

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

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

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

INDEPENDENT AUDITORS' REVIEW REPORT

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month periods ended 30 June 2025

Contents	Page
Independent auditor's report on review of condensed consolidated interim financial statements	--
Condensed consolidated statement of financial position	1
Condensed consolidated statement of profit or loss and other comprehensive income	2
Condensed consolidated statement of changes in equity	3
Condensed consolidated statement of cash flows	4
Notes to the condensed consolidated interim financial statements	5-25



KPMG Professional Services Company

Zahran Business Center
Prince Sultan Street
P. O. Box 55078
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
جده 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 Modern Mills Company

Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial statements of **Modern Mills Company ("the Company") and its subsidiary ("the Group")**, which comprises:

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



Conclusion

KPMG Professional Services Company



Jeddah, 29 July 2025
Corresponding 4 Safar 1447H



MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

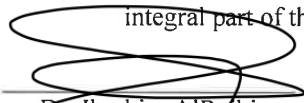
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

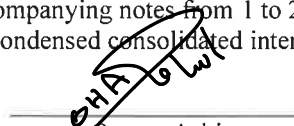
As at 30 June 2025

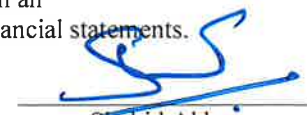
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Assets			
Property, plant and equipment	7.1	812,020,364	777,757,171
Right-of-use assets		201,830,880	206,654,985
Intangible assets		4,324,770	3,620,300
Non-current assets		1,018,176,014	988,032,456
Inventories	8.1	95,855,378	86,593,799
Trade receivables		11,431,358	9,804,203
Prepayments and other current assets		38,984,722	36,233,225
Cash and cash equivalents		55,202,935	182,903,783
Current assets		201,474,393	315,535,010
Total assets		1,219,650,407	1,303,567,466
Equity and liabilities			
Equity			
Share capital	9	81,832,000	81,832,000
Shareholders' contributions		14,309,338	14,309,338
Treasury shares	16.2	(39,279,372)	(39,279,372)
Retained earnings		239,993,596	205,694,386
Total equity		296,855,562	262,556,352
Liabilities			
Loans and borrowings	10	511,776,287	617,348,941
Lease liabilities		210,469,138	221,268,973
Employees' defined benefit obligations		8,029,510	6,972,328
Non-current liabilities		730,274,935	845,590,242
Trade and other payables		60,944,199	52,657,166
Accrued expenses and other liabilities		68,520,655	80,152,914
Current portion of loans and borrowings	10	27,745,159	29,563,340
Current portion of lease liabilities		14,708,093	14,365,008
Advances from customers		18,070,040	13,552,082
Zakat payable	15	2,531,764	5,130,362
Current liabilities		192,519,910	195,420,872
Total liabilities		922,794,845	1,041,011,114
Total equity and liabilities		1,219,650,407	1,303,567,466

The accompanying notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.


Dr. Ibrahim AlRajhi
Chairman


Osama Ashi
CEO


Shahid Akbar
Finance Director

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED 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)

	Notes	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenue from contract with customers	12	240,524,805	222,986,928	500,413,856	480,793,198
Cost of revenue	13	(157,616,717)	(141,600,886)	(320,543,073)	(300,286,701)
Gross profit		82,908,088	81,386,042	179,870,783	180,506,497
Selling and distribution expenses		(10,648,374)	(10,976,941)	(23,275,138)	(19,967,930)
General and administrative expenses		(14,921,434)	(14,866,563)	(26,361,311)	(28,197,906)
Other income		111,842	117,539	133,142	149,043
Operating profit		57,450,122	55,660,077	130,367,476	132,489,704
Finance costs	14	(7,142,392)	(11,772,605)	(14,907,856)	(23,856,006)
Finance income		523,836	1,765,836	2,659,942	3,646,359
Profit before zakat		50,831,566	45,653,308	118,119,562	112,280,057
Zakat expense	15.1	(1,163,598)	(1,144,744)	(2,806,672)	(2,788,061)
Profit for the period		49,667,968	44,508,564	115,312,890	109,491,996
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		49,667,968	44,508,564	115,312,890	109,491,996
Earnings per share for the period attributable to shareholders of the Company (SR):					
Basic	18	0.61	0.55	1.42	1.35
Diluted	18	0.61	0.55	1.42	1.35

The accompanying notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.


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Finance Director

MODERN MILLS COMPANY
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six-month period ended 30 June 2025

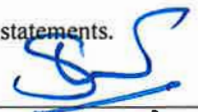
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	<u>Share capital</u>	<u>Treasury shares</u>	<u>Shareholders' contributions</u>	<u>Retained earnings</u>	<u>Total</u>
<u>Six-month period ended 30 June 2025:</u>					
As at 31 December 2024 (audited)	81,832,000	(39,279,372)	14,309,338	205,694,386	262,556,352
Profit for the period	--	--	--	115,312,890	115,312,890
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	<u>--</u>	<u>--</u>	<u>--</u>	<u>115,312,890</u>	<u>115,312,890</u>
Dividends distribution (Note 11)	--	--	--	(81,013,680)	(81,013,680)
As at 30 June 2025 (unaudited)	<u>81,832,000</u>	<u>(39,279,372)</u>	<u>14,309,338</u>	<u>239,993,596</u>	<u>296,855,562</u>
<u>Six-month period ended 30 June 2024:</u>					
As at 31 December 2023 (audited)	81,832,000	--	7,274,198	158,543,954	247,650,152
Profit for the period	--	--	--	109,491,996	109,491,996
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	<u>--</u>	<u>--</u>	<u>--</u>	<u>109,491,996</u>	<u>109,491,996</u>
Shareholder' contributions	--	--	750,452	--	750,452
Treasury shares contributed by pre-listing shareholders (Note 16.2)	--	(6,284,688)	6,284,688	--	--
Purchase of treasury shares for employees' share option scheme (Note 16.2)	--	(32,994,684)	--	--	(32,994,684)
Dividends distribution (Note 11)	--	--	--	(81,013,680)	(81,013,680)
As at 30 June 2024 (unaudited)	<u>81,832,000</u>	<u>(39,279,372)</u>	<u>14,309,338</u>	<u>187,022,270</u>	<u>243,884,236</u>

The accompanying notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.


Dr. Ibrahim AlRajhi
Chairman


Osama Ashi
CEO


Shahid Akbar
Finance Director

MODERN MILLS COMPANY

(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED 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)
Cash flows from operating activities			
Profit before zakat		118,119,562	112,280,057
Adjustments:			
Depreciation on property, plant and equipment	7.2	23,531,042	23,758,845
Depreciation of right-of-use assets		5,514,013	5,640,011
Amortisation of intangible assets		224,896	196,175
Finance cost on lease liabilities	14	2,969,228	3,148,175
Finance cost on loans and borrowings	14	11,938,628	20,411,605
Finance income for the period		(2,659,942)	(3,646,359)
Amortisation of loan transaction cost	14	--	296,226
Adjustment for net realizable value for inventories	8.2	(296,275)	54,245
Provision for employees' defined benefit obligations		1,379,969	1,531,085
Loss on disposal of property, plant and equipment		497,949	8,868
Gain on derecognition of lease		--	(82,932)
		161,219,070	163,596,001
Changes in working capital:			
Inventories		(8,965,304)	(10,770,151)
Trade receivables		(1,627,155)	(2,859,437)
Prepayments and other current assets		(2,751,497)	(12,833,924)
Trade and other payables		8,287,033	(8,089,772)
Accrued expenses and other liabilities		(18,891,908)	(2,258,607)
Advances from customers		4,517,958	3,261,810
		141,788,197	130,045,920
Employees' defined benefit obligations paid		(322,787)	(220,699)
Finance cost paid on loans and borrowings		(4,678,979)	(10,369,179)
Finance cost paid on lease liabilities		(2,969,228)	(3,148,175)
Finance income received		2,659,942	3,646,359
Zakat paid		(5,405,270)	(5,173,620)
Net cash from operating activities		131,071,875	114,780,606
Cash flows from investing activities			
Additions to property, plant and equipment	7.2	(58,292,184)	(27,191,463)
Additions to intangible assets		(929,366)	(99,511)
Net cash used in investing activities		(59,221,550)	(27,290,974)
Cash flows from financing activities			
Repayment of loans and borrowings	10	(107,390,835)	(27,423,486)
Proceeds from loans and borrowings	10	--	73,000,043
Capital repayment of lease liabilities		(11,146,658)	(10,955,583)
Due from related parties		--	11,050,395
Purchase of treasury shares	16.2	--	(32,994,684)
Dividends paid	11	(81,013,680)	(29,536,061)
Net cash used in financing activities		(199,551,173)	(16,859,376)
Net (decrease) / increase in cash and cash equivalents during the period		(127,700,848)	70,630,256
Cash and cash equivalents as at 1 January		182,903,783	112,026,254
Cash and cash equivalents at 30 June		55,202,935	182,656,510
Non-cash transactions:			
Treasury shares contributed by pre-listing shareholders	16.2	--	6,284,688
IPO cost incurred		--	750,452

The accompanying notes from 1 to 22 form an integral part of these condensed consolidated interim financial statements.

Dr. Ibrahim AlRajhi
Chairman

Osama Ashi
CEO

Shahid Akbar
Finance Director

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION

Modern Mills 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 Commercial Registration No. 5855070277 issued on 12 October 2016 (corresponding to 11 Muharram 1438H). On 9 January 2022 (corresponding to 6 Jumada Al-Akhirah 1443H), a branch was opened in with Unified No. 7027330609 and commercial registration No. 4030449122. The Company converted its head office (commercial registration No. 5855070277) into a branch of the Company and converted the branch (commercial registration No. 4030449122) to be the head office of the Company.

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 PIF, 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). The Company is selling various products of flour, feed and bran out of which the selling prices of only the flour products weighing 45 KG and bulk quantities are determined by the GFSA.

On 9 June 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 PIF by Cabinet Resolution No. (118) and dated 30 October 2018 (corresponding to 21 Safar 1440H). The Company's shares were wholly sold to Mada Al Ghurair Limited Company on 31 December 2020 (corresponding to 16 Jumada Al Awal 1442H).

On 1 November 2021 (corresponding to 26 Rabi al Awal 1443H) merger agreement was signed between shareholders of Mada Al Ghurair Limited (the Ultimate Parent Company) and its wholly owned subsidiary, Modern Mills Company (“Company”) whereby all assets, liabilities, rights and obligations of the ultimate Parent Company were to be transferred to the Company subject to the completion of legal procedures.

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 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).

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION (continued)

The registered address of the Company is as follows:

Alkhalidiah
Mohammed Altaib Altunisi Street,
Jeddah 23421 - 6228
Kingdom of Saudi Arabia

The members of the Extraordinary General Assembly have approved the offering and listing of the Company's shares in Tadawul on 4 October 2023 (corresponding to 19 Rabi Al Awal 1445H). On 7 February 2024 (corresponding to 26 Rajab 1445H) the Company has announced its intention to float 24,549,600 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 27 March 2024 (corresponding to 17 Ramadan 1445H).

The new Companies Law issued through Royal Decree M/132 on 30 June 2022 (corresponding to 1 Dhul Hijjah 1443H) (hereinafter referred as "the Law") came into force on 19 January 2023 (corresponding to 26 Jumada Al-Thani 1444H). For certain provisions of the Law, full compliance is expected not later than two years from 19 January 2023 (corresponding to 26 Jumada Al-Thani 1444H). The management has assessed the impact of the New Companies Law on its By-Laws for any changes to align the Articles to the provisions of the Law. Consequently, the Company presented the amended By-Laws to the shareholders in their extraordinary/annual General Assembly meeting for their ratification. The General Assembly meeting dated 4 October 2023 (corresponding to 19 Rabi Al Awal 1445H) approved the amended By-Law. The Company completed the legal procedures, and the commercial register and the amended by-laws were issued on 18 October 2023 (corresponding to 3 Rabi Al-Thani 1445H).

These accompanying condensed consolidated interim financial statements comprise the condensed financial statements of Modern Mills Company (the "Company" (or) the "Parent Company") and its subsidiary (collectively referred to as the "Group"). The Group is principally engaged in 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 Company is the ultimate controlling party of the Group. As at 30 June 2025, the Company has investment in the following subsidiary:

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Effective ownership interest (%)</u>	
			<u>30 June 2025</u>	<u>31 December 2024</u>
<i>Operating subsidiary</i>				
Hasad Al-Arabia for Trading Company	Saudi Arabia	Wholesale and retail of flour	100	100

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION (continued)

The Group operates through three branches and a head office, which are as follows:

<u>Branch Location</u>	<u>Date</u>	<u>Commercial Registration No.</u>
Head office	9 January 2022 (corresponding to 6 Jumada Al-Akhirah 1443H).	4030449122
Khamis Mushait	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	5855070707
Al Jumum	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	4622099376
Al Jowf	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	3400020077

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 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

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.

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

2. BASIS OF PREPARATION (continued)

2.3 Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiary as at and for the six-month period ended 30 June 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;
- 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 subsidiary. All amounts have been rounded to the nearest SR, unless otherwise stated.

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

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.

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

5.1 Standards, interpretations and amendments adopted

The Group has applied the following amendments for the first time for the annual reporting period commencing 1 January 2025.

Standards /

Interpretations

Description

IAS 21

Lack of Exchangeability (Amendments to IAS 21)

The adoption of above amendments does not have any material impact on the condensed consolidated interim financial statements during the period.

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

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

5. NEW STANDARDS, INTERPRETATION AND AMENDMENTS (continued)

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

<i><u>Standards / Interpretations</u></i>	<i><u>Description</u></i>	<i><u>Effective from periods beginning on or after the following date</u></i>
IFRS 9 and IFRS 7	Classification and measurement of financial instruments disclosures (Amendments to IFRS 9 and IFRS 7)	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 investor and its associate or joint venture	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 condensed consolidated interim financial statements on adoption.

6. SEGMENT INFORMATION

The Group 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 Group 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.

<u>Reportable segments</u>	<u>Operations</u>
Khamis Mushait	Production of flour and feed
Al Jumum	Production of flour and bran
Al Jowf	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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(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>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total segments</u>
Total revenue	154,350,652	58,518,705	27,655,448	240,524,805
Cost of inventories	(84,753,096)	(19,981,609)	(9,146,953)	(113,881,658)
Employee benefits expenses	(6,152,266)	(5,074,198)	(3,318,449)	(14,544,913)
Depreciation and amortization	(5,125,929)	(7,273,581)	(2,033,535)	(14,433,045)
Other expenses	(13,162,500)	(7,192,657)	(2,503,268)	(22,858,425)
Financing costs	(414,548)	(856,519)	(207,190)	(1,478,257)
Other income	--	123,036	--	123,036
Finance income	--	15,428	--	15,428
Segment profit	44,742,313	18,278,605	10,446,053	73,466,971

For the three-month period ended 30 June 2024 (Unaudited)	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total segments</u>
Total revenue	135,283,727	67,421,963	20,281,238	222,986,928
Cost of inventories	(78,228,268)	(21,211,728)	(7,799,710)	(107,239,706)
Employee benefits expenses	(6,020,075)	(4,681,331)	(3,419,523)	(14,120,929)
Depreciation and amortization	(5,016,385)	(7,382,308)	(2,064,885)	(14,463,578)
Other expenses	(5,121,690)	(6,546,988)	(2,133,187)	(13,801,865)
Financing costs	(428,349)	(899,427)	(214,089)	(1,541,865)
Other income	--	117,539	--	117,539
Segment profit	40,468,960	26,817,720	4,649,844	71,936,524

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(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 2025 (Unaudited)	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total segments</u>
Total revenue	315,407,719	130,554,012	54,452,125	500,413,856
Cost of inventories	(181,035,988)	(41,174,608)	(19,724,565)	(241,935,161)
Employee benefits expenses	(12,374,757)	(9,954,393)	(6,701,359)	(29,030,509)
Depreciation and amortization	(10,170,594)	(14,299,044)	(4,041,692)	(28,511,330)
Other expenses	(20,225,087)	(13,653,934)	(5,101,092)	(38,980,113)
Financing costs	(821,810)	(1,697,983)	(410,739)	(2,930,532)
Other income	--	144,336	--	144,336
Finance income	--	15,428	--	15,428
Segment profit	<u>90,779,483</u>	<u>49,933,814</u>	<u>18,472,678</u>	<u>159,185,975</u>

For the six-month period ended 30 June 2024 (Unaudited)	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total segments</u>
Total revenue	300,705,053	137,824,651	42,263,494	480,793,198
Cost of inventories	(174,586,760)	(40,767,262)	(17,208,460)	(232,562,482)
Employee benefits expenses	(12,016,181)	(9,480,667)	(6,763,021)	(28,259,869)
Depreciation and amortization	(9,982,552)	(14,888,434)	(4,127,893)	(28,998,879)
Other expenses	(9,632,344)	(13,215,025)	(3,040,852)	(25,888,221)
Financing costs	(853,868)	(1,816,846)	(426,762)	(3,097,476)
Other income	--	149,043	--	149,043
Segment profit	<u>93,633,348</u>	<u>57,805,460</u>	<u>10,696,506</u>	<u>162,135,314</u>

At 30 June 2025 (Unaudited)	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total Segments</u>
Total assets	350,627,150	673,613,781	131,672,617	1,155,913,548
Total liabilities	113,475,201	168,803,160	47,860,914	330,139,275
Other disclosures:				
Property, plant and equipment with Right-of- use assets	296,409,770	608,509,089	105,314,339	1,010,233,198
Inventories	44,082,802	32,668,340	19,104,236	95,855,378
Intangible assets	170,538	1,486,786	198,608	1,855,932

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

6. SEGMENT INFORMATION (continued)

At 31 December 2024 (Audited)	Khamis <u>Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total</u>
Total assets	347,372,240	616,369,120	128,149,948	1,091,891,308
Total liabilities	114,707,643	205,419,760	49,006,379	369,133,782
<u>Other disclosures:</u>				
Property, plant and equipment and right-of-use assets	298,254,361	575,002,332	108,399,128	981,655,821
Inventories	42,133,120	26,271,234	18,189,445	86,593,799
Intangible assets	249,453	1,075,531	14,500	1,339,484

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	73,466,971	71,936,524	159,185,975	162,135,314
Unallocated amounts				
Employee benefits expenses	(11,328,511)	(12,408,250)	(19,465,181)	(21,707,238)
Depreciation	(456,082)	(298,924)	(758,621)	(596,152)
Other expenses	(5,683,891)	(5,111,138)	(11,498,607)	(10,439,696)
Financing costs	(5,664,135)	(10,230,740)	(11,977,324)	(20,758,530)
Other income	(11,194)	--	(11,194)	--
Finance income	508,408	1,765,836	2,644,514	3,646,359
	50,831,566	45,653,308	118,119,562	112,280,057

ii) Total assets

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Total assets for reportable segments	1,155,913,548	1,091,891,308
Unallocated amounts	63,736,859	211,676,158
	1,219,650,407	1,303,567,466

iii) Total liabilities

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Total liabilities for reportable segments	330,139,275	369,133,782
Unallocated amounts	592,655,570	671,877,332
	922,794,845	1,041,011,114

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(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:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Buildings	268,811,251	276,523,176
Plant and equipment	331,054,484	343,698,042
Furniture and fittings	2,584,442	3,003,768
Motor vehicles	2,474,337	2,046,407
Strategic spare parts	8,148,164	8,482,788
Capital work in progress	198,947,686	144,002,990
	812,020,364	777,757,171

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

	For the six-month period ended 30 June 2025 (Unaudited)	2024 (Unaudited)
Depreciation	23,531,042	23,758,845
Additions	58,292,184	27,191,463
Loss on disposals	497,949	8,868

7.3 The buildings are built on land leased from the GFSA with an annual rental of SR 3,173,959. The lease term is twenty-five calendar years commencing from 1 January 2017 (corresponding to 3 Rabee Thani 1438H) and is renewable for a similar period. In 2020, the lease term was extended by an additional four years.

7.4 During the current period, additions to capital work in progress includes the capitalised borrowing cost amounting to SR 7,112,261 related to Al Jumum expansion project, using the applicable market rate of interest.

7.5 As at 30 June 2025, capital work in progress mainly consists of the expansion that is under progress across Al-Jumum Branch.

Capital commitments relating to these capital work in progress projects are amounting to SR 71 million (31 December 2024: SR 91.5 million).

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

8. INVENTORIES

8.1 Inventories comprise of the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Spare parts	55,535,703	56,763,332
Raw materials	33,549,364	21,880,718
Finished goods	15,407,823	18,031,615
Goods in transit	--	49,167
Packing material	6,349,318	5,100,822
Others	1,672,711	1,723,961
	<u>112,514,919</u>	<u>103,549,615</u>
Less: adjustment for net realizable value of inventories	<u>(16,659,541)</u>	<u>(16,955,816)</u>
	<u>95,855,378</u>	<u>86,593,799</u>

8.2 During the six-month period ended 30 June 2025, the Group has recognized the adjustment for net realizable value of inventories amounting to SR 0.3 million (30 June 2024: reversal for the period of SR 0.05 million). The amount is included in the cost of revenue.

9. SHARE CAPITAL

The authorized, issued and fully paid-up share capital of the Parent Company as at 30 June 2025 amounted to SR 81,832,000 (31 December 2024: SR 81,832,000) consists of 81,832,000 shares (31 December 2024: 81,832,000 shares) at SR 1 each share.

10. LOANS AND BORROWINGS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Long-term loans	539,521,446	646,912,281
	<u>539,521,446</u>	<u>646,912,281</u>
Current portion	27,745,159	29,563,340
Non-current portion	511,776,287	617,348,941
	<u>539,521,446</u>	<u>646,912,281</u>

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

10. LOANS AND BORROWINGS (continued)

The movement in long-term loans is as follows:

	30 June <u>2025</u>	31 December <u>2024</u>
At the beginning of the period / year	646,912,281	552,807,201
Obtained during the period / year	--	882,741,960
Paid during the period / year	(107,390,835)	(788,636,880)
At the end of the period / year	<u>539,521,446</u>	<u>646,912,281</u>

On 8 October 2024 (corresponding to 5 Rabi Al Thani 1446H), the Company entered into Murabaha financing agreements with Saudi National Bank ("SNB") on more favourable terms. The facilities available under these agreements amounted to SR 751 million which have been fully utilized by the Company. The facilities amounting to SR 518 million and SR 233 million are repayable in quarterly instalments starting from 31 December 2024 to 31 December 2038 and 8 January 2027 to 8 January 2039 respectively. During the period ended 30 June 2025, the Company made an early settlement payment of SR 100 million.

During the year ended 31 December 2024, the loans from Alinma Bank for Murabaha facility and commercial loan amounting to SR 643 million were repaid from the proceeds of loan from SNB. Accordingly, the total amount of loans with Alinma Bank was derecognised and unamortized loan transaction cost was charged to consolidated statement of profit or loss and other comprehensive income.

Furthermore, the above facility letter with SNB also includes revolving working capital facilities amounting to SR 120 million on prevailing market rates. No drawdowns and repayments were made by the Company during the period ended 30 June 2025. These revolving working capital facilities are valid till 8 January 2039.

All loan facilities with SNB are secured by assignment of insurance policies amounting to SR 741 million. These loan facilities has certain covenants including debt to service and total liabilities to equity ratio. As at 30 June 2025, there has not been any non-compliance observed for any of the covenants.

Maturity analysis - contractual undiscounted cash flows

	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Within one year	63,432,195	69,498,745
One to five years	261,792,237	310,823,178
More than five years	448,939,524	569,340,887
	<u>774,163,956</u>	<u>949,662,810</u>

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

11. DIVIDEND PAYABLE

11.1 The movement in dividend payable is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period / year	--	--
Declared during the period / year	81,832,000	163,664,000
Dividend on treasury shares	(818,320)	(1,636,640)
Paid during the period / year	(81,013,680)	(162,027,360)
At end of the period / year	--	--

11.2 On 3 March 2025 (corresponding to 3 Ramadan 1446H), the Board of Directors of the Parent Company has resolved to recommend the General Assembly for distribution of annual dividends for the year ended 31 December 2024 of SR 1 per share amounting to SR 81,832,000 which were approved by the General Assembly on 30 April 2025 (corresponding to 2 Dhul Qadah 1446H). The payment was made on 11 May 2025.

11.3 On 29 July 2024 (corresponding to 23 Muharram 1446H), the Board of Directors of the Parent Company as authorised by General Assembly meeting held on 12 June 2024 (corresponding to 6 Dhul Hijjah 1445H) approved the distribution of interim dividends for the first half of 2024 of SR 1 per share amounting to SR 81,832,000. The payments were made on 6 August 2024, 7 August 2024 and 8 August 2024.

11.4 On 28 March 2024 (corresponding to 18 Ramadan 1445H), the Board of Directors of the Parent Company resolved to recommend the General Assembly for distribution of annual dividends for the year ended 31 December 2023 of SR 1 per share amounting to SR 81,832,000 which were approved by the General Assembly on 12 June 2024 (corresponding to 6 Dhul Hijjah 1445H). The payments were made on 30 June 2024 and 1 July 2024.

12. REVENUE FROM CONTRACT WITH CUSTOMERS

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Sale of goods	240,524,805	222,986,928	500,413,856	480,793,198

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

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

12. REVENUE FROM CONTRACT WITH CUSTOMERS (continued)

Disaggregation of revenue

Revenue is disaggregated by type of customer as shown below:

	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>
Type of customer	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Individuals	19,158,900	22,748,566	39,870,552	50,602,769
Corporate sector	221,365,905	200,238,362	460,543,304	430,190,429
	<u>240,524,805</u>	<u>222,986,928</u>	<u>500,413,856</u>	<u>480,793,198</u>

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.

13. 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	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Raw materials consumed	113,881,658	107,239,706	241,935,161	232,562,482
Salaries and other benefits	11,359,158	11,958,904	24,255,590	24,129,612
Depreciation	12,941,216	12,926,360	25,729,919	26,011,784
Utilities	5,421,379	4,433,169	11,054,199	9,966,003
Insurance	1,484,824	1,349,864	2,880,366	2,776,678
Maintenance	2,834,361	2,318,682	5,277,301	4,372,856
Other expenses	4,239,211	1,208,707	7,083,020	4,452,788
Adjustment for net realizable value of inventories	49,358	2,227	(296,275)	(54,245)
	<u>152,211,165</u>	<u>141,437,619</u>	<u>317,919,281</u>	<u>304,217,958</u>
Finished goods inventory at the beginning of the period	20,813,375	22,102,833	18,031,615	18,008,309
Finished goods available for sale during the period	173,024,540	163,540,452	335,950,896	322,226,267
Finished goods inventory at the end of the period	(15,407,823)	(21,939,566)	(15,407,823)	(21,939,566)
	<u>157,616,717</u>	<u>141,600,886</u>	<u>320,543,073</u>	<u>300,286,701</u>

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

14. FINANCE COSTS

Finance costs comprise the following:

	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)
Finance cost on lease liabilities	1,501,419	1,567,437	2,969,228	3,148,175
Finance cost on loans and borrowings	5,640,973	10,057,055	11,938,628	20,411,605
Amortization of loan transaction cost	--	148,113	--	296,226
	<u>7,142,392</u>	<u>11,772,605</u>	<u>14,907,856</u>	<u>23,856,006</u>

15. ZAKAT

15.1 Movement in provision for zakat during the period/year

Movement in provision for zakat during the period/year is as follows:

	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
At the beginning of the period/year	5,130,362	7,325,919
Charged during the period/year	2,806,672	2,978,063
Paid during the period/year	<u>(5,405,270)</u>	<u>(5,173,620)</u>
At end of the period/year	<u>2,531,764</u>	<u>5,130,362</u>

15.2 Zakat status

The Parent Company has submitted the zakat declaration for the year ended 31 December 2024 and obtained the unrestricted Zakat certificate for the said year which is valid till 30 April 2026. ZATCA did not issue the Zakat assessments for the said year till date.

16. EMPLOYEES' SHARE OPTION SCHEME

16.1 The shareholders of the Parent Company through Extraordinary General Assembly meeting held on 19 October 2023 (corresponding to 4 Rabi Al-Thani 1445H), approved the purchase of treasury shares and employee shares program with a maximum of 818,320 shares and authorize the Board of Directors to determine the terms of this program, including the allocation price for each share offered to employees if it is for a consideration.

On 30 July 2024 and 20 May 2025, the Board of Directors approved the IPO award and long-term incentive plan (Awards), respectively. As part of this approval, a total of 341,338 shares were allocated for the employees. The Awards are under implementation phase and terms and conditions of the plan have not been communicated to employees as at the date of approval of these condensed consolidated interim financial statements.

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

16. EMPLOYEES' SHARE OPTION SCHEME (continued)

- 16.2** On 4 March 2024 (corresponding to 23 Shaban 1445H), the Company has paid an amount of SR 32,994,684 to buy-back 687,389 shares at the initial public offering price of SR 48 per share. Furthermore, 130,931 shares amounting to SR 6,284,688 have been contributed by pre-listing shareholders as shareholders' contributions at the initial public offering price of SR 48 per share. These shares have been reflected as treasury shares and are held for the purpose of Company's employee share programs.

17. CAPITAL COMMITMENTS AND CONTINGENCIES

17.1 Contingencies

- a) The Group has provided bank guarantees of SR 1,576,477 in favor of GFSA for lease of silos in Khamis Mushait, Al Jumum and Al Jowf. These guarantees are valid up to 30 January 2026.
- b) The Group has provided bank guarantees of SR 475,979 in favor of GFSA for lease of lands in Khamis Mushait, Al Jumum and Al Jowf. These guarantees are valid up to 30 January 2026.
- c) The Company has provided bank guarantee amounting to SR 4,339,500 for supply of yellow corn in Khamis Mushait. This guarantee is valid up to 31 October 2025.

17.2 Commitments:

The Group has outstanding outward Letters of Credit (LCs) amounting to SR 21.6 million as of 30 June 2025 (31 December 2024: SR 18.4 million) for ongoing projects, including factory upgrades, flour mill machinery, silos aspiration systems, and production facility enhancements.

18. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic earnings per share has been based on the distributable earnings attributable to shareholder of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the condensed consolidated interim financial statements, after adjustment for the effects of all dilutive potential ordinary shares, if any.

	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)
Profit for the period	49,667,968	44,508,564	115,312,890	109,491,996
Weighted average number of ordinary shares for basic and diluted EPS	81,013,680	81,013,680	81,013,680	81,400,359
Earnings per share - basic and diluted	0.61	0.55	1.42	1.35

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

18. EARNINGS PER SHARE (continued)

The calculation for weighted average number of ordinary shares for basic and diluted EPS has been adjusted for the effect of treasury shares (Note 16.2). Further, there are no transactions that reduce the diluted earnings per share and therefore, the earnings per diluted share are not different from the basic earnings per share.

19. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders with significant influence, key management personnel of the Group and entities controlled or significantly influenced by such parties. The terms of the transactions with related party 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 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 six-month periods ended 30 June:

	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)
Short-term employee benefits	2,068,862	2,328,739	4,137,724	5,194,615
Post-employment benefits and medical benefits	1,137,874	1,280,807	2,275,748	2,587,539
Total compensation paid to key management personnel	<u>3,206,736</u>	<u>3,609,546</u>	<u>6,413,472</u>	<u>7,782,154</u>

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.

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:

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

19. 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>	
			For the six-month period ended 30 June	
			<u>2025</u>	<u>2024</u>
Al Ghurair Food Company LLC	Shareholder with significant influence	IPO costs	--	12,517,606
		Purchases	296,514	302,423
		Payment made on behalf	75,000	75,000
Mada International Holding Company	Shareholder with significant influence	IPO costs	--	13,908,451
		Payment made on behalf	75,000	75,000
Fursan Travel & Tourism Company	Subsidiary of shareholder with significant influence	Ticket and related expenses	234,793	146,764
Al Ghurair Resources International	Subsidiary of shareholder with significant influence	Purchases	--	8,725,988
Al Rajhi Holding Group Company	Parent of shareholder with significant influence	Lease rental	273,376	261,250

DUE FROM RELATED PARTIES – included in prepayments and other current assets

	<u>Closing balances</u>	
	<u>30 June 2025</u> (Unaudited)	<u>31 December 2024</u> (Audited)
Mada International Holding Company	<u>75,000</u>	--
	<u>75,000</u>	--

DUE TO RELATED PARTIES – included in trade and other payables

	<u>Closing balances</u>	
	<u>30 June 2025</u> (Unaudited)	<u>31 December 2024</u> (Audited)
Al Rajhi Holding Group Company	<u>7,697</u>	<u>7,697</u>
	<u>7,697</u>	<u>7,697</u>

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

DUE TO RELATED PARTY- included in accrued expenses and other liabilities

	Closing balance	
	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Fursan Travel & Tourism Company	8,776	--
Al Ghurair Food Company LLC	92,067	167,067
	100,843	167,067

Amounts due to related parties are repayable on demand, unsecured and interest free.

20. FINANCIAL INSTRUMENTS FAIR VALUES

Financial assets

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Financial assets at amortised cost:		
Bank balances	40,041,315	32,760,345
Short-term deposits	15,000,000	150,000,000
Trade receivables	11,431,358	9,804,203
Margin against letters of guarantee and letters of credit	3,899,387	12,648,546
Other receivables	90,773	281,667
	70,462,833	205,494,761

Financial liabilities

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Financial liability at amortised cost:		
Loans and borrowings	539,521,446	646,912,281
Lease liabilities	225,177,231	235,633,981
Trade and other payables	60,944,199	52,657,166
Accrued finance charge	7,259,649	3,415,080
Provision for penalties	3,000,000	3,000,000
Other payables	3,814,354	246,721
Due to related parties under accrued expenses	92,067	167,067
	839,808,946	942,032,296

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

20. FINANCIAL INSTRUMENTS FAIR VALUES (continued)

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 cash and bank balances, short-term deposits, trade receivables, due from related parties and other receivables. Its financial liabilities consist of trade and other payables, loans and borrowings, obligations under finance lease and amounts due to related parties. The management assessed that fair value of bank balances, trade receivables, other receivables, trade and other payables, loans and borrowings, obligations under finance lease and amounts due to related parties approximate their carrying amounts, largely due to the short-term maturities of these instruments except for the loans and borrowings 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.

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.

21. SUBSEQUENT EVENTS

On 24 July 2025 (corresponding to 29 Muharram 1447H), the Board of Directors as authorised by General Assembly meeting held on 30 April 2025 (corresponding to 2 Dhul Qidah 1446H) approved the distribution of interim dividends for the first half of 2025 of SR 1 per share amounting to SR 81,013,680.

No other events or matters have 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 disclosure for the six-month period ended 30 June 2025.

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

**22. 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 24 July 2025 (corresponding to 29 Muharram 1447H).



Dr. Ibrahim AlRajhi
Chairman



Osama Ashi
CEO



Shahid Akbar
Finance Director