b>1,459,028</b>	967,586
	<b>27,892,625</b>	24,513,667

**16.1** Fines and penalties relate to the claim received from 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 Law. 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. The matter is still under review with GFSA as on the date of approval of this condensed interim financial information.

**17. 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 by type of goods as shown below:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Type of goods</b>				
Flour	<b>93,634,943</b>	88,178,616	<b>206,718,824</b>	196,446,246
Bran	<b>37,458,676</b>	37,658,155	<b>79,533,647</b>	84,371,722
Feed	<b>9,508,379</b>	10,967,345	<b>24,492,548</b>	21,542,877
	<b>140,601,998</b>	136,804,116	<b>310,745,019</b>	302,360,845
<b>Type of sectors</b>				
Corporate	<b>132,024,361</b>	129,079,450	<b>289,601,493</b>	284,306,250
Individual	<b>6,974,034</b>	6,006,913	<b>14,038,554</b>	11,201,973
Hypermarket	<b>1,603,603</b>	1,717,753	<b>7,104,972</b>	6,852,622
	<b>140,601,998</b>	136,804,116	<b>310,745,019</b>	302,360,845

**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 dispatched from the warehouses.



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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**18. COST OF REVENUE**

Cost of revenue comprises the following:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Raw materials consumed	47,817,625	45,932,689	105,078,515	101,318,938
Salaries and other benefits	10,604,823	10,855,124	20,926,437	21,861,284
Depreciation and amortization	12,216,729	11,923,138	24,380,524	23,715,599
Fuel and power	3,493,147	4,023,987	7,813,819	8,333,033
Transportation	1,613,321	1,385,093	2,657,662	3,118,676
Maintenance	814,995	517,234	1,597,961	1,104,758
Insurance	656,834	745,442	1,346,131	1,491,041
Subscriptions	754,090	266,996	1,212,740	692,383
Other expenses	558,575	1,399,344	954,954	2,013,041
	<u>78,530,139</u>	<u>77,049,047</u>	<u>165,968,743</u>	<u>163,648,753</u>
Finished goods inventory at the beginning of the period	7,846,746	8,090,340	8,575,096	7,636,514
Finished goods available for sale during the period	86,376,885	85,139,387	174,543,839	171,285,267
Finished goods inventory at the end of the period	<u>(8,137,114)</u>	<u>(5,492,768)</u>	<u>(8,137,114)</u>	<u>(5,492,768)</u>
	<u>78,239,771</u>	<u>79,646,619</u>	<u>166,406,725</u>	<u>165,792,499</u>

**19. SELLING AND DISTRIBUTION EXPENSES**

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Transportation and shipping charges	6,012,174	4,446,806	14,255,401	10,400,053
Salaries and other benefits	2,518,533	1,962,963	4,860,470	3,983,950
Marketing and advertising costs	703,096	4,954	2,796,180	2,221,454
Sales support services	356,459	297,388	737,599	615,730
Insurance	198,237	93,414	304,908	194,388
Fuel and power	120,217	115,330	196,492	399,091
Depreciation	68,775	177,767	138,401	614,023
Other expenses	749,659	276,380	907,410	432,235
	<u>10,727,150</u>	<u>7,375,002</u>	<u>24,196,861</u>	<u>18,860,924</u>

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**20. GENERAL AND ADMINISTRATIVE EXPENSES**

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and other benefits	9,068,282	8,067,328	17,679,013	16,399,726
Depreciation and amortization	1,451,666	1,130,683	2,864,805	1,914,408
Board and committees' expenses, rewards and allowances	927,277	1,375,465	1,751,999	1,423,501
Professional and consultancy services	875,477	1,096,466	1,742,584	1,707,274
Fuel and power	675,542	108,742	1,179,281	285,129
Insurance	534,126	420,809	1,002,152	765,121
Maintenance	239,123	226,572	998,348	441,905
Communication	227,628	290,461	496,976	453,631
Other expenses	425,067	133,578	712,578	900,596
	<b>14,424,188</b>	<b>12,850,104</b>	<b>28,427,736</b>	<b>24,291,291</b>

**21. ZAKAT, INCOME TAX AND DEFERRED TAX**

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

	Zakat	Income tax	Total
At 1 January 2024 (audited)	2,745,766	(1,826,183)	919,583
Charge for the year	3,445,688	8,769,868	12,215,556
Payments during the year	(2,745,766)	(2,910,325)	(5,656,091)
At 31 December 2024(audited)	<b>3,445,688</b>	<b>4,033,360</b>	<b>7,479,048</b>
Charge for the period	<b>2,883,974</b>	<b>3,645,839</b>	<b>6,529,813</b>
Payments during the period	<b>(3,445,688)</b>	<b>(6,225,828)</b>	<b>(9,671,516)</b>
At 30 June 2025 (unaudited)	<b>2,883,974</b>	<b>1,453,371</b>	<b>4,337,345</b>

**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 return for a period from 1 December 2021 to 31 December 2021 and for the year ended 31 December 2022, 31 December 2023 and 31 December 2024, however assessment has not been raised by ZATCA.

During the period, the Company received a communication from the Zakat, Tax and Customs Authority (ZATCA) requesting additional information related to the zakat declaration for the year ended 31 December 2024. As of the date of approval of these financial statements, ZATCA has not issued any assessment.

**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.

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**22. CONTINGENCIES**

The Company has contingent liabilities relating to certain disputed matters, including claims from and against customers, contractors, litigation and arbitration proceedings involving a variety of cases. 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 2025, the Company has provided bank guarantees amounting to SR 3.45 million (31 Dec 2024: SR 3.45 million) in favor of GFSA for lease of silos and land in Dammam, Madinah and Al-Kharj.

**23. EARNINGS PER SHARE**

**23.1 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 information.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit for the period	<b>34,052,411</b>	33,147,443	<b>86,748,232</b>	81,764,746
Weighted average number of ordinary shares	<b>540,000,000</b>	540,000,000	<b>540,000,000</b>	540,000,000
Earnings per share – basic and diluted	<b>0.06</b>	0.06	<b>0.16</b>	0.15

**24. RELATED PARTY TRANSACTIONS AND BALANCES**

Related parties represent the shareholders, subsidiary, associated companies and key management personnel of the Company, and entities controlled or significantly influenced by such parties. 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.

**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 Company) refers to the board of directors, chief executive officer and other executives of the Company.

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.

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**24. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (continued)**

**Compensation of key management personnel of the Company for the three-month and six-month periods ended 30 June:**

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Short-term employee benefits	1,386,162	954,609	2,997,668	2,526,038
Post-employment benefits	63,228	72,830	119,223	139,039
Total compensation paid to key management personnel	1,449,390	1,027,439	3,116,891	2,665,077

Short-term employee benefits include SR 1.76 million (30 June 2024: SR 1.53 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:

Name	Relationship	Nature of transactions	Amount of transactions		Closing balance	
			For the six-month period ended 30 June		30 June 2025	31 December 2024
			2025	2024	(Unaudited)	(Audited)
<i>Due from related parties</i>						
Abdullah Al-Othaim Markets Company	(Partner in the shareholder)	Sales	7,230,373	6,219,675		
		Rebates	(3,277,559)	(1,494,113)		
		Collections	5,036,017	4,938,408	833,205	1,916,408
United Feed Manufacturing Company	(Partner in the shareholder)	Sales	25,953,691	23,209,770		
		Rebates	(358,273)	-		
		Collections	24,268,862	21,400,000	1,326,556	-
Pure Food Corporations	Other related party	Sales	2,725,673	2,723,940		
		Rebates	(703,857)	-		
		Sales support services	-	(254,928)		
		Collections	2,664,799	2,532,494	-	642,983
		Expenses incurred on behalf of shareholder	2,500	-		
Gulf flour Milling Industrial Company	Shareholder	IPO costs charged	-	3,795,719		
		Collections	403,477	3,537,513	2500	403,477
		Sales	58,443	445,326		
Zod Factory for Pastries and Bakeries	Other related party	Collections	85,612	347,881	58,443	85,612
					2,220,704	3,048,480



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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**24. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**OTHER RELATED PARTY TRANSACTIONS (continued)**

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>		<u>Closing balance</u>	
			For the six-month period ended 30 June		30 June	31 December
			<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
					(Unaudited)	(Audited)
<u>Due to related parties</u>						
Abdulaziz Al-Othaim Markets Company	Other related party	Sales	27,852	-		
United Feed Company Limited	Other related party	Rebates	(5,989)	-	33,338	55,201
Pure Food Corporations	Other related party	Collections	2,807	-	-	2,807
	Other related party	Collections	40,062	-	40,062	-
					<u>73,400</u>	<u>58,008</u>

**25. FINANCIAL INSTRUMENTS – FAIR VALUES**

Financial assets

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

	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
<b>Financial assets at amortised cost:</b>		
Bank balances and short-term deposits	197,349,366	196,474,770
Trade receivables	14,121,626	9,076,894
Due from related parties	2,220,704	3,048,480
Other current financial assets	17,187,870	16,489,447
	<u>230,879,566</u>	<u>225,089,591</u>

Financial liabilities

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

	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
<b>Financial liabilities at amortised cost:</b>		
Lease liabilities	376,457,245	393,731,657
Trade and other payables	25,784,074	33,563,502
Due to related parties	73,400	58,008
Advance from customers	9,411,528	9,858,000
Accrued expenses and other current liabilities	27,892,625	24,513,667
	<u>439,618,872</u>	<u>461,724,834</u>

**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 Company's financial assets consist of bank balances and short-term deposits, trade receivables, amounts due from related parties and other current assets. Its financial liabilities consist of trade and other payables, certain accrued expense and other liabilities, long-term loans, obligations under finance lease, long-term payable and amounts due to related parties.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**25. FINANCIAL INSTRUMENTS – FAIR VALUES (Continued)**

**Fair value hierarchy (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.

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 Company 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.

There are no financial instruments recognised at fair value and 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.

**26. RECLASSIFICATION**

Certain comparative figures have been reclassified to comply with the current year presentation of the condensed interim financial information, where necessary. Below financial information in the comparative period has been reclassified to conform with current period presentation, as shown below:

<b>Condensed statement of profit or loss and other comprehensive income</b>	<b>Previously reported six months ended 30 June 2024</b>	<b>Amount of reclassification</b>	<b>Reclassified amount six months ended 30 June 2024</b>
Revenue	308,454,092	(6,093,247)	302,360,845
Selling and distribution expenses	26,432,809	(7,571,885)	18,860,924
Expected credit loss on trade receivables	-	1,478,638	1,478,638

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**26. RECLASSIFICATION (continued)**

	Previously reported year ended 31 December 2024	Amount of reclassification	Reclassified amount year ended 31 December 2024
<b>Condensed statement of financial position</b>			
Trade and other payables	33,340,949	222,553	33,563,502
Accrued expenses and other current liabilities	24,736,220	(222,553)	24,513,667

	Previously reported three months ended 30 June 2024	Amount of reclassification	Reclassified amount three months ended 30 June 2024
<b>Statement of profit or loss and other comprehensive income</b>			
Revenue	138,122,688	(1,318,572)	136,804,116
Selling and distribution expenses	8,230,416	(855,414)	7,375,002
Expected credit loss on trade receivables	-	(463,158)	(463,158)

**27. SUBSEQUENT EVENTS**

Subsequent to the period ended 30 June 2025, on 5 Safar 1447H (corresponding to 30 July 2025), the Board of Directors resolved to distribute interim cash dividend of SR 0.11 per share amounting to SR 59.4 million for the first half of the year 2025. The amount will be paid on 12 Rabi al-Awwal 1447H (corresponding to 4 September 2025).

Other than as mentioned above, no matter has occurred up to and including the date of the approval of this condensed interim financial information by the Board of Directors which could materially affect this condensed interim financial information and the related disclosures for the six-month period ended 30 June 2025.

**28. APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION**

This condensed interim financial information was approved and authorised for issuance by the Company's Board of Directors on 5 Safar 1447H, corresponding to 30 July 2025.