

«Quality and Innovation for Sustainable Food Security»

Annual Report 2025

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al-Saud



His Royal Highness Prince
Crown Prince and Prime Minister

Mohammed bin Salman bin Abdulaziz Al-Saud

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Section I

Company Overview

“A Year of Excellence: A Sector Leader”

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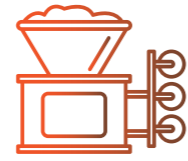
Key Financial and Operational Results in 2025

Operational Performance



No. of Plants

3



No. of Mills

7



Market Share of
Consumer Pack

28%



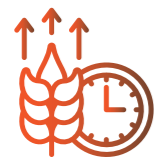
No. of Products

29



No. of Customers

163



Daily Wheat
Milling Capacity

3,150
Tons



Daily Feed
Production Capacity

450
Tons



Silo Storage
Capacity

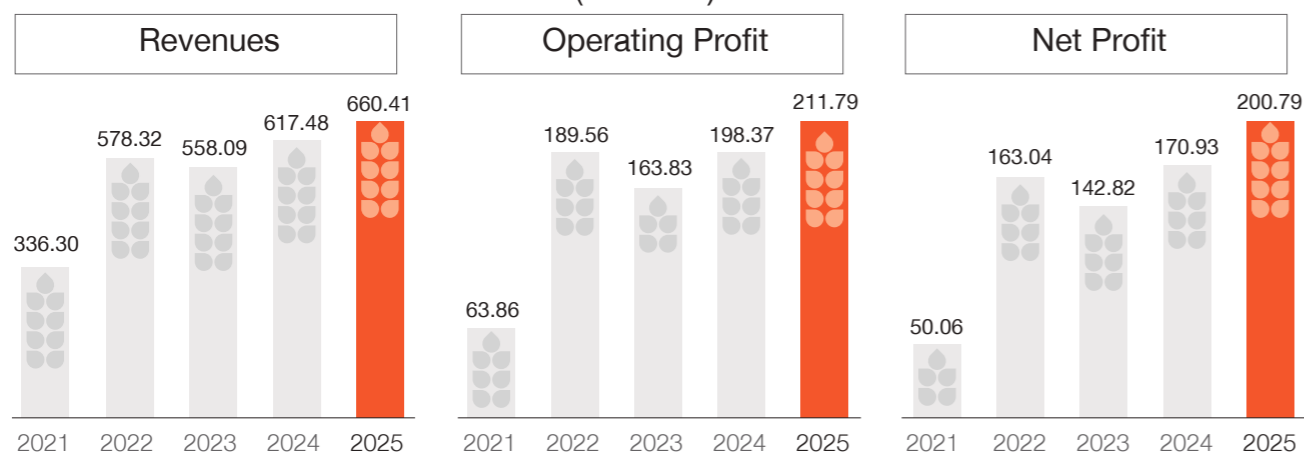
150,000
Tons



Financial Performance

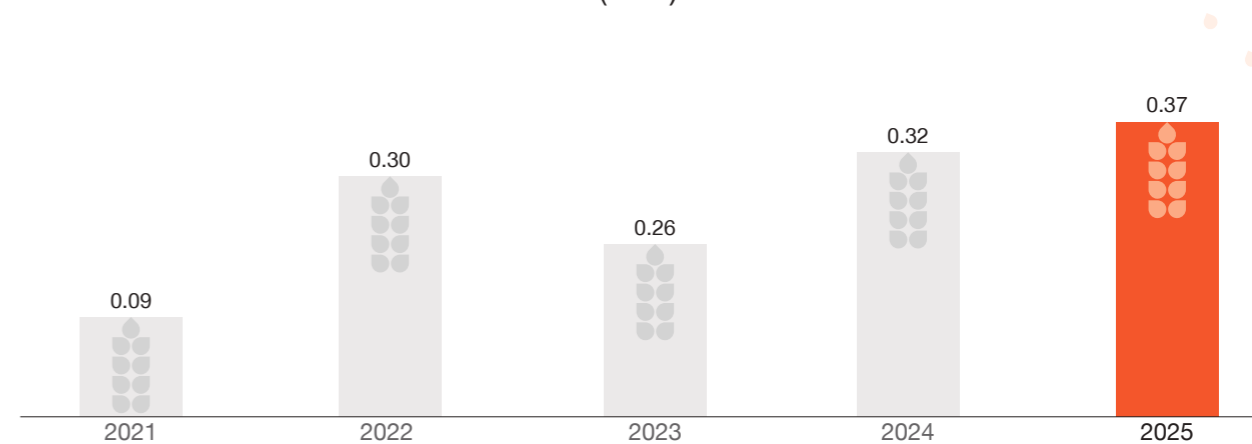
Revenue, Operating Profit, Net Profit

(SAR MIn)



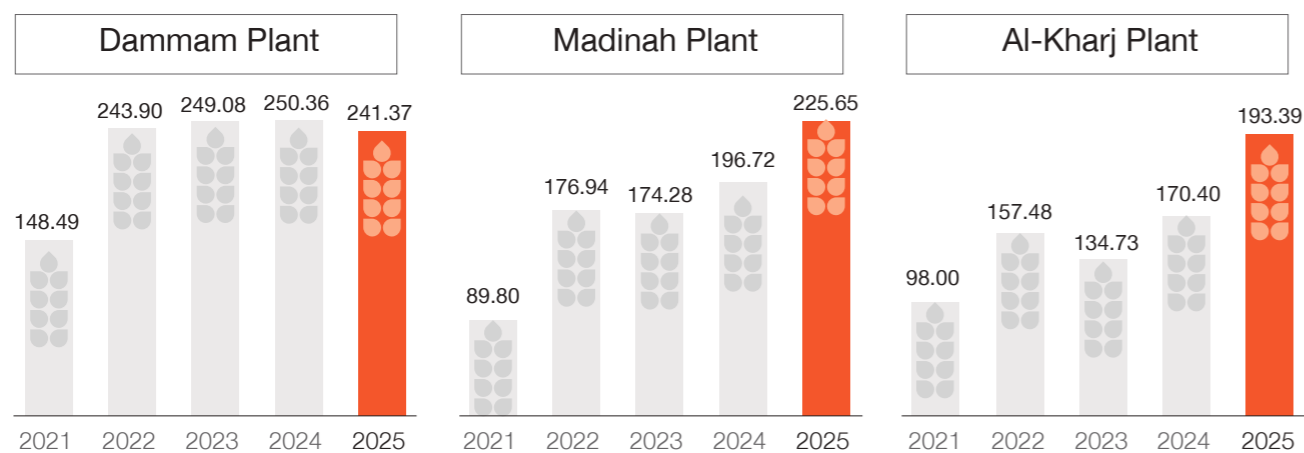
Earnings per Share (EPS)

(SAR)



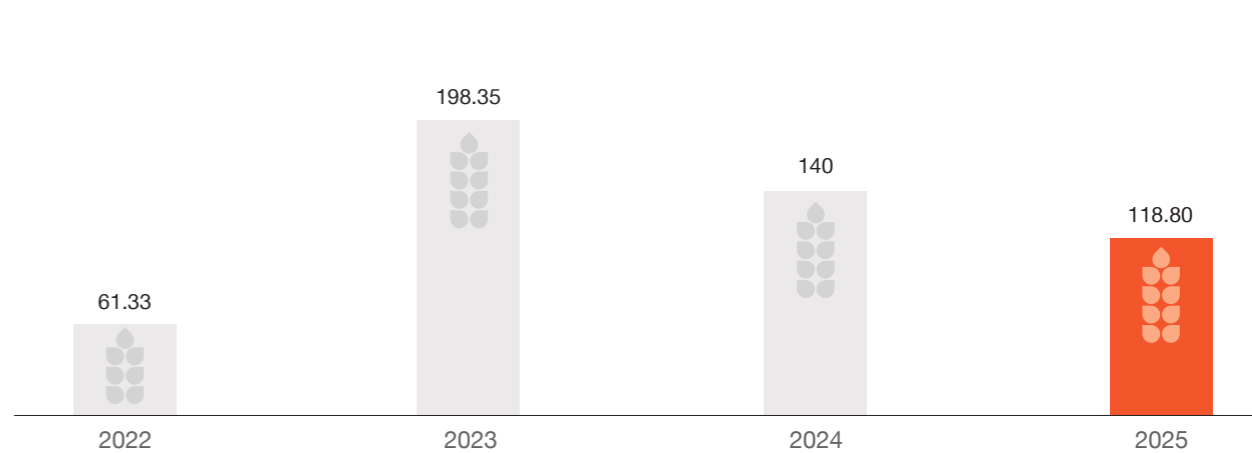
Revenue by Geographic Location

(SAR MIn)



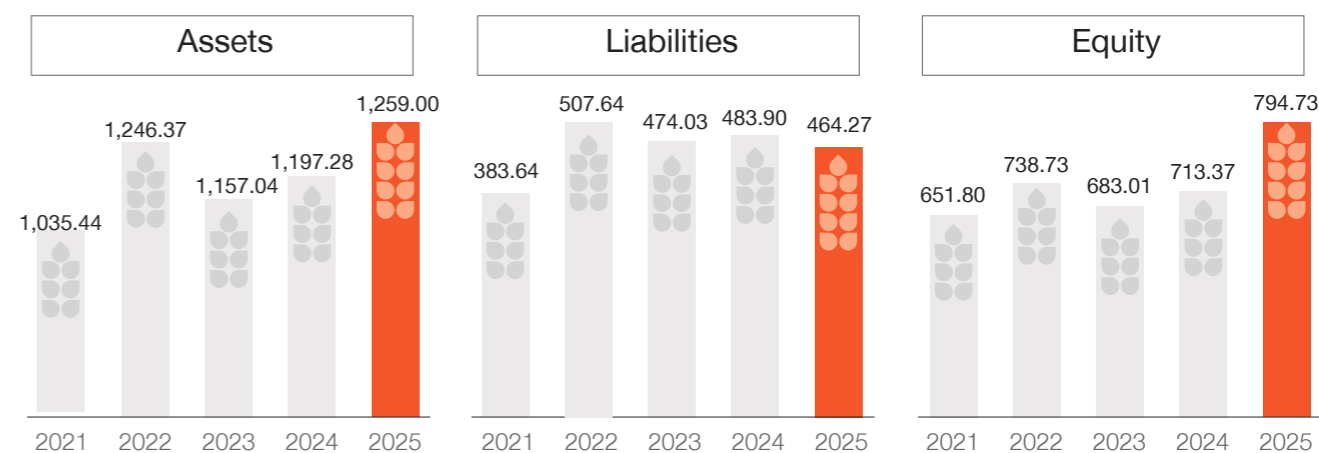
Dividends Distributed over the Last 4 Years

(SAR MIn)



Assets, Liabilities, Equity

(SAR MIn)



Company Profile

Establishment and Incorporation

Fourth Milling Company or the (“Company”) is a Saudi Joint Stock Company (JSC), registered in Dammam, Kingdom of Saudi Arabia (KSA), under Commercial Registration (C.R.) No. (2050110856), dated 10 Safar 1438H (corresponding to 10 November 2016). The Company’s National Address is: Building No. 6729, King Saud Rd, Al Safa Dist., Dammam 34222, KSA.

In today’s world, Fourth Milling Company has become a leading player in the flour, feed, bran, and wheat derivatives market. Guided by well-crafted and consistent strategies, the Company is dedicated to balancing sustainable value creation, revenue maximization, and market expansion while contributing significantly to bolstering food security in the Kingdom.

In 1972, the Company’s journey began under the supervision of the General Food Security Authority (GFSA), formerly known as Saudi Grains Organization (SAGO), where it was responsible for the production, supply, storage, and distribution of flour and feed. Since then, the Company has continued to make steady progress, accomplishing numerous significant milestones along the way that deepened its status in the sector.

Prior to privatization, the GFSA established three production branches in Dammam, Al-Kharj, and Madinah in 1977, 1990, and 2008, respectively. Consequently, the Company commenced its commercial operations under GFSA supervision, continuing to serve the strategic objective of national food security nationwide.

2011 marked a pivotal turning point when the Council of Economic and Development Affairs (CEDA) approved the strategy for the privatization of the milling companies. This strategy involved merging the said companies into four major entities, as an extension of the Privatization Program launched by the GFSA in 2009 to enhance efficiency and stimulate economic growth.

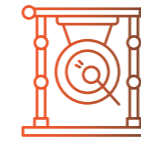
2016 witnessed a major legal and commercial transition. The Council of Ministers promulgated Resolution No. 229, approving the SAGO’s Privatization Program. Consequently, on 10 Safar 1438H (corresponding to 10 November 2016), the Company was converted into a closed joint-stock company owned by the Public Investment Fund (PIF) under the name “Fourth Milling Company”, with a capital of SAR 500,000 divided into 50,000 ordinary shares.

The privatization process continued, transferring the Company’s ownership from the PIF to the National Center for Privatization (NCP) in preparation for its sale. The Company was subsequently acquired by a consortium comprising Abdullah Al Othaim Markets Company, United Feed Manufacturing Company (UFMC), and Allana International Limited.

In 2022, the Company took a strategic leap in brand development by acquiring the renowned “FOOM” brand, launched in 2009. “FOOM” has since become one of the Company’s most prominent assets, driven by its strong market presence and consumer trust, further reinforcing the Company’s vision to solidify its market position.

2024 witnessed the Initial Public Offering (IPO) of 162 million shares, representing 30% of the Company’s share capital. The shares were subsequently listed on the Main Market on 27 October 2024.

Fourth Milling Company remains committed to ensuring food abundance and local market stability, in full alignment with regulatory directives and Saudi Vision 2030 objectives. The Company achieved a significant milestone by obtaining the ISO/IEC 17025 certification for the competence of testing and calibration laboratories, thereby becoming the first milling company in the Kingdom to receive this accreditation.



Main Activities

The Company’s main activities include the manufacture of grain mill products, the manufacture of prepared animal feeds, the wholesale of food, tobacco, and beverages, other retail sales in non-specialized stores, warehousing and storage, and packaging activities.

The Company serves a diverse customer base, with direct customers including wholesalers, distributors, large bakeries, food manufacturing companies, and some major wholesalers. Indirect flour customers include bakeries, hotels, restaurants, cafés, and retail customers. The Company’s flour sales are diversified to meet varied customer preferences, both in terms of packaging weights and specifications.

The Company’s brand portfolio is fundamental to its success, with “FOOM” at the forefront as the most established and widely known brand in the Saudi market, holding a substantial market share among domestic brands.





Geographical Presence

Fourth Milling Company enjoys a strategic geographical presence across three key regions in the Kingdom. This footprint enables a high capacity to meet customer needs with efficiency and reliability, ensuring a stable supply of flour, feed, and bran. Additionally, the Company benefits from rapid delivery capabilities and the maritime location of its Dammam Plant, which bolsters its competitive edge both regionally and internationally.

Eastern Province

Dammam Plant

The Company's Dammam site is its largest and most significant location, strategically situated near King Abdulaziz Port. This proximity provides a strong advantage in import and export operations. Serving as a primary distribution hub, it covers the Eastern Province and facilitates the export of surplus production, while catering to a wide range of food processing plants and industrial bakeries in a region experiencing rapid industrial growth.

Riyadh

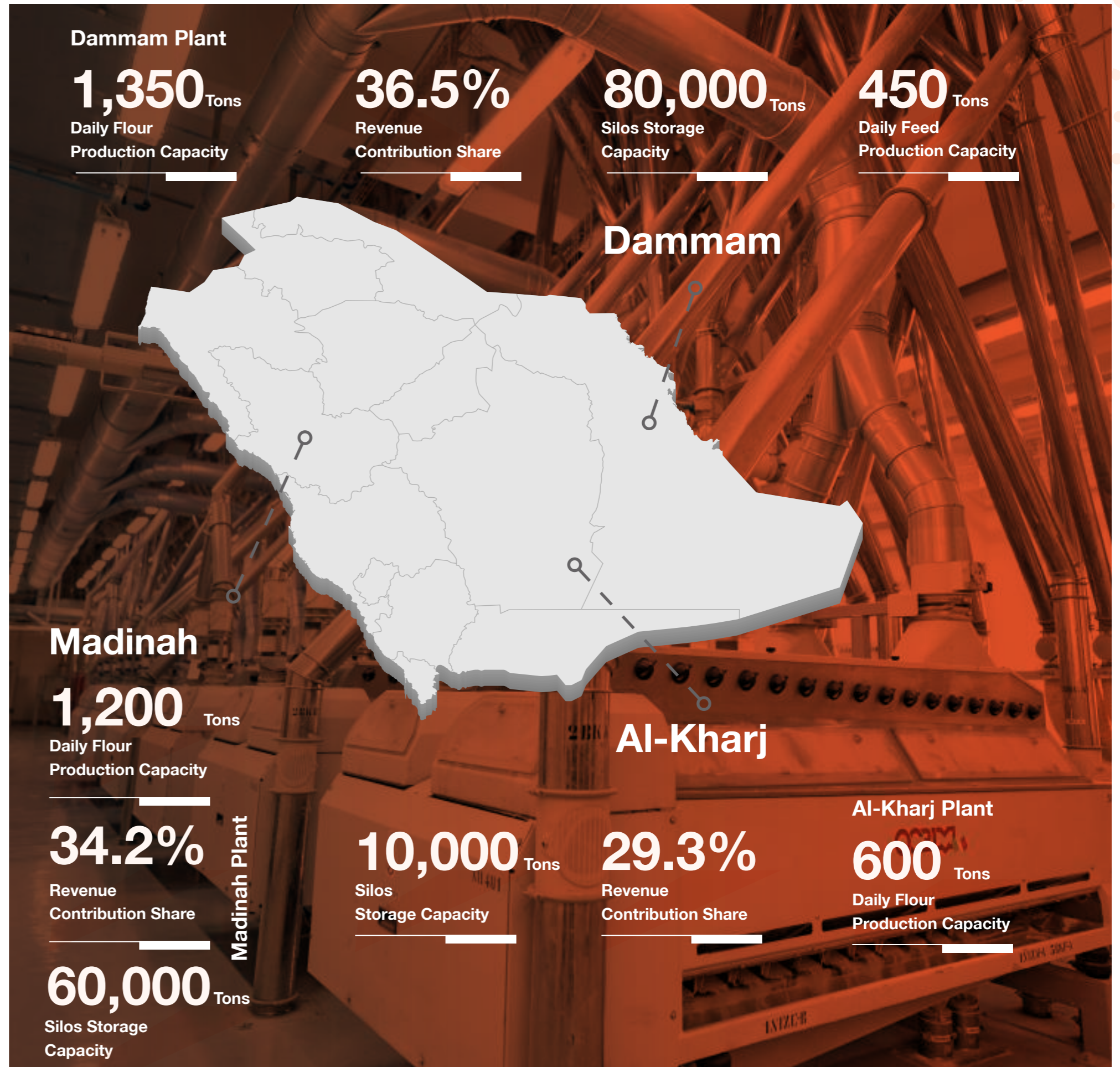
Al-Kharj Plant

Al-Kharj Plant is strategically located near the capital, facilitating seamless coverage of Riyadh markets and surrounding areas. This enhances the Company's ability to respond rapidly to the needs of bakeries, distributors, and food companies in the Kingdom's largest consumer market. Furthermore, it serves as a vital logistical link connecting the Eastern, Western, and Southern regions.

Madinah

Madinah Plant

The Madinah Plant covers the surrounding governorates and extends to meet demand across the Northern and Western regions of the Kingdom. It leverages its proximity to religious and tourist sites characterized by seasonal population density during Ramadan and Hajj and Umrah seasons, ensuring a stable supply for bakeries, hotels, and food establishments in the region.



Ambitious Growth... Sustainable Impact

To reinforce its sustainable growth, the Company continues to enhance its operational efficiency through expansion projects aiming to increase production and drive industrial innovation. The most prominent of these projects include:



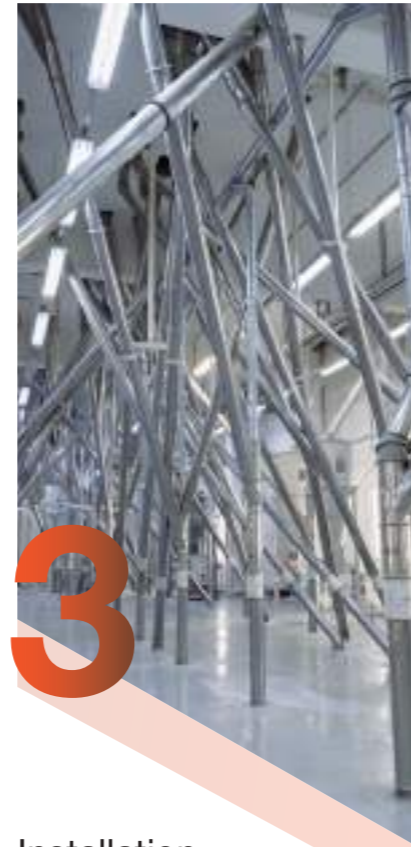
Flour Mill Expansion

Fourth Milling Company is executing a cutting-edge flour mill expansion utilizing the latest industrial technologies. This project aims to increase production capacity with higher energy efficiency, enhance product quality, and support the continuity of food supply, in alignment with the Company's sustainability goals and operational excellence.



Establishment of Feed Plant

As part of its commitment to circular economy principles and resource optimization, the Company intends to establish a modern feed mill. This facility will support the animal nutrition sector, optimize the utilization of by-products, and minimize waste, thereby contributing to enhanced environmental and economic sustainability.



Installation of a Pre-cleaning Tower

The project involves the installation of an advanced pre-cleaning tower to enhance the efficiency of raw material processing. This initiative aims to reduce impurities and waste while lowering energy and water consumption, thereby supporting final product quality and bolstering environmental performance and operational safety.

Vision, Mission, and Core Values



Vision

To be the first and trusted choice for essential human and animal food products.



Mission

Achieving a better life for our local community by consistently providing the finest wheat products and their derivatives, rich in vitamins and minerals, proudly made by Saudi hands.





Core Values

The Company believes that its values are the fundamental driver in strengthening its position as a trusted national partner in the food sector. Guided by its pioneering role, Fourth Milling Company is committed to a set of core values that direct its operations and solidify its presence within the Saudi market.

These values are as follows:



Social Responsibility

The Company solidifies its community commitment through qualitative and sustainable initiatives that enhance the quality of life and support developmental programs, creating a tangible impact on the local community in line with future aspirations.



Sustainability

Sustainability is a top priority; the Company efficiently manages natural resources, minimizes the environmental footprint of its operations, and ensures business continuity in harmony with sustainable development principles.



Research & Development (R&D)

The Company is keen on bolstering its competitive edge by investing in R&D to provide enhanced and innovative products that meet changing market needs and support the quality of production processes.



Innovation

The Company adopts the latest technologies and modern practices across all stages of its work to raise operational efficiency and enhance its ability to provide solutions and products that cater to customer expectations and support its leadership position.



Food Security

The Company plays a pivotal role in supporting the Kingdom's food security by providing safe, high-quality products consistently, ensuring supply stability and meeting market needs with total reliability.



Quality and Excellence

The Company is committed to the highest quality standards and applies rigorous control systems throughout all production stages. This increases product reliability, reduces waste and operational errors, and strengthens its competitive position in the local market.



Integrity and Transparency

The Company applies the highest standards of governance and transparency in financial, commercial, and operational transactions, which enhances the trust of shareholders and regulatory bodies, mitigates risks, and fosters a responsible and healthy work environment.



Teamwork

The Company promotes teamwork and a culture of cooperation and knowledge sharing between departments and plants. This leads to increased productivity, an improved work environment, efficient execution, and the ability to face operational challenges with agility.



Operational Efficiency

The Company focuses on elevating operational efficiency by optimizing production lines and supply chains, minimizing downtime and waste, and adopting predictive maintenance and digital transformation to achieve higher productivity at lower costs and stable returns for shareholders.

The Company's Historic March

1972

The journey began with the establishment of the GFSA by Royal Decree No. (M/14), dated 26/03/1392H (corresponding to 09/05/1972), forming the initial foundation for the Milling system in the Kingdom.

1977

To bolster food security, the GFSA inaugurated its first industrial facility in Dammam, with an operational capacity of 1,350 tons/day, a storage capacity of 80,000 tons, and a feed production line with a capacity of 450 tons/day.

1990

The GFSA continued its expansion by launching Al-Kharj storage silos project, contributing to increased wheat reserves and supply readiness.

2008

An integrated plant was established in Madinah with a capacity of 1,200 tons/day and a storage capacity of 60,000 tons, supporting expansion in the west of the Kingdom.

2009

The GFSA launched the Privatization Program and introduced its "FOOM" brand, which later became a leading brand in the Kingdom's flour market.

2011

The CEDA approved the privatization and restructuring of milling companies into four entities. Dammam, Madinah, and Al-Kharj branches were merged into one unified entity, which formed the foundation for what subsequently became Fourth Milling Company.

2016

The new Al-Kharj Plant commenced operations with a capacity of 600 metric tons per day. The Council of Ministers Resolution No. (229) was issued, approving SAGO's Privatization Program and establishing the Company as a closed joint stock company owned by the PIF.

2017

Fourth Milling Company was formally established as an independent entity wholly owned by the PIF, marking the start of a new era of professional commercial operations.

2019

New silos were established at Al-Kharj branch to boost storage capacity and ensure supply continuity.

2020

Ownership was transferred from the PIF to the NCP in preparation for divestment to the private sector.

2021

The privatization process was completed with the acquisition by a consortium comprising Abdullah Al Othaim Markets Company, UFMC, and Allana International Limited, with each partner holding a 33.3% stake.

2022

Fourth Milling Company acquired the "FOOM" brand to expand its portfolio and strengthen its market presence.

2023

The Company achieved a qualitative milestone by obtaining the ISO/IEC 17025 certification and becoming the first milling company in the Kingdom to obtain this accreditation.

2024

The Company completed the implementation of its new Enterprise Resource Planning (ERP) system and successfully listed its shares on the Saudi Stock Exchange (Tadawul), marking the beginning of a new phase of institutional growth and enhanced transparency.

2025

The Company initiated procedures to establish a new flour mill and feed mill in Al-Kharj, a strategic move reflecting its ambitions for expansion and sustainable growth.

Key Achievements in 2025



Quality

Reducing customer complaints by enhancing process controls and product consistency.

Reducing the proportion of retained flour for non-compliance, reflecting improved production performance and quality control.

Renewing the Good Manufacturing Practices (GMP) certification, validating commitment to industry best practices.

Passing the ISO/IEC 17025 audit successfully, confirming laboratory competence and compliance with international standards.

Upgrading Fire Safety and Civil Defense systems in accordance with the latest Saudi Civil Defense regulations.



Marketing and Sales

Product diversification, including the development of new varieties such as "Tannour Flour," which is currently undergoing evaluation and testing.

Achieving YoY growth of +8% in the B2B sector, +15% in the B2C sector, and +29% in the feed and bran sector.

"FOOM" brand maintained its undisputed leadership with a 28% market share, ranking first nationwide.

Upgrade of "FOOM Pizza Flour", which outperformed leading imported brands in professional trials, further reinforcing the company's commitment to top-quality standards.

Commencement of export sales following the GFSA's regulatory approvals in accordance with approved controls.



Supply Chain

Sales support through the Sales and Operations Planning (S&OP) process, achieving the following ratios, which exceeded 2024 levels:

95%

Order Fulfillment

98%

On-Time In-Full (OTIF) Delivery

87%

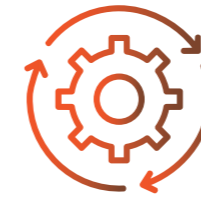
Forecast Accuracy

99.99%

Inventory Record Accuracy (IRA)

Successful completion of the finished product warehouse cooling project at Dammam Plant to maintain product quality and comply with Saudi Food and Drug Authority (SFDA) requirements. Work is currently underway to implement cooling systems in Al-Kharj warehouses as part of Al-Khair expansion project.

Establishment of the Initiatives Planning Department, through which the initiative of "Mafla" feed and bran was launched, and the pizza flour product was introduced on schedule through the new product development (NPD) process.



Manufacturing/ Operation

Increasing production volumes, achieving the highest milling output over the past four years, while reducing unplanned downtime and improving capacity utilization.

Launching major capital expenditure (CapEx) programs to increase flour production capacity by 750 tons per day and feed production capacity by 480 tons per day, in alignment with medium- and long-term demand growth.

Enhancement of operational capabilities and expansion of production capacity to 3,150 tons per day.

Reducing unplanned downtime to 2.84% in 2025, compared to 4.29% in 2024.



Digital Transformation

Completion of Phase I and Phase II of the SAP Analytics Cloud platform implementation to support financial reporting and Supply Chain Management (SCM) reporting operations.

Full deployment of the Information Technology Service Management (ITSM) system across all Company departments.

Conducting a comprehensive cybersecurity assessment covering infrastructure, system configurations, and security controls.



Shareholder Rights

Maintaining a consistent dividend distribution ratio ensures stable and predictable returns for shareholders.



Fourth Milling: One Year After Listing

Since the listing of the Fourth Milling Company on the Saudi Exchange (Tadawul) over a year ago, the Company has undergone a significant institutional transformation. This transformation is characterized by strengthened governance and transparency, enhanced financial and operational efficiencies, and a bolstered corporate image and reliability among investors and stakeholders.

Furthermore, the listing has bolstered the Company's financing flexibility to support sustainable expansion underpinned by robust governance frameworks. This has led to enhanced decision-making efficiency and achievement of an optimal balance between risk and return. This step has also contributed to recruiting national talent and reinforcing the Company's position as an effective strategic partner within the Kingdom's food security ecosystem.



Key Benefits Realized from Listing on "Tadawul"



1

Strengthening the Company's presence and credibility within capital markets, thereby enhancing access to both equity and debt financing.



2

Compliance with the governance requirements of Tadawul and the CMA has empowered the Board of Directors' oversight role and strengthened internal controls and risk management frameworks.



3

Regular disclosures and investor engagement have contributed to improving the quality, consistency, and timeliness of both financial and operational reporting.



4

General auditing contributes to instilling greater discipline in the evaluation of CapEx, financing, and dividend distribution decisions.

Key Strengths and Investment Attractiveness

The Company offers a compelling investment opportunity rooted in its leadership within a recession-resilient sector. Backed by robust financial fundamentals and a clear long-term growth trajectory, the Company stands as an attractive destination for investors seeking stability, resilience, and sustainable returns.



Market Leadership and Brand Equity

The Company maintains a leading market position supported by prestigious, trusted brands with extensive reach across retail and institutional sectors.

The strength of such brands is reflected in product pricing flexibility, fostering customer loyalty, and maintaining a sustainable market share.



Clear Growth Horizons and Calculated Risks

The Company's growth strategy is built upon diversified pillars, including production capacity optimization, value-added products, brand expansion, and regional exports through a disciplined approach.

Ensuring a strategic balance between business expansion and prudent risk management.



Flexible and Efficient Operational Base

The Company's strengths are anchored by its strategically located plants, massive production capacities, and state-of-the-art storage facilities, along with investment in automation and operational excellence.

Achieving economies of scale in production, increasing logistical efficiency, and bolstering profit margins and competitive edge.



Strategic Alignment with Food Security and Saudi Vision 2030 Objectives

The Company derives its strength from its pivotal role in national food security, its contribution to a proactive regulatory environment, and its deep-seated alignment with Saudi Vision 2030 objectives.

Unlocking growth opportunities driven by population growth, tourism surges, and mega-projects in the Kingdom.



A Strategic Role in a Vital and Essential Sector

The Company operates in the milling and food products sector, characterized by inelastic demand regardless of economic cycles.

Providing investors with predictable revenue streams and protection against market volatility.



Digital Transformation and Operational Transparency

The Company leverages advanced systems, including ERP systems, automation tools, and data analytics to enhance operational efficiency, strengthen corporate governance, and facilitate informed decision-making.

Strengthening transparency and mitigating operational risks to support sustainable profitability, thereby attracting the interest of institutional investors.



Robust Financial Performance and Strong Balance Sheet

The Company achieves consistent revenue growth while maintaining healthy profit margins and demonstrating strong discipline in cost management.

The strong balance sheet and prudent financial management ensure flexibility for growth plans while safeguarding shareholder value.



A Zero-Debt Company

The Company maintains a debt-free balance sheet, providing it with financial independence and flexibility in decision-making.

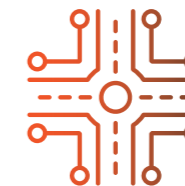
Directing resources toward development and production expansion without debt burdens, while enhancing efficiency and profitability, and strengthening the confidence of partners, customers, and investors.



An Optimal Balance Between Risk and Return

The Company offers an attractive risk-return balance combining the defensive characteristics of the food sector with operational excellence and multiple growth opportunities.

Meeting the expectations of strategic investors seeking sustainable cash returns.



Robust Transportation Network

The Company relies on a robust transportation network established between 2024 and 2025, which operates through contracts with 13 carriers under both monthly agreements and per-trip arrangements.

Reaching all customers in any city across the Kingdom easily and in a timely manner at lower costs than before, while delivering superior transportation services that preserve product quality and ensure on-time delivery to all customers.



Robust Governance and Compliance with Capital Market Standards

The Company, following listing on Tadawul, adheres to strict governance frameworks and a rigorous disclosure and compliance system.

Strengthening investor confidence, reinforcing the principle of accountability, and ensuring complete alignment between management objectives and shareholder expectations.



Future Expansion Opportunities

The Company enjoys growth opportunities across multiple areas, including expansion into value-added products, development of specialized feed, enhancement of export operations, and establishment of partnerships with the food sector.

Supporting future revenue streams, expanding market share, and building sustainable profit sources.

Accreditations and Corporate Recognition

The following table highlights the certifications, awards, accreditations, and recognitions received by Fourth Milling Company during the year 2025:

Category	Certification/Recognition
International Quality Standards	ISO/IEC 17025, FSSC 22000, ISO 22000, Halal, Good Manufacturing Practices (GMP)
Industry Awards	FMCG Asia Awards (Digitalization & Local Brand categories)
Corporate Recognition	"Forsah" Platform Recognition
Industry Engagement	International Association of Operative Millers (IAOM) Middle East & Africa Conference and Exhibition 2025
Operational Accreditations	SFDA Export Accreditation
Strategic Recognition	High-Level Expansion Project Inauguration

Below is an overview of the certifications previously obtained by the Company:



Halal Certification – Dammam Branch



Halal Certification – Al-Kharj Branch



Halal Certification – Madinah Branch



ISO/IEC 17025:2017 – Madinah



ISO/IEC 17025:2017 – Al-Kharj



FSSC 22000 – Madinah



FSSC 22000 – Dammam



ISO 22000:2018 – Al-Kharj



Good Manufacturing Practices (GMP)
755/1000 – Al-Kharj



Milling Co. 4 - GMP (AL KHARJ)



Milling Co. 4 - GMP (Dammam)



Milling Co. 4 - GMP (Madinah)



ISO/IEC 17025:2017 – Dammam



FSSC 22000 – Al-Kharj



ISO 22000:2018 – Madinah



ISO 22000:2018 – Dammam



Good Manufacturing Practices (GMP)
700/1000 – Madinah

Our Products

Fourth Milling Company adopts a customer-and-product-centric strategy, exemplified by the production of a diverse range of high-quality products. This approach drives customer satisfaction, boosts sales, and strengthens the Company's presence across the Saudi market.

The combined daily production capacity of the Company's three plants stands at 3.150 tons, achieving annual production of 438.800 tons of flour, 60.500 tons of animal feed, and 124.700 tons of bran.

The Company maintained a strong market share across all product categories, with the "FOOM" brand capturing a significant 28% share in 1-10 KG packs. Additionally, 45 KG wheat flour packs and bulk flour remain a strategic priority, collectively accounting for approximately 73% of total flour sales.

Geographically, the Eastern Province led with 36.5% of total sales, followed by Madinah at 34.2%, and Riyadh at 29.3%. The Dammam Plant's proximity to the port provides a distinct competitive advantage both locally and internationally, particularly following the GFSA's approval to export surplus milling products.

The Company's products are distinguished by high industrial quality, adhering to both local and international specifications. While offering fortified options to bolster food security, the Company provides various extraction rates to flexibly meet the diverse needs of the bakery, confectionery, and household segments.



Flour Products

An extensive portfolio of different packs ranging in size from 1 KG, 2 KG, 5 KG, 10 KG, and 45 KG, in addition to large and bulk packs.



Superior Flour



Bakery Flour



Brown Flour



Superior Brown Flour

Wheat Derivatives Products

This category includes animal bran, edible bran, and other wheat derivatives utilized in both food manufacturing and animal feed.



Edible Bran



Harees

Partners in Success

Feed Products

Feed products for various animal industries (including livestock, poultry, etc.).



Animal Bran
40 KG



Livestock Breeding Feed 14% Protein – 50 KG



Fattening Animal Feed Pellet 50 KG

New Products



Italian Pizza Flour



Donut Flour



Bakery Flour



Tannour Flour



United Feed Manufacturing Company

A Saudi company specializing in animal feed manufacturing, established in 2013 to support food security and meet the Kingdom's livestock requirements. The company operates a production plant at King Fahd Industrial Port in Yanbu, with an annual production capacity of approximately 1.5 million tons of feed. UFMC manages integrated supply chains and logistics, supported by extensive storage capacities and a wide domestic distribution network.



Allana International Limited

A world-renowned Group in the food and agricultural commodities sector, producing and exporting an extensive range of products, including frozen and chilled meats, fruits and vegetables, grains, animal feed, and consumer goods. With a storied history dating back to 1865, the Group holds a commanding position in global markets and possesses a robust supply chain capability reaching numerous regions worldwide.



Abdullah Al Othaim Markets Company

A prominent Saudi retail and wholesale chain, originating from a trading establishment founded by Saleh Al Othaim in 1956 and later transitioning into a joint-stock company in 1980. As a market leader in the Kingdom's food sector, Al Othaim operates an extensive network of branches across various regions, driven by a strategic mission to expand its footprint and remain close to its consumers.

Each of the three companies holds a 33.33% stake in Gulf Flour Milling Industrial Co., which in turn owns 70% of the shares in Fourth Milling Company.

Our Brands

The Company prioritizes enhancing brand equity and building strong customer loyalty, enabling more effective marketing with improved cost efficiency. The presence of established and trusted brands makes promotional campaigns significantly more effective compared to launching new brands that are still seeking market positioning and consumer confidence.

Aligned with this strategic direction, the Company strengthened its market presence in 2022 through the acquisition of "FOOM", a prominent national brand and a symbol of Saudi industry. The Company further expanded its reach in 2023 by relaunching the "Miller" brand. Specifically positioned for the economy segment in 1-2 kg packs, "Miller" aims to compete aggressively in the value-for-money category, supported by a clear expansion plan across both modern and traditional trade channels.

Alongside "FOOM" and "Miller", **the Company owns** two additional brands: "FOOM specialty" and "Mafla Feed", bringing its total brand portfolio to four distinct brands. Through this diversified portfolio, the Company offers a wide array of products for both human and animal consumption. This strategic variety consistently strengthens its local market presence and bolsters its ability to compete firmly and effectively in international markets.



"FOOM": A Proud Symbol of Saudi Industry

Since its inception in 2009, "FOOM" stands out in the Saudi flour market as a premier national brand that has established a powerful presence. Designed to serve a wide range of household and industrial applications, the brand has successfully entered homes, bakeries, and factories alike, cementing its status as a Saudi product that combines quality and reliability.

With the transfer of ownership to Fourth Milling Company in 2022, "FOOM" has become one of the Company's most significant and valuable assets, particularly during the stages of preparation for the IPO, privatization, and acquisition. The ownership of a strong and well-established brand like "FOOM" served as a key attraction for investors. The Company leveraged this asset to bolster its competitive advantages and solidify its expansion plans, drawing on the brand's widespread market penetration and robust distribution channels.

The brand's market leadership is underscored by impressive figures; "FOOM" is recognized as a leading local brand in the flour sector, with a significant 28% market share in the consumer segment, ranking first

nationwide. This rank reflects broad consumer trust and reinforces Fourth Milling Company's position among the major players in the Saudi flour market.

This excellence is also attributed to the brand's commitment to quality standards. Its products are marketed as being crafted from selected grains and precision-milled, with a clear focus on safety and nutrition.

"FOOM" offers an extensive product portfolio tailored to meet diverse needs, including Fortified Patent Flour, Bakery Flour, Fortified Brown Flour, and whole grain varieties. The brand provides a wide variety of packs ranging in size from 1 KG to 45 KG, alongside specialty packaging and bulk shipments specifically designed for bakeries and industrial sectors.

Furthermore, all "FOOM" products are fortified with essential vitamins and minerals, enhancing their nutritional value and establishing them as a trusted choice for both individual consumers and industrial partners alike.



The Company's Registered Brands

No.	Country of Registration	Brand No.	Expiry Date	Category	Logo
1	KSA	1444006495	16/02/1454H (Corresponding to 26/05/2032)	30	
2	KSA	1439011430	07/09/1449H (Corresponding to 03/02/2028)	30	
3	KSA	1444003328	22/01/1454H (Corresponding to 02/05/2032)	1	
4	KSA	1442014464	05/05/1452H (Corresponding to 04/09/2030)	30	
5	KSA	1444003333	22/01/1454H (Corresponding to 02/05/2032)	1	
6	KSA	1444003332	22/01/1454H (Corresponding to 02/05/2032)	40	
7	KSA	1444003331	22/01/1454H (Corresponding to 02/05/2032)	30	
8	KSA	1442032979	21/10/1452H (Corresponding to 13/02/2031)	30	
9	KSA	TM-01-00-33585-24	-	30	
10	KSA	TM-01-00-38165-24	26/03/1456H (Corresponding to 13/06/2034)	31	

Strategic Initiatives and Flagship Projects



Quality Control and Food Safety

The foundation of customer trust and preservation of the Company's market reputation

The Company reinforces the quality and safety of its products through a comprehensive oversight system encompassing raw material selection, advanced technologies, continuous testing, and international risk management standards, ensuring safe products while enhancing market confidence and the Company's leadership position.



Innovation and Product Development

Meeting market needs and accessing new markets to strengthen market share

The Company drives innovation through continuous R&D to produce value-added products and waste-reduction technologies, with modern packaging solutions that open new markets and meet customer requirements.



Digital Transformation and Technological Advancement

Supporting all Company initiatives through enhanced effectiveness and data accuracy

The Company pursues digital transformation through advanced solutions and automation supported by data analytics and employee training, fostering innovation and supporting growth and competitive differentiation.



Operational Excellence and Efficiency Enhancement

Strengthening operational sustainability, reducing costs, and maximizing competitiveness

The Company enhances its operational efficiency through modern technologies and preventive maintenance, while improving energy efficiency and employee training to ensure supply chain reliability and strengthen its competitiveness in the flour and wheat derivatives market.



Customer Experience Enhancement and Commercial Partnership Strengthening

Boosting customer loyalty and expanding distribution networks and revenues

The Company delivers high-quality products and effective support services, strengthening its partnerships through marketing and training initiatives to ensure a unified experience and increase market share and revenues.



Revenue Diversification

Mitigating risks and enhancing revenues through diverse products and channels

The Company expands its revenue sources with new products and broader coverage, utilizing modern channels and distribution partnerships that strengthen market share and profitability of value-added products.



Marketing Efforts and Corporate Identity Enhancement

Raising brand awareness and increasing sales

MC4 strengthened its marketing capabilities, positioning the Company as a more visible, differentiated, and future-ready leader in the Kingdom's milling sector. This was driven by strategic partnerships that enhanced market understanding and enabled more focused and effective brand-building initiatives. The Company's flagship brand, FOOM, maintained its 1 position in volume share within the consumer segment, reinforcing its role as a trusted choice among households. Supported by consistent product quality, enhanced brand communication, and stronger engagement across trade and consumer touchpoints, MC4 also expanded its regional presence across the Gulf contributing to stronger brand equity, increased market visibility, and sustained sales growth.



Sustainability and Resource Efficiency

Enhancing environmental and social performance and corporate responsibility

The Company commits to sustainability by energy-water efficiency, waste reduction, and engagement with socially responsible suppliers, development of eco-friendly packaging solutions, and the launch of awareness programs to promote sustainability practices.



Human Capital and Corporate Culture Development

Enabling the Company to execute its strategies efficiently and stimulate innovation

The Company invests in human capital by attracting and training talent, with a motivating environment that enhances commitment, quality, and team spirit, elevating performance and supporting strategic objectives.



Saudization

Supporting national policies and empowering local talent

The Company promotes Saudization by recruiting and training national talent, providing a stimulating environment that supports innovation to increase Saudi participation, achieve objectives, and enhance competitiveness.

Theme of the Year



Quality and Innovation for Sustainable Food Security

Fourth Milling Company has adopted the theme "Quality and Innovation for Sustainable Food Security", reflecting the core of a strategy built on delivering high-quality products that meet local market demands. This is coupled with the adoption of innovative operational and technical solutions to enhance production efficiency and ensure food supply continuity.

Quality remains the cornerstone of the Company's operations; maintaining strict adherence to technical and regulatory standards to ensure product consistency in a highly competitive market with a regulated pricing system, thereby fostering long-term trust with customers and partners.

Innovation embodies the Company's ongoing commitment to evolving operations, optimizing supply chain efficiency, and investing in modern technologies to boost productivity and maximize value-add without compromising safety and quality.

Through this integrated approach, Fourth Milling Company reaffirms its role as a vital partner in the Kingdom's food security ecosystem, ensuring the sustainable availability of essential products and supporting food stability in alignment with sustainability goals and **Saudi Vision 2030 objectives**.





Section II

Strategic Directions and Growth Pathways

“A Strategy that Shapes the Future”

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Chairman's Statement



Bader Hamed Al-Aujan

Chairman of the Board

Esteemed Shareholders of the Fourth Milling Company,

It is with pleasure that we present the Company's annual report for the year 2025. With the grace of God guiding us, we are moving forward on our journey with determination and confidence. Our path is built on a solid strategy, a bold vision, and a strong operational performance that showcases our commitment to creating sustainable value for our shareholders while playing a crucial role in the Kingdom's food security landscape.

A Clear Strategy for Growth and Leadership

The Company is committed to a strategy that focuses on growing its market share and boosting its brand value through a customer-centric approach, all while aiming for sustainable sales growth. The Company is also dedicated to reinforcing its leadership in quality and innovation and improving operational efficiency to reach best-in-class status. This effort is backed by a careful expansion of the Company's production capacity, especially in fast-

growing regions, and ongoing investment in developing the workforce, which the Company sees as a key driver of excellence and competitiveness.

Operational Efficiency and Integrated Growth

Fourth Milling Company has been on a roll, continuously boosting its performance through developing innovative products, streamlining operations, embracing proactive automation, and enhancing supplier partnerships, all while pushing forward with our environmental sustainability efforts. On top of that, Al-Kharj Plant has expanded its production capabilities, setting the stage for both current and future growth.

In 2025, we celebrated impressive growth rates of 8% in the business sector, 15% in the retail sector, and a whopping 29% in the feed and bran sector compared to last year. "FOOM" brand proudly held its top position with a 28% market share throughout the Kingdom. In addition, we kicked off export sales after meeting all regulatory requirements and achieved the highest milling levels we

have seen in four years, all while boosting operational capacity and cutting down on unplanned downtime. Furthermore, we have kept a steady dividend policy that ensures reliable returns for our shareholders.

Prudent Management of Challenges

The Company was up against a more competitive landscape and unpredictable global grain markets. To navigate these challenges, we focused mainly on maintaining high product quality and protecting our brand equity, avoiding any price wars. We also tapped into the food security ecosystem and utilized the approved wheat supply mechanism in the Kingdom. Alongside this, we made huge strides in enhancing our inventory planning and storage capacity, investing in nurturing local talent, and increasing Saudization rates, while adhering to all necessary rules and regulations.

We are looking forward to speeding up our expansion efforts in the flour and feed sectors, which will strengthen our strategic position in food security. Our plans include

investing in clean energy and sustainability, all while boosting our operational efficiency and lowering production costs. We are also dedicated to reducing customer complaints and minimizing product delays. As part of this, we are spearheading Al-Kharj Expansion Project, with operations at the feed mill set to start in August 2026. Additionally, the Company is developing a robust strategy for the post-wheat-subsidy phase to improve cost flexibility and ensure sustainable growth.

In closing, I would like to sincerely thank God. Thanks also extend to the Government of the Custodian of the Two Holy Mosques and His Royal Highness the Crown Prince, may God bless them, for their unwavering support. I also wish to acknowledge the General Food Security Authority (GFSA), our valued shareholders for their trust, the hardworking employees of our Company, and our partners and regulatory authorities for their continued backing. We remain dedicated to pursuing balanced growth and sustainable returns, always prioritizing the interests of our shareholders and aligning with the Kingdom's objectives.



CEO's Statement



Khalid Abdulaziz Yassin Al-Maktary

CEO

Dear valued shareholders and partners on this journey to success,

I'm excited to share some key highlights from 2025, a year that marked a significant milestone for our Company. Throughout this period, we have managed to maintain a balanced operational performance, enhance our competitive edge, and solidify our role as a trusted partner in the food security ecosystem within the Kingdom.

Strengthening Relationships and Expanding Regional Presence

Throughout the year, we concentrated on strengthening our relationships with key accounts and enhancing our customer development and service delivery model. We also focused on growing "FOOM" brand and increasing its retail presence through innovative, high-quality products. Moreover, we improved the efficiency of our feed mill, broadened our collaboration with major industrial bakeries, and began exporting operations to Qatar in the third quarter, an exciting development that reflects our expanding regional influence.

Financial Efficiency and Operational Leadership

In 2025, the Company encountered a variety of challenges, such as shifts in consumer consumption patterns, stiffer competition, and rising operating costs. Despite these hurdles, the Company pressed on and achieved remarkable results. Total revenues soared to SAR 660.41 million, marking an increase of 7%, compared to 2024. Meanwhile, net income reached SAR 200.79 million, reflecting a growth of 17.5% over the previous year. The gross profit margin also saw a significant boost, climbing to 46.4%.

This year brought some impressive achievements, especially in customer service and how we handle complaints, which have seen a noticeable improvement from last year. We also renewed our Good Manufacturing Practices (GMP) certification and upgraded our health and safety systems to meet the latest civil defense requirements. On top of that, the Company kept expanding the product range by introducing new options like "Tamees Flour" and completely revamping our "FOOM" pizza flour.

The launch of the Initiative Planning Department was a game changer for speeding up product development and ensuring we meet our launch deadlines. This effort went hand in hand with our capital expenditure (CAPEX) programs, which increased our flour and feed production capacity to 3,150 tons per day and reduced unplanned downtime to merely 2.84%.

As part of our digital transformation efforts, the Company reached important milestones with the SAP Analytics Cloud platform, set up an IT Service Management (ITSM) system, and conducted an extensive cybersecurity assessment.

Corporate Readiness and Sustainable Growth

In the near future, the Company plans to tighten its cost management by improving pricing strategies and cutting down on production and logistics expenses, all while keeping a solid liquidity position and a cautious level of debt. In addition, the Company is dedicated to building strategic partnerships, ramping up research and development (R&D) efforts, diversifying product lineup, and boosting presence in e-commerce. The goal is to increase sales

and take the lead in the small-pack segment, grow the Company's overall share in the milling sector, and increase market share to 28%, while ensuring high operational efficiency, maintaining strong operational performance, and expanding the new mill at Al-Kharj branch.

In tandem, we are making strides to finalize our governance and compliance frameworks, bolster our cybersecurity efforts, and expand our use of artificial intelligence and automation. We are also dedicated to investing in talent development and empowering our leadership to support sustainable growth and enhance our corporate readiness.

Finally, I would like to extend my heartfelt thanks to the Board of Directors for their ongoing support. I also wish to acknowledge our valued shareholders for their trust, which is the bedrock of our journey. Of course, I'm incredibly proud of our employees, who are the true pillars of our success. We are dedicated to continuing our work with a spirit of innovation and responsibility, aiming to solidify our leadership, broaden our growth prospects, and contribute to a brighter, more sustainable future.

Strategy and Key Performance Indicators (KPIs)

The long-term strategy of Fourth Milling Company is anchored in solidifying its status as a top national player. This involves achieving balanced and sustainable growth by boosting operational efficiency and adding value to meet the increasing demands of the market.

The Company operates according to a five-year plan that receives a yearly review in collaboration with the Board of Directors. This plan is all about making the best use of our current resources and investing in expanding our production capabilities. For instance, the Company is looking to boost the production capacity at Al-Kharj branch from 650 tons of flour per day to 1,400 tons. In addition, the Company is also setting up a new animal feed production line that will have a capacity of 480 tons per day. Furthermore, Fourth Milling Company is working on diversifying revenue streams and enhancing its presence in the retail, industrial, and feed markets.

These directions are backed by strategic initiatives

that focus on product development and brand growth, investing in technology and automation, enhancing supply chain integration, and prioritizing innovation, environmental sustainability, and human capital. The Company also follows a regulatory framework based on the Objectives, Goals, Strategies, and Measures (OGSM) model to ensure that objectives and strategies are in sync. With governance framework mechanisms and regular reviews, Fourth Milling Company maintains consistent execution, accountability, and timely decision-making, which boosts the Company's competitive edge and provides long-term value for both shareholders and stakeholders.

As part of the Integrated Business Planning (IBP) system, the Company is set to launch the integrated business planning process, which will play a key role in developing its Sales and Operations Planning (S&OP) system. This thorough approach goes beyond mere short-term planning; it also includes long-term strategic planning and involves every department in the organization.



Strategic Foundations of the Company's Growth

- 1** Increasing Market Share and Enhancing Brand Value by Implementing a Customer-centric Business Model and Achieving Sales Growth.
- 2** Achieving Leadership in Quality and Innovation.
- 3** Enhancing Operational Efficiency to Become a Best-in-class Company.
- 4** Increasing Production Capacity with a Focus on High-growth Regions.
- 5** Investing in Human Capital Development to Enhance Competencies and Capabilities.
- 6** Expanding Market Presence and Developing the Customer Base.



Strategic Pillars and Key Performance Indicators (KPIs)

1 Increasing market share and enhancing brand value by implementing a customer-centric business model and achieving sales growth



Description

Adoption of a customer-centric approach to strengthen the Company's brand positioning among corporate entities and consumers, thereby enhancing brand preference and trust, increasing market share, and consolidating leadership.

Measurement Criteria and KPIs

- Enhancing engagement with key customers.
- Developing and growing "FOOM" brand.
- Developing products for the retail sector.
- Increasing the operational efficiency of the feed mill.

Implementation Steps

- Providing integrated pre-sales and after-sales services, coupled with loyalty and incentive programs to enhance customer engagement, while focusing on key industrial and wholesale accounts.
- Growing "FOOM" brand by developing a unified identity targeting both institutions and consumers, and expanding across modern and traditional distribution channels, alongside launching premium consumer products, broadening the product portfolio in the B2B and B2C segments, and enhancing presence at specialized exhibitions while ensuring brand identity consistency across all channels.
- Expanding the retail product portfolio by adding Stock Keeping Units (SKUs) and focusing on products that are not subject to government regulation or any price caps.
- Capitalizing on the growth in feed demand by enhancing plant efficiency and developing the feed brand while strengthening its market penetration.

2 Achieving leadership in quality and innovation



Description

Strict adherence to quality standards and regulatory requirements through periodic maintenance and comprehensive testing to ensure customer satisfaction, while providing high-quality, sustainable products and expanding specialized and value-added product segments.

Measurement Criteria and KPIs

- Routine maintenance of laboratory equipment.
- Laboratory tests.
- Monitoring market trends.
- Product development.

Implementation Steps

- Performing periodic calibration and maintenance of laboratory equipment, in line with international standards, to ensure food safety and security.
- Conducting high quality tests in accordance with local and international quality standards to ensure the safety and quality of the products.
- Conducting comprehensive periodic testing (daily, weekly, monthly, and annually) on products, raw materials, and packaging to maintain high quality standards.
- Focusing on health, well-being, affordability, and sustainability to support product development and marketing strategies.
- Conducting market assessments for the flour sector and its related activities and segments in order to track healthy consumer trends and launch new products, including frozen pizza and donut products to meet changing market needs.
- Developing and refining "FOOM" pizza dough, which demonstrated superior performance over imported brands in specialized professional tests and trials.

3

Enhancing operational efficiency to become a best-in-class company



Description

Process optimization, adoption of tools and mechanisms for technological advancement, ensuring the development of supply chains, and environmental sustainability.

Measurement Criteria and KPIs

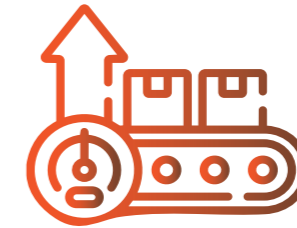
- Process optimization.
- Proactive and preventive automation.
- Enhancing communication channels with suppliers.
- Environmental sustainability.

Implementation Steps

- Enhancing efficiency and productivity by means of continuous improvement of processes and ensuring the highest quality standards.
- Employing modern technologies to improve data accuracy and reliability, and increase transparency.
- Adopting automated proactive maintenance systems to increase production and reduce downtime.
- Building strong relationships with suppliers and exploring auspicious opportunities for integration.
- Implementing sustainable practices to conserve water and energy and reduce waste, thereby promoting ESGs.

4

Increasing production capacity with a focus on high-growth regions



Description

Focusing on high-demand areas driven by anticipated population growth.

Measurement Criteria and KPIs

- Expanding the production capacity of Al-Kharj Plant.

Implementation Steps

- Implementing Al-Kharj Plant expansion project to increase production capacity to 750 tons per day to meet the expected growth in demand in Riyadh region.

5 Investing in human capital development to enhance competencies and capabilities



Description

Unwavering commitment to enhancing and upskilling the Company's employees.

Measurement Criteria and KPIs

- Enhancing skills and fostering innovation.
- To be the employer of choice.
- Investing in development initiatives.

Implementation Steps

- Launching comprehensive programs to train and develop personnel at various levels.
- Providing a positive work environment that focuses on employee well-being by offering competitive benefits that help attract and retain talent.
- Developing leadership skills and supporting continuous learning to ensure sustainable professional development of employees.

6 Expanding market presence and developing the customer base



Description

Increasing market penetration rates in priority regions and consolidating strategic partnerships with key B2B accounts.

Measurement Criteria and KPIs

- Expanding the scope of cooperation and partnership with major industrial bakeries.
- Elevating the customer development and service delivery models.
- Commencing exporting operations to Qatar during Q3 of 2025.

Implementation Steps

- Building strong relationships with key customers by providing integrated value-added services before and after sales.
- Collaborating with key customers in research and development to ensure the creation of the best product ever for the end consumer.
- Completing the export of a shipment of approximately 23 tons of consumer packaging in December 2025 and a second shipment in January 2026, also weighing approximately 23 tons.

Fourth Milling Company and Saudi Vision 2030

Fourth Milling Company is making strides to establish itself as a leading national entity by aligning its strategies Saudi Vision 2030 objectives. The Company's efforts include strengthening food security, advancing local manufacturing, and elevating product quality. The Company is also pouring investments into modernizing and expanding its operations to keep supplies flowing and to meet the rising demand. Additionally, the Company is committed to nurturing human capital and enhancing national skills in marketing, innovation, and operations, while also seeking fresh opportunities in value-added products and downstream industries to foster economic diversification.

The Company places a strong emphasis on environmental sustainability by optimizing resource use, minimizing waste, and boosting operational efficiency, all while adhering to the highest international quality standards and safety protocols. Through these strategic initiatives, the Company plays a vital role in enhancing the resilience of the industrial sector and aiding the long-term economic transformation journey. This commitment reinforces its position as a key partner in the Kingdom's food ecosystem, delivering sustainable value for both shareholders and stakeholders.



Business Model

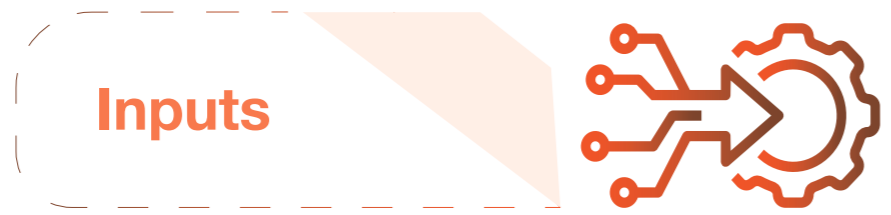
Fourth Milling Company has embraced a comprehensive business model that zeroes in on large-scale milling operations. This approach not only guarantees a steady supply of products but also offers value-driven customer solutions. The model thrives on the seamless integration of cutting-edge milling processes, efficient logistics, and robust partnerships with clients, allowing the Company to cater to various business sectors and consumers throughout the Kingdom.

The model relies on several key components, such as securing reliable sources of raw materials, having state-of-the-art milling facilities with high production capabilities, and offering a diverse product portfolio that caters to both consumers and industrial clients. Furthermore, the model features a dual distribution channel that guarantees extensive market coverage throughout the Kingdom. All these elements are supported by strong quality systems and seamless integration between operations, sales, and marketing efforts, which collectively boost overall operational efficiency.

This model aims to boost the food security ecosystem by focusing on delivering high-quality products reliably, maintaining operational efficiency, and creating opportunities for sustainable growth through expansion into value-added and specialized sectors.



A Business Model that Enhances Food Security and Sustainability



Value Creation Model



Cash Capital

Providing the necessary funding to explore growth opportunities.

Human Capital

Creating value for both shareholders and the surrounding community through specialized personnel in milling, quality, logistics, and industrial control, supported by training programs to enhance efficiency and improve quality.

Social Capital

Achieving tangible positive impacts for the communities in which the Company operates and for the whole country as a whole.

Physical Capital

These are our strategic assets that form the entire value chain through which the Company operates.

Basic Cost Structure

Purchasing subsidized wheat from the GFSA and converting it into flour suitable for human consumption (both subsidized and free-market types), in addition to bran that is either sold directly to customers or used in the production of feed in Dammam.

Basic Resources

Production and storage infrastructure, brand portfolio and market position, human capital and technical expertise, technology and digital platforms, regulatory framework and alignment with government entities, financial strength, and governance framework.

Main Activities

Wheat milling and feed production, quality assurance and food safety, supply chain and distribution management, and brand development and sales.

Services

- Providing reliable supplies of flour, animal feed, and manufacturing products to retail and wholesale customers, as well as to the industrial and corporate entity sectors.
- Providing customized product specifications and packaging formats to meet the needs of bakeries, food products manufacturers, and food services providers.
- Kingdom-wide distribution supported by an efficient logistics network and advanced capabilities in warehousing and inventory management.
- Providing technical and commercial support to key customers to ensure consistency of quality and continuity of supply.

Expertise

- Extensive operational experience in the milling sector in the Kingdom, supported by a deep understanding of local market dynamics and regulatory frameworks.
- A proven ability to manage peak-demand periods (such as Hajj and Umrah seasons and other seasonal spikes) without affecting product quality or availability.
- Successful execution of major transformation strategic initiatives, including privatization, listing on the financial market, and the implementation of Enterprise Resource Planning (ERP) systems.
- A strong track record in building trusted relationships with regulatory authorities, customers, suppliers, and shareholders.

Strengths

- Strategic production sites located in the vicinity of major population density centers and ports.
- A strong product portfolio of flagship brands that enjoys a high level of trust from consumers and institutions.
- An extensive operational scope supported by diversification in the product portfolio.
- An experienced management team and qualified human capital with advanced skills.
- Providing stable supplies of wheat in line with the national food security strategy.
- A strong financial position and disciplined institutional governance framework.

Quality Control

- A rigorous commitment to local and international standards for food safety, high quality, and laboratories.
- Conducting inspection and control activities and obtaining certificates of analysis on an ongoing basis across all production facilities.
- Periodic reviews of production processes, packaging materials, and final products.
- Continuous investment in laboratory capabilities and quality assurance systems to ensure product consistency and customer confidence.

Cost Management and Operational Efficiency

- Focusing on reducing cost per ton through automation, process optimization, and preventive maintenance.
- Achieving integration across production planning, sales, and finance to enhance forecasting and minimize waste.
- Continuous monitoring of Key Performance Indicators (KPIs) such as downtime, yield, and Overall Equipment Effectiveness (OEE).
- Efficient utilization of energy, water, and raw materials to bolster productivity and support sustainability goals.

Investment in Digital Technologies

- Developing integrated Enterprise Resource Planning (ERP) systems to enhance transparency and control alongside supporting decision-making.
- Utilizing real-time production monitoring systems and data analytics to improve operational responsiveness.
- Automating core processes across production, sales, finance, and human resources.
- Continuing to explore advanced technologies, such as AI and predictive analytics, to support scalability and long-term competitiveness.

Outputs



Revenue

The Company achieved its highest-ever sales since establishment, reaching SAR 660.41 million, supported by the growth in sales of the three branches in Dammam, Al-Kharj, and Madinah.

Product Offering Diversification

All sorts of flour, bran, feed, mixes for bakeries and food industries.

Strategic Partnerships

Fourth Milling Company thrives on building strategic partnerships with some of the biggest names in the Kingdom. In the manufacturing sector, the Company collaborates with industry leaders like Almarai, Indomie, and Herfy. In the retail sector, the Company teams up with well-known players such as Hyper Panda, Abdullah Al-Othaim Markets, and Economic Halls.

Distribution and Marketing Channels

- **Industrial Channel:** Supplying flour to factories, industrial facilities, large commercial bakeries, and hospitality companies that rely on it as a key production input.
- **Wholesale Channel:** Distribution of products through wholesalers, agents, and local distributors to enhance brand reach and meet changing market demand.
- **Modern Channel:** Selling through major retail chains, supermarkets, and online stores to increase market share in the retail sector.

Net Profits

The Company's net profits at the end of the year reached SAR 200.79 million, achieving a growth rate of 17.5%.

Value-Added Services

Technical support for bakeries and factories, such as enhancing bread quality and improving production efficiency. Providing customized solutions for industrial scale and large-scale bakeries.

Target Customers

- **Direct Customers:** Wholesalers, distributors, large bakeries, food manufacturing companies, and some major retailers.
- **Indirect Customers:** Bakeries, hotels, restaurants, cafes, and other retail customers.



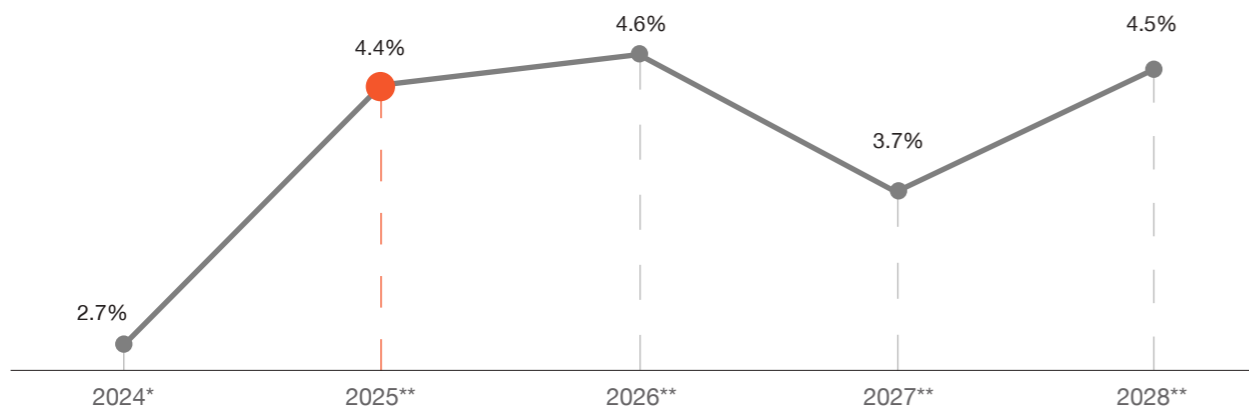
Market and Sector Environment Developments

The Kingdom is currently enjoying rapid economic growth, thanks to a bold national vision aimed at diversifying income and enhancing the role of non-oil sectors, with the food sector taking the lead. Structural reforms and strategic investments have laid a strong foundation for this economic transformation, which has not only improved consumers' purchasing power but also sparked greater demand for a range of goods and services.

Gross Domestic Product (GDP)

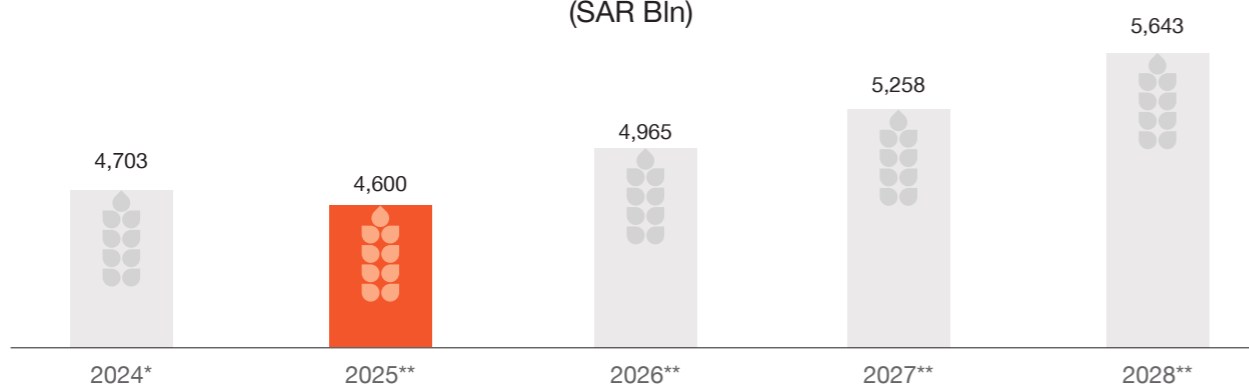
The gross domestic product in the Kingdom is experiencing accelerated growth that reflects the success of the programs and initiatives stemming from Saudi Vision 2030, which have contributed to establishing a strong and resilient economic environment driven by the expansion of non-oil sectors. Additionally, recent indicators have shown a tangible improvement in the performance of economic activities, which has positively influenced domestic consumption levels, most notably in sectors related to food and milling.

Real GDP Growth



*2024 rate is real according to the Ministry of Finance **Years 2025-2028 are preliminary estimates

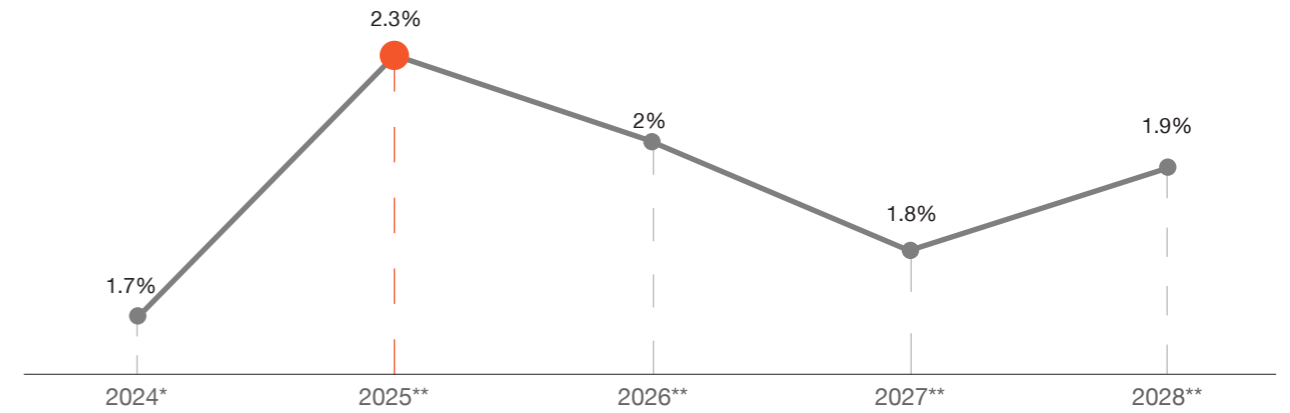
Nominal GDP (SAR Bln)



*Value in 2024 is real according to the Ministry of Finance **Years 2025-2028 are preliminary estimates

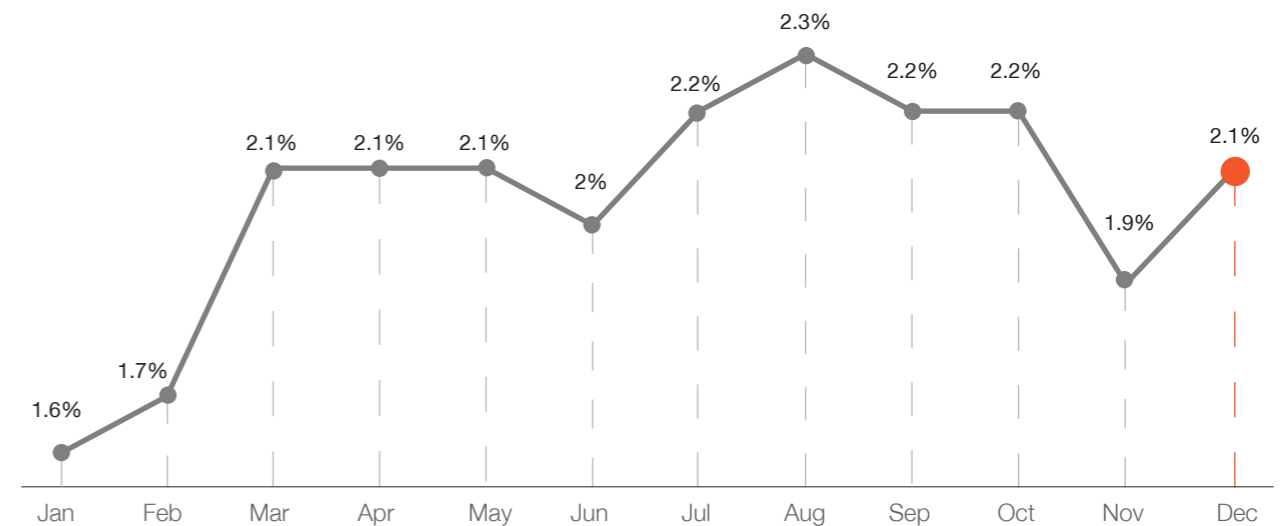
Inflation

Thanks to its forward-thinking fiscal and monetary policies, the Kingdom has managed to keep inflation rates low and prices steady. This approach has helped it absorb inflationary pressures and lessen price volatility, particularly in food commodities, setting it apart from many neighboring economies. The results speak for themselves: inflation rates have fallen to safe and stable levels in recent years, which has not only strengthened consumer confidence but also increased the purchasing power and supported market stability, all while encouraging sustainable economic growth.



*2024 rate is real according to the Ministry of Finance **Years 2025-2028 are preliminary estimates

Inflation Rate Trends in the Kingdom during 2025

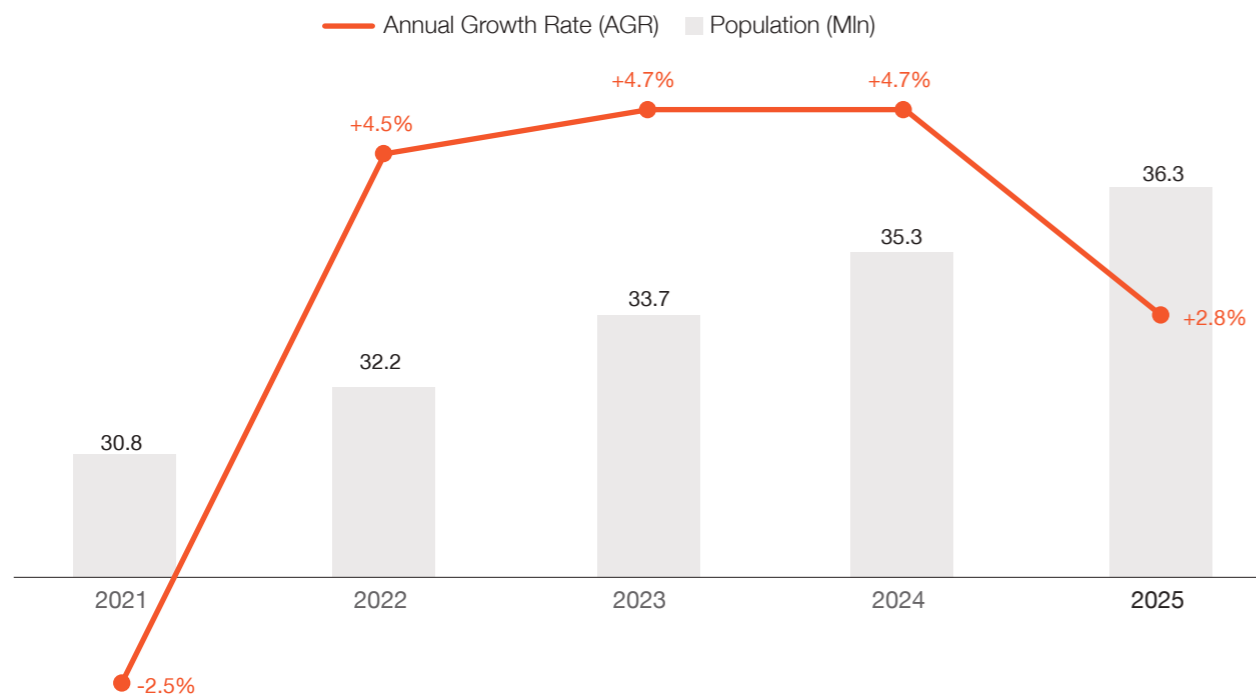


Source: General Authority for Statistics (GASTAT)

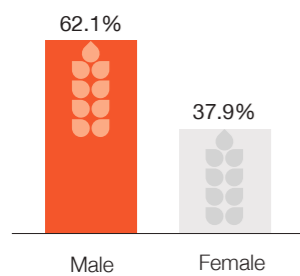
Population Growth and Food Demand

Population growth in the Kingdom constitutes a key factor in increasing demand for food commodities, driven by a national vision that aims to raise the population to 50 million people by 2030. With the continuous improvement in living standards and development projects, demand for food products, particularly wheat and its derivatives, is expected to experience sustained growth that reflects the strength of the domestic market.

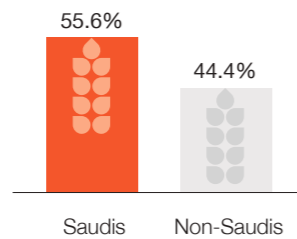
Population Growth Trends in the Kingdom over the Last 5 Years



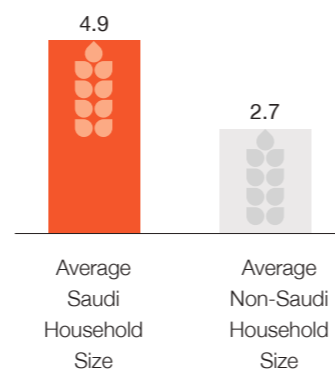
Gender Distribution



Demographics



Household Size (Individuals)



Global Wheat Market

The global wheat market has witnessed some major changes from 2019 to 2025, largely due to the COVID-19 pandemic and the fallout from the Russia-Ukraine conflict. This turmoil caused a historic spike in prices in 2022, but as global supply began to improve, the market entered a more stable phase. Nonetheless, even with this recovery, the market is still vulnerable to ups and downs driven mainly by geopolitical tensions, climate change, and stricter protectionist measures, like trade restrictions and higher customs tariffs, that might also disrupt supply chains and push inflation even higher.

Price Trends for Selected Key Global Wheat Varieties

(Prices in SAR/Ton)

Year	Australian Standard White (ASW) Wheat	Canadian Western Red Spring (CWRS) Wheat	Russian Wheat	US Hard Red Winter (HRW) Wheat	US Soft Red Winter (SRW) Wheat	Average
2019	937	905	799	822	793	851
2020	915	935	856	898	856	892
2021	1,095	1,296	1,082	1,184	1,071	1,146
2022	1,362	1,557	1,324	1,611	1,350	1,441
2023	1,110	1,261	970	1,277	985	1,121
2024	990	1,059	848	1,010	863	954
2025	926	1,010	897	913	822	913
CAGR	-0.2%	2%	2%	2%	1%	1%

Source: Food and Agriculture Organization of the United Nations (FAO) Report.

During 2025, global wheat production is projected to reach 827 million tons, which is a 3.6% rise compared to the previous year. The report also forecasts that global consumption will increase by roughly 1.1%, totaling about 803.7 million tons.

The Food and Agriculture Organization (FAO) data shows that despite the ongoing geopolitical and economic turmoil, global wheat production and exports are in a relatively stable state. This resilience can be attributed to supply chains that have held up well, thanks to supportive government policies. Nonetheless, the impact of these crises is more evident in rising prices, increased transportation costs, and shifts in international trade rather than in the actual production and consumption figures.

Global Wheat Production Levels, Output Volume, and Exports

(Quantities – Mln Ton/Year)

Year	Production	Exports	Consumption
2020/2021	775.1	190.3	767.1
2021/2022	781.6	197.5	774.8
2022/2023	807.4	201.6	776.2
2023/2024	791.4	210.3	796.5
2024/2025	798.4	192.8	795.0

Source: Food and Agriculture Organization of the United Nations (FAO) Report.

Wheat Market in the Kingdom

While the global market has seen its fair share of ups and downs, the milling sector in the Kingdom has held its ground, enjoying steady and sustainable growth. This resilience can be attributed to a strong regulatory and strategic framework, bolstered by the GFSA, which is dedicated to maintaining a healthy supply and stable prices.

Stability of the Milling Sector



Supply Chain Stability

Diversification of wheat sources while maintaining a secure strategic reserve.



Price Stability

Implementation of policies that support wheat prices and ensure the stability of costs and final prices.



Sector Regulation

Licensing and monitoring of the production and sale of flour across the four milling companies to ensure local food security.

The Kingdom meets its wheat needs by tapping into a variety of sources, such as global markets, Saudi investments abroad, and licensed local production. To keep supplies steady and prices stable, wheat is provided to milling companies with subsidies. As the number of residents and tourists grows, along with rising income levels, the domestic demand for flour and its products is steadily increasing, showcasing the market's strength.



Quantities and Average Prices of Wheat Imported by the GFSA over the Last 6 Years

Year	Contracted Quantity ± 10% (000' Ton)	USD/Ton	SAR/Ton
2020	3,040	253.7	951
2021	4,056	339.4	1,273
2022	3,971	410.4	1,539
2023	3,730	292.1	1,095
2024	2,916	269.71	1,011
2025	3,271	265.53	996

Source: General Food Security Authority (GFSA).

According to the FAO, the Kingdom is expected to see its wheat imports decline to 3.5 million tons in the 2024-2025 marketing year, largely due to high domestic inventory levels. On the other hand, the United States Department of Agriculture (USDA) estimates predict a consumption increase of 3-4% driven by factors like population growth, a rise in the expatriate workforce for major projects, and the growth of the tourism sector. The per capita consumption in the Kingdom is about 115 KG each year, which is well above the global average of 66.7 KG, highlighting the strong domestic demand.

Season	Average per Capita Wheat Consumption (KG/Y)		
	The Kingdom	The World	Variance
2021/2022	115.5	66.7	48.8
2022/2023	115.5	66.7	48.8
2023/2024	115.7	66.6	49.1
2024/2025	115.5	66.7	48.8
2025/2026	115.6	66.6	49.0

Source: Food and Agriculture Organization of the United Nations (FAO).

The GFSA data shows that from 2019 to 2023, the domestic wheat quantities received from farmers have seen impressive growth, boasting a Compound Annual Growth Rate (CAGR) of 28%. This marks a crucial advancement in the local supply system, supporting the Kingdom's aim to bolster its food security. Interestingly, the FAO has forecasted that by the end of 2024, the Kingdom's wheat production could reach 1.5 million tons.

Quantities and Prices of Local Wheat Received from Farmers in the Kingdom (2019 – 2025)

Year	Quantity Received (Ton)	Price (SAR/Ton)
2019	202,179	1,250
2020	385,635	1,250
2021	576,024	1,375
2022	538,436	1,752
2023	1,187,658	1,750
2024	1,166,787	1,800
2025	935,590	1,690
Total for the Period	4,992,309	

Source: General Food Security Authority (GFSA).

The growing demand for wheat products at home has been evident in the continuous annual sales growth of milling companies. This trend has also coincided with a sharp decline in flour imports, while domestic flour production has risen by 7.1% during the period from 2018 to 2022.

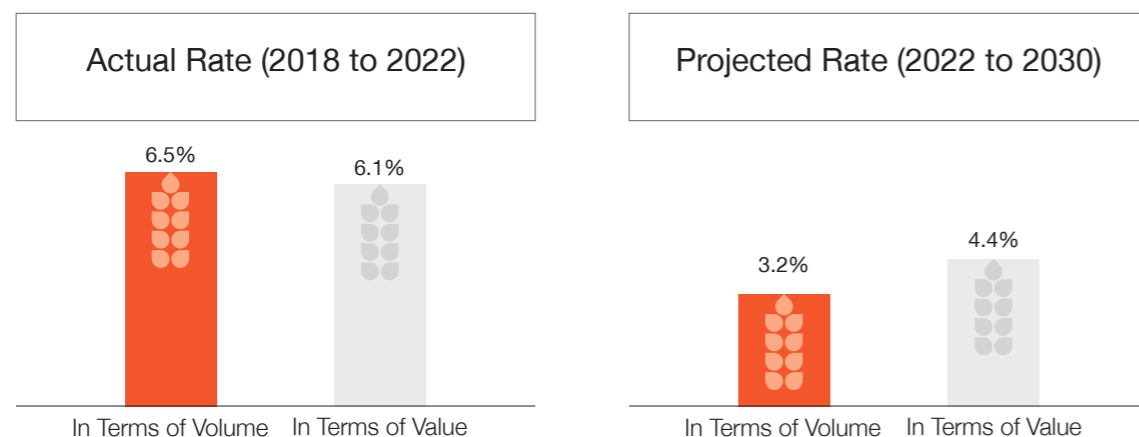
Total Wheat Flour Consumption (000' Ton)

Category	2018	2019	2020	2021	2022	2030	CAGR (2018-2022)	CAGR (2023-2028)
Local Production	2,601.6	2,622.6	2,650.1	2,637.8	3,423.9	4,383.8	7.10%	3.10%
Wheat Flour Sales	2,550.1	2,588.8	2,608.9	2,621.3	3,349.6	4,320.3	7.10%	3.10%
Imported Wheat Flour	93.1	98.6	101.2	89.3	51.0	42.0	(14.0%)	(2.40%)

Source: Euromonitor International Estimates.

As the food services sector in the Kingdom continues to grow and with the number of tourists expected to surpass 150 million by 2030, the flour sector is set to experience a notable increase in demand. This surge will primarily come from bakeries and food manufacturing companies, which are among the biggest consumers of flour. From 2022 to 2030, wheat flour consumption is anticipated to rise at a CAGR of 3.2%, reaching a total of 4,362.3 tons by 2030. In terms of value, this translates to a CAGR of 4.4%, amounting to SAR 2,760.3 million, driven by the rising flour consumption in local markets alongside the booming tourism and service industries in the Kingdom.

CAGR of Wheat Flour Consumption



Source: Euromonitor International estimates.

The Kingdom's imports of Ukrainian wheat declined from 7% to less than 1% during the 2023/2024 season, as a result of geopolitical tensions.

Slight Change in the Structure of Wheat Imports to the Kingdom

		Ukraine	Russia	Rest of the World
Pre-war (2021)	Quantity (000' Ton)	222	291	2,487
	Percentage	7%	9%	84%
Post-war (2024)*	Quantity (000' Ton)	7	2,312	1,605
	Percentage	0.2%	58.9%	40.9%

Source: General Food Security Authority (GFSA) and USDA report (March 2025).

* Marketing Year 2023/2024, according to source data.

List of Wheat Exporting Countries and the Kingdom's Share

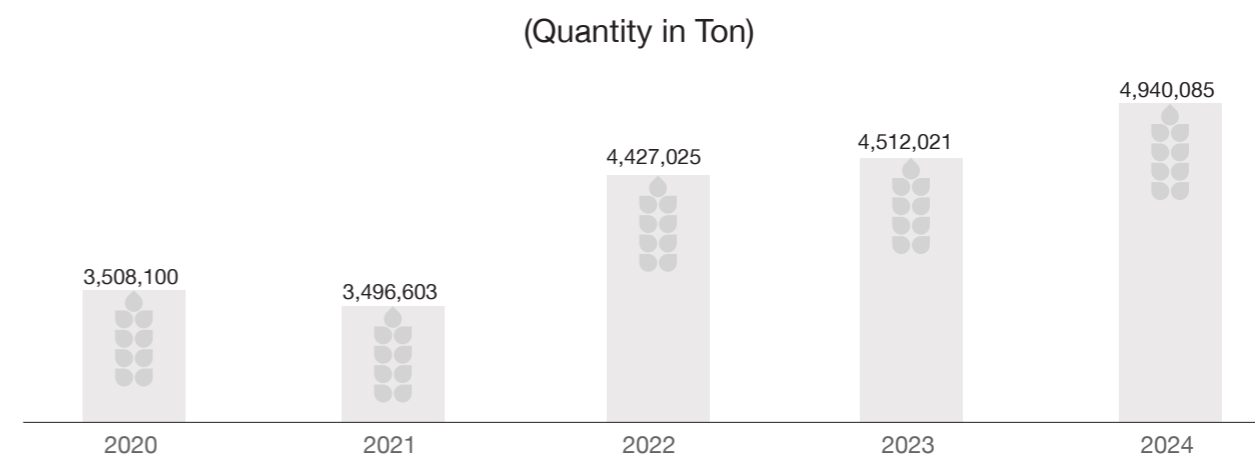
Country	Export Volume (Mln Ton)	Share of Global Exports (%)	The Kingdom's Import Volume in 2024 (Mln Ton)
Russia	43.7	22.1	1.835
EU	28.3	14.3	1.746 (Romania)
Canada	26.0	13.2	-
Australia	24.2	12.3	-
USA	22.4	11.3	-

Source: General Food Security Authority (GFSA) 2024 Annual Report.

Milling Companies

In the Kingdom, the milling sector is primarily driven by four major companies: First Milling Company, Arabian Mills Company, Modern Mills Company, and Fourth Milling Company. The GFSA is responsible for supervising and regulating this industry, as well as distributing wheat to these companies based on their specific requirements. By the end of 2024, sales of wheat to the milling companies had risen impressively, showing a growth rate of 9.5% from the year before.

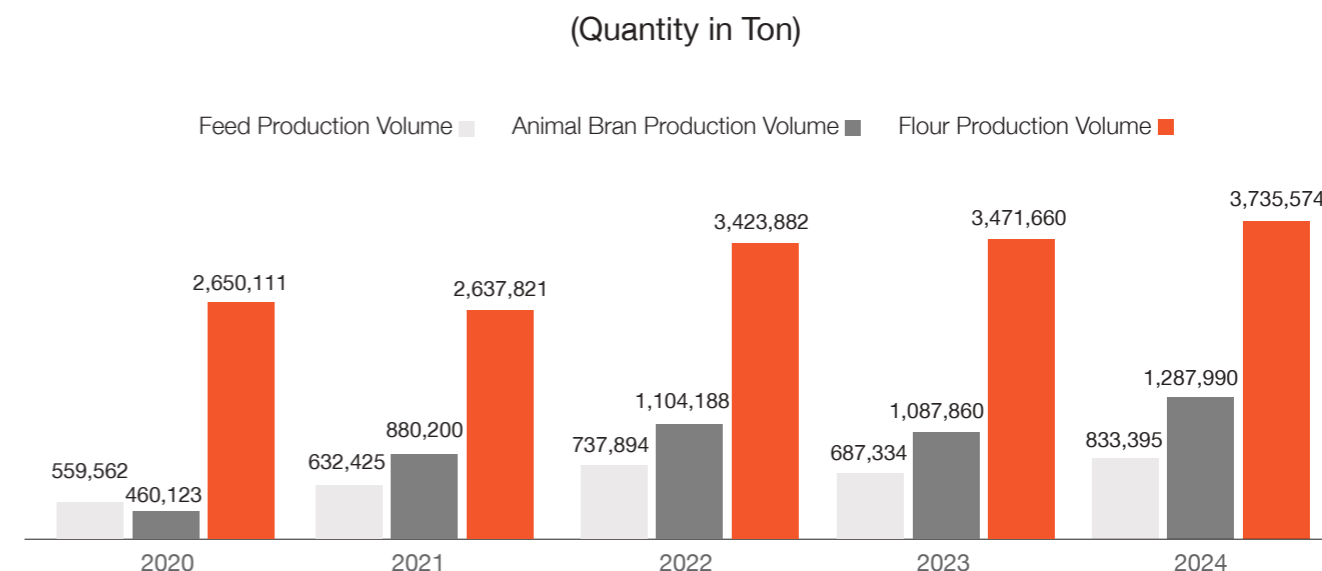
Development of Wheat Sales for the 4 Milling Companies



Source: General Food Security Authority (GFSA) 2024 Annual Report.

The four milling companies own operational silos with a total storage capacity of 745,000 tons. The total available production capacity for flour reaches 16,497 tons of wheat per day, equivalent to 5.44 million tons of wheat per year.

Overview of Milling Companies' Performance in the Kingdom



Source: Euromonitor International Estimates.

Government Subsidies for Wheat

Despite the global challenges and geopolitical tensions affecting the wheat market, the milling and flour sector in the Kingdom has managed to stay resilient. This stability can be attributed to supportive government policies that help regulate wheat and flour prices, shielding the local market from inflation and ensuring food security.

The GFSA is in charge of regulating the prices for wheat flour sold in bags that weigh 45 KG or more. This regulation is important because it allows milling companies to benefit from the growth of the modern retail sector with smaller packaging. The GFSA has set a fixed price of SAR 180 (roughly USD 48) per ton and has capped the maximum selling price between SAR 488 per ton for cake flour and SAR 622 per ton for bakery flour. This strategy aims to strengthen food security, safeguard consumers, and foster economic stability.

Feed

Compound feeds serve as an additive, yet essential nutrient-rich component blended with grains, forage, and fibrous materials (such as animal wheat bran) to produce feed for livestock. Compound feeds are primarily produced locally, as milling companies supply the animal bran, while importing the remaining components. These components are then precisely processed under strict oversight including comprehensive contaminant screening and nutrient-density monitoring. Following processing, the components are finely ground until reaching a homogenous consistency that facilitates digestion. Afterwards comes thorough blending to ensure the distribution of nutrients. Tailored to specific livestock requirements, the mixture is either pelletized into small cylinders or maintained in powder form for efficient distribution.

The Saudi compound feed market is set to experience significant growth from 2022 to 2030. This surge is largely fueled by government initiatives aimed at boosting local production, particularly in the poultry sector, along with an increasing demand for high-quality feed. Furthermore, experts predict that by 2030, the compound market size will hit around 5.1 million tons, driven by this rising demand.

In 2024, the Kingdom proudly reported a self-sufficiency ratio of about 72% for poultry meat. This figure showcases the significant progress made in livestock production, thanks to effective policies. The ongoing goal is to enhance these self-sufficiency rates even more, aiming for sustainable production practices and ensuring food security down the line.

Livestock Statistics Indicators

Self-Sufficiency Ratios for Red Meat

2023
61%

2024
62%

Self-Sufficiency Ratios for Poultry Meat

2023
71%

2024
72%

CAGR in Compound Feed Consumption (Livestock, Poultry, Fish, and Others)

Actual Rate (2018 to 2022)		Projected Rate (2022 to 2030)	
In Terms of Volume	In Terms of Value	In Terms of Volume	In Terms of Value
7%	21.3%	4.6%	3.5%

Source: Euromonitor International Estimates.

Bran

The rising demand for poultry meat and livestock feed is boosting the local consumption of bran, which is a byproduct of the wheat milling process and is a key ingredient in making livestock feed. In the Kingdom, locally-sourced wheat bran is a vital ingredient in producing livestock feed, as it enhances animal digestive health and improves feed efficiency. By 2030, bran consumption is expected to hit 925.5 thousand tons, translating into a value of SAR 704.3 million, following a CAGR of 2.9% from 2022 to 2030.

CAGR in Total Animal Wheat Bran Consumption

Actual Rate (2018 to 2022)		Projected Rate (2022 to 2030)	
In Terms of Volume	In Terms of Value	In Terms of Volume	In Terms of Value
(1.5%)	4.8%	2.9%	0.6%

Source: Euromonitor International Estimates.

Map of Challenges and Solutions across Company Sectors

Fourth Milling Company operates in a tough market that is packed with competition and strict regulations, all while dealing with a pricing system that keeps product differences to a minimum. Nonetheless, even with these hurdles, the Company has managed to solidify its standing by focusing on quality, building its brand, and branching out into specialized and value-added products. This strategy has helped the Company to handle market challenges and lay the groundwork for sustainable and scalable growth in the future.



Executive Management

Key Challenges

- Increasing pressure on margins due to fluctuations in logistics costs and energy-related expenses.
- Intensified competition and its impact on product pricing within unregulated categories.
- Challenges in preparing a capital budget for the expansion project amid exchange rate fluctuations, in addition to managing project financing while maintaining dividend distributions.

Mitigation Measures

- Improving procurement planning, inventory management, and logistics coordination to reduce the impact of fluctuations.
- Despite these pressures, management did not compromise its commitment to the highest product quality standards for its valued customers. This focus on quality contributed to an increase in FOOM's market share.
- The Management reduced exposure to exchange rate fluctuations by using hedging instruments and conducting effective negotiations with suppliers and financial institutions.



Quality, Health, Safety, and Environment (QHSE)

Key Challenges

- Aligning operational capacity with the continuous expansion in market share and the wide distribution of the company's products.
- Effectively managing changes and diversity in raw material sourcing.
- Ensuring maintenance efficiency and securing strategic spare parts to prevent any unplanned downtime that may impact production efficiency.
- Optimizing energy utilization and managing operational loads with high efficiency to ensure stability of operations during peak production periods.

Mitigation Measures

- Automating direct communication channels with customers and implementing intensive weekly analytical mechanisms to monitor market trends and competitor performance, ensuring rapid responsiveness and strengthening the company's competitiveness.
- Adopting preventive solutions and innovative insulation measures within storage platforms to enhance product protection, ensuring packaging integrity and reducing operational waste rates.
- Updating laboratory protocols and developing technical testing mechanisms to ensure full compliance of all products with applicable standards and approved quality requirements.
- Leveraging the diversity of wheat sourcing to support research and development efforts, contributing to the expansion of our product portfolio and the continuous enhancement of product quality to meet evolving market expectations.





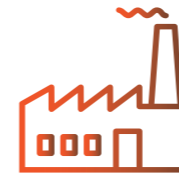
Sales

Key Challenges

- keeping pace with the increasing demand across the company's various branches within the current production capacity.
- The increase in competitive activities and their impact on pricing.
- Balanced investment in the FOOM brand and its market leadership to achieve an optimal balance between volume and value growth in sales.

Mitigation Measures

- Adapting the revenue management model with a focus on improving the profit mix between variable products.
- Investing rationally to maintain the value of "FOOM" brand and its leading position in the market without getting caught up in a price war.
- Prioritizing customers based on long-term partnerships without compromising profitability.



Operation and Manufacturing

Key Challenges

- Aligning operational capacity with the continuous growth in market share and the widespread distribution of the company's products.
- Effectively managing variability and diversification in raw material sourcing.
- Enhancing maintenance system efficiency and ensuring the availability of strategic spare parts to prevent unplanned downtime that could impact production efficiency.
- Optimizing energy utilization and efficiently managing operational loads to ensure stable operations during peak production periods.

Mitigation Measures

- Developing coordination mechanisms across different business units and enhancing customer relationship management efficiency to ensure operational flexibility, seamless processes, and effective fulfillment of increasing demand.
- Strengthening integration with specialized national platforms (such as the "SABER" platform) to ensure supply sustainability, and implementing smart control systems for blending ratios based on available inventory readings to maintain consistent final product quality.
- Recruiting and developing specialized personnel for periodic maintenance planning and continuous follow-up, alongside implementing an early detection system to identify root causes of failures and proactively secure critical spare parts to ensure business continuity.
- Adopting advanced operational practices to ensure facility stability, activating analytical programs to optimize operational consumption and support efficiency initiatives, and initiating the foundational phases of a solar energy project to diversify supply sources and enhance sustainability.



Supply Chains

Key Challenges

- Geopolitical developments and fluctuations in global grain markets pose potential risks to supply stability and price predictability.
- Increase in fuel prices.

Mitigation Measures

- The Company benefits from the Kingdom's food security ecosystem and wheat supply mechanism overseen by the GFSA, which helps reduce supply chain risks. In parallel, management continues to strengthen inventory planning, increase storage capacity, and coordinate continuously with regulatory authorities to ensure uninterrupted operations.
- The logistics and procurement team successfully absorbed this impact by contracting more efficient and lower-cost carriers and negotiating excellent contracts for internal transportation between warehouses.



Information Technology (IT)

Key Challenges

- The unprecedented global surge in sophisticated, AI-driven cyber attacks and ransomware has fundamentally shifted the digital risk landscape. This heightened threat environment has rendered traditional security visibility insufficient, necessitating a proactive transition to the comprehensive infrastructure and cloud-based assessments required to establish a secure, verified risk baseline.

Mitigation Measures

- Conducting comprehensive assessments of cybersecurity, the O365 environment, vulnerability assessment, and infrastructure, along with an evaluation of the National Cybersecurity Authority Essential Cybersecurity Controls (NCA ECC) to determine the actual risk baseline.



Human Resources (HR)

Key Challenges

- Strengthening the capabilities of skilled talent as a fundamental pillar to ensure sustainable operational excellence and achieve institutional efficiency.
- Keeping pace with growing business needs by enhancing the attraction and development of qualified human capital to support sustainable organizational performance.
- Achieving a balance between attracting top talent and maintaining workforce stability in a competitive work environment.
- Enhancing employee retention levels by developing an attractive work environment that supports job satisfaction and career stability.
- Keeping pace with evolving compensation and benefits policies to strengthen the company's competitiveness in the labor market.
- Advancing digital transformation in human resources to improve operational efficiency, data quality, and regulatory compliance.
- Enhancing the employee experience to achieve a balance between business requirements and workforce expectations.

Mitigation Measures

- The Company continues to invest in human capital through specialized training programs, digital tools, and systematic development initiatives, in parallel with the continuous increase in Saudization rates and in alignment with national objectives, while maintaining the Company's strong track record of compliance with rules and regulations.
- Working to continuously follow up on the said changes and establish and document relationships with related parties.
- A study is currently being prepared with the engagement of a consultancy firm to conduct the development and updates.
- Sticking to the Ministry-approved Saudization policies, establishing new training systems, and working with partners to develop certain national talents within the Company.



Marketing and Business Development

Key Challenges

- The need to upgrade commercial and marketing capabilities to support long-term transformation.
- Operating in a market characterized by high government support and intense competition, where product differentiation remains limited, and customer expectations are constantly evolving. The Company also faced the need to update its internal marketing capabilities and build stronger brand-led value propositions in a category traditionally driven by price and availability.
- Keeping pace with evolving consumer needs and changing lifestyles, which require products that align with these emerging patterns.

Mitigation Measures

- Continuously developing the capabilities and skills of the marketing team within the OGSM framework for structured strategic planning, in alignment with achieving the company's objectives.
- Strengthening brand strategies, maintaining high-quality and consistent product performance, investing in research, and enhancing customer development and engagement efforts.
- Continuing to focus on research and development, as well as enhancing and launching new products and categories that align with and meet consumer needs and expectations.

Outlook for 2026: A Future Vision for Growth

Fourth Milling Company is establishing itself as a key player in the milling and food solutions market with a strategic shift from a basic commodities approach to one that emphasizes specialized products and value-added food solutions. This strategy not only strengthens food security but also fosters industrial development, all while adapting to changing consumption trends. In addition, the Company is eyeing future growth opportunities that are supported by long-term factors like population growth, a booming tourism sector, and significant events. The Company also targets enhancing operational efficiency, increasing production capacity, and developing specialized flour categories and innovative food solutions that will help diversify revenue streams and boost profit margins.

Furthermore, the Company is dedicated to reinforcing its brand, developing contemporary trade channels, and innovating packaging solutions. It is also channeling investments into digital transformation, automation, artificial intelligence, and nurturing workforce to strengthen governance and ensure business continuity. Moreover, the Company is on the lookout for regional and international opportunities through exports and strategic partnerships to enhance competitiveness and achieve steady, sustainable financial growth in line with Saudi Vision 2030 objectives.



Fourth Milling and Major Events in the Kingdom



Fourth Milling Company is positioning itself to seize the opportunities presented by the Kingdom's major global events, such as Expo 2030 and the 2034 World Cup. The Company is taking a proactive stance that aligns its strategy with these key milestones to drive sustainable growth in the tourism, hospitality, and food services sectors. In addition, to meet the rising demand, the Company is focused on scaling its production capabilities, enhancing supply chain reliability, and expanding its regional distribution network. Furthermore, Fourth Milling Company is dedicated to developing innovative solutions in specialized flour and value-added products, ensuring that it keeps pace with modern consumption patterns while boosting its scalability and flexibility.

The Company utilizes its well-placed facilities in the vicinity of ports and major population centers, along with the fast-paced growth in infrastructure and logistics, to ensure effective nationwide coverage during key events. In addition, Fourth Milling Company also enhances its relationships with distributors and the food services industry to maintain steady demand over time. Through these initiatives the Company reinforces its role as a national ally in the food security network and a crucial player in the hospitality sector, while taking advantage of global events to promote its national products and strengthen its brand image as a symbol of quality and dependability, both locally and internationally.



Future Partnerships

In 2026, Fourth Milling Company is gearing up to forge new partnerships that are all about having a clear purpose and a strategic focus. The goal is to support sustainable growth instead of just chasing short-term gains. The Company will concentrate on building collaborations that improve operational efficiency, broaden market reach, and strengthen long-term competitiveness. As the Company moves forward, it is excited to finalize and solidify its partnerships in these key areas:



Partnerships in Technology and Digital Transformation

The Company plans to strengthen its technology partnerships to develop automation, AI, and data analytics in order to increase efficiency, reduce costs, and support immediate decision-making.



Commercial and Distribution Partnerships

The Company plans to expand its partnerships with major retail chains, bakeries, and food manufacturers to support long-term contracts and ensure the growth of brands and value-added products.



Partnerships in Logistics and Supply Chains

The Company plans to strengthen its partnerships with logistics, warehousing, and distribution providers to reduce transportation costs, speed up deliveries, and enhance supply chain flexibility.



Regional Partnerships and Partnerships for Export

The Company intends to continue building partnerships with regional distributors and commercial partners to facilitate expansion beyond the Kingdom's borders.

The following is a statement of the Company's most prominent goals and future aspirations for the coming year 2026:

Executive Management



- Strengthening cost leadership by improving pricing and reducing production and logistics costs through effective demand management that protects margins and supports competitiveness.
- Accelerating the implementation of approved expansion projects in the flour and feed sectors.
- Strengthening the Company's strategic role in the Kingdom's food security ecosystem, in parallel with the development of local resources.
- Maintaining strong liquidity and a conservative level of indebtedness.
- Building and solidifying partnerships with customers and suppliers.
- Strategically collaborating with local entities to improve feed production and facilitate the reuse of agricultural and food manufacturing waste.
- Fully complying with regulatory requirements, governance requirements, and International Financial Reporting Standards (IFRS).
- Focusing strongly on product research and development (R&D).
- Investing heavily in clean energy and sustainability by means of supporting solar energy.
- Continuing to build the FOOM brand as a national product that competes at international standards, while achieving the largest possible market share.

QHSE



- Enhancing operational efficiency and increasing production capacity.
- Reducing product hold instances and customer complaints.
- Continuing to improve quality systems and laboratory performance to ensure accurate and timely results.
- Strengthening compliance with international standards such as ISO, GMP, and GFSA.
- Obtaining Integrated Management System (IMS) certification and fully implementing integrated quality, safety, and environmental systems.
- Diversifying products and launching new varieties, while focusing on improving "Tamees" product to meet market and customer requirements.

Sales



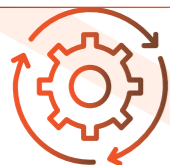
- Continuing to achieve sales growth while improving profit margins and the price per ton across all products.
- Continuing to achieve the highest market share for the FOOM brand in the Saudi market.
- Raising weighted distribution to +92% and numeric distribution to +73%.
- Achieving On-Shelf Availability (OSA) of 80% across all supermarket chains.
- Expanding presence in e-commerce channels and Quick Commerce (Q-commerce) applications.
- Drive growth in out-of-home (HoReCa) channel through specialty flours.

Supply Chains



- Achieving a high level of forecast accuracy.
- Attaining an excellent level of inventory accuracy.
- Reducing logistics cost per ton and lowering raw material costs.
- Continuing to support sales through excellent order fulfillment and on-time delivery performance.
- Leading supply chain operations for the Al-Kharj expansion project for feed and flour.

Manufacturing



- Increasing total milling capacity in line with growth.
- Minimizing unplanned downtime to the lowest possible level.
- Maintaining overall equipment effectiveness (OEE) at 85%.
- Developing a “post-wheat support” strategy to reduce raw material costs.
- Reducing production costs.
- Expanding the new mill at the Al-Kharj branch.

IT



- Completing governance frameworks and compliance with cybersecurity controls and the Personal Data Protection Law (PDPL).
- Implementing data protection requirements, ensuring supplier compliance, and measuring progress through clear performance indicators.
- Enhancing cybersecurity by closing priority gaps and improving infrastructure and digital identity security.
- Developing Security Operations Center (SOC) capabilities to bolster real-time monitoring and incident response.
- Expanding the use of AI and automation, integrating them into corporate systems and operational processes.
- Automating repetitive processes and reporting to drive efficiency and accelerate decision-making.
- Launching the next phase of digital transformation through cloud computing, analytics, and automation.
- Strengthening business continuity by developing recovery plans and conducting periodic testing.
- Building team capabilities in cybersecurity, AI, automation, and data culture.

HR



- Restructuring the organization and strengthening its capabilities by developing behavioral competencies, while preparing and empowering leadership and employees through the implementation of an integrated development framework—leveraging external advisory expertise—to enhance institutional performance and meet future requirements.
- Improving the retention of critical talent by initiating adjustments in accordance with the new salary benchmark.
- Strengthening Saudization tracks and succession planning by optimizing recruitment plans with a focus on hiring Saudis and attracting high-potential talent.
- Launching succession planning modules and Individual Development Plans (IDP) within the SuccessFactors system.
- Continuing to boost employee engagement by increasing HR efficiency through process digitalization, improving employee facilities, and developing more comprehensive year-round activities.
- Working on refining recruitment and training policies for national talent.
- Automating performance management and monitoring systems via the SAP system.
- Collaborating with our partners to develop the company's existing workforce and strengthening the capabilities of current employees through collaboration with our strategic partners to enhance skills and achieve the highest levels of institutional performance.

Marketing and Business Development



- Lead market growth across B2B and B2C segments, reinforcing MC4's position as the preferred partner for both industrial customers and consumers.
- Unlock new value pools through expansion into specialty, value-added, and convenience-based solutions.
- Build deeper, high-impact partnerships across the value chain to strengthen market presence and long-term competitiveness.
- Strengthen brand equity and market positioning, building distinctive, trusted brands that drive preference, loyalty, and long-term value.
- Continuing to build and enhance the brand perception of FOOM as a national product that meets evolving consumer needs, in line with changing lifestyles.

Risk Management and Business Continuity Framework


Fourth Milling Company adopts a well-rounded strategic approach to risk management as part of its governance framework. This strategy is designed to ensure the sustainability of the business, safeguard financial stability, and improve competitive stance. The Governance and Risk Management Department is committed to proactively identifying, assessing, and mitigating risks according to best practices. The Audit Committee also reviews policies and plans before they receive approval from the Board of Directors, establishing a strong framework that keeps up with changes and helps mitigate potential risks.



Risk Assessment Mechanism and Mitigation Phases

- 1 Identifying and recognizing potential risks
- 2 Classifying risks and identifying potential causes of occurrence
- 3 Measuring the probability of occurrence and the impact on the Company to determine the risk level
- 4 Implementing preventive control systems in accordance with established best practices to reduce risks to an acceptable level
- 5 Defining the mitigation strategy
- 6 Providing a detailed description of the mitigation plan
- 7 Determining the expected completion date for mitigation
- 8 Continuous monitoring and review

Key Risks and Mitigation Measures



Operational Risks

Price Volatility and Supply Chains

The Company maintains raw material cost stability through a diversified supplier portfolio and long-term procurement contracts, mitigating the impact of price volatility.

Rising Operating Costs

The Company has a strict cost control policy that applies to all its products and categories. In addition, the Company is always looking for ways to boost operational efficiency and cut down on waste and is constantly fine-tuning its processes to manage costs effectively and reach the highest levels of profitability.

Safety Hazards in Factories

The Company takes safety very seriously, committing to the highest standards by following health and safety regulations in Saudi Arabia and applying the best practices in the field. Additionally, the Company creates a secure working environment by bringing on board qualified safety specialists, providing extensive training and guidance, and performing regular assessments to ensure that it meets compliance and boosts performance.

IT Systems Failure


To safeguard data and ensure that business runs without a hitch, the Company has built a solid digital infrastructure that includes regular backups and secure cloud storage solutions. Furthermore, the Company bolsters its cybersecurity efforts and carries out frequent technical audits, along with a detailed disaster recovery plan to stay ahead of any unexpected failures.

Production Defects

The Company is committed to delivering top-notch quality by utilizing cutting-edge production lines and an independent control system for product testing. The Company also has quick response strategies in place to address any quality concerns that arise, which not only boosts customer satisfaction but also helps uphold the Company's strong reputation.

Inventory Mismanagement

The Company draws heavily on its deep knowledge of the feed and food industries, combined with its accurate demand forecasting for products, to manage its inventory of flour, wheat, and their by-products effectively. This approach helps reduce risks linked to poor storage conditions and inventory mishaps, ultimately boosting operational efficiency and ensuring a steady supply.



Financial and Economic Risks

Credit

The Company has a strict credit policy that involves regular evaluations of customers' creditworthiness and making sure they stick to the credit limits set by the ERP system. This approach helps reduce the risks linked to defaults. Additionally, the Company mainly depends on cash revenues, the thing that boosts the stability of the Company cash flows.

Liquidation and Financing

With a solid, debt-free cash flow, the Company is well-equipped to sidestep the dangers of liquidation and the necessity for external financing, ensuring its financial stability for the long haul.



Market Risks

Enhancing Brand Strength

To keep tabs on brand health and customer satisfaction, the Company conducts regular reviews of its brand tracking index, which includes field visits. The Quality Department plays a crucial role in maintaining top-notch quality standards by frequently inspecting the finished goods inventory and carrying out sample tests to ensure compliance with the best manufacturing practices. Furthermore, the Company invests heavily in consumer campaigns designed to enhance customer loyalty and promote switching to "FOOM" brand, supported by media campaigns and enticing consumer pack promotions.

Revenue Concentration in Key Customers

The Company conducts periods assessments to its customer base, with the goal of branching out into new markets and attracting more customers. This approach helps lessen the risk of depending too much on a small number of key customers and ensures that revenue remains stable in the long run.

Increased Industry Competition

The Company keeps innovating and broadening its product offerings by rolling out new Stock Keeping Units (SKUs) and strengthening its ties with customers to maintain a strong competitive edge in the market. In addition, the Company delivers high-quality technical services to clients, aimed at optimizing and enhancing their end products, which in turn boosts brand equity and increases customer engagement with their product lines.



Regulatory Risks

Government Subsidies

The Company acquires its key raw material, wheat, from the GFSA under subsidized procurement terms, allowing it to purchase wheat at lower prices than those available in the free market. However, this arrangement comes with the risk of potential changes in government subsidy policies that could impact their profit margins. To address this risk, the Company is concentrating on diversifying its range of non-subsidized products and enhancing its “FOOM” brand to increase its market share. Moreover, the Company is actively seeking regional and international export opportunities to mitigate any adverse effects that may arise from shifts in subsidy policies.

Involvement in Litigation

To avoid the risk of litigation, the Company has developed a comprehensive legal compliance framework. This framework includes regular reviews of contracts and policies to ensure they align with the highest legal standards and to reduce the likelihood of legal claims.

Development of Laws and Regulations in the Kingdom

To keep pace with regulatory changes, the Company has established dedicated Governance, Risk, and Compliance (GRC) functions to proactively assess the impact of any changes in government laws and policies. In addition, the Company integrates these changes into its internal policies and practices to ensure rapid and effective adaptation to any new requirements.

Saudization Requirements and the Labor Law

The Company takes a proactive approach to assessing Saudization requirements across all job roles, setting clear targets for each department to ensure that the Company meets compliance standards. In the meantime, the Company is fully compliant with all Saudization regulations.



Cyber Risks

Cybersecurity Threats

The Company has taken significant steps to enhance the security of its data and systems. This includes carrying out regular system checks to ensure everything is working as it should, as well as providing employees with regular training to raise their cybersecurity awareness. Moreover, the Company has set up a comprehensive incident response plan, which is crucial for managing potential risks and lessening the impact of any cyberattacks that could possibly occur.



Section III

Operational Performance and Development Programs

“Operational Power: Production Driven to Excel”

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Operational Performance

Key Operational Achievements in 2025



1

Launching expansion programs to increase flour production capacity by 750 tons per day and feed production capacity by 480 tons per day.



2

Increasing total production capacity to 3,150 tons per day.



7

Reducing unplanned downtime to 2.84%, compared to 4.29% in 2024.



8

Implementing a comprehensive upgrade of "FOOM" Pizza Flour, outperforming leading imported brands.



3

Achieving the highest milling levels in four years by enhancing efficiency and reducing downtime.



4

Maintaining the leadership of "FOOM" brand with a 28% market share, ranking first nationwide.



9

Reducing the proportion of non-conforming flour and improving production quality.



10

Reducing customer complaints and enhancing product quality consistency.



5

Achieving growth of 8% in business, 15% in retail, and 29% in feed and bran.



6

Commencing exports after obtaining regulatory approvals from the General Food Security Authority (GFSA).



11

Fully implementing the Information Technology Service Management (ITSM) system at the Company level.



12

Updating safety and security systems in line with the latest Civil Defense requirements.
















Key Operational Targets for 2026

- 1 Achieving sales of 1.05 million tons at an average price of SAR 666 per ton.
- 2 Achieving a total milling volume of 1.077 million metric tons.
- 3 Optimizing production costs and reducing per-ton logistics and raw material expenses.
- 4 Leading the expansion of Al-Kharj Plant to commence operation of the feed mill in August 2026.
- 5 Enhancing compliance with ISO, GMP, and GFSA standards and obtaining Integrated Management System (IMS) certification.
- 6 Diversifying the product portfolio and launching new varieties, while developing "Tamees" product.
- 7 Increasing weighted distribution to over 92% and numeric distribution to over 73%.
- 8 Expanding e-commerce channels and rapid delivery applications.
- 9 Forging local partnerships to improve feed production and recycle agricultural and food waste.
- 10 Minimizing product withholding and reducing customer complaints.
- 11 Developing quality systems and laboratory performance to enhance the accuracy and speed of results.
- 12 Expanding the use of artificial intelligence (AI) and automation in systems and operational processes.
- 13 Investing in clean energy and supporting solar power projects.
- 14 Enhancing the growth of the Out-of-Home (OOH) advertising channel via Pizza Flour to increase market share.

Main Activities

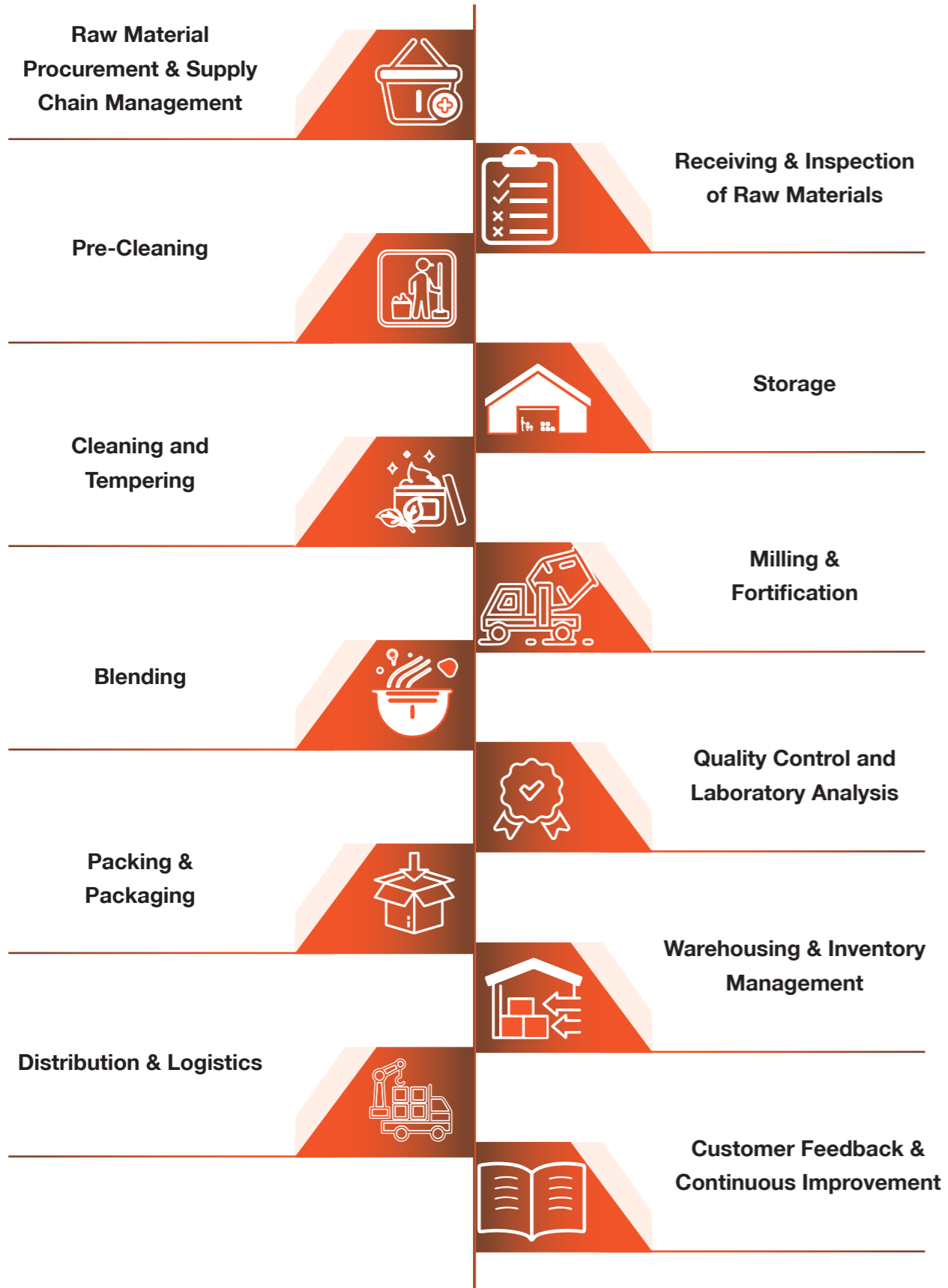
The Company's Main Activities, as per its Commercial Registration, Include the Following:

- Manufacturing of grain milling products. 
- Manufacturing of bakery products. 
- Manufacturing of prepared animal feed. 
- Manufacturing of starch and starch derivatives. 
- Packing and packaging activities. 
- Wholesale of food, beverages, and tobacco. 
- Other retail sale in non-specialized stores. 
- Retail sale of food in specialized stores. 
- Wholesale of agricultural raw materials and live animals. 
- Transportation and storage. 
- Road freight transport. 
- Administrative and support service activities. 
- Wood sawing and planing. 

The Company's Current Activities Consist of:

- Production of flour products. 
- Production of flour derivatives. 
- Production of animal feed. 
- Production of animal bran. 
- Production of edible bran. 

The Company's Workflow and Operational Phases



New Projects Launched in 2025

- 1**

Chakki Atta, Tamees, Pizza Flour, and Pasta production project at Madinah branch.
- 2**

Bran handling project in Dammam to optimize animal bran utilization and balance bulk loading, packing, and feed production.
- 3**

Replacement project of packing wheel No.2 in Dammam to improve packaging efficiency.
- 4**

Installation of pest-control devices project on the flour conveying line in Dammam to reduce flour infestation and minimize rejection cases by customers.
- 5**

Activation of the Building Management System (BMS) project to control the climatic conditions of the mills in order to maintain plant performance.
- 6**

Implementation of the Integrated Management System (IMS) project to unify Quality, Health, Safety, and Environment (QHSE) frameworks, aiming to enhance efficiency, reduce duplication, and ensure consistent control over operations.



Operational Performance Indicators for 2025

Operational Performance Indicators	2021	2022	2023	2024	2025
No. of Production Sites	3	3	3	3	3
No. of Production Lines	7	7	7	7	7
Operations					
Wheat Milling Capacity (Tons)	945,000	945,000	945,000	1,055,250	1,055,250
Flour Milling Operations (%)	59.20%	91.40%	88.20%	91.50%	98.27%
Feed Milling Capacity (Tons)	135,000	135,000	135,000	135,000	135,000
Feed Milling Operations (%)	44.80%	48.90%	34.80%	40.15%	33.57%
Revenue Growth (%)	-2.59%	71.90%	-2%	12.70%	7%
Production Indicators					
Flour Production Volume (000' Tons)	439	656	629	712	788
Animal Feed Production Volume (000' Tons)	60	66	47	54	45
Bran Production Volume (000' Tons)	125	218	211	254	249
Production Growth (000' Tons)	-	50.70%	-5.60 %	15.03%	6.07%



The Company's Products

First: Flour Products

Flour products account for the largest share of sales at Fourth Milling Company. Under the agreement with the GFSA, flour prices are regulated at a subsidized price of SAR 180 per ton, while bulk products and 45 KG bags are sold at the regulated price of around SAR 490 per ton. Prices of 10 KG bags and consumer flour in their various categories are not subject to price regulation.

Flour productions vary according to end use, including Superior Flour with a 70% extraction rate for confectionery, Baking Flour

with an 80% extraction rate for traditional Arabic bread, and Brown Flour with a 95% extraction rate for whole wheat products.

The production process begins with the selection of the finest wheat varieties from trusted sources, followed by precise stages of cleaning, sifting, and processing, before applying advanced milling technologies to produce different fineness grades that meet the needs of commercial, industrial, and consumer sectors while preserving product quality and nutritional value.



The Company's Flour Product Portfolio:




Commercial Packs

<p>Fortified Bakery Flour</p>  <p>45 KG</p>	<p>Fortified Brown Flour</p>  <p>45 KG</p>	<p>Fortified Superior Brown Flour</p>  <p>45 KG</p>	<p>Fortified Patent Flour</p>  <p>45 KG</p>
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Consumer Packs

<p>Fortified Superior Flour</p>  <p>1.5 KG</p>	<p>Fortified Superior Flour</p>  <p>10 KG</p>	<p>Fortified Brown Flour</p>  <p>10 KG</p>	<p>Fortified Superior Brown Flour</p>  <p>10 KG</p>
<p>Fortified Superior Flour</p>  <p>1 KG</p>	<p>Fortified Superior Flour</p>  <p>2 KG</p>	<p>Fortified Brown Flour</p>  <p>1 KG</p>	<p>Fortified Brown Flour</p>  <p>2 KG</p>

FOOM Specialty Consumer Products

<p>Italian Pizza Flour</p>  <p>1 KG</p>	<p>Donut Flour</p>  <p>1 KG</p>	<p>Pastry Flour</p>  <p>1 KG</p>
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FOOM Specialized Products for Hotels, Restaurants, and Cafes (HoReCA) Sector

<p>Italian Pizza Flour</p>  <p>10 KG</p>	<p>Donut Flour</p>  <p>10 KG</p>	<p>Pastry Flour</p>  <p>10 KG</p>
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Miller Consumer Products

<p>Fortified Patent Flour</p>  <p>1 KG</p>	<p>Fortified Brown Flour</p>  <p>1 KG</p>
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Second: Wheat Derivatives and Bran

The Company contributes to meeting the growing demand for bran products, which are generated as a by-product of flour milling at a rate ranging between 23% and 25%. Bran is primarily used in the production of animal and poultry feed for direct sale or internal consumption. The Company relies on Dammam Plant for

production, leveraging the by-products generated by milling and adding ingredients such as soybean and corn. Bran products are priced based on market mechanisms, as they are not subject to price regulation.

Wheat Derivatives Products:

Wheat Derivatives Products

Edible Bran



25 KG

Harees



10 KG

Third: Animal Feed

The Company places significant emphasis on strengthening its presence in the compound feed market and seeks to expand its market share by introducing new products. The market is expected to grow at a Compound Annual Growth Rate (CAGR) of 2% during 2023-2028, in line with the Kingdom's efforts to enhance food security and increase the local supply of meat and poultry.

Fourth Milling Company competes in the domestic market through its brand "Mafla", which includes animal bran products weighing 40 KG, as well as livestock, lamb feed, and fattening animal feed weighing 50 KG, catering to various customer segments in the agricultural and livestock sectors. The daily production feed

capacity reaches 450 tons, equating to approximately 135,000 tons annually based on 300 operating days, with high utilization rates reflecting operational efficiency and strong market demand.

The Company relies on scientifically formulated feed rations and carefully selected raw materials, including bran, wheat derivatives, corn, and soybean. The Company also implements strict traceability systems and continuous quality control, alongside ongoing product development in accordance with international best practices, to enhance feed conversion efficiency and support environmental and economic sustainability.

Animal Feed Products

"Mafla" Products

Fattening Animal Feed Pellet



50 KG

Lamb Feed



50 KG

Livestock Breeding Feed



50 KG

Animal Bran



50 KG

The Company's Plants

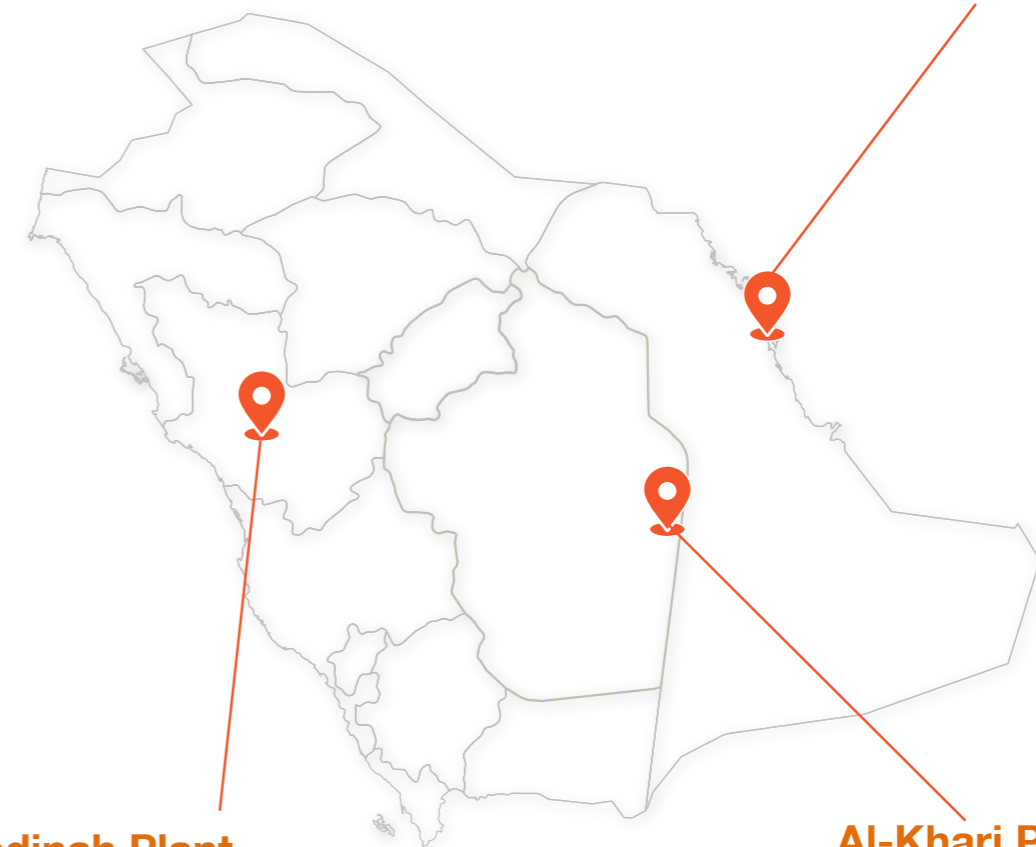
Fourth Milling Company has three plants strategically located in Dammam, Madinah, and Al-Kharj governorate, each distinguished by a strong operational track record. The Company has secured a secondary license from the GFSA, enabling the expansion of production capacity across its three plants by December 2028.



- Dammam Plant serves as the cornerstone of Fourth Milling Company's operational activities, being both the oldest and largest. The plant commenced its commercial operations in 1977 and is located near King Abdulaziz Port in the Eastern Region, which provides it with a significant logistical advantage.
- The plant operates three flour milling lines with a capacity of up to 1,350 tons per day and storage capacity of 80,000 tons, in addition to a feed production line with a capacity of 450 tons per day.
- The plant serves as the Company's gateway for export expansion and for capitalizing on growing local and international demand.

Dammam Plant

**3 Flour Mills
1 Feed Mill**



Madinah Plant

1 Flour Mill

- Madinah Plant serves the Western Region with a milling capacity of up to 1,200 tons per day and a storage capacity of 60,000 tons.
- The plant benefits from its central location in a city of global religious significance that attracts millions of visitors annually, which drives higher demand for food products in the hospitality and food service sectors and reinforces the Company's role in meeting the needs of these vital markets.

Al-Kharj Plant

**2 Flour Mills
Expansion: 1 Flour Mill + 1 Feed Mill**

- Al-Kharj Plant serves as a strategic asset due to its proximity to Riyadh, a city experiencing rapid population growth.
- The plant began operations as storage silos in 1989, before being converted into a fully integrated flour production facility in 2016.
- The plant has one milling line with a capacity of 600 tons per day and a total storage capacity of 10,000 tons, which enhances distribution efficiency and supports demand in the Central Region.

Key Pillars of Manufacturing Operations

1

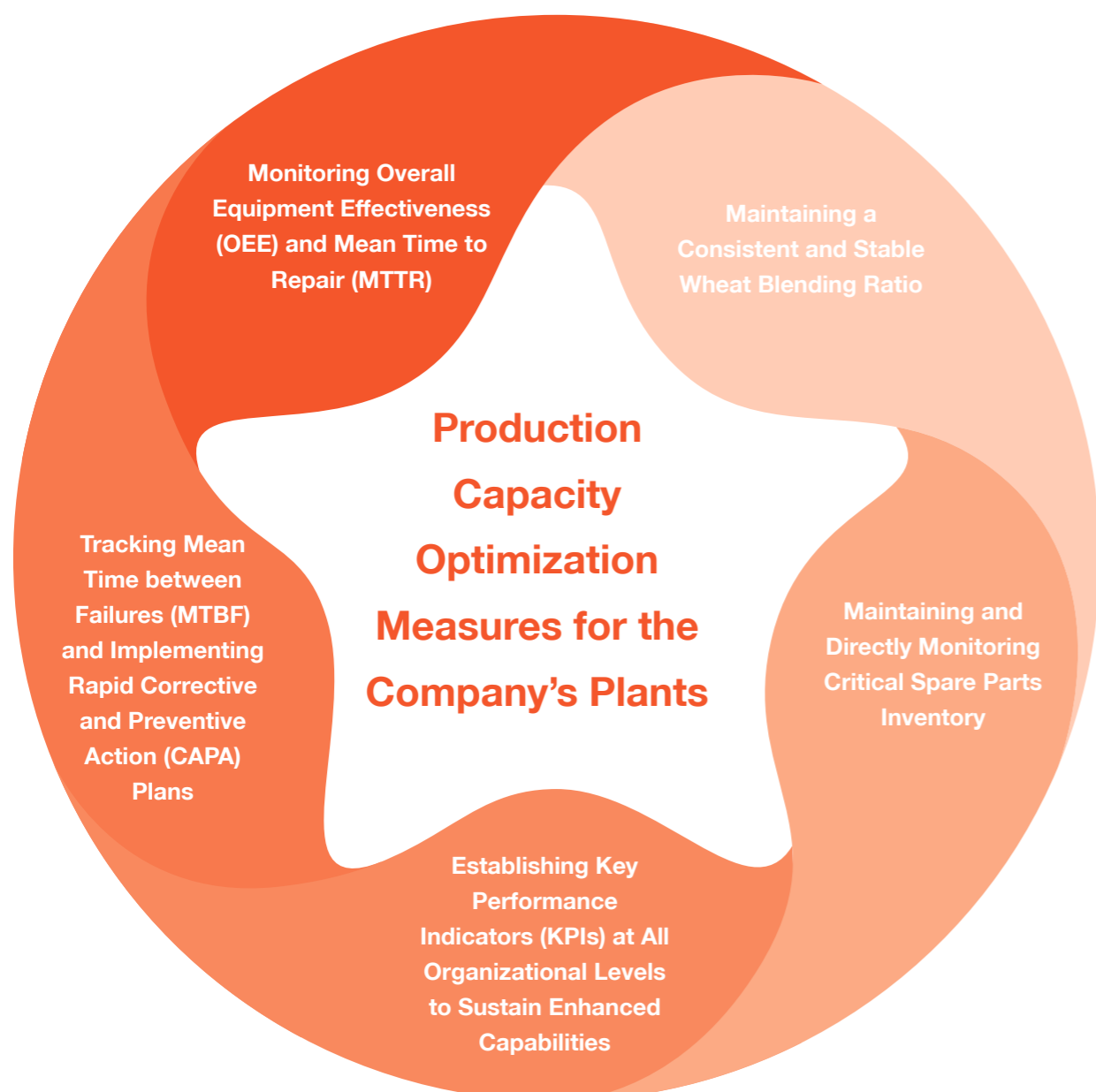
Ensuring compliance with GFSA regulations and maintaining extraction rates in line with Regulation (GSO194).

2

Enhancing production capabilities and increasing output volumes.

3

Reducing unplanned downtime through preventive maintenance.



Production Capacity



Current Capacity:

1,055,250 tons per year.



2026 Target:

Increase production capacity by 2.1% to reach 1,077,668 tons per year through capacity optimization and the reduction of operational downtime.



2027 Target:

Expanding the new mill at Al-Kharj branch.

Downtime Indicators at the Company's Plants

Statement	2024	2025
Plant Shutdown (Maintenance/Operations)	4.29%	2.84%
Plant Stoppage (Pallet Shortage, Bran Accumulation, External Power Outage, Water Interruption)	1.05%	2.78%
Total	5.34%	5.62%

Operational plant shutdowns were managed more efficiently in 2025, compared to 2024, while external factors negatively impacted total plant stoppage incidents in 2025.

2025 Key Initiatives to Enhance Operational Efficiency

Expansion of Al-Kharj Plant

The initiative includes expanding the flour and feed milling capacities at Al-Kharj branch, with the aim of increasing production capacity, enhancing distribution efficiency, and meeting the growing demand in the target region.

Digitalization and Artificial Intelligence (AI)

The initiative includes digitalizing operations and adopting AI technologies to monitor the plant performance during operation, enabling real-time performance tracking and immediate corrective actions to ensure production quality and efficiency.

Green Solar Energy

The initiative focuses on installing solar panels to utilize renewable energy, which contributes to reducing the Company's carbon footprint and sustainably lowering operating energy costs.

Workforce and Supply Chain Strategy

The initiative aims to implement a comprehensive strategy for managing the workforce, supply chain, and procurement in order to enhance operational efficiency, ensure continuity of supplies, and optimize resource management across the Company.



Production Efficiency Enhancement Program

Fourth Milling Company continues to implement a comprehensive Production Efficiency Enhancement Program aimed at achieving operational excellence and optimizing operations efficiency across all segments. The Program focuses on automation, integration of the industrial best practices, and the elevation of operating standards to reduce costs and embed a culture of continuous improvement.

The Company adopts a strategic vision to enhance operational efficiency across all facilities through optimized resources, refined milling processes, and enhanced operational flexibility, while maintaining premium product quality to meet growing demand. This has been reflected in the approval of the regulatory authorities to increase production capacity, in a bid to support the production of flour, bran, and feed with higher efficiency.

This vision is supported by high-impact expansionary and investment projects, most notably the expansion of Al-Kharj Plant at a value of SAR 265 million. This project includes adding higher-capacity production lines for both the flour mill and feed plant. This will enhance operational capacity and asset utilization rates in line with food security objectives and Saudi Vision 2030.

These initiatives have culminated in a robust financial performance, with the Company recording its highest ever annual revenues, growing by 7%, in addition to an increase in net profit by 17.5%, supported by improved operational efficiency and profit margin. This reflects an integrated combination of operational, technological, and investment solutions that strengthen competitiveness and support sustainable growth.

Key Elements of the Production Efficiency Program

Strategic Sustainable Improvement Program Focusing on achieving both immediate and long-term improvements in operational efficiency.	Systematic Process Improvement Implementing a systematic approach to optimize operational processes, with the aim of achieving comprehensive improvements.	Integrating Market Best Practices Integrating proven and approved methodologies to enhance effectiveness and efficiency across all operations.	Cost Reduction Across Various Sectors Targeting financial efficiency to achieve significant cost savings across various operational sectors.	Elevating Operational Excellence Achieving superior levels of performance across all aspects of operations, while adhering to the application of higher standards to ensure the highest levels of quality and efficiency.
Continuous Improvement Framework Seeking to embed the principle of continuous improvement across all operational areas, improving an integral part of the corporate culture, ensuring it is an ongoing pursuit, not a final destination.	Comprehensive Impact Assessment Conducting periodic assessments of the effectiveness of measures implemented to ensure their alignment with strategic objectives.	Adapting to the Dynamic Business Environment Designing agile strategies that enable adaptation to rapid shifts in the business landscape, thereby facilitating iterative improvements in response to evolving needs.	Strategic Vision for Excellence Through this Program, the Company aspires to become a leading model of operational excellence within the sector, thereby strengthening its competitive position and enabling sustained innovation.	Acquiring and Retaining Top Talent Focusing on human capital development by acquiring and nurturing exceptional talent, which contributes to creating a high-performance environment that aligns with the Company's long-term objectives.

Quality and Control System

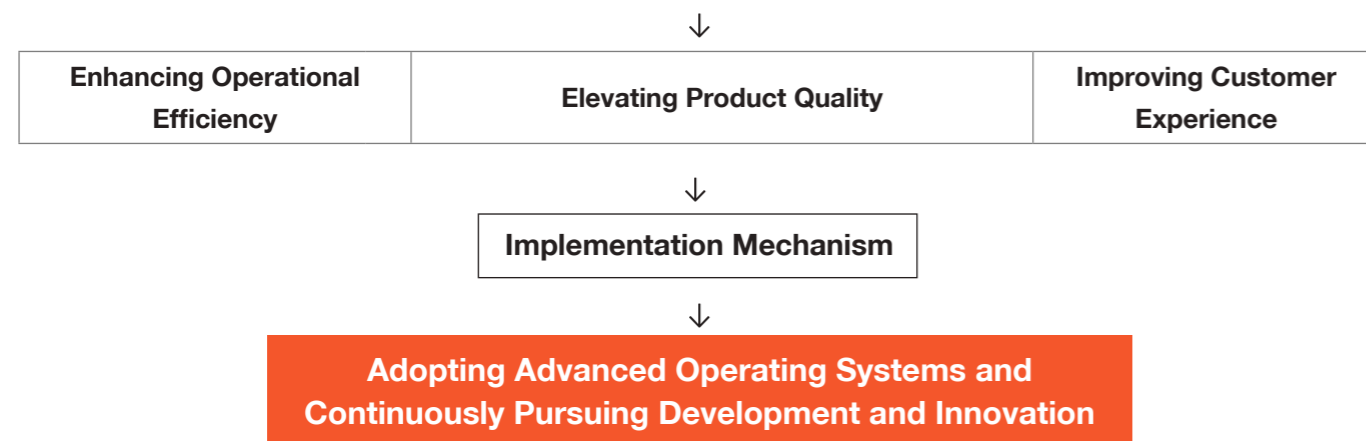
The Quality and Control System at Fourth Milling Company represents a fundamental pillar of its operational strategy, underpinned by a commitment to providing safe and high-quality products that meet the highest local and international standards, fulfill customer expectations, and bolster brand equity.

The Company adopts an integrated quality and food safety management system that covers all stages of the value chain, from the receiving of raw materials through production, packaging, and warehousing to final delivery. This is supported

by the application of rigorous control procedures to ensure consistent and sustained quality.

The system is also supported by an advanced infrastructure of certified laboratories and specialized technical expertise, with strict adherence to ISO standards and international certification schemes, reflecting the Company's focus on continuous development, enhancing operational performance, and reinforcing food security in the Kingdom.

Strategic Pillars of Quality Management



Key Pillars for Ensuring Quality

Quality is a core focus of the Company's operations, with a commitment to the highest standards of excellence in design, production, and product launch phases. The Company goes beyond regulatory requirements by applying international ISO standards and establishing even more stringent criteria to ensure quality control and consistently deliver high-quality products.

Stringent Standards

Integrated System

Advanced Laboratories

Specialized Team

The Company operates state-of-the-art testing facilities that adhere to the highest international standards for quality control. The Quality Control Department oversees rigorous daily inspection processes that cover raw materials, semi-finished products, finished products, and packaging materials for flour and feed, in order to ensure their safety and quality.

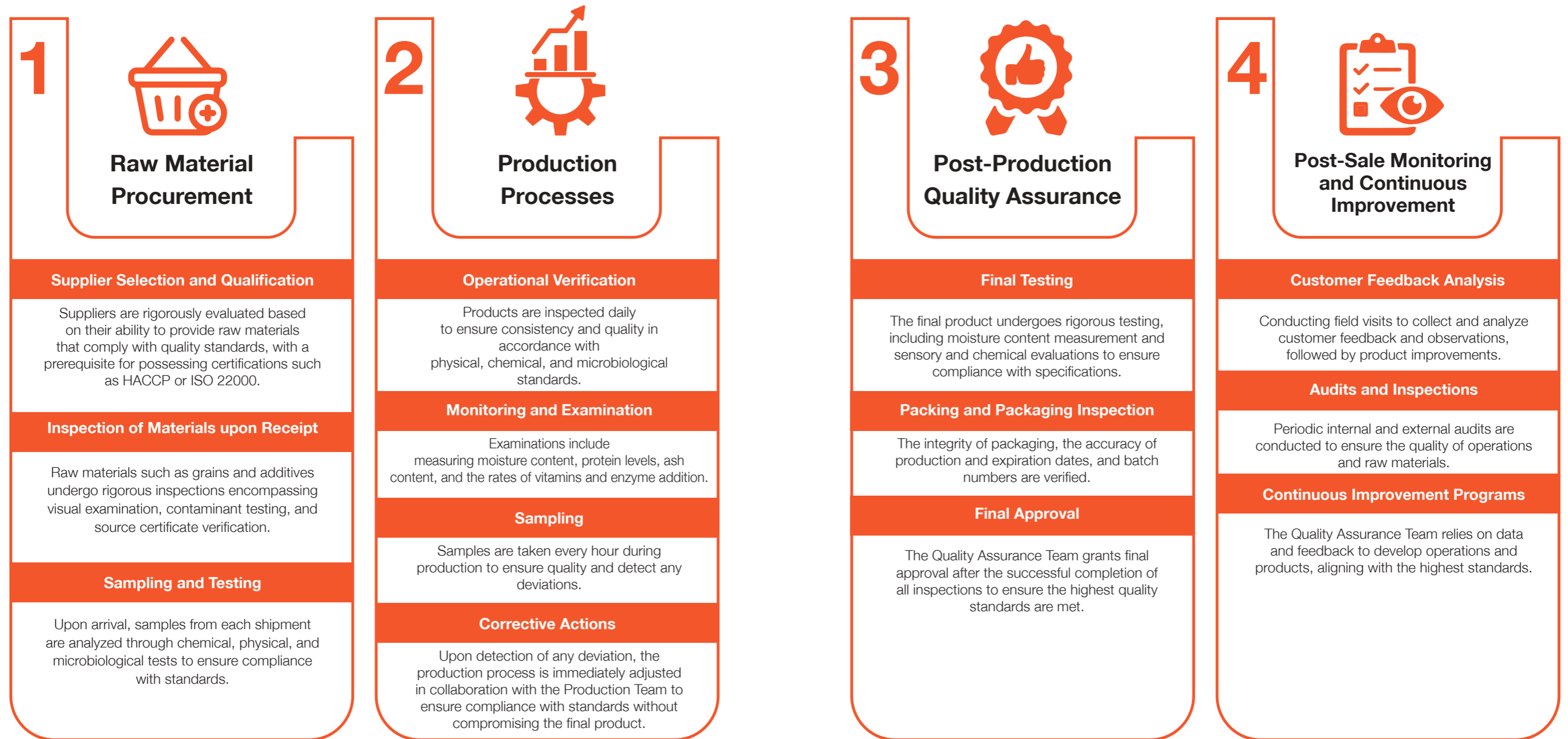
The Company applies an integrated Quality Management System (QMS) and has successfully obtained several international certifications, most notably ISO 22000, FSSC 22000, GMP, HALAL, and ISO 17025. Fourth Milling Company is the sole entity in the Kingdom that has accredited laboratories with this certification across all its branches, underscoring its commitment to the highest quality standards.

A team of highly trained specialists executes quality control activities and oversees the efficiency of facilities, equipment, and production processes. The team is also responsible for documenting and approving testing methods to ensure the application of the highest quality standards and sustained excellence.



Quality Assurance Processes at Every Stage of Production

The Quality Assurance (QA) system at Fourth Milling Company ensures that all operational stages, from raw material procurement and receipt to flour and animal feed production, comply with the highest certified quality standards. The following provides a detailed overview of the quality assurance processes at each stage:



Quality Control Testing

The Quality Control Department is responsible for analyzing all raw materials and monitoring every production stage of flour, animal feed, and final products, in order to ensure full compliance with required standards and specifications and that products are free from any defects.

Quality Control Testing Stages



Materials under Testing		
Packing and Packaging Materials	Raw Materials	Finished Products
Such as paper bags, plastic bags, and pallets.	Such as wheat, corn, soybean, flour, and feed additives (vitamins and enzymes) as well as water.	Such as wheat flour, animal feed, bran, wheat derivatives such as wheat germ, Harees, and Jareesh.
These materials are tested using various methods, including physical, chemical, microbiological, and mycotoxin analysis.		



Quality Tests Conducted at each Production Stage

Physical Testing	Odor Analysis	Inspecting raw materials for any abnormal or contaminating odors to ensure they are not spoiled.
	Impurities	Inspecting materials to ensure they are free from impurities, such as damaged grains.
	Infestation	Inspecting raw materials to ensure the absence of infestation, particularly by insects or other pests.
	Packing and Packaging	Inspecting packing and packaging to ensure their integrity and absence of damage, thus preserving material's safety.
	Tensile Strength of Packing and Packaging Materials	Testing the tensile strength of packing and packaging materials to ensure their ability to withstand stress during handling and transport.
	Packing and Packaging Dimensions	Verifying dimensions of packing and packaging materials to ensure compliance with the specified requirements for optimal storage and transport.
	Certificates of Analysis (COA)	Verifying the COA attached to the raw materials to ensure that they comply with the required standards.
Chemical Testing	Moisture Content	Measuring the moisture content of raw materials.
	Protein Content	Testing the protein content in raw materials. Protein directly affects the quality of flour and animal feed.
	Ash Content	Measuring the ash content in raw materials, reflecting their mineral content.
	Gluten Content	Testing the gluten content in wheat and flour.
	Falling Number	Measuring wheat starch quality, impacting dough handling properties.
	Rheology Testing	Measuring dough stability, water absorption, extensibility, and elasticity.
	Fiber Content	Testing the fiber content in products.
Microbiological and Mycotoxin Testing	Fat Content	Testing the fat content, which affects the quality and value of food products.
	Aflatoxin Testing	Measuring the presence of mycotoxins in raw materials, such as grain or feed.
	Deoxynivalenol (DON) Testing	Measuring the presence of mycotoxins in raw materials, such as grain or feed.
	Total Bacterial Count (TBC)	Testing for the presence of Bacteria in general in raw materials.
	Coliform Bacteria	Testing for Coliform Bacteria in materials, indicating microbial contamination.
	Salmonella Bacteria	Testing for the presence of Salmonella Bacteria.

Total Number of Tests

Test Type	Number
Physical Testing	570 tests per day
Chemical Testing	2,145 tests per day
Microbiological and Mycotoxin Testing	117 tests per day
Annual Total	900,000 tests conducted across all stages, from raw materials to finished products

Key Quality Achievements

1

Seeking to obtain Integrated Management System (IMS) certification to merge quality, environmental, and safety systems, streamlining operations, and unifying procedures across the facility.

2

Enhancing quality control measures on production lines, leading to improved product consistency and reduced downtime.

3

Developing daily monitoring programs for compliance and deviations, enabling faster response and more effective support for production operations.

4

Upgrading laboratory performance and modernizing key testing methods to ensure faster, more accurate results that support production decisions and reduce waste.

5

Achieving operational excellence through the effective integration of production processes and quality systems, enabling proactive decision-making and ensuring the sustainability of the highest standards of reliability in our products.

6

Enhancing the quality of Tamees product and preparing the new product for market launch in accordance with the highest quality standards.

Quality and Safety Compliance Measures



Implementing precise calibration programs for all equipment and tools used in production and laboratories to ensure measurement accuracy.



Applying rigorous quality control systems covering all manufacturing stages, from raw material receipt to finished product delivery.



Adhering to food safety standards and complying with GMP, ISO, and GFSA requirements to ensure products that are safe and free from risks.



Providing continuous training for employees on quality and safety procedures to ensure understanding and compliance at every stage.



Developing monitoring and documentation procedures for all processes and tests to ensure transparency and traceability.

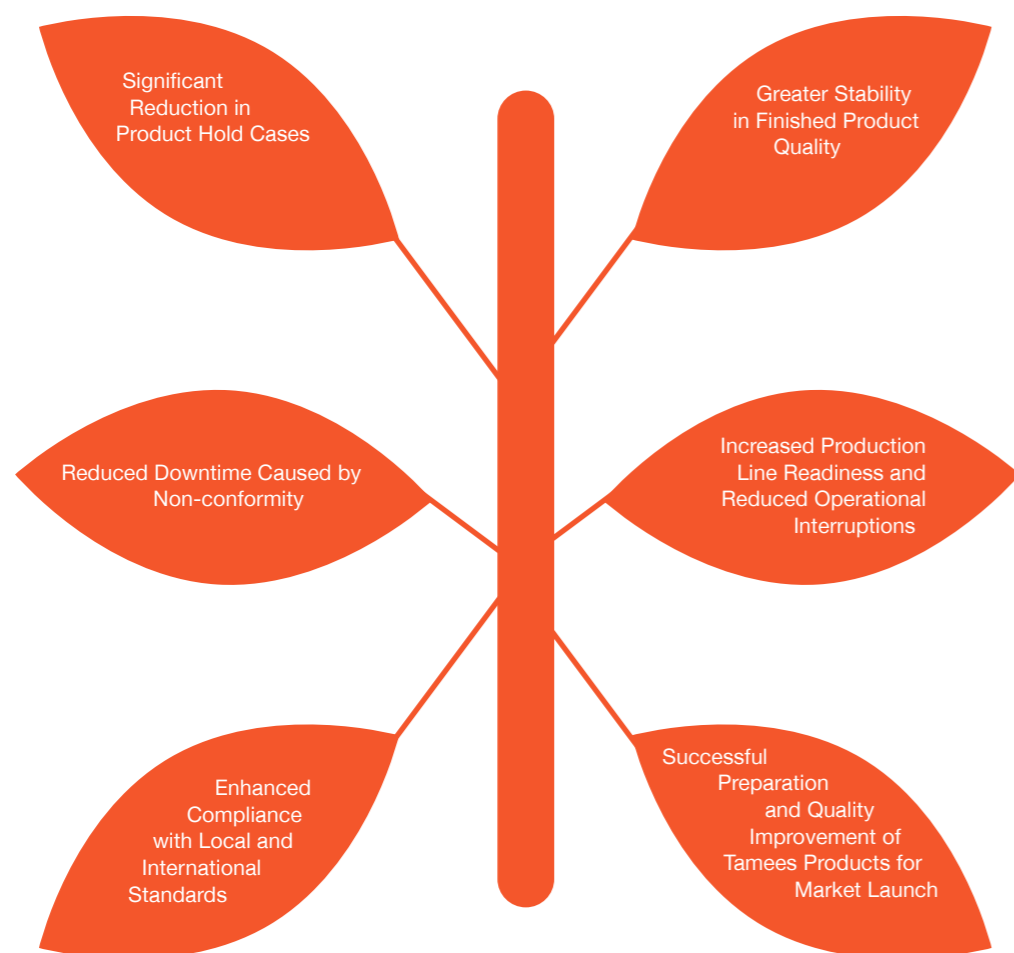


Conducting periodic assessments and risk analysis to maintain compliance and continuously improve performance.



Engaging quality and production teams to regularly review processes and address any deviations before products reach customers.

Key Results Achieved in Production Support



Quality Certifications Obtained in 2025

Certifications	Description
Manufacturing Good) GMP (Practices)	A certification that demonstrates proficiency in applying GMP requirements in food facilities, quality control, and regulatory compliance.
ISO/IEC 17025	A standard that accredits laboratory competence and ensures the accuracy and reliability of testing and examination results.
FSSC 22000	A system that integrates food safety management based on globally recognized international standards.
ISO 22000	A standard that specifies the requirements for a food safety management system across all stages of the supply chain.
Halal	A certification that confirms product compliance with Islamic Shariah principles and Halal food requirements.

Key Technologies Recently Adopted to Improve Product Quality



Expansion Projects and Infrastructure Enhancement

The Fourth Milling Company is well-positioned to lead the milling and food production sector in the Kingdom, underpinned by its advanced infrastructure, unwavering commitment to quality, and adoption of cutting-edge milling technologies. The Company's strategy is built on the continuous modernization of its facilities and equipment, alongside the integration of the latest technologies across all operations to ensure operational excellence and sustainable growth.

Furthermore, the Company has bolstered this direction through strategic investments that enhanced sales force efficiency, developed logistics networks and Customer Relationship Management (CRM), and improved after-sales services. This has positively affected the Company's brand image and solidified its competitive position in the market.

Infrastructure Elements

Plants and Production Facilities

The Company owns advanced plants in Dammam, Madinah, and Al-Kharj, equipped with the latest milling and packaging technologies and capable of meeting the growing demand for flour and feed products with high quality and strong operational efficiency.

Supply Chain and Warehousing

The infrastructure includes modern wheat storage silos and warehouses equipped for finished product storage, ensuring supply safety, operational continuity, and waste reduction.

Technical and Digital Systems

The Company relies on Enterprise Resource Planning (ERP) systems and analytics, such as operations and supply chain management platforms to support decision-making, enhance production efficiency, and improve demand forecasting.

Transportation and Distribution Network

The Company operates a transportation fleet and a distribution network covering various regions of the Kingdom, ensuring the swift and efficient delivery of products to markets and customers.

Quality and Safety Infrastructure

The Company implements rigorous quality control and food safety systems in accordance with international standards, including laboratories, traceability systems, and operational safety procedures.

Energy and Sustainability

The Company seeks to develop its infrastructure to support energy efficiency and reduce environmental impact by modernizing equipment and adopting sustainable operational practices.



Al-Kharj Expansion Project

(Establishing a Modern Flour Mill and a New Feed Plant)

Fourth Milling Company announced the launch of its largest expansion project in Al-Kharj, with an investment of approximately SAR 265 million. This strategic move aims to enhance production capacities in the flour and feed sectors, support the Company's sustainable growth plans, and meet the increasing market demand.



Project Scope and Components

The project includes the construction of a modern flour mill equipped with the latest technologies and integrated operational infrastructure, increasing daily flour production capacity by 750 tons, bringing the total daily output of Al-Kharj Plant to approximately 1,350 tons. Additionally, the project features the establishment of a new feed mill with a daily capacity of 240 tons to support the livestock sector and enhance the Kingdom's food supply chain. The Company has obtained approval from the GFSA for this expansion, reflecting the project's alignment with national food security objectives.



Regulatory Approvals and Governance

The Company's Board of Directors approved the project's execution on 30 April 2025, with construction set to commence during the second quarter of 2025, following the completion of all necessary regulatory approvals. This project falls within the Company's approved corporate governance framework and aligns with all relevant laws and regulations.



Cost and Funding Mechanism

The total cost of the project amounts to approximately SAR 265 million, which will be financed through Shariah-compliant banking facilities, in addition to leveraging the Company's operational cash flows. This reflects the strength of its financial position and ability to execute large-scale expansion projects while maintaining financial stability.



Implementation and Operation Timeline

The Company expects the feed plant to be completed during the second half of 2026, while the flour mill is scheduled for delivery in the second half of 2027. Pilot production at the feed plant will commence during the first half of 2026, and the flour mill in the first half of 2027. The trial operation phase for each will last for one month before transitioning to full commercial operation.



Expected Financial and Operational Impact

The project is expected to have a positive impact on the Company's financial results following the commencement of commercial operations. The financial impact will begin with the feed plant's operation in the second half of 2026, followed by the flour mill's operation in the second half of 2027. Furthermore, the project will contribute to enhancing operational efficiency, increasing the Company's market share, and strengthening its competitiveness over the medium and long term.



Progress in Implementation and Contracting

As part of the project implementation, the Company announced the signing of a number of agreements with leading companies in the milling sector to supply the equipment, machinery, and electrical installations required for the flour mill and the feed plant. Additionally, construction contracts for the plant buildings, warehouses, and related infrastructure were signed, valued at SAR 51.5 million, reflecting a significant progress in the implementation phases.

Success Partners and Key Customers

Fourth Milling Company maintains a broad and diverse network of approved suppliers to ensure continuity, quality, and reliability across all procurement categories. The Company's key strategic partners include:



In addition to these key partners, the Company works with over 500 approved suppliers covering raw materials, packaging and packaging, equipment, spare parts, and various service categories. The Company is actively planning to expand its customer base and continues to explore new local and international suppliers to broaden its supplier base, mitigate procurement and supply risks, and strengthen the local supply chain, while enhancing price and quality competitiveness. This ongoing expansion supports the Company's long-term sourcing strategy and ensures a resilient and cost-effective procurement system.

Occupational Health, Safety, and Environment (OHSE) System

Fourth Milling Company places Occupational Health, Safety, and Environment (OHSE) at the core of its operational strategy, viewing them as essential pillars for achieving sustainability and protecting employees, the community, and natural resources. The Company adopts the best practices and international standards, integrating safety and sustainability concepts across all its operational and administrative activities.

In the environmental field, the Company implements efficient resource management policies that include the optimization of water and energy consumption, emission monitoring, and waste management and recycling. The Company strives to minimize the environmental footprint of its production processes and has obtained the ISO 14001 certification for Environmental Management.

Regarding occupational health and safety, the Company provides a safe working environment through preventive protocols, periodic medical check-ups, Personal Protective Equipment (PPE), and Job Safety Analysis (JSA), in addition to safety and emergency training programs. The Company has obtained ISO 45001 certification.

The Company applies a proactive approach to risk management, including periodic site assessments, the updating of emergency plans, safety testing, and evacuation drills, while embedding a culture of safety and shared responsibility among all employees. This strengthens compliance, ensures a safe and sustainable work environment, and supports food security and sustainable development in the Kingdom.

OHSE KPIs

Indicator	2025 Data	2024 Data
Safe Man-Hours	590,144 (To 07/12/2025) (Subject to Increase)	1,144,848 (As of 31/12/2024)
Fines Imposed by Regulatory Authorities	0	0
Safety Representatives Training	1,478 (To 07/12/2025) Safety Induction (560) + Safety Toolbox Talks (871) + HSE Awareness Tours (47) (Subject to Increase)	691 (As of 31/12/2024) Safety Induction (334) + Safety Toolbox Talks (341) + HSE Awareness (16)
Forklift Driver Licenses	(Renewal in Progress for Forklift Operators across all Branches)	-
Awareness Tours	Daily	Daily
Work Permits Issued without Incidents	161 (To 07/12/2025) (Subject to Increase)	89
Environmental Records and Issued Certificates	3 (Dammam Branch Renewal in Progress)	3

Food Safety and Quality Compliance Measures

To ensure compliance with local and international food quality and safety regulations for all purchased materials, the Company implements a set of measures and procedures to guarantee full adherence to these standards. The following are the key procedures:



Safe and Sustainable Storage of Raw Materials and Finished Products

Fourth Milling Company complies with the regulations of the Saudi Food and Drug Authority (SFDA) and the General Food Security Authority (GFSA) for storing raw materials, such as wheat and corn, in silos equipped with sensors to monitor temperature and humidity, while contracting specialized pest control firms. The Company also owns standard warehouses across all locations that comply with SFDA regulations and undergo their inspections, with ongoing upgrades to finished product warehouses to provide cold storage, starting with Dammam Plant. Handling platforms have been developed to minimize damage during loading and unloading, contributing to a very low loss rate of 0.011% of stored goods. Furthermore, a daily inventory of finished products is conducted to take immediate action regarding any issues.



Key OHSE Policies and Measures

Measures to Reduce Flour Dust Exposure Risks

- Use of Personal Protective Equipment (PPE) (dust masks).
- Continuous training.
- Daily inspection.
- Cleaning and using vacuum suction systems.
- Effective ventilation and preventive maintenance.

Managing and Preventing Fire and Dust Explosion Risks

- Daily Inspection.
- Cleaning and using vacuum suction systems.
- Effective ventilation and preventive maintenance.

Training Policies and Programs for All Employees on Correct Safety Measures

- Safety induction program for new employees, workers, visitors, and contractors.
- Continuous safety Toolbox Talks (TBT), especially before hazardous tasks.
- Activating the Work Permit System.

Milling Waste Management and Recycling Programs

- Daily/per-shift cleaning and waste disposal.
- Contracting with certified contractors for waste collection and disposal in accordance with regulations.
- Collection and sale of recyclable waste.
- Waste reduction (Paperless Environment Initiative).
- Environmental awareness and sustainability programs and initiatives.

Water Consumption and Management Systems within Plants

- Activating water-saving initiatives as part of environmental awareness and sustainability programs.

Obtaining Environmental Management Certifications

- All branches have obtained environmental permits from the National Center for Environmental Compliance (NCEC).

Procedures Followed to Ensure Safety of Driving, Delivery, Loading, and Unloading Personnel

- Training drivers and employees on safety procedures and secure loading techniques.
- Mandatory use of Personal Protective Equipment (PPE), including helmets, gloves, safety shoes, and safety belts.
- Requiring carriers to conduct periodic vehicle inspections to ensure road readiness.
- Implementing Health and Safety protocols during loading and unloading operations.

Marketing and Corporate Communication Efforts

Marketing Strategy to Solidify Market Leadership

The Marketing and Business Development Department at Fourth Milling Company adopts a forward-looking strategy aimed at transforming the Company into a national leader driven by innovation and added value, aligned with growth priorities, operational excellence, and supporting the Kingdom's food security. Consumer insights, market development, and digital empowerment have contributed to strengthening the Company's position, with a greater focus on brand building and market understanding to achieve sustainable growth.

The Department plays its pivotal role in improving performance by providing market intelligence and formulating strategic direction, while monitoring consumer behavior and competitor movements. This ensures the update of marketing plans for rapid response to market shifts. Furthermore, the Department supports media campaigns, new product launches, and geographic expansion to strengthen commercial presence and achieve national and regional leadership.



Building Consumer Trust

Fourth Milling Company adopts an integrated strategy for building trust with both institutional and retail consumers. This strategy is centered on quality, transparency, and continuity, based on the following pillars:

Consistent Product Quality and Safety

- Implementing rigorous quality control standards across all products (flour, feed, and by-products).
- Monitoring quality at every stage: raw material receipt, milling, storage, and distribution.
- Adhering to food safety systems and quality requirements.

Supply Reliability and Operational Continuity

- Ensuring uninterrupted supply through robust operational planning and effective inventory management.
- Maintaining high plant reliability and superior logistical efficiency.
- Adopting unified customer agreements that explicitly outline the rights and responsibilities of both parties.

Transparency and Clear Communication

- Communicating clearly with customers regarding product specifications, applications, and quality standards.
- Providing timely updates on availability, pricing structures, and delivery schedules.
- Offering technical support to customers to build strong relationships and enhance brand trust.
- Maintaining transparency with regulatory authorities and stakeholders through accurate disclosures.

Customer-Centric Product Development Approach

- Aligning products to meet the needs of various customer segments (bakeries, retail, and individuals).
- Maintaining effective feedback channels and ensuring rapid response to inquiries.
- Continuously improving products based on customer requirements and market demands.

Customer-Centric Strategy to Enhance Market Share

Fourth Milling Company has adopted a strategy focused on increasing its market share by implementing a customer-centric-and-sales Go-to-Market (GTM) model:

In the B2B Sector

The company focused on deepening relationships with strategic accounts and increasing share across industrial bakeries and key customers, supported by consistent product performance, reliable supply, and tailored solutions.

In the B2C Sector

Our focus is on strengthening leadership in consumer packs by enhancing brand equity, advancing distribution, and improving in-market execution, ensuring strong visibility and availability across key regions.

In the Animal Feed Business

Optimize growth within operational constraints by focusing on high-demand regions and maximizing value from bran output, with targeted expansion in bulk segments across Eastern and Western regions.

Organizational Optimization

Enhance organizational effectiveness through a performance-driven model, aligning talent, incentives, and KPIs to support strategic priorities and drive execution excellence.

A Pivotal Year for Marketing and Business Development

The year 2025 was a pivotal year for the Marketing and Business Development Department at Fourth Milling Company, during which it expanded its capabilities by attracting highly qualified talent and establishing a specialized team to lead the brand and market ambitions. The Department also developed comprehensive strategies for both the corporate and consumer brands and strengthened the Company's presence at major industry events.

The year also witnessed a complete upgrade of FOOM Pizza Flour product, which outperformed leading imported brands in professional trials, solidifying the Company's product leadership. Furthermore, the Department established a comprehensive Objectives, Goals, Strategies, and Measures (OGSM) framework, began assessing strategic adjacent business segments, and bolstered research and consumer insight capabilities to support data-driven decisions regarding the brand and product portfolio.

Industry Events and Community Initiatives

The Company participated in several key events in 2025, enhancing its visibility across the food, milling, and community sectors.

Event	Nature of Participation and Impact	
Industry-Related Events	Saudi Food Show (Riyadh)	The Company showcased its milling capabilities and product portfolio to local and international stakeholders.
	International Association of Operative Millers Middle East & Africa Conference and Expo (IAOM MEA) (Jeddah)	It provided a vital platform for networking with regional milling leaders, suppliers, and industry experts.
Community and Cultural Initiatives	“Najoud Bi Khairina” Initiative	These events reflect the Company’s commitment to supporting national initiatives and engaging meaningfully with diverse segments of society across the Kingdom.
	“Al-Sairah Camel Auction”	
	“Talented People with Disabilities Forum” (Editions 1&2)	

The Company’s Marketing Channels

The year 2025 marked the Company’s move towards exploring new avenues to enhance customer engagement by deploying artificial intelligence (AI) tools to improve communication efficiency and generate insights. This included strengthening digital presence, commercial events, and B2B interaction channels, which expanded visibility and deepened customer relationships. Additionally, the Company began developing a specialized customer service platform to handle inquiries through social intelligence in order to support accurate assessment and performance measurement.

Building on these foundations, the Company intends to expand its digital communication efforts in 2026, develop targeted content for partners and consumers, and enhance participation in strategic industry forums to consolidate its leading position in the sector. The following figure illustrates the Company’s main marketing channels:

Key Marketing Channels



Digital Enablement and Customer Engagement

As part of its broader transformation, MC4 advanced its digital capabilities to support more effective customer engagement, communication, and decision-making. The Company strengthened its digital presence across key platforms, leveraging content and insights to improve visibility and interaction with the audience.

SAP S/4HANA serves as the primary digital platform for managing operations, supported by SAP Analytics Cloud (SAC) reports. It covers planning, warehouse management, logistics and shipping, and the full procurement cycle, which has enhanced operational visibility, inventory accuracy, procurement efficiency, and process documentation, while building a data repository that supports decision-making.

In 2025, MC4’s digital presence evolved with more targeted, consumer-relevant content, driving stronger engagement and increasing brand awareness. These efforts mark an important step in building a more connected and insight-driven marketing ecosystem aligned with the Company’s long-term growth ambitions.

Customer Satisfaction

Fourth Milling Company has adopted an integrated approach to enhancing customer satisfaction based on a consistent product quality, a rapid service response, and modernized communication tools, in addition to launching value-added products and trademarks. The Company has also strengthened customer experience by enhancing technical support and adopting proactive relationship management, supported by close coordination between the Marketing, Sales, and Research and Development (R&D) Teams to ensure prompt handling of feedback and the provision of effective solutions.

The Company measures customer satisfaction through regular field visits and analytical surveys, which enabled the Company in 2025 to improve quality and strengthen loyalty. These efforts have been reflected in the expansion of the customer base and higher engagement levels, while the Company continues to consolidate long-term loyalty through reliable products, ongoing technical support, and a comprehensive communication ecosystem that includes digital platforms and specialized events, thereby reinforcing partnership and deepening customers' connection with the brand.

Customers and Primary Distribution Channels

The Company employs an integrated sales channel structure, encompassing the industrial, wholesale, and modern channels. This ensures comprehensive market coverage and meets the needs of various customer segments, while driving market share growth and enhancing the Company's competitiveness. The distribution ecosystem includes wholesale distributors, industrial bakeries, small and medium-sized bakeries, retail outlets, and foodservice operators, with the wholesale and bakery channels representing the largest portion of sales. The strategy is centered on strengthening partnerships with distributors, expanding geographic reach, and improving market access efficiency to ensure supply continuity and elevated service levels.

Industrial Channel

One of the most prominent distribution channels, serving factories, industrial facilities, large commercial bakeries, restaurants, and hospitality companies whose activities rely on flour as a primary production input. These clients benefit from consistent quality, high-performance reliability, and resilient supply chains.

Wholesale Channel

It contributes, through an extensive network of agents and distributors, to enhancing the brand's market presence and providing greater flexibility in meeting changing demand in local markets.

Modern Channel

It encompasses major retail chains, supermarkets, e-commerce stores, and large retail outlets. This channel receives increasing attention due to its role as a primary driver of sales growth targeting individual consumers, particularly for 1 KG, 2 KG, and 10 KG packs.

The integration of these channels reflects a balanced strategy focused on diversifying revenue streams, enhancing resilience against market shifts, and ensuring long-term sustainable growth.

Marketing Investments Enhancing Brand Presence

The year 2025 witnessed a clear increase in investment in research, brand building, activation of trade marketing activities, and innovation development, which strengthened the presence of Fourth Milling Company's brand in the market and enhanced its competitiveness across the retail sector and trade channels. The Company allocated SAR 41.3 million to trade promotion activities out of total sales of SAR 767.7 million, evaluating the Return on Investment (ROI) by comparing expenditure to incremental sales and analyzing market share gains and trade partner performance during promotional campaigns.

In 2026, the Company plans to expand its marketing investment to maximize brand impact, accelerate the growth of the retail segment, and strengthen its commercial presence in strategic regions, while remaining committed to the optimal use of resources. The pricing strategy in 2025 focused on achieving

a balance between competitiveness and protecting profitability margins in a price-sensitive market, while offering high-quality products that reinforce the position of "FOOM" brand, supported by balanced promotional policies to maintain leadership despite low-cost competition.

The Company also aims to reduce selling and marketing expenses by enhancing spending efficiency, making data-driven decisions, and directing investments toward the most impactful channels and regions, alongside process optimization, streamlining trade activation activities, and developing digital content more efficiently to maintain a strong market presence while reducing non-essential expenditure. Close coordination between the Marketing and Sales departments supports the precise prioritization of initiatives and maximizes ROI across the various trade marketing activities.



The Company's Market Share in Retail Packs as per Nielsen Retail Audit

2025		45 KG Flour	Bulk Flour	Retail Packs	Total
	Milling Companies	2,268,784	376,752	240,733	2,886,269
	Fourth Milling Company	438,729	55,497	69,041	563,267
	Fourth Milling Company's Market Share	19.80%	15.4%	28%	19.8%



Expanding the Distribution Network Locally and Regionally

The Company intends to strengthen its presence within the Kingdom in the highest-growth regions by expanding its distribution network in Riyadh, Jeddah, and the Eastern Region, in addition to expanding into secondary cities with limited services. The Company also continues to consolidate its position in the B2B sector through partnerships with industrial and small bakeries, food manufacturers, wholesalers, and foodservice operators, supported by product assortments customized for each region to meet demand patterns and customer needs with greater precision.

On the international front, the Company is exploring quality export opportunities for the B2B sector in markets where its products enjoy a clear competitive advantage. Following the commencement of shipments to Qatar in 2025, the Company plans to expand gradually into markets across the Gulf Cooperation Council (GCC), with a focus on regions aligned with the Kingdom's ambitions in food security and regional trade.

These initiatives are integrated to support the Company's long-term strategic objective of expanding its market presence, enhancing product reach, and opening new horizons for sustainable growth.

Digital Transformation and Systems Development

Fourth Milling Company adopts an ambitious IT strategy aimed at strengthening digital infrastructure, streamlining business processes, improving operational efficiency, and fostering innovation.

The Company's 2025 strategy was centered around four key pillars:

Digital Transformation

Operational Excellence

Cybersecurity Resilience

Data Privacy Compliance

The ultimate goal of this strategy is to modernize the core infrastructure, automate key business processes, enhance security controls, and lay the necessary foundations for compliance with the Personal Data Protection Law (PDPL).

Key Achievements and Accomplishments in 2025

Digital Transformation

- Completion of the first and second phases of the SAP Analytics Cloud (SAC) implementation to support financial reporting and Supply Chain Management (SCM) operations.
- Implementation of the second phase of the SAP Mobility system to streamline and enhance the sales order processing workflow.

Operational Excellence

- Full deployment and implementation of the IT Service Management (ITSM) system across all Company/Corporate departments.
- Enterprise-wide rollout of Microsoft Copilot within the Office 365 environment to support and enhance AI-driven productivity.

Automation

- Integration of the SCADA system with the second phase of OPC technology to ensure real-time operational visibility.
- Completion of the digital integration for weighbridge calibration processes in Madinah.

Infrastructure

- Completion and handover of all infrastructure works for the new headquarters.
- Upgrading CPUs and Human-Machine Interfaces (HMIs) at Dammam and Al-Kharj Plants.
- Developing branch infrastructure by upgrading water treatment systems and paving roads.

Cybersecurity and Governance

- Completion of a comprehensive cybersecurity assessment covering infrastructure, system configurations, and security controls.
- Initiating the implementation of the PDPL governance and compliance framework, including the preparation of the Record of Processing Activities (ROPA), conducting gap assessments, drafting initial policies, and designing the governance structure for compliance management.

Key Developments in the Company's IT Roadmap for 2025

Expanding the Use of AI and Automation

Integrating AI technologies into core operations, analytics, and workflows to enhance performance efficiency and improve the quality of decision-making.

Strengthening Cybersecurity and Compliance

Developing protection controls, increasing readiness for the Personal Data Protection Law (PDPL), strengthening data governance, and implementing higher resilience measures against cyber threats.

Modernizing Cloud and Tech Infrastructure

Transitioning towards cloud-native, hybrid, and scalable environments.

Enhancing Data-Driven Decision Making

Expanding the scope of analytics, dashboards, and real-time visibility across all operational functions.

Driving Operational Efficiency

Increasing automation levels, reducing manual tasks, and improving system performance and availability.



Digital Applications at Fourth Milling Company

The Company relies on digital applications for its operational and marketing activities, leveraging the resulting data and analytics to support administrative decision-making, such as demand forecasting and optimizing production efficiency, through its SAP Analytics Cloud (SAC) platform.

The Company's Operational and Marketing Digital Applications

SAP S/4HANA
Freshservices for IT Service Management (ITSM)
SAP Document Management System (DMS)
SAP Mobility
WhatsApp Integration with SAP
PaperCut Centralized Print Management
ManageEngine for Update Management
Microsoft Active Directory (AD) and Group Policy (GPO)
Microsoft 365 and Azure 365

New Applications Deployed in 2025

IT Service Management (ITSM) System Deployment:

Deploying an integrated IT Service Management (ITSM) system to enhance service delivery quality, track incidents ticketing, monitor Service Level Agreement (SLA) compliance, and elevate overall technical support performance.

SAP SuccessFactors (Performance and Goals Management):

Implementation of the Performance and Goals modules to improve employee evaluation processes, align individual goals with corporate objectives, and enhance talent development programs.

Regarding the new applications planned for future launch, the 2026 digital applications roadmap will focus on AI-powered operational enhancements and the automation of core processes.

The upcoming applications will center on driving efficiency, minimizing manual effort, and enabling data-driven decision-making through integrated AI capabilities.

Investing in Technology

The Company's Investment Volume in Digital Technologies

Total investment in digital technologies during 2025	Approximately SAR 6 Mln
The Company plans to increase its investment volume during 2026	To SAR 8 Mln

Application Support and Maintenance Mechanism to Ensure Business Continuity

The Company ensures the stability of its operational activities through a structured support model that includes:

1- IT Service Management (ITSM) Platform:

Tracking all incidents, requests, and changes through the ITSM system to ensure rapid resolution and full transparency.

2- 24/7 Monitoring and Preventive Maintenance:

Core systems are subject to continuous monitoring, with proactive checks aimed at preventing system failures.

3- Average Response Time for Critical Issues

Critical Incidents (Priority 1): The Company adheres to the defined Service Level Agreements (SLAs), with an average initial response time ranging between 15 and 30 minutes.

Infrastructure and Cybersecurity

Advanced Technical Infrastructure

The Company relies on an advanced, secure, and resilient technical infrastructure that supports continuous operations and ensures uninterrupted business continuity. Additionally, the Company employs AI technologies to monitor performance, predict failures, and optimize resource efficiency and operational power.

Integrated Cybersecurity

The Company implements an integrated framework to protect Industrial Control Systems (ICS) and manage IT assets through SAP, supported by strict access controls, backups, and periodic security assessments. Furthermore, the Company adheres to local and international data protection standards, featuring comprehensive encryption and a cyber incident response plan to ensure system integrity and business continuity.

Infrastructure Investments

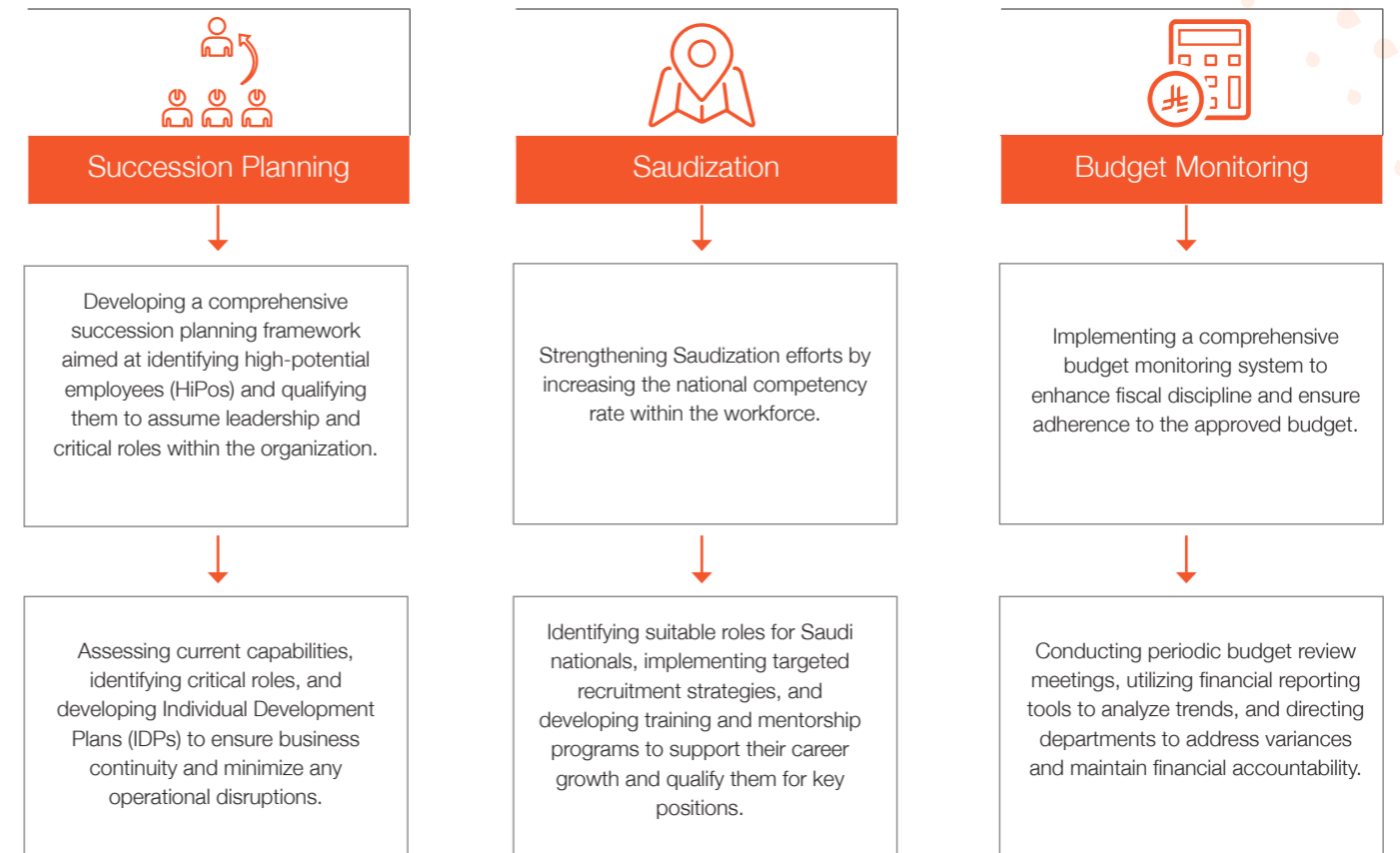
The Company allocated SAR 2.5 million for infrastructure in 2025, which included firewall upgrades and enhancing High Availability (HA) for its systems. The Company plans to increase investments to SAR 3.4 million in 2026 to support continuous development.

Human Capital Development

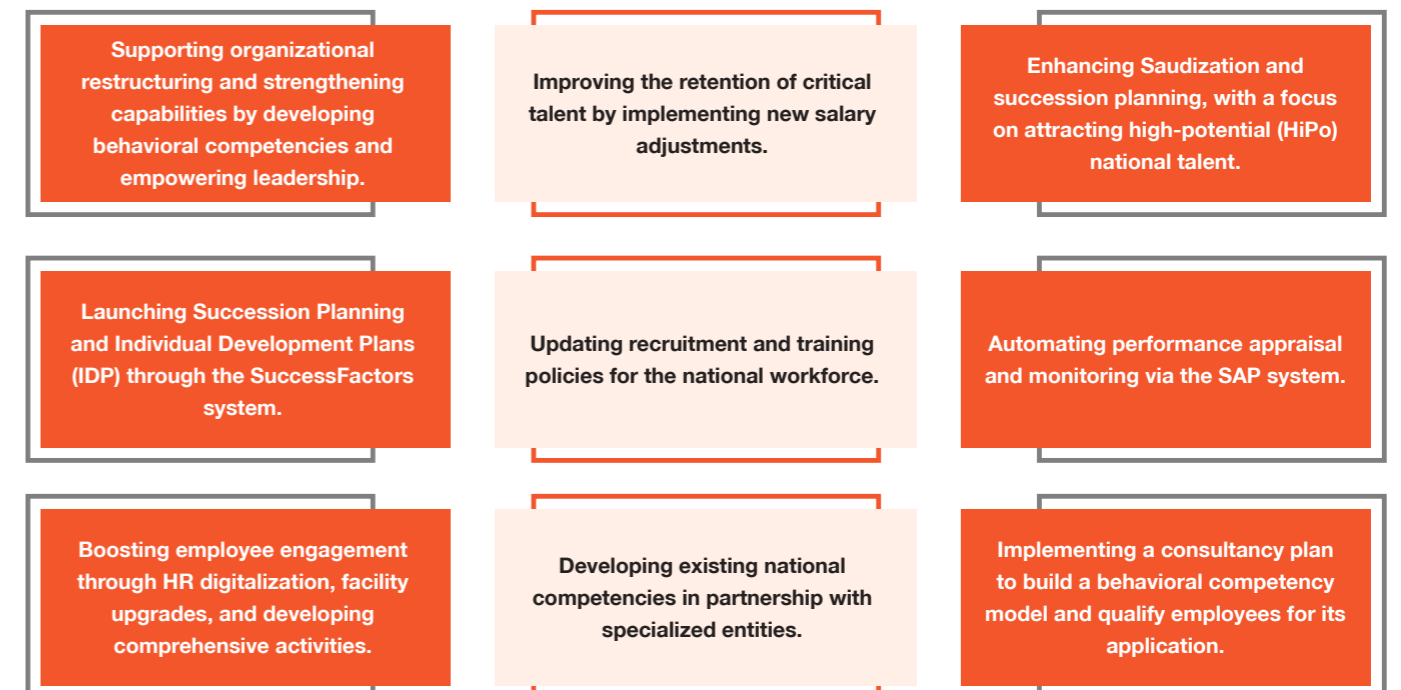
Human Resources (HR) Achievements in 2025



Key Pillars of the HR and Corporate Services General Strategy



Key Future Objectives for Human Resources



Workforce Headcount

The total headcount of the Company and its affiliated plants reached approximately 594 employees in 2025, compared to 571 employees in 2024.

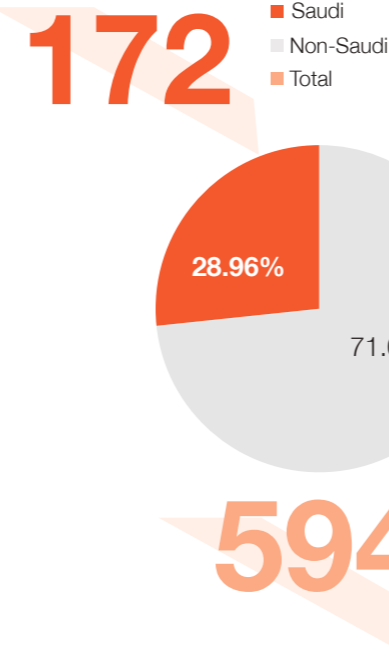
Workforce Distribution by Segment and Department

Sections/Department	2025			2024		
	Saudi	Non-Saudi	Total	Saudi	Non-Saudi	Total
Administration	2	2	4	4	1	5
Finance	7	13	20	11	19	30
Human Resources & General Services	60	33	93	60	32	92
Sales	14	18	32	18	13	31
QHSE (Quality, Health, Safety, and Environment)	22	15	37	21	19	40
Supply Chain	38	56	94	41	58	99
Production	23	186	209	31	177	208
Information Technology (IT)	4	9	13	1	4	5
Marketing	2	1	3	1	0	1
3rd Party	0	89	89	0	60	60
Total	172	422	594	188	383	571

Workforce Distribution by Company Branches and Plants

Location	Saudi	Non-Saudi	Total
Dammam	81	208	289
Madinah	60	115	175
Al-Kharj	31	99	130
Total	172	422	594

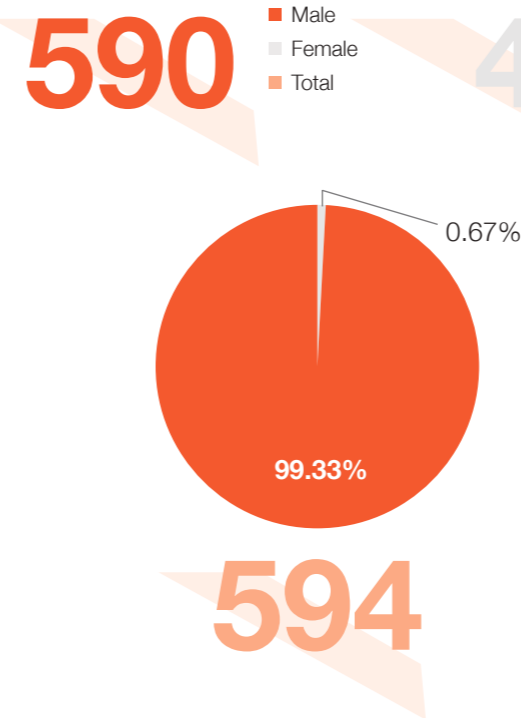
Workforce Distribution by Nationality:



Trend of Saudi and Non-Saudi Workforce Percentages over the Last 5 Years

Year	Percentage of Saudis	Percentage of Non-Saudis
2021	39.50%	60.50%
2022	36%	64%
2023	37%	63%
2024	32.90%	67.10%
2025	28.96%	71.04%

Workforce Distribution by Gender:



Trend of Male and Female Workforce Percentages over the Last 5 Years

Year	Male Percentage	Female Percentage
2021	100%	-
2022	100%	-
2023	100%	-
2024	100%	-
2025	99.33%	0.67%

Workforce Composition by Nationality in 2025

Nationality	Headcount
Saudi	172
Indian	148
Others	113
Filipino	78
Pakistani	55
Egyptian	28
Total	594

Employee Turnover and Retention Rates

Year	2024	2025
Employee Turnover Rate	12.40%	9.50%
Employee Retention Rate	88.68%	91.80%

Saudization

Saudization represents a fundamental pillar of Fourth Milling Company's strategy to support national objectives and enhance the recruitment of citizens in operational and administrative roles. The Company has been committed to Saudization requirements since the launch of the "Saudization" and "Nitaqat" programs in 2011, and its branches have been classified within the Platinum Category, which provides regulatory advantages such as obtaining work visas and transferring sponsorships.

In 2025, the number of Saudi employees reached 172, compared with 422 non-Saudi employees, bringing the Saudization rate to approximately 28.96%. The Company seeks to create technical and administrative job opportunities for Saudis, thereby reducing reliance on foreign labor and enhancing the participation of national talent in the food industries sector, while affirming that it has achieved an advanced level of Saudization compared with other industrial companies, and continues to work on further increasing this rate in the future.

Location/Classification	2024		2025	
	Category	Percentage	Category	Percentage
Company Headquarters (HQ)	Low Green	25.00%	Low Green	21.38%
Company Affiliated Branches	Low Green	34.95%	Low Green	31.46%
Average Saudization Rate		26.42%		28.96%

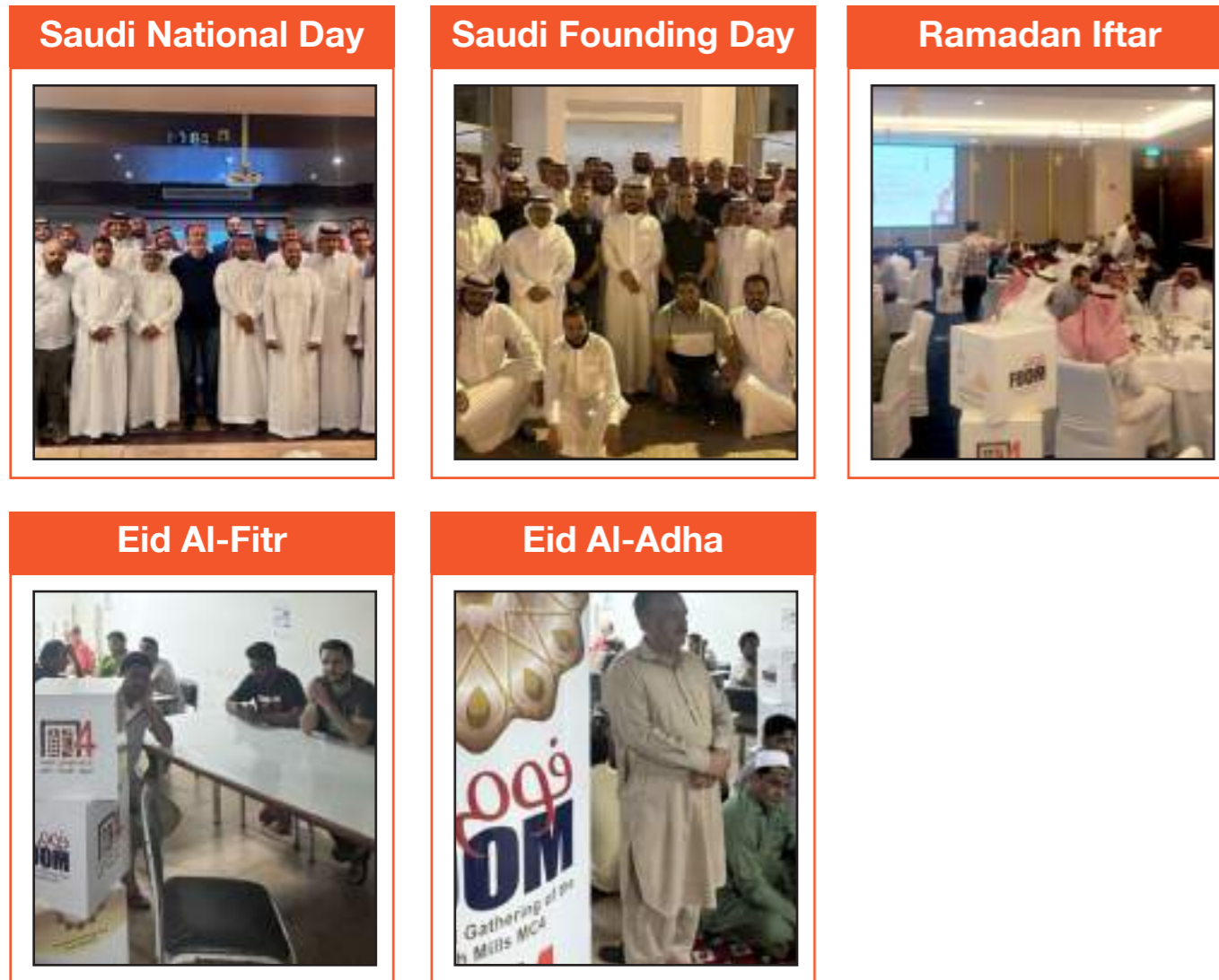
Employee Incentives and Rewards

Fourth Milling Company works on establishing a motivating work environment through an integrated rewards and incentives program that enhances performance and organizational belonging. This is supported by clear policies for recognizing outstanding employees, along with launching initiatives for empowerment and participating in national and public events. Furthermore, the Company provides internal and external training programs to develop competencies and upgrade skills, with plans for future expansion to ensure building a qualified workforce capable of keeping pace with business requirements and achieving sustainable growth objectives.

Key Initiatives for Improving the Work Environment



Major National and Social Occasions Celebrated by the Company with Employees in 2025



Training and Development Programs

The Human Resources (HR) Department at the Company places great emphasis on employee development and enhancing both their technical and behavioral competencies, viewing them as a core pillar for the Company's success and sustained excellence.

The Department's efforts include implementing specialized training programs targeting all career levels, with a focus on qualifying national talent, strengthening leadership skills, and developing technical and technological capabilities in

alignment with labor market requirements and international standards.

Additionally, the Department works on launching Individual Development Plans (IDPs), evaluating employee performance, and providing mentorship and career guidance opportunities to ensure sustainable growth for the workforce and enhance their readiness to assume leadership positions and contribute effectively to bolstering the Company's competitiveness.

Training Courses Provided by the Company in 2025

In-house Training Courses

First: Courses provided by the Quality Team – Al-Kharj:

Course Title	No. of Attendees	Course Title	No. of Attendees
Workshop on Certifications and Violations	15	Workplace Cleanliness	12
Presentation on Enzymes	4	Metal Detector	12
Food Safety	4	ISO 17025 (Clauses 4.1 – 6.6)	5
Safe Storage Tools	2	Laboratory Safety Instructions	5
Metal Detector	8	ISO 17025 (Clauses 7.1 – 7.11)	5
Risks of Leaving Doors/Windows Open	9	ISO 17025 (Clauses 8.2 – 8.9)	5
Food-Grade Grease and Ink	4	Good Manufacturing Practices (GMP)	36
Packing Line Hygiene	8	Personal Hygiene	36
Good Manufacturing Practices (GMP)	10	Food Safety	36
Good Storage Practices (GSP)	4	Cross-Contamination	36
Metal Detector	6	Reporting Quality Violations	36
Personal Hygiene	20	Cleaning and Sanitation	36
SOP for Metal Detector	6	Personal Hygiene	40
SOP for Metal Detector	9	Hazard Analysis and Critical Control Points (HACCP)	40
Pallet Hygiene	11	Food Safety System Certification (FSSC)	40
Food Safety	20	Impact of OHS on the Work Environment	6
Types of Contamination	13	Personal Hygiene	23
First-In, First-Out (FIFO)	12	Safety and Quality Flash Alert	22
		Good Manufacturing Practices (GMP)	22

Second: Courses provided by the Quality Team – Dammam:

Course Title	No. of Attendees	Course Title	No. of Attendees
Food-Grade Grease and Printing Ink	7	Sources of Uncertainty	5
Cleaning Methods and Documentation	7	GMP/GHP/GSP	5
Food Defense	7	Storage Practices	10
Cross-Contamination	5	Allergen Control and Awareness	5
Importance of Key Points in Certificate of Analysis (COA)	8	Bulk Flour and Bran Hygiene	10
Good Storage Practices (GSP)	6	Cross-Contamination	12
Personal Hygiene	10	Maintaining Storage Conditions	7
Food Defense	8	GMP & GHP	19
Good Hygiene Practices (GHP)	8	GMP & GHP	25
Food Safety Hazards	10	GSP	7
Defect Reporting and Management	10	Hazard Analysis and Critical Control Points (HACCP)	7
Hygiene Standards for Packing and Packaging Lines	5	Flour and Feed Packaging Hygiene	10
Comprehensive Contribution to Quality	5	Pest Control Awareness and Response Mechanisms	10
Safe Handling and Protocols	5	Hazard Analysis and Critical Control Points (HACCP)	5
Pest Control Awareness and Response Mechanisms	5	Raw Materials Handling	5
Importance of Quality in Production	4	HACCP in Food Manufacturing	10
Cross-Contamination	4	Food Handling and Hygiene	10
Customer Complaints Handling	3	Food Safety	5
Raw Materials Handling	10	Safe Product Handling and Foreign Body Prevention	12
Methodological Handling of Records and Corrections	5	Personal Hygiene	10
		Root Cause Analysis (RCA)	5
		FSSC Awareness	15

Third: Courses provided by the QHSE Team – Madinah:

Course Title	No. of Attendees	Course Title	No. of Attendees
Product Packaging	10	Test Benefits and Their Impact on the Product	6
Product Packaging	3	Standard Specifications for High-Quality Bread	6
Cleanliness and Hygiene	6	Fumigation Personnel and Safety Supervisor Instructions	11
Equipment Lubrication and Greasing	7	Bag Weighing and Metal Detector	7
Cleanliness	4	Bag Weighing and Metal Detector	9
Printer Operation and Usage	10	ISO 17025	6
Product Inspection Methods	6	Personal Hygiene and the Importance of Closing Doors	13
Product Inspection Methods	6	Food Safety	18
Product Inspection Methods	21	Food Safety	12
Risks of Leaving Doors or Windows Open	6	Good Manufacturing Practices (GMP)	12
Personal Hygiene	3	Metal Detector	6
Personal Hygiene	21		
SOP Implementation and Usage	6		

Fourth: Courses provided by the Information Technology (IT) Department:

Course Title	No. of Attendees	Course Title	No. of Attendees
Quality for Stock Transport Orders (STO)	10	SAP SuccessFactors Performance and Goals Management	4
Sales Commission Calculation	5	Sales Operations – Mobile Interface	15
IT Service Management (ITSM) System	15	SAP Sales Training for Sales Representatives Using Tablets	16
Purchase Requisitions and Goods Receipts (PR-GR)	15		
Dahua CCTV DHSA-VMS Monitoring System Basics	10		

Fifth: Courses delivered by diverse external and internal parties:

Course Title	Provider	No. of Attendees
CHOPIN Lab Mill	CHOPIN	6
CHOPIN ALVEOLAB	CHOPIN	6
CHRO Magar Microbiology Media	CHRO Magar	5
SAP SuccessFactors Performance and Goals Management	Solex	4
Impact of Occupational Health and Safety (OHS) on the Work Environment	Tatawor Consulting Company Management	22
Impact of Occupational Health and Safety (OHS) on the Work Environment	Tatawor Consulting Company Management	18
5S + S (Safety)	Health and Safety Team – Damman	4

External Training Courses

Course Title	Provider	No. of Attendees
ISO 14001:2015 Environmental Management System (EMS)	BUREAU VERITAS	10
Supply Chain and Logistics Management	Qassim University	1
Strategic Planning	Academy of Learning	25
Managerial and Governmental Accounting	Saudi Organization for Chartered and Professional Accountants (SOCPA)	1
Preparation Program for Tax Specialist Certification Exam	Saudi Organization for Chartered and Professional Accountants (SOCPA)	2
Financial Accounting	Saudi Organization for Chartered and Professional Accountants (SOCPA)	1
Financial Auditing	Saudi Organization for Chartered and Professional Accountants (SOCPA)	1
Preparation Program for Accounting Technician Certification Exam	Saudi Organization for Chartered and Professional Accountants (SOCPA)	1
Professional Organizational Development (OD) Workshop	Wathbat Al-Najah Trading Company	1
ISO/IEC 17025:2017 Laboratory Quality Management System	Business Excellence & Management Consortium	6
Gulf Technical Exchange Program	Cereals Canada	1
Business Crisis and Risk Management	Academy of Learning	33
Certified Key Performance Indicators (KPIs) Professional Course	Tamkeen Company	10
Finance for Non-Finance Professionals	Tamkeen Company	10

Graduate Trainee Program

Education Level	Major	Educational Institution	Training Department	No. of Trainees
Diploma	Mechanical Machinery Maintenance Technology	Technical College	Manufacturing	1
Diploma	Office Management	Technical College	Human Resources (HR)	1
Diploma	Accounting	Technical College	Finance	1
Bachelor's	Office Management	Taibah University	Human Resources (HR)	1
Bachelor's	Computer Science	Jubail Industrial College (JIC)	Information Technology (IT)	1
Master's	Physics	Taibah University	Quality, Health, Safety, and Environment (QHSE)	1
Bachelor's	Information Technology (IT)	Taibah University	Information Technology (IT)	1
Bachelor's	Information Technology (IT)	Taibah University	Information Technology (IT)	1
Bachelor's	Electrical Engineering	Prince Mohammad bin Fahd University (PMU)	Quality, Health, Safety, and Environment (QHSE)	1
Bachelor's	Food Science and Technology	Imam Abdulrahman bin Faisal University (IAU)	Quality, Health, Safety, and Environment (QHSE)	1
Bachelor's	Food Science and Technology	Imam Abdulrahman bin Faisal University (IAU)	Quality, Health, Safety, and Environment (QHSE)	1
Diploma	Supply Chain Management	Imam Abdulrahman bin Faisal University (IAU)	Quality, Health, Safety, and Environment (QHSE)	1
Diploma	Human Resources (HR)	Academy of Learning	Human Resources (HR)	1
Diploma	Cybersecurity	Academy of Learning	Human Resources (HR)	1
Diploma	Quality, Health, Safety, and Environment (QHSE)	Taibah University	Quality, Health, Safety, and Environment (QHSE)	1

Human Resources Automation

Fourth Milling Company strives to enhance HR management by automating digital processes and implementing advanced technology solutions such as the SAP system as an integrated HR management solution, and the SAP SuccessFactors System for Performance and Goals Management, thereby ensuring data accuracy, goal alignment, improved performance evaluation, and talent development.

Additionally, the Company adopted the IT Service Management (ITSM) system to enhance the quality of technical services, facilitate incident ticketing tracking, monitor Service Level Agreement

(SLA) compliance, and improve technical support performance. The Company also expanded its use of Artificial Intelligence (AI) and automation to support HR, finance, operations, and sales, while developing workforce skills in AI, automation, cybersecurity, and data culture.

The 2026 digital roadmap includes launching new applications aimed at enhancing operational efficiency, reducing manual effort, and enabling data-driven decision-making through integrated AI capabilities.

Section IV

Governance and Regulatory Compliance Framework
“Governance that Fosters Trust and Drives Growth”

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Company Governance

Fourth Milling Company places fundamental importance on corporate governance as a key pillar for achieving sustainability and enhancing the confidence of shareholders and stakeholders. The Company relies on an integrated framework based on transparency, accountability, integrity, and rights protection, ensuring sound and effective management of the Company's operations in line with the best practices approved for listed companies.

In addition, the Company is keen to integrate Environmental, Social, and Governance (ESG) standards into its corporate strategy, ensuring business continuity and long-term value creation. The Board of Directors and Board Committees play a pivotal role in guiding strategy, monitoring performance, enhancing compliance, and managing risks, thereby supporting the Company's growth and strengthening its corporate position and market confidence.

Fundamental Principles of Governance

Integrity and Ethics

- Disclosing financial results and material decisions regularly and accurately.
- Providing clear and accessible information to shareholders and stakeholders in a timely manner.

Accountability and Responsibility

- Full compliance with laws, regulations, and ethical standards.
- The Board and Executive Management are held accountable before the General Assembly.
- Clarity and definition of powers and responsibilities within the organizational structure.

Fairness and Protection of Shareholders' Rights

- Treating all shareholders fairly and without discrimination.
- Enabling shareholders to exercise their voting rights and participate in material decisions.

Integrity and Ethics

- Commitment to the values of integrity and compliance with regulations and laws.
- Abiding by clear conflict of interest policies and codes of professional conduct.

Sustainability and Risk Management

- Integrating Environmental, Social, and Governance (ESG) standards into the Company's strategy.
- Placing sustainability at the heart of the Company's operations to ensure resilience and create sustainable value for stakeholders.
- Linking governance to operational and financial sustainability.
- Managing risks in a systematic manner that ensures business continuity and assets protection.

Organizational Pillars of Corporate Governance at the Company

Effective and Independent Board

- A Board comprising Independent Members with diverse expertise.
- Directing strategy, approving policies, and monitoring performance.

Board Specialized Committees

- **Nominations and Remuneration Committee (NRC):** Concerned with appointing leaders and determining remuneration policies.
- **Audit Committee:** Oversees internal control, financial reporting, and compliance.
- **Board Executive Committee:** Responsible for supporting the Board in terms of strategy, performance, governance, and investments by reviewing plans and submitting appropriate recommendations.

Effective Internal Control System

- Clear policies and procedures to control financial and operational processes.
- Periodic review of the efficiency of systems and procedures.

Integrated Framework for Compliance and Regulation

- Compliance with Capital Market Authority (CMA) regulations, the Companies Law, and disclosure and governance regulations.
- A compliance unit that monitors adherence to regulations and internal policies.

Corporate Risk Management

- Identifying and assessing operational, financial, and regulatory risks.
- Developing response and preventive mitigation plans to minimize the potential impact of risks.

Communication with Stakeholders

- Enhancing communication with shareholders, investors, and regulatory authorities.
- Enabling effective participation in general assemblies and e-voting.

Provisions and Degree of Compliance

The Company acknowledges the implementation of all provisions contained in the Corporate Governance Regulations (CGRs), except for the following:

Article No.	Title Title	Article Text	Degree of Application	Reasons for Non-Application
Article 67	Formation of Risk Management Committee	The Company's Board shall, by resolution therefrom, form a Committee to be named the "Risk Management Committee.". Chairman and majority of its Members shall be Non-Executive Members. The Members of that Committee shall possess an adequate level of knowledge in risk management and finance.	Not Applied	Guiding Article It should be noted that the oversight of Risk Management Committee falls under the responsibilities of the Audit Committee, which is subject to periodic review.
Article 68	Competencies of the Risk Management Committee	The competencies of the Risk Management Committee shall include the following: 1) Developing a strategy and comprehensive policies for Risk Management that are consistent with the nature and volume of the Company's activities, monitoring their implementation, and reviewing and updating them based on the Company's internal and external changing factors. 2) Determining and maintaining an acceptable level of risk that may be faced by the Company and ensuring that the Company does not go beyond such level. 3) Ensuring the feasibility of the Company continuation, the successful continuity of its activities and determining the risks that threaten its existence during the following twelve (12) months. 4) Overseeing the Company's Risk Management system and assessing the effectiveness of the systems and mechanisms for determining and monitoring the risks that threaten the Company in order to determine areas of inadequacy therein. 5) Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests as an example). 6) Preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board. 7) Providing recommendations to the board on issues related to risk management. 8) Ensuring the availability of adequate resources and systems for Risk Management. 9) Reviewing the organizational structure for Risk Management and providing recommendations regarding the same before approval by the Board. 10) Verifying the independence of the Risk Management employees from activities that may expose the Company to risk. 11) Ensuring that the Risk Management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk. 12) Reviewing any issues raised by the Audit Committee that may affect the Company's Risk Management.	Not Applied	Guiding Article The Company will implement this article once it becomes mandatory.
Article 92	Formation of a Corporate Governance Committee	If the Board forms a Corporate Governance Committee, it shall assign to it the competencies stipulated in Article (91) of these Regulations. Such Committee shall oversee any matters relating to the implementation of governance, and shall provide the Board with its reports and recommendations at least annually.	Not Applied	Guiding Article Note that overseeing the Governance Committee and updating its requirements falls under the responsibilities of the Audit Committee.

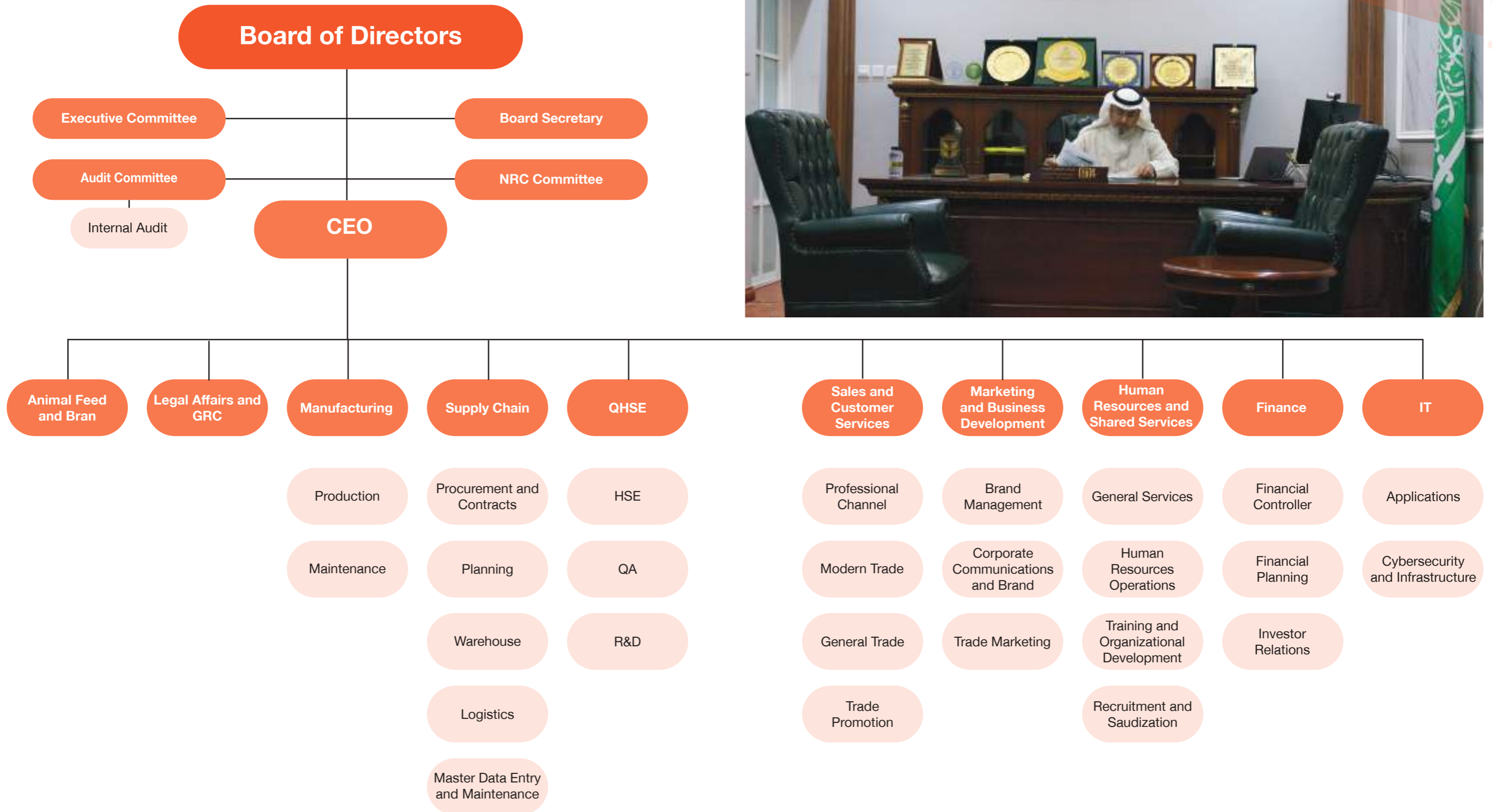
Penalties and Sanctions

The following is a statement of the penalties and sanctions imposed on the Company by the General Food Security Authority (GFSA) or any supervisory, regulatory, or judicial authority during 2025:

Violation Type	Authority Issuing the Violation	Violation Year	Date of Decision Publication	Final Violation Amount (SAR)
Labor Case	Labor Court	2025	07-10-2025	96,620
Labor Case	Labor Court	2025	07-12-2025	55,202
Labor Case	Labor Court	2025	16-01-2025	0
Labor Case	Labor Court	2025	02-01-2025	0
Labor Case	Labor Court	2025	06-03-2025	0
Liability for Tortious Act	General Court	2025	29-05-2025	0
Liability for Tortious Act	General Court	2025	04-05-2025	0
Financial Penalty	GFSA	2024	-	4,000,000



Administrative and Organizational Structure



Board of Directors Composition and Classification



Bader Hamad AlAujan

Chairman of the Board
Non-Executive



Tariq bin Abdullah bin Sulaiman AlJammaz

Vice Chairman
Non-Executive



Prashant Vitkar

Board Member
Non-Executive



Marwan Ahmed Mohammed Ibrahim

Board Member
Non-Executive



Kamel Muneef AlKhatib

Board Member
Non-Executive



Syed Rizwan Ahmed

Board Member
Non-Executive



Fahad Abdullah Hussain Mousa

Board Member
Independent



Abdulaziz Mohammed Abdulaziz AlShaikh

Board Member
Independent



Yasser Ali Saleh AlZeghaibi

Board Member
Independent



Bader Hamad AlAujan
Chairman of the Board

Membership Type: Non-Executive

Date of Appointment: 16/08/2023

Nationality: Saudi

Qualifications:

- Bachelor of Science, Mechanical Engineering, King Saud University (KSU).
- Completed the Board Membership Program, INSEAD Business School, France.
- Extensive experience in leading companies within the food and agriculture sectors.

Key Experiences:

- Chairman, Board of Directors, Gulf Industrial & Development Company (SAFM), a Limited Liability Company (LLC).
- Member, Board of Directors, Member, Investment Committee, Saudi Agricultural and Livestock Investment Company (SALIC), a Joint Stock Company (JSC).
- Member, Board of Directors, Abdullah Al Othaim Markets Company, a Listed Public Joint Stock Company (PJSC).
- Member, Board of Directors, Chairman, Executive Committee, Al Jouf Agricultural Development Company (JADCO), a Listed Joint Stock Company (LJSC).
- Chairman, Arabian Company for Agricultural and Industrial Investment "Entaj".
- Member, Board of Directors, Afia International Company (AIC).
- Member, Board of Directors, United Sugar Company (USC)..

Previous Positions:

- 2014-2018: CEO, Savola Foods.



Tariq bin Abdullah bin Sulaiman AlJammaz
Vice Chairman

Membership Type: Non-Executive

Date of Appointment: 16/08/2023

Nationality: Saudi

Qualifications:

- 1997: Master of Science, Food and Agriculture, King Saud University (KSU).
- 2007: Diploma, Business Administration, Al Yamamah University (YU).
- +20 years of experience, agriculture and food production sector, with expertise focused on agriculture, food security, and business administration.

Key Experiences:

- 2017-Present: CEO, United Feed Manufacturing Company (UFMC), a Limited Liability Company (LLC), Operating in the Feed Sector, KSA.
- Member, Board of Directors, National Agricultural Development Company (NADEC).
- Member, Board of Directors, Gulf Industrial & Development Company (SAFM).
- Member, Board of Directors, Agricultural Gulf Layer Breeder Company (GLBCO).

Previous Positions:

- 2014-2017: Executive Director, Al Faisaliah Group (AFG), a Closed Joint Stock Company (CJSC), Operating in the Food and Agriculture Sector, KSA.
- 2012-2014: Executive Director, AlSafi Danone Company, a Limited Liability Company (LLC), Operating in the Dairy and Agriculture Sector, KSA.



Prashant Vitkar
Board Member

Membership Type: Non-Executive

Date of Appointment: 16/08/2023

Nationality: Indian

Qualifications:

- 1989: Bachelor's Degree, Engineering, Shivaji University, India.
- 1994: Master's Degree, Business Administration (MBA), Marketing, Indian Institute of Management (IIM), Ahmedabad.
- Prominent Entrepreneur with a Strong Educational Foundation and Extensive Experience, Agribusiness and Food Sectors.

Key Experiences:

- November 2021-Present: General Manager, Agri-food, and Oils & Fats Division, IFFCO Group.
- 2022-Present: Member, Board of Directors, Gulf Flour Milling Industrial Co., a Limited Liability Company (LLC), Operating in the Feed Sector, KSA.
- 2021-Present: Member, Board of Directors, Arabian Food Production Company (AFPC), a Joint Stock Company (JSC), Operating in the Food Sector, Sultanate of Oman.

Previous Positions:

- 2016-2021: CEO, Godrej Tyson Foods Ltd Company, a Joint Stock Company (JSC), USA, Operating in the Agriculture and Poultry Sector.
- 2015-2016: General Manager, Hyderabad Industries Limited (HIL) Company, a Joint Stock Company (JSC), Operating in the Trade of Building Materials, Machinery, and Industrial Supplies, India.
- 2010-2015: CEO, Britannia Industries Company, a joint Stock Company (JSC), Operating in the Sector of Selling Cakes, Biscuits, Bread and Dairy Products, India.
- 2008-2010: VP, Samsonite APAC & Middle East, a Joint Stock Company (JSC), Operating in the Bag Manufacturing Sector, UAE.



Marwan Ahmed Mohammed Ibrahim
Board Member

Membership Type: Non-Executive

Date of Appointment: 16/08/2023

Nationality: Jordanian

Qualifications:

- Bachelor's Degree, Accounting and Business Administration, University of Jordan (UJ).
- Multiple professional certifications, including Certified Public Accountant (CPA), Certified Management Accountant (CMA), and certification from the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- Senior executive in the field of finance, with extensive experience in financial management, corporate governance, and the consumer goods sector.

Key Experiences:

- 2005-Present: CFO, Abdullah Al Othaim Markets Company, a Listed Joint Stock Company (LJSC), Operating in the Consumer Goods Distribution Trade Sector, KSA.
- Member, Board of Directors, Gulf Flour Milling Industrial Co.

Previous Positions:

- Leadership positions in the fields of human resources and the food industry.



Kamel Muneef AlKhatib
Board Member

Membership Type: Non-Executive

Date of Appointment: 16/08/2023

Nationality: Lebanese

Qualifications:

- Master's Degree, Business Administration, Finance and Strategy, McGill University, Canada.
- Master's Degree, Money and Banking Studies, American University of Beirut (AUB).
- +20 years of experience in corporate banking and management.

Key Experiences:

- VP, Food and Consumer Investments, Al Muhaidib Group.
- CFO, Star Brands Holdings.

Previous Positions:

- Various Positions, TD Securities Bank, Canada.
- Leadership Positions, BankMed, Lebanon.



Fahad Abdullah Hussain Mousa
Board Member

Membership Type: Non-Executive

Date of Appointment: 17/03/2024

Nationality: Saudi

Qualifications:

- Bachelor's Degree, Financial Management, King Fahd University of Petroleum and Minerals (KFUPM).
- Completed several advanced management training courses at multiple business schools, including Columbia, Stanford, INSEAD, and ESADE.
- +20 years of experience in investment management and corporate banking.

Key Experiences:

- Deputy Executive General Manager for Investment, Saudia Airlines.
- Multiple Board Memberships in logistics, aviation, and investment services.

Previous Positions:

- Various positions on company boards.



Abdulaziz Mohammed Abdulaziz AlShaikh
Board Member, Audit Committee Chairman

Membership Type: Independent

Date of Appointment: 17/03/2024

Nationality: Saudi

Qualifications:

- Bachelor's Degree, Accounting, King Saud University (KSU).
- Extensive experience in financial affairs and investment management.

Key Experiences:

- CFO, Saudi Mining Services Company (ESNAD).
- Currently, CFO, The Cooperative Insurance Company.

Previous Positions:

- Previous leadership positions, Saudi Arabia Railways (SAR) and Maharah Human Resources Company (Maharah).
- Member, Audit Committee and Investment Committee, multiple institutions.



Yasser Ali Saleh AlZeghaibi
Board Member

Membership Type: Independent

Date of Appointment: 17/03/2023

Nationality: Saudi

Qualifications:

- Executive Master's Degree, International Institute for Management Development (IMD), Switzerland.
- CEO, Multiples Management Consulting, a Company Operating in the Strategy and Organizational Transformation.

Key Experiences:

- Leadership Positions, Real Estate and Housing Sectors.

Previous Positions:

- Head, Strategy and Corporate Development Sector, National Housing Company (NHC).
- Co-Founder, Mueen Human Resources Company.



Syed Rizwan Ahmed
Board Member

Membership Type: Non-Executive

Date of Appointment: 16/08/2023

Nationality: Pakistani

Qualifications:

- Bachelor's Degree, Business Administration and Economics, University of the Punjab (PU), Pakistan.
- Diploma, Management, Harvard Business School (HBS).

Key Experiences:

- Executive Director, IFFCO Group.

Previous Positions:

- 1986: Marketing Director, IFFCO Group.



Abdullah AbdulRahman Saud AlDossary

**Board Secretary, Legal Department Director,
Statutory Representative of the Company**

Date of Appointment: 30/11/2021

Nationality: Saudi

Qualifications:

- Bachelor's Degree, Law, Applied Science Private University (ASU), Jordan.
- Master's Degree, Business Administration, Bahrain University College.

Key Experiences:

- 2018-Present: Playing a key role in the transition from Government to Investors, a Key Team Member of the IPO.
- Leading the Legal Affairs and Board Secretariat Functions, Achieving Numerous Notable Accomplishments in these Areas.

Previous Positions:

- Director, Administrative Affairs, Arab Open University (AOU), Dammam Branch, KSA.

Current and Previous Positions of the Board Members in Companies Inside or Outside the Kingdom

Name: Bader Hamad AlAujan

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
Saudi Agricultural and Livestock Investment Company (SALIC)	Closed Joint Stock Company (CJSC)	√		Board Member, Investment Committee Member	√	
National Aquaculture Group (NAQUA)	Joint Stock Company (JSC)	√		Board Member, Preparatory Committee Member	√	
Arabian Company for Agricultural and Industrial Investment "Entaj"	Closed Joint Stock Company (CJSC)	√		Chairman of the Board	√	
Al Jouf Agricultural Development Company (JADCO)	Listed Joint Stock Company (LJSC)	√		Board Member, Executive Committee Member	√	
Gulf Industrial & Development Company (SAFM)	Limited Liability Company (LLC)	√		Chairman of the Board	√	
Almutlaq Real Estate Investment Co. (AREIC)	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Al Wousta Food Services Company	Limited Liability Company (LLC)	√		Board Member	√	
National Biscuits Confectionery Co. Ltd. (NBCC) Al-Batal Abu & Abu Walad	Limited Liability Company (LLC)	√		Board Member	√	
Abdullah Al Othaim Markets Company	Listed Joint Stock Company (LJSC)	√		Board Member	√	
STC Channels	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Almutlaq Furniture	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Almutlaq Group	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Eastern Industrial Company	Limited Liability Company (LLC)	√		Board Member		√
International Food Industries Co. (IFI)	Limited Liability Company (LLC)	√		Board Member		√
Arabian Agricultural Services Company (ARASCO)	Closed Joint Stock Company (CJSC)	√		Board Member, Executive Committee Member		√
United Sugar Company (USC)	Closed Joint Stock Company (CJSC)	√		Board Member		√
National Biscuits and Confectionery Co. Ltd. (NBCC)	Closed Joint Stock Company (CJSC)	√		Board Member, Human Resources Committee Member		√
National Food Industries Co. Ltd. (NFIC)	Limited Liability Company (LLC)	√		Board Member, Human Resources Committee Member		√
Riyadh Food Industries Co.	Closed Joint Stock Company (CJSC)	√		Board Member		√
AlSafi Danone Co.	Limited Liability Company (LLC)	√		Board Member		√
Aujan Industries	Closed Joint Stock Company (CJSC)	√		Board Member		√
Al Maha Foods International Pvt. Ltd.	Limited Liability Company (LLC)	√		Board Member		√
Al Muhaidib Foods Company	Limited Liability Company (LLC)	√		Board Member		√
Al Muhaidib Land Transport Co.	Limited Liability Company (LLC)	√		Board Member		√

Name: Tariq bin Abdullah bin Sulaiman AlJammaz

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
Jarir Marketing Company	Joint Stock Company (JSC)	√		Board Member		√
Savola Packaging Systems Co.	Limited Liability Company (LLC)	√		Board Member		√
Savola Foods Co.	Limited Liability Company (LLC)	√		Board Member		√
Afia International Company (AIC)	Closed Joint Stock Company (CJSC)	√		Board Member		√
Afia Distribution Company	Limited Liability Company (LLC)	√		Board Member		√
Mueen Human Resources Company	Closed Joint Stock Company (CJSC)	√		Board Member		√
Mayar Foods	Limited Liability Company (LLC)	√		Board Member		√
Al Othaim Markets Company, Egypt	Closed Joint Stock Company (CJSC)		√	Board Member	√	
International Seafood Company (ISFC)	Limited Liability Company (LLC)		√	Board Member		√
Khairat Al-Mazra'a Company, Iraq	Limited Liability Company (LLC)		√	Board Member		√
Reem Rice Mills Pvt. Ltd.	Limited Liability Company (LLC)		√	Board Member		√
Savola Food Company, Algeria	Limited Liability Company (LLC)		√	Board Member		√
Savola Food Company, Sudan	Limited Liability Company (LLC)		√	Board Member		√
Savola Food Company, Iraq	Joint Venture		√	Board Member		√
Savola Food Company, Morocco	Limited Liability Company (LLC)		√	Board Member		√
Savola Foods Co., Iran	Limited Liability Company (LLC)		√	Board Member		√
Savola Food Company, Turkey	Limited Liability Company (LLC)		√	Board Member		√
Savola Foods Egypt	Limited Liability Company (LLC)		√	Board Member		√
Teeba Holding, Lebanon	Limited Liability Company (LLC)		√	Board Member		√
Afia International Company (AIC), Egypt	Closed Joint Stock Company (CJSC)		√	Board Member		√
Kamco Distribution (Unilever) Iraq	Limited Liability Company (LLC)		√	Board Member		√
Kout Food Group, Kuwait	Limited Liability Company (LLC)		√	Board Member		√

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
Agricultural Gulf Layer Breeder Company (GLBCO)	Limited Liability Company (LLC)	√		Vice Chairman	√	
Gulf Industrial & Development Company (SAFM)	Limited Liability Company (LLC)	√		Board Member	√	
Al Watania Agriculture Company	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Feed Manufacturing National Committee	Governmental Entity	√		Vice Chairman	√	
Alraei National Livestock Company	Limited Liability Company (LLC)	√		CEO	√	
Agricultural Development Fund (ADF)	Governmental Entity	√		Board Member, Executive Committee Member, Loan Committee Member, Governance, Risk & Compliance (GRC) Committee Member	√	
National Company for Agricultural Services (AgriServ)	Governmental Entity	√		Board Member, Executive Committee Member	√	
National Livestock & Fisheries Development Program	Governmental Entity	√		Board Member, Nomination and Remuneration Committee Member	√	
Alfa Co. For Operation Services Ltd.	Limited Liability Company (LLC)	√		Board Member		√

Name: Prashant Vitkar

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
Gulf Industrial & Development Company (SAFM)	Limited Liability Company (LLC)	√		Board Member	√	
Sohar Poultry Company (SAOC)	Limited Liability Company (LLC)		√	Board Member	√	
Arabian Food Production Company (AFPC)	Limited Liability Company (LLC)		√	Board Member	√	
Seville Products Limited	Limited Liability Company (LLC)		√	Board Member	√	
Emirates National Poultry Farms (IFFCO)	Limited Liability Company (LLC)		√	Board Member	√	
Unipex Dairy Products Co., Ltd. - Dry Grains Branch	Limited Liability Company (LLC)		√	Board Member	√	
Emirates Grain Products Co. LLC	Limited Liability Company (LLC)		√	Board Member	√	

Name: Marwan Ahmed Mohammed Ibrahim

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
Gulf Industrial & Development Company (SAFM)	Limited Liability Company (LLC)	√		Board Member	√	
South European Investment Company (SEIC) (Bosnia and Herzegovina)	Limited Liability Company (LLC)	√		Board Member	√	
Abdullah Al Othaim Markets Company	Listed Joint Stock Company (LJSC)	√		CFO (Senior Executive)	√	
Mueen Human Resources Company	Closed Joint Stock Company (CJSC)	√		Board Member		√
Riyadh Food Industries Co.	Closed Joint Stock Company (CJSC)	√		Board Member, Audit Committee Member		√

Name: Kamel Muneef AlKhatib

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
Arabian Furniture and Design Company (AFDC)	Limited Liability Company (LLC)	√		Executive Committee Member	√	
United Feed Manufacturing Company (UFMC)	Limited Liability Company (LLC)	√		Board Member	√	
United Feed Company	Limited Liability Company (LLC)	√		Board Member	√	
Advanced Operation and Maintenance Company	Limited Liability Company (LLC)	√		Executive Committee Member	√	
Gulf Industrial & Development Company (SAFM)	Limited Liability Company (LLC)	√		Board Member	√	
Al Romansiah Co. Ltd.	Closed Joint Stock Company (CJSC)	√		Board Member, Executive Committee Member	√	
Almarai National Livestock Company	Limited Liability Company (LLC)	√		Board Member	√	
Al Zahrawi Medical Supplies Company LLC	Limited Liability Company (LLC)	√		Board Member	√	
Mayar Foods	Limited Liability Company (LLC)	√		Strategic Committee Member, Nomination and Remuneration Committee Member	√	
Gulf System Company	Closed Joint Stock Company (CJSC)	√		Executive Committee Member	√	
Office Supplies Limited	Limited Liability Company (LLC)	√		Executive Committee Member	√	
Al Arkkan Training Center Company	Limited Liability Company (LLC)	√		Board Member, Executive Committee Member	√	
Factory of Del Monte Saudi Arabia Co. Ltd.	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Mama Sauce Company for Food Industries	Limited Liability Company (LLC)	√		Board Member	√	
Arla General Trading Company	Limited Liability Company (LLC)		√	Executive Committee Member	√	
Al Maha for General Trading Co. Ltd.	Limited Liability Company (LLC)		√	Board Member, Executive Committee Member		√

Name: Fahad Abdullah Hussain Mousa

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
Saudi Ground Services Co. (SGS)	Listed Joint Stock Company (LJSC)	√		Board Member	√	
Western Health Foundation Board	Founding Board of the Western Health Sector at the Health Holding Company	√		Board Member	√	
The Royal Institute of Traditional Arts (TRITA)	Governmental Entity	√		Board of Trustees Member	√	
Alinma Investment Company (AIC)	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Alujain Holding Corporation	Listed Joint Stock Company (LJSC)	√		Nomination and Remuneration Committee Member	√	
SAL Saudi Logistics Services Co.	Listed Joint Stock Company (LJSC)	√		Board Member, Executive Committee Member, Audit Committee Member	√	
Catrion Catering Holding Company	Listed Joint Stock Company (LJSC)	√		Vice Chairman, Executive Committee Member, Nomination and Remuneration Committee Member	√	
National Petrochemical Industrial Co. (NATPET)	Closed Joint Stock Company (CJSC)	√		Nomination and Remuneration Committee Member		√
Saudia Cargo	Closed Joint Stock Company (CJSC)	√		Board Member		√
Saudia Aerospace Engineering Industries (SAEI) (Saudia Technic)	Simplified Joint Stock Company (SJSC)	√		Board Member		√
Alsalam Aerospace Industries	Limited Liability Company (LLC)	√		Board Member		√
Aircraft Accessories and Components Company (AACC)	Limited Liability Company (LLC)	√		Board Member		√

Name: Yasser Ali Saleh AlZeghaibi

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
Al Rajhi Seventh Co. (RJ7)	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Rawajeh Holding Company	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Multiply Management Consulting	Consulting Office	√		CEO	√	
Public Health Authority (Weqaya)	Governmental Entity	√		Investment and Sustainability Committee Member	√	
Tazej Food	Limited Liability Company (LLC)	√		Board Member, Executive Committee Member		√
Mueen Human Resources Company	Closed Joint Stock Company (CJSC)	√		Board Member, Executive Committee Member		√
Privatization Committee, Ministry of Housing	Governmental Entity	√		Board Member, Executive Committee Member		√

Name: Syed Rizwan Ahmed

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
International Packaging Company	Limited Liability Company (LLC)		√	Board Member	√	
International Foodstuff Company	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Holdings Limited	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Pakistan Limited	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Singapore Pte Limited	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Lebanon LLC	Limited Liability Company (LLC)		√	Board Member	√	
Emirates Grain Products Co. LLC	Limited Liability Company (LLC)		√	Board Member	√	
Al Ain National Juice & Refreshments Co. LLC	Limited Liability Company (LLC)		√	Board Member	√	
Pure Foods Company	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO (W.A.) LTD Company	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Turkish Food Manufacturing and Trade Joint Stock Company	Joint Stock Company (JSC)		√	Board Member	√	
IFFCO International Foodstuffs Company LLC	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Holdings Limited Company	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Kuwait LLC	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Overseas Holding Company Limited	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Italia	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Tunisia Limited Company	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Do Brasil Limited Company	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Ghana Trading Ltd.	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Distribution LLC	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Food Industries Limited Company	Limited Liability Company (LLC)		√	Board Member	√	
IFFCO Oil Holdings Limited	Limited Liability Company (LLC)		√	Board Member	√	
Allana International Limited	Limited Liability Company (LLC)		√	Board Member	√	
Felda IFFCO France	Limited Liability Company (LLC)		√	Board Member	√	
Bulk Oil Terminal Limited	Limited Liability Company (LLC)		√	Board Member	√	
United Food & Beverage LLC	Limited Liability Company (LLC)		√	Board Member		√
Gulf Industrial & Development Company (SAFM)	Limited Liability Company (LLC)	√		Board Member	√	
Nabatat Food Industries Company	Limited Liability Company (LLC)	√		Board Member	√	

Name: Abdulaziz Mohammed Abdulaziz AlShaikh

Company Name	Legal Entity	Company Location		Member Position	Membership Status	
		Inside the Kingdom	Outside the Kingdom		Current	Previous
Wosoom Arabian Company	Closed Joint Stock Company (CJSC)	√		Audit Committee Member	√	
Khadamaat Altadeen Company	Closed Joint Stock Company (CJSC)	√		Board Member	√	
Arabica Star Co.	Listed Joint Stock Company (LJSC)	√		Chairman of the Audit Committee	√	



Board Meetings and Attendance Record

Name	Position	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	Attendance Percentage
		27/02/2025	30/04/2025	30/07/2025	30/10/2025	26/12/2025	
Bader Hamad AlAujan	Chairman of the Board	√	√	√	√	√	100%
Tariq bin Abdullah bin Sulaiman AlJammaz	Vice Chairman	√	√	√	√	√	100%
Prashant Vitkar	Board Member	√	√	√	√	√	100%
Marwan Ahmed Mohammed Ibrahim	Board Member	√	√	√	√	√	100%
Kamel Muneef AlKhatib	Board Member	√	√	√	√	√	100%
Fahad Abdullah Hussain Mousa	Board Member	√	√	√	√	√	100%
Abdulaziz Mohammed Abdulaziz AlShaikh	Board Member	√	√	√	√	√	100%
Yasser Ali Saleh AlZeghaibi	Board Member	√	√	√	√	√	100%
Syed Rizwan Ahmed	Board Member	√	√	√	√	√	100%

Board Performance Assessment

Fourth Milling Company Board, through the Nomination and Remuneration Committee (NRC), conducted a comprehensive and systematic assessment of the performance of the Board, its Members, and Board Committees during 2025, as part of the Company's commitment to enhancing governance practices and improving the quality of institutional performance.

The objective of this assessment is to ensure that Members continue to adhere to the approved Membership standards and procedures, and to verify their compliance with all relevant requirements of the laws, regulations, and instructions issued by the Ministry of Commerce and the Capital Market Authority (CMA), thereby ensuring the integrity of decisions and the effectiveness of oversight and control.

The assessment included a review of the level of participation in meetings, the quality of contributions to discussions and decision-making, and the extent of commitment to the duties of care and loyalty. In addition, the assessment evaluated the performance of the Committees in terms of the efficiency of their work, the achievement of their assigned objectives, and the alignment of their outputs with the Company's strategy and its operational and financial priorities.

This policy is one of the guiding materials that the Company seeks to further develop and implement in the coming periods, in a manner that enhances the culture of continuous evaluation and sustainable improvement.

It should be noted that during 2025, no individual performance indicators were set for Board Members, nor was an external party engaged to conduct an independent evaluation. The assessment was limited to the internal mechanisms adopted by the Company.

Board Committees and their Competencies

The Board Committees of Fourth Milling Company constitute the cornerstone of the corporate governance system, as they play a pivotal role in supporting the Board and enhancing its efficiency in oversight and strategic and supervisory guidance. By distributing tasks among Specialized Committees comprising Members with diverse expertise, the Company ensures the depth of analysis, the quality of decisions, and the speed of response to challenges and variables.

These Committees support the Board in key areas, including financial oversight, risk management and compliance, nomination and remuneration affairs, and leadership development, in addition to monitoring strategic and operational performance. The Committees also contribute to ingraining the principles of transparency and accountability, enhancing communication with stakeholders, and ensuring compliance with relevant laws and regulations.

In this context, the Board is keen to empower Board Committees and continuously develop their working mechanisms. Each Committee has an approved Charter that clearly defines its competencies, powers, and responsibilities, and holds periodic meetings to ensure the efficient and effective execution of its functions.

Fourth Milling Company has three Board Committees as follows:

- 1- Nomination and Remuneration Committee (NRC)
- 2- Audit Committee
- 3- Board Executive Committee

Both the amended Charters of the Nomination and Remuneration and the Audit Committees were approved by the General Assembly on 14/09/1445H (corresponding to 24/03/2024) to ensure compliance with the Corporate Governance Regulations (CGRs). Additionally, the Charter of the Executive Committee was approved on 12/03/1440H (corresponding to 20/11/2018).

Below is a summary of the functions and responsibilities of these Committees, along with the number of meetings held, their schedules, and the attendance records for each meeting:



Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) plays a key role in enhancing the quality of leadership within the Company by establishing policies and procedures for the nomination of Board Members and Board Committees, selecting Members of the Executive Team, and developing fair and transparent frameworks for remuneration and incentives that achieve a balance between performance and merit. In addition, the Committee's duties extend to taking all necessary measures to ensure the efficient and effective fulfillment of its responsibilities.

The Committee consists of three to five Members appointed by the Board of Directors for a term not exceeding four years, provided that their Membership duration does not exceed the duration of their Board Membership. Membership ends upon the expiration of the Board's term or by resignation, with the Board reserving the right to remove any Member. The Board is committed to providing the Committee with full and unrestricted access to all data, information, reports, and records necessary for the optimal performance of its functions.

Key Functions of the Committee

Nomination and Appointment Policies

- Developing policies and criteria for the nomination and appointment of Board Members and Executive Management, submitting them to the Board for approval, and overseeing their implementation.
- Ensuring that the necessary due diligence is conducted on the qualifications and experience of candidates for the Board before submitting a recommendation for their nomination.
- Providing recommendations to the Board regarding the nomination or re-nomination of Board Members, in accordance with the applicable regulations and the Committee's Charter.
- Reviewing, evaluating, and providing recommendations to the Board regarding the skills, qualifications, and experience required for the Board and the Executive Management Membership, and determining the time commitment required for such roles.
- Preparing accurate job descriptions for Executive, Non-Executive, and Independent Board Members, in addition to the Executive Management.
- Annually verifying the independence of the Independent Board Members and ensuring that there is no conflict of interest in cases where a Member holds Membership on another board of directors.
- Conducting periodic reviews of executive succession plans and submitting recommendations to the Board based on the Company's future needs in terms of skills and experience.
- Evaluating candidates for executive positions and assisting the Board in their selection and development, including the selection of the CEO.
- Establishing and periodically reviewing the procedures to be followed in the event of a vacancy in any leadership position, and providing recommendations regarding the appointment of suitable successors.

Structuring the Board of Directors and Executive Management

- Periodically reviewing the structure of the Board and the Executive Management in terms of size, composition, skills, and experience, and providing appropriate recommendations that serve the Company's best interests.
- Developing and overseeing an integrated orientation program for new Board Members.
- Developing an annual self-assessment mechanism for Board Members and Senior Executives, while providing the necessary recommendations to the Board and overseeing their implementation.

Remuneration and Compensation Policies

- Developing a comprehensive remuneration policy for Board Members, Board Committees, and the Executive Management, submitting it to the Board for approval by the General Assembly, and overseeing its implementation and disclosure.
- Preparing a detailed annual report on the remuneration and compensation (cash or in-kind) granted to Board Members, Board Committees, and the Executive Management, clarifying the extent of their alignment with the remuneration policy, disclosing any material deviations therefrom, and presenting the report to the Board.
- Periodically reviewing the remuneration policy, assessing its effectiveness and suitability, and recommending necessary amendments to the Board.
- Providing recommendations to the Board regarding the remuneration of Board Members, Board Committees, and the Executive Management, in accordance with the approved policy.
- Reviewing compensation, benefits, and incentive plans for the Board and employees, and making recommendations regarding them to the Board.
- Developing a career progression framework policy that includes defining job grades, salary scales, benefits, and cash and in-kind allowances, while overseeing its implementation.
- Preparing remuneration disclosures in accordance with the Company's policies and applicable regulations, including the disclosures within the Annual Report of the Board.

Committee Members and Details of Meetings

Name	Position	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	Sixth Meeting	Attendance Percentage
		25/02/2025	10/03/2025	07/05/2025	16/07/2025	21/07/2025	15/09/2025	
Yasser Ali Saleh AlZeghaibi	Chairman	√	√	√	√	√	√	100%
Fahad Abdullah Hussain Mousa	Member	√	-	√	√	√	√	83%
Syed Rizwan Ahmed	Member	√	√	√	√	√	√	100%
Francisco Javier Sánchez Ferrer	Member	√	√	√	√	√	√	100%



Francisco Javier Sánchez Ferrer

Member of the Nominations and Remuneration Committee

Date of Appointment:

17/03/2023

Nationality:

Spanish

Qualifications:

- 1986: Bachelor's Degree, Organizational Psychology, University of Madrid.
- 1991: Master's Degree, Human Resources, IE Business School, Madrid.

Key Experiences:

- 2016: Head of Talent Management Group, Al Muhaidib Group, CJSC, Operating in the Fields of Food and Consumer Goods, Industry, Infrastructure, Real Estate, and Financial Investment, KSA.

Previous Positions:

- 2013-2016: Vice President, Talent Management, MetLife in EMEA, CJSC, Operating in the Field of Providing Insurance, Pension, and Employee Benefits Programs, UAE.
- 2007-2013: Head of Talent, Development and Transformation Department, Vodafone Group, CJSC, Operating in the Field of Telecommunications Services, Spain.
- 2005-2007: HR Business Partner and International Mobility Manager in EMEA, Microsoft Reading, CJSC, Operating in Developing, Licensing, and Supporting a Range of Software Products and Services, UK.
- 2003-2005: Head of Global Performance Management, Microsoft, JSC, USA Listed, Operating in the Field of Developing, Licensing, and Supporting a Range of Software Products and Services.
- 1995-2003: Director of Human Resources, Microsoft Iberia, a Subsidiary of Microsoft, CJSC, Operating in the Field of Developing, Licensing, and Supporting a Range of Software Products and Services, Spain.
- 1991-1995: Director of Training and Development, Merck Schering-Plough, CJSC, Operating in the Field of Providing Health Solutions, Spain.

Having a solid internal control system is one of the key responsibilities of the Board. At the core of this regulatory framework is the Audit Committee, which plays a crucial role in overseeing the Company's operations. The Committee ensures that the reports and financial statements are accurate and reliable, while also checking that the internal control systems are efficient and trustworthy.

The Committee's duties particularly include evaluating the adequacy of the internal control system and the effectiveness of its implementation, and submitting the necessary recommendations to the Board to enhance and develop this system in a manner that serves the Company's objectives and ensures the integrity of its operations. In addition, the Committee assumes responsibility for approving risk management policies and procedures, and reviewing risk assessment activities and mitigation plans before presenting the same to the Board to take the necessary action thereon.

To boost corporate compliance, the Committee takes on the important role of making sure that everyone follows the corporate governance rules and practices set by the Capital Market Authority (CMA), along with the Company's own governance manual. This effort helps uphold the highest standards of transparency and institutional discipline.

The General Assembly approved the amended Charter of the Audit Committee on 14/09/1445H (corresponding to 24/03/2024), to serve as the regulatory framework for the Committee's work and the scope of its powers, enabling it to perform its functions with efficiency and effectiveness.

The Audit Committee consists of no less than three and no more than five Members, appointed by a resolution of the Board, provided that it includes at least one Independent Member of the Board and does not include any Executive Members, with the necessity of having a Member specialized in financial and accounting affairs within its composition, in accordance with the approved regulatory standards.

The Board is fully dedicated to ensuring that the Committee can carry out its responsibilities effectively. This includes granting the Committee unrestricted access to all necessary data, information, reports, records, correspondence, and any other documents it considers essential for its review. This support is crucial for maintaining the Committee's independence and enhancing the effectiveness of its oversight role.



Key Functions of the Committee

Financial Statements and Reports

- Reviewing significant accounting matters and the preparation of reports, including complex or unusual transactions and critical areas of judgment, as well as new professional and regulatory pronouncements, and assessing their impact on the financial statements.
- Reviewing any unusual matters included in the Company's financial statements and reports, and investigating any issues raised by the CFO (or their designee), the Compliance Officer, or the External Auditor.
- Reviewing the external audit results with the Management and the External Auditor, including any difficulties encountered.
- Studying the Company's interim and annual financial statements and expressing an opinion thereon, and submitting recommendations to the Board to ensure their soundness, integrity, and transparency, and considering whether they are complete and consistent with the information known to the Members and whether they reflect appropriate accounting principles and policies.
- Reviewing other sections of the annual report and relevant regulatory filings prior to their issuance, and ensuring the accuracy and completeness of the information.
- Reviewing the accounting policies adopted by the Company and providing opinions and recommendations thereon to the Board.
- Understanding how management develops preliminary financial information, and the nature and extent of the Internal Audit Department's and the External Auditor's involvement.
- Providing a technical opinion, upon the request of the Board, as to whether the Board's report and the Company's financial statements are fair, balanced, and understandable, and contain the information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy.
- Verifying accounting estimates for material matters included in the Company's financial statements and reports.

Internal Control

- Studying and reviewing the Company's internal and financial control systems and risk management.
- Understanding the scope of the internal audit of financial reports conducted by the Internal Audit Department and obtaining reports that include significant findings, recommendations, and management's observations and feedback.

Internal Audit

- Approving the internal audit Charter.
- Reviewing the performance and activities of the Director of the Internal Audit Department, ensuring that there are no unjustified restrictions on their activities, and making recommendations to the Board regarding their appointment, removal, or the determination of their annual bonus and salary.
- Monitoring and supervising the performance of the Internal Audit Department to verify the availability of necessary resources and their effectiveness, in accordance with appropriate professional standards.
- Approving the annual audit plan and any changes to the plan, and reviewing the performance and activities of the Internal Audit Department, compared to the plan established for it.
- Working with the Director of the Internal Audit Department to review the internal audit budget, resource plan, activities, and the organizational structure for internal audit functions.
- Reviewing the Company's internal audit procedures.
- Studying internal audit reports and following up on the implementation of corrective actions for the findings contained therein.
- Holding independent meetings with the Director of the Internal Audit Department periodically, as deemed necessary by the Committee or the internal audit officials, for discussion in private sessions.

External Audit

- Reviewing the proposed scope, methodology, and plan of the External Auditor, and providing its views thereon, including the audit efforts of the internal audit activities.
- Recommending to the Board the nomination, dismissal, or remuneration of the External Auditor, and reviewing the scope of their work and the terms of their engagement, ensuring that the recommendation takes into account the independence of the External Auditor.
- Reviewing the External Auditors' report, their observations, and their reservations regarding the Company's financial statements, and following up on the actions taken in this regard.
- Ensuring the independence, objectivity, and fairness of the External Auditor, as well as the effectiveness of the audit work, while taking into account the relevant rules and standards, and making recommendations to the Board in this regard.
- Verifying that the External Auditor does not provide any technical or administrative services outside the scope of the audit work, and making recommendations to the Board in this regard.
- Holding independent meetings with the External Auditor periodically to discuss any matters that the Committee or the Auditor deems necessary to be discussed in private sessions.
- Responding to the External Auditor's inquiries.
- Resolving any disputes between the Management and the External Auditor regarding the preparation of financial reports.

Biographies of Committee Non-Board Members

Compliance

- Verifying and monitoring the Company's compliance with applicable laws and regulations.
- Reviewing the effectiveness of the control system and ensuring compliance with applicable laws and regulations, as well as the results of investigations conducted by management, and following up on any instances of non-compliance (including taking disciplinary actions).
- Reviewing the reports and results of investigations by the relevant supervisory or regulatory authorities, as well as any observations made by the External Auditor or Internal Auditors, and verifying that the Company has taken the necessary actions in this regard.
- Reviewing the communication of the Code of Professional Conduct to the Company's employees and monitoring adherence to the same.
- Reviewing contracts and transactions proposed to be conducted by the Company with related parties, and providing views and recommendations thereon to the Board.
- Ensuring the establishment and implementation of appropriate mechanisms and arrangements that allow the Company's employees to confidentially and anonymously provide their comments and concerns regarding any financial, accounting, audit, or non-compliance matters.
- Receiving regular updates from the Company's management and its legal counsel regarding compliance matters.

Committee Members and Details of Meetings

Name	Position	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	Sixth Meeting	Attendance Percentage
		27/01/2025	7/03/2025	28/04/2025	4/06/2025	29/07/2025	28/10/2025	
Abdulaziz Mohammed Abdulaziz AlShaikh	Chairman	√	√	√	√	√	√	100%
Tariq bin Abdullah bin Sulaiman AlJammaz	Member	√	√	√	√	√	√	100%
Marwan Ahmed Mohammed Ibrahim	Member	√	√	√	√	√	√	100%
Anantharaman Ramanathan	Member	√	√	√	√	√	√	100%



Anantharaman Ramanathan
Audit Committee Member

Date of Appointment:

01/04/2024

Nationality:

Indian

Qualifications:

- 1992: Bachelor's Degree, Industrial Engineering, Maharaja Sayajirao University, India.
- 1997: Master's Degree, Accounting and Business Administration, Institute of Company Secretaries, India.

Key Experiences:

- 2023-Present: CFO, Indian Farmers Fertiliser Cooperative Limited (IFFCO), LLC, Operating in the Field of Food Manufacturing, Distribution, Retail, and Trade, UAE.
- 2015-2023: CFO, Landmark Hospitality Group, LLC, Operating in the Field of Retail and Hospitality, Dubai, UAE.

Previous Positions:

- 2012-2015: Director of Planning, Financial Analysis, and New Business Development, PepsiCo Middle East, LLC, Operating in the Field of Food and Beverage, UAE.
- 2009-2012: Director of Capital Planning, Analysis, and New Business Development, PepsiCo Middle East, LLC, Operating in the Field of Food and Beverage, UAE.
- 2006-2009: Treasury Manager, PepsiCo Middle East, LLC, Operating in the Field of Food and Beverage, UAE.
- 2001-2007: Assistant Vice President, Amway India, LLC, Operating in the Field of Health and Well-being, India.

3

Board Executive Committee

The Board shall form the Executive Committee from among its Members, comprising between three and six Members. A Chairman shall be elected from among them to lead its meetings, and in the event of their absence, the Committee shall select an interim Chairman from among the Members present. Reaffirming the principle of direct responsibility, no Member is permitted to delegate another to attend the meetings or vote on its resolutions.

The Committee Membership shall extend for the duration of the Board's term, provided that the Board shall fill any vacancy therein if the need arises. The scope of the Committee's work encompasses all powers and actions that enable it to perform its functions efficiently and achieve its objectives.

Functions of the Board Executive Committee

Participating in the preparation of strategic plans and evaluating management proposals, including mergers and acquisitions, and submitting recommendations to the Board.	Developing KPIs to measure the Company's results, reviewing its performance, analyzing its business developments, and providing guidance to management accordingly.	Providing recommendations to the Board regarding the approval of the annual budget.	Reviewing the Company's business on a monthly basis compared to targets and the budget, flagging any developments, and requesting additional meetings when necessary.
Reviewing and implementing the resolutions of the Board and the resolutions of the Executive Committee itself.	Reviewing policies and regulations proposed by the Management, without approving matters pertaining to the powers of the Board.	Reviewing governance rules, policies, and professional conduct controls, and submitting recommendations for the required amendments to the Board.	Submitting recommendations to the Board regarding dividend distributions, while taking into account the recommendations of the Audit Committee.
Reviewing investment plans for the Company's surplus liquidity.	Recommending amendments to the Company's Bylaws (if the need arises).	Providing recommendations regarding the Company's purchase of its own shares.	

Committee Members and Details of Meetings

Name		Kamel Muneef AlKhatib	Marwan Ahmed Mohammed Ibrahim	Prashant Vitkar
Position		Chairman	Member	Member
First Meeting	8/01/2025	√	√	√
Second Meeting	22/01/2025	√	√	√
Third Meeting	29/01/2025	√	√	√
Fourth Meeting	11/02/2025	√	√	√
Fifth Meeting	24/02/2025	√	√	√
Sixth Meeting	06/03/2025	√	√	√
Seventh Meeting	26/03/2025	√	√	√
Eighth Meeting	16/04/2025	√	√	√
Ninth Meeting	12/06/2025	√	√	√
Tenth Meeting	02/07/2025	√	√	√
Eleventh Meeting	16/07/2025	√	√	√
Twelfth Meeting	24/07/2025	√	√	√
Thirteenth Meeting	30/09/2025	√	√	√
Fourteenth Meeting	21/10/2025	√	√	√
Fifteenth Meeting	10/11/2025	√	√	√
Sixteenth Meeting	13/12/2025	√	√	√
Seventeenth Meeting	18/12/2025	√	√	√
Eighteenth Meeting	25/12/2025	√	-	√
Attendance Percentage		100%	94%	100%

Executive Management

The Executive Management is the primary engine for implementing the Board's vision and translating it into practical results by leading day-to-day operations and achieving strategic and operational objectives.

Biographies of Executive Management Members



Khalid Abdulaziz Yassin AlMaktary
CEO

Date of Appointment:

01/01/2024

Nationality:

Yemeni

Qualifications:

- 1998: Bachelor's Degree, Business Administration, Management Information Systems, University of Portland, USA.

Experiences:

- A distinguished Executive Director with over 25 years of experience in management, sales, and marketing, specializing in leading organizational transformations and achieving significant revenue and profitability growth. He is also skilled in change management, talent development, and enhancing operational efficiencies.
- 2024-Present: CEO, Fourth Milling Company, KSA.
- 2021-2023: CEO, Alkhair Trading Company, KSA.
- 2018-2021: Managing Director, Basamh Trading Company (BTC), KSA.
- 2016-2018: General Manager, Advanced Image Distribution Company (AIDCO), Yemen.
- 2015-2016: Deputy General Manager, Marwan Ahmed Hael Saeed Trading Company (MTC), Yemen.
- 2011-2015: General Manager, MAM Trends/YemLub, Yemen.
- 2007-2011: Marketing Director, Al Wefag Trading & Manufacturing Co, KSA.
- 2005-2007: Ariel AP Brand Manager, Proctor & Gamble, KSA.
- 2003-2005: General Manager, ExxonMobil, Yemen.
- 2000-2003: Brand Manager, Proctor & Gamble, Yemen/KSA.
- 1999-2000: Sales Section & Rural Unit Manager, Proctor & Gamble, Yemen.



Rabih Abdelkader Mounir Nahas
CFO

Date of Appointment:

01/02/2022

Nationality:

American

Qualifications:

- 2002: Master's Degree, Business Administration, Lebanese American University (LAU), Lebanon.

Experiences:

- A seasoned CFO with over 26 years of experience across the GCC and MENA regions.
- Expertise includes developing corporate financial structures, implementing risk management frameworks, leading business transformation, developing business strategies, and driving long-term strategic growth planning.



Abdullah Najeeb Al-Masri
Chief Human Resources Officer

Date of Appointment:

24/09/2025

Nationality:

Saudi

Qualifications:

- Bachelor's Degree, Accounting, King Fahd University of Petroleum and Minerals (KFUPM).
- Diploma, Human Resources, CIPD.

Experiences:

- 2020-2025: General Manager, Human Resources, Tronox, Yanbu.
- 2015-2020: General Manager, Human Resources, Hilti Saudi Arabia, Jeddah.
- 2013-2015: Human Resources Manager, Gulf Industrial Group Ltd., Dubai.
- 2007-2013: Finance and Administration Manager, Bariq Almaeadin Ltd., Jeddah/Bahrain.



Mohammed Sabri Mohammed Abdulalim
IT Director

Date of Appointment: 02/04/2023

Nationality: Egyptian

Qualifications:

- Bachelor's Degree, Information Technology, South Valley University, Egypt.

Experiences:

- Head of IT at Fourth Milling Company, with two decades of expertise in IT strategy, service management, ERP implementation, software development, system analysis, business process management, and project management.



Taha Mohammed Mirghani Taha
Manufacturing Manager

Date of Appointment: 16/03/2025

Nationality: Sudanese

Qualifications:

- 1993-1998: Bachelor of Science, Food Science and Technology, Sudan University of Science and Technology.
- Master of Science, Food Science and Nutrition, Sultan Qaboos University, Sultanate of Oman.

Previous Positions:

- 1999-2001: Sheikh Mustafa Al-Amin Flour Mills, Port Sudan.
- 2001-2005: WHEATA Industrial Company – Flour Mill, Sudan.
- 2005-2007: Al Ghurair Foods, National Flour Mills, UAE.
- 2007-2016: Oman Flour Mills Company SAOG, Oman: Quality Control Manager, Led the Implementation of the Integrated Management System (IMS) and the Laboratory's Attainment of ISO 17025 Accreditation.
- 2016-2019: UAE Grain Products, IFFCO, Sharjah, UAE: Quality Manager for Flour and Animal Feed, Responsible for Product Development and Ensuring Compliance with Quality and Safety Standards.
- 2019-2020: Zabeel Feed Mill, Meydan Group LLC, UAE: Led Quality and Regulatory Compliance Initiatives.
- 2020-2025: Gulf Flour Milling Industrial Company, KSA: Operations Manager, Responsible for Managing Production Operations, Wheat Sourcing, Blending Strategy, Capital Projects, and Performance Optimization.

Experiences:

- Achieving cost optimization, increased productivity, and sustainable manufacturing growth.
- Leading product development and wheat blending reformulation to enhance quality and reduce costs.
- Implementing and maintaining internationally certified integrated management systems such as: ISO 9001 (Quality), ISO 14001 (Environment), ISO 45001 (Occupational Health and Safety), and HACCP (Food Safety).
- Extensive experience in milling technologies and industrial laboratories.



Hesham Abdullah Hussein AlKomani
Sales Director

Date of Appointment:
Nationality:

01/08/2024
Yemeni

Qualifications:

- Master’s Degree, Business Administration, Pune University.
- Master’s Degree, Commerce (M.Com), Major in Business Administration, Minor in Marketing Management.
- Head of Sales, United Financial Services Company (“eXtra - Tasheel”).

Previous Positions:

- Head of Sales, Fine Saudi Arabia.
- Franchise and Operations Manager, PepsiCo International (Eastern & Southern Saudi Arabia and Yemen).
- Commercial Manager, Middle East, Saudi Arabia, and Yemen (Beiersdorf, Middle East & North Africa).
- Direct Distribution Operations Manager, Basamh Trading Company.
- Regional Sales Manager (Central, Northern, and Eastern) at Basamh Trading Company.
- Pepsi Sales Manager, Bugshan (Yemen Industrial Projects Company).
- Yemen Sales Manager, Reckitt Benckiser Arabia FZE, JAFZA, Jebel Ali.
- Unit Manager, Reckitt Benckiser (Trans Arabian Trading Company “TATCO”).
- Canadian Nexen Petroleum Yemen.

Experiences:

- Well-rounded and seasoned sales professional with over 20 years of FMCG/ electronics experience in sales operations, distributor/bottler management, trade marketing, and business development.



Ahmed Samir Abdullah Hilal
Supply Chain Director

Date of Appointment:
Nationality:

27/02/2023
Egyptian

Qualifications:

- Bachelor’s Degree, Engineering, Communications and Electronics, Cairo University, Egypt.

Previous Positions:

- March 2014-January 2018: Sales and Operations Planning Manager, National Agricultural Development Company (NADEC), a Company Operating in the Dairy and FMCG Industry.
- February 2018-June 2019: Logistics Manager, National Agricultural Development Company (NADEC).
- July 2019-August 2020: Customer Solutions Manager, Starlinks, a Company Operating in 3PL services.
- September 2020-January 2021: Customer Experience Manager, Baja Food Industries, a Company Operating in the Food and FMCG Industry.
- February 2021-February 2023: Supply Chain Manager, NADA, a Company Operating in the Dairy and FMCG Industry.
- Other Memberships (Current): April 2014-Present: Member, Saudi Council of Engineers.

Experiences:

- 21 years of expertise in the FMCG supply chain sector, marking key accomplishments in planning, logistics, warehousing, and procurement. He served 11 years with the leading FMCG Company Procter and Gamble in Egypt and spent a decade in the GCC supply chain market at various leadership roles.



Ali Ahmed Alfaraj
Internal Audit Manager

Date of Appointment: 01/04/2024

Nationality: Saudi

Qualifications:

- 2009: Bachelor's Degree, Accounting, King Fahd University of Petroleum & Minerals (KFUPM).

Previous Positions:

- 2021-2024: Internal Audit Manager, Innovest Real Estate.
- 2018-2021: Vice President, Audit, Saudi Paper Manufacturing Co.
- 2014-2018: Senior Auditor, KPMG.

Experiences:

- Seasoned specialist in audit and risk with over 15 years of experience in external and internal audit across diverse sectors. A proven track record of enhancing audit efficiency, mitigating risks, and improving stakeholder confidence.



Hammad Ghadai
Marketing & Business Development Director

Experiences:

- He leads strategic growth, brand transformation, and business development initiatives aligned with Saudi Arabia's Vision 2030 and national food security objectives.
- He brings extensive experience in the FMCG sector, with a proven track record in driving portfolio expansion, building new growth platforms, and delivering measurable business impact.
- Prior to joining MC4, he was Head of Innovation & Design at Goody Co., where he pioneered the creation of new categories and drove significant revenue growth through strategic innovation and category expansion.
- Hammad holds an MBA and is a two-time recipient of the Nielsen Breakthrough Innovation Award. He is recognized for his ability to bridge strategy with execution, enabling organizations to unlock value and create meaningful impact for both business and society.

Remuneration of the Board, Committees, and Executive Management

General Remuneration Policy

In accordance with the Bylaws of Fourth Milling Company and the official regulations and instructions issued by the competent authorities in the Kingdom, the general remuneration policy is summarized as follows:

- The Board of Directors' remuneration consists of in-kind benefits, meeting attendance allowances, and a fixed amount or as determined by the Ordinary General Assembly.
- The remuneration of Board Members is determined by the Ordinary General Assembly, while the Board of Directors determines meeting attendance allowances and travel allowances.
- Neither the Board Members nor the Senior Executives have any authority to vote on their own remuneration or compensation. In addition, Senior Executives' fees are determined under employment contracts and in accordance with the approved remuneration policy.
- Board Members or Senior Executives may not borrow from the Company or vote on any contracts or arrangements in which they have a direct interest, and no in-kind benefits were disbursed to them during the reporting period.
- The Board's report to the Ordinary General Assembly at its annual meeting must include a comprehensive statement of all remuneration, meeting attendance allowances, expense allowances, and other benefits received or receivable by each Member of the Board during the financial year.
- It must also include a statement of the amounts received by Board Members in their capacity as employees or administrators, or the amounts they received for technical, administrative, or consulting work, and must also include a statement of the number of Board meetings and the number of meetings attended by each Member.



Sajjad Hussain
Head of Animal Feed and Bran Business

Experiences:

- Results-Driven business leader with 17 years of leadership experience in the animal nutrition and agribusiness sector across the Middle East, Asia & Africa.
- He combines strong engineering expertise with commercial acumen to drive sustainable growth, profitability, market expansion and high-performance outcomes.
- He has led the successful execution of large-scale industrial projects, including high-capacity feed mills and soybean crushing facilities.



Remuneration of Board Members for 2025

(A) Remuneration of Board Members

(All Amounts in SAR)

Name	Position	Annual Remuneration	Chairman Fees	No. of Meetings	Meeting Attendance Allowance	Total
Non-Executive Members						
Bader Hamad AlAujan	Chairman of the Board	200,000	100,000	5	20,000	320,000
Tariq bin Abdullah bin Sulaiman AlJammaz	Vice Chairman	200,000	-	5	20,000	220,000
Prashant Vitkar	Board Member	200,000	-	5	20,000	220,000
Marwan Ahmed Mohammed Ibrahim	Board Member	200,000	-	5	20,000	220,000
Kamel Muneef AlKhatib	Board Member	200,000	-	5	20,000	220,000
Syed Rizwan Ahmed	Board Member	200,000	-	5	20,000	220,000
Independent Members						
Fahad Abdullah Hussain Mousa	Board Member	200,000	-	5	20,000	220,000
Abdulaziz Mohammed Abdulaziz AlShaikh	Board Member	200,000	-	5	20,000	220,000
Yasser Ali Saleh AlZeghaibi	Board Member	200,000	-	5	20,000	220,000
Board Secretary						
Abdullah AbdulRahman Saud AlDossary	Board Secretary	30,000	-	-	-	30,000
Grand Total		1,830,000	100,000	-	180,000	2,110,000

(B) Remuneration of Committee Members

(All Amounts in SAR)

Name	Position	Annual Remuneration	No. of Meetings	Meeting Attendance Allowance	Total
Nomination and Remuneration Committee (NRC)					
Yasser Ali Saleh AlZeghaibi	Chairman	100,000	6	15,000	115,000
Francisco Javier Sánchez Ferrer	Member	100,000	6	15,000	115,000
Syed Rizwan Ahmed	Member	100,000	6	15,000	115,000
Fahad Abdullah Hussain Mousa	Member	100,000	5	12,500	112,500
Hussein Al-Qahtani	Former Committee Secretary	0	-	7,616	7,616
Abdulelah Albreak	New Secretary of the Committee	10,000	-	2,384	12,384
Total		410,000		67,500	477,500
Audit Committee					
Abdulaziz Mohammed Abdulaziz AlShaikh	Chairman	100,000	6	15,000	115,000
Anantharaman Ramanathan	Member	100,000	6	15,000	115,000
Marwan Ahmed Mohammed Ibrahim	Member	100,000	6	15,000	115,000
Tariq bin Abdullah bin Sulaiman AlJammaz	Member	100,000	6	15,000	115,000
Ali Ahmed Alfaraj	Secretary of the Committee	20,000	-	0	20,000
Total		420,000		60,000	480,000
Executive Committee					
Kamel Muneef AlKhatib	Chairman	100,000	17	42,500	142,500
Marwan Ahmed Mohammed Ibrahim	Member	100,000	17	42,500	142,500
Prashant Vitkar	Member	100,000	17	42,500	142,500
Deem Al-Muhaidib	Secretary of the Committee	20,000	-	0	20,000
Total		320,000	-	127,500	447,500
Grand Total		1,150,000	-	255,000	1,405,000

Shareholders and Ownership Structure

Protection of Shareholder Rights

The Company reaffirms its commitment to protecting and enhancing shareholder rights as a pillar of governance and sustainability by enabling them to exercise their rights fairly and equitably, without discrimination, and by providing accurate and transparent information in a timely manner. These rights include receiving dividends, participating and voting in General Assemblies, and reviewing the Company's performance. The Company is also keen to enhance communication channels with shareholders and convey their views to the Board in a manner that supports strategic interests and fosters mutual trust.

Qualitative Shift in Protecting Shareholder Rights Following Listing on "Tadawul"

Mechanisms for protecting shareholder rights have witnessed a significant development following the Company's listing on the Saudi Exchange, reflecting a higher commitment to governance, transparency, and the enhancement of shareholder participation in decision-making.

In this context, the structures of the Board and Board Committees were approved in accordance with the regulations of the Capital Market Authority (CMA), including the Audit, Nominations and Remuneration, and Risk Management Committees, in order to ensure effective control and independence in oversight.

Additionally, disclosure levels have been enhanced by regularly publishing financial and non-financial information through the "Tadawul" platform and investor relations channels, ensuring that shareholders have timely and clear access to information.

The Company has adopted modern digital tools to enable shareholders to attend General Assemblies and vote remotely, review meeting documents in advance, and exercise their rights efficiently and securely through approved online platforms.

In terms of dividend distributions, procedures have been standardized using "Edaa" platform to ensure accuracy and adherence to payment schedules, in addition to strengthening internal control, audit, compliance, and risk management systems to protect shareholders' interests and embed the principle of accountability.

(C) Remuneration of Top 5 Senior Executives for 2025

Description	Annual Remuneration in SAR
Remuneration Paid to the Top Five Senior Executives, Including the CEO and CFO	9,103,479

Related Party Transactions

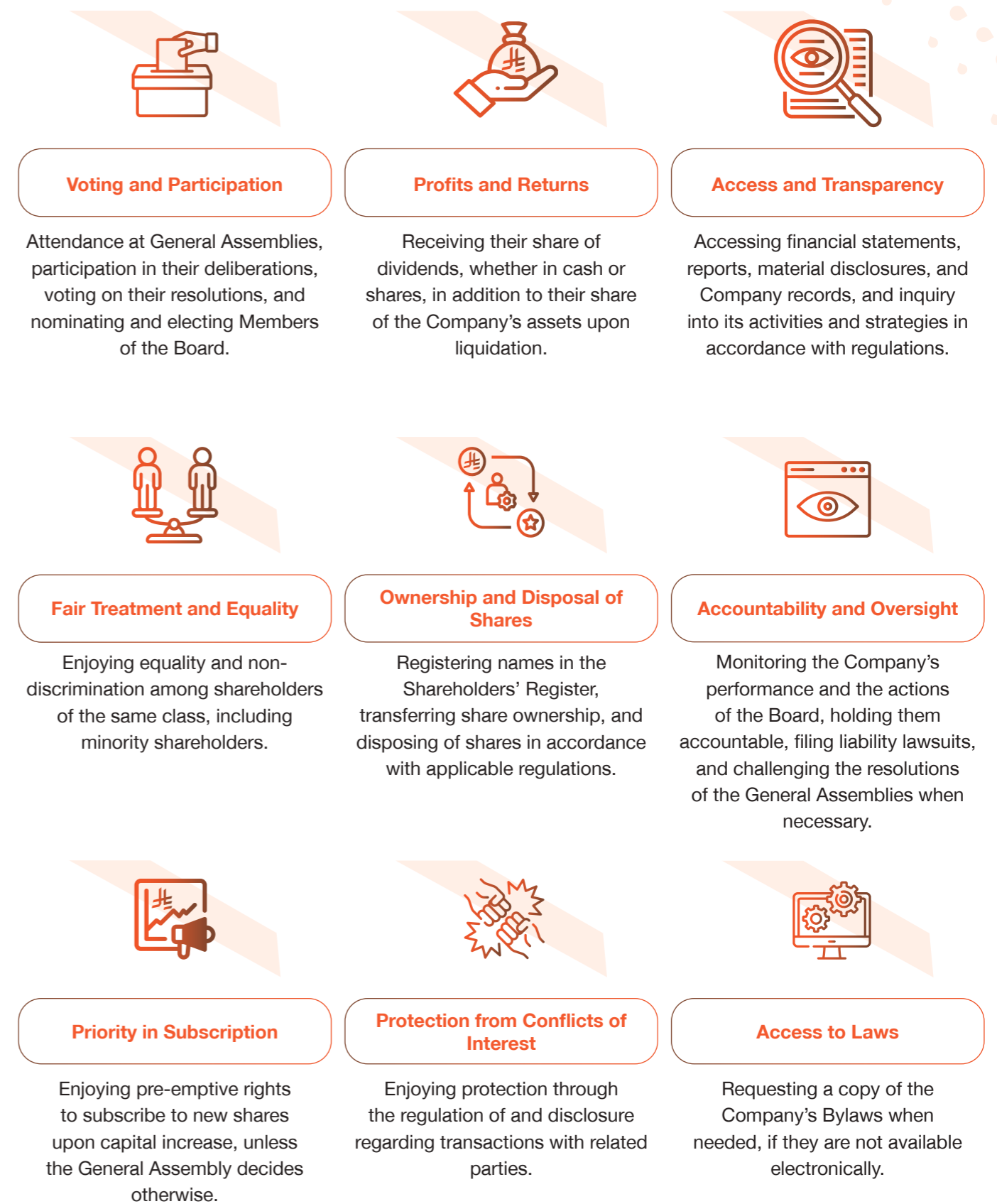
The following table details contracts concluded with related parties in 2025 and the interests of Board Members and Senior Executives in these contracts:

S.	Related Party	Type of Relation with the Company	Nature of Contract	Key Contract Terms	Contract Term	Amount in SAR
1	Abdullah Al Othaim Markets Company	Shareholder Partner	Sales	Commercial Contract	Annual	Based on Actual Sales
2	United Feed Manufacturing Company (UFMC)	Shareholder Partner	Sales	Commercial Contract	Annual	Based on Actual Sales
3	Pure Foods Company	Another Related Party	Sales	Commercial Contract	Annual	Based on Actual Sales
4	Gulf Industrial & Development Company (SAFM)	Partner	Administrative Expenses	Transactions between Companies	Annual	Two contracts, each totaling SAR 100,000, excluding VAT
5	Zoud Pastries and Bakeries Factory	Another Related Party	Sales	Commercial Contract	Annual	Based on Actual Sales
6	Abdulaziz Markets Company	Another Related Party	Sales	Commercial Contract	Annual	Based on Actual Sales

Mechanisms and Approaches Employed to Ensure the Protection of Shareholder Rights



Key Rights Enjoyed by Fourth Milling Shareholders



Shareholder Information

Date Established

**10 November
2016**



Listing Date

**28 October
2024**



Number of Issued
Shares

540 Mln Shares



Nominal
Value per Share

One Saudi Riyal



Company's
Financial Market

Tadawul



Company's Short
Name on Tadawul

Fourth Milling



Paid-up Capital

SAR 540 Mln



Foreign Ownership
by the End of 2025

1.05%



Line of Business

**Flour and Feed
Production and
Storage**



Sector
Food

Production



Foreign
Ownership Limit

49%



Free Float
Percentage

30%



Company's Code
on Tadawul

2286



ISIN Code

SA16502H3N15



Closing Price by
End of 2025

SAR 3.53



Market Value by
End of 2025

**SAR
1,906,200,000**



Investor Relations (IR) Contact Information:

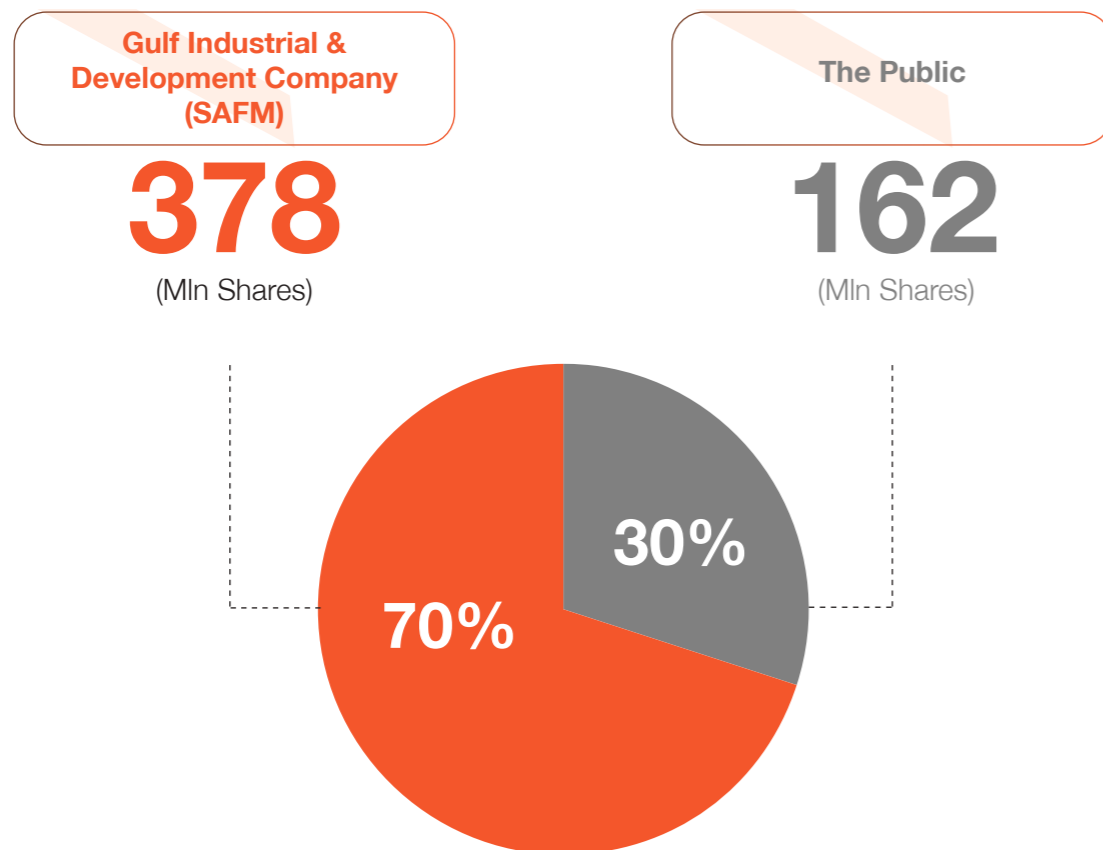
For more information, please visit the Company's Investor Relations (IR) website at the following link:

<https://ir.mc4.com.sa/ar/investor-relations/>
<https://ir.mc4.com.sa/en/investor-relations/>

In the event of any further inquiries or questions, please contact us directly via the following email:

investor.relations@mc4.com.sa

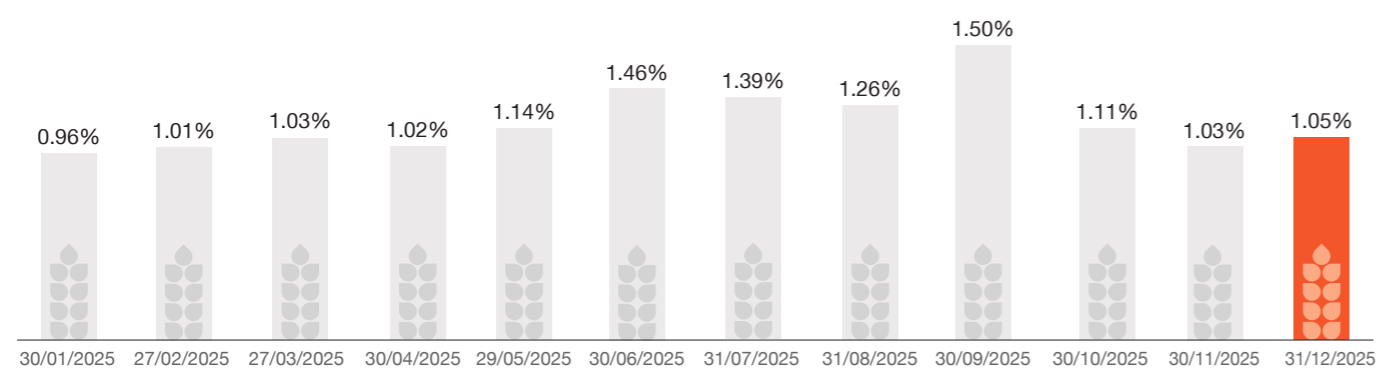
Substantial Shareholders as of 31 December 2025



Foreign Ownership

As at 31 December 2024	As at 31 December 2025	Foreign Ownership Limit
1.08%	1.05%	49%

Monthly Change in Foreign Ownership



Fourth Milling Stock Performance in 2025

Fourth Milling Company's stock closed at SAR 3.53 on 31 December 2025, down by 12.6%, compared to its closing price of SAR 4.04 on 31 December 2024. The highest closing price for the stock during the year was SAR 4.27 on 10 February 2025, while the lowest price was SAR 3.43 on 18 June 2025.

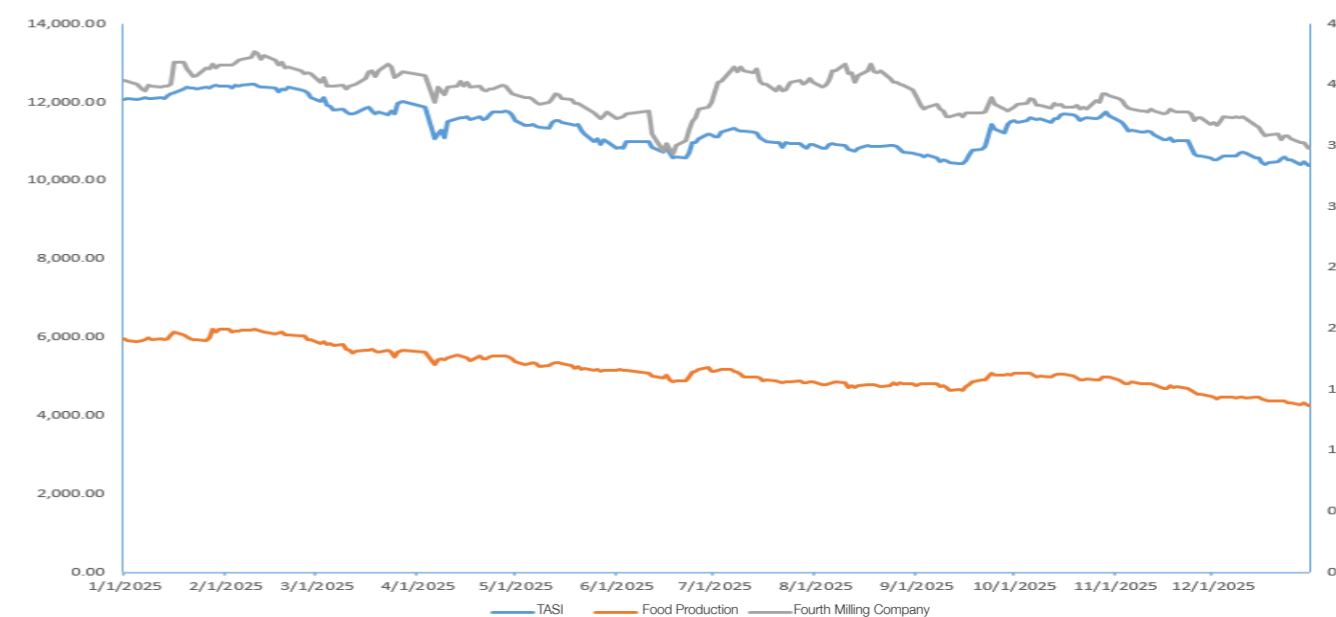
SAR 3.53	Closing Price as at 31 December 2025
SAR 4.27	Highest Closing Price of the Year on 10 February 2025
SAR 3.43	Lowest Closing Price of the Year on 18 June 2025

Comparison of Fourth Milling Company's Stock Performance with the Performance of the General Market Index and the General Sector Index

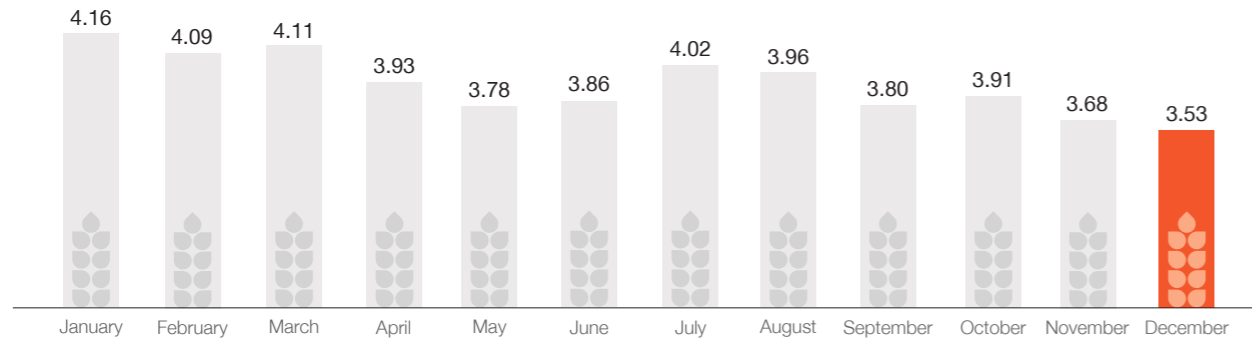
The Company's stock performance aligned with the performance of the general market index, which declined by 12.8% during 2025 to reach 10,490.69 points, compared to 12,036.50 points at the end of 2024.

The stock's performance also aligned with the performance of the food production sector index, which declined by 27.7% to reach a level of 4,346.55 points by the end of 2025, compared to 6,012.88 points at the end of the previous year.

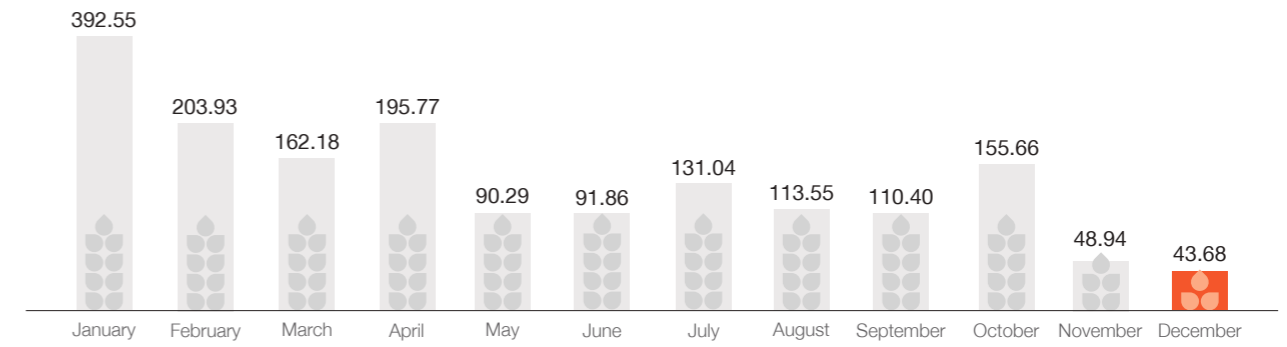
The chart below illustrates the performance of Fourth Milling Company's stock compared to the performance of the Saudi Main Market index and the food production index during 2025:



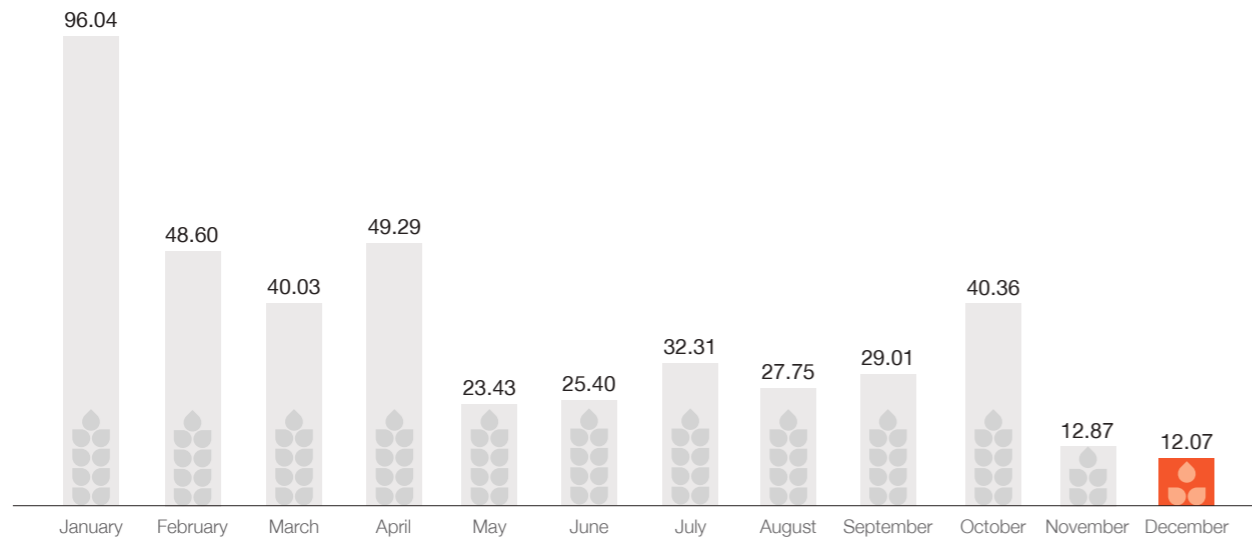
Monthly Closing Stock Price (SAR)



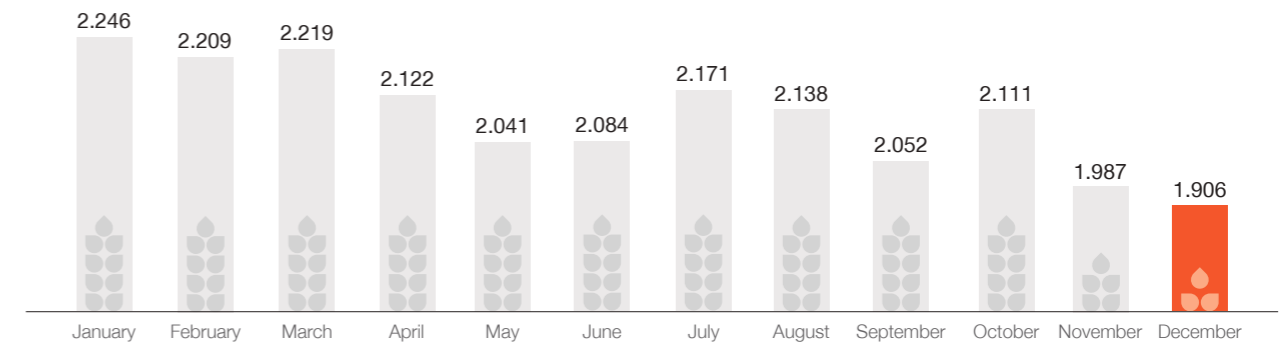
Trading Value (SAR MIn)



Trading Volume (MIn Shares)



Monthly Market Capitalization (SAR BIn)



Company's Shareholders Register Requests in 2025

Request Date	Reasons for Request
24/03/2025	Review of Eligibility for Distributed Dividends
21/08/2025	Review of Eligibility for Distributed Dividends

Disclosure and Transparency

Fourth Milling Company places transparency and disclosure at the heart of its priorities, as it is committed to disclosing all material decisions and information of interest to shareholders through "Tadawul" platform and the Company's official IR website.

The Company applies the highest standards of financial disclosure and performance reporting, in compliance with the legal requirements, regulatory directives, and instructions issued by the competent authorities, ensuring the accuracy and reliability of information.

This commitment aims to enhance the protection of shareholders' rights and foster fairness and transparency. By delivering crucial information in a timely fashion, the Company empowers shareholders to stay informed about any developments or changes that might influence the Company's financial health, without jeopardizing its market competitiveness.

The Company is committed to offering a transparent and comprehensive view of its performance and operations. This is achieved through its in-depth annual reports and general assembly meetings, where shareholders can voice their questions and engage in discussions about the Company's future direction.

Regarding shareholders' financial rights, the Company ensures the distribution of due dividends regularly and accurately, while encouraging shareholders to update their personal information and link their bank accounts to their investment portfolios to avoid any delay in collection. This reflects the Company's ongoing commitment to fostering trust and fairness in its dealings with its investors.

Financial Calendar and Company Disclosures for 2025

Date of Announcement	Announcement Title
15 January	Fourth Milling Company announcement to its shareholders of the commencement of electronic voting on the agenda items of the Extraordinary General Assembly (first meeting) (reminder announcement).
19 January	Fourth Milling Company announcement of the results of the Extraordinary General Assembly meeting (first meeting).
02 February	Fourth Milling Company announcement on receiving approval to export flour in accordance with the requirements and guidelines of the General Food Security Authority (GFSA).
09 March	Fourth Milling Company announcement of annual financial results for the period ended 31/12/2024.
09 March	Fourth Milling Company announcement of the Board of Directors' decision to distribute cash dividends to shareholders for the second half of 2024.
01 May	Fourth Milling Company announcement of the preliminary financial results for the period ended 31/03/2025 (three months).
01 May	Fourth Milling Company announcement of the construction of a new flour mill and feed plant in Al-Kharj.
06 May	The Board of Fourth Milling Company invitation of shareholders to attend the Ordinary General Assembly meeting (first meeting).
22 May	Fourth Milling Company announcement to its shareholders regarding the commencement of electronic voting on the agenda items of the Ordinary General Assembly (first meeting) (reminder announcement).
28 May	Fourth Milling Company announcement of the results of the Ordinary General Assembly meeting (first meeting).
23 June	Supplementary announcement from Fourth Milling Company regarding the construction of a new flour and feed mill in Al-Kharj.
17 July	Clarification announcement from Fourth Milling Company regarding the commitment period for the wheat pricing policy from the General Food Security Authority (GFSA).
31 July	Fourth Milling Company announcement of the preliminary financial results for the period ended 30/06/2025 (six months).
31 July	Fourth Milling Company announcement of the Board of Directors' decision to distribute cash dividends to shareholders for the first half of 2025.
02 November	Fourth Milling Company announcement of the preliminary financial results for the period ended 30/09/2025 (nine months).
05 November	Additional announcement issued by Fourth Milling Company regarding the construction of a new flour mill and feed plant in Al-Kharj.
09 November	Additional announcement issued by Fourth Milling Company regarding the construction of a new flour mill and feed plant in Al-Kharj.

Shareholder General Assemblies and Board of Directors Attendance Record

Name	Position	Attendance Record	
		Extraordinary General Assembly Meeting	Ordinary General Assembly Meeting
		Date: 16/01/2025	Date: 27/05/2025
Bader Hamad AlAujan	Chairman of the Board	√	√
Tariq bin Abdullah bin Sulaiman AlJammaz	Vice Chairman	√	√
Prashant Vitkar	Board Member	-	√
Marwan Ahmed Mohammed Ibrahim	Board Member	√	√
Kamel Muneef AlKhatib	Board Member	√	√
Fahad Abdullah Hussain Mousa	Board Member	√	√
Abdulaziz Mohammed Abdulaziz AlShaikh	Board Member	√	-
Yasser Ali Saleh AlZeghaibi	Board Member	-	√
Syed Rizwan Ahmed	Board Member	√	√

Resolutions of the Extraordinary General Assembly Meeting Held on 16/01/2025

- 1- Approval to amend Article (2) of the Company's Bylaws, relating to the (Company Name).
- 2- Approval to amend Article (4) of the Company's Bylaws, relating to the (Company Objectives).
- 3- Approval to add Article (50) to the Company's Bylaws, relating to the (Trading of Company Shares).
- 4- Approval to amend the (Remuneration) Policy.

Resolutions of the Ordinary General Assembly meeting held on 27/05/2025

- 1- Review and discussion of the Board's report for the financial year ended 31/12/2024.
- 2- Approval of the Auditor's report for the financial year ended 31/12/2024, after discussion.
- 3- Review and discussion of the financial statements for the financial year ended 31/12/2024.
- 4- Approval of the transactions and contracts concluded between Fourth Milling Company, the Saudi Agricultural and Livestock Investment Company (SALIC) as a third party, and the General Food Security Authority (GFSA) (a government entity), in which Board Member Bader Hamad AlAujan has an indirect interest. These business dealings involve an amendment to the wheat supply agreement (subsidized and non-subsidized) for a 25-year contract period, with an estimated value of SAR 180 million for the year 2025, which were conducted without any preferential terms, for the financial year ended 31/12/2025.
- 5- Approval of the transactions and contracts concluded between Fourth Milling Company and Abdullah Al Othaim Markets Company, in which both Board Member Bader

Hamad AlAujan and Board Member Marwan Ahmed Mohammed Ibrahim have an indirect interest; consisting of contracts for the sale of consumer packages valued at SAR 7,785,695, which were conducted without any preferential terms, for the financial year ended 31/12/2024.

6- Approval of the transactions and contracts concluded between Fourth Milling Company and Zoud Pastries and Bakeries Factory (a branch of Abdullah Al Othaim Markets Company), in which both Board Member Bader Hamad AlAujan and Board Member Marwan Ahmed Mohammed Ibrahim have an indirect interest; consisting of a bulk flour sale contract in accordance with the regulations of the General Food Security Authority (GFSA) valued at SAR 949,123, and without any preferential terms, for the financial year ended 31/12/2024.

7- Approval of the transactions and contracts concluded between Fourth Milling Company and Abdullah Al Othaim Markets Company, in which Board Member Marwan Ahmed Mohammed Ibrahim has an indirect interest; consisting of a contract for the sale of consumer packages valued at SAR 11,499, which was conducted without any preferential terms for the financial year ended 31/12/2024.

8- Approval of the transactions and contracts concluded between Fourth Milling Company and United Feed Manufacturing Company (UFMC), in which both Board Member Kamel Muneef AlKhatib and Board Member Tariq bin Abdullah bin Sulaiman AlJammaz have an indirect interest; consisting of contracts for the sale of bran products valued at SAR 50,537,146, which were conducted without any preferential terms, for the financial year ended 31/12/2024.

9- Approval of the transactions and contracts concluded between Fourth Milling Company and United Feed Manufacturing Company (UFMC), in which both Board Member Kamel Muneef AlKhatib and Board Member Tariq bin Abdullah bin Sulaiman AlJammaz have an indirect interest; consisting of contracts for the purchase of soybean meal valued at SAR 16,434, which were conducted without any preferential terms, for the financial year ended 31/12/2024.

10- Approval of the transactions and contracts concluded between Fourth Milling Company and Pure Foods Company, in which both Board Member Prashant Vitkar and Board Member Syed Rizwan Ahmed have an indirect

interest; consisting of contracts for the sale of consumer flour packages valued at SAR 4,225,858, which were conducted without any preferential terms, for the financial year ended 31/12/2024.

11- Approval of the transactions and contracts concluded between Fourth Milling Company and Gulf Industrial & Development Company (SAFM), in which Board Members Bader Hamad AlAujan, Syed Rizwan Ahmed, Prashant Vitkar, Tariq bin Abdullah bin Sulaiman AlJammaz, Kamel Muneef AlKhatib, and Marwan Ahmed Mohammed Ibrahim have an indirect interest; consisting of the reimbursement of costs associated with the Initial Public Offering (IPO) process on behalf of Gulf Industrial & Development Company (SAFM), valued at SAR 15,230,229, which were conducted without any preferential terms, for the financial year ended 31/12/2024.

12- Approval to discharge the Board Members from liability for the financial year ended 31/12/2024.

13- Approval to pay SAR 1,940,712 as remuneration to the Board Members for the financial year ended 31/12/2024.

14- Approval to authorize the Board to distribute interim dividends on a semi-annual or quarterly basis for the financial year 2025.

15- Approval to grant the Board authorization to exercise the powers of the Ordinary General Assembly regarding the granting of necessary licenses as stipulated in Paragraph (1) of Article (27) of the Companies Law, for a period of one year from the date of its approval or until the end of the term of the authorized Board, whichever is earlier, in accordance with the conditions set forth in the Implementing Regulations of the Companies Law for listed joint stock companies.

16- Approval of the appointment of KPMG as the External Auditor for the Company from among the candidates, based on the recommendation of the Audit Committee, to examine, review, and audit the interim financial statements for the second and third quarters, the annual financial statements for the financial year ended 31/12/2025, and the first quarter of the financial year 2026, and to determine their fees at an amount of SAR 635,000 (excluding value-added tax).

Dividend Distributions

Dividend Policy

Article (107) of the Companies Law affirms the principle of equality among shareholders in rights associated with the share, including the right to a share of the dividends the Company decides to distribute.

The Board of Directors is responsible for recommending dividend distributions, subject to approval by the General Assembly of shareholders.

Dividend distribution decisions are based on several factors, most notably: past and expected financial performance, cash flows, share capital and financing requirements, economic and market conditions, regulatory restrictions, financing and debt agreements, and statutory obligations such as Zakat, in addition to the Company's investment and expansion plans.

Although the Company aims to distribute annual dividends to enhance shareholder investment value, this does not constitute a fixed guarantee in terms of distribution or the value of amounts paid in any given year, as the policy may change according to the Company's circumstances and business requirements.

Dividend distribution is subject to the provisions of the Company's Bylaws and is paid in Saudi Riyals.

Investors should be aware that the dividend distribution policy is subject to amendment from time to time as may be in the best interest of the Company and its shareholders.

Dividend Distribution Mechanism as Mandated by the Bylaws

According to the Bylaws, the Company's annual net profits shall be distributed after deducting all general expenses and other costs as follows:

- When determining the share of net profits, the Ordinary General Assembly may decide to establish reserves, to the extent that serves the interest of the Company or ensures the distribution of fixed dividends, as much as possible, to shareholders. The aforementioned Assembly may also deduct from the net profits amounts to achieve social purposes for the Company's employees.
- The General Assembly shall determine the percentage of the net profits to be distributed to shareholders after deducting reserves, if any.
- The Company may distribute interim dividends to shareholders, in accordance with the regulations issued by the competent authority.

Company's Dividend Distribution in 2025

Board Decision Date	Aggregate Dividends (SAR Mln)	No. of Shares Entitled to Dividends (Mln Shares)	Dividend Per Share (SAR)	Dividend Yield Ratio (on Par Value)	Period
07 March 2025	59.4	540	0.11	11%	H2 of 2024
30 July 2025	59.4	540	0.11	11%	H1 of 2025

Dividends Distributed by the Company in the Last 4 Years

Year	Total Distributions (SAR Mln)
2025	118.99
2024	140.11
2023	198.35
2022	61.33

Shareholders' Suggestions and Feedback Regarding the Company and its Performance

The Board of Directors of Fourth Milling Company has taken a number of measures to inform its Members, particularly Non-Executive Members, of shareholders' comments and suggestions, most notably:

- The Investor Relations (IR) Department regularly conveys shareholders' feedback and inquiries to the Board.
- Providing IR website and app in both Arabic and English.
- Board Members and Committee Chairs attend General Assembly meetings to directly observe shareholders' views.
- Holding periodic meetings with investors and financial analysts to discuss financial results.
- Presenting shareholders' feedback to the Board and relevant Committees, and including summaries thereof in governance and periodic reports.
- Enabling Non-Executive Members to review performance reports and follow up on the implementation of recommendations to further boost transparency and improve performance.



Customers and Suppliers

- Commencing exports to foreign markets after obtaining the approval of the General Food Security Authority (GFSA) last year.
- Improving communication with customers through various sales channels and conducting field visits to address and analyze complaints.
- Focusing on customer services, especially after-sales, and building long-term strategic relationships with them.
- Building strong and sustainable partnerships with suppliers to ensure the uninterrupted supply of high-quality products.
- Expanding the offering of specialized value-added products.
- Elevating service levels and enhancing delivery reliability.

Enhancing Communication with Stakeholders



Shareholders and Investors

- Committing to the highest standards of corporate governance to maximize shareholder value and achieve sustainable financial performance and long-term value.
- Periodically disclosing transactions with related parties to enhance transparency and accountability.
- Achieving organizational developments and operational improvements that supported the growth path.
- Approving a cash dividend distribution, by the Board, of 11% for the first half of 2025.
- Organizing periodic investor presentations to discuss results, performance, and future outlook.
- Investing continuously in research and development (R&D) and introducing innovative products that meet market needs.
- Activating the role of investor relations through open communication channels with shareholders.
- Implementing a disciplined capital allocation and risk management policy.



Government and Regulatory Agencies

- The Company strongly believes the Kingdom's government to be a key partner in development and seeks to enhance cooperation with it in line with its strategic objectives.
- Fully complying with government laws and regulations as part of social responsibility and regulatory transparency.
- Paying Zakat and tax obligations in a timely manner to support the national economy and contribute to diversifying the economic base.
- Supporting the national economy by strengthening local supply chains, employing Saudi citizens, and ensuring food security in Madinah Province during religious seasons.
- Aligning the Company's strategy with the priorities of Saudi Vision 2030 and achieving national food security targets.



Employees

- Ensuring the safety of employees across all Company facilities through strict procedures and protocols and a safe, motivating work environment.
- Investing in developing employees' skills and capabilities through training and development programs to enhance technical, professional, and digital competencies.
- Recognizing and rewarding employee performance, while maintaining open communication channels for effective engagement.
- Supporting the development of national talent and contributing to achieving Saudization goals.
- Improving corporate performance by implementing an ERP system and restructuring the organizational framework and departments, which has positively impacted production and operational efficiency.



Society

- Supporting social initiatives that raise living standards, enhance education and health, and creating new job opportunities for the Saudi community.
- Adhering to environmental standards and reducing the environmental footprint of the Company's operations through recycling programs, energy and water conservation, and the implementation of sustainability initiatives.
- Active engagement with the local community through national events and workshops on safety and emergency preparedness in schools and communities.
- Collaborating with environmental organizations to launch tree-planting campaigns and cleanup initiatives in surrounding areas.
- Providing health programs for employees, including regular medical check-ups in partnership with local health organizations.
- Operating responsibly and adopting a sustainable approach to enhance the positive impact on society and the environment.

Future Commitments to Enhance Value and Build Stakeholder Trust

The following is a statement of the most important commitments that the Company seeks to achieve in the coming year to add distinctive value to stakeholders and earn their trust:



Annual Internal Audit Results

Internal Control

The Board of Directors of Fourth Milling Company adopts an integrated internal control and audit system aimed at enhancing risk management efficiency, ingraining governance principles, and ensuring compliance with relevant laws and regulations.

This system is based on establishing a comprehensive annual audit plan that includes defining the scope of work, risk analysis, reporting, and continuous follow-up and assessment, thereby enhancing accountability at various executive levels.

Furthermore, the Company is committed to executing related party transactions in accordance with strict regulatory controls that ensure integrity and transparency, in addition to providing advisory services that support best practices in governance, oversight, and compliance, with the targeted objectives having been achieved during the year.

Key Features of the Company's Internal Controls

Comprehensive and Effective Control System	Role of the Audit Committee	Risk Management and Register Updating	Internal Audit	Compliance and Accounting Standards
The Company adopts an integrated internal control system aimed at monitoring operational and financial activities, and providing reasonable assurance regarding the integrity of procedures and the effectiveness of controls, including compliance with relevant laws and regulations and operational efficiency.	The Audit Committee is responsible for ensuring the existence of an effective internal control system, reviewing it periodically, and providing recommendations to the Board for its improvement and development to achieve the Company's objectives. The Committee also oversees internal audit reports, business risk assessments, and mitigation procedures.	One of the key improvements in internal control is the updating of risk registers to include new risks and assess the effectiveness of controls at the operational level, which contributes to mitigating potential operational and financial risks.	The Company has an independent Internal Audit Department that provides reports containing observations and recommendations regarding financial and operational controls and ensures there are no unjustified restrictions on the Internal Auditor's activity, in addition to reviewing accounting estimates and disclosures.	Internal control focuses on ascertaining that financial statements are prepared in accordance with international and local accounting standards, and verifying the accuracy and fairness of financial data, thereby enabling shareholders and investors to reliably evaluate the Company's financial performance.

These features reflect Fourth Milling Company's commitment to implementing robust governance practices that enhance integrity and transparency and support the protection of shareholders' interests.

Scope of Work of the Internal Audit Department

Access and Discussion

Reviewing reports submitted by the Internal Auditor and discussing any observations.

Supervision and Follow-up

Overseeing the Company's Internal Audit activities and monitoring the effective execution of the work.

Examination and Assessment

Examining and assessing the adequacy and effectiveness of the Company's internal control systems.

Verification and Assurance

Verifying the existence of an effective internal control system within the Company, and ensuring that corrective actions are taken for all irregularities.

Providing Recommendations

Providing the necessary recommendations to the Board that would activate and improve the Company's internal control procedures.





Audit Processes

The Internal Audit Department executed several audit assignments in accordance with the approved audit plan, identified a number of findings, and provided the Management with recommendations for corrective actions. These results were reviewed, along with the Management responses to address the observations comprehensively, by the Committee.

Internal Auditor's Report:

The Internal Audit Department at Fourth Milling Company carried out a number of internal audits during 2025, in accordance with a risk-based internal audit plan approved by the Audit Committee, with a focus on activities and operations with material risks, thereby assisting in achieving the Company's objectives and protecting its assets.

In this respect, a number of internal audits were carried out to determine the adequacy and effectiveness of the internal control system. The results of these audits were communicated to the concerned departments in order to address the observations, establish the necessary corrective actions, monitor their implementation, and report this to the Audit Committee periodically.

Audit Committee's Opinion:

- The Committee reviewed the financial statements for the interim periods ended 31 March 2025, 30 June 2025, and 30 September 2025, and for the annual period ended 31 December 2025.
- As part of sound governance practices, the Committee

holds regular meetings with the External Auditor before recommending the financial statements to the Board.

- The Committee did not find any major observations, except for some observations and recommendations for various departments to improve performance, which are being continuously addressed and closed in cooperation with and under the supervision of the Executive Management.

The Audit Committee emphasizes the following:

1. The existence of adequate internal control systems that enable the Company, to a reasonable degree, to comply with relevant laws and regulations.
2. The adequacy of internal controls, and confirmation that no instances of fraud or material irregularities were detected during the reporting period.
3. The financial statements were prepared in accordance with the international accounting standards approved in the Kingdom and applicable regulations, and are free from material misstatement.
4. The financial statements and the Board's report for the year 2025 include sufficient information to enable shareholders and investors to assess the Company's financial position, performance, business model, and strategy.

Retention of Internal Audit Reports:

The Company retains records of audit reports and business

documents that detail its accomplishments, findings, recommendations, and all actions taken in this regard.

Recommendation of the Audit Committee regarding the Company's External Auditor:

The Audit Committee recommended the appointment of "KPMG" to audit the financial statements for the year 2025 for the following reasons:

KPMG was approved for appointment from among the candidates, based on the recommendation of the Audit Committee, to audit, review, and examine the Company's financial statements for the second and third quarters, and the annual financial statements for the financial year ended 31/12/2025, due to its technical proficiency and knowledge of the milling industry.

Compliance with Laws and Regulations:

The Company adopts an integrated control framework that ensures full compliance with regulatory requirements, and in particular with the regulations and instructions of the General Food Security Authority (GFSA), which oversees the sales and operations of milling companies in the Kingdom, thereby ensuring product safety, supply stability, and consumer protection.

As part of its strategic digital transformation initiative during 2025, the Company implemented the Enterprise Resource Planning (SAP ERP) system, which contributed to automating most of the General Food Security Authority's (GFSA) requirements related to customer management and sales operations execution, and enhancing the level of accuracy, operational efficiency, and

compliance.

The Company also includes a Specialized Department for Governance, Risk, and Compliance (GRC), which assumes the responsibility of continuously enhancing regulatory compliance, monitoring adherence to the Capital Market Authority (CMA) regulations, supporting a culture of compliance, updating policies and procedures, and ensuring the application of best practices in governance and internal control.

Future Outlook of the Internal Audit Department:

The Internal Audit Department has developed a risk-based audit plan, approved by the Audit Committee, which is currently being implemented according to a strategic approach focused on the Company's key risk priorities. This plan aims to enhance the effectiveness of control over critical areas and proactively support sound governance and risk management. This plan is also being executed by the internal audit team in collaboration with a specialized external consulting firm, which contributes to enhancing audit quality, exchanging expertise, and ensuring the application of professional best practices and international standards in audit and follow-up activities.

The plan is also being executed by the internal audit team in collaboration with a specialized external consulting firm, contributing to enhancing audit quality, exchanging expertise, and ensuring the application of professional best practices and international standards in audit and follow-up activities.



Board Declarations

The Board of Directors of Fourth Milling Company acknowledges the following:

- The accounting records have been correctly updated and prepared.
- The internal control system was prepared on sound grounds and was implemented effectively.
- The Board of Directors has no significant doubt regarding Fourth Milling Company's ability to continue its operations.
- The consolidated financial statements for the financial year ended 31 December 2025, were prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed in the Kingdom, and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- There are no material events that affect the integrity of the Company's financial position after the end of the 2025 financial year that require disclosure, other than the information already available and announced.
- The Company's Board did not receive a request from the auditors to convene the General Assembly during 2025.
- The Company's Board did not receive any request from shareholders holding (5%) or more of the Company's share capital to convene the General Assembly during 2025.
- There are no procedures that could impede the shareholders' right to vote.
- The Company did not report any natural or legal person owning (5%) or more of the issued shares of Fourth Milling Company during 2025.
- There are no convertible debt instruments, options, warrants, or similar rights issued or granted by the Company during 2025.
- There are no shareholdings or debt instruments owned by the subsidiaries.
- There are no redemption, purchase, or cancellation by the Company during 2025 of any redeemable debt instruments.
- There are no arrangements or agreements under which a member of the Company's Board or any Senior Executive has waived any salary or compensation.
- There are no arrangements or agreements under which any of the Company's shareholders have waived any rights to dividends.
- There is no contract to which Fourth Milling Company is a party, in which a member of the Board, the Company's CEO, the Company's CFO, or any person related to any of them has or had a material interest, other than what has been disclosed in the General Assembly meeting.
- The Company did not provide a cash loan of any kind to its Board Members, nor did it guarantee any loan contracted by one of them with a third party.
- There are no option rights or subscription rights pertaining to Board Members, Senior Executives, or their spouses or minor children.
- The External Auditor of Fourth Milling Company expressed an unqualified opinion on the 2025 financial statements.
- There are no recommendations from the Audit Committee that conflict with the decisions of the Board of Directors, or that the Board refused to adopt regarding the appointment, dismissal, fee determination, and performance evaluation of the Company's External Auditor, or the appointment of the Internal Auditor.
- There are no competing businesses to the Company or any of the branches of activity it conducts that are or were conducted by any Board Member.
- There are no treasury shares held by the Company.

Section V

Sustainability & Corporate Social Responsibility (CSR)

“Environmental Commitment.. Social Impact.. Sustainable Future”

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Sustainability Approach

Commitment to Integrating Environmental, Social, and Governance (ESG) Practices within the Company's Operational Framework

Fourth Milling Company adopts a comprehensive strategic approach aimed at integrating sustainability principles into its current and future vision. This stems from a firm conviction that sustainability is a fundamental pillar for responsible growth and long-term value creation for all stakeholders.

The Company has been keen to embed sustainability concepts into its mission and strategic objectives to balance between expanding operations, conserving natural resources, and increasing its social role in alignment with international best practices and national trends toward sustainable development.

Within the framework of the Company's environmental commitment, Fourth Milling works to optimize resource utilization efficiency by reducing energy and water consumption, lowering emissions, and minimizing operational waste. Furthermore, the Company advances recycling practices through collaboration with specialized and certified entities, thereby mitigating the environmental impact of operations and enhancing operational performance.



The Company also lays great emphasis on the social dimension of sustainability by providing a safe and healthy work environment and continuously investing in human capital development. This is complemented by supporting community initiatives that contribute to improving the quality of life and increasing local development.

To reinforce its institutional approach, the Company is committed to complying with relevant local and international regulations and standards. Fourth Milling employs an Integrated Management System (IMS) that encompasses Quality Management System (QMS), Environmental Management System (EMS) (ISO 14001), and Occupational Health and Safety (OH&S) (ISO 45001), ensuring the highest levels of operational efficiency and regulatory compliance.

This commitment reflects the Company's aim to foster a culture of sustainability as an integral part of its business model, supporting its continuity and strengthening its position as a leading and responsible player in the sector.



Sustainability Strategy Pillars and Key Performance Indicators (KPIs)

Strategy Pillar	Environment 	Energy Rationalization 
Strategy Description	<ul style="list-style-type: none"> Improving the work environment. Reducing the environmental impact of operations. Optimizing resource efficiency. 	<ul style="list-style-type: none"> Engaging with the “kafa'a” which qualifies institutions to execute an energy efficiency program. Launching the clean energy initiative through strategic investment in a solar power project.
KPIs	<ul style="list-style-type: none"> Energy and water consumption. Emissions. Recycling. 	<ul style="list-style-type: none"> Energy conservation performance indicators across all company sites were assessed at 20%.
Achievements in 2025	<ul style="list-style-type: none"> Upgrading dust and air quality control systems across manufacturing facilities in line with both professional and environmental standards. Enhancing waste management and recycling practices via certified specialists. Ensuring full environmental compliance with Saudi regulations, including all requirements set by the National Center for Environmental Compliance (NCEC). Implementing preventive maintenance programs that have successfully reduced emissions, leaks, and unplanned downtime. 	<ul style="list-style-type: none"> Implementing initiatives for energy efficiency alongside reducing electricity and water consumption across milling operations. Obtaining two certificates indicating success for the first and second phases. Signing of the agreement to commence project execution.

Society 	Governance 	Economy 
<ul style="list-style-type: none"> Enhancing employees' health and safety. 	<ul style="list-style-type: none"> Adhering to compliance, transparency, and risk management. Committing to local and international regulations and requirements to ensure business continuity and sustainability 	<ul style="list-style-type: none"> Adhering to specifications and standards for extraction rates. Reducing waste during manufacturing processes. Enhancing financial sustainability and operational efficiency.
<ul style="list-style-type: none"> Occupational injury indicators. Awareness programs. Health programs. 	<ul style="list-style-type: none"> Operational Compliance. Reviews. 	<ul style="list-style-type: none"> Monthly performance reporting. Results of the Saudi General Food Security Authority (GFSA) audits/inspections. Operational efficiency. Saudization.
<ul style="list-style-type: none"> Fostering a robust Occupational Health and Safety (OHS) culture. Conducting health and awareness programs, including heat stress prevention and occupational health initiatives. Maintaining onsite medical units and conducting periodic, routine health screenings in partnership with providers such as “Bupa Arabia”. Achieving the Zero Major Incidents target. Enhancing food safety and product quality. Implementing structured Quality, Health, Safety, and Environment (QHSE) and food safety training programs for operators. Supporting the development of national talent through skills-based training. Increasing employee awareness and fostering deeper workplace engagement. Committing to social standards and preserving the trust of society. 	<ul style="list-style-type: none"> Establishing and implementing robust QHSE governance frameworks in line with ISO 9001, ISO 22000, ISO 45001, and ISO 14001 standards. Leading internal and external auditing processes to achieve high compliance scores with minimal non-conformities. Implementing risk-based management systems, including Root Cause Analysis (RCA), Corrective and Preventive Actions (CAPA), and management review processes. Enhancing supplier assessment and qualification processes. Strengthening document control, traceability/data integrity across all milling facilities. Supporting executive management with transparent reporting, key performance indicators (KPIs), and compliance dashboards. 	<ul style="list-style-type: none"> Improving operational efficiency.

Implementation of Sustainable Development Goals

Fourth Milling is committed to implementing the United Nations Sustainable Development Goals (SDGs) by integrating economic, social, and environmental initiatives into its core activities. This commitment includes fostering sustainable economic development and enhancing the quality of life within the local community by supporting education, healthcare, and employee empowerment. Furthermore, the Company is dedicated to environmental protection by optimizing resource efficiency and lowering its environmental footprint. By strengthening partnerships with different stakeholders, the Company seeks to develop innovative solutions that balance economic growth, social responsibility, and environmental stewardship.



The following table outlines the Company's progress toward the seventeen United Nations Sustainable Development Goals (SDGs), along with the specific contributions and initiatives implemented to achieve these objectives:

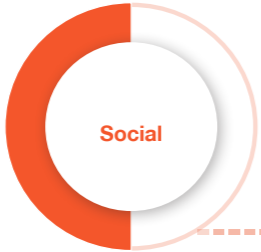
No.	Objective	Framework Pillar	Company Contributions and Initiatives	Achievement Rate
1	No Poverty	Enriching Community Life	-	-
2	Zero Hunger	Enriching Community Life	-	-
3	Good Health and Well-Being	Empowering Employees	Providing the best healthcare network with both local and international coverage, coupled with wellness and awareness programs across all Company branches.	100%
4	Quality Education	Enriching Community Life	-	-
5	Gender Equality	Empowering Employees	Committing to gender equality and ensuring non-discrimination across the workforce.	100%
6	Clean Water and Sanitation	Enriching Community Life	Providing clean, potable, and bottled drinking water across all Company facilities, while promoting occupational hygiene and health practices.	100%
7	Affordable and Clean Energy	Enhancing Economic Impact	Improving energy consumption efficiency, implementing energy-saving technologies, and launching an initiative for renewable energy.	20%
8	Decent Work and Economic Growth	Enhancing Economic Impact	-	-
9	Industry, Innovation, and Infrastructure	Enhancing Economic Impact	-	-
10	Reduced Inequalities	Empowering Employees	Prohibiting any form of discrimination among employees.	100%
11	Sustainable Sites and Communities	Enriching Community Life	-	-
12	Responsible Consumption and Production	Enhancing Economic Impact	-	-
13	Climate Action	Environmental Stewardship	Working on emission reduction initiatives, managing and mitigating climate-related risks, and supporting occupational and environmental health in line with environmental regulations.	100%
14	Life Below Water	Environmental Stewardship	Preventing the discharge of any pollutants into water bodies, ensuring the proper management of wastewater, and adhering to environmental regulations to protect marine life.	100%
15	Life on Land	Environmental Stewardship	Implementing sound industrial waste management to minimize environmental pollution and protect soil health.	100%
16	Peace, Justice, and Strong Institutions	Governance	-	-
17	Partnerships for the Goals	Enhancing Economic Impact	-	-

Fourth Milling's Sustainability Initiatives in 2025

- Complying with environmental requirements and reducing emissions.
- Improving air quality within the work environment.
- Utilizing eco-friendly materials wherever possible and managing dust.
- Recycling waste through certified contractors.
- Deploying office waste recycling bins.
- Minimizing waste and reducing paper consumption across all operational processes.



- Providing a safe and healthy work environment.
- Implementing Health, Safety, and Environment (HSE) programs.
- Employee training and professional development.
- Supporting community initiatives and corporate social responsibility (CSR).



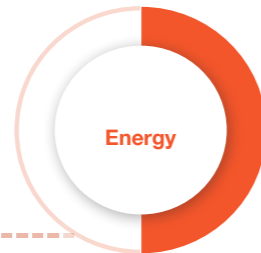
- Optimizing operational efficiency and enhancing processes to reduce costs.
- Fostering innovation and investing in cutting-edge technologies.
- Ensuring business continuity and driving long-term economic value.



- Providing a safe and healthy work environment.
- Implementing Health, Safety, and Environment (HSE) programs.
- Employee training and professional development.
- Supporting community initiatives and corporate social responsibility (CSR).



- Optimizing energy consumption.
- Utilizing high-efficiency equipment.
- Performing periodic maintenance to minimize waste.
- Evaluating the use of renewable energy sources, where feasible.



- Rationalizing water consumption.
- Maintaining water networks to prevent leaks.
- Reusing treated water for non-operational purposes.
- Increasing employee awareness regarding water conservation.



Contractual Policies Supporting the National Economy and Enhancing Sustainability

Driven by the Company's commitment to sustainable development and enhanced local content, Fourth Milling has adopted clear contractual policies that prioritize local suppliers who meet our established quality, safety, and cost standards. This approach is tailored to bolster the national economy, shorten supply lead times, and enhance supply chain efficiency.

Empowering Suppliers and Building Competitive Capabilities

The Company's role extends beyond simple procurement preferences, as Fourth Milling seeks to empower promising local suppliers through specialized development programs aimed at improving their operational efficiency and helping them meet required technical and operational standards. The Company provides technical support and guidance to enhance its competitiveness and sustainability, thereby contributing to a more robust and resilient supply chain ecosystem.

Sustainability as a Core Selection Criterion

The Company evaluates suppliers through a sustainability-driven approach. Suppliers that implement responsible environmental practices, adhere to ethical labor conditions, or contribute to local community development are granted additional weight within the Company's selection criteria. Preferences are also given to suppliers who adopt eco-friendly packaging solutions, utilize responsibly sourced materials, and employ resource-efficient production processes.

Long-Term Partnerships for Supply Chain Resilience

The Company seeks to build long-term strategic relationships with local and sustainable suppliers to ensure supply chain stability and increase operational readiness. In this context, Fourth Milling places special emphasis on Small and Medium-sized Enterprises (SMEs) with promising potential, encouraging their participation in procurement processes to support their vital role in economic growth, job creation, and community welfare.

Measures to Strengthen the Company's Role in Achieving the Kingdom's Food Security Objectives



Environmental Practices and Operational Sustainability

The Environmental Impact of the Company's Operations



Procedures for Improving Water and Electricity Efficiency within the Company



Electricity Consumption Efficiency

Utilizing energy-efficient LED lighting systems and smart controls while developing a solar energy system.

Installing high-efficiency motors and equipment to reduce electricity consumption.

Regularly monitoring electricity consumption and analyzing data to identify optimization opportunities.



Water Management

Recycling treated water for industrial processes and irrigation.

Installing water-saving systems, such as flow control valves and leak detection equipment.

Annual Water Consumption and Treatment Volumes

The following table outlines the annual water consumption in cubic meters per industrial site, alongside the volumes reclaimed/treated for reuse:

Location	Annual Water Consumption*	Treated/Reused Volume
Dammam	65,113 m ³	-
Al-Kharj	55,000 m ³	-
Madinah	123,072 m ³	20,400 m ³ (to be used for irrigation)

*Statistics are approximate, based on reports from the Company's Maintenance Department.

Firm Environmental Commitment and Responsible Operational Standards

The Company adopts a formal environmental policy that serves as a framework for managing its environmental impact. Fourth Milling remains fully committed to complying with all applicable laws and regulations, consistently working to reduce pollution and enhance resource efficiency across all operational processes. The Company places a high priority on raising environmental awareness among employees, fostering a culture of responsibility and sustainability within the work environment.

In efforts to reduce the carbon footprint, the Company launched practical initiatives to lower emissions and is expanding the use of renewable energy resources within its operations. This reflects a strategic shift toward energy transition and the enhancement of environmental performance efficiency.

Integrated Waste Management and Air Quality Protection

The Company employs an integrated industrial waste management system. Organic and industrial waste is collected and transported by certified contractors in accordance with stringent environmental controls. Furthermore, packaging waste and plastics are sorted and recycled in collaboration with specialized entities, ensuring a reduced environmental impact and the promotion of a circular economy. To protect air quality and safeguard employees' health, the Company utilizes advanced dust and flour-powder extraction systems, supported by periodic maintenance and continuous air quality monitoring. Additionally, Fourth Milling provides Personal Protective Equipment (PPE) to ensure a safe and healthy working environment.

Reducing Waste and Enhancing Product Quality

The Company is dedicated to minimizing loss and reducing food waste by optimizing planning, production, and storage processes throughout the supply chain, thereby improving operational efficiency and mitigating losses. In addition, the Company is committed to upholding global quality and safety standards, supported by regular inspections and controls to ensure the safety of products and services provided for customers and to reinforce their trust.



Corporate Social Responsibility (CSR) Initiatives

Details of the Company's Social Contributions in 2025

Initiative	Najoud Bi Khairina	Tarahum Initiative	Support Initiative People with Disabilities (Volume I)	Support Initiative People with Disabilities (Volume II)
Partnership Entity	Ministry of Industry and Mineral Resources	The National Committee for the Care of Prisoners, Released Prisoners and their Families "Tarahum"	Aleradah Association for Talented People with Disabilities (PWDs)	
Date	April	May	June	December
Details	"Najoud Bi Khairina" Campaign is aimed at supporting families in need during the Holy Month of Ramadan by providing high-quality company products.	"Tarahum" Campaign seeks to support families of inmates and released individuals during the Holy Month of Ramadan by providing high-quality food products.	Through fostering social inclusivity and empowering People of Determination, the Company contributed to Aleradah Association for talented PWDs to ensure its dedication to empowering PWDs and providing a platform for them to showcase their talents and capabilities.	



The Company's Role in Advancing Saudi Society

Enhancing National Food Security through the Expansion of Production Infrastructure

In December 2025, the Company launched an expansion project for Al-Kharj Plant with an investment of SAR 265 million. This project includes the establishment of a milling line with a capacity of 750 tons per day and a feed mill with a capacity of 240 tons per day. This move was taken with the aim of strengthening national food security, reducing import reliance, meeting growing demand, and creating new job opportunities within the food industry sector.

Contributing to Food Stability through Strategic Wheat Pricing Policies

The Company continues to adhere to the government's wheat price subsidy policy. This commitment helps stabilize the prices of essential commodities for consumers, ensuring that Saudi households have access to high-quality food products at state-supported prices.

Boosting Company Competitiveness and Considering Export Opportunities

In February 2025, the Company received approval from the Saudi Grains Organization (SAGO) to export flour products outside the Kingdom, a step marking the Company's regional expansion, while reinforcing its role in national food security and enhancing the global competitiveness of Saudi products.

Contributing to Social Well-Being by Ensuring the Availability of Essential Food Products

The Company contributes to social well-being and food security by ensuring a consistent supply of flour and feed products. Utilizing its operational capacities across its plants in Dammam, Madinah, and Al-Kharj, the Company guarantees that the needs of households, bakeries, and farms are met, thereby supporting the stability of the local economy.

Creating Local Employment Opportunities

The Company prioritizes the employment of Saudis and invests in initiatives that create job opportunities across various sectors, directly contributing to the achievement of national employment goals.

Forging Educational Partnerships

By collaborating with local universities and vocational training centers, the Company develops customized programs that equip students with market-relevant skills, thereby enhancing educational and career opportunities within the Saudi community.

Protecting and Upholding Employee Rights

The Company is committed to providing a fair and safe work environment by implementing transparent policies in compliance with labor regulations, alongside periodically reviewing salaries to ensure they remain fair and competitive. Furthermore, health and safety are prioritized through continuous training and preventive programs, in addition to the provision of confidential channels for reporting and resolving employee grievances, which fosters trust and job stability.

Attracting New Employees

The Company enhances the ability to attract top talent by offering competitive compensation and benefits packages while building a strong employer brand that highlights the corporate culture and career development opportunities. The Company participates in career fairs and inks partnerships with universities and online recruitment platforms, reaffirming its commitment to attracting talent and positioning itself as an appealing work environment.

Developing Skills

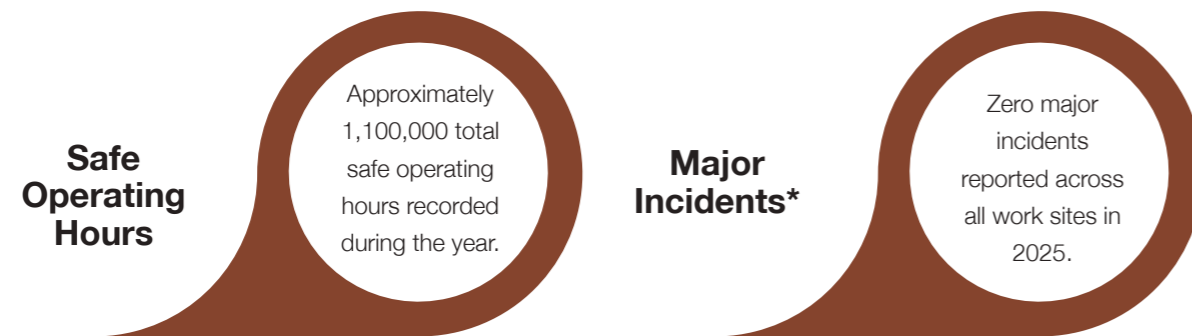
The Company is dedicated to developing the capabilities of its workforce through comprehensive training and qualification programs. These include technical and soft skills development, as well as mentorship programs for knowledge transfer. The Company also fosters a culture of continuous learning through workshops, professional courses, and certifications to support professional growth and enhance workforce efficiency.

Enhancing Occupational Health and Safety (OHS)

Occupational Safety and Security Procedures for all Employees



Key Performance Indicators (KPIs) for Occupational Health and Safety



*All incidents are managed according to established procedures, including the provision of first aid, conducting root-cause investigations, and implementing corrective and preventive actions to prevent recurrence, in full compliance with occupational safety regulations.

Future Sustainability Initiatives

The Company is actively enhancing its sustainability through future-oriented initiatives aimed at ensuring talent continuity, leadership development, and strengthening governance and compliance frameworks. Furthermore, Fourth Milling is focused on raising environmental awareness and training, optimizing energy and water consumption, and exploring the integration of renewable energy resources and carbon emission-reduction technologies, all of which support a sustainable and balanced future for both the Company and the community.



Section VI

Financial Performance Analysis and Indicators
“Financial Results Supporting Ambition and Meeting Expectations”

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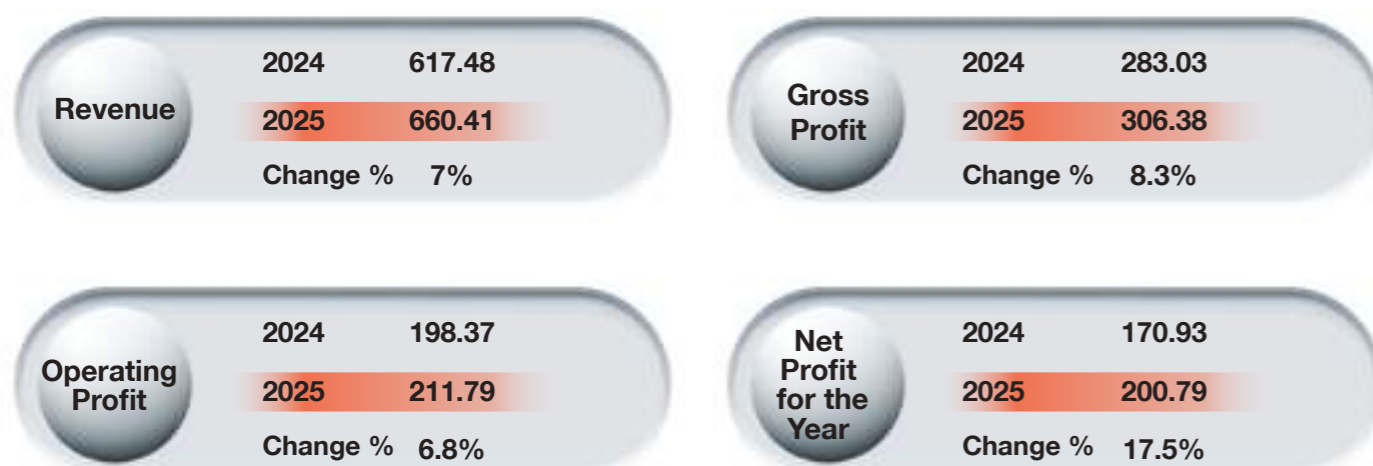
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Financial Results Highlights for 2025

Continuing to Achieve Record-breaking Results in Revenue, Gross Profit, Operating Profit, and Net Profit

Annual Growth Highlights of Financial Results

(SAR Mln)



Five-Year Financial Performance Development

(SAR Mln)



Geographical Analysis of Revenues by Company Branches

(SAR Mln)

Branch	Revenue	% of Total Revenue
Dammam	241.37	36.5%
Madinah	225.65	34.2%
Al-Kharj	193.39	29.3%
Total	660.41	100%



CFO's Message



It is a privilege to present the key financial performance highlights of Fourth Milling Company for the year 2025. This year has seen the Company continue to achieve record-breaking results, reflecting the strength of its business model and the success of its strategy in driving growth and enhancing operational efficiency. These results are the culmination of the ongoing efforts by the Management and various teams, alongside the Company's strategic focus on enhancing its service offerings and strengthening its market presence.

On the operational front, the Company maintained steady revenue growth, with annual revenues reaching SAR 660.41 million, compared to SAR 617.48 million in the previous year, marking a 7% growth. This growth reflects the sustained demand for the Company's services, as well as its ability to scale business operations and strengthen relationships with customers and partners. At the same time, the Company maintained effective cost management, as the cost of revenue grew at a slower rate than revenue, which positively affected gross profit, rising by 8.3% to reach SAR 306.38 million.

Operating profit also witnessed a notable growth, reaching SAR 211.79 million, compared to SAR 198.37 million in the previous year, which is an increase of 6.8%. This reflects the efficiency of the Company's operational activities and its ability to generate added value across its various business segments. Regarding bottom-line results, Fourth Milling Company achieved strong growth in net profit for the year, rising by 17.5% to reach SAR 200.79 million. This performance reflects the improved profitability levels and our continued commitment to strengthening the Company's overall financial position. Earnings per Share (EPS) also increased to SAR 0.37, compared to SAR 0.32 in the previous year, reflecting the delivery of greater value to the Company's shareholders.

In light of this strong financial performance, the Board of Directors approved, during 2025, cash dividend distributions for the second half of 2024 and the first half of 2025. These dividends represent approximately 22% of the share capital, equivalent to SAR 0.22 per share, totaling approximately SAR 118.8 million.

Regarding the financial position, the Company continued to strengthen its balance sheet, with total assets increasing by 5.2% to approximately SAR 1.26 billion by the end of the year. Current assets recorded a notable growth of 15.5% to reach SAR 318.57 million, reflecting an improvement in liquidity levels and the Company's ability to support its operational activities and finance its future expansion plans.

Conversely, Fourth Milling Company successfully reduced total liabilities by over 4%, as a result of balanced management of the financing structure and enhanced efficiency in the utilization of financial resources. This contributed to an 11.4% increase in shareholders' equity, reaching approximately SAR 795 million, which strengthens the Company's capital base and supports its ability to navigate challenges and capitalize on market opportunities. These results underscore the Company's unwavering commitment to financial discipline and the adoption of best practices in management and planning. Furthermore, they reflect the continued focus on enhancing operational efficiency

and fostering long-term financial sustainability. These indicators reinforce the solid foundations upon which Fourth Milling Company is building its journey toward achieving further growth and expansion.

Grounded in this solid financial foundation, we look to the future with confidence, as the Company continues to focus on business development, enhancing operational capabilities, and exploring new growth opportunities. We remain firmly confident that the Company's strategic direction, combined with the caliber of our team and the steadfast support of the Board of Directors, will continue to yield strong and sustainable performance in the years ahead, ultimately delivering long-term value to our shareholders and reinforcing the Company's leading market position.

Rabih Abdelkader Mounir Nahas

CFO

Development of Financial Statements in 5 Years

(All Amounts in SAR Mln)

Statement	2021	2022	2023	2024	2025
Statement of Income					
Revenue	336,297,891	578,319,339	558,090,113	617,484,534	660,405,945
Cost of Revenue	-230,542,162	-318,204,654	-311,923,084	-334,452,999	-354,024,860
Gross Profit	105,755,729	260,114,685	246,167,029	283,031,535	306,381,085
Selling and Distribution Expenses	-10,338,135	-32,023,454	-36,628,476	-25,701,439	-35,461,947
General and Administrative (G&A) Expenses	-31,557,857	-38,534,142	-45,707,351	-59,176,051	-59,406,620
Operating Profit	63,859,737	189,557,089	163,831,202	198,370,588	211,788,526
Profit before Zakat and Income Tax	50,268,389	176,887,890	157,683,838	186,130,637	211,739,961
Net Profit for the Year	50,062,638	163,041,428	142,816,987	170,931,353	200,792,678
Total Comprehensive Income for the Year	50,062,638	162,803,350	142,629,750	170,759,678	200,156,556
Earnings Per Share (Attributable to Shareholders)*	0.09	0.30	0.26	0.32	0.37

* Earnings per share (EPS) for the years 2021, 2022, and 2023 have been recalculated based on the weighted average of 540 million outstanding shares.

(All Amounts in SAR Mln)

Statement	2021	2022	2023	2024	2025
Statement of Financial Position					
Current Assets	171,633,403	259,393,351	205,864,004	275,822,471	318,572,531
Non-current Assets	863,802,954	986,978,873	951,178,650	921,454,715	940,429,601
Total Assets	1,035,436,357	1,246,372,224	1,157,042,654	1,197,277,186	1,259,002,132
Current Liabilities	88,395,925	108,115,724	85,035,219	88,315,522	86,175,263
Non-current Liabilities	295,244,168	399,526,214	388,994,081	395,588,632	378,097,281
Total Liabilities	383,640,093	507,641,938	474,029,300	483,904,154	464,272,544
Equity	651,796,264	738,730,286	683,013,354	713,373,032	794,729,588
Total Equity and Liabilities	1,035,436,357	1,246,372,224	1,157,042,654	1,197,277,186	1,259,002,132
Cash and Cash Equivalents (CCE)	67,256,012	164,661,627	106,343,470	122,414,701	63,100,434
Total Loans	0	0	0	0	0
Cash Flow Statement (CFS)					
Net Cash from Operating Activities	57,639,320	254,572,388	167,216,505	268,982,952	233,951,429
Cash Flow from Investing Activities (CFI)	-20,773,299	-73,601,604	-4,421,407	-89,075,885	-150,780,911
Cash Flow from Financing Activities (CFF)	-19,740,765	-83,565,169	-221,113,255	-163,835,836	-142,484,785

Financial Key Performance Indicators

Statement	2021	2022	2023	2024	2025
Liquidity Ratios (%)					
Working Capital (SAR)	83,237,478	151,277,627	120,828,785	187,506,949	232,397,268
Current Ratio	194.16	239.92	242.09	312.31	369.68
Cash Ratio	76.08	152.30	125.06	138.61	73.22
Equity Ratio	62.95	59.27	59.03	59.58	63.12
Debt Ratios (%)					
Total Debt Ratio	37.05	40.73	40.79	40.42	36.88
Total Asset To Equity Ratio (Times)	1.59	1.69	1.69	1.68	1.58
Total Liabilities to Equity Ratio	58.86	68.72	69.40	67.83	58.42
Profitability Ratios (%)					
Gross Profit Margin	31.45	44.98	44.11	45.84	46.39
Net Profit Margin	14.89	28.19	25.59	27.68	30.40
Return on Assets (ROA)	4.83	13.08	12.34	14.28	15.95
Return on Equity (RoE)	7.68	22.07	20.91	23.96	25.27

Analytical Review of Annual Results

Statement of Income

The Company's financial results as of year-end 2025 demonstrate a positive performance compared to the previous year. Most profitability indicators have shown notable growth, driven by higher revenues and improved operational efficiency.

Company revenues rose to approximately SAR 660.41 million in 2025, compared to SAR 617.48 million in the previous year, an increase of SAR 42.93 million, representing a growth rate of 7%. This performance reflects a significant improvement in business volume and an increased demand for the Company's products and services throughout the year.

Conversely, the cost of revenue increased to SAR 354.02 million, compared to SAR 334.45 million in the prior year, an increase of SAR 19.57 million, representing a growth rate of 5.9%. Notably, this growth rate remained below the revenue growth rate, which had a positive impact on profitability margins.

Consequently, gross profit increased to approximately SAR 306.38 million, compared to SAR 283.03 million in 2024, an increase of SAR 23.35 million, representing a growth rate of 8.3%. This indicates a relative improvement in the efficiency of managing direct costs associated with business activities.

Furthermore, operating profit grew to SAR 211.79 million,

compared to SAR 198.37 million in the previous year, an increase of SAR 13.42 million, representing a growth rate of 6.8%. This reflects a stable operational performance and the Company's ability to consistently maintain robust levels of operational profitability.

At the net profit level, Fourth Milling Company achieved significant growth, reaching SAR 200.79 million by the end of the year, compared to SAR 170.93 million in 2024, an increase of SAR 29.86 million, representing a growth rate of 17.5%. This growth rate, which outpaced revenue growth, clearly demonstrates an improvement in operational efficiency.

This positive performance was also reflected in the Earnings per Share (EPS), which rose to SAR 0.37 compared to SAR 0.32 in the previous year, an increase of SAR 0.05, representing a growth of 15.6%. This underscores the share's attractiveness to investors and underscores the stronger returns being delivered to them.

In summary, these results indicate that the Fourth Milling Company successfully achieved balanced revenue growth in 2025 while maintaining relative control over costs. This has translated into improved profitability across all metrics, particularly in net profit and Earnings per Share (EPS), reflecting a robust financial and operational performance during the reported period.

Annual Change in Main Items of the Income Statement

(SAR Mln)

Key Items of the Financial Position Statement	2024	2025	Change	Change (%)
Revenue	617.48	660.41	42.93	7%
Cost of Revenue	-334.45	354.02	19.57	5.9%
Gross Profit	283.03	306.38	23.35	8.3%
Operating Profit	198.37	211.79	13.42	6.8%
Net Profit for the Year	170.93	200.79	29.86	17.5%
Earnings per Share (SAR)	0.32	0.37	0.05	15.6%

Statement of Financial Position

The Company's Statement of Financial Position as of year-end 2025 reflects an improved financial standing compared to the previous year. The Company witnessed growth in total assets, accompanied by a decrease in total liabilities and a notable increase in shareholders' equity.

In terms of assets, total assets increased to approximately SAR 1.26 billion in 2025, compared to SAR 1.20 billion in the previous year. This increase is primarily driven by the growth in current assets, which reached SAR 318.57 million compared to SAR 275.82 million in 2024. This notable rise reflects improvements in short-term assets, such as inventory, accounts receivable, and Murabaha deposits, thereby strengthening the Company's ability to meet its short-term obligations.

In contrast, non-current assets recorded modest growth, reaching SAR 940.43 million compared to SAR 921.45 million in 2024, reflecting a relative stability in the Company's long-term investments and fixed assets.

On the liabilities side, total liabilities decreased to approximately SAR 464.27 million in 2025, compared to SAR 483.90 million in the previous year. This is attributed to a reduction in both current and non-current liabilities, indicating an improved debt structure and a relative decline in long-term obligations.

Conversely, shareholders' equity recorded significant growth, reaching SAR 794.73 million in 2025, compared to SAR 713.37 million in the previous year, an increase of SAR 81.36 million, representing a growth rate of 11.4%. This reflects a strengthened capital base for the Company, particularly driven by the profits generated during the year.

In summary, these results indicate a significant improvement in the Company's financial position. The increase in assets, coupled with a reduction in liabilities and a rise in shareholders' equity, underscores the strength of the financial structure and improved solvency, while also reinforcing its capacity to fund future activities and expand its operations with greater reliance on its own resources.

Annual Change in Key Items of the Statement of Financial Position

(SAR Mln)

Key Items	2024	2025	Change	Change (%)
Current Assets	275.82	318.57	42.75	15.5%
Non-current Assets	921.45	940.43	18.98	2.1%
Total Assets	1,197.28	1,259.00	61.72	5.2%
Current Liabilities	88.32	86.18	-2.14	-2.4%
Non-current Liabilities	395.59	378.10	-17.49	-4.4%
Total Liabilities	483.90	464.27	-19.63	-4.1%
Equity	713.37	794.73	81.36	11.4%
Total Equity and Liabilities	1,197.28	1,259.00	61.72	5.2%

Loans and Financing Obligations

Fourth Milling Company primarily relies on self-financing and cash flows generated from its operations to fund its operational and expansion activities. Notably, the Company has avoided any external borrowing or debt during the period, having fully financed its production expansions through internal resources.

This approach reflects the strength of the Company's financial position and its ability to generate sufficient liquidity to support its growth, while also affording it a

high degree of flexibility in navigating market shifts and reinforcing its competitive edge.

At the same time, Fourth Milling Company does not rule out future borrowing as a financing option, if necessary, particularly to support major expansions or strategic projects. Given its robust financial position, the Company maintains easy access to external financing whenever required.

Statutory Dues to Government Authorities

(All Amounts in SAR Mln)

Statement	Paid in 2025	Due and Outstanding as of Year-End
Value Added Tax (VAT)	35,714,388	6,735,991
General Organization for Social Insurance (GOSI)	4,951,035	523,025
Zakat and Tax	14,056,459	5,656,091
Withholding Tax	294,315	6,981
Employee-Related Costs (including Residency Renewal, Transfer, and Exit Fees)	87,374,696	22,057,619

Financial Statements and Independent Auditor's Report

THE FOURTH MILLING COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS
For the year ended 31 December 2025
together with the
INDEPENDENT AUDITORS' REPORT

THE FOURTH MILLING COMPANY
(A Saudi Joint Stock Company)

FINANCIAL STATEMENTS
For the year ended 31 December 2025

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شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية
 الطابق ١٦، برج البغيش
 ٦١٥٩ طريق الأمير تركي، الكورنيش
 الرياض ٣٤٤١٢ - ٣١٤٦
 المملكة العربية السعودية
 سجل تجاري رقم ٢٠٥١٠٦٢٣٢٨
 المقر الرئيسي في الرياض



Independent Auditor's Report

To the Shareholders of The Fourth Milling Company (A Saudi Joint Stock Company) (continued)

Independent Auditor's Report

To the Shareholders of The Fourth Milling Company (A Saudi Joint Stock Company)

Opinion

We have audited the financial statements of The Fourth Milling Company ("the Company"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

Revenue recognition

See note 4.8 for the accounting policies and note 22 for the related disclosure in the financial statements.

The key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 December 2025, the Company recognized revenue from contract with customers of SR 660.41 million.</p> <p>Revenue from contract with customers is recognised at point in time when control over the goods is transferred to the customer.</p> <p>Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks to overstate revenue recognition to increase profitability and earnings. Therefore, revenue recognition was considered a key audit matter.</p>	<p>Our audit procedures in this area include, among others:</p> <ul style="list-style-type: none"> - Assessed the appropriateness of the Company's accounting policies for revenue recognition in line with the requirements of applicable financial reporting framework; - Assessed the design and implementation of the Company's controls over the recognition of revenue; - Evaluated key contractual and returns arrangements by considering relevant documentation and agreements with the customers on sample basis; - Tested sample of sales transactions taking place during the year and inspected the supporting documents to assess they were recognized at the correct amounts; - Recalculated and inspected the supporting documents for discounts and rebates for a sample of customers according to their agreements; - Tested sample of sales transactions taking place before and after the year-end to assess whether revenue was recognized in the correct accounting period; and - Assessed the adequacy of the relevant disclosures in accordance with the requirements of applicable financial reporting framework included in the financial statements.

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© ٢٠٢٦ شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية. شركة مساهمة مهنية مغلقة مسجلة في المملكة العربية السعودية. رأسمالها (١١٠.٠٠٠.٠٠٠) ريال سعودي منقوع بالكامل. وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المنتقلة والتابعة لـ كي بي إم جي العالمية المحدودة. شركة الجائزة خاصة محدودة بالضمان. جميع الحقوق محفوظة.



Independent Auditor's Report

To the Shareholders of The Fourth Milling Company (A Saudi Joint Stock Company) (continued)

Other matter

The financial statements of the Company as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 16 Ramadan 1446H (corresponding to 16 March 2025).

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.



Independent Auditor's Report

To the Shareholders of The Fourth Milling Company (A Saudi Joint Stock Company) (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of The Fourth Milling Company ("the Company").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company



Mohammad Najeeb Alkhilawi

License No: 481

Al Khobar, 15 March 2026G

Corresponding to: 26 Ramadan 1447H

THE FOURTH MILLING COMPANY
(A Saudi Joint Stock Company)


STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	31 December 2025	31 December 2024
Assets			
Property, plant and equipment	7	501,129,769	504,554,482
Right-of-use assets	8	328,799,589	349,801,424
Intangible assets	9	58,045,648	57,668,007
Advance to contractor and suppliers	10	52,454,595	9,430,802
Non-current assets		940,429,601	921,454,715
Inventories	11	62,006,494	56,935,999
Trade receivables	12	21,397,214	8,409,070
Due from related parties	29	4,713,852	3,048,480
Prepayments and other current assets	13	11,190,924	10,954,152
Short-term Murabaha deposits	14	156,163,613	74,060,069
Cash and cash equivalents	14	63,100,434	122,414,701
Current assets		318,572,531	275,822,471
Total assets		1,259,002,132	1,197,277,186
Equity and liabilities			
Equity			
Share capital	15	540,000,000	540,000,000
Actuarial reserve		(1,233,112)	(596,990)
Retained earnings		255,962,700	173,970,022
Total equity		794,729,588	713,373,032
Liabilities			
Lease liabilities	17	363,178,573	381,177,375
Deferred tax liabilities	26	6,952,791	8,789,489
Employees' defined benefit obligations	18	7,965,917	5,621,768
Non-current liabilities		378,097,281	395,588,632
Trade and other payables	19	29,748,311	32,556,857
Due to related parties	29	106,377	58,008
Current portion of lease liabilities	17	13,175,237	12,554,282
Contract liabilities	21	9,519,953	9,858,000
Dividend payable	16	102,313	289,015
Accrued expenses and other current liabilities	20	27,316,502	25,520,312
Zakat and income tax payable	26	6,206,570	7,479,048
Current liabilities		86,175,263	88,315,522
Total liabilities		464,272,544	483,904,154
Total equity and liabilities		1,259,002,132	1,197,277,186

These financial statements were approved by the Board of Directors and have been signed on its behalf by:


 Ryan Mustafa Bataeef
 (Chief Financial Officer)


 Khalid Abdul Aziz Al Maktary
 (Chief Executive Officer)


 Bader Hamed Al Aujan
 (Chairman Board of Directors)

The accompanying notes from 1 to 33 form an integral part of the financial statements.

1

THE FOURTH MILLING COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	2025	2024
Revenue	22	660,405,945	617,484,534
Cost of revenue	23	(354,024,860)	(334,452,999)
Gross profit		306,381,085	283,031,535
Selling and distribution expenses	24	(35,461,947)	(25,701,439)
General and administrative expense	25	(59,406,620)	(59,176,051)
Reversal of expected credit loss on trade receivables	12	276,008	216,543
Operating profit		211,788,526	198,370,588
Finance cost	17	(11,113,475)	(11,434,948)
Finance income	14	9,893,725	7,276,740
Other income / (expenses)		1,171,185	(8,081,743)
Profit before zakat and income tax		211,739,961	186,130,637
Zakat expense	26	(4,187,060)	(3,445,688)
Income tax	26	(8,596,921)	(8,769,868)
Deferred tax	26	1,836,698	(2,983,728)
Profit for the year		200,792,678	170,931,353
Other comprehensive income for the year			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement loss on employees' defined benefit obligations	18	(636,122)	(171,675)
Total comprehensive income for the year		200,156,556	170,759,678
Earnings per share for the period attributable to shareholders of the Company (SR):			
Basic and diluted	28	0.37	0.32

These financial statements were approved by the Board of Directors and have been signed on its behalf by:


 Ryan Mustafa Bataeef
 (Chief Financial Officer)


 Khalid Abdul Aziz Al Maktary
 (Chief Executive Officer)


 Bader Hamed Al Aujan
 (Chairman Board of Directors)

The accompanying notes from 1 to 33 form an integral part of these financial statements.

2

THE FOURTH MILLING COMPANY
(A Saudi Joint Stock Company)

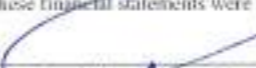
STATEMENT OF CASH FLOWS


For the year ended 31 December 2025


(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	31 December 2025	31 December 2024
Cash flows from operating activities			
Profit before zakat and income tax		211,739,961	186,130,637
Adjustments:			
Depreciation on property, plant and equipment	7	37,492,314	36,088,442
Depreciation of right-of-use assets	8	16,849,082	16,456,765
Amortisation of intangible assets	9	832,092	630,847
Finance cost on lease liabilities	17	11,113,475	11,434,948
Loss on disposal of property, plant and equipment		276,599	374,020
Write-off of property, plant and equipment	7	-	4,402,937
Gain on termination of lease	8.1	(840,487)	-
Reversal of expected credit loss on trade receivables	12	(276,008)	(216,543)
Provision for employees' defined benefit obligations	18	2,786,938	2,480,083
Finance income	14	(9,893,725)	(7,276,740)
Changes in working capital:			
Inventories		(5,070,495)	(967,827)
Trade receivables		(12,712,136)	(2,981,993)
Prepayments and other current assets		(243,407)	2,451,362
Due from related parties		(1,665,371)	19,718,456
Trade and other payables		(2,808,546)	10,154,557
Due to related parties		48,369	(1,432,634)
Contract liabilities		(338,047)	(650,589)
Accrued expenses and other liabilities		1,796,191	(1,207,702)
Cash generated from operating activities		249,086,799	275,589,026
Employees' defined benefit obligations paid	18	(1,478,911)	(949,963)
Zakat and income tax paid	26	(14,056,459)	(5,656,091)
Net cash from operating activities		233,951,429	268,982,952
Cash flows from investing activities			
Additions to property, plant and equipment	7	(34,525,548)	(13,985,215)
Additions to intangible assets	9	(1,209,733)	(1,578,350)
Finance income received		9,900,359	6,700,959
Proceeds from disposal of property, plant and equipment	7	181,348	532,433
Advances to contractor and suppliers	10	(43,023,793)	(6,685,643)
Net movement in short-term murabaha deposits	14	(82,103,544)	(74,060,069)
Net cash used in investing activities		(150,780,911)	(89,075,885)
Cash flows from financing activities			
Repayment of lease liabilities	17	(12,384,608)	(12,289,903)
Finance costs paid on lease liabilities	17	(11,113,475)	(11,434,948)
Dividends paid	16	(118,986,702)	(140,110,985)
Net cash used in financing activities		(142,484,785)	(163,835,836)
Net change in cash and cash equivalents		(59,314,267)	16,071,231
Cash and cash equivalents as at 1 January		122,414,701	106,343,470
Cash and cash equivalents as at 31 December		63,100,434	122,414,701
Significant non-cash transactions:			
Modification in right of use assets against lease liabilities		131,305	-
Addition of right of assets and lease liabilities		-	3,767,142

These financial statements were approved by the Board of Directors and have been signed on its behalf by:

 Rayan Mustafa Banqael (Chief Financial Officer)

 Khalid Abdul Aziz Al Maktary (Chief Executive Officer)

 Baker Hamed Al Aujan (Chairman Board of Directors)

The accompanying notes from 1 to 33 form an integral part of these financial statements.

THE FOURTH MILLING COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY

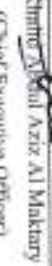
For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	Share capital	Proposed increase in share capital	Actuarial reserve	Retained earnings	Total
As at 31 December 2024		540,000,000	-	(596,990)	173,070,022	713,373,032
Profit for the year		-	-	-	200,792,678	200,792,678
Other comprehensive loss for the year		-	-	(636,122)	-	(636,122)
Total comprehensive income for the year		-	-	(636,122)	200,792,678	200,156,556
Dividends distribution	16	-	-	-	(118,800,000)	(118,800,000)
As at 31 December 2025		540,000,000	-	(1,233,112)	255,962,700	794,729,588
As at 31 December 2023		473,903,170	66,096,830	(425,315)	143,438,669	683,013,354
Profit for the year		-	-	-	170,931,353	170,931,353
Other comprehensive loss for the year		-	-	(171,675)	-	(171,675)
Total comprehensive income for the year		-	-	(171,675)	170,931,353	170,759,678
Transfer to share capital	15	66,096,830	(66,096,830)	-	(140,400,000)	(140,400,000)
Dividends distribution	16	-	-	(596,990)	173,970,022	713,373,032
As at 31 December 2024		540,000,000	-	-	173,970,022	713,970,022

These financial statements were approved by the Board of Directors and have been signed on its behalf by:

 Rayan Mustafa Banqael
(Chief Financial Officer)

 Khalid Abdul Aziz Al Maktary
(Chief Executive Officer)

 Baker Hamed Al Aujan
(Chairman Board of Directors)

The accompanying notes from 1 to 33 form an integral part of these financial statements.

THE FOURTH MILLING COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION

The Fourth Milling Company (the "Company") is a Saudi Joint Stock Company registered in Dammam, Kingdom of Saudi Arabia under commercial registration numbered 2050110856 dated 10 Safar 1438H (corresponding to 10 November 2016) and unified number 7003698870. The national address of the Company is Building no. 6729, King Saud Road, As Safa District, Dammam 34222, Kingdom of Saudi Arabia.

The Company's licensed activities include the packing and milling of wheat, maize packing and milling, barley milling and packing, packing and milling of flour, meal and bulgur wheat, oats production, rice packing and milling, production of flour from rice, milling and packing of dried leguminous vegetables and edible nuts, manufacture of flour and dough for bakeries, manufacture of breakfast grain foods in flakes, including (cereals, chips etc.), popcorn manufacturing, manufacture of starch from corn, manufacture of starch from potatoes, corn milling, manufacture of domestic bread, manufacture of bread and bread products by automatic bakeries, manufacture of different kind of pies, manufacture of layer cake and all kinds of cakes, manufacture of all kinds of biscuits, manufacture of bread and pastry flakes, manufacture of frozen bakery products, making different kinds of eastern and traditional desserts, manufacture of concentrated fodder for animals, manufacture of cattle fodder, manufacture of second plant products as animal feed, preparation, milling and pressing of animal feed, production of salt lick stones for animal feed, manufacture of non-medicinal feed additives, manufacture of poultry fodder, manufacture of bird fodder, manufacture of pet feeds, freight transport by road, operation of storage facilities for all types of goods except food, loading and unloading of goods, animal food and feed stores, Storage in warehouses of grain silos, flour and agricultural products, public storages with a variety of goods, Storage of goods in foreign trade zones, dry food stores, wholesale of barley, grain wholesale except for barely, wholesale of livestock feed for pharmaceutical feed additives, wholesale of feed and non-medicinal feed additives, wholesale of bakery products, wholesale of food and beverage, retail sale of bakery products and sugar confectionery, retail sale of barley, trade of special and healthy food and combined office administrative service activities.

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 September 2020), Cabinet Resolution No. (631) was issued to transfer the ownership of the Company to the National Center for Privatisation (the "NCP") and for the NCP to carry out the tasks assigned to the Public Investment Fund by Cabinet Resolution No. (118) and dated 30 October 2018 (corresponding to 21 Safar 1440H). 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 General Food Security Authority ("GFSA"), as GFSA imports wheat to Saudi Arabia for the purpose of producing subsidised flour. This agreement was entered into force on 3 Rabi Al Thani 1438H (corresponding to 1 January 2017). The agreement stipulates that the purchase price of the subsidised wheat is calculated according to the monetary value per metric ton of subsidised wheat specified by the Government of the Kingdom of Saudi Arabia at SR 180 per metric ton since 2017. The Company also has an option to import the wheat directly or to source it from the open market.

THE FOURTH MILLING COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION (CONTINUED)

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

On 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) and formal announcement was published in this regard. The allotment of shares to new shareholders was completed and the Company's ordinary shares began trading on Tadawul on 24 Rabi Al-Thani 1446H (corresponding to 27 October 2024).

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

<u>Branch Location</u>	<u>Date</u>	<u>Commercial Registration No.</u>
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
Al-Kharj	30 Jumada Al-Ula 1438H (corresponding to 27 February 2017)	1011024354

2. BASIS OF PREPARATION

2.1 Statement of compliance

The accompanying financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as endorsed in the Kingdom of Saudi Arabia (KSA) and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA") (here and after referring to as "IFRSs as endorsed in KSA").

2.2 Basis of measurement

These financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except employees' defined benefit obligations which are recognised at the present value of future obligation using the Projected Unit Credit Method.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

2. BASIS OF PREPARATION (CONTINUED)

2.3 Functional and presentation currency

These financial statements are presented in Saudi Arabian Riyals (SR) which is the functional and presentation currency of the Company. All amounts have been rounded to the nearest SR, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.1 Useful lives and residual value of property, plant and equipment and intangible assets

The Company's management determines the estimated useful lives of its property, plant and equipment and intangible assets with finite useful lives for calculating depreciation and amortization. These estimates are determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value, depreciation and amortization methods and useful lives annually and future depreciation and amortization charges would be adjusted where the management believes the useful lives differ from previous estimates and to ensure that the methods and period of depreciation and amortization are consistent with the expected pattern of economic benefits from these assets.

3.2 Determining lease term for leases with termination option - Company as lessee

The Company determines the term of the lease as non-cancellable periods plus any period covered by a renewable option if the Company is reasonably certain to exercise that option. The Company has several lease contracts that include termination options. The Company decides through its evaluation of the lease whether it is reasonable to exercise the option to terminate the lease. This means that the Company considers all relevant factors that constitute an economic incentive to exercise the option to terminate the lease. After the lease commencement date, the Company reassesses the lease term if there is an event or change in circumstances within the Company's control that affects the Company's ability to exercise the option to terminate (such as: making material improvements to the lease or a material restructuring of the lease).

3.3 Adjustment of inventory net realizable value

Estimates of net realizable value of inventories are based on the most reliable evidence at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly related to events occurring subsequent to the financial position date to the extent that such events confirm conditions existing at the end of year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimates and assumptions (Continued)

3.3 Adjustment of inventory net realizable value (continued)

Adjustment for net realizable value of spare parts inventories is made on the basis of the NRV adjustments of the relevant finished goods. Spare parts that are in excess of the Company's use are written down to their estimated scrap values determined on the basis of the market quotations. The identification of excess spare parts and estimates of their scrap value are based upon historical experience, expected inventory turnover, current condition, and future expectations with respect to its consumption and are reviewed at each reporting date.

3.4 Defined benefit plans

The cost of the employees' defined benefit obligations and other post-employment medical benefits and the present value of the employees' defined benefit obligations are determined based on the Projected Unit Credit Method as defined under IAS-19 "Employee Benefits" using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long term nature, employees' defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3.5 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3.6 Determination of discount rate for present value calculations

Discount rates represent the current market assessment of the risks specific to each cash flow stream, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from recent market transactions and a market yields overview.

3.7 Revenue recognition – estimating variable consideration

The Company estimates variable considerations to be included in the transaction price in respect of each of its agreement with customers. Variable consideration mainly includes discounts and rebates granted to customers. The Company estimates its provision for discounts and rebates based on current contractual terms and conditions as well as historical experience, changes to business practices and credit terms. The Company continually monitors the provisions for discounts and rebates and makes adjustments when it believes that actual discounts may differ from established reserves.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. MATERIAL ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

4.1 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss and other comprehensive income as incurred. The present value of the expected cost for the decommissioning (if any) of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

The estimated useful lives of the assets for the calculation of depreciation are as follows:

<u>Categories</u>	<u>Useful lives</u>	<u>Categories</u>	<u>Useful lives</u>
Buildings	25	Furniture and fittings	6.67 - 10 years
Plant and equipment	10 - 25 years	Capital spares	10 - 25 years
Computer equipment	6.67 years	Motor vehicles	5 years

The depreciation of plant is calculated on the useful lives of the components of the principal asset. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income as gain or loss on disposal of property, plant and equipment as a part of the operating profit when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Property, plant and equipment (Continued)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Projects under construction are not depreciated and are stated at cost less accumulated impairment losses, if any, and are classified under "Capital work in progress". These assets are transferred to property, plant and equipment as and when assets are available for intended use.

4.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income.

Computer software

Computer software licenses are capitalised on the basis of the costs incurred when specific software was purchased and configured for use. Amortisation is charged to the statement of profit or loss on a straight-line basis over the useful life of 6 to 10 years.

Trademark

Trademark by name of FOOM was acquired and assessed as having indefinite useful life. It is stated at cost less accumulated impairment, if any.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.3 Leases

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. The present value of the expected cost for the decommissioning (if any) of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the year on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the insubstance fixed lease payments or a change in the assessment to purchase the underlying asset.

4.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company's financial assets comprise of cash and cash equivalents, trade receivables and other current financial assets and margins against letter of guarantees. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) – equity instruments; or
- Fair value through profit or loss (FVTPL)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025
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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.4 Financial instruments (Continued)

Financial Assets (continued)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with a original maturity of 90 days and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks, cash on hand and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

Trade receivables and other current financial assets

Trade receivables and other current financial assets are measured at amortized cost and comprise of trade and other receivables.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or financial liabilities at fair value through profit or loss FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities are classified as "held for trading" if they are acquired for the purpose of selling in the near future. This category includes derivative financial instruments entered by the Company that are not designated as hedging instruments as stated in IFRS 9. Other financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities include trade and other payables, certain accrued expenses and other current liabilities, contract liabilities, lease liabilities and amounts due to related parties. At 31 December 2025, all the Company's financial liabilities are classified at amortised cost.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.5 Inventories

Cost is measured as follows:

Finished goods	Direct cost of raw materials as well as overheads, the latter of which is allocated based on the normal level of activity.
Wheat (Raw material)	Weighted average which is SR 180 / metric ton (Note 1)
Spare parts and other raw materials	Weighted average
Goods in-transit	Inventories are stated at cost plus freight and other related expense.

NOTES TO THE FINANCIAL STATEMENTS

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.5 Inventories (Continued)

Inventories are stated at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Adjustment for net realizable value of spare parts inventories is made on the basis of the NRV adjustments of the relevant finished goods. Spare parts that are in excess of the Company's use are written down to their estimated scrap values determined on the basis of the market quotations. The identification of excess spare parts and estimates of their scrap value are reviewed at each reporting date.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

4.6 Employees' benefit

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare, child education allowance, furniture allowance that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position under accrued and other expenses.

Employees' defined contribution plan

The Company has defined benefit plans with General Organization for Social Insurance "GOSI" where the Company and the employees contribute fixed percentage of their salary toward the retirement of its employees. The Company operates defined benefit plans, under the Saudi Arabian Labor Law based on employees' accumulated periods of service at the statement of financial position date. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the year end in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in income at the earlier of:

- The date of the plan amendment or curtailment; and
- The date on which the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the changes in the net defined benefit obligation for service costs that comprises current service costs, past-service costs, gains and losses on curtailments, net interest expense and non-routine settlements under "general and administrative expenses" in the statement of profit or loss and other comprehensive income.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.7 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-zakat discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Impairment losses of continuing operations are recognised in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.8 Revenue from contracts with customers

The Company is involved in manufacturing of flour, feed, bran (by-product) and other related products. The revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The revenue is recognized at an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services.

Under IFRS 15 Revenue from Contracts with Customers, the Company recognises revenue when or as a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Variable consideration mainly includes discounts and rebates granted to customers. The Company estimates its provision for discounts and rebates based on current contractual terms and conditions as well as historical experience, changes to business practices and credit terms. The Company continually monitors the provisions for discounts and rebates and makes adjustments when it believes that actual discounts may differ from established reserves. All discounts are recognised in the period in which the underlying sales are recognised as a reduction of revenue.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.9 Zakat, income tax and deferred tax

Zakat is provided for in accordance with the Zakat, Tax and Customs Authority (“ZATCA”) regulations. In accordance with the regulations of the Zakat, Tax and Customs Authority (“ZATCA”), the Company is subject to income tax. Provision for zakat and income tax is charged to the statement of profit and loss and other comprehensive income. Additional amounts payable, if any, at the finalization of final assessments are accounted for when such amounts are determined.

Deferred income tax is recognized on all major temporary differences between accounting income and taxable income during the year in which such differences arise, and are adjusted when related temporary differences are reversed. Deferred income tax assets on carry-forward losses are recognized to the extent that it is probable that future taxable income will be available against which such carry-forward tax losses can be adjusted. Deferred income tax is determined using tax rate which has been enacted by the statement of financial position date and is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The Company withholds taxes on certain transactions with non-resident parties in the Kingdom of Saudi Arabia as required under the Saudi Arabian Income Tax Law.

4.10 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes finance costs, finance income and zakat and tax expense.

4.11 Selling, distribution, general and administrative expenses

Selling, distribution, general and administrative expenses include direct and indirect costs not specifically part of cost of revenue. Allocations between cost of revenue, selling and distribution, and general and administrative expenses, when required, are made on a consistent basis.

4.12 Finance costs

Finance costs comprise of finance cost on loans, amortisation of loan transaction cost, finance cost on lease liabilities, interest cost on employees’ defined benefit obligations and financing charges as and when incurred by the Company.

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

5.1 Standards, interpretations and amendments issued

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning after 1 January 2025 and that are available for early adoption in annual periods beginning on 1 January 2025.

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

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5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (CONTINUED)

5.2 Standards, interpretations and amendments issued but not yet effective

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

<i>Standards, amendments, interpretations</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of Financial Instruments - disclosures	1 January 2026
IFRS Accounting Standards – Volume 11	Annual improvements	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between investor and its Associate and Joint venture	To be determined

The standards, interpretations, and amendments with an effective date of 1 January 2025 will not have any material impact on the Company’s financial statements, whereas, for other above-mentioned standards, interpretations, and amendments, the Company is currently assessing the implications on the Company’s financial information on adoption.

6. SEGMENT INFORMATION

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

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, the finance income and 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. All inter-segment transfers during the year are recorded at cost (2024: same).

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

Reportable segments	Operations
Dammam	Production of flour, feed and bran
Madinah	Production of flour and bran
Al-Kharj	Production of flour and bran

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6. SEGMENT INFORMATION (CONTINUED)

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on income and is measured consistently in the financial statements. Transfer prices between operating segments are on cost and any transmission and distribution costs are recovered from the segments in a manner similar to transactions with third parties.

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

For the year ended 31 December 2025	Dammam	Madinah	Al-Kharj	Total segments
Net revenue	241,369,139	225,649,804	193,387,002	660,405,945
Cost of material consumed	(80,520,482)	(65,347,687)	(79,473,650)	(225,341,819)
Employee benefits expenses	(21,596,456)	(21,185,649)	(13,641,665)	(56,423,770)
Depreciation and amortization	(16,003,815)	(22,803,511)	(14,008,542)	(52,815,868)
Finance costs	(5,849,494)	(4,365,140)	(461,723)	(10,676,357)
Other expenses	(23,390,520)	(23,219,510)	(20,526,087)	(67,136,117)
Segment profit before zakat and income tax	94,008,372	88,728,307	65,275,335	248,012,014
For the year ended 31 December 2024	Dammam	Madinah	Al-Kharj	Total segments
Net revenue	250,362,971	196,722,234	170,399,329	617,484,534
Cost of material consumed	(84,691,841)	(51,750,281)	(75,888,673)	(212,330,795)
Employee benefits expenses	(19,841,822)	(20,465,622)	(13,864,753)	(54,172,197)
Depreciation and amortization	(15,603,938)	(23,059,924)	(12,920,029)	(51,583,891)
Finance costs	(6,077,510)	(4,493,879)	(473,938)	(11,045,327)
Other expenses	(24,587,838)	(19,255,965)	(12,305,471)	(56,149,274)
Segment profit before zakat and income tax	99,560,022	77,696,563	54,946,465	232,203,050
At 31 December 2025	Dammam	Madinah	Al-Kharj	Total segments
Total assets	285,982,074	397,805,155	285,870,930	969,658,159
Total liabilities	185,146,854	211,677,204	35,943,668	432,767,726
Other disclosures:				
Property, plant and equipment	96,752,094	199,401,876	202,186,505	498,340,475
Right-of-use assets	143,238,371	165,219,975	17,285,824	325,744,170
Intangible assets	12,240	10,046	10,046	32,332
Inventories	31,281,580	21,458,558	9,235,194	61,975,332
At 31 December 2024	Dammam	Madinah	Al-Kharj	Total segments
Total assets	275,191,243	408,959,699	238,411,386	922,562,328
Total liabilities	208,288,529	224,555,488	48,876,138	481,720,155
Other disclosures:				
Property, plant and equipment	87,148,335	210,664,929	203,365,263	501,178,527
Right-of-use assets	150,743,130	173,087,594	18,108,959	341,939,683
Intangible assets	14,798	11,929	11,929	38,656
Inventories	27,927,108	20,128,913	8,839,343	56,895,364

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6. SEGMENT INFORMATION (CONTINUED)

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

i) Profit before tax

	2025	2024
Total profit before tax for reportable segments	248,012,014	232,203,050
Unallocated amounts		
Cost of material consumed	(40,594)	(20,167)
Employee benefits expenses	(30,950,926)	(33,502,383)
Depreciation	(2,357,618)	(1,592,164)
Finance costs	(437,118)	(389,620)
Finance income	9,893,725	7,276,740
Other expenses	(12,379,522)	(17,844,819)
Profit before zakat and income tax	211,739,961	186,130,637

6.2 Reconciliations of information on reportable segments to the amounts reported in the financial statements

ii) Total assets

	31 December 2025	31 December 2024
Total assets for reportable segments	969,658,159	922,562,328
Unallocated amounts	289,343,973	274,714,858
	1,259,002,132	1,197,277,186

iii) Total liabilities

	31 December 2025	31 December 2024
Total liabilities for reportable segments	432,767,726	481,720,155
Unallocated amounts	31,504,818	2,183,999
	464,272,544	483,904,154

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7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Cost</u>	<i>Plant and Furniture and Computer Motor Capital work in</i>						<i>Total</i>
	<i>Buildings (a)</i>	<i>Machinery</i>	<i>fittings</i>	<i>equipment</i>	<i>vehicle</i>	<i>progress (b)</i>	
At 1 January 2024	242,408,499	491,299,630	4,318,437	7,195,946	2,587,561	7,490,252	755,300,325
Additions during the year	-	4,109,106	48,557	945,178	-	8,882,374	13,985,215
Disposal	(320,250)	(1,740,686)	-	(203)	(17)	-	(2,061,156)
Write-off (b)	-	-	-	-	-	(4,402,937)	(4,402,937)
Transfers	1,329,299	6,089,544	93,000	697,504	-	(8,209,347)	-
At 31 December 2024	243,417,548	499,757,594	4,459,994	8,838,425	2,587,544	3,760,342	762,821,447
<u>Accumulated depreciation</u>							
At 1 January 2024	54,762,074	160,751,820	2,527,442	3,351,070	1,940,820	-	223,333,226
Charge for the year	9,145,095	25,138,703	331,476	999,358	473,810	-	36,088,442
Related to disposals	(21,276)	(1,133,226)	-	(201)	-	-	(1,154,703)
At 31 December 2024	63,885,893	184,757,297	2,858,918	4,350,227	2,414,630	-	258,266,965
<u>Net book value</u>							
At 31 December 2024	179,531,655	315,000,297	1,601,076	4,488,198	172,914	3,760,342	504,554,482

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THE FOURTH MILLING COMPANY
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7. PROPERTY, PLANT AND EQUIPMENT

<u>Cost</u>	<i>Plant and Furniture and Computer Motor Capital work in</i>						<i>Total</i>
	<i>Buildings (a)</i>	<i>Machinery</i>	<i>fittings</i>	<i>equipment</i>	<i>vehicle</i>	<i>progress (b)</i>	
At 1 January 2025	243,417,548	499,757,594	4,459,994	8,838,425	2,587,544	3,760,342	762,821,447
Additions during the year	551,839	6,045,598	159,796	554,717	-	27,213,598	34,525,548
Transfers	3,227,928	3,451,380	1,674,500	532,432	-	(8,886,240)	-
Disposal	(145,800)	(229,683)	(146,675)	(1,471,757)	-	-	(1,993,915)
At 31 December 2025	247,051,515	509,024,889	6,147,615	8,453,817	2,587,544	22,087,700	795,353,080
<u>Accumulated depreciation</u>							
At 1 January 2025	63,885,893	184,757,297	2,858,918	4,350,227	2,414,630	-	258,266,965
Charge for the year	9,471,797	25,932,066	669,668	1,245,877	172,906	-	37,492,314
Disposals	(28,258)	(107,602)	(57,537)	(1,342,571)	-	-	(1,535,968)
At 31 December 2025	73,329,432	210,581,761	3,471,049	4,253,533	2,587,536	-	294,223,311
<u>Net book value</u>							
At 31 December 2025	173,722,083	298,443,128	2,676,566	4,200,284	8	22,087,700	501,129,769

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THE FOURTH MILLING COMPANY
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7. PROPERTY, PLANT AND EQUIPMENT (CONITNUED)

- (a) Buildings are built on lands leased from the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organization (“SAGO”)) with an annual rental value of SR 12.84 million. The initial term of the land lease is 25 calendar years commencing from 1 January 2017 (corresponding to 3 Rabi Al-Thani 1438H), which was adjusted in 2021 to match with the duration of flour milling license up to 30 November 2046. The lease is renewable automatically subject to renewal of Company’s milling license.
- (b) Projects under progress, as at 31 December 2025, mainly consist of the following projects:
- Expansion of Flour Mill & feed production plant for Al-Kharj Branch which is expected to be completed by June 2027 and June 2026 respectively.
 - Project of implementing security and safety works in Dammam Branch, which has reached an execution progress of approximately 86% as of the reporting date and is expected to be completed by March 2026. Further, during the year ended 31 December 2024, SR 4.40 million related to this project was written off, as it did not meet requirements of High Commission for Industrial Security (“HCIS”), Kingdom of Saudi Arabia.
 - Bran handling projects including bran bulk loading areas in Dammam, which is expected to be completed by October 2026.
 - The replacement of the impact detacher with a Matador unit in the flour processing line at the Dammam branch is currently in progress and is expected to be completed by June 2026.

Capital commitments relating to these projects are disclosed in note 27.

There is no temporary idle asset (2024: None). Assets with cost amounting SR 7.94 million have been fully depreciated as of the year-end (2024: SR 7.80 million).

Depreciation expenses for the year were allocated as follows:

	<u>2025</u>	<u>2024</u>
Cost of revenue (note 23)	33,742,170	32,452,068
Selling and distribution expenses (note 24)	179,270	434,103
General and administration expenses (note 25)	3,570,874	3,202,271
	<u>37,492,314</u>	<u>36,088,442</u>

8. RIGHT-OF-USE ASSETS

The Company entered into lease agreements with the General Food Security Authority (“GFSA”) (formerly Saudi Grains Organization (“SAGO”)) for the rental of silos, lands and building. The initial 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 up to 30 November 2046 and is renewable automatically subject to renewal of Company’s milling license. 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.

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8. RIGHT-OF-USE ASSETS (CONTINUED)

For leases, the Company is restricted from assigning and subleasing the leased assets.

The Company leases office and staff accommodation with contractual terms of one year. These leases are classified as short-term leases. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases. Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	<u>Silos</u>	<u>Lands</u>	<u>Buildings</u>	<u>Total</u>
Cost				
At 1 January 2024	203,756,283	230,251,917	5,304,743	439,312,943
Additions during the year	-	-	3,767,142	3,767,142
At 31 December 2024	203,756,283	230,251,917	9,071,885	443,080,085
Impact of modification	-	-	(131,305)	(131,305)
Termination (note 8.1)	-	(5,449,894)	-	(5,449,894)
At 31 December 2025	<u>203,756,283</u>	<u>224,802,023</u>	<u>8,940,580</u>	<u>437,498,886</u>
Accumulated depreciation				
At 1 January 2024	41,447,916	34,556,998	816,982	76,821,896
Charge for the year	7,056,885	9,006,719	393,161	16,456,765
At 31 December 2024	48,504,801	43,563,717	1,210,143	93,278,661
Charge for the year	7,056,885	9,007,322	784,875	16,849,082
Termination (note 8.1)	-	(1,428,446)	-	(1,428,446)
At 31 December 2025	<u>55,561,686</u>	<u>51,142,593</u>	<u>1,995,018</u>	<u>108,699,297</u>
Net book Value				
At 31 December 2024	155,251,482	186,688,200	7,861,742	349,801,424
At 31 December 2025	<u>148,194,597</u>	<u>173,659,430</u>	<u>6,945,562</u>	<u>328,799,589</u>

8.1 During the year, the Company terminated its lease agreement with the General Food Security Authority (“GFSA”) for the Old Head Office Land at Dammam Port. The right-of-use asset associated with this lease, having a carrying amount of SR 4.02 million, and the related lease liability of SR 4.95 million, were derecognized upon termination of the lease arrangement. The gain on termination of lease amounts to SR 0.84 million.

8.2 For the purposes of preparing the statement of cash flows, the movement in right of use assets during the year ended 31 December is as follows:

	<u>2025</u>	<u>2024</u>
Depreciation	16,849,082	16,456,765
Disposal (note 8.1)	4,021,448	-
Modification	131,305	-

8.3 Depreciation charge for the year has been allocated as follows:

	<u>2025</u>	<u>2024</u>
Cost of revenue (note 23)	15,554,407	15,554,406
Selling and distribution expenses (note 24)	96,593	95,990
General and administration expenses (note 25)	1,198,082	806,369
	<u>16,849,082</u>	<u>16,456,765</u>

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9. INTANGIBLE ASSETS

	<i>Software</i>	<i>Software under implementation</i>	<i>Trademark</i>	<i>Total</i>
Cost				
At 1 January 2024	404,888	6,560,377	50,102,500	57,067,765
Additions	49,600	1,528,750	-	1,578,350
Transfer	8,089,127	(8,089,127)	-	-
At 1 December 2024	8,543,615	-	50,102,500	58,646,115
Additions	108,173	1,101,560	-	1,209,733
Transfers	1,101,560	(1,101,560)	-	-
At 31 December 2025	9,753,348	-	50,102,500	59,855,848
Accumulated depreciation				
At 1 January 2024	347,261	-	-	347,261
Charge for the year	630,847	-	-	630,847
At 31 December 31 2024	978,108	-	-	978,108
Charge for the year	832,092	-	-	832,092
At 31 December 2025	1,810,200	-	-	1,810,200
Net book value				
At 31 December 2025	7,943,148	-	50,102,500	58,045,648
At 31 December 2024	7,565,507	-	50,102,500	57,668,007

Computer software

Amortisation is charged to general and administration expenses. Remaining useful life of the computer softwares at 31 December 2025 is around 4.25 years.

Software under development

Software under development represents costs incurred in relation to the SAC Project involving the implementation of a new ERP system designed to generate financial and management reports from the existing SAP ERP platform.

Trademark

The Company has acquired the trademark name ("FOOM") from the General Food Security Authority ("GFSA") (formerly Saudi Grains Organization ("SAGO") in March 2022. After the acquisition, the Company is selling the products under the trademark name across the Kingdom with the exclusive rights. The acquired trademark has been recognized as intangible asset under IAS 38 "intangible asset" and initially recognized at cost and designated as indefinite useful life and is stated at cost less accumulated impairment, if any.

The Company conducted an impairment test on the brand on 31 December 2025 and concluded that no impairment losses were recognized. This is estimated using the Relief from Royalty Method, resulting in an amount of SR 92.87 million (2024: SR 86.80 million). This valuation reflects the present value of royalties that would otherwise be payable if the brand were licensed. Management will continue to monitor economic conditions and brand performance to identify any potential indicators of impairment in the future.

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9. INTANGIBLE ASSETS (CONTINUED)

Key assumptions used in calculations and sensitivity to changes in assumptions are as follows:

Royalty rate:

A benchmark royalty rate of 1.9% (2024: 1.9%) was applied. A decrease of 0.88% (2024: 0.81%) would result in impairment.

Revenue assumptions:

Forecast revenues are based on the average revenues achieved during the three years preceding the budget period and are assumed to remain broadly consistent over the forecast period. A decrease in revenues of 53.9% (2024: 42.3%) would result in impairment.

Market share:

Management expects the Company's retail market share to improve over the forecast period.

Discount rate:

The discount rate is derived from the Company's weighted average cost of capital (WACC). An increase in the pre-tax discount rate to 19.80% (2024: 19.18%) would result in impairment.

Growth rate:

Cash flows are projected over a five-year forecast period with a terminal growth rate of 2% (2024: 2%) applied thereafter.

10. ADVANCE TO CONTRACTORS AND SUPPLIERS

Advances to contractors and suppliers classified as non-current assets represent payments for machinery, equipment including installation and engineering works, and other project-related services. These amounts are recognised as advances until the related assets or services are received by the Company. The movement in advances to contractors and suppliers was as follows:

	2025	2024
At the beginning of the year	9,430,802	2,745,159
Payments during the year	50,640,917	9,384,802
Transfer to property, plant and equipment	(7,617,124)	(2,699,159)
At the end of the year	52,454,595	9,430,802

11. INVENTORIES

11.1 Inventories comprise of the following:

	31 December 2025	31 December 2024
Raw materials	33,112,126	30,213,738
Finished goods	5,501,369	8,575,096
Goods in transit	77,240	54,461
Spare parts and others	35,734,618	30,845,725
Less: adjustment for net realizable value of inventories	(12,418,859)	(12,753,021)
	62,006,494	56,935,999

11.2 During the year ended 31 December 2025, inventories recognised as expense amounted to SR 225.3 million (31 December 2024: SR 212.3 million) included under cost of revenue. Furthermore, the Company has written off spare parts amounting to SR 0.33 million as scrap (2024: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

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12. TRADE RECEIVABLES

Trade receivables comprise of the following:

	31 December 2025	31 December 2024
Trade receivables	21,789,030	9,076,894
Less: allowance for expected credit loss on trade receivables	(391,816)	(667,824)
	21,397,214	8,409,070

Accounts receivables are non-interest bearing and are generally on terms of 30 to 60 days. Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is generally the practice of the Company to obtain collateral over receivables, and the vast majority are secured against the promissory notes. Refer to note 30 on credit risk of accounts receivable, which explains how the Company manages and measures credit quality of accounts receivables that they are neither past due nor impaired.

There are 5 customers which represent more than 63% (2024: 71%) of the total gross accounts receivables. The movement in provision for expected credit losses is presented below:

	2025	2024
At the beginning of the year	667,824	884,367
Reversal for the year	(276,008)	(216,543)
At the end of the year	391,816	667,824

13. PREPAYMENTS AND OTHER CURRENT ASSETS

	31 December 2025	31 December 2024
Prepaid expenses	3,530,765	3,809,753
Margin against letter of guarantees	3,447,914	3,447,914
Advance to suppliers (note 13.1)	3,423,666	2,894,305
Accrued interest on deposits	709,792	716,426
Others	78,787	85,754
	11,190,924	10,954,152

13.1 Advances to suppliers represent payments made in advance for the procurement of materials, consumables, and services to be received within the normal operating cycle of the Company

14. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Short-term Murabaha deposits	59,566,291	108,161,974
Cash at bank	3,424,727	14,179,459
Cash in hand	109,416	73,268
	63,100,434	122,414,701

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.

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14. CASH AND CASH EQUIVALENTS (CONTINUED)

Short-term Murabaha deposits (exceeding 90 days duration)

Deposits with period exceeding 90 days amounting SR 156.16 million (2024: SR 74.06 million) are presented separately from cash and cash equivalents in the statement of financial position.

During the year ended 31 December 2025, finance income from short-term Murabaha deposits amounting to SR 9.89 million (2024: SR 7.28 million) has been recognised in statement of profit and loss and other comprehensive income. The interest rate on these deposits ranges between 2.96% - 6.10% (2024: 4.20% - 6.10%).

15. SHARE CAPITAL

The authorized, issued and fully paid-up share capital of the Company as at 31 December 2025 amounted to SR 540,000,000 (31 December 2024: SR 540,000,000) consists of 540,000,000 shares (31 December 2024: 540,000,000 shares) at SR 1 each share.

	2025	2024	2025	2024
	<i>Percentage</i>			
Gulf Flour Milling Industrial Company	70%	70%	378,000,000	378,000,000
General public	30%	30%	162,000,000	162,000,000
	100%	100%	540,000,000	540,000,000

The shareholding of the majority shareholder, Gulf Flour Milling Industrial Company, is disclosed below:

<i>Shareholders of parent Company</i>	<i>Ownership</i>
Abdullah Al-Othaim Markets Company	33.33%
United Feed Manufacturing Company	33.33%
Allana International Limited Company	33.33%
	100%

During the year ended 31 December 2024, the shareholder of the Company passed a resolution of the extraordinary General Assembly of the Company at their meeting held on 14 Jumada Al-Akhirah 1445H (corresponding to 27 December 2023) on the increase in the Company's share capital from SR 473.90 million to SR 540 million through the transfer of SR 40.02 million from the account of "retained earnings" and SR 26.08 million from the account of "statutory reserve" respectively. Legal formalities in this regard have been completed after the year-end on 27 Jumada Al-Akhirah 1445H (corresponding to 9 January 2024).

16. DIVIDENDS PAYABLE

In its meeting held on 29 Dul-Qi' dah 1446H (corresponding to 27 May 2025), 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 fiscal year 2025.

16.1 On 7 Ramadan 1446H (corresponding to 7 March 2025), the Board of Directors resolved to distribute interim cash dividend of SR 0.11 per share amounting to SR 59.4 million for the second half of the year ended 31 December 2024. The amount has been paid on 9 April 2025.

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16. DIVIDENDS PAYABLE (CONTINUED)

16.2 On 5 Safar 1447H (corresponding to 30 July 2025), the Board of Directors resolved the distribution of interim cash dividends of SR 0.11 per share amounting to SR 59.4 million for the first half of the year ended 31 December 2025. The amount has been paid on 4 September 2025.

16.3 For the twelve-month year ended 31 December 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).
- SR 59.4 million on 27 Rabi Al-Akhirah 1446H (corresponding to 30 October 2024).

Refer to note 32 for the proposed dividends declared subsequent to the reporting date.

16.4 The movement in dividends payable is as follows:

	2025	2024
At the beginning of the year	289,015	-
Declared during the year	118,800,000	140,400,000
Paid during the year	(118,986,702)	(140,110,985)
At the end of the year	102,313	289,015

17. LEASE LIABILITIES

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2025	2024
At the beginning of the year	393,731,657	402,254,418
Accretion of interest	11,113,475	11,434,948
Lease modification	(131,305)	-
Termination	(4,861,934)	-
Addition during the year	-	3,767,142
Payments during the year	(23,498,083)	(23,724,851)
At the end of the year	376,353,810	393,731,657

17.1 The bifurcation between current and non-current lease liabilities is as follows:

	2025	2024
Current	13,175,237	12,554,282
Non-current	363,178,573	381,177,375
	376,353,810	393,731,657

17.2 Amounts recognised in statement of profit or loss:

	2025	2024
Interest expense on lease liabilities	11,113,475	11,434,948
Expense on short term leases (note 23 and 24)	734,424	741,075
	11,847,899	12,176,023

17.3 Amounts recognised in statement of cash flows:

	2025	2024
Repayment of lease liabilities	12,384,608	12,289,903
Finance cost paid on lease	11,113,475	11,434,948
	23,498,083	23,724,851

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18. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS

	2025	2024
Present value of defined benefit obligation	7,965,917	5,621,768

The major financial assumptions used to calculate the defined benefit obligation are as follows:

	2025	2024
Financial assumptions		
Discount rate	5.10%	5.50%
Salary increase rate	5.00%	5.00%
Demographic assumptions		
Withdrawal rate	15%	15%
Mortality rate	0.08% to 1.05%	0.08% to 1.05%

The movement in employees' defined benefit liabilities were as follows:

	2025	2024
Net liability at the beginning of the year	5,621,768	3,919,993
Current service cost	2,477,742	2,293,883
Interest expense	309,196	186,200
Amount recognised in statement of profit or loss	2,786,938	2,480,083
Re-measurements		
Change in financial assumption	210,212	45,213
Experience adjustments	425,910	126,462
Amount recognised in other comprehensive income	636,122	171,675
Benefits paid during the year	(1,078,911)	(949,983)
At the end of the year	7,965,917	5,621,768

Sensitivity analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on the defined benefit liabilities as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit liabilities as it is unlikely that changes in assumptions would occur in isolation of one another. The same method has been applied for the sensitivity analysis as when calculating the recognised defined benefit liability.

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18. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS (CONTINUED)

Sensitivity of the defined benefit liabilities to charges in the weighted principal assumptions is presented below:

	2025	2024
Salary growth rate		
1% increase	8,451,009	5,973,504
1% decrease	7,523,330	5,301,557
Discount rate		
1% increase	7,457,564	5,256,353
1% decrease	8,535,815	6,032,133

The maturity profile of the defined benefit obligation is as follows:

	2025	2024
Within the next 12 months (next annual reporting period)	871,312	646,355
Between 2 and 5 years	3,484,793	2,423,610
After 5 years	7,417,945	5,612,351

The average duration of the defined benefit liabilities at the end of the reporting period is 7 years (2024: 7 years)

19. TRADE AND OTHER PAYABLES

	31 December 2025	31 December 2024
Trade payables	29,741,982	32,334,304
Other payables	6,329	222,553
	29,748,311	32,556,857

Trade payables are non-interest bearing and are normally settled on 30 to 60-day terms.

20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December 2025	31 December 2024
Accrued employees' costs	14,091,702	12,598,450
Accrued fines and penalties (note 20.1)	4,000,000	4,000,000
Accrued customer rebates	2,948,958	1,209,322
Value added tax ("VAT") payable	2,501,804	226,129
Accrued utilities expense	1,659,346	1,386,041
Accrued transport costs	1,494,289	1,848,832
Accrued professional fees	582,475	308,000
Accrued Board and committees' expenses	-	2,975,952
Other accruals	37,928	967,586
	27,316,502	25,520,312

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20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES (CONTINUED)

20.1 Fines and penalties relate to the claim received from General Food Security Authority ("GFSA") on 18 Sha'ban 1446H (corresponding to 17 February 2025) for inspection made on 21 Rabi Al Thani 1446H (corresponding to 24 October 2024) alleging that the Company did not comply with the Flour Mills Production Regulation. The management has objected to the claim and shared their response on 4 Ramadan 1446H (corresponding to 4 March 2025). The Company's management took a prudent view of the matter and made a provision of full amount of SR 4 million in the financial statements for the year ended 31 December 2024. On 5 February 2026, the administrative court ruling was received with the violation confirmed for the full amount. As of the date of approval of the financial statements, management is evaluating its regulatory grounds for objecting to the court's ruling.

21. CONTRACT LIABILITIES

Contract liabilities represent advance from customers primarily relating to advance consideration received from customers to deliver goods in future period. The movement in contract liabilities is as follows:

	2025	2024
At the beginning of the year	9,858,000	10,508,589
Receipts during the year	523,167,888	625,820,041
Revenue recognised during the year	(523,505,935)	(626,470,630)
At the end of the year	9,519,953	9,858,000

22. REVENUE

The Company sells its goods based on sale orders from customers, majority of which is secured by the advance receipts of value of goods. Revenue is disaggregated by type of goods as shown below:

	2025	2024
Sale of goods	660,405,945	617,484,534
Primary geographical markets		
Local	660,349,917	617,484,534
Export	56,028	-
	660,405,945	617,484,534
Types of sector		
Corporate sector	615,824,601	576,246,876
Hypermarkets	16,992,409	15,561,015
Individual sector	27,588,935	25,676,644
	660,405,945	617,484,534

Timing of revenue recognition

The sale of the goods is recognised by the Company at a point in time, and the performance obligation is fulfilled when the goods are delivered to the customer.

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23. COST OF REVENUE

The cost of revenue comprises the following:

	2025	2024
Materials consumed	225,382,413	212,344,738
Employees' costs	40,758,012	42,263,142
Depreciation of property, plant and equipment (note 7)	33,742,170	32,452,068
Fuel and power	18,403,824	16,845,278
Depreciation of right-of-use assets (note 8)	15,554,407	15,554,406
Transportation	5,923,581	5,712,800
Maintenance	3,677,295	3,022,303
Subscriptions	3,191,016	1,551,373
Insurance	2,492,971	2,884,243
Rent	691,250	702,999
Consultancy fee	427,885	1,028,511
Other direct costs	706,309	1,029,720
	350,951,133	335,391,581
Finished goods at the beginning of the year	8,575,096	7,636,514
	359,526,229	343,028,095
Finished goods at the end of the year	(5,501,369)	(8,575,096)
	354,024,860	334,452,999

24. SELLING AND DISTRIBUTION EXPENSES

	2025	2024
Transportation and shipping charges	15,927,788	11,643,342
Employees' costs	10,110,772	7,773,624
Marketing and advertising costs	5,297,825	2,252,962
Sales support services	1,534,288	1,307,590
Insurance	730,582	418,252
Fuel and power	387,786	505,467
Depreciation of property, plant and equipment (note 7)	179,270	434,103
Depreciation of right-of-use assets (note 8)	96,593	95,990
Rent	43,174	38,076
Professional and consultancy fees	-	59,917
Other expenses	1,153,869	1,172,116
	35,461,947	25,701,439

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25. GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
Employees' costs	36,505,912	37,637,814
Legal and professional fees (note 25.1)	4,265,238	5,655,041
Depreciation of property, plant and equipment (note 7)	3,570,874	3,202,271
Board and committees' expenses, rewards and allowances	3,550,175	3,340,265
Fuel and power	2,538,162	972,841
Insurance	2,009,978	1,704,177
Maintenance	1,439,937	1,737,314
Depreciation of right-of-use assets (note 8)	1,198,082	806,369
Communication	997,197	861,816
Amortisation of intangible assets (note 9)	832,092	630,847
Other expenses	2,498,973	2,627,296
	59,406,620	59,176,051

25.1 Legal and professional fees include audit fee amounting to SR 0.65 million (2024: SR 0.86 million).

26. ZAKAT, INCOME TAX AND DEFERRED TAX

Zakat and income tax charged for the year consist of the following:

	2025	2024
Zakat expense	4,187,060	3,445,688
Income tax	8,596,921	8,769,868
Deferred tax	(1,836,698)	2,983,728
	10,947,283	15,199,284

Zakat

The Company is subject to zakat on its zakat base calculated in accordance with zakat regulations enforced in the Kingdom of Saudi Arabia. Zakat provision for the current year has been calculated according to the following basis:

	2025	2024
Additions to zakat base	967,221,382	933,376,862
Zakatable income for the year	211,739,960	186,130,637
Deductions from zakat base	(976,498,385)	(942,869,653)
Zakat base	202,462,957	176,637,846
Minimum Zakat base	211,865,275	-
Zakat base on Saudi shareholders' shares at 76.67% (2024: 75.47%)	162,434,988	133,308,583
Zakat expense	4,187,060	3,445,688

The difference between the financial and the zakatable results mainly relates to adjustments for certain costs / claims based on the relevant fiscal regulation.

Income tax

The Company is subject to income tax at the rate of 20% of taxable income related to non-Saudi shareholder calculated in accordance with income tax regulations enforced in the Kingdom of Saudi Arabia.

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26. ZAKAT, INCOME TAX AND DEFERRED TAX (CONTINUED)

	2025	2024
Accounting profit for the year	211,739,960	186,130,637
Depreciation of property, plant and equipment	37,492,314	36,088,442
Provision for expected credit losses	-	(216,543)
Provision for scrap items	-	-
Non-deductible expenses	125,315	-
Provision for employees' defined benefit liabilities	2,786,939	2,480,083
Depreciation of property, plant and equipment as per ZATCA rates	(66,819,550)	(80,585,459)
Employees' defined benefit liabilities paid	(1,078,911)	(949,983)
Reversal of provision for slow-moving items	-	(3,860,810)
	184,246,067	139,086,367
Taxable profit for non-Saudi shareholders' shares at 23.33% (2024: 31.53%)	42,984,607	43,489,342
Income tax expense @ 20%	8,596,921	8,769,868

The movement in zakat and income tax provision during the year were as follows:

	Zakat	Income tax	Total
At 1 January 2024	2,745,766	(1,826,183)	919,583
Charge for the year	3,445,688	8,769,868	12,215,556
Payments during the year	(2,745,766)	(2,910,325)	(5,656,091)
At 31 December 2024	3,445,688	4,033,360	7,479,048
Charge for the period	4,187,060	8,596,921	12,783,981
Payments during the period	(3,445,688)	(10,610,771)	(14,056,459)
At 31 December 2025	4,187,060	2,019,510	6,206,570

Zakat status

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, 31 December 2023 and 31 December 2024, however assessment has not been raised by ZATCA. During the period, the Company received a communication from the Zakat, Tax and Customs Authority (ZATCA) requesting additional information related to the zakat declaration for the year ended 31 December 2024. As of the date of approval of these financial statements, ZATCA has not issued any assessment.

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.

	2025	2024
Property, plant and equipment	7,937,818	9,990,191
Provision for employees' defined benefit liabilities	(371,690)	(354,472)
Provision for expected credit losses	(18,282)	(42,109)
Provision for inventories	(595,055)	(804,121)
	6,952,791	8,789,489

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26. ZAKAT, INCOME TAX AND DEFERRED TAX (CONTINUED)

The movement in deferred tax liabilities during the year is presented below:

	2025	2024
At the beginning of the year	8,789,489	5,805,761
Charge for the year recorded in profit or loss	(1,836,698)	2,983,728
At the end of the year	6,952,791	8,789,489

The amounts necessary to pay the zakat assessed on the share of Saudi shareholders and their equivalents and the tax assessed on the share of non-Saudi shareholders and their equivalents are calculated in accordance with the regulations in force in the Kingdom of Saudi Arabia.

27. CONTINGENCIES AND COMMITMENTS

Contingencies

The Company has contingent liabilities in respect of legal proceedings and claims initiated by employees and regulatory authorities. 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 31 December 2025, the Company has provided bank guarantees amounting to SR 3.45 million (31 Dec 2024: SR 3.45 million) in favor of General Food Security Authority ("GFSA") for lease of silos and land in Dammam, Madinah and Al-Kharj.

Capital commitments

The capital commitments relating to ongoing capital work in progress projects amounts to SR 248.3 million (2024: SR 17.63 million).

28. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the distributable earnings attributable to shareholders of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the financial statements. There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of the financial statements.

	2025	2024
Profit for the year	200,792,678	170,931,353
Weighted average number of ordinary shares	540,000,000	540,000,000
Earnings per share –basic and diluted	0.37	0.32

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29. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders with significant influence, key management personnel of the Company, and entities controlled or significantly influenced by such parties (other related parties). Other related parties represent parties in addition to the requirements of IAS 24.

The terms of the transactions with related parties are approved by the Company's management. Transactions with related parties are on the basis of contractual arrangements made with them.

<i>Name of related party</i>	<i>Nature of relationship</i>
Gulf Flour Milling Industrial Company	Parent
Abdullah Al-Othaim Markets Company	Shareholder of parent company
United Feed Manufacturing Company	Shareholder of parent company
Allana International Limited Company	Shareholder of parent company
United Feed Company Limited	Other related party
Riyadh Food Industries Company	Other related party
Pure Food Corporations	Other related party
Abdulaziz Al-Othaim Markets Company	Other related party
Zod Factory for Pastries and Bakeries - a branch of Abdullah Al-Othaim Markets Company	Other related party

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

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

Compensation of key management personnel of the Company for the year ended 31 December:

	2025	2024
Short-term employee benefits	8,511,450	8,780,897
Post-employment benefits	592,029	367,084
	9,103,479	9,147,981

Board and committees' fees, rewards and allowances during the period amounting to SR 3.55 million (31 December 2024: SR 3.34 million).

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29. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

OTHER RELATED PARTY TRANSACTIONS

Transactions with related parties arise mainly from services provided / received and payments made on behalf of each other and are undertaken at mutually agreed terms. Due to related parties are the balances payable on demand, interest free and unsecured. The aggregate value of related parties' transactions and outstanding balances including those related to key management personnel, and entities over which they have control or significant influence are as follows:

<i>Related parties</i>	<i>Nature of transactions</i>	<i>Amount of transactions</i>	
		2025	2024
Gulf flour Milling Industrial Company (Shareholder)	Expenses incurred on behalf of shareholder	2,500	-
	Service fee	230,000	-
	IPO costs charged	-	15,230,229
	Collections	(405,977)	(36,017,454)
Abdullah Al-Othaim Markets Company (Shareholder of Parent Company)	Sales	13,239,054	12,086,269
	Rebates	(4,500,963)	(4,300,574)
	Collection	(7,867,903)	(7,154,841)
United Feed Manufacturing Company (Shareholder of Parent Company)	Sales	38,347,338	58,813,221
	Rebates	(358,271)	(8,276,076)
	Collection	(36,393,829)	49,046,503
Zod Factory for Pastries and Bakeries - a branch of Abdullah Al-Othaim Markets Company (Other related party)	Sales	169,059	949,123
	Returns	(169,059)	-
	Collection	(85,612)	935,042
Riyadh Food Industries Company (Other related party)	Sales	-	-
	Collection	-	(47,507)
Pure Food Corporations (Other related party)	Sales	4,730,730	7,524,384
	Rebates	(1,441,770)	(3,298,526)
	Collection	(3,829,924)	(3,754,517)
United Feed Company Limited (Other related party)	Purchases	-	16,434
	Payments	2,807	13,627
Abdulaziz Al-Othaim Markets Company (Other related party)	Sales	27,852	11,499
	Rebates	(79,028)	(66,700)

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29. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

OTHER RELATED PARTY TRANSACTIONS (Continued)

Balances outstanding with the related parties is presented below:

<i>Amounts due from related parties</i>	2025	2024
Abdullah Al-Othaim Markets Company	2,786,596	1,916,408
United Feed Manufacturing Company	1,595,238	-
Gulf Flour Milling Industrial Company	230,000	403,477
Pure Food Cooperation	102,018	642,983
Zod Factory for Pastries and Bakeries, a branch of Abdullah Al-Othaim Markets Company	-	85,612
Riyadh Food Industries Company	-	-
	4,713,852	3,048,480

<i>Amounts due to related parties</i>	2025	2024
Abdulaziz Abdullah Al-Othaim Markets Company	106,377	55,201
United Feed Company Limited	-	2,807
	106,377	58,008

30. FINANCIAL INSTRUMENTS

FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's senior management is supported by shareholders that advises on financial risks and the appropriate financial risk governance framework for the Company. The board committee provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer which the Company seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Owing to nature of the Company's business, significant portion of revenue is collected in cash due to which the Company is not significantly exposed to credit risks.

Cash and cash equivalents (including short term deposits)

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties, and all such investments are subject to approval of shareholders. Management continuously monitors the limits of investments with different financial institutions to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

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30. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Cash and cash equivalents (continued)

Banks	Rating		Rating Agency	31 December	31 December
	Long term	Short term		2025	2024
Riyad Bank	A-1	P-1	Moody's	216,244,695	191,758,103
Banque Saudi Fransi	A-1	P-1	Moody's	2,908,493	4,270,274
Saudi National Bank	Aa3	P-1	Moody's	1,442	-
Saudi Alawwal Bank	A-1	P-1	Moody's	-	373,125
				219,154,630	196,401,502

Accounts receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company limits its exposure to credit risk from accounts receivables by establishing and maintaining a cash-based mode of conducting business. As the advance of customer is received before any supply of goods, the Company is not exposed to any such credit risk on accounts receivables.

Expected credit loss assessment for accounts receivables, amounts due from related parties and other receivables: As per IFRS 9, the simplified approach is used to measure expected credit losses which uses a lifetime expected loss allowance for all financial assets measured at amortised cost.

Credit risk

The expected loss rates are based on the payment profiles of receivables over a suitable period and corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified GDP of Kingdom of Saudi Arabia (the country in which it renders the services) to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors

31 December 2025	ECL rate %	Gross carrying amount	Expected credit loss
Current	1.02%	20,031,797	203,544
1-90 days	12.72%	1,076,815	136,953
More than 90 days	7.54%	680,418	51,319
TOTAL		21,789,030	391,816

31 December 2024	ECL rate %	Gross carrying amount	Expected credit loss
Current	0.42%	7,817,876	32,759
1-90 days	45.56%	1,146,040	522,087
More than 90 days	100.00%	112,978	112,978
TOTAL		9,076,894	667,824

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30. FINANCIAL INSTRUMENTS (CONTINUED)
FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES
(Continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include accounts receivable.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market commission rates. The Company is not subject to commission rate risk – there are no interest-bearing liabilities. The Company has investments in Short-term Murabaha deposits which are at floating rate however the impact is not material on the financial statements (2024: none).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). However, as the Company primarily deals in USD and Euro (immaterial), with the majority being in USD, which is pegged with SR, the Company's exposure to foreign currency risk is immaterial. No sensitivity for foreign currency risk is presented due to its minimal effect on the financial statements.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations as they fall due. The Company seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have enough liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

31 December 2025	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years	Total contractual amount
Trade payables	29,741,982	29,741,982	-	-	29,741,982
Accrued expenses and other liabilities	24,329,616	24,329,616	-	-	24,329,616
Amount due to related parties	106,377	106,377	-	-	106,377
Dividend payable	102,313	102,313	-	-	102,313
Lease liabilities	376,353,810	24,147,994	97,609,806	377,684,277	499,442,077
	430,634,098	78,428,282	97,609,806	377,684,277	553,722,365

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30. FINANCIAL INSTRUMENTS (CONTINUED)
FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES
(Continued)

Liquidity risk (continued)

31 December 2024	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years	Total contractual amount
Trade payables	32,556,858	32,556,858	-	-	32,556,858
Accrued expenses and other liabilities	22,336,759	22,336,759	-	-	22,336,759
Amount due to related parties	58,008	58,008	-	-	58,008
Dividend payable	289,015	289,015	-	-	289,015
Lease liabilities	393,731,657	23,724,851	97,167,705	401,897,137	522,789,693
	448,972,297	78,965,491	97,167,705	401,897,137	578,030,333

Capital Management

For the purpose of the Company's capital management, capital includes issued share capital and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholders' value.

The Company manages its capital structure and adjusts considering changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt accounts payables, accrued expenses and other current liabilities, amounts due to related parties and lease liabilities, less cash at banks.

There were no changes in the objectives, policies, and procedures for capital management during the years ended 31 December 2025 and 31 December 2024

	2025	2024
Trade and other payables	29,748,311	32,556,857
Accrued expenses and other liabilities	27,316,502	25,520,312
Amounts due to related parties	106,377	58,008
Lease liabilities	376,353,810	393,731,657
Less: cash and cash equivalents and Short-term Murabaha deposits	(219,264,047)	(196,474,770)
Net debt	214,260,953	255,392,064
Shareholders' equity	794,729,588	713,373,032
Total capital and debt	1,008,990,530	968,765,096
Gearing ratio	21%	26%

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30. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL INSTRUMENTS – FAIR VALUES

Financial assets

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

	31 December 2025	31 December 2024
Financial assets at amortised cost:		
Bank balances and short-term deposits	219,154,631	196,401,502
Trade receivables	21,397,214	8,409,070
Due from related parties	4,713,852	3,048,480
Other current financial assets	4,236,491	4,250,094
	249,502,188	212,109,146

Financial liabilities

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

	31 December 2025	31 December 2024
Financial liabilities at amortised cost:		
Lease liabilities	376,353,810	393,731,657
Trade and other payables	29,748,311	33,563,502
Due to related parties	106,377	58,008
Contract liabilities	9,519,953	9,858,000
Accrued expenses and other current liabilities	27,316,520	24,513,667
	443,044,971	461,724,834

Fair value hierarchy

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

The management assessed that fair value of bank balances and short-term deposits, trade receivables, amounts due from related parties, other current assets, trade and other payables, certain accrued expense and other liabilities, lease liabilities and amounts due to related parties approximate their carrying amounts, largely due to the short-term maturities of these instruments.

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

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

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

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

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30. FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL INSTRUMENTS – FAIR VALUES (Continued)

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

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

31. RECLASSIFICATION

Certain comparative figures have been reclassified to comply with the current year presentation of these financial statements, where necessary. Below financial information in the comparative period has been reclassified to conform with current period presentation, as shown below:

	Previously reported year ended 31 December 2024	Amount of reclassification	Reclassified amount year ended 31 December 2024
Statement of profit or loss and other comprehensive income			
General and administrative expense	(58,959,508)	(216,543)	(59,176,051)
Expected credit loss on trade receivables	-	216,543	(216,543)
Revenue	629,027,399	(11,542,865)	617,484,534
Selling and distribution expenses	(37,244,304)	11,542,865	(25,701,439)
	Previously reported year ended 31 December 2024	Amount of reclassification	Reclassified amount year ended 31 December 2024
Statement of financial position			
Trade and other payables	33,340,949	(784,092)	32,556,857
Accrued expenses and other current liabilities	24,736,220	784,092	25,520,312
Advances to contractors and suppliers	-	9,430,802	9,430,802
Prepayments and other current assets	20,384,954	(9,430,802)	10,954,152
Lease liability – non current	370,006,806	11,170,569	381,177,375
Current portion of lease liabilities	23,724,851	(11,170,569)	12,554,282

The nature of above reclassifications is as follows:

- Certain expense items have been reclassified to conform with the current year's presentation.
- Transportation costs have been reclassified as a reduction of revenue instead of being presented under selling and distribution expenses.
- Advances to suppliers relating to non-current assets have been reclassified from prepayments to advances to contractors and suppliers.
- Certain payable balances have been reclassified from Trade payables to accrued expenses.

The above reclassifications caused the cashflows from operating activities to increase by SR 6.69 million and the cashflows from investing activities to decrease by SR 6.69 million and were made to conform to the current year's presentation.

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32. SUBSEQUENT EVENTS

On 5 February 2026, the Company has received the administrative court ruling on the General Food Security Authority ("GFSA") case (refer note 20.1) with the violation confirmed for the full amount. The Company has a period of 60 days to file an objection against this ruling. As of the date of approval of these financial statements, the Company is assessing its legal position and evaluating the regulatory grounds for objecting to the court's decision.

The Board of Directors of the Company, in their meeting held on 5 March 2026 (corresponding to 16 Ramadan 1447H), proposed the distribution of interim cash dividends amounting to SR 70,200,000 to its shareholders for the second half of the year 2025G at SR 0.13 per share. The approval of the shareholders of the Company for the proposed dividend shall be obtained in the forthcoming Annual General Meeting. The financial statements for the year ended 31 December 2025 do not include the effect of the aforementioned proposed dividend, which will be accounted for in the financial statements for the year ending 31 December 2026.

The evolving geopolitical developments in the Middle East Region have increased economic and operational uncertainty across the region. The situation remains fluid and circumstances may change rapidly. These developments have brought about additional uncertainties in the Company's operating environment. With respect to the financial statements for the year ended 31 December 2025, the financial reporting effects of these developments are considered to be non-adjusting in nature. The Company has been closely monitoring the impact of these developments and has implemented a number of contingency measures which include maintaining adequate inventory levels, reviewing alternative logistics routes, closely monitoring liquidity and working capital requirements. As far as the Company's businesses are concerned, these developments may cause disruptions in the supply of key raw materials, challenges in logistics and shipping, and delays in contract execution. As a result, depending on how the situation evolves, these developments might have a negative impact on the financial performance of the Company. As the situation is rapidly evolving and remains uncertain, the effect of these developments is subject to significant levels of uncertainty, with the full range of possible impacts currently unknown.

No matter has occurred up to and including the date of the approval of the financial statements by the Board of Directors which could materially affect the financial statements and the related disclosures for the year ended 31 December 2025.

33. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements was approved and authorised for issuance by the Company's Board of Directors on 16 Ramadan 1447H, corresponding to 5 March 2026.

