

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

**CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the three-month and six-month periods ended 30 June 2025
together with the
INDEPENDENT AUDITORS' REVIEW REPORT

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

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

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



KPMG Professional Services Company

Zahrán 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 interim financial statements

To the Shareholders of Arabian Mills for Food Products Company

Introduction

We have reviewed the accompanying 30 June 2025 condensed interim financial statements of **Arabian Mills for Food Products 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 statements.

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

Scope of Review

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

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 statements of **Arabian Mills for Food Products 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 statements

To the Shareholders of Arabian Mills for Food Products Company (continued)

Other matter

The condensed interim financial statements of the Company for the three-month and six-month periods ended 30 June 2024, and three-month period ended 31 March 2024 were reviewed by another auditor who expressed an unmodified conclusion on those condensed interim financial statements on 20 August 2024 (corresponding to 16 Safar 1446H) and 12 August 2024 (corresponding to 8 Safar 1446H) 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 24 March 2025 (corresponding to 24 Ramadan 1446H).

KPMG Professional Services Company

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



Jeddah, 6 August 2025
Corresponding to 12 Safar 1447H

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

CONDENSED 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			
Goodwill		822,434,373	822,434,373
Property, plant, and equipment	7.1	831,594,996	844,853,151
Right-of-use assets		242,053,528	247,682,492
Intangible assets		61,115,098	62,681,694
Non-current assets		1,957,197,995	1,977,651,710
Inventories	8	122,327,140	127,404,721
Trade receivables	9	47,388,850	34,097,405
Prepayments and other current assets	10	8,464,581	9,583,713
Cash and cash equivalents	11	87,276,256	130,264,607
Current assets		265,456,827	301,350,446
Total assets		2,222,654,822	2,279,002,156
Equity and liabilities			
Equity			
Share capital	12	513,150,060	513,150,060
Statutory reserve		50,849,137	50,849,137
Retained earnings		559,410,928	471,117,861
Total equity		1,123,410,125	1,035,117,058
Liabilities			
Long-term loans	14	720,727,138	827,031,228
Lease liabilities		249,122,806	261,466,872
Employees' defined benefit obligations		9,426,000	8,557,000
Non-current liabilities		979,275,944	1,097,055,100
Trade and other payables		36,707,012	37,710,515
Accrued expenses and other current liabilities	15	27,459,651	41,329,261
Interest payable on loans		2,001,610	2,146,777
Current portion of long-term loans	14	18,658,436	24,720,897
Current portion of lease liabilities		15,403,229	15,403,229
Advance from customers		16,138,815	20,024,319
Zakat payable	19.1	3,600,000	5,495,000
Current liabilities		119,968,753	146,829,998
Total liabilities		1,099,244,697	1,243,885,098
Total equity and liabilities		2,222,654,822	2,279,002,156

The accompanying notes from 1 to 25 form an integral part of these condensed interim financial statements.

Mr. Safouane AlMabruk Khechirif
Chief Financial Officer (CFO)

Mr. Rohit Chugh
Chief Executive Officer

Mr. Ajlan bin Abdulaziz bin
Ajlan Al-Ajlan
Chairman Board of Directors

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

CONDENSED 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		For the six-month period ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	16	230,393,996	226,566,440	478,223,840	464,791,016
Cost of revenue	17	(122,983,074)	(122,116,745)	(253,997,177)	(247,278,972)
Gross profit		107,410,922	104,449,695	224,226,663	217,512,044
General and administrative expenses		(23,283,253)	(22,972,610)	(45,457,265)	(44,587,241)
Selling and distribution expenses		(15,866,795)	(13,835,214)	(30,665,196)	(27,554,142)
Operating profit		68,260,874	67,641,871	148,104,202	145,370,661
Finance income		1,803,014	1,461,984	3,211,419	2,033,334
Finance costs	18	(15,845,673)	(21,959,309)	(31,759,716)	(43,908,837)
Other income		960,448	562,314	1,774,757	1,096,485
Profit before zakat		55,178,663	47,706,860	121,330,662	104,591,643
Zakat expense	19.1	(1,560,382)	(1,583,469)	(3,772,741)	(3,083,469)
Profit for the period		53,618,281	46,123,391	117,557,921	101,508,174
Other comprehensive income for the period					
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurements of defined benefit liability		890,000	(133,000)	1,011,000	34,000
Total comprehensive income for the period		54,508,281	45,990,391	118,568,921	101,542,174
Earnings per share for the period attributable to shareholders of the Company					
Basic and diluted earnings per share	21	1.06	0.90	2.31	1.98

The accompanying notes from 1 to 25 form an integral part of these condensed interim financial statements.

Mr. Safouane AlMabruk Khechirif
Chief Financial Officer (CFO)

Mr. Rohit Chugh
Chief Executive Officer

Mr. Ajlan bin Abdulaziz bin
Ajlan Al-Ajlan
Chairman Board of Directors

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

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

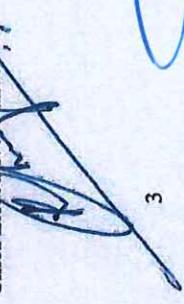
	Note	Share capital	Statutory reserve	Retained earnings	Total
Six-month period ended 30 June 2025:					
As at 31 December 2024 (audited)		513,150,060	50,849,137	471,117,861	1,035,117,058
Profit for the period		-	-	117,557,921	117,557,921
Other comprehensive income for the period		-	-	1,011,000	1,011,000
Total comprehensive income for the period		-	-	118,568,921	118,568,921
Dividends distribution					
As at 30 June 2025 (unaudited)	13	-	-	(30,275,854)	(30,275,854)
		513,150,060	50,849,137	559,410,928	1,123,410,125
Six-month period ended 30 June 2024:					
As at 31 December 2023 (audited)		513,150,060	50,849,137	258,967,246	822,966,443
Profit for the period		-	-	101,508,174	101,508,174
Other comprehensive income for the period		-	-	34,000	34,000
Total comprehensive income for the period		-	-	101,542,174	101,542,174
As at 30 June 2024 (unaudited)		513,150,060	50,849,137	360,509,420	924,508,617

The accompanying notes from 1 to 25 form an integral part of these condensed interim financial statements.

Mr. Safouane AlMabruk Khechirif
Chief Financial Officer (CFO)



Mr. Rohit Chugh
Chief Executive Officer



Mr. Ajlan bin Abdulaziz bin
Ajlan Al-Ajlan
Chairman Board of Directors



ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	<u>Notes</u>	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Cash flows from operating activities			
Profit before zakat		121,330,662	104,591,643
Adjustments:			
Depreciation on property, plant and equipment	7.2	31,436,365	33,868,123
Depreciation of right-of-use assets		5,628,964	5,629,383
Amortisation of intangible assets		1,566,596	1,540,346
Finance cost on lease liabilities	18	3,059,172	3,165,216
Finance cost on long-term loans	18	28,094,189	39,961,233
Amortisation of loan transaction cost	18	606,355	782,387
Finance income		(3,211,419)	(2,033,334)
Adjustment for net realizable value for inventories		--	(1,049,979)
Provision for employees' defined benefit obligations		2,057,869	1,419,771
		<u>190,568,753</u>	<u>187,874,789</u>
Changes in working capital:			
Inventories		5,077,581	(15,626,187)
Trade receivables		(13,291,445)	(27,661,435)
Prepayments and other current assets		1,119,132	(6,110,556)
Trade and other payables		(1,003,503)	(106,458)
Accrued expenses and other current liabilities		(13,869,610)	2,649,629
Advance from customers		(3,885,504)	2,874,283
Amount due to a related party		--	1,120,041
Cash generated from operating activities		<u>164,715,404</u>	<u>145,014,106</u>
Zakat paid		(5,667,741)	(5,205,563)
Employees' defined benefit obligations paid		(177,869)	(227,625)
Net cash from operating activities		<u>158,869,794</u>	<u>139,580,918</u>
Cash flows from investing activities			
Additions to property, plant and equipment	7.2	(18,178,210)	(5,968,124)
Finance income received		3,211,417	2,033,334
Net cash used in investing activities		<u>(14,966,793)</u>	<u>(3,934,790)</u>
Cash flows from financing activities			
Dividends paid	13	(30,275,854)	--
Payment of lease liabilities		(15,403,238)	(15,403,229)
Repayment of long-term loans		(113,102,863)	(113,750,000)
Finance costs paid on long-term loans		(28,109,397)	(47,071,067)
Net cash used in financing activities		<u>(186,891,352)</u>	<u>(176,224,296)</u>
Net change in cash and cash equivalents during the period		<u>(42,988,351)</u>	<u>(40,578,168)</u>
Cash and cash equivalents at 1 January		130,264,607	127,797,523
Cash and cash equivalents at 30 June		<u>87,276,256</u>	<u>87,219,355</u>

The accompanying notes from 1 to 25 form an integral part of these condensed interim financial statements.

Mr. Safouane AlMabruk Khechirif
Chief Financial Officer (CFO)

Mr. Rohif Chugh
Chief Executive Officer

Mr. Ajlan bin Abdulaziz bin
Ajlan Al-Ajlan
Chairman Board of Directors

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION

Arabian Mills for Food Products Company (the “Company”), a Saudi Joint Stock Company, was incorporated in accordance with the Companies’ Regulations in the Kingdom of Saudi Arabia under Unified No. 7010991938 and Commercial Registration No. 1010465464 issued on 10 November 2016 (corresponding to 10 Safar 1438H) and listed on the Saudi Stock Exchange Market (“Tadawul”).

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 Flour Milling Companies according to the proposed geographical distribution. The PIF, in coordination with the General Food Security Authority (“GFSA”) formerly known as Saudi Grains Organization (“SAGO”), shall do so in accordance with Royal Decree No. (62) dated 31 July 2014 (corresponding to 4 Shawwal 1435H).

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 Privatization (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).

On 30 November 2021 (corresponding to 25 Rabi Al-Thani 1443H), the Company’ share capital of 51,315,006 shares of SR 10 per share, were wholly sold to Food Security Holding Company (the “Parent Company”) for the purchase price specified in the share sale and purchase agreement on the same date.

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

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

On 4 September 2022 (corresponding to 8 Safar 1444H), the Company entered into a merger agreement (the “Merger”) pursuant to which the Company and the Parent Company have agreed to take necessary steps to implement the Merger between the two Companies. Subsequently, on 30 November 2022 (corresponding to 6 Jumada Al-Awwal 1444H), pursuant to the approval of the Ministry of Commerce (the “MOC”), the Parent Company ceased to exist and all of the assets and liabilities of the Parent Company were transferred to the Company.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED 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 Company and the former Parent Company satisfied the required regulatory approvals, and the Merger conditions agreed between the two companies in the Merger agreement. The legal formalities were completed, and the Parent Company's commercial registration was canceled and closed for the purpose of the merger on 18 December 2022 (corresponding to 24 Jumada Al-Awwal 1444H).

On 12 April 2023 (corresponding to 21 Ramadan 1444H), the General Assembly of Shareholders decided to go for an Initial Public Offering ("IPO") and listing of 30% of its ordinary shares on Saudi Stock Exchange ("Tadawul"), which was approved by Capital Market Authority ("CMA") on 24 June 2024 (corresponding to 18 Duh Al-Hijjah 1445H). On 21 August 2024 (corresponding to 17 Safar 1446H), 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 Saudi Stock Exchange ("Tadawul") on 8 October 2024 (corresponding to 5 Rabi Al-Thani 1446H).

The registered address of the Company is as follows:

Building no. 5252
Jabal Abu Zawalah Street
Al Manakh District, P.O. Box 6868
Riyadh 14313
Kingdom of Saudi Arabia

On 05 November 2023 (corresponding to 21 Rabi Al Thani 1445H), the shareholders of the Company resolved to change the name of the Company to "Arabian Mills for Food Products Company" from Second Milling Company. Legal formalities have been completed in this regard and the commercial register and the amended By-laws were issued on 19 November 2023 (corresponding to 05 Jumada Al Awwal 1445H).

The Company's licensed activities include packing and grinding wheat, grits, semolina, and bulgur, manufacture of concentrated feed for animals, manufacture of livestock feed, wholesale of bakery products, trade of specialty and healthy foods, land transportation of goods, storage in ports and customs or free zones, and integrated office administrative services activities.

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

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED 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 Company operates through its five branches in the many cities in the Kingdom of Saudi Arabia listed as follows:

<u>Branch Location</u>	<u>Date</u>	<u>Commercial Registration No.</u>
Riyadh	26 March 2017 (corresponding to 27 Jumada Al-Akhirah 1438H)	1010469375
Jizan	26 March 2017 (corresponding to 27 Jumada Al-Akhirah 1438H)	5900036083
Hail	26 March 2017 (corresponding to 27 Jumada Al- Akhirah 1438H)	3350044599
Jizan	28 May 2024 (corresponding to 20 Dhul-Qi`dah 1445H)	5957101150
Jeddah	19 August 2024 (corresponding to 15 Safar 1446H)	4030573659

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

These condensed interim financial statements do not include all the information and disclosures required to prepare a complete set of financial statements in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia. However selected accounting policies and explanatory notes have been included to explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the last annual financial statements. 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 ending 31 December 2025.

Certain comparative amounts have been reclassified to conform to the current period’s presentation.

2.2 Basis of measurement

These condensed 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.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED 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 Functional and presentation currency

These condensed interim financial statements 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 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 Company based its assumptions and estimates on parameters available when the condensed 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 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 accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards, interpretations and amendments effective as at 1 January 2025, as mentioned in note 5.1.

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

5.1 Standards, interpretations and amendments adopted

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

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

5.2 Standards, interpretations and amendments issued but not yet effective

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

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (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)

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

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

<u>Standards, interpretations and amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
Amendments to IFRS 9 and IFRS 7	Classification and measurement of Financial Instruments - disclosures	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability – disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an Investor and its Associate or Joint Ventures	Available for optional adoption/effective date deferred indefinitely

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

6. SEGMENT INFORMATION

The Company has determined that the Chief Executive Officer is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating Segments'.

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.

<u>Reportable segments</u>	<u>Operations</u>
Riyadh	Production of flour, feed and bran
Hail	Production of flour, feed and bran
Jizan	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. The accounting policies of the operating segments are the same as the Company's accounting policies.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED 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)

Transfer prices between operating segments are on cost and any transmission and distribution costs are recovered from the segments in a manner similar to transactions with third parties.

The selected financial information for these business units is set out below. All intercompany transactions within the reportable segments have been appropriately eliminated. There were no inter-segment sales in the period presented below. All unallocated amounts are related to the head office and are not allocatable to the operating segments. Segment profit before zakat 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>Riyadh</u>	<u>Jizan</u>	<u>Hail</u>	<u>Total</u>
Revenue				
Flour	79,872,887	28,242,869	20,596,504	128,712,260
Feed	21,748,358	--	19,890,502	41,638,860
Bran	34,812,190	18,268,710	6,961,976	60,042,876
Total revenue	<u>136,433,435</u>	<u>46,511,579</u>	<u>47,448,982</u>	<u>230,393,996</u>
Cost of inventories	(46,833,976)	(15,084,847)	(22,747,900)	(84,666,723)
Salaries and other benefits	(7,465,717)	(4,625,818)	(5,202,874)	(17,294,409)
Depreciation and amortization	(8,983,524)	(5,812,058)	(4,003,247)	(18,798,829)
Other expenses	(14,810,934)	(6,095,976)	(6,658,803)	(27,565,713)
Finance costs	(523,841)	(537,179)	(468,566)	(1,529,586)
Other income	396,685	251,986	311,777	960,448
Segment profit	<u>58,212,128</u>	<u>14,607,687</u>	<u>8,679,369</u>	<u>81,499,184</u>

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

	<u>Riyadh</u>	<u>Jizan</u>	<u>Hail</u>	<u>Total</u>
Revenue				
Flour	75,618,396	22,144,117	18,739,345	116,501,858
Feed	18,730,146	--	26,027,234	44,757,380
Bran	39,132,878	16,847,171	9,327,153	65,307,202
Total revenue	<u>133,481,420</u>	<u>38,991,288</u>	<u>54,093,732</u>	<u>226,566,440</u>
Cost of inventories	(45,410,678)	(12,016,771)	(29,722,299)	(87,149,748)
Salaries and other benefits	(6,654,608)	(4,315,880)	(5,180,313)	(16,150,801)
Depreciation and amortization	(9,572,779)	(6,696,126)	(3,406,083)	(19,674,988)
Other expenses	(12,849,448)	(4,490,912)	(6,138,215)	(23,478,575)
Finance costs	(542,117)	(556,819)	(483,724)	(1,582,660)
Other income	465,561	7,066	89,687	562,314
Segment profit	<u>58,917,351</u>	<u>10,921,846</u>	<u>9,252,785</u>	<u>79,091,982</u>

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED 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>Riyadh</u>	<u>Jizan</u>	<u>Hail</u>	<u>Total</u>
Revenue				
Flour	172,184,116	60,237,847	42,054,914	274,476,877
Feed	44,070,544	--	42,707,860	86,778,404
Bran	74,690,241	31,816,691	10,461,627	116,968,559
Total revenue	290,944,901	92,054,538	95,224,401	478,223,840
Cost of inventories	(99,741,685)	(30,522,706)	(46,269,758)	(176,534,149)
Salaries and other benefits	(14,600,490)	(9,092,638)	(10,206,716)	(33,899,844)
Depreciation and amortization	(17,426,389)	(11,474,337)	(7,918,059)	(36,818,785)
Other expenses	(29,392,122)	(12,906,138)	(13,070,454)	(55,368,714)
Finance costs	(1,047,681)	(1,074,358)	(937,133)	(3,059,172)
Other income	842,790	451,699	480,268	1,774,757
Segment profit	129,579,324	27,436,060	17,302,549	174,317,933

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

	<u>Riyadh</u>	<u>Jizan</u>	<u>Hail</u>	<u>Total</u>
Revenue				
Flour	160,765,196	49,594,649	41,994,710	252,354,555
Feed	39,079,144	--	43,139,686	82,218,830
Bran	79,961,442	32,842,347	17,413,842	130,217,631
Total revenue	279,805,782	82,436,996	102,548,238	464,791,016
Cost of inventories	(95,657,618)	(24,871,339)	(51,501,271)	(172,030,228)
Salaries and other benefits	(14,153,103)	(8,258,516)	(9,965,006)	(32,376,625)
Depreciation and amortisation	(18,585,116)	(12,814,047)	(7,071,833)	(38,470,996)
Other expenses	(22,395,354)	(12,189,559)	(13,803,931)	(48,388,844)
Finance costs	(1,084,128)	(1,113,639)	(967,449)	(3,165,216)
Other income	851,816	15,435	229,234	1,096,485
Segment profit	128,782,279	23,205,331	19,467,982	171,455,592

**At 30 June 2025
(Unaudited)**

	<u>Riyadh</u>	<u>Jizan</u>	<u>Hail</u>	<u>Total</u>
Total assets	1,092,685,272	601,686,050	320,322,903	2,014,694,225
Total liabilities	160,331,256	111,669,605	102,853,387	374,854,248
Other disclosures:				
Property, plant and equipment	345,165,220	314,657,852	158,260,753	818,083,825
Capital expenditure	3,469,938	842,466	1,828,129	6,140,533
Right-of-use assets	82,818,405	85,788,912	73,446,211	242,053,528
Goodwill	608,334,373	159,600,000	54,500,000	822,434,373
Inventories	60,833,441	30,811,228	30,682,471	122,327,140

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED 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)	<u>Riyadh</u>	<u>Jizan</u>	<u>Hail</u>	<u>Total</u>
Total assets	1,125,405,231	618,308,768	366,714,449	2,110,428,448
Total liabilities	135,698,006	109,930,698	116,668,040	362,296,744
Other disclosures:				
Property, plant and equipment	357,204,468	323,415,314	162,646,433	843,266,215
Capital expenditure	10,886,576	2,427,588	2,803,537	16,117,701
Right-of-use assets	84,735,804	87,792,425	75,154,263	247,682,492
Goodwill	608,334,373	159,600,000	54,500,000	822,434,373
Inventories	56,668,047	27,107,113	43,629,561	127,404,721

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

i) Profit before zakat for the three-month and six-month periods ended

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Total profit before zakat for reportable segments	81,498,471	79,092,005
Unallocated amounts		
Salaries and other benefits	(9,228,389)	(7,757,976)
Depreciation and amortization	(907,035)	(1,644,512)
Remuneration of board of directors	(917,346)	(1,283,000)
Other expenses	(2,754,678)	(1,784,940)
Finance costs	(14,316,086)	(20,376,700)
Finance income	1,803,013	1,461,983
Other income	713	--
	55,178,663	47,706,860
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Total profit before zakat for reportable segments	174,317,008	171,494,522
Unallocated amounts		
Salaries and other benefits	(17,619,014)	(16,301,742)
Depreciation and amortization	(1,813,138)	(2,566,856)
Remuneration of board of directors	(1,907,346)	(2,183,000)
Other expenses	(6,158,651)	(7,140,996)
Finance costs	(28,700,541)	(40,743,619)
Finance income	3,211,418	2,033,334
Other income	926	--
	121,330,662	104,591,643

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED 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)

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

ii) Total assets

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Total assets for reportable segments	2,014,694,225	2,110,428,448
Unallocated amounts	207,960,597	168,573,708
	<u>2,222,654,822</u>	<u>2,279,002,156</u>

iii) Total liabilities

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Total liabilities for reportable segments	374,854,248	362,296,744
Unallocated amounts	724,390,449	881,588,354
	<u>1,099,244,697</u>	<u>1,243,885,098</u>

All revenue is generated from external customers. Revenue from one customer of the Company's Riyadh and Jizan segments represented approximately SR 31 million (2024: SR 24.7 million) which represents 6.55% (2024: 5.32%) of the Company's total revenues.

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Property, plant and equipment comprise of the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Buildings	277,191,046	285,716,690
Plant and equipment	510,185,299	526,139,798
Capital spares	20,358,035	21,672,731
Furniture and fittings	5,280,760	5,830,160
Computer equipment	871,669	1,016,214
Motor vehicles	2,663,640	2,972,584
Capital work in progress	15,044,547	1,504,974
	<u>831,594,996</u>	<u>844,853,151</u>

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED 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 (continued)

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:

	For the six-month period ended 30 June	
	<u>2025</u> (Unaudited)	<u>2024</u> (Unaudited)
Depreciation	31,436,365	33,868,123
Additions	18,178,210	5,968,124

7.3 The buildings are constructed on land leased from the GFSA with an annual rental of SR 3,017,456 (which is increasing at the rate of 5% after every 3 years). The lease term is twenty-five calendar years commencing from 1 January 2017 (corresponding to 3 Rabee Thani 1438H) which was adjusted in 2021 to match with the duration of flour milling license (i.e. 30 November 2046). The lease is automatically renewable for a similar period subject to renewal of the Company's milling license.

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

- i) Installation of emergency ladder in Riyadh branch
- ii) Installation of rainproofing equipment for finished goods warehouse at Hail branch
- iii) Development of electrical transformers in the control room at Riyadh branch
- iv) Installation of Hercules System for real time analysis of mills at Riyadh branch
- v) Separation of final production warehouse at Hail branch

8. INVENTORIES

Inventories comprise of the following:

	<u>30 June</u> <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Spare parts	77,242,618	76,175,924
Raw materials	35,567,402	28,051,119
Goods in transit	4,794,393	24,137,870
Finished goods	16,391,254	11,330,232
Others	1,995,241	1,373,344
Less: adjustment for net realizable value of inventories	<u>(13,663,768)</u>	<u>(13,663,768)</u>
	<u>122,327,140</u>	<u>127,404,721</u>

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

9. TRADE RECEIVABLES

Trade receivables comprise of the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Trade receivables	49,688,850	36,397,405
Allowance for expected credit loss on trade receivables	<u>(2,300,000)</u>	<u>(2,300,000)</u>
	<u>47,388,850</u>	<u>34,097,405</u>

The settlement period of these trade receivables is 30 – 90 days and the Company holds promissory notes against these receivables.

10. PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Advances to suppliers	2,295,160	3,658,815
Prepayments	3,778,875	3,198,324
Margins against letter of guarantees - restricted	2,187,976	2,187,976
Interest receivable on short term deposits	7,570	323,678
Other receivables	195,000	214,920
	<u>8,464,581</u>	<u>9,583,713</u>

11. CASH AND CASH EQUIVALENTS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash at banks	37,276,256	80,264,607
Short-term deposits	<u>50,000,000</u>	<u>50,000,000</u>
Cash and cash equivalents	<u>87,276,256</u>	<u>130,264,607</u>

11.1 Short-term deposits are held with a commercial bank, maturing on 30 September 2025, and earn an agreed return of 5.45%

12. SHARE CAPITAL

The authorized, issued and fully paid-up share capital of the Company as at 30 June 2025 amounted to SR 513,150,060 (31 December 2024: SR 513,150,060) consists of 51,315,006 shares (31 December 2024: 51,315,006 shares) at SR 10 each share.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

13. DIVIDENDS DISTRIBUTION

On 2 June 2025 (corresponding to 6 Dhul Hijjah 1446H), the General Assembly, on recommendation of Board of Directors on 19 March 2025 (corresponding to 19 Ramadan 1446H), approved the distribution of cash dividends to the Company's shareholders for the financial year 2024, with a total amount of SR 30,275,853 at SR 0.59 per share of the nominal capital. The dividends were distributed on 17 June 2025 (corresponding to 21 Dhul Hijjah 1446H).

14. LONG-TERM LOAN

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Term Murabaha facility	760,421,331	873,524,194
Less: unamortised loan transaction cost	(21,035,757)	(21,772,069)
	<u>739,385,574</u>	<u>851,752,125</u>
Current portion	18,658,436	24,720,897
Non-current portion	720,727,138	827,031,228
	<u>739,385,574</u>	<u>851,752,125</u>

On 28 November 2021 (corresponding to 23 Rabi Al Thani 1443H), the former Parent Company signed a Murabaha facility agreement with Saudi Alawwal Bank (formerly known as Saudi British Bank "SABB") amounted to SR 1,500 million with the maturity period of 18 years to acquire the shares in the Company. The loan carries interest at SAIBOR plus margin. The loan is repayable on 31 December 2039 in 32 semi-annual installments with a grace period of 24 months.

During the year ended 31 December 2023, the Company made an early payment of SR 400 million, which was not scheduled as per repayment schedule. Further, during the year ended 31 December 2024, the Company made an early payment of SR 200 million, which was not scheduled as per repayment schedule. Further, during the current period ended 30 June 2025, the Company further made a payment of SR 100 million, which was not scheduled as per the repayment schedule.

This facility is subject to several guarantees, including promissory notes, equity commitment from the shareholders, pledges over the Company's rights under share purchase agreement by former Parent, pledge of shares held by the shareholders, assignment of dividends, assignment of Company's rights under compensation and claims agreement, pledge over insurance proceeds of the Company and pledge over project accounts of the Company. Pledge over the certain bank accounts and all shares of the Company has been released as on 8 January 2024 (corresponding to 26 Jumada Al Thani 1445H).

Following the merger with the former Parent Company, the loan is novated in the name of the Company.

The loan facility has a covenant for debt service cover ratio to be maintained during the period of facility agreement. As at and during the six-month period ended 30 June 2025, there has not been any non-compliance observed for this covenant. The Company expects to comply with this covenant within 12 months after the reporting date.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

14. LONG TERM LOAN (continued)

Movement in loan balance is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period/year	873,524,194	1,100,000,000	1,100,000,000
Paid during the period/year	<u>(113,102,863)</u>	<u>(113,750,000)</u>	<u>(226,475,806)</u>
At the end of the period/year	<u>760,421,331</u>	<u>986,250,000</u>	<u>873,524,194</u>

Maturity analysis - contractual undiscounted cash flows

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
Within one year	71,348,236	92,583,012	86,851,403
One to five years	351,982,331	423,604,842	422,643,617
More than five years	<u>866,020,909</u>	<u>1,274,922,261</u>	<u>1,233,445,323</u>
	<u>1,289,351,476</u>	<u>1,791,110,115</u>	<u>1,742,940,343</u>

15. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities include accrued fines and penalties. Fines and penalties relate to the claim received from GFSA on 12 December 2024 (corresponding to 11 Jumada Al Thani 1446H) for inspection made on 16 October 2024 (corresponding to 13 Rabi Al Thani 1446H) 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 31 December 2024 (corresponding to 30 Jumada Al Thani 1446H). The Company's management took a prudent view of the matter and made a provision of full amount of SR 5.6 million in the financial statements for the year ended 31 December 2024 (corresponding to 30 Jumada Al Thani 1446H). The matter is still under review with GFSA as on the date of approval of these condensed interim financial statements.

16. REVENUE

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

16.1 Disaggregation of revenue

Revenue is disaggregated by type of goods as shown below:

Type of goods	For the three-month period ended		For the six-month period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Flour	128,712,260	116,501,858	274,476,877	252,354,555
Feed	41,638,860	44,757,380	86,778,404	82,218,830
Bran	<u>60,042,876</u>	<u>65,307,202</u>	<u>116,968,559</u>	<u>130,217,631</u>
	<u>230,393,996</u>	<u>226,566,440</u>	<u>478,223,840</u>	<u>464,791,016</u>

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

16. REVENUE (continued)

16.1 Disaggregation of revenue (continued)

The Company's revenues are from sales in the Kingdom of Saudi Arabia. The Company sells its goods based on sale orders from customers, the majority of which is secured by the advance receipts of value of goods.

Timing of revenue recognition

The sale of goods is recognized by the Company at a point in time, and the performance obligation is fulfilled when the goods are transferred to the customers.

17. COST OF REVENUE

Cost of revenue comprises the following:

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Raw material consumed	85,702,282	89,434,198	181,595,184	181,441,304
Salaries and other benefits	9,878,076	10,093,452	20,113,816	19,984,031
Depreciation and amortization	16,478,362	14,953,165	32,101,632	30,164,297
Fuel and power	5,042,214	3,872,472	10,546,578	9,343,055
Other expenses	6,917,696	6,047,882	14,700,989	15,455,923
	124,018,630	124,401,169	259,058,199	256,388,610
Finished goods inventory at the beginning of the period	15,355,697	15,005,701	11,330,231	8,180,487
Finished goods available for sale during the period	139,374,327	139,406,870	270,388,430	264,569,097
Finished goods inventory at the end of the period	(16,391,253)	(17,290,125)	(16,391,253)	(17,290,125)
	122,983,074	122,116,745	253,997,177	247,278,972

18. FINANCE COSTS

Finance costs comprise the following:

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Finance cost on long-term loans	13,979,923	20,006,818	28,094,189	39,961,233
Finance cost on lease liabilities	1,529,586	1,582,660	3,059,172	3,165,216
Amortisation of loan transaction cost	336,164	369,831	606,355	782,388
	15,845,673	21,959,309	31,759,716	43,908,837

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

19. ZAKAT

The Company is subject to zakat on its zakat base calculated in accordance with zakat regulations enforced in the Kingdom of Saudi Arabia.

19.1 Movement in provision for zakat during the period / year

	30 June <u>2025</u> (Unaudited)	30 June <u>2024</u> (Unaudited)	31 December <u>2024</u> (Audited)
At the beginning of the period / year	5,495,000	5,122,094	5,122,094
Charge for the period / year	3,772,741	3,083,469	5,581,037
Paid during the period / year	(5,667,741)	(5,205,563)	(5,208,131)
At the end of the period / year	<u>3,600,000</u>	<u>3,000,000</u>	<u>5,495,000</u>

19.2 Zakat status

The Company has filed Zakat returns for the years up to 31 December 2024. During the six-month period ended 30 June 2025, the Company has received an assessment order from ZATCA against the Zakat return filed for the financial year 31 December 2024.

20. CAPITAL COMMITMENTS AND CONTINGENCIES

20.1 Contingencies

- a) The Company has provided a bank guarantee amounting to SR 1,840,485 in favor of GFSA for lease of silos in Riyadh, Hail and Jizan. This guarantee is valid up to 19 February 2026.
- b) The Company has provided a bank guarantee amounting to SR 347,491 in favor of GFSA for lease of lands in Riyadh and Hail. This guarantee is valid up to 19 February 2026.

20.2 Commitments

The following LCs are outstanding as at 30 June 2025:

- a) LC at sight amounting to SR 62,059.55 (EUR 14,038.40) (31 December 2024: Nil) in favor of Aerzen Gulf LLC for supply of machine and equipment (high pressure oil pumps) for Jizan.
- b) LC at sight amounting to SR 99,636.08 (USD 26,569.62) (31 December 2024: Nil) in favor of Buhler AG for supply of machine and equipment (vibration motor) for Riyadh.
- c) LC at sight amounting to SR 119,171.21 (USD 31,778.99) (31 December 2024: Nil) in favor of Buhler AG for supply of machines and equipment (gas pressure, fixation flap assembly etc.) for Riyadh.
- d) LC at sight amounting to SR 480,726.60 (USD 128,193.76) (31 December 2024: Nil) in favor of OCRIM SPA for supply of machines and equipment (milling industry machinery) for Hail.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

20. CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

20.2 Commitments (continued)

- e) LC at sight amounting to SR 17,940.00 (USD 4,784.00) (31 December 2024: Nil) in favor of OCRIM SPA for supply of spare parts of milling machines for Hail.
- f) LC at sight amounting to SR 300,000 (USD 80,000) (31 December 2024: Nil) in favor of OCRIM SPA for supply of spare parts of milling machines for Hail.

21. 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 financial statements.

	For the three-month period ended		For the six-month period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	54,508,281	45,990,391	118,568,921	101,542,174
Weighted average number of ordinary shares for basic and diluted EPS	51,315,006	51,315,006	51,315,006	51,315,006
Earnings per share – basic and diluted	1.06	0.90	2.31	1.98

The calculation of diluted earnings per share has been based on the earnings attributable to the shareholder of ordinary shares and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares if any.

During the three-month and six-month periods ended 30 June 2025 and 30 June 2024, there are no transactions that reduce the earnings per share and therefore, the diluted earnings per share are not different from the basic earnings per share.

22. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders 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.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (continued)

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

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

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Short-term employee benefits	4,006,085	4,115,263	7,904,506	7,926,131
Post-employment benefits	66,639	66,639	144,945	157,073
Total compensation of key management personnel	4,072,724	4,181,902	8,049,451	8,083,204

Short-term employee benefits include SR 2.2 million (30 June 2024: SR 2.1 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 (if any) are the balances payable on demand, interest free and unsecured.

The related parties of the Company are as follows:

<u>Name of related party</u>	<u>Nature of relationship</u>
Abdulaziz Alajlan Sons Co. for Commercial and Real Estate Investment	Shareholder
Sulaiman Abdulaziz Alrajhi International Company	Shareholder
National Agriculture Development Company (NADEC)	Shareholder

Following table provides the total amount of transactions that have been entered into with the related parties during the six-month period ended 30 June 2025 and 30 June 2024.

<u>Name</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
		For the six-month period ended 30 June	
		<u>2025</u> (Unaudited)	<u>2024</u> (Unaudited)
National Poultry Company	Sales of goods	14,817,515	4,970,131
	Receipts	(14,500,000)	
National Agriculture Development Company (NADEC)	Sales of goods	18,009,875	8,467,821
	Receipts	(17,105,668)	
	Credit notes	(5,626)	--

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

22. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

OTHER RELATED PARTY TRANSACTIONS (continued)

Balances outstanding with the related parties are presented below:

Amounts due from related parties (under trade receivables)

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
National Poultry Company	359,207	41,692
National Agriculture Development Company (NADEC)	1,248,739	350,158
	<u>1,607,946</u>	<u>391,850</u>

23. FINANCIAL INSTRUMENTS – FAIR VALUES

Financial assets

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Financial assets at amortised cost:		
Bank balances and short-term deposits	87,276,256	130,264,607
Trade receivables	49,688,850	36,397,405
Margins against letter of guarantees – restricted	2,187,976	2,187,976
Other current financial assets	202,570	538,598
	<u>139,355,652</u>	<u>169,388,586</u>

Financial liabilities

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Financial liabilities at amortised cost:		
Trade and other payables	36,707,012	37,710,515
Accrued expenses and other current liabilities	27,459,651	41,329,261
Interest payable on loan	2,001,610	2,146,777
Long-term loan	739,385,574	851,752,125
Lease liabilities	264,526,035	276,870,101
	<u>1,070,079,882</u>	<u>1,209,808,779</u>

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

23. 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 Company's financial assets consist of bank balances and short-term deposits, trade receivables, margins against letter of guarantees, and other current financial assets. Its financial liabilities consist of trade and other payables, certain accrued expenses, long-term loan, obligations under finance lease and amount due to a related party.

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

24. SUBSEQUENT EVENTS

No matter has occurred up to and including the date of the approval of these condensed interim financial statements by the Board of Directors which could materially affect these condensed interim financial statements and the related disclosures for the three-month and six-month periods ended 30 June 2025.

25. APPROVAL OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

These interim financial statements were approved and authorized for issuance by the Company's Board of Directors on 4 August 2025, corresponding to 10 Safar 1447H.

Mr. Safouane AlMabruk Khechirif
Chief Financial Officer (CFO)

Mr. Rohit Chugh
Chief Executive Officer

Mr. Ajlan bin Abdulaziz bin
Ajlan Al-Ajlan
Chairman Board of Directors