

THE FIRST MILLING 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

THE FIRST MILLING COMPANY
(A Saudi Joint Stock Company)

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

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KPMG Professional Services Company

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Prince Sultan Street
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Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
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 The First Milling Company

Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial statements of **The First Milling 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.



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

To the Shareholders of The First Milling Company (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed consolidated interim financial statements of **The First Milling Company and its subsidiary** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

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



Jeddah, 24 July 2025
Corresponding to 29 Muharram 1447H

THE FIRST MILLING 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			
Goodwill		1,090,669,302	1,090,669,302
Property, plant and equipment	7.1	701,674,037	682,102,483
Right-of-use assets	8	295,158,405	299,543,613
Intangible assets		11,107,593	9,162,686
Margins against letter of guarantees – restricted		2,232,315	2,561,809
Derivative financial instruments	9	–	7,727,210
Non-current assets		2,100,841,652	2,091,767,103
Derivative financial instrument	9	17,770,181	19,422,922
Margins against letter of guarantees – restricted		329,494	–
Inventories	10	183,927,758	161,698,540
Trade receivables	11	29,874,594	18,562,782
Prepayments and other current assets	12	48,354,390	11,535,531
Cash and cash equivalents		89,370,733	192,540,441
Current assets		369,627,150	403,760,216
Total assets		2,470,468,802	2,495,527,319
Equity and liabilities			
Equity			
Share capital	13	555,000,000	555,000,000
Treasury shares		(25,318,388)	(25,318,388)
Shareholders' contributions		6,751,214	6,751,214
Reserves		98,573,516	75,406,576
Retained earnings		367,981,165	333,209,421
Total equity		1,002,987,507	945,048,823
Liabilities			
Long-term loans	17	790,639,657	848,270,768
Lease liabilities	16	301,584,878	309,265,433
Long-term payable	18	19,762,122	23,596,226
Employees' defined benefit obligations		10,059,039	8,674,000
Non-current liabilities		1,122,045,696	1,189,806,427
Trade and other payables		44,643,375	60,133,757
Accrued expenses and other current liabilities		66,309,391	67,440,606
Dividends payable	15.3	19,907	19,907
Current portion of long-term loans	17	177,423,944	162,367,151
Current portion of lease liabilities	16	18,356,974	30,925,951
Current portion of long-term payable	18	9,117,283	9,536,174
Advances from customers		26,138,079	24,308,746
Due to related parties	26	82,683	3,134
Zakat payable	23.1	3,343,963	5,936,643
Current liabilities		345,435,599	360,672,069
Total liabilities		1,467,481,295	1,550,478,496
Total equity and liabilities		2,470,468,802	2,495,527,319

Tariq Mutlaq Abdullah AlMutlaq
Chairman

Abdullah Abdul-Aziz Abdullah Ababtain
CEO

Alaaeldin Mohammed Shousha
CFO

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

THE FIRST MILLING COMPANY
(A Saudi Joint Stock Company)

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

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

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

		For the three-month period ended 30 June		For the six-month period ended 30 June	
	Notes	2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	19	237,765,812	242,347,690	521,361,912	518,796,285
Cost of revenue	20	(135,048,230)	(141,967,314)	(295,399,029)	(292,861,968)
Gross profit		102,717,582	100,380,376	225,962,883	225,934,317
General and administrative expenses		(22,292,532)	(23,277,024)	(38,837,339)	(42,563,595)
Selling and distribution expenses		(15,765,438)	(12,936,186)	(28,140,352)	(24,438,589)
Expected credit reversal/(loss) on trade receivables		(8,685)	(329,995)	327,914	(709,630)
Other income		1,568,294	14,702	1,568,294	14,702
Operating profit		66,219,221	63,851,873	160,881,400	158,237,205
Finance income	21	6,248,567	8,482,789	13,866,348	17,977,878
Finance costs	22	(19,525,003)	(25,369,703)	(40,098,086)	(49,436,257)
Profit before zakat		52,942,785	46,964,959	134,649,662	126,778,826
Zakat expense	23.1	(1,537,074)	(1,457,626)	(3,579,746)	(3,549,868)
Profit for the period		51,405,711	45,507,333	131,069,916	123,228,958
Other comprehensive (loss)/income for the period					
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Cash flow hedge and cost of hedging reserve	9	(2,914,312)	(2,988,492)	(6,988,911)	579,986
Total comprehensive income for the period		48,491,399	42,518,841	124,081,005	123,808,944
Earnings per share for the period attributable to shareholders of the Parent Company (SR):					
Basic	25.1	0.93	0.82	2.37	2.23
Diluted	25.2	0.93	0.82	2.36	2.21

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THE FIRST MILLING COMPANY
(A Saudi Joint Stock Company)

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)

Notes	Share capital	Treasury shares	Shareholders' contribution	Statutory reserve	General reserve	Share based payments reserve	Merger reserve	Cash flow hedge reserve	Total reserves	Retained earnings	Total
Six-month period ended 30 June 2025:											
As at 31 December 2024 (audited)	555,000,000	(25,318,388)	6,751,214	82,823,399	--	10,165,117	(37,554,503)	19,972,563	75,406,576	333,209,421	945,048,823
Profit for the period	--	--	--	--	--	--	--	--	--	131,069,916	131,069,916
Other comprehensive income for the period	--	--	--	--	--	--	--	--	--	--	(6,988,911)
Total comprehensive income for the period	--	--	--	--	--	--	--	(6,988,911)	(6,988,911)	--	(6,988,911)
Dividends distribution	15	--	--	--	--	--	--	--	--	131,069,916	124,081,005
Transfer to general reserve	14	--	--	--	--	--	--	--	--	(71,208,000)	(71,208,000)
Employees' share based payments plan reserve – charged to statement of profit or loss and other comprehensive income	--	--	--	--	25,090,172	--	--	--	25,090,172	(25,090,172)	--
As at 30 June 2025 (unaudited)	--	--	--	--	--	5,065,679	--	--	5,065,679	--	5,065,679
	555,000,000	(25,318,388)	6,751,214	82,823,399	25,090,172	15,230,796	(37,554,503)	12,983,652	98,573,516	367,981,165	1,002,987,507
Six-month period ended 30 June 2024:											
As at 31 December 2023 (audited)	555,000,000	--	6,751,214	82,823,399	--	7,313,714	(37,554,503)	32,772,540	85,355,150	245,030,498	892,136,862
Profit for the period	--	--	--	--	--	--	--	--	--	123,228,958	123,228,958
Other comprehensive income for the period	--	--	--	--	--	--	--	579,986	579,986	--	579,986
Total comprehensive income for the period	--	--	--	--	--	--	--	579,986	579,986	123,228,958	123,808,944
Dividends distribution	15	--	--	--	--	--	--	--	--	--	--
Purchase of treasury shares for employees' share based payments plan	--	(25,318,388)	--	--	--	--	--	--	--	(78,114,000)	(78,114,000)
Employees' share based payments plan reserve – charged to statement of profit or loss and other comprehensive income	--	--	--	--	--	--	--	--	--	--	(25,318,388)
As at 30 June 2024 (unaudited)	--	--	--	--	--	2,930,501	--	--	2,930,501	--	2,930,501
	555,000,000	(25,318,388)	6,751,214	82,823,399	--	10,244,215	(37,554,503)	33,352,526	88,865,637	290,145,456	915,443,919

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THE FIRST MILLING COMPANY

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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		134,649,662	126,778,826
Adjustments:			
Depreciation on property, plant and equipment	7.2	21,505,554	19,169,836
Depreciation of right-of-use assets	8	7,994,259	7,948,538
Amortisation of intangible assets		497,432	375,285
Finance cost on lease liabilities	22	6,668,222	6,563,729
Finance cost on long-term loans	22	26,978,876	39,403,308
Amortisation of loan transaction cost	22	2,906,012	1,151,501
Finance cost on long-term payable	22	1,153,936	1,450,725
Ineffective portion of changes in fair value of cash flow hedge	22	--	(88)
Amortisation of cost of hedging	22	2,391,040	867,082
Finance income	21	(13,866,348)	(17,110,884)
Adjustment for net realizable value for inventories	20	61,499	6,574,731
Provision for employees' defined benefit obligations		1,660,614	1,575,978
Employees' share based payments plan expense		5,065,679	2,930,501
Expected credit loss on trade receivables		(327,914)	709,630
Exchange loss on long-term payable		--	622,696
Loss on disposal of property, plant and equipment	7.2	--	7,895
Gain on termination of lease liability		--	(4,825)
		197,338,523	199,014,464
Changes in working capital:			
Inventories		(22,290,717)	(2,796,941)
Trade receivables		(10,983,898)	(11,761,500)
Prepayments and other current assets		(21,818,859)	(18,722,578)
Trade and other payables		(15,490,382)	11,275,297
Accrued expenses and other current liabilities		(1,131,215)	(6,519,543)
Advances from customers		1,829,333	9,063,037
Due to related parties		79,549	(686,140)
Cash generated from operating activities		127,532,334	178,866,096
Employees' defined benefit obligations paid		(275,575)	(48,816)
Finance cost paid		(40,957,651)	(68,909,810)
Finance income received		13,866,348	17,246,696
Zakat paid	23.1	(6,172,426)	(6,862,509)
Net cash from operating activities		93,993,030	120,291,657
Cash flows from investing activities			
Additions to property, plant and equipment	7.2	(41,077,108)	(32,583,893)
Additions to intangible assets		(2,442,339)	--
Advance against purchase of subsidiary	12.1	(15,000,000)	--
Net cash used in investing activities		(58,519,447)	(32,583,893)
Cash flows from financing activities			
Dividends paid	15.3	(71,208,000)	(78,113,904)
Purchase of treasury shares		--	(25,318,388)
Repayment of long-term loans	17	(45,480,330)	(69,405,617)
Payment of lease liabilities	16	(17,729,212)	(19,387,154)
Payment of long-term liability	18	(4,225,749)	(4,194,630)
Net cash used in financing activities		(138,643,291)	(196,419,693)
Net change in cash and cash equivalents during the period		(103,169,708)	(108,711,929)
Cash and cash equivalents at 1 January		192,540,441	192,106,283
Cash and cash equivalents at 30 June		89,370,733	83,394,354

Supplementary non-cash information:

Additions to right-of-use assets in exchange for lease liabilities

8 & 16

3,609,051

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

THE FIRST MILLING 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

The First Milling Company (the “Company” or the “Parent Company”), a Saudi Joint Stock Company, was incorporated in accordance with the Companies’ Regulations in the Kingdom of Saudi Arabia under Unified No. 709689304 and Commercial Registration No. 4030291813 issued on 10 November 2016 (corresponding to 10 Safar 1438H).

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

On 9 September 2020 (corresponding to 17 Shawwal 1441H), Cabinet Resolution No. (631) was issued to transfer the ownership of the Company to the National Center for Privatisation (the “NCP”) and for the NCP to carry out the tasks assigned to the Public Investment Fund by Cabinet Resolution No. (118) and dated 30 October 2018 (corresponding to 21 Safar 1440H). The Company's shares were wholly sold to Al Raha Al Safi Food Company (the “Parent Company”) on 31 December 2020 (corresponding to 16 Jumada Al Awal 1442H).

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

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

On 29 June 2022 (corresponding to 30 Dhul Qadah 1443H), the Company entered into a merger agreement (the “Merger”) pursuant to which the Company and the Parent Company have agreed to take necessary steps to implement the Merger between the two Companies. Subsequently, on 15 September 2022 (corresponding to 19 Safar 1444H), pursuant to the approval of the Ministry of Commerce (the “MOC”), the Parent Company ceased to exist and all of the assets and liabilities of the Parent Company were transferred to the Company.

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

THE FIRST MILLING COMPANY
(A Saudi Joint Stock Company)

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION (continued)

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

The 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 General Assembly meeting for their ratification that have been approved by the members of General Assembly on 10 January 2024 (corresponding to 28 Jumada Al-Thani 1445H). The Company completed the legal procedures and the commercial register and the amended By-laws were issued on 4 February 2024 (corresponding to 23 Rajab 1445H) and 29 January 2024 (corresponding to 17 Rajab 1445H) respectively.

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

The registered address of the Company is as follows:

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

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

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

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

THE FIRST MILLING COMPANY
(A Saudi Joint Stock Company)

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

For the six-month period ended 30 June 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION (continued)

The Company is the ultimate controlling party of the Group. As at 30 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>
First Food Supplies Company Limited	Saudi Arabia	Distribution	100	--

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

**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)

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except employees' defined benefit obligations which are recognised at the present value of future obligation using the Projected Unit Credit Method and derivative financial instrument which is recognised at fair value through other comprehensive income.

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

2.3 Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Company and its 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.

THE FIRST MILLING COMPANY
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**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)

2.4 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.

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 issued

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

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

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5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

5.2 Standards, interpretations and amendments issued but not yet effective

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

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

<u>Standards, interpretations and amendments</u>	<u>Description</u>	<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 Group is currently assessing the implications for other above-mentioned standards, interpretations and amendments on the Group's consolidated financial statements on adoption.

6. SEGMENT INFORMATION

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

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

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

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income and is measured consistently in the financial statements.

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

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

For the three-month period ended 30 June 2025 (Unaudited)	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total revenue	108,049,193	68,729,178	30,925,588	30,061,853	237,765,812
Cost of inventories	(38,499,863)	(29,464,534)	(10,663,862)	(11,261,459)	(89,889,718)
Salaries and other benefits	(7,492,569)	(4,640,884)	(2,975,479)	(3,045,000)	(18,153,932)
Depreciation and amortization	(7,355,034)	(1,463,683)	(1,457,374)	(3,962,599)	(14,238,690)
Other expenses	(11,703,304)	(4,609,093)	(2,895,089)	(2,363,082)	(21,570,568)
Finance costs	(2,445,960)	(465,631)	(31,636)	(420,711)	(3,363,938)
Segment profit	<u>40,552,463</u>	<u>28,085,353</u>	<u>12,902,148</u>	<u>9,009,002</u>	<u>90,548,966</u>

For the three-month period ended 30 June 2024 (Unaudited)	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total revenue	108,028,187	73,269,139	30,723,903	30,326,461	242,347,690
Cost of inventories	(39,624,748)	(34,134,153)	(10,636,872)	(9,851,176)	(94,246,949)
Salaries and other benefits	(8,072,519)	(4,105,745)	(3,333,566)	(3,506,220)	(19,018,050)
Depreciation and amortization	(6,303,349)	(1,431,611)	(1,465,738)	(3,990,632)	(13,191,330)
Other expenses	(12,274,689)	(6,858,055)	(3,067,675)	(2,845,593)	(25,046,012)
Finance costs	(2,462,195)	(482,058)	(32,453)	(433,777)	(3,410,483)
Segment profit	<u>39,290,687</u>	<u>26,257,517</u>	<u>12,187,599</u>	<u>9,699,063</u>	<u>87,434,866</u>

For the six-month period ended 30 June 2025 (Unaudited)	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total revenue	238,416,656	157,399,056	60,711,522	64,834,678	521,361,912
Cost of inventories	(91,250,654)	(72,153,157)	(21,204,665)	(23,767,630)	(208,376,106)
Salaries and other benefits	(15,570,927)	(9,053,825)	(5,710,765)	(5,951,137)	(36,286,654)
Depreciation and amortization	(14,597,540)	(3,098,311)	(2,929,512)	(7,947,128)	(28,572,491)
Other expenses	(20,365,802)	(9,975,508)	(5,879,677)	(5,515,646)	(41,736,633)
Finance costs	(4,835,374)	(922,234)	(62,658)	(833,266)	(6,653,532)
Segment profit	<u>91,796,359</u>	<u>62,196,021</u>	<u>24,924,245</u>	<u>20,819,871</u>	<u>199,736,496</u>

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6. SEGMENT INFORMATION (continued)

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

	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total revenue	235,786,418	161,702,525	57,514,321	63,793,021	518,796,285
Cost of inventories	(87,723,534)	(73,641,440)	(19,781,342)	(20,912,409)	(202,058,725)
Salaries and other benefits	(15,695,847)	(8,178,283)	(6,342,592)	(6,702,573)	(36,919,295)
Depreciation and amortization	(12,438,650)	(2,841,221)	(2,929,325)	(7,986,521)	(26,195,717)
Other expenses	(21,890,625)	(12,471,335)	(5,768,892)	(5,850,831)	(45,981,683)
Finance costs	(4,651,154)	(959,998)	(64,628)	(863,849)	(6,539,629)
Segment profit	<u>93,386,608</u>	<u>63,610,248</u>	<u>22,627,542</u>	<u>21,476,838</u>	<u>201,101,236</u>

**At 30 June 2025
(Unaudited)**

	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total assets	640,398,145	169,514,007	117,750,986	276,652,332	1,204,315,470
Total liabilities	313,284,165	87,677,810	17,969,216	62,986,401	481,917,592
Other disclosures:					
Property, plant and equipment with Right- of-use assets	493,279,880	105,072,248	101,932,035	260,894,379	961,178,542
Inventories	110,762,836	47,182,138	12,934,392	13,048,392	183,927,758
Intangible assets	--	853,983	--	--	853,983

**At 31 December 2024
(Audited)**

	<u>Jeddah</u>	<u>Qassim</u>	<u>Tabuk</u>	<u>Al Ahsa</u>	<u>Total segments</u>
Total assets	598,545,350	164,572,300	123,495,995	282,505,336	1,169,118,981
Total liabilities	349,356,190	92,019,947	21,339,831	72,678,704	535,394,672
Other disclosures:					
Property, plant and equipment with right- of-use assets	493,071,177	99,241,375	105,835,431	267,902,411	966,050,394
Inventories	81,720,832	54,441,270	12,734,472	12,801,966	161,698,540
Intangible assets	3,948	919,964	3,048	255	927,215

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6. SEGMENT INFORMATION (continued)

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

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 zakat for reportable segments	90,548,966	87,434,866	199,736,496	201,101,236
Unallocated amounts				
Salaries and other benefits	(16,573,836)	(16,235,285)	(29,089,904)	(31,238,967)
Depreciation and amortization	(761,532)	(649,945)	(1,424,754)	(1,297,942)
Other expenses	(11,917,924)	(9,792,953)	(16,890,178)	(16,171,822)
Finance costs	(16,161,065)	(21,427,188)	(33,444,554)	(42,029,635)
Finance income	6,248,567	7,950,757	13,866,348	17,110,884
Other income	1,568,294	14,702	1,568,294	14,702
Expected credit loss on trade receivables	(8,685)	(329,995)	327,914	(709,630)
	<u>52,942,785</u>	<u>46,964,959</u>	<u>134,649,662</u>	<u>126,778,826</u>

ii) Total assets

	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Total assets for reportable segments	1,204,315,470	1,169,118,981
Unallocated amounts	<u>1,266,153,332</u>	<u>1,326,408,338</u>
	<u>2,470,468,802</u>	<u>2,495,527,319</u>

iii) Total liabilities

	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Total liabilities for reportable segments	481,917,592	535,394,672
Unallocated amounts	<u>985,563,703</u>	<u>1,015,083,824</u>
	<u>1,467,481,295</u>	<u>1,550,478,496</u>

All revenue is generated from external customers. Revenue from one customer of the Group represented approximately SR 92.34 million (2024: SR 88.44 million) which represents 18.16% (2024: 15.72%) of the Group's total revenues.

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7. PROPERTY, PLANT AND EQUIPMENT

7.1 Property, plant and equipment comprise of the following:

	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Buildings	321,106,372	322,030,167
Plant and equipment	303,282,465	311,818,641
Furniture and fittings	222,873	254,219
Computer equipment	785,863	979,966
Motor vehicles	4,000,365	4,950,126
Projects under progress	72,276,099	42,069,364
	<u>701,674,037</u>	<u>682,102,483</u>

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 <u>period ended 30 June</u> <u>2025</u> (Unaudited)	<u>2024</u> (Unaudited)
Depreciation	21,505,554	19,169,836
Additions	41,077,108	32,583,893
Loss on disposal	--	7,895

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

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

- i) Bran tower in Jeddah
- ii) New Mill C in Qassim

Capital commitments relating to these projects amount to SR 54.63 million (31 December 2024: SR 49.70 million).

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8. RIGHT-OF-USE ASSETS

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

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

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

	<u>Silos</u>	<u>Lands</u>	<u>Buildings and warehouses</u>	<u>Equipment</u>	<u>Total</u>
<u>Cost</u>					
At 31 December 2023 (audited)	262,147,500	110,595,477	19,267,315	1,561,840	393,572,132
Impact of modification	--	11,625,464	--	--	11,625,464
Disposals during the year	--	--	(348,073)	--	(348,073)
At 31 December 2024 (audited)	262,147,500	122,220,941	18,919,242	1,561,840	404,849,523
At 31 December 2023 (audited)	262,147,500	110,595,477	19,267,315	1,561,840	393,572,132
Impact of modification	--	11,625,464	--	--	11,625,464
Disposals during the period	--	--	(348,073)	--	(348,073)
At 30 June 2024 (unaudited)	262,147,500	122,220,941	18,919,242	1,561,840	404,849,523
At 31 December 2024 (audited)	262,147,500	122,220,941	18,919,242	1,561,840	404,849,523
Additions during the period	--	3,609,051	--	--	3,609,051
At 30 June 2025 (unaudited)	262,147,500	125,829,992	18,919,242	1,561,840	408,458,574
<u>Accumulated depreciation</u>					
At 31 December 2023 (audited)	61,416,283	19,309,907	7,720,852	1,159,402	89,606,444
Charge for the year	9,577,318	4,802,561	1,149,518	402,438	15,931,835
Disposals during the year	--	--	(232,369)	--	(232,369)
As at 31 December 2024 (audited)	70,993,601	24,112,468	8,638,001	1,561,840	105,305,910
At 31 December 2023 (audited)	61,416,283	19,309,907	7,720,852	1,159,402	89,606,444
Charge for the period	4,762,493	2,315,630	583,183	287,232	7,948,538
Disposals during the period	--	--	(243,996)	--	(243,996)
At 30 June 2024 (unaudited)	66,178,776	21,625,537	8,060,039	1,446,634	97,310,986
As at 31 December 2024 (audited)	70,993,601	24,112,468	8,638,001	1,561,840	105,305,910
Charge for the period	4,736,325	2,712,457	545,477	--	7,994,259
At 30 June 2025 (unaudited)	75,729,926	26,824,925	9,183,478	1,561,840	113,300,169
<u>Net book Value</u>					
At 31 December 2024 (audited)	191,153,899	98,108,473	10,281,241	--	299,543,613
At 30 June 2024 (unaudited)	195,968,724	100,595,404	10,859,203	115,206	307,538,537
At 30 June 2025 (unaudited)	186,417,574	99,005,067	9,735,764	--	295,158,405

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9. DERIVATIVE FINANCIAL INSTRUMENT

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

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

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
<u>Profit Rate Cap</u>		
Notional amount	<u>622,582,778</u>	<u>655,939,220</u>
<u>Positive fair value</u>		
Current	17,770,181	19,422,922
Non-current	--	7,727,210
	<u>17,770,181</u>	<u>27,150,132</u>

The hedge has been assessed to be effective and as at 30 June 2025, net un-realised loss of SR 6.99 million (30 June 2024: net un-realised gain of SR 0.58 million) has been included in other comprehensive income.

The components of other comprehensive income are as follows:

	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)
Cash flow hedge – effective portion of changes in fair value	(4,149,755)	(3,518,559)	(9,379,906)	(262,037)
Cash flow hedge – reclassified to profit or loss	--	(4)	--	(88)
Cost of hedging reserve – changes in fair value	(19)	(1,882)	(47)	(24,887)
Cost of hedging reserve – reclassified to profit or loss	<u>1,235,462</u>	<u>531,953</u>	<u>2,391,042</u>	<u>866,998</u>
	<u>(2,914,312)</u>	<u>(2,988,492)</u>	<u>(6,988,911)</u>	<u>579,986</u>

The amount of SR 12.98 million shown as cash flow hedging reserve in the condensed consolidated statement of financial position as at 30 June 2025 is expected to affect the profit or loss in forthcoming years.

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9. DERIVATIVE FINANCIAL INSTRUMENT (continued)

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

	Maturity		
	<u>Less than 12 months</u>	<u>1 – 5 years</u>	<u>Total</u>
30 June 2025	<u>18,347,327</u>	<u>--</u>	<u>18,347,327</u>
31 December 2024	<u>20,095,829</u>	<u>8,310,854</u>	<u>28,406,683</u>

10. INVENTORIES

Inventories comprise of the following:

	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Spare parts	73,021,375	79,472,822
Raw materials	114,971,936	55,455,904
Finished goods	15,408,947	18,839,216
Goods in transit	1,930,545	29,159,057
Others	476,826	591,913
Less: adjustment for net realizable value of inventories	<u>(21,881,871)</u>	<u>(21,820,372)</u>
	<u>183,927,758</u>	<u>161,698,540</u>

11. TRADE RECEIVABLES

Trade receivables comprise of the following:

	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Trade receivables	31,158,890	20,174,992
Allowance for expected credit loss on trade receivables	<u>(1,284,296)</u>	<u>(1,612,210)</u>
	<u>29,874,594</u>	<u>18,562,782</u>

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

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12. PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Advances to contractors	25,127,387	7,160,683
Advance for acquisition (note 12.1)	15,000,000	--
Prepayments	8,224,861	4,371,365
Other receivables	2,142	3,483
	<u>48,354,390</u>	<u>11,535,531</u>

- 12.1** On 3 February 2025 (12 Shaban 1446H), the Board of Directors approved the proposed acquisition of 100% of the shares in Al Manar Feed Company, a Jeddah-based entity engaged in feed production.

The Company has made an advance payment of SR 15 million towards the acquisition, which is refundable in case the contractual prerequisites are not met.

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

13. SHARE CAPITAL

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

14. GENERAL RESERVE

During 2024, the shareholders of the Company through Extraordinary General Assembly Meeting held on 10 January 2024 (corresponding to 28 Jumada Al-Thani 1445H), approved the amendment of the Parent Company's By-laws in accordance with the new Companies Law which became effective at 19 January 2023 (corresponding to 26 Jumada Al-Thani 1444H). The Company completed the legal procedures and the commercial register and the amended By-laws were issued on 4 February 2024 (corresponding to 23 Rajab 1445H) and 29 January 2024 (corresponding to 17 Rajab 1445H) respectively.

In accordance with the updated By-laws of the Parent Company, the Parent Company now requires to transfer an amount not exceeding 10% of the Company's gross profits, into the general reserve. This transfer can only happen pursuant to the resolution of ordinary general assembly.

On 24 June 2025 (corresponding to 28 Dhul Hajj 1446H), the shareholders through their ordinary general assembly approved to transfer SR 25.09 million from retained earnings to the general reserve.

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15. DIVIDENDS PAYABLE

15.1 On 12 March 2025 (corresponding to 12 Ramadan 1446H), and based on the resolution of the Extraordinary General Assembly of the Parent Company held on 10 January 2024 (corresponding to 28 Jumada Al Thani 1445H), regarding the authorization given to the Board of Directors to distribute the interim dividends for the year 2024, the Board of Directors resolved and approved the distribution of the interim (half yearly) dividends to shareholders for the period of the last six months of 2024 ended on 31 December 2024 (corresponding to 30 Jumada Al Thani 1446H), with a total amount of SR 71,595,000 at SR 1.29 per share of the nominal capital. The dividends were distributed on 22 April 2025 (corresponding to 24 Shawwal 1446H).

15.2 On 10 March 2024 (corresponding to 29 Shaban 1445H), and based on the resolution of the Ordinary General Assembly of the Parent Company held on 6 March 2023 (corresponding to 25 Shaban 1445H), regarding the authorization given to the Board of Directors to distribute the interim dividends for the year 2023, the Board of Directors resolved and approved the distribution of the interim (half yearly) dividends to shareholders for the period of the last six months of 2023 ended on 31 December 2023 (corresponding to 18 Jumada Al Thani 1445H), with a total amount of SR 78,255,000 at SR 1.41 per share of the nominal capital. The dividends were distributed on 23 April 2024 (corresponding to 14 Shawwal 1445H).

15.3 Movement in dividends payable is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period/year	19,907	19,811	19,811
Declared during the period/year	71,595,000	78,255,000	164,280,000
Paid during the period/year	(71,208,000)	(78,113,904)	(163,673,904)
Dividends on treasury shares	(387,000)	(141,000)	(606,000)
At the end of the period/year	19,907	19,907	19,907

16. LEASE LIABILITIES

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

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)	31 December 2024 (Audited)
At the beginning of the period/year	340,191,384	338,090,038	338,090,038
Impact of modification	--	11,625,464	11,625,464
Additions during the period/year	3,609,051	--	--
Disposals during the period/year	--	(108,902)	(108,902)
Finance charges on lease liabilities	6,668,222	6,563,729	13,482,184
Repayment of lease liabilities	(17,729,212)	(19,387,154)	(13,545,414)
Finance cost paid on lease	(12,797,593)	(9,017,596)	(9,351,986)
At the end of the period/year	319,941,852	327,765,579	340,191,384
Current portion	18,356,974	17,921,491	30,925,951
Non – Current portion	301,584,878	309,844,088	309,265,433
	319,941,852	327,765,579	340,191,384

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17. LONG-TERM LOANS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Term Murabaha facility	832,271,456	877,751,786
Long Term Loan – SIDF	150,000,000	150,000,000
Less: unamortised loan transaction cost	(14,207,855)	(17,113,867)
	<u>968,063,601</u>	<u>1,010,637,919</u>
Current portion	177,423,944	162,367,151
Non-current portion	<u>790,639,657</u>	<u>848,270,768</u>
	<u>968,063,601</u>	<u>1,010,637,919</u>

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

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

These loan facilities have certain covenants including leverage and debt service cover ratio to be maintained during the period of facility agreement. As at and during the six-month period ended 30 June 2025, there has not been any non-compliance observed for any of the covenants. The Group expects to comply with the covenants within 12 months after the reporting date.

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

	<u>Term Murabaha Facility</u>	<u>SIDF Loan</u>	<u>Total</u>
At the beginning of the period	877,751,786	150,000,000	1,027,751,786
Paid during the period	<u>(45,480,330)</u>	<u>--</u>	<u>(45,480,330)</u>
At the end of the period (Unaudited)	<u>832,271,456</u>	<u>150,000,000</u>	<u>982,271,456</u>

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17. LONG-TERM LOANS (continued)

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

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

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

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

Maturity analysis - contractual undiscounted cash flow

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Within one year	181,523,923	224,604,722
One to five years	292,395,404	610,145,311
More than five years	508,352,129	558,892,360
	<u>982,271,456</u>	<u>1,393,642,393</u>

18. LONG-TERM PAYABLE

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Current portion	9,117,283	9,536,174
Non-current portion	<u>19,762,122</u>	<u>23,596,226</u>
	<u>28,879,405</u>	<u>33,132,400</u>

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

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18. LONG-TERM PAYABLE (continued)

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

	For the six-month period ended 30 June	
	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)
Amortisation of loan transaction cost	1,153,936	1,450,725
Finance cost paid on long-term liability	(1,181,182)	(1,212,300)
Payment of long-term liability	(4,225,749)	(4,194,630)

Maturity analysis – contractual undiscounted cash flow

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

19. REVENUE

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

19.1 Disaggregation of revenue

Revenue is disaggregated by type of goods as shown below:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Type of goods				
Flour	139,645,584	132,072,734	309,979,978	294,116,926
Feed	57,010,583	67,202,588	137,636,215	145,334,721
Bran	41,109,645	43,072,368	73,745,719	79,344,638
	<u>237,765,812</u>	<u>242,347,690</u>	<u>521,361,912</u>	<u>518,796,285</u>

Revenue from flour includes semolina and flour mixes.

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.

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20. 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	91,217,391	89,343,794	204,945,837	204,332,489
Salaries and other benefits	15,049,132	15,296,183	29,642,854	29,862,611
Depreciation and amortization	13,195,944	12,195,785	26,488,710	24,222,116
Fuel and power	6,394,667	6,361,848	13,761,693	13,733,403
Adjustment for net realizable value of inventories	1,731,937	5,658,253	61,499	6,574,731
Other expenses	8,786,832	8,208,296	17,068,167	16,410,382
	<u>136,375,903</u>	<u>137,064,159</u>	<u>291,968,760</u>	<u>295,135,732</u>
Finished goods inventory at the beginning of the period	14,081,274	20,622,028	18,839,216	13,445,109
Finished goods available for sale during the period	<u>150,457,177</u>	<u>157,686,187</u>	<u>310,807,976</u>	<u>308,580,841</u>
Finished goods inventory at the end of the period	<u>(15,408,947)</u>	<u>(15,718,873)</u>	<u>(15,408,947)</u>	<u>(15,718,873)</u>
	<u>135,048,230</u>	<u>141,967,314</u>	<u>295,399,029</u>	<u>292,861,968</u>

21. FINANCE INCOME

Finance income 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 income on cash flow hedge (Profit rate cap)	5,592,881	7,625,187	11,312,620	15,151,276
Finance income on bank deposits	655,686	857,602	2,553,728	2,826,602
	<u>6,248,567</u>	<u>8,482,789</u>	<u>13,866,348</u>	<u>17,977,878</u>

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22. 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 long-term loans	12,869,240	20,121,025	26,978,876	39,403,308
Finance cost on lease liabilities	3,370,681	3,421,486	6,668,222	6,563,729
Amortisation of loan transaction cost	1,481,561	580,646	2,906,012	1,151,501
Finance cost on long-term payable	568,058	714,514	1,153,936	1,450,725
Ineffective portion of changes in fair value of cash flow hedge	--	(4)	--	(88)
Amortisation of cost of hedging	1,235,463	532,036	2,391,040	867,082
	19,525,003	25,369,703	40,098,086	49,436,257

23. ZAKAT

23.1 Movement in provision for Zakat during the period/year

	<u>30 June</u> <u>2025</u> (Unaudited)	<u>30 June</u> <u>2024</u> (Unaudited)	<u>31 December</u> <u>2024</u> (Audited)
At the beginning of the period/ year	5,936,643	6,654,883	6,654,883
Charged during the period/ year	3,579,746	3,549,868	6,144,269
Paid during the period/ year	(6,172,426)	(6,862,509)	(6,862,509)
At end of the period/ year	3,343,963	3,342,242	5,936,643

23.2 Zakat status

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

24. CAPITAL COMMITMENTS AND CONTINGENCIES

24.1 Contingencies

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

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24. CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

24.2 Commitments

The following LCs are outstanding as at 30 June 2025:

- a) LC import sight negotiation amounting to SR 59,801,322 (CHF 12,750,543) (31 December 2024: SR 52,737,521 (CHF 12,750,543)) with an outstanding amount of SR 53,925,053 (CHF: 11,497,634) in favour of Buhler AG for supply of machines and equipment for five projects in Jeddah. The LC will remain valid till 28 February 2028.
- b) Outward LC import sight amounting to SR 61,700,732 (CHF 13,155,526) (31 December 2024: SR 49,185,045 (CHF 11,891,648)) in favour of Buhler AG for upgrade of Mill A and Mill B. The LC will remain valid till 16 August 2031.
- c) Outward LC import sight amounting to SR 2,859,080 (AED 2,480,000) (31 December 2024: NIL) with an outstanding amount of SR 205,119 (AED 200,880) in favour of PALLETCO (L.L.C) for purchase of plastic pallets. The LC will remain valid till 21 August 2025.
- d) Outward LC import sight amounting to SR 2,123,916 (CHF 452,851) (31 December 2024: NIL) with an outstanding amount of SR 2,336,308 (CHF 498,136) in favour of Buhler + Scherler AG for purchase of supply of electrical cables with accessories for (Mill C and Pesa Mill) in Jeddah. The LC will remain valid till 21 March 2026.

25. EARNINGS PER SHARE

25.1 Basic earnings per share

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

	For the three-month period ended 30 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	51,405,711	45,507,333	131,069,916	123,228,958
Weighted average number of ordinary shares for basic EPS	55,200,000	55,378,675	55,200,000	55,378,675
Earnings per share - basic	0.93	0.82	2.37	2.23

25.2 Diluted earnings per share

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

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25. EARNINGS PER SHARE (continued)

25.2 Diluted earnings per share (continued)

	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	51,405,711	45,507,333	131,069,916	123,228,958
Weighted average number of ordinary shares for diluted EPS	55,484,296	55,654,428	55,484,296	55,654,428
Earnings per share - diluted	0.93	0.82	2.36	2.21

26. RELATED PARTY TRANSACTIONS AND BALANCES

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

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

The 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	3,322,321	2,910,097	5,926,142	5,820,194
Post-employment benefits	74,902	86,593	938,774	954,839
Share-based payments	990,380	225,499	1,969,876	1,024,527
Total compensation of key management personnel	4,387,603	3,222,189	8,834,792	7,799,560

Short-term employee benefits include SR 2.32 million (30 June 2024: SR 1.52 million) board and committees' fees, rewards and allowances.

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26. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

OTHER RELATED PARTY TRANSACTIONS

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

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

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>		<u>Closing balance</u>	
			For the six-month period ended 30 June		30 June	31 December
			<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
					(Unaudited)	(Audited)
<u>Due to related parties</u>						
Al Mutlaq Group Industrial Investment Company	Shareholder	Expenses incurred on behalf of the Company	79,549	264,359	82,683	3,134
					<u>82,683</u>	<u>3,134</u>

27. FINANCIAL INSTRUMENTS – FAIR VALUES

Financial assets

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

	30 June <u>2025</u>	31 December <u>2024</u>
Financial assets at amortised cost:		
Bank balances and short-term deposits	89,030,158	192,540,441
Trade receivables	29,874,594	18,562,782
Margins against letter of guarantees and letter of credits	2,561,809	2,561,809
Other current financial assets	15,002,142	3,483
	<u>136,468,703</u>	<u>213,668,515</u>
	30 June <u>2025</u> (Unaudited)	31 December <u>2024</u> (Audited)
Financial assets at fair value – hedging instrument:		
Derivative financial instrument	17,770,181	27,150,132

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27. FINANCIAL INSTRUMENTS – FAIR VALUES (continued)

Financial liabilities

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

	30 June 2025	31 December 2024
Financial liabilities at amortised cost:		
Trade and other payables	44,643,375	60,133,757
Accrued expenses and other current liabilities	754,828	948,617
Long-term loans	982,271,456	1,027,751,786
Lease liabilities	319,941,852	340,191,384
Long-term payable	28,879,405	33,132,400
Due to related parties	82,683	3,134
	<u>1,376,573,599</u>	<u>1,462,161,078</u>

Fair value hierarchy

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

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

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

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

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

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

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

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27. FINANCIAL INSTRUMENTS – FAIR VALUES (continued)

Fair value hierarchy (continued)

	30 June 2025 (unaudited)			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets</u>				
Derivative Financial Instrument	--	17,770,181	--	17,770,181
	31 December 2024 (audited)			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial asset</u>				
Derivative Financial Instrument	--	27,150,132	--	27,150,132

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

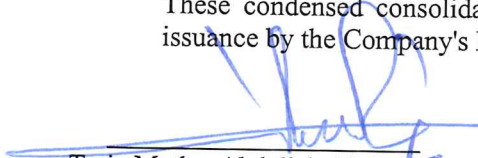
There were no transfers between levels of fair value measurements in 2025 and 2024. No transfers between any levels of the fair value hierarchy took place in the equivalent comparative period.

28. SUBSEQUENT EVENTS

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

29. 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 23 July 2025 (corresponding to 28 Muharram 1447H).


Tariq Mutlaq Abdullah AlMutlaq
Chairman


Abdullah Abdul-Aziz Abdullah Ababtain
CEO


Alaaeldin Mohammed Shousha
CFO



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