

**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 AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER
2024**

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

INTERIM CONDENSED FINANCIAL STATEMENTS

30 September 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 30 September 2024, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2024 and the related interim condensed statements of changes in equity and cash flows for the nine-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: 27 Rabi Al-Thani 1446H
(30 October 2024)

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

At 30 September 2024

		30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
	Notes		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	512,068,078	531,967,099
Right-of-use assets	5	354,033,338	362,491,047
Intangible assets	6	57,880,874	56,720,504
TOTAL NON – CURRENT ASSETS		923,982,290	951,178,650
CURRENT ASSETS			
Inventories	7	52,795,360	55,968,172
Prepayments and other current assets	8	16,176,973	15,574,892
Amounts due from related parties	10	4,662,631	22,766,936
Accounts receivables	9	6,509,690	5,210,534
Cash and cash equivalents	11	211,642,918	106,343,470
TOTAL CURRENT ASSETS		291,787,572	205,864,004
TOTAL ASSETS		1,215,769,862	1,157,042,654
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	540,000,000	473,903,170
Proposed increase in share capital	12	-	66,096,830
Actuarial reserve		(771,524)	(425,315)
Retained earnings		191,265,498	143,438,669
TOTAL EQUITY		730,493,974	683,013,354
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current portion of lease liabilities	5	367,103,147	379,268,327
Employees' defined benefits obligation		5,497,307	3,919,993
Deferred tax liabilities, net	14	7,541,205	5,805,761
TOTAL NON-CURRENT LIABILITIES		380,141,659	388,994,081
CURRENT LIABILITIES			
Accounts payables		38,085,140	22,402,300
Accrued expenses and other liabilities	13	27,104,064	26,728,013
Amounts due to a related party	10	55,201	1,490,643
Current portion of lease liabilities	5	23,724,851	22,986,091
Advances from customers		8,631,450	10,508,589
Zakat and income tax payable	14	7,533,523	919,583
TOTAL CURRENT LIABILITIES		105,134,229	85,035,219
TOTAL LIABILITIES		485,275,888	474,029,300
TOTAL EQUITY AND LIABILITIES		1,215,769,862	1,157,042,654



Chief Financial Officer
Rabih Abdul Kader Nahas



Chief Executive Officer
Khalid Abdul Aziz Al Maktary



Chairman BoD
Bader Hamed Al Anjan

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



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 and nine-month periods ended 30 September 2024

	Notes	For the three-month period ended		For the nine-month period ended	
		30 September 2024 (Unaudited) SR	30 September 2023 (Unaudited) SR	30 September 2024 (Unaudited) SR	30 September 2023 (Unaudited) SR
Revenue	15	159,927,525	136,715,411	462,288,370	410,691,653
Direct costs	16	(82,736,832)	(77,000,702)	(248,622,778)	(229,918,395)
GROSS PROFIT		77,190,693	59,714,709	213,665,592	180,773,258
EXPENSES					
Selling and distribution	17	(7,284,427)	(8,078,787)	(27,404,257)	(28,933,872)
General and administration	18	(17,041,258)	(9,368,204)	(41,458,834)	(26,152,221)
TOTAL EXPENSES		(24,325,685)	(17,446,991)	(68,863,091)	(55,086,093)
OPERATING PROFIT		52,865,008	42,267,718	144,802,501	125,687,165
Finance costs		(2,890,313)	(1,970,574)	(8,577,837)	(5,911,722)
Finance income		1,912,994	1,346,146	4,890,252	4,263,589
Other income (expenses), net		15,931	11,927	138,543	(3,686,755)
PROFIT BEFORE ZAKAT AND INCOME TAX		51,903,620	41,655,217	141,253,459	120,352,277
Zakat	14	(1,223,623)	(446,663)	(3,191,749)	(2,448,615)
Deferred income tax	14	(758,084)	(665,781)	(1,735,444)	(5,139,980)
Income tax	14	(2,859,830)	(1,821,790)	(7,499,437)	(5,114,032)
PROFIT FOR THE PERIOD		47,062,083	38,720,983	128,826,829	107,649,650
OTHER COMPREHENSIVE LOSS		(310,249)	(46,810)	(346,209)	(140,428)
TOTAL COMPREHENSIVE INCOME		46,751,834	38,674,173	128,480,620	107,509,222
Earnings per share (EPS)					
Basic and diluted earnings per share for the period	19	0.09	0.07	0.24	0.20



Chief Financial Officer
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Chief Executive Officer
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Chairman BoD
Bader Hamed Al Aujan

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

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 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	683,013,354
Profit for the period	-	-	-	-	128,826,829	128,826,829
Other comprehensive loss	-	-	-	(346,209)	-	(346,209)
Total comprehensive income	-	-	-	(346,209)	128,826,829	128,480,620
Transfer to share capital (note 12)	66,096,830	(66,096,830)	-	-	-	-
Dividends (note 20)	-	-	-	-	(81,000,000)	(81,000,000)
At 30 September 2024 (unaudited)	540,000,000	-	-	(771,524)	191,265,498	730,493,974

	Share capital SR	Proposed increase in share capital SR	Statutory reserve SR	Actuarial reserve SR	Retained earnings SR	Total SR
At 31 December 2022 (audited) (restated, note 24)	473,903,170	-	26,079,424	(238,078)	238,985,770	738,730,286
Profit for the period	-	-	-	-	107,649,650	107,649,650
Other comprehensive loss	-	-	-	(140,428)	-	(140,428)
Total comprehensive income	-	-	-	(140,428)	107,649,650	107,509,222
Dividends (note 20)	-	-	-	-	(150,000,000)	(150,000,000)
At 30 September 2023 (unaudited)	473,903,170	-	26,079,424	(378,506)	196,635,420	696,239,508



Chief Financial Officer
Rabih Abdul Kader Nahas



Chief Executive Officer
Khalid Abdul Aziz Al Maktary



Chairman BoD
Bader Hamed Al Aujan

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

For the nine-month period ended 30 September 2024

	Notes	For the nine-month period ended	
		30 September 2024	30 September 2023
		(Unaudited) SR	(Unaudited) SR
OPERATING ACTIVITIES			
Profit before zakat and income tax		141,253,459	120,352,277
Adjustments to reconcile profit before zakat and income tax to net cashflows:			
Depreciation for property, plant and equipment		26,935,742	26,537,151
Depreciation of right-of-use assets		12,224,851	14,464,045
Amortisation of intangible assets		417,980	24,082
Interest cost on lease liabilities		8,577,837	5,911,722
Provision for expected credit losses of account receivables		273,081	309,031
Provision for employees' defined benefit obligation		1,860,062	1,501,349
Write-off of property, plant and equipment		2,662,471	-
Provision for legal cases		949,706	-
Finance income		(1,912,994)	(4,263,589)
		193,242,195	164,836,068
Changes in operating assets and liabilities:			
Inventories		3,172,812	(18,472,728)
Prepayments and other current assets		(137,068)	(3,258,051)
Amounts due from related parties		18,104,305	(749,181)
Account receivables		(1,572,237)	(3,031,949)
Accounts payables		15,682,840	2,563,383
Accrued expenses and other liabilities		(573,655)	(2,658,546)
Amounts due to related parties		(1,435,442)	1,095,567
Advance from customers		(1,877,139)	(2,476,547)
Net cash from operations		224,606,611	137,848,016
Zakat and income tax paid		(4,077,246)	(19,274,133)
Employees' defined benefit liabilities paid		(628,957)	(157,730)
Net cash flows from operating activities		219,900,408	118,416,153
INVESTING ACTIVITIES			
Additions of property, plant and equipment	4	(9,699,192)	(8,108,694)
Purchase of intangible assets	6	(1,578,350)	(678,871)
Finance income received		1,447,981	4,503,602
Net cash flows used in investing activities		(9,829,561)	(4,283,963)
FINANCING ACTIVITIES			
Payment of principal portion of lease liabilities		(15,193,562)	(11,971,610)
Finance costs paid on lease liabilities		(8,577,837)	(5,911,722)
Dividends paid	20	(81,000,000)	(129,679,237)
Net cash flows used in financing activities		(104,771,399)	(147,562,569)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		105,299,448	(33,430,379)
Cash and cash equivalents at the beginning of the period		106,343,470	164,661,627
Cash and cash equivalents at the end of the period		211,642,918	131,231,248
Non-cash transactions:			
Classification of capital spares from inventories to property, plant and equipment, net book value		-	12,595,444
Right-of-use assets and lease liabilities	5	3,767,142	
Chief Financial Officer Rabih Abdul Kader Nahas		Chief Executive Officer Khalid Abdul Aziz Al Maktary	Chairman BoD Bader Hamed Al Aujan

The attached notes 1 to 26 form an integral part of these 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

At 30 September 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, wholesale of bakery products, trade of special and healthy food, animal food and feed stores, storage of grain, flour and agricultural products in warehouse and storage of goods in ports, customs or free trade zones.

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 Parent Company”) 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”).

On 19 Ramadan 1445H (corresponding to 24 March 2024), the General Assembly of Partners decided to go for an Initial Public Offering (“IPO”) on Saudi Stock Exchange (“Tadawul”), which was approved by Capital Market Authority (“CMA”) on 20 Duh Al-Hijjah 1445H (corresponding to 26 June 2024). On 2 Rabi Al-Awwal 1446H (corresponding to 5 September 2024), formal announcement was published in this regard. The listing procedures have been completed as of the date of approving these interim condensed financial statements.

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)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2024

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed financial statements of the Company for the three-month and nine-month periods ended 30 September 2024 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 for the year ended 31 December 2023. Although these interim condensed financial statements for the three-month and nine-month periods ended 30 September 2024 are not affected significantly by seasonality, 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, using the accrual basis of accounting except for employees’ defined benefit liabilities which is recognised at the present value of future obligations using the projected unit credit method. 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; and
- 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 30 September 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 interim condensed 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 nine-month period ended 30 September 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	188,406,951	147,632,333	126,249,086	-	462,288,370
Materials consumed	(63,356,641)	(35,919,186)	(55,593,431)	-	(154,869,258)
Employees' costs	(14,862,344)	(15,268,467)	(10,469,189)	(24,586,256)	(65,186,256)
Depreciation and amortisation	(11,670,512)	(17,484,849)	(9,413,388)	(1,009,824)	(39,578,573)
Other expenses	(20,483,371)	(18,447,131)	(13,055,792)	(5,865,488)	(57,851,782)
Finance costs	(4,566,868)	(3,382,049)	(363,746)	(265,174)	(8,577,837)
Finance income	-	-	-	4,890,252	4,890,252
Other income	60,336	17,058	61,149	-	138,543
Segment profit (loss) before zakat and income tax	73,527,551	57,147,709	37,414,689	(26,836,490)	141,253,459

<i>For the nine-month period ended 30 September 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	187,874,303	126,546,690	96,270,660	-	410,691,653
Materials consumed	(67,944,771)	(42,818,234)	(29,272,425)	-	(140,035,430)
Employees' costs	(13,902,650)	(14,924,477)	(10,333,801)	(17,289,588)	(56,450,516)
Depreciation and amortisation	(12,338,283)	(17,889,224)	(10,287,190)	(510,581)	(41,025,278)
Other expenses	(16,418,701)	(16,813,837)	(9,529,808)	(8,810,123)	(51,572,469)
Finance costs	(3,710,794)	(1,788,054)	(197,289)	(215,585)	(5,911,722)
Finance income	-	-	-	4,263,589	4,263,589
Other income	229,045	85,841	31,664	45,900	392,450
Segment profit (loss) before zakat and income tax	73,788,149	32,398,705	36,681,811	(22,516,388)	120,352,277

The Fourth Milling Company (Owned by One Person)
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2024

3 SEGMENT INFORMATION (continued)

<i>For the three-month period ended 30 September 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	63,773,411	53,040,732	43,113,382	-	159,927,525
Materials consumed	(21,245,987)	(13,612,298)	(18,692,035)	-	(53,550,320)
Employees' costs	(4,398,010)	(4,464,502)	(2,970,246)	(9,685,036)	(21,517,794)
Depreciation and amortisation	(3,907,573)	(5,558,845)	(3,457,255)	(410,870)	(13,334,543)
Other expenses	(7,536,502)	(5,162,654)	(3,478,337)	(2,482,367)	(18,659,860)
Finance costs	(1,528,113)	(1,135,109)	(126,777)	(100,314)	(2,890,313)
Finance income	-	-	-	1,912,994	1,912,994
Other income	15,831	106	(6)	-	15,931
Segment profit (loss) before zakat and income tax	25,173,057	23,107,430	14,388,726	(10,765,593)	51,903,620

<i>For the three-month period ended 30 September 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	60,939,745	41,244,796	34,530,870	-	136,715,411
Materials consumed	(22,531,984)	(15,072,774)	(10,119,637)	-	(47,724,395)
Employees' costs	(4,381,730)	(4,689,328)	(3,206,996)	(6,046,932)	(18,324,986)
Depreciation and amortisation	(4,134,367)	(5,987,620)	(3,441,416)	(178,136)	(13,741,539)
Other expenses	(3,840,172)	(5,007,457)	(3,453,624)	(2,355,520)	(14,656,773)
Finance costs	(1,236,931)	(596,018)	(65,763)	(71,862)	(1,970,574)
Finance income	-	-	-	1,346,146	1,346,146
Other income	3,231	1,963	8,802	(2,069)	11,927
Segment profit (loss) before zakat and income tax	24,817,792	9,893,562	14,252,236	(7,308,373)	41,655,217

<i>As of 30 September 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>
Total assets	279,944,061	421,887,288	240,362,451	273,576,062	1,215,769,862
Total liabilities	(203,876,508)	(223,767,168)	(47,234,178)	(10,398,034)	(485,275,888)
Other disclosures:					
Property, plant and equipment	89,948,380	213,080,858	206,040,495	2,998,345	512,068,078
Capital expenditures	2,912,836	975,932	4,712,216	1,098,208	9,699,192
Right of use assets	152,586,343	175,054,498	18,314,743	8,077,754	354,033,338
Intangible assets	15,438	12,400	12,400	57,840,636	57,880,874
Inventories	23,724,160	21,741,512	7,313,738	15,950	52,795,360

<i>As of 31 December 2023 (audited)</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>
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)
Other disclosures:					
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

The Fourth Milling Company (Owned by One Person)
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
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4 PROPERTY, PLANT AND EQUIPMENT

Net book value

	<i>At 31 December 2023 (audited) SR</i>	<i>Additions during the period SR</i>	<i>Depreciation charge for the period SR</i>	<i>Transfers SR</i>	<i>Write-off SR</i>	<i>At 30 September 2024 (unaudited) SR</i>
Buildings	187,646,425	-	(6,852,119)	1,329,299	-	182,123,605
Plant and machinery	330,547,810	3,629,931	(18,771,828)	3,726,655	-	319,132,568
Furniture and fittings	1,790,995	42,817	(238,902)	-	-	1,594,910
Computer equipment	3,844,876	376,708	(717,535)	697,504	-	4,201,553
Motor vehicle	646,741	-	(355,358)	-	-	291,383
Capital work in progress**	7,490,252	5,649,736	-	(5,753,458)	(2,662,471)	4,724,059
Total	531,967,099	9,699,192	(26,935,742)	-	(2,662,471)	512,068,078

Net book value

	<i>At 31 December 2022 (audited) (restated, note 24) SR</i>	<i>Additions during the period SR</i>	<i>Depreciation charge for the period SR</i>	<i>Transfers SR</i>	<i>Reclassified from inventories***</i>	<i>At 31 December 2023 (audited) SR</i>
Buildings	196,249,112	137,897	(9,106,034)	365,450	-	187,646,425
Plant and machinery	332,454,763	4,722,577	(24,687,354)	5,462,280	12,595,544	330,547,810
Furniture and fittings	1,775,611	267,459	(304,189)	52,114	-	1,790,995
Computer equipment	4,472,739	277,839	(905,702)	-	-	3,844,876
Motor vehicle	1,135,292	-	(488,551)	-	-	646,741
Capital work in progress	9,508,081	3,862,015	-	(5,879,844)	-	7,490,252
Total	545,595,598	9,267,787	(35,491,830)	-	12,595,544	531,967,099

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.

** Capital work in progress mainly consist of:

- Project of implementing security and safety works in Dammam Branch;
- Project of installing sensors and scaling machine to measure temperature and humidity in Madinah Branch;
- Capacity upgrade for packing line in Kharj Branch; and
- Improvements in new Head office

Expected completion date is end of December 2024 and the capital commitments relating to this amount is SR 19.2 million (31 December 2023: SR 3.1 million). During the period, SR 2.6 million of capital work in progress related to project of implementing security and safety works in Dammam Branch has been written off, as it did not meet requirements of High Commission for Industrial Security (“HCIS”), Kingdom of Saudi Arabia.

*** During the year ended 31 December 2023, management has assessed that certain capital spares with a cost of SR 15,880,144 and provision for slow-moving inventories of SR 3,284,600 have useful life of above 1 year and hence it meets the criteria of capitalisation under property, plant and equipment. Consequently, management has reclassified SR 12.59 million from inventories to property, plant and equipment.

Depreciation has been allocated as follows:

	<i>30 September 2024 (Unaudited) SR</i>	<i>31 December 2023 (Audited) SR</i>
Direct costs for the period / year	24,201,772	31,889,420
General and administration for the period / year	2,343,770	3,088,264
Selling and distribution for the period / year	390,200	514,146
Total charge for the period / year	26,935,742	35,491,830

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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 was 25 calendar years commencing from 3 Rabi Al-Thani 1438H (corresponding to 1 January 2017), which was adjusted in December 2021 to match with the duration of flour milling license 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 was 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:

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	362,491,047	385,512,508
Addition during the period / year	3,767,142	-
Lease modification	-	(3,736,067)
Depreciation charge for the period / year	(12,224,851)	(19,285,394)
At the end of the period / year	354,033,338	362,491,047

Movement in lease liabilities is presented below:

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	402,254,418	420,874,762
Addition during the period / year	3,767,142	-
Lease modification	-	(3,736,067)
Accretion of interest for the period / year	8,577,837	7,882,296
Payments during the period / year	(23,771,399)	(22,766,573)
At the end of the period / year	390,827,998	402,254,418
Bifurcated into:		
Current portion	23,724,851	22,986,091
Non-current portion	367,103,147	379,268,327

Depreciation has been allocated as follows:

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Direct costs for the period / year	11,665,805	18,403,467
General and administration for the period / year	487,054	768,355
Selling and distribution for the period / year	71,992	113,572
Total charge for the period / year	12,224,851	19,285,394

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6 INTANGIBLE ASSETS

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	56,720,504	55,870,767
Additions during the period / year	1,578,350	883,246
Amortisation charge for the period / year	(417,980)	(33,509)
At the end of the period / year	57,880,874	56,720,504

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 the asset 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 Board of Directors covering a five-year discrete period and subsequent periods in perpetuity. 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 asset was higher than the net assets value of the Company, indicating no impairment of trademark. There has been no significant change in assumptions as of the reporting date, compared to 31 December 2023.

It also includes software under implementation with net book value of SR 7.7 million which went live in April 2024.

7 INVENTORIES

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Spare parts and others	34,854,480	36,789,364
Raw materials	27,652,851	28,150,915
Finished goods *	6,879,294	7,636,514
Other inventories	22,566	5,210
Less: provision for slow moving inventories and scrap items	(16,613,831)	(16,613,831)
	52,795,360	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

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Advance to suppliers	6,076,201	10,199,235
Prepaid expenses	5,921,404	2,499,415
Margin against letter of guarantees	3,447,914	2,625,640
Accrued income on Islamic short-term Murabaha deposits	605,658	140,645
Staff loans and advances	104,811	54,085
Other receivables	20,985	55,872
	16,176,973	15,574,892

9 ACCOUNTS RECEIVABLES

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Accounts receivables	7,667,138	6,094,901
Less: Provision for expected credit losses	(1,157,448)	(884,367)
	6,509,690	5,210,534

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2024

10 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent the Parent Company, ultimate shareholders and key management personnel of the Company, and entities controlled or significantly influenced by such parties. The terms of the transactions with related parties are approved by the Company's management and Parent Company.

Name of related party	Nature of relationship
Gulf Flour Milling Industrial Company	Parent Company
Abdullah Al-Othaim 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
Abdulaziz Al-Othaim Markets Company	Affiliate

Following table provides the total amount of transactions that have been entered into with related parties during the three-month and nine-month periods ended 30 September 2024 and 30 September 2023:

Transactions for the nine-month period ended 30 September 2024 and 30 September 2023:

	Nature of transaction	Amount of transaction (SR)	
		30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Zod Factory for Pastries and Bakeries, a branch of Al-Othaim Markets Company	Revenue	863,511	435,606
	Collections	347,881	711,462
Riyadh Food Industries Company	Revenue	-	387,505
	Collections	47,507	223,271
Abdullah Al-Othaim Markets Company	Revenue	6,055,686	8,769,181
	Collections	6,273,845	6,166,113
	Shared services	-	517,546
	Sales support services	417,814	1,907,997
United Feed Manufacturing Company	Revenue	37,253,087	44,060,221
	Collections	34,375,000	45,155,788
Pure Food Corporations	Revenue	3,803,834	3,010,305
	Collections	2,982,210	2,327,027
	Sales support services	254,928	-
Gulf Flour Milling Industrial Company	IPO costs charged	4,837,620	-
	Collections	24,728,215	-
Abdulaziz Al-Othaim Markets Company	Sales	11,499	-
	Collection	66,700	-

10 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2024

Transactions for the three-month period ended 30 September 2024 and 30 September 2023:

	Nature of transaction	Amount of transaction (SR)	
		30 September 2024 (Unaudited)	30 September 2023 (Unaudited)
Zod Factory for Pastries and Bakeries, a branch of Al-Othaim Markets Company	Revenue	418,185	230,147
	Collections	-	310,507
Riyadh Food Industries Company	Revenue	-	96,876
	Collections	47,507	-
Abdullah Al-Othaim Markets Company	Revenue	912,130	2,577,384
	Collections	1,335,437	2,114,510
	Sales support services	-	1,598,588
United Feed Manufacturing Company	Revenue	14,043,317	11,622,281
	Collections	12,975,000	12,380,788
Pure Food Corporations	Revenue	1,079,894	1,039,010
	Collections	449,716	960,348
Gulf Flour Milling Industrial Company	IPO costs charged	1,041,901	-
Abdulaziz Al-Othaim Markets Company	Revenue	11,499	-
	Collections	66,700	-

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Amounts due from related parties		
United Feed Manufacturing Company	1,387,444	-
Gulf Flour Milling Industrial Company	1,300,107	21,190,702
Abdullah Al-Othaim Markets Company	649,581	1,285,554
Zod Factory for Pastries and Bakeries, a branch of Abdullah Al-Othaim Markets Company	587,161	71,531
Pure Food Cooperation	738,338	171,642
Riyadh Food Industries Company	-	47,507
	4,662,631	22,766,936
Amounts due to a related party		
Abdulaziz Al-Othaim Markets Company	55,201	-
United Feed Manufacturing Company	-	1,490,643
	55,201	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 2,346,523 (30 September 2023: SR 60,416).

10 RELATED PARTIES TRANSACTIONS AND BALANCES (continued)

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2024

	For the three-month period ended		For the nine-month period ended	
	30 September 2024 (Unaudited) SR	30 September 2023 (Unaudited) SR	30 September 2024 (Unaudited) SR	30 September 2023 (Unaudited) SR
Short-term employee benefits	1,399,444	1,979,900	3,925,482	3,959,556
Long-term employee benefits	56,245	13,072	195,284	112,254

11 CASH AND CASH EQUIVALENTS

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Islamic short-term Murabaha deposits*	175,759,856	82,967,570
Cash at bank	35,806,932	23,287,854
Cash in hand	76,130	88,046
	211,642,918	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 5.44%.*

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 Parent Company").

Increase in share capital

On 14 Jumada Al-Akhirah 1445H (corresponding to 27 December 2023), the Parent Company passed a resolution of the Extraordinary General Assembly of the Company 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 and to split the nominal value of the share from SR 10 per share to SR 1 per share. Legal formalities in this regard have been completed on 27 Jumada Al-Akhirah 1445H (corresponding to 9 January 2024).

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)
At 30 September 2024

13 ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
Accrued employees' costs	11,967,650	9,664,067
Accrued customer discounts	4,818,394	628,425
Value added tax ("VAT") payable	3,616,024	3,116,943
Accrued utilities expense	1,429,579	1,072,592
Accrual for legal cases	949,706	-
Accrual for inventories received	547,332	-
Accrual for professional fees	451,750	4,987,500
Accrued marketing and promotions	459,613	295,425
Accrual for General Organization for Social Insurance ("GOSI")	362,214	99,847
Accrued rent	-	5,130,308
Other accruals	2,501,802	1,732,906
	27,104,064	26,728,013

14 ZAKAT AND INCOME TAX

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

	30 September 2024 (Unaudited) SR	31 December 2023 (Audited) SR
At the beginning of the period / year	919,583	13,846,462
Charge for the period / year	10,691,186	9,061,090
Payments during the period / year	(4,077,246)	(21,987,969)
At the end of the period / year	7,533,523	919,583

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.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2024

15 REVENUE

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	<i>30 September 2024</i>	<i>30 September 2023</i>	<i>30 September 2024</i>	<i>30 September 2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	SR	SR	SR	SR
Flour	103,281,563	89,287,577	314,347,943	268,058,434
Bran	50,654,287	43,510,677	135,203,041	121,499,418
Feed	15,432,570	9,662,590	37,085,312	37,913,208
	169,368,420	142,460,844	486,636,296	427,471,060
Less: Discount and promotions	(9,440,895)	(5,745,433)	(24,347,926)	(16,779,407)
	159,927,525	136,715,411	462,288,370	410,691,653

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.

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	<i>30 September 2024</i>	<i>30 September 2023</i>	<i>30 September 2024</i>	<i>30 September 2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	SR	SR	SR	SR
Type of sector				
Corporate sector	150,044,111	85,521,803	434,481,745	328,553,324
Individual sector	6,954,039	49,563,013	18,156,012	70,373,990
Hypermarkets	2,929,375	1,630,595	9,650,613	11,764,339
	159,927,525	136,715,411	462,288,370	410,691,653

16 DIRECT COSTS

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	<i>30 September 2024</i>	<i>30 September 2023</i>	<i>30 September 2024</i>	<i>30 September 2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	SR	SR	SR	SR
Materials consumed	53,550,320	47,724,395	154,869,258	140,035,430
Employees' costs	9,910,105	10,527,492	31,771,389	32,971,944
Depreciation of property, plant and equipment	8,169,929	8,007,808	24,201,772	23,843,638
Fuel and power	4,475,060	3,917,739	12,808,093	10,666,236
Depreciation of right-of-use assets	3,888,602	4,600,866	11,665,805	13,802,600
Transportation	1,517,019	358,320	4,635,695	1,313,087
Insurance	725,983	710,841	2,217,024	2,352,455
Maintenance	701,468	530,450	1,806,226	1,843,257
Subscriptions	414,954	695,125	1,107,337	1,809,139
Rent	186,999	167,775	530,999	507,549
Professional and consultancy services	269,484	-	697,534	-
Other direct costs	313,435	254,640	1,554,426	777,030
	84,123,358	77,495,451	247,865,558	229,922,365
Finished goods at the beginning of the period	5,492,768	5,684,454	7,636,514	6,175,233
Total production cost prepared for sale during the period	89,616,126	83,179,905	255,502,072	236,097,598
Finished goods at the end of the period	(6,879,294)	(6,179,203)	(6,879,294)	(6,179,203)
	82,736,832	77,000,702	248,622,778	229,918,395

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2024

17 SELLING AND DISTRIBUTION EXPENSES

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	<i>30 September 2024</i>	<i>30 September 2023</i>	<i>30 September 2024</i>	<i>30 September 2023</i>
	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>
Transportation and shipping charges	5,704,117	4,029,243	16,104,170	11,815,359
Employees' costs	1,915,072	2,224,067	5,899,022	6,934,685
Marketing and advertising costs	-	600,000	2,221,454	6,567,390
Sales support services	331,492	266,443	947,312	835,141
Fuel and power	42,734	442,398	441,825	1,216,254
Depreciation of property, plant and equipment	43,903	129,109	390,200	384,426
Insurance	111,013	97,009	305,401	293,864
(Reversal) expected credit losses of accounts receivables	(1,205,557)	99,162	273,081	309,031
Professional and consultancy fees	-	-	58,479	-
Depreciation of right-of-use assets	23,998	28,394	71,992	85,179
Rent	7,443	12,357	25,655	33,452
Other expenses	310,212	150,605	665,666	459,091
	7,284,427	8,078,787	27,404,257	28,933,872

18 GENERAL AND ADMINISTRATION EXPENSES

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	<i>30 September 2024</i>	<i>30 September 2023</i>	<i>30 September 2024</i>	<i>30 September 2023</i>
	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>	<i>(Unaudited) SR</i>
Employees' costs	8,872,785	5,562,294	25,169,322	16,483,471
Professional and consultancy services	881,816	1,524,044	2,589,090	2,744,624
Write-off of property, plant and equipment	2,662,471	-	2,662,471	-
Board and committees' expenses, rewards and allowances	819,832	11,133	2,346,523	60,416
Depreciation of property, plant and equipment	837,332	775,499	2,343,770	2,309,087
Insurance	487,704	296,619	1,252,825	754,474
Litigation expenses	949,706	-	949,706	-
Communication	189,954	336,187	643,585	612,426
Fuel and power	236,465	169,403	521,594	420,575
Depreciation of right-of-use assets	162,351	192,088	487,054	576,266
Amortisation of intangible assets	208,428	7,776	417,980	24,082
Maintenance	14,861	199,598	273,939	946,200
Other expenses	717,553	293,563	1,800,975	1,220,600
	17,041,258	9,368,204	41,458,834	26,152,221

The Fourth Milling Company (Owned by One Person)
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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (continued)

At 30 September 2024

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 number of shares for the three-month and nine-month periods ended 30 September 2023 has been adjusted retrospectively to reflect the shares split (note 12). Since the change in number of shares outstanding during the year ended 31 December 2023 was due to increase in share capital and change in nominal value of shares, number of shares outstanding for all periods presented was adjusted retrospectively.

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

	<i>For the three-month period ended</i>		<i>For the nine-month period ended</i>	
	<i>30 September 2024</i>	<i>30 September 2023</i>	<i>30 September 2024</i>	<i>30 September 2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>SR</i>	<i>SR</i>	<i>SR</i>	<i>SR</i>
Profit for the period	47,062,083	38,720,983	128,826,829	107,649,650
Weighted average number of ordinary shares for basic and diluted EPS	540,000,000	540,000,000	540,000,000	540,000,000
Earnings per share – basic and diluted	0.09	0.07	0.24	0.20

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.

30 September 2024

For the nine-month period ended 30 September 2024, the Board of Directors resolved to distribute interim cash dividends as below:

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

30 September 2023

The Board of Directors resolved to distribute following interim cash dividends:

- SR 100 million on meeting held on 24 Rajab 1444H (corresponding to 15 February 2023)
- SR 50 million on meeting held on 6 Safar 1445H (corresponding to 22 August 2023)

Out of SR 150 million, SR 129,697,237 was paid during the period and remaining SR 20,320,763 is presented as dividends payable under current liabilities.

21 CONTINGENT LIABILITIES

The Company has contingent liabilities from time to time relating to certain disputed matters, including claims from and against customers, contractors, litigation and arbitration proceedings involving a variety of cases. These contingent liabilities arose in the normal course of business. No additional significant obligations are expected to be incurred from these potential claims, apart from the amount recorded under accrued expenses.

As of 30 September 2024, the Company had contingent liabilities arose during its normal business cycle and related to letters of credit and letters of guarantee of SR 3.4 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.

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At 30 September 2024

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.

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.

Following table summaries the impacts on the Company's financial statements as of and for the year ended 31 December 2022:

At 31 December 2022

	<i>Previously stated (SR)</i>	<i>Restatement (SR)</i>	<i>Restated (SR)</i>
STATEMENT OF FINANCIAL POSITION			
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

Subsequent to period-end, the allotment of shares to new shareholders was completed and the Company's ordinary shares began trading on Saudi Stock Exchange ("Tadawul") on 26 Rabi Al-Thani 1446H (corresponding to 29 October 2024).

Apart from above, no significant subsequent event since the nine-month period ended 30 September 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 27 Rabi Al-Thani 1446H (corresponding to 30 October 2024).