

**The Fourth Milling Company (Owned by One Person)  
(A Saudi Closed Joint Stock Company)**

**INTERIM CONDENSED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024**

The Fourth Milling Company (Owned by One Person)  
(A Saudi Closed Joint Stock Company)

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INTERIM CONDENSED FINANCIAL STATEMENTS AND INDEPENDENT  
AUDITOR'S REVIEW REPORT

For the three-month period ended 31 March 2024

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**INDEPENDENT AUDITOR'S REVIEW REPORT  
ON THE INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE SHAREHOLDER OF THE FOURTH MILLING COMPANY (OWNED BY ONE PERSON)  
(A SAUDI CLOSED JOINT STOCK COMPANY)**

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position of The Fourth Milling Company ("the Company") as at 31 March 2024, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 interim condensed financial statements are not prepared, in all material respects, in accordance IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services



Hesham A. Alatiqi  
Certified Public Accountant  
License No. (523)



Riyadh: 24 Thul-Qi'dah 1445H  
(30 June 2024)

The Fourth Milling Company (Owned by One Person)  
(A Saudi Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

		31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
	Notes		
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	523,252,051	531,967,099
Right-of-use assets	5	358,416,097	362,491,047
Intangible assets	6	57,631,437	56,720,504
<b>TOTAL NON – CURRENT ASSETS</b>		<b>939,299,585</b>	<b>951,178,650</b>
<b>CURRENT ASSETS</b>			
Inventories	7	54,308,647	55,968,172
Prepayments and other current assets	8	21,291,299	15,574,892
Amounts due from related parties	10	26,068,447	22,766,936
Accounts receivables	9	9,884,006	5,210,534
Cash and cash equivalents	11	158,973,276	106,343,470
<b>TOTAL CURRENT ASSETS</b>		<b>270,525,675</b>	<b>205,864,004</b>
<b>TOTAL ASSETS</b>		<b>1,209,825,260</b>	<b>1,157,042,654</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>EQUITY</b>			
Share capital	12	540,000,000	473,903,170
Proposed increase in share capital	12	-	66,096,830
Actuarial reserve		(286,194)	(425,315)
Retained earnings		178,055,972	143,438,669
<b>TOTAL EQUITY</b>		<b>717,769,778</b>	<b>683,013,354</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Non-current portion of lease liabilities	5	379,268,327	379,268,327
Employees' defined benefits obligation		4,361,240	3,919,993
Deferred tax liabilities, net	14	5,805,761	5,805,761
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>389,435,328</b>	<b>388,994,081</b>
<b>CURRENT LIABILITIES</b>			
Accounts payables		20,982,657	22,402,300
Accrued expenses and other liabilities	13	38,342,424	26,728,013
Amounts due to a related party	10	-	1,490,643
Dividends payable	20	2,425,260	-
Current portion of lease liabilities	5	25,829,852	22,986,091
Advances from customers		9,589,103	10,508,589
Zakat and income tax payable	14	5,450,858	919,583
<b>TOTAL CURRENT LIABILITIES</b>		<b>102,620,154</b>	<b>85,035,219</b>
<b>TOTAL LIABILITIES</b>		<b>492,055,482</b>	<b>474,029,300</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,209,825,260</b>	<b>1,157,042,654</b>

Chief Financial Officer  
Rabih Abdul Kader Nahas



Chief Executive Officer  
Khalid Abdul Aziz Al Maktary



Chairman  
Bader Hamed Al Aujan



The Fourth Milling Company (Owned by One Person)  
(A Saudi Closed Joint Stock Company)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME

For the three-month period ended 31 March 2024

	Notes	For the three-month period ended	
		31 March 2024 (Unaudited) SR	31 March 2023 (Unaudited) SR
Revenue	15	<b>170,331,404</b>	162,042,495
Direct costs	16	<b>(85,179,010)</b>	(81,715,347)
<b>GROSS PROFIT</b>		<b>85,152,394</b>	80,327,148
<b>EXPENSES</b>			
Selling and distribution	17	<b>(19,169,263)</b>	(14,966,707)
General and administration	18	<b>(11,441,187)</b>	(8,421,463)
<b>TOTAL EXPENSES</b>		<b>(30,610,450)</b>	(23,388,170)
<b>OPERATING PROFIT</b>		<b>54,541,944</b>	56,938,978
Finance costs		<b>(2,843,761)</b>	(1,970,574)
Finance income		<b>1,381,036</b>	1,424,948
Other income (expenses), net		<b>69,359</b>	(3,958,089)
<b>PROFIT BEFORE ZAKAT AND INCOME TAX</b>		<b>53,148,578</b>	52,435,263
Zakat	14	<b>(1,547,916)</b>	(890,094)
Deferred income tax	14	-	(3,470,945)
Income tax	14	<b>(2,983,359)</b>	(2,561,446)
<b>PROFIT FOR THE PERIOD</b>		<b>48,617,303</b>	45,512,778
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
Remeasurement gain (loss) on employees' defined benefit liabilities		<b>139,121</b>	(46,809)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>48,756,424</b>	45,465,969
<b>Earnings per share (EPS)</b>			
Basic and diluted earnings per share for the period	19	<b>0.09</b>	<b>0.96</b>

Chief Financial Officer  
Rabih Abdul Kader Nahas



Chief Executive Officer  
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The attached notes 1 to 26 form an integral part of these interim condensed financial statements.

The Fourth Milling Company (Owned by One Person)  
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INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2024

	Share capital SR	Proposed increase in share capital SR	Statutory reserve SR	Actuarial reserve SR	Retained earnings SR	Total SR
At 31 December 2023 (audited)	473,903,170	66,096,830	-	(425,315)	143,438,669	<b>683,013,354</b>
Profit for the period	-	-	-	-	48,617,303	<b>48,617,303</b>
Other comprehensive income	-	-	-	139,121	-	<b>139,121</b>
Total comprehensive income	-	-	-	139,121	48,617,303	<b>48,756,424</b>
Transfer to share capital	66,096,830	(66,096,830)	-	-	-	-
Dividends paid (note 20)	-	-	-	-	(14,000,000)	<b>(14,000,000)</b>
At 31 March 2024 (unaudited)	<b>540,000,000</b>	-	-	<b>(286,194)</b>	<b>178,055,972</b>	<b>717,769,778</b>
	Share capital SR	Proposed increase in share capital SR	Statutory reserve SR	Actuarial reserve SR	Retained earnings SR	Total SR
At 31 December 2022 (restated, note 24)	473,903,170	-	26,079,424	(238,078)	238,985,770	738,730,286
Profit for the period	-	-	-	-	45,512,778	45,512,778
Other comprehensive loss	-	-	-	(46,809)	-	(46,809)
Total comprehensive income	-	-	-	(46,809)	45,512,778	45,465,969
Dividends paid (note 20)	-	-	-	-	(100,000,000)	(100,000,000)
At 31 March 2023 (unaudited)	473,903,170	-	26,079,424	(284,887)	184,498,548	684,196,255

Chief Financial Officer  
Rabih Abdul Kader Nahas



Chief Executive Officer  
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The attached notes 1 to 26 form an integral part of these interim condensed financial statements.

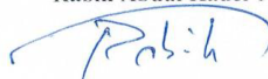
The Fourth Milling Company (Owned by One Person)  
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INTERIM CONDENSED STATEMENT OF CASH FLOWS


For the three-month period ended 31 March 2023

	Notes	For the three-months period ended	
		31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
		SR	SR
<b>OPERATING ACTIVITIES</b>			
Profit before zakat and income tax		53,148,578	52,435,263
<i>Adjustments to reconcile profit before zakat and income to net cashflows:</i>			
Depreciation for property, plant and equipment	4	8,928,737	8,776,534
Depreciation of right-of-use assets	5	4,074,950	4,821,349
Amortisation of intangible assets	6	8,755	8,108
Interest cost on lease liabilities	5	2,843,761	1,970,574
Provision for expected credit losses of account receivables		1,941,796	498,216
Provision for employees' defined benefit obligation		620,020	469,482
Finance income		(1,381,036)	(1,424,948)
		<b>70,185,561</b>	<b>67,554,578</b>
<i>Changes in operating assets and liabilities:</i>			
Inventories		1,659,525	(14,075,135)
Prepayments and other current assets		(5,537,721)	1,858,450
Amounts due from related parties		(3,301,511)	(6,305,206)
Account receivables		(6,615,268)	(5,438,604)
Accounts payables		(1,419,643)	19,461,382
Accrued expenses and other liabilities		11,614,411	(5,913,033)
Amounts due to a related party		(1,490,643)	297,182
Advance from customers		(919,486)	(536,948)
<b>Net cash from operations</b>		<b>64,175,225</b>	<b>56,902,666</b>
Employees' defined benefit liabilities paid		(39,652)	(472)
<b>Net cash flows from operating activities</b>		<b>64,135,573</b>	<b>56,902,194</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	4	(213,689)	(1,969,231)
Purchase of intangible assets	6	(919,688)	(253,746)
Investment in Islamic short-term murabaha deposits		-	(60,000,000)
Finance income received		1,202,350	555,269
<b>Net cash flows from (used in) investing activities</b>		<b>68,973</b>	<b>(61,667,708)</b>
<b>FINANCING ACTIVITIES</b>			
Payment of principal portion of lease liabilities		-	(15,912,758)
Finance costs paid on lease liabilities		-	(1,970,574)
Dividends paid	20	(11,574,740)	(45,030,946)
<b>Net cash flows used in financing activities</b>		<b>(11,574,740)</b>	<b>(62,914,278)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>52,629,806</b>	<b>(67,679,792)</b>
Cash and cash equivalents at the beginning of the period		106,343,470	164,661,627
<b>Cash and cash equivalents at the end of the period</b>		<b>158,973,276</b>	<b>96,981,835</b>
<b>Non-cash transactions:</b>			
Classification of capital spares from inventories to property, plant and equipment, net book value		-	12,595,444


Chief Financial Officer  
Rabih Abdul Kader Nahas



Chief Executive Officer  
Khalid Abdul Aziz Al Maktary



Chairman  
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# The Fourth Milling Company (Owned by One Person) (A Saudi Closed Joint Stock Company)

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

At 31 March 2024

### 1. CORPORATE INFORMATION

The Fourth Milling Company is a Saudi Closed Joint Stock Company (the “Company”) owned by One Person, and registered in Dammam, Kingdom of Saudi Arabia under commercial registration numbered 2050110856 dated 10 Safar 1438H (corresponding to 10 November 2016).

The national address of the Company is Building no. 7210, King Abdulaziz Road, King Abdulaziz Sea Port District, Dammam 32211, Kingdom of Saudi Arabia.

The Company’s licensed activities include packing and milling of wheat, maize, Barley and rice, production of flour from rice, manufacture of flour and dough for bakeries, manufacture of concentrated fodder for animal, manufacture of cattle fodder, preparation, milling and pressing of animal feed, animal food and feed stores, storage in warehouse of grain silos, flour and agricultural products, storage of goods in foreign trade zones, wholesale of bakery products and trade of special and healthy food.

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

On 17 Shawwal 1441H (corresponding to 9 July 2020) the resolution of the Council of Ministers No. 631 states to transfer the ownership to Specialized Committee, and for the Specialized Committee to handle the task that was handled to Public Investment Fund as stated in The Council of Ministers’ resolution no. (118) dated 21 Safar 1440H (corresponding to 30 October 2018).

On 25 Rabi Al-Thani 1443H (corresponding to 30 November 2021), the Company’s share capital of 47,390,317 shares, the value of each share is 10 SR, were wholly sold to Gulf Flour Milling Industrial Company (“the Shareholder”) for the purchase price specified in the share sale and purchase agreement on the same date.

The Company has entered into a subsidised wheat purchase agreement with the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organizations (“SAGO”)) as GFSA imports wheat to Saudi Arabia for the purpose of producing subsidised flour. This Agreement shall enter into force on 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017) and shall be terminated when the Former Owner sells its shares in the Company. The agreement stipulates that the subsidised wheat subsidy price is calculated according to the monetary value per metric ton of subsidised wheat currently specified by the Government of the Kingdom of Saudi Arabia at SR 180 per metric ton. On 15 Rabi Al-Thani 1442H (corresponding to 30 November 2020), the agreement regulating the purchase and sale of subsidised and non-subsidised wheat has been renewed by GFSA, and this agreement is valid until the expiry date of the license of the main purchaser (the “Company”).

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

<i>City</i>	<i>Date</i>	<i>Commercial Registration Number</i>
Head Office (Dammam)	10 Safar 1438H (corresponding to 10 November 2016)	2050110856
Dammam	30 Jumada Al-Ula 1438H (corresponding to 27 February 2017)	2050111821
Madinah	30 Jumada Al-Ula 1438H (corresponding to 27 February 2017)	4650082090
Kharj	30 Jumada Al-Ula 1438H (corresponding to 27 February 2017)	1011024354



The Fourth Milling Company (Owned by One Person)  
(A Saudi Closed Joint Stock Company)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2024

**2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES**

**2.1 Basis of preparation**

These interim condensed financial statements for the three-month period ended 31 March 2024 of the Company have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting” (“IAS 34”) as endorsed in the Kingdom of Saudi Arabia. The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements as of 31 December 2023. These interim condensed financial statements for the three-month period ended 31 March 2024 are not affected significantly by seasonality of results. The results shown in these interim condensed financial statements may not be indicative of the annual results of the Company’s operations.

These interim condensed financial statements are prepared under the historical cost convention. These interim condensed financial statements are presented in Saudi Riyals (“SR”) which is the functional and presentation currency of the Company. All values are rounded to the nearest Saudi Riyal, except when otherwise indicated.

**2.2 Material accounting policies information and new standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed financial statements of the Company.

***Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7***

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company’s interim condensed financial statements.

***Amendments to IFRS 16: Lease Liability in a Sale and Leaseback***

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Company’s interim condensed financial statements.

***Amendments to IAS 1: Classification of Liabilities as Current or Non-current***

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Company’s interim condensed financial statements.

The Fourth Milling Company (Owned by One Person)  
(A Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2024

**2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)**

**2.3 Significant accounting estimates**

The preparation of the interim condensed financial statements in conformity with IAS 34 as endorsed in KSA requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim condensed financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and judgments used in the preparation of these interim condensed financial statements are consistent with those used in preparation of the Company's annual financial statements for the year ended 31 December 2023.

**3 SEGMENT INFORMATION**

The operations of the Company are mainly in the Kingdom of Saudi Arabia in three branches: Dammam, Madinah and Kharj. For management reporting purpose, the Company is organised into these business units which are identified as reportable segments. No operating segments have been aggregated to form the above reportable operating segments.

Chief Executive Officer ("CEO") is the Chief Operating Decision Maker ("CODM") who 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 profit or loss and is measured consistently in the financial statements. Also, zakat and income tax are managed on a head office level and are not allocated to operating segments. All reportable segments have similar type of products. There are no inter-segment transfers during the period.

The selected financial information for these branches is as follows:

<i>For the three-month period ended 31 March 2024 (unaudited)</i>	<i>Dammam</i>	<i>Madinah</i>	<i>Kharj</i>	<i>Head office</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Revenue	67,182,703	56,673,213	46,475,488	-	<b>170,331,404</b>
Raw material consumed	(22,833,319)	(11,667,985)	(20,884,945)	-	<b>(55,386,249)</b>
Employees' costs	(5,182,070)	(5,615,661)	(3,800,952)	(6,808,899)	<b>(21,407,582)</b>
Depreciation and amortisation	(3,876,430)	(5,774,266)	(3,159,418)	(202,328)	<b>(13,012,442)</b>
Other expenses	(7,341,042)	(11,662,617)	(5,323,003)	(1,656,525)	<b>(25,983,187)</b>
Finance costs	(1,519,377)	(1,123,470)	(118,484)	(82,430)	<b>(2,843,761)</b>
Finance income	-	-	-	1,381,036	<b>1,381,036</b>
Other income	31,465	14,828	23,043	23	<b>69,359</b>
Segment profit (loss)	<b>26,461,930</b>	<b>20,844,042</b>	<b>13,211,729</b>	<b>(7,369,123)</b>	<b>53,148,578</b>

<i>For the three-month period ended 31 March 2023 (unaudited)</i>	<i>Dammam</i>	<i>Madinah</i>	<i>Kharj</i>	<i>Head office</i>	<i>Total</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Revenue	73,199,021	53,357,120	35,486,354	-	162,042,495
Raw materials consumed	(25,286,639)	(17,713,441)	(10,979,391)	-	(53,979,471)
Employees' costs	(4,938,768)	(5,164,835)	(3,737,917)	(5,312,466)	(19,153,986)
Depreciation and amortisation	(4,094,681)	(5,930,674)	(3,418,036)	(162,600)	(13,605,991)
Other expenses	(7,944,991)	(4,301,166)	(4,193,693)	(6,003,424)	(22,443,274)
Finance costs	(1,236,931)	(596,018)	(65,763)	(71,862)	(1,970,574)
Finance income	-	-	-	1,424,948	1,424,948
Other income	15,963	36,808	22,424	45,921	121,116
Segment profit (loss)	<b>29,712,974</b>	<b>19,687,794</b>	<b>13,113,978</b>	<b>(10,079,483)</b>	<b>52,435,263</b>

The Fourth Milling Company (Owned by One Person)  
(A Saudi Closed Joint Stock Company)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)  
At 31 March 2024

3 SEGMENT INFORMATION (continued)

<i>As of 31 March 2024 (unaudited)</i>	<i>Dammam SR</i>	<i>Madinah SR</i>	<i>Kharj SR</i>	<i>Head office SR</i>	<i>Total SR</i>
Total assets	293,650,728	445,863,288	245,212,199	225,099,045	1,209,825,260
Total liabilities	(200,607,361)	(224,769,127)	(38,423,732)	(28,255,262)	(492,055,482)
<b>Other disclosures:</b>					
Property, plant and equipment	93,805,334	219,792,349	207,473,688	2,180,680	523,252,051
Capital expenditures	-	213,689	-	919,688	1,133,377
Right of use assets	156,272,768	178,988,307	18,726,310	4,428,712	358,416,097
Intangible assets	3,375	-	-	57,628,062	57,631,437
Inventories	21,956,148	23,918,206	8,434,293	-	54,308,647
<i>As of 31 December 2023 (audited)</i>	<i>Dammam SR</i>	<i>Madinah SR</i>	<i>Kharj SR</i>	<i>Head office SR</i>	<i>Total SR</i>
Total assets	296,757,258	438,702,809	245,304,333	176,278,254	1,157,042,654
Total liabilities	(198,247,795)	(219,261,478)	(32,692,001)	(23,828,026)	(474,029,300)
<b>Other disclosures:</b>					
Property, plant and equipment	95,838,585	223,075,064	210,737,995	2,315,455	531,967,099
Capital expenditures	5,246,798	1,725,129	1,801,606	1,377,500	10,151,033
Right of use assets	158,115,982	180,955,211	18,932,093	4,487,761	362,491,047
Intangible assets	-	-	-	56,720,504	56,720,504
Inventories	29,687,578	18,999,851	7,268,411	12,332	55,968,172

4 PROPERTY, PLANT AND EQUIPMENT

	<i>31 March 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
At the beginning of the period / year	<b>531,967,099</b>	545,595,598
Additions for the period / year	<b>213,689</b>	9,267,787
Depreciation charge for the period / year	<b>(8,928,737)</b>	(35,491,830)
Transferred from inventories, net	-	12,595,544
At the end of the period / year	<b><u>523,252,051</u></b>	<b><u>531,967,099</u></b>

Buildings are built on land leased from the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organization (“SAGO”)) with an annual rental value of SR 12.7 million. The initial term of the land lease is 25 calendar years commencing from 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017), which was adjusted in 2021 to match with the duration of flour milling license (30 November 2046). The lease is renewable automatically subject to renewal of Company’s milling license.

<i>Net book value</i>	<i>At 31 December 2023 SR</i>	<i>Additions during the period SR</i>	<i>Depreciation charge for the period SR</i>	<i>At 31 March 2024 SR</i>
Buildings	187,646,425	-	(2,275,980)	185,370,445
Plant and machinery	330,547,810	-	(6,227,756)	324,320,054
Furniture and fittings	1,790,995	18,000	(79,055)	1,729,940
Computer equipment	3,844,876	-	(227,493)	3,617,383
Motor vehicle	646,741	-	(118,453)	528,288
Capital work in progress**	7,490,252	195,689	-	7,685,941
<b>Total</b>	<b>531,967,099</b>	<b>213,689</b>	<b>(8,928,737)</b>	<b>523,252,051</b>

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**4 PROPERTY, PLANT AND EQUIPMENT (continued)**

\*\* Capital work in progress mainly consist of:

- the project of implementing security and safety works in Dammam Branch.
- supply and installation of temperature and humidity sensitivity projects in Madinah Branch.

Expected completion date is end of June 2024 and the capital commitments relating to this amount is SR 2.9 million (31 December 2023: SR 3.1 million).

Depreciation has been allocated as follows:

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Direct costs for the period / year	<b>7,950,583</b>	30,521,749
General and administration for the period / year	<b>675,761</b>	1,549,969
Selling and distribution for the period / year	<b>302,393</b>	3,420,112
Total charge for the period / year	<b><u>8,928,737</u></b>	<b><u>35,491,830</u></b>

**5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

The Company entered into a lease agreement with the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organization (“SAGO”)) for the rental of silos for the purpose of storing wheat, flour and feed. The term of the lease is 25 calendar years commencing from 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017), which was adjusted in December 2021 to match with the duration of flour milling license upto 30 November 2046. and is renewable automatically subject to renewal of Company’s milling license. The estimated useful lives of leased assets for amortising right-of-use assets purposes are 25 years.

The Company has entered into land leases for business units. The initial term of the land lease is 25 calendar years commencing from 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017), which was adjusted in 2021 to match with the duration of flour milling license (i.e., 30 November 2046). These leases do not transfer ownership of the assets to the lessor at the end of the lease. The estimated useful lives of right-of-use assets are 25 years and ending on 30 November 2046.

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

Movement in right-of-use assets is presented below:

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	<b>362,491,047</b>	385,512,508
Lease modification	-	(3,736,067)
Depreciation charge for the period / year	<b>(4,074,950)</b>	(19,285,394)
At the end of the period / year	<b><u>358,416,097</u></b>	<b><u>362,491,047</u></b>

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**5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

Movement in lease liabilities is presented below:

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	<b>402,254,418</b>	420,874,762
Accretion of interest for the period / year	<b>2,843,761</b>	7,882,296
Lease modification	-	(3,736,067)
Payments during the period / year	-	(22,766,573)
At the end of the period / year	<b><u>405,098,179</u></b>	<b><u>402,254,418</u></b>
<b>Bifurcated into:</b>		
Current portion	<b>25,829,852</b>	22,986,091
Non-current portion	<b>379,268,327</b>	379,268,327

Depreciation has been allocated as follows:

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Direct costs for the period / year	<b>3,841,878</b>	16,705,796
General and administration for the period / year	<b>99,209</b>	676,842
Selling and distribution for the period / year	<b>133,863</b>	1,902,756
Total charge for the period / year	<b><u>4,074,950</u></b>	<b><u>19,285,394</u></b>

**6 INTANGIBLE ASSETS**

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	<b>56,720,504</b>	55,870,767
Additions during the period / year	<b>919,688</b>	883,246
Amortisation charge for the period / year	<b>(8,755)</b>	(33,509)
At the end of the period / year	<b><u>57,631,437</u></b>	<b><u>56,720,504</u></b>

Intangible assets include trademark amounting SR 50,102,500 which has indefinite useful life. The Company has performed its impairment test for intangible asset with indefinite useful life on 31 December 2023. The recoverable amount of all the CGUs of SR 66 million as at 31 December 2023 has been determined based on a value-in-use calculation using cash flow projections from financial budgets reviewed by senior management covering a five-year period. The weighted average cost of capital ("WACC") applied to cash flow projections is 11.7%. As at 31 December 2023, the value-in-use of the CGUs was higher than the net assets value of the Company, indicating no impairment of trademark.

It also includes software under implementation with net book value of SR 7,480,065, which went live in April 2024.

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**7 INVENTORIES**

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Spare parts	<b>36,142,986</b>	36,789,364
Raw materials	<b>26,621,032</b>	28,150,915
Finished goods *	<b>8,090,340</b>	7,636,514
Other inventories	<b>68,120</b>	5,210
Less: provision for slow moving inventories and scrap items	<b>(16,613,831)</b>	(16,613,831)
	<b>54,308,647</b>	55,968,172

\* The cost of finished goods includes direct costs and indirect costs, indirect costs are allocated based on the quantities produced.

**8 PREPAYMENTS AND OTHER CURRENT ASSETS**

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Advance to suppliers	<b>16,783,486</b>	10,199,235
Margin against letter of guarantees	<b>2,625,640</b>	2,625,640
Prepaid expenses	<b>1,509,972</b>	2,499,415
Accrued income on Islamic short-term murabaha deposits	<b>319,331</b>	140,645
Staff loans and advances	<b>9,670</b>	54,085
Other receivables	<b>43,200</b>	55,872
	<b>21,291,299</b>	15,574,892

**9 ACCOUNTS RECEIVABLES**

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Accounts receivables	<b>12,710,169</b>	6,094,901
Less: Provision for expected credit loss	<b>(2,826,163)</b>	(884,367)
	<b>9,884,006</b>	5,210,534

**10 RELATED PARTIES TRANSACTIONS AND BALANCES**

Related parties represent the Shareholder 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.

Name of related party	Nature of relationship
Gulf Flour Milling Industrial Company	Shareholder
Abdullah Alothaim Markets Company	Ultimate shareholder
United Feed Manufacturing Company	Ultimate shareholder
Allana International Limited Company	Ultimate shareholder
Riyadh Food Industries Company	Affiliate
Pure food corporations	Affiliate

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**10 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)**

Following table provides the total amount of transactions that have been entered into with related parties during the three-month period ended 31 March 2024 and 31 March 2023:

	Nature of transaction	Amount of transaction (SR)	
		2024 (Unaudited)	2023 (Unaudited)
Zod Factory for Pastries and Bakeries, a branch of Al-Othaim Markets Company	Revenue	<b>98,333</b>	-
	Collections	<b>169,864</b>	235,108
Riyadh Food Industries Company	Revenue	-	367,197
	Collections	-	348,277
Abdullah Al-Othaim Markets Company	Revenue	<b>5,067,603</b>	6,188,628
	Collections	<b>3,169,053</b>	535,789
United Feed Manufacturing Company	Revenue	<b>12,496,471</b>	19,997,328
	Collections	<b>10,800,000</b>	20,294,510
Pure Food Corporations	Revenue	<b>2,127,351</b>	1,874,288
	Collections	<b>858,687</b>	1,005,735

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	SR	SR
<b>Amounts due from related parties</b>		
Gulf Flour Milling Industrial Company	<b>21,190,702</b>	21,190,702
Abdullah Al-Othaim Markets Company	<b>3,184,104</b>	1,285,554
Pure Food Cooperation	<b>1,440,306</b>	171,642
United Feed Manufacturing Company	<b>205,828</b>	-
Riyadh Food Industries Company	<b>47,507</b>	47,507
Zod Factory for Pastries and Bakeries, a branch of Abdullah Al-Othaim Markets Company	-	71,531
	<b>26,068,447</b>	<b>22,766,936</b>

	31 March 2024 (Unaudited)	31 December 2023 (Audited)
	SR	SR
<b>Amounts due to a related party</b>		
United Feed Manufacturing Company	-	1,490,643

**Compensation of key management personnel of the Company**

The compensation of the Company's key management personnel includes salaries and other benefits. Amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. Board and committees' expenses, rewards and allowances during the period amounts to SR 48,036 (31 March 2023: SR 29,358).

	31 March 2024 (Unaudited)	31 March 2023 (Unaudited)
Short-term employee benefits	<b>1,571,429</b>	989,828
Long-term employee benefits	<b>66,209</b>	54,306

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**11 CASH AND CASH EQUIVALENTS**

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Islamic short-term murabaha deposits*	<b>129,169,921</b>	82,967,570
Cash at bank	<b>29,758,860</b>	23,287,854
Cash in hand	<b>44,495</b>	88,046
	<b>158,973,276</b>	106,343,470

(\*) *Islamic short-term murabaha deposits are deposited with banks for varying periods of between one day and three months, depending on the immediate cash requirements of the Company and earns interest at floating rate based on daily bank deposit rate. Effective interest rate is 5.51%.*

**12 SHARE CAPITAL**

The Company's authorised, issued and paid-up share capital is divided into 540,000,000 shares of SR 1 each (31 December 2023: 47,390,317 shares of SR 10 each), owned by Gulf Flour Milling Industrial Company ("the Shareholder").

The ultimate shareholding of the Company is disclosed below:

<u>Ultimate shareholder</u>	<u>%age ownership</u>
Abdullah Alothaim Markets Company	33.33%
United Feed Manufacturing Company	33.33%
Allana International Limited Company	33.33%
	<u>100%</u>

**Proposed increase in share capital**

On 14 Jumada Al-Akhirah 1445H (corresponding to 27 December 2023), the shareholder of the Company passed a resolution of the extraordinary General Assembly of the Company at their meeting to increase the Company's share capital from SR 473,903,170 to SR 540,000,000 through the transfer of SR 40,017,406 from the account of "retained earnings" and SR 26,079,424 from the account of "statutory reserve" respectively. Legal formalities in this regard have been completed on 27 Jumada Al-Akhirah 1445H (corresponding to 9 January 2024).

**13 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

	31 March 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Accrued employees' costs	<b>8,130,403</b>	9,664,067
Accrued customer discounts	<b>7,832,343</b>	628,425
Accrued rent	<b>5,176,808</b>	5,130,308
Accrual for professional fees	<b>4,987,500</b>	4,987,500
Value added tax ("VAT") payable	<b>4,367,955</b>	3,116,943
Accrued marketing and promotions	<b>2,699,950</b>	295,425
Accrued utilities expense	<b>1,247,186</b>	1,072,592
Accrual for General Organization for Social Insurance ("GOSI")	<b>342,807</b>	99,847
Other accruals	<b>3,557,472</b>	1,732,906
	<b>38,342,424</b>	26,728,013



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**14 ZAKAT AND INCOME TAX**

Zakat and income tax charged for the period consists of the following:

	<i>For the three-month period ended</i>	
	<i>31 March 2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 March 2023</i> <i>(Unaudited)</i> <i>SR</i>
Zakat expense	<b>1,547,916</b>	890,094
Income tax expense	<b>2,983,359</b>	2,561,446
Deferred tax expense	-	3,470,945
	<b>4,531,275</b>	<b>6,922,485</b>

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

	<i>31 March 2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 December 2023</i> <i>(Audited)</i> <i>SR</i>
At the beginning of the period / year	<b>919,583</b>	13,846,462
Charge for the period / year	<b>4,531,275</b>	9,061,090
Payments during the period / year	-	(21,987,969)
<b>At the end of the period / year</b>	<b>5,450,858</b>	<b>919,583</b>

***Deferred tax***

Deferred taxes are recognised for all taxable temporary differences and all deductible temporary differences, carry forward of unused tax credits and unused tax losses only to the extent that it is probable that taxable profit will be available against which these assets can be utilised. Cumulative impact of deferred tax was recorded in the statement of profit or loss for the first time during the year ended 31 December 2023.

***Status of zakat and income tax assessment***

The Company was subject to zakat and income tax from 1 December 2021 as previously its share capital was from public funds in accordance with the decision of the Zakat, Tax and Customs Authority (“ZATCA”). The Company has submitted its zakat and income tax return for a period from 1 December 2021 to 31 December 2021 and for the year ended 31 December 2022 and 31 December 2023, however assessment has not been raised by ZATCA.

**15 REVENUE**

	<i>For the three-month period ended</i>	
	<i>31 March 2024</i> <i>(Unaudited)</i> <i>SR</i>	<i>31 March 2023</i> <i>(Unaudited)</i> <i>SR</i>
Flour	<b>118,713,634</b>	105,776,827
Bran	<b>46,866,234</b>	45,961,206
Feed	<b>10,656,168</b>	15,967,350
	<b>176,236,036</b>	167,705,383
Less: Discount and promotions	<b>(5,904,632)</b>	(5,662,888)
	<b>170,331,404</b>	<b>162,042,495</b>

The Company sells its goods based on sale orders from customers, majority of which is secured by the advance receipts of value of goods. The sale of goods by the Company is recognised at a point in time basis. The performance obligation is satisfied at time of dispatch of goods from the warehouse.

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**15 REVENUE (continued)**

	<u>31 March 2024</u> <i>(Unaudited)</i> SR	<u>31 March 2023</u> <i>(Unaudited)</i> SR
<b>Type of sector</b>		
Corporate sector	<b>156,787,388</b>	138,176,216
Hypermarkets	<b>8,348,957</b>	9,262,586
Individual sector	<b>5,195,059</b>	14,603,693
	<u><b>170,331,404</b></u>	<u>162,042,495</u>
<b>Duration of contracts</b>		
Less than one year	<u><b>170,331,404</b></u>	<u>162,042,495</u>

**16 DIRECT COSTS**

	<i>For the three-month period ended</i>	
	<u>31 March 2024</u> <i>(Unaudited)</i> SR	<u>31 March 2023</u> <i>(Unaudited)</i> SR
Material consumed	<b>55,386,249</b>	53,979,471
Employees' costs	<b>11,006,160</b>	11,589,202
Depreciation of property, plant and equipment	<b>7,950,583</b>	7,554,486
Depreciation of right-of-use assets	<b>3,841,878</b>	4,176,449
Fuel and power	<b>4,309,046</b>	3,637,993
Transportation	<b>766,713</b>	32,119
Insurance	<b>745,599</b>	789,384
Maintenance	<b>587,524</b>	734,827
Subscriptions	<b>425,387</b>	411,940
Rent	<b>172,000</b>	172,000
Other direct costs	<b>441,697</b>	246,703
	<u><b>85,632,836</b></u>	<u>83,324,574</u>
Finished goods at the beginning of the period	<b>7,636,514</b>	6,175,233
Total production cost prepared for sale during the period	<b>93,269,350</b>	89,499,807
Finished goods at the end of the period	<b>(8,090,340)</b>	(7,784,460)
	<u><b>85,179,010</b></u>	<u>81,715,347</u>

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**17 SELLING AND DISTRIBUTION EXPENSES**

	<i>For the three-month period ended</i>	
	<u>31 March 2024</u>	<u>31 March 2023</u>
	<i>(Unaudited)</i> SR	<i>(Unaudited)</i> SR
Transportation and shipping charges	<b>7,238,459</b>	5,689,461
Marketing and advertising costs	<b>3,777,087</b>	4,560,131
Sales commission to hypermarkets	<b>3,214,088</b>	-
Employees' costs	<b>2,020,987</b>	2,238,047
Expected credit losses of accounts receivables	<b>1,941,796</b>	498,216
Depreciation of property, plant and equipment	<b>302,393</b>	846,132
Fuel and power	<b>283,761</b>	417,091
Depreciation of right-of-use assets	<b>133,863</b>	475,690
Insurance	<b>100,974</b>	90,734
Rent	<b>9,055</b>	8,873
Other expenses	<b>146,800</b>	142,332
	<b><u>19,169,263</u></b>	<u>14,966,707</u>

**18 GENERAL AND ADMINISTRATION EXPENSES**

	<i>For the three-month period ended</i>	
	<u>31 March 2024</u>	<u>31 March 2023</u>
	<i>(Unaudited)</i> SR	<i>(Unaudited)</i> SR
Employees' costs	<b>8,380,435</b>	5,326,737
Depreciation of property, plant and equipment	<b>675,761</b>	375,916
Professional and consultancy services	<b>610,808</b>	871,500
Insurance	<b>344,312</b>	176,198
Maintenance	<b>215,333</b>	341,379
Fuel and power	<b>176,387</b>	131,865
Communication	<b>163,170</b>	131,816
Depreciation of right-of-use assets	<b>99,209</b>	169,210
Amortisation of intangible assets	<b>8,755</b>	8,108
Other expenses	<b>767,017</b>	888,734
	<b><u>11,441,187</u></b>	<u>8,421,463</u>

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**19 EARNINGS PER SHARE**

Basic earnings per share (“EPS”) is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2024 (Unaudited) SR	31 March 2023 (Unaudited) SR
Profit for the period	<b>48,617,303</b>	45,512,778
Weighted average number of ordinary shares for basic EPS	<b>540,000,000</b>	47,390,317
Weighted average number of ordinary shares for dilute EPS	<b>540,000,000</b>	47,390,317
Earnings per share – basic	<b>0.09</b>	0.96
Earnings per share - diluted	<b>0.09</b>	0.96

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of the interim condensed financial statements.

**20 DIVIDENDS**

In its meeting held on 11 Jumada Al-Ula 1445H (corresponding to 5 December 2022), the Ordinary General Assembly of the Company has authorised the Board of Directors to distribute interim dividends on a quarterly or semi-annual basis for the fiscal year 2023 and 2024.

On 27 Rajab 1445H (corresponding to 8 February 2024), the Board of Directors resolved to distribute interim cash dividends of SR 0.03 per share amounting to SR 14 million for the first quarter of 2024 (31 March 2023: SR 100 million). Out of SR 14 million, SR 11,574,740 has been paid during the period while SR 2,425,260 is presented as dividends payable under current liabilities.

**21 CONTINGENT LIABLILTIES**

As of 31 March 2024, the Company had contingent liabilities arose during its normal business cycle and related to letters of credit and letters of guarantee of SR 2.6 million (31 December 2023: SR 2.6 million).

**22 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company’s capital and financial risk management strategies have not changed significantly since the last year end. All financial assets and financial liabilities of the Company are classified and measured at amortised cost.

**23 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Company’s financial asset consists of cash and cash equivalents, accounts receivables, amounts due from related parties and other receivables. Its financial liabilities consist of accounts payables, amounts due to a related party, dividends payable and lease liabilities.

Management believes that the fair value of the financial instruments of the Company at the reporting date approximate their carrying value.

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**24 RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS**

During the year ended 31 December 2023, the Company restated certain amounts and balances included in the prior periods financial statements to reflect appropriate accounting treatment and classification. The details of each of such restatements have been summarised below:

**Restatement - 1**

During the year ended 31 December 2023, management of the Company has identified that they have not reassessed the value of lease liabilities after obtaining flour milling license in 2021. Management has done the reassessment during the year and as a result, the right-of-use assets and lease liabilities were understated. The error has been corrected by restating each of the affected financial statement line items for the prior period opening balance.

**Restatement - 2**

During the year ended 31 December 2023, management discovered that the useful life of the buildings that are built on leased land in prior periods were erroneously based on the economic life of the buildings instead of the lease term. Consequently, the carrying value of buildings were overstated and the related accumulated depreciation was understated.

The above-mentioned errors have been corrected by restating each of the affected financial statement line items for the prior periods. Following tables summaries the impacts on the Company's financial statements:

**At 31 December 2022**

	<i>Previously stated (SR)</i>	<i>Restatement (SR)</i>	<i>Restated (SR)</i>
<b>STATEMENT OF FINANCIAL POSITION</b>			
Right-of-use assets	273,735,030	111,777,478	385,512,508
Lease liabilities	309,097,284	111,777,478	420,874,762
Property, plant and equipment	562,012,297	(16,416,699)	545,595,598
Retained earnings	255,402,469	(16,416,699)	238,985,770

**25 EVENTS AFTER THE REPORTING DATE**

No significant subsequent event since the three-month period ended 31 March 2024 that would have a material impact on the financial position of the Company as reflected in these interim condensed financial statements.

**26 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements were authorised for issuance by the Company's Board of Directors on 19 Thul-Qi'dah 1445H (corresponding to 25 June 2024).