

المطاحن الحديثة
MODERN MILLS

Steady Steps Toward a Prosperous Future

2025
ANNUAL REPORT

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



The Custodian of the Two Holy Mosques

King Salman bin Abdulaziz Al-Saud



His Royal Highness Prince

Mohammed bin Salman bin Abdulaziz Al-Saud

Crown Prince and Prime Minister

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Financial Performance

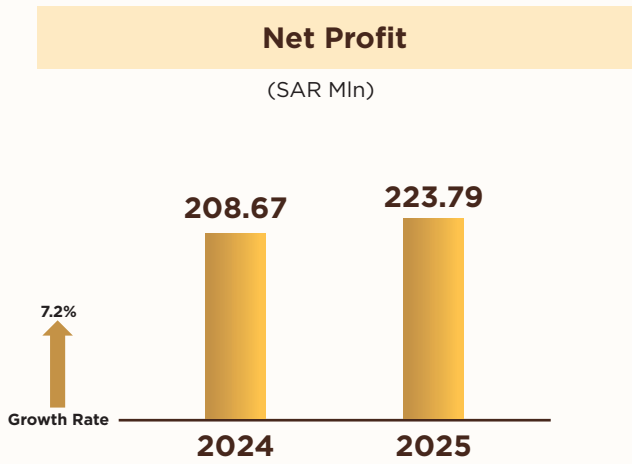
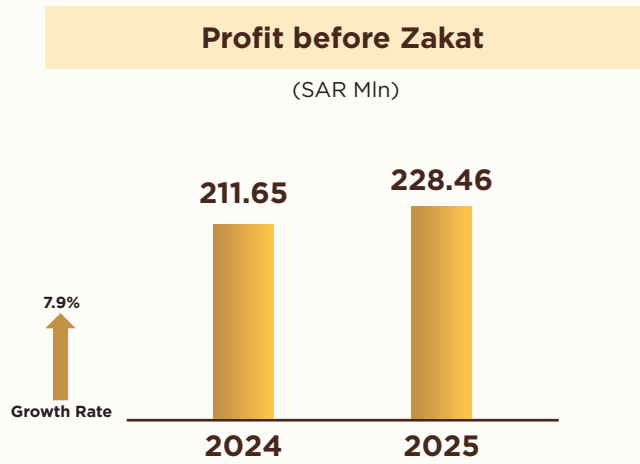
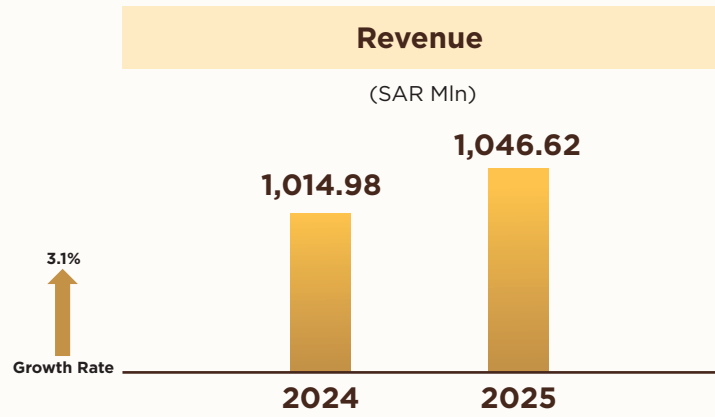
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About the Report

The Annual Report of Modern Mills Company (“MMC” or the “Company”) for 2025 includes both financial and non-financial information. This Report comprises the financial and operational reports, as well as the Board of Directors’ Report. The Report also outlines the Company’s strategy and business model, the Enterprise Risk Management (ERM) framework, and sustainability considerations. Collectively, these elements provide shareholders and other stakeholders with a comprehensive overview of the Company’s activities, achievements, and objectives for the period from 1 January to 31 December 2025. The financial information presented in this Report is stated in Saudi Riyals (SAR) in millions, unless otherwise indicated. Occasional rounding differences may arise in the aggregation of figures.

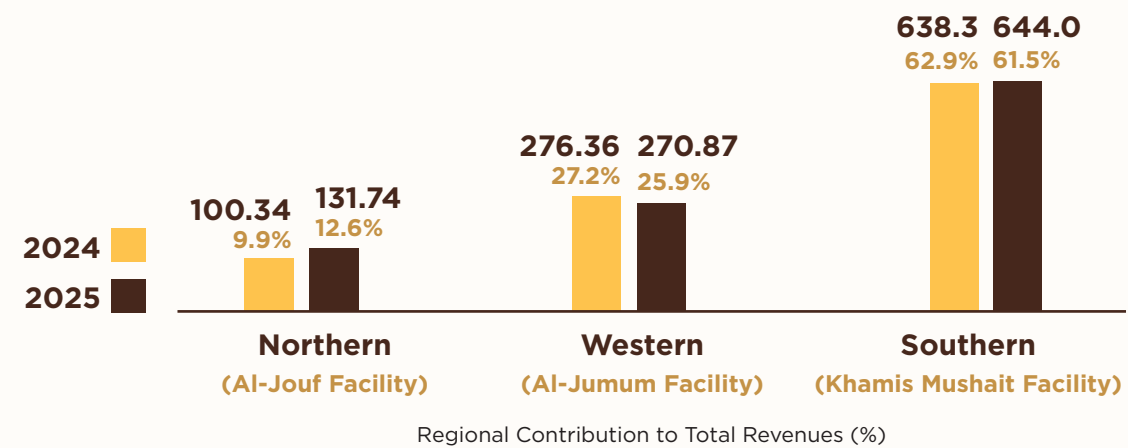


Key Financial Results

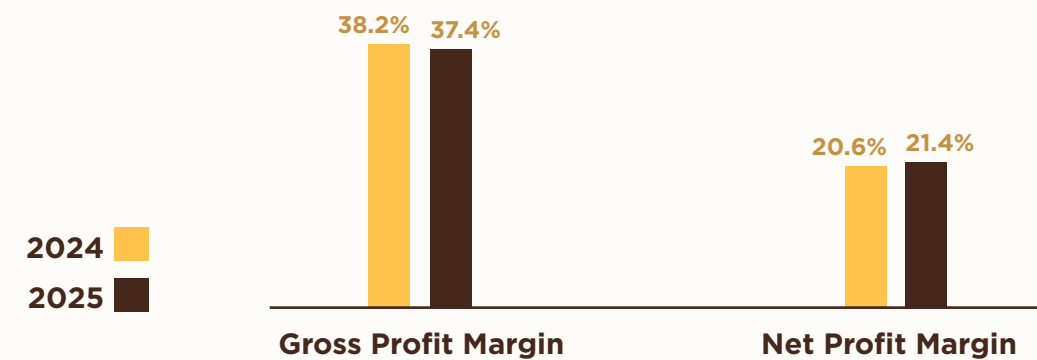


Contribution of Geographical Regions to Annual Revenue by Value and Percentage

(Values in SAR Mln)

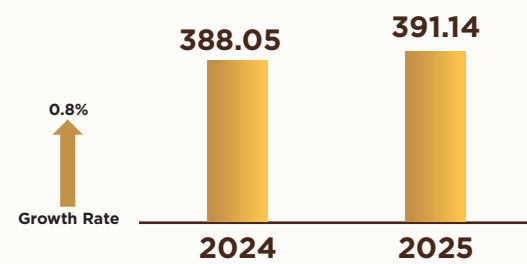


Net and Gross Profit Margin



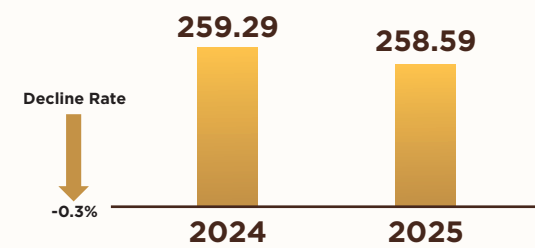
Gross Profit

(SAR Mln)



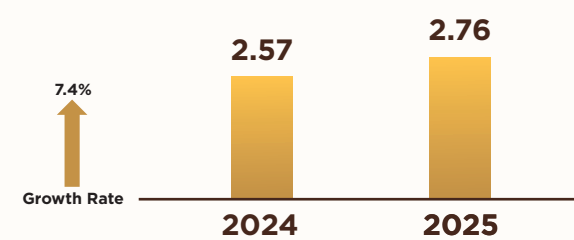
Operating Profit

(SAR Mln)



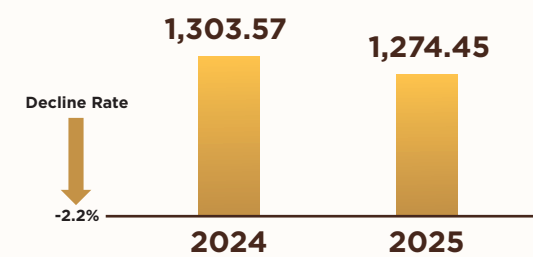


Earnings per Share (EPS) (SAR)



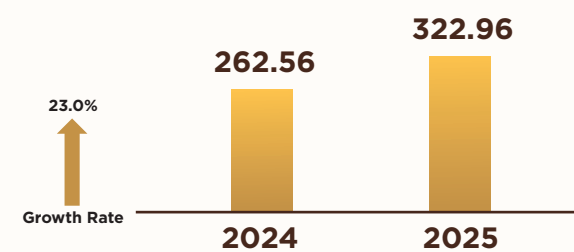
Total Assets

(SAR Mln)



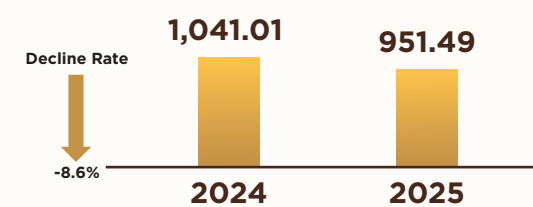
Total Shareholders' Equity

(SAR Mln)

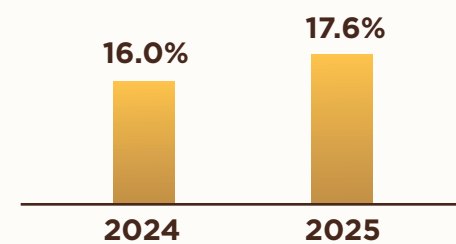


Total Liabilities

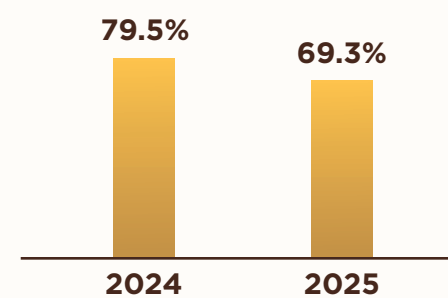
(SAR Mln)



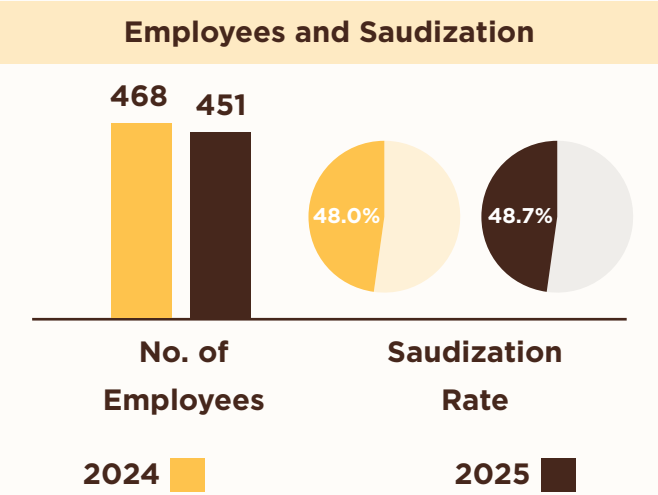
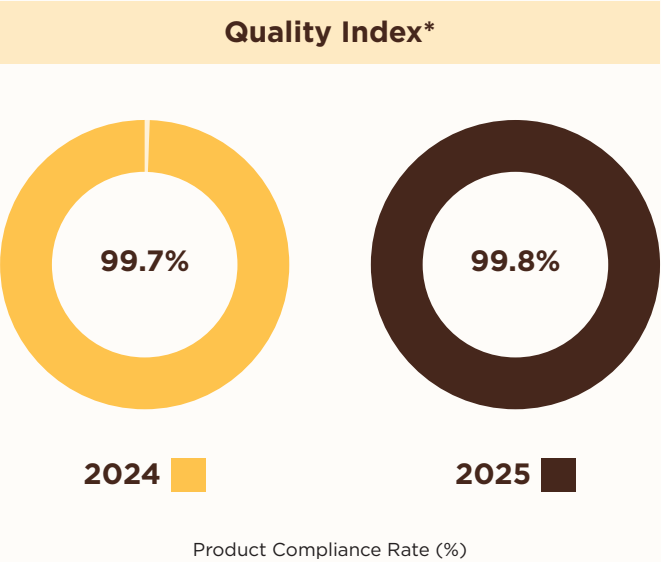
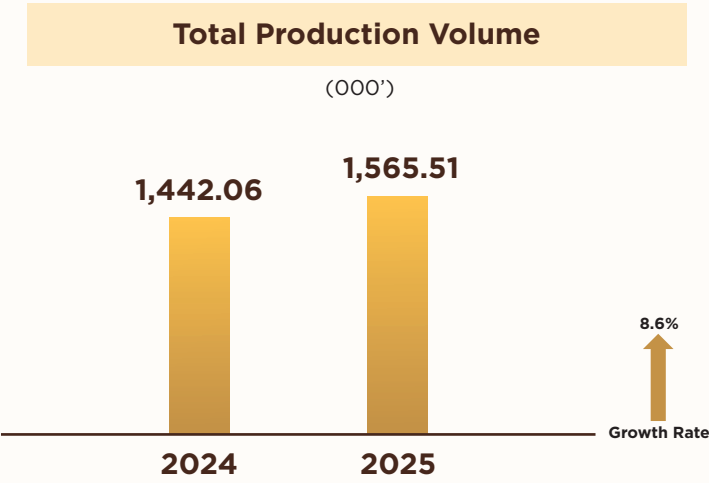
Return on Assets (RoA)



Return on Equity (RoE)



Key Operational Results



Operational Performance in Figure





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Company Overview

Modern Mills Company (“MMC” or the “Company”) is a Saudi joint stock company and one of the leading national companies in the production of flour and animal feed. The Company plays a pivotal role in advancing the objectives of Saudi Arabia’s food security ecosystem. MMC maintains a well-established market position across its three product categories: flour, feed, and animal bran, with a strong track record of profitability and cash generation for shareholders.

The Company is headquartered in Jeddah and manages its operations in the Southern and Western Provinces (with a focus on Makkah and Madinah), as well as the Northern Province of the Kingdom. The Company owns three production facilities within the Kingdom, located in Al-Jumum, Khamis Mushait, and Al-Jouf, to meet the growing demand for flour and feed products and to ensure the sustainability of food security in the Kingdom.

In 1972, the Company commenced its operations as a group of wheat mills affiliated with the General Food Security Authority (GFSA). Over the years, the Company underwent a significant transformation and was formally established in 2016 under the name “Third Mills” in accordance with the Companies Law of the Kingdom of Saudi Arabia, with 100% ownership by the Public Investment Fund (PIF).

In 2020, the GFSA approved the offer submitted by a consortium comprising Al Rajhi Holding Company and Al Ghurair Foods Company to acquire the Company. The

Company completed its merger with Mada Al Ghurair Limited Company and confirmed the distribution of ownership in 2021, resulting in a new ownership structure comprising Mada International Holding Company (50%), Al Ghurair Foods Company (45%), and Masafi Company (5%). The amended Bylaws issued by the Ministry of Commerce were approved in 2022.

In March 2024, the Company’s shares were listed on the Saudi Stock Exchange (Tadawul) through an initial public offering (IPO) of 30% of its capital. A total of 90% (22.1 million shares) of the offered shares were allocated to institutional investors and 10% (2.5 million shares) to retail investors. The IPO attracted strong demand from both institutional and retail investors. The final offering size amounted to SAR 1,178 million, underscoring investor confidence and interest in the Company.

MMC continues to consolidate its market position, supported by a broad consumer base and strategic partnerships. The Company seeks to achieve long-term strategic growth that meets rising local demand and enhances its operational efficiency. This direction reflects the Company’s commitment to Saudi Vision 2030 objectives in strengthening food security and supporting economic growth through investment in innovation and technology, while reinforcing MMC role as a trusted supplier of high-quality flour and feed products.

Vision, Mission, and Values



Vision

To be the most trusted nutrition company in Saudi Arabia, supporting the Kingdom’s food security.



Mission

To produce and distribute a range of products and end-to-end solutions while achieving profitable growth in a healthy and stimulating work environment.



Values

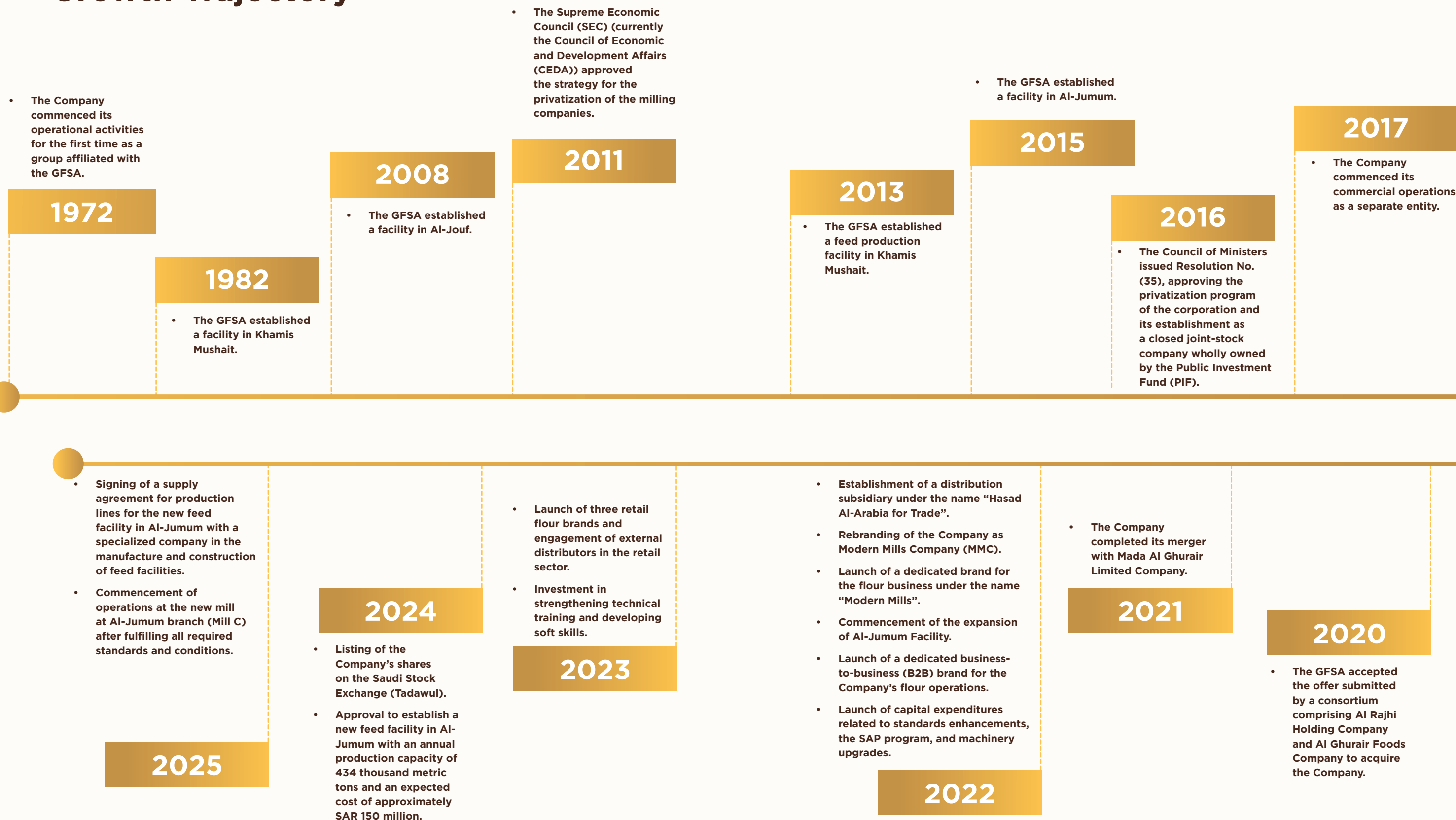
The Company’s corporate culture is founded on integrity, responsibility, and sustainability, and is anchored in collaboration, innovation, and operational discipline.

The Company operates according to an approach focused on quality, efficiency, and the creation of long-term value, while remaining committed to supporting food security and building effective partnerships with stakeholders.

The Company believes that empowering its people is a fundamental pillar of an integrated framework aimed at achieving sustainable growth and generating a positive impact in the food sector.



Growth Trajectory



Activities and Products

The Company's principal activities consist of producing, packaging, and selling flour products, animal feed, and other wheat derivatives to contribute to food security in the Kingdom. The Company offers a diversified range of flour products that serve all consumer segments, while a significant portion of its business focuses on selling animal feed products to poultry and livestock farms and wholesale feed traders. The Company also sells animal bran products to distributors or directly to feed production companies.

The Company is also committed to diversifying its product portfolio in the flour and feed segments through innovative solutions that address evolving market needs. In the flour segment, the Company continues to strengthen its leadership by developing value-added products, such as ready mixes and gluten-free flour, while expanding into additional product categories to meet consumer expectations. In parallel, the feed segment has undergone qualitative improvement through the introduction of livestock and racehorse feeds in accordance with the latest animal nutrition standards.

The Company adopts full automation in feed production and mixing to reduce errors, improve ingredient balance, and minimize waste. MMC also

continues to develop its existing products to ensure quality and operational precision and to meet customer and consumer expectations. In parallel with the Kingdom's drive toward food localization, the Company works to meet the core needs of the local market. These efforts support national food security and contribute to achieving Saudi Vision 2030 objectives.

The Company serves a diverse range of customers and supplies flour products to bakeries, the industrial sector, hotels, restaurants, and cafés (HoReCa), and retail outlets (Individual Consumers). Animal feed and animal bran products are supplied to a range of customers in the livestock segment.

The Company generates revenue from the sale of its products to customers who either use them directly or sell them to indirect customers. Direct flour customers consist primarily of wholesalers and distributors and, to a lesser extent, large bakeries, food manufacturers, and key retail accounts. Indirect flour customers comprise bakeries, hotels, restaurants, cafés, and retail customers. Flour sales are also categorized based on customers who purchase flour in regulated packaging and those who purchase it in non-regulated packaging.



Flour Products

The Company plays a pivotal role in strengthening food security in the Kingdom by producing an integrated portfolio of flour products. Since early 2023, the Company has consolidated its presence in the retail market by launching a range of brands that cater to various income levels within the household consumption segment, including “Modern Mills” and “Qoot and Root.” The Company remains committed to innovation by developing value-added products with higher profit margins, such as ready mixes and gluten-free flour, thereby enhancing its competitiveness and expanding consumer choices in line with the highest standards.

The Company sells its flour products at subsidized prices and within quotas approved by the Government of the Kingdom to ensure fair and efficient distribution to end users licensed by the GFSA. The Company classifies its flour products

based on the targeted end user, as follows:

- **B2B and Industrial Sector:** Includes products designated for commercial use by large companies that use flour in their operations, such as industrial companies and large bakeries, marketed under the “Modern Mills Professional” brand.
- **Bakery, Hotel, Restaurant, and Café Sectors:** Includes products intended for use by commercial customers, including companies operating in the hospitality, restaurant, and café sectors, in addition to small bakeries, marketed under the “Modern Mills Professional” brand.
- **Household Consumption Sector:** Includes the Company’s products that fall under its portfolio of retail brands designated for home use.

B2B and Industrial Sector	Bakery, Hotel, Restaurant, and Café Sectors	Household Consumption Sector
• Bakery Flour • Superior Flour • Whole Wheat Flour • Superior Whole Wheat Flour	• Bakery Flour • Superior Flour • Whole Wheat Flour • Superior Whole Wheat Flour • Cake Mixes	• All-Purpose Flour • Brown Bread Flour • Ready Mixes • Gluten-Free Flour
Pack sizes of 45 kg or in bulk quantities	Pack sizes of 10 kg and 45 kg	Pack sizes ranging from 500 g to 10 kg

The number of products offered in the flour segment exceeded 30 by the end of 2025, as the Company diversified its portfolio to include both core and value-added solutions, ensuring all market needs were met. The Company also focuses on distributing its products in segments with promising sales opportunities, in line with Saudi Vision 2030, particularly in the industrial, tourism, and retail sectors. The Company has expanded its geographical distribution to include new domestic markets in Al-Qassim, Riyadh, Dammam, Jazan, and Madinah, while continuing to pursue its targets to strengthen its footprint in the Central and Eastern Provinces.

In parallel with its growth in the local market, the Company strengthened its regional presence in 2025 by exporting its products to markets in Yemen, Qatar, Iraq, Sudan, and Palestine. The Company is also continuing its strategic expansion into the Horn of Africa (Somalia and Djibouti), with a target to include Lebanon and Jordan among its export destinations in 2026. This direction aims to strengthen the Company’s presence in neighboring markets and increase its sales volume and market share outside the Kingdom, thereby supporting its competitive capabilities and reinforcing its strategy for sustainable regional growth.



Feed Products

MMC holds a distinguished and leading position in the animal feed market, driven by its flagship brand, “Premier”. Within the Kingdom, animal feed is generally classified into three categories: raw feed, feed additives, and feed premix; however, the Company’s primary focus remains on producing compound feed for the poultry and livestock segments.

The Company’s product portfolio in the animal feed segment currently comprises more than 30 products, covering two principal animal feed segments. The Company has expanded its geographic distribution of products into new markets within the Kingdom. In the Western Province, its presence extends to Taif, Jeddah, and Afif; in the Central Province, to Al Hotah and Riyadh; and in the Eastern Province, to Hafr Al Batin. At the same time, the Company maintains a solid market share in the Southern Province, particularly in Khamis Mushait, supported by its proximity to the existing feed mills. Looking

ahead, the Company aims to invest in innovative feed products and expand the export of its products to neighboring markets, including Yemen and Somalia. The Company retains the ability to determine the prices of its animal feed products, as the pricing of such products is not subject to regulation by the GFSA. This provides the Company with flexibility to respond to market fluctuations and achieve competitive profit margins.

The Company meets customer requirements by offering its animal feed products in large packaging formats, including 40 kg and 50 kg bags for wholesalers and poultry farms, and by supplying bulk quantities via trucks to large-scale farms. Supported by the flexibility of its manufacturing capabilities, the Company demonstrates a high level of responsiveness to demand fluctuations across the poultry and livestock segments, thereby enhancing its competitive position in the market.

Livestock Feed

- Sheep
- Camels
- Goats
- Horses
- Calves Feed

Poultry Feed

- Poultry Feed Broiler
- Poultry Feed Layer
- Poultry Feed Breeder

Bran Products

Animal bran is produced as a by-product of the flour milling process. The Company utilizes the majority of the bran produced as an input in the manufacture of its animal feed products and sells the remaining portion to designated distributors, who supply these products to small-scale livestock farms and feed producers.

The prices of animal bran products are not subject

to regulatory controls. Wheat bran intended for animal feed is produced in large packaging formats, including 40 kg bags, as well as in bulk quantities. In recent years, the Company has aligned its pricing structure with prevailing global levels, thereby redefining traditional pricing benchmarks for animal bran in the Kingdom.

ANIMAL BRAN PELLET

نخالة قمح مكعبة

Pelleted Wheat Bran

FEED MATERIAL		علف خام
Analysis (on dry Matter Basis)		التحليل (على أساس المادة الجافة)
Energy	قيمة خشيرية, جيم	الطاقة
Moisture	12.1%	نسبة الرطوبة
Crude Protein	17.1%	نسبة البروتين
Crude Fiber	2.4%	نسبة الألياف
Crude Fat	4.8%	نسبة الدهون
Cellulose		

Supplies: Sheep, Goat, Camel, Horses, and Cows

المنتجات المستهدفة: الأغنام، الماعز، الإبل، الخيول، والبقر

Feeding instructions:

Read directly to animals or after mixing with other feed ingredients

طريقة الاستخدام:

يُغذى للحيوانات بشكل مباشر أو يخلط مع مكونات الأعلاف الأخرى

Storage condition: Keep in Dry and Cool place and away from Moisture source and in temperature below 30° c

شروط التخزين: نخالة القمح المكعبة يجب أن توضع في مكان جاف ومعتدل الحرارة بعيداً عن مصادر الرطوبة وفي درجة حرارة أقل من 30° مئوية

NET WEIGHT WHEN PACKED

40 KG

الوزن الصافي عند التعبئة

المطاحن الحديثة

MODERN MILLS

صالحة لمدة ستة شهور من تاريخ التعبئة تحت ظروف تخزين مناسبة

VALID FOR SIX MONTHS FROM PACKING UNDER SUITABLE STORAGE CONDITIONS

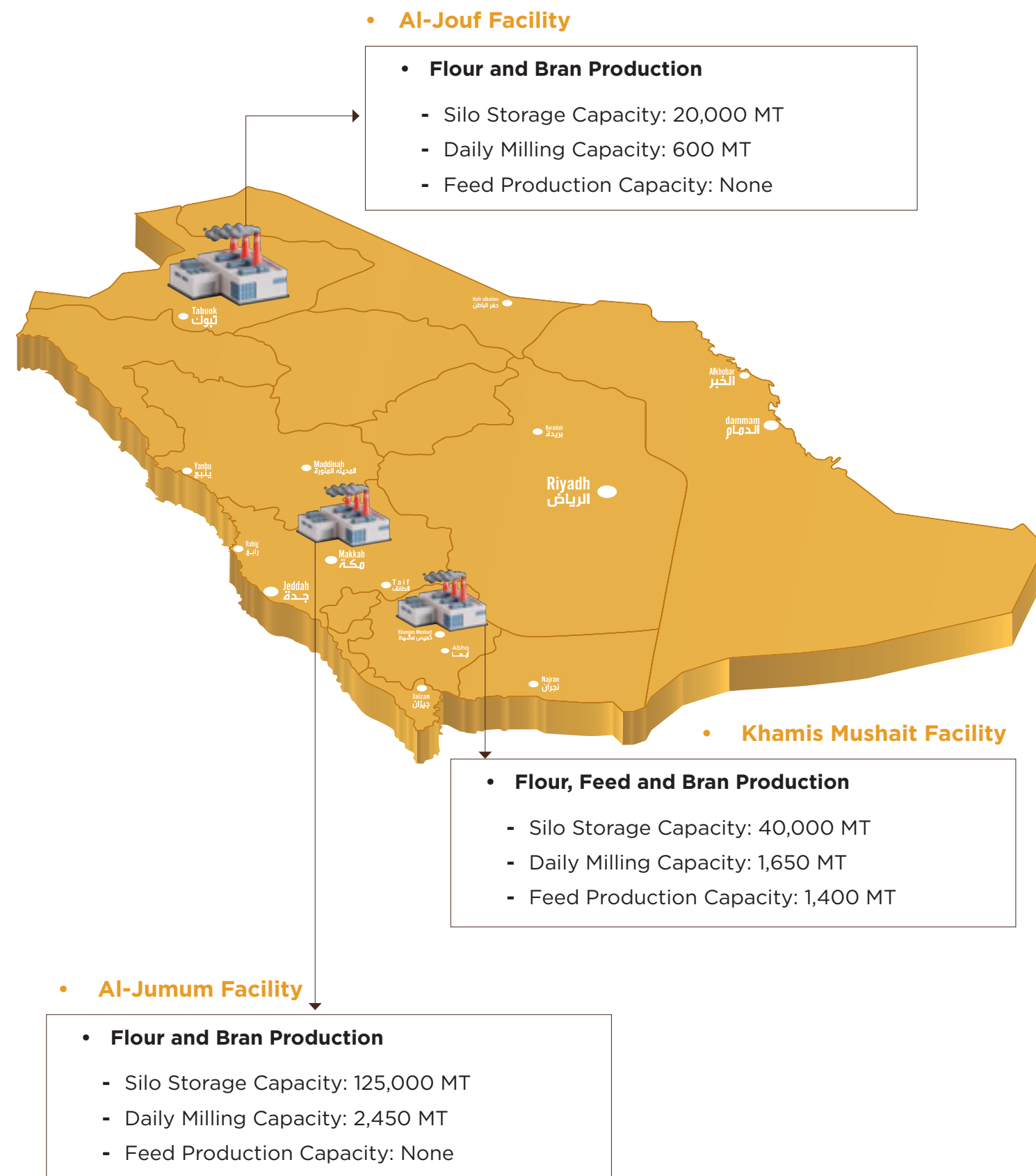
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Geographical Presence

The Company's operational activities are anchored by its network of facilities strategically distributed across the Kingdom. Al-Jouf Facility is located in the Northern region, Al-Jumum Facility is in the Western region, and Khamis Mushait Facility is in the Southern region, enabling comprehensive coverage of local markets. Distribution is supported by in-house capabilities and an extensive network of distributors and third-party logistics providers.

Al-Jumum Facility benefits from a distinctive advantage due to its strategic location, which supports the tourism sector serving pilgrims. This geographic footprint enhances the Company's ability to meet local demand and strengthen its presence in regional and international markets. The Company leverages the quality of its products, cost competitiveness, and advantageous geographical location to support this expansion.

The Company's production facilities play a pivotal role in supporting its market leadership. Al-Jumum Facility and Al-Jouf Facility are capable of producing the full range of flour products offered by the Company. The year 2025 marked a significant milestone with the commencement of operations at the new flour mill at Al-Jumum branch (Mill C), which increased the Company's daily flour milling production capacity from 3,450 metric tons to 4,700 metric tons. As part of its expansion plans, the Board of Directors approved the establishment of an advanced animal feed facility in Al-Jumum to meet the increasing demand for compound feed. Operations are expected to commence in the fourth quarter of 2026. Meanwhile, Khamis Mushait Facility continues to play a vital role in meeting demand for the animal feed and animal bran markets.



Key Strengths and Investment Case

Market Leadership

The Company holds a leading position in the local market in the production of flour and animal feed products, both in terms of production volumes and sales.

Agility and Certainty

The Company operates in large and growing markets for flour, feed, and animal bran in the Kingdom, supported by favorable local demand dynamics and Saudi Vision 2030 objectives.

Product Diversification

The Company maintains a diversified product portfolio across all levels of its business activities.

Geographical Footprint

The Company operates a head office and three production facilities serving multiple provinces across the Kingdom.

Operational Excellence

The Company demonstrates strong operational performance, supported by robust infrastructure and expanded production capacities.

Experience and Competence

The Company is led by a management team with extensive experience and strong professional expertise, supported by a well-established corporate governance framework.

High Quality

All of the Company's production facilities have obtained ISO45001 and ISO14001 certifications.

Development and Innovation

The Company has established an innovation center specializing in Research and Development (R&D) at Al-Jumum Facility, equipped with advanced technologies to simulate baking processes and develop industrial solutions and a diversified range of flour products that meet customer requirements.

Robust Financial Performance

The Company demonstrates a robust financial performance and clear growth drivers, supported by increased cash generation.

Risk Management

The Company adopts a structured and integrated approach to risk identification, ensuring full alignment with its strategic objectives and applicable regulatory requirements.

Investment

The Company plans to continue investing to increase production capacities, reduce costs, and enhance operational efficiency.

Our Brands

MMC has developed a diversified portfolio of flour brands across various retail market segments. In the feed segment, products are marketed under the “Premier” brand with its premier quality and production capacity. The Company owns 12 brands in the Kingdom, which enhances its competitive position and enables it to optimize the utilization of its manufacturing capabilities, thereby supporting the success of its business segments.

Brand	Registration No.	Expiry Date	Category	Logo
Modern Mills	1444006930	10/05/2032	30	
Modern Mills	1443024062	10/11/2031	30	المطاحن الحديثة MODERN MILLS
Modern Mills	1000741424	04/ 11 / 2033	30	المطاحن الحديثة MODERN MILLS
Modern Mills	1000741324	04/ 11 / 2033	30	المطاحن الحديثة MODERN MILLS
Modern Mills Professional	1445005685	10/05/2033	30	
Qamhati	1443023310	01/11/2031	30	قمحاتي Qamhati
Qamhati	1444017162	01/08/2032	30	
Qoot & Root	1443024075	01/11/2031	30	قوت روت QOOT & ROOT
Qoot & Root	1444006862	01/05/2032	31	
Qoot & Root	1444006866	01/05/2032	30	

Brand	Registration No.	Expiry Date	Category	Logo
Premier	1444018332	01/08/2032	30	
Premier	1444018342	01/08/2032	31	
Premier Feed	1004103425	01/05/2035	31	
Haloub Feed	1004103325	01/05/2035	31	علف حلوب Haloub Feed
Azom	1003370025	13/04/2035	31	عزوم Azom
-	1000535325	01/05/2035	30	
-	1000535125	01/05/2035	30	
-	1000535225	01/05/2035	30	
Hasad Al-Arabia for Trade*	1444018876	01/11/2031	30	شركة حصاد العربية للتجارة Hasad Al-Arabia for Trade

* Owned by the subsidiary.

Subsidiaries

شركة حصاد العربية للتجارة Hasad Al-Arabia for Trade

Modern Mills Company owns “Hasad Al-Arabia for Trade Company”, a wholly owned limited liability subsidiary registered in Jeddah under Commercial Registration (C.R.) No. (4030480278), dated 05/01/1444H (corresponding to 03/08/2022). Hasad plays a pivotal role as the Company’s principal distribution arm, expanding market reach and accelerating customer service, thereby supporting the Company’s expansion in branded product sales and retail operations across the Kingdom.

The establishment of the distribution subsidiary represents a strategic step to mitigate risks associated with reliance on third parties and to address potential shortcomings or disruptions in distribution networks, thereby ensuring timely product delivery and meeting the growing demand of the Company’s customers. Hasad’s operations will be relaunched in 2026 to activate and expand its role across modern trade and wholesale channels. This initiative will focus on diversifying the product portfolio

and building strategic partnerships with agents in related sectors to reduce exclusive reliance on traditional distributors.

In this context, during 2025, the Company commenced the development of an integrated organizational structure aligned with an expansion strategy aimed at enhancing its geographical coverage to include new and rural areas. This strategy also includes upgrading infrastructure in Jeddah, Al-Qassim, and Jazan, as well as improving warehouse efficiency across the three mills’ storage facilities. The Company continues to implement an asset-light model in the Central and Eastern Provinces through partnerships with third-party logistics service providers, pending achieving business volumes that justify investment in standalone storage facilities. Concurrently, the Company is finalizing the identification of the project’s key functions in those regions.



Partners in Success

MMC has established partnerships with a diversified customer base, which represents an important component to continue its growth trajectory. The Company’s operations focus on the flour, feed, and animal bran segments to address a broad range of customer requirements, whether for households or for companies operating in the hospitality and animal production sectors.



Flour Segment Customers

The Company classifies its flour segment into regulated and non-regulated products across three primary categories:

B2B and Industrial Segment

- Comprising major enterprises, including manufacturers and large bakeries, that rely on substantial quantities of flour in their operations. Customers in this segment purchase regulated flour products on a cash basis, primarily in 45 kg packs, in accordance with government-approved quotas authorized by the GFSA.
- New customers in this segment are required to register with the GFSA and undergo a formal assessment process. This process includes site visits to the customer’s facilities, evaluation of production lines and operational capacities, and assessment of the products in which the flour will be used. The completed evaluation is then submitted to the GFSA for review and approval.

Bakery, Hotel, Restaurant, and Café Segment

- Comprising small bakeries and commercial establishments operating within the hotels, restaurants, and cafés sectors that purchase non-regulated flour products, primarily available in 10 kg and 45 kg bags, in addition to semolina and cake mix products. Customers in this segment may purchase these products on credit, subject to specific terms and conditions based on their credit classification.

Household Consumption Segment

- Customers in this segment purchase flour products for household use. These products are available in package sizes ranging from 500 g to 10 kg.

- The Company supplies regulated flour products to customers in the B2B and Industrial Sector, which accounts for approximately 95% of the Company’s total flour sales. In contrast, non-regulated flour products are supplied to customers in the Retail and the Bakery, Hotel, Restaurant, and Café Sectors.
- Seasonal factors also affect demand dynamics in Makkah. Demand for regulated products increases during the Ramadan and Hajj seasons, while sales of non-regulated products typically peak during the Eid holidays and the back-to-school period.

Animal Feed Segment Customers

This segment represents the second pillar of the Company's business and comprises a broad customer base, including poultry and livestock farms. It has recorded strong growth, driven by several key factors, most notably geographic expansion, gaining new customers, price competitiveness, provision of technical support services, and high product quality and continuous innovation in products and services. The customer base within this segment is divided into two main categories: companies and wholesalers.

At the strategic level, the core customer base in the feed segment is concentrated in large-scale poultry projects and integrated farms, with an extensive distributor network. In parallel, the Company places particular emphasis on targeting small-scale breeders through specialized advisory and extension programs aimed at enhancing their knowledge and developing their technical capabilities. This approach improves animal production efficiency and supports the segment's sustainable development.



Poultry Segment

Poultry segment customers fall into three principal categories: broiler, layer, and breeder operations. Broiler customers, who specialize in meat production, place strong emphasis on feed quality, feed efficiency, and pricing competitiveness, as the feed represents approximately 70% of total production costs in poultry farming.

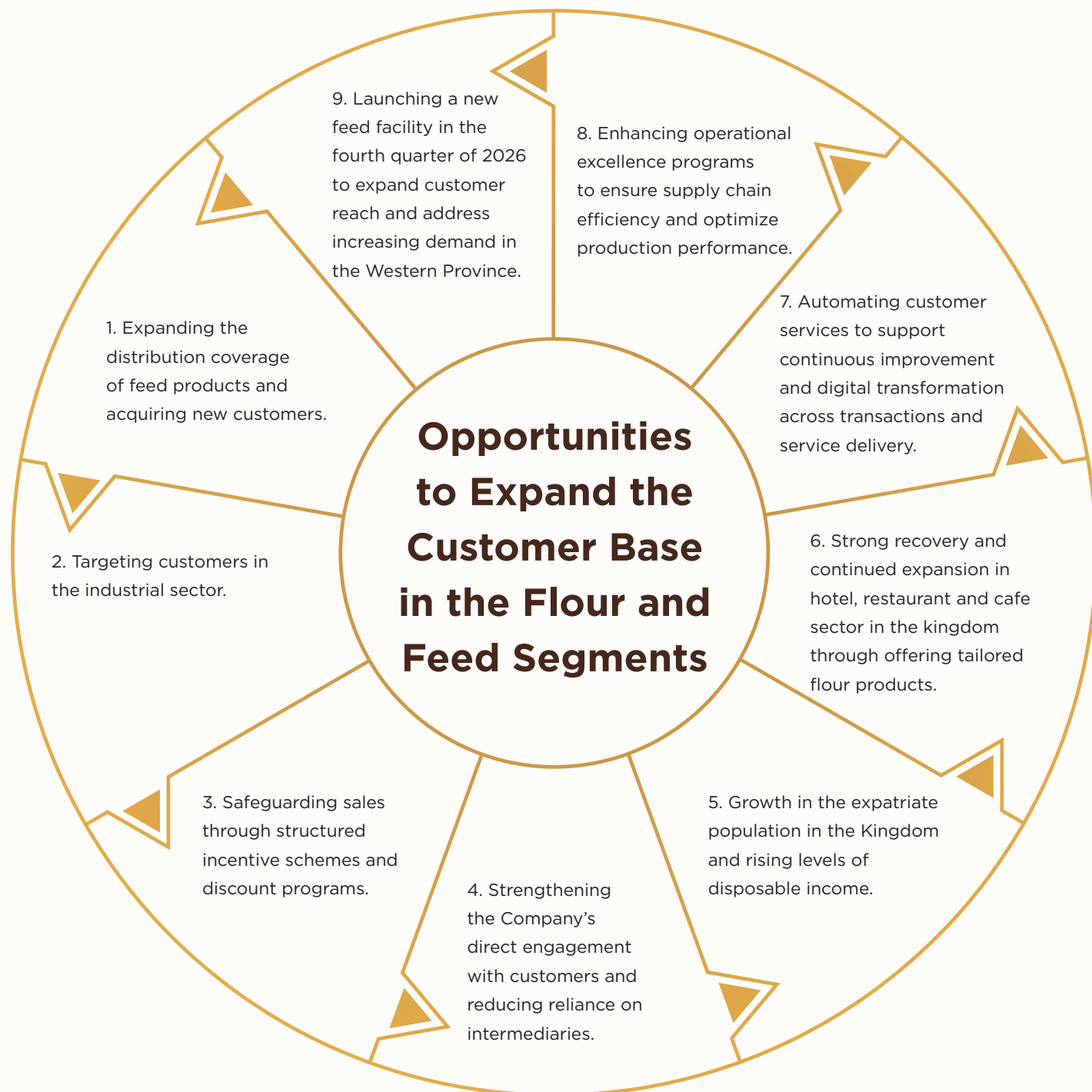
Layer customers, by contrast, focus primarily on egg production. Their priority lies in maintaining consistent feed quality and ensuring sustainable output that supports flock health and maximizes laying productivity. Breeder customers oversee the raising of parent flocks responsible for producing both broiler and layer chicks. Their primary objective is to safeguard flock health while enhancing reproductive performance and overall productivity.



Livestock Segment

Livestock segment customers comprise farmers raising sheep, goats, camels, horses, and fattening calves. Sales are conducted through principal distribution channels, including wholesalers, distributors, and livestock farms. Customers in this segment place primary emphasis on competitive pricing and on selecting feed products that deliver optimal economic returns and enhance profitability. Demand patterns are influenced by external factors, most notably seasonal variations and the availability of natural grazing pastures during the rainy season.





Key Milestones of the Year

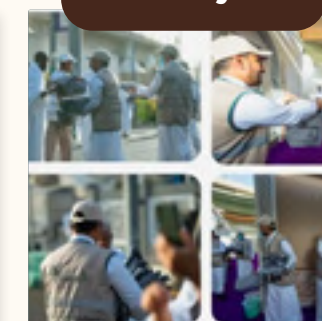
March

Signing a supply agreement for the production lines of the new feed facility in Al-Jumum with a specialized manufacturer.

Modern Mills for Food Products Co. Announces the voluntary debt pre-payment of SAR 100 million from its existing Murabaha Facilities with Saudi National Bank (SNB).



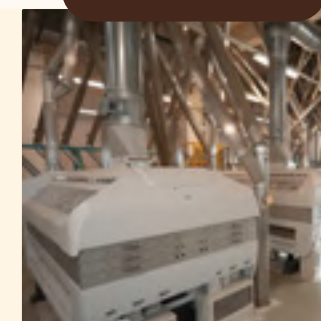
July



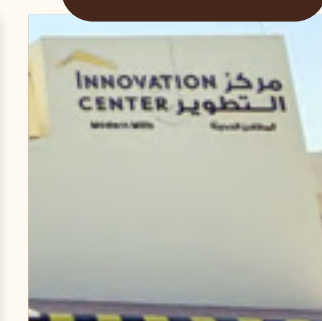
Contributing to the 2025 Hajj campaign as part of "Li Tadum" (Let it Last) initiative launched by the GFSA.

September

Commencement of operations at the new flour mill (Mill C) at Al-Jumum branch after fulfilling all required standards and regulatory requirements.



October



Launch of the specialized Research and Development (R&D) Innovation Center at the Al-Jumum facility. Equipped with cutting-edge baking simulation technologies, the center is set to become a regional innovation hub, driving the development of new products that meet evolving growth requirements.

Theme of the Year

Steady Steps Toward a Prosperous Future

With confident strides and an ambitious vision, 2025 was not merely a transitional milestone; it marked a defining chapter that reaffirmed MMC's steadfast commitment to advancing its journey toward market leadership. Since its establishment, the Company has maintained a consistent upward trajectory, achieving record levels of financial and operational performance. This progress is underpinned by a distinguished heritage, firmly embedded values, and a clear strategic vision that continues to strengthen its market position, while upholding its enduring commitment to ensuring the reliable supply of wheat products as a strategic commodity supporting the Kingdom's food security objectives. MMC has successfully developed a resilient and flexible business model built on robust strategic partnerships with customers and suppliers, complemented by effective strategies that safeguard the sustainability of its supply chains. These foundations have reinforced the Company's standing as a trusted partner, consistently delivering sustainable long-term value to its shareholders.

MMC firmly believes that its true capital lies in its human resources. The Company has distinguished itself by attracting and retaining national talent in a compelling work environment that promotes meritocracy and equal opportunity. Through specialized training and development programs, MMC has successfully reduced employee turnover rates and strengthened organizational loyalty. This has positively enhanced the efficiency of administrative and operational processes and

further embedded a workplace culture grounded in collaboration and innovation.

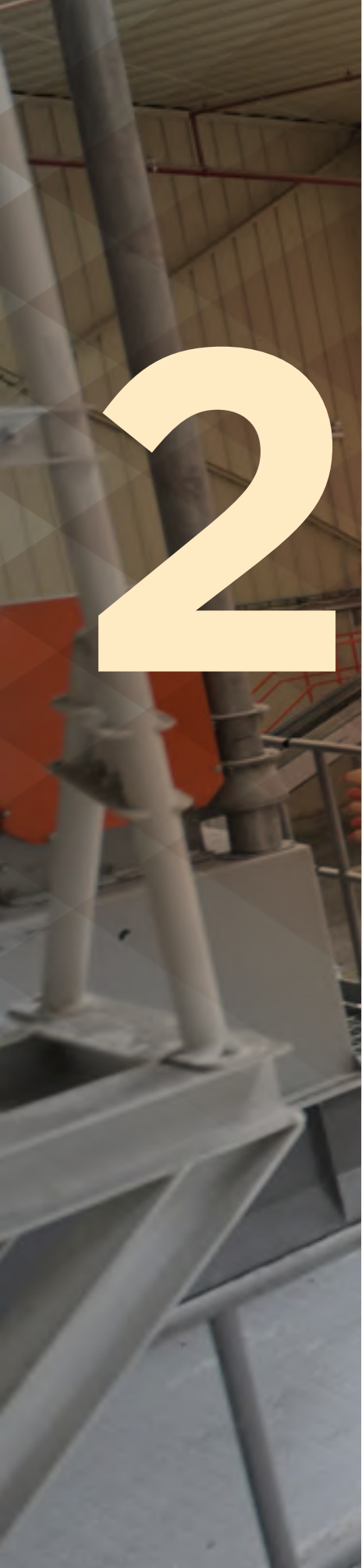
The Company achieved exceptional advances in production efficiency and infrastructure capabilities, keeping pace with growing demand by adopting advanced automation and data analytics. These efforts culminated in the inauguration of the new Innovation Center at Al-Jumum Facility, equipped with state-of-the-art baking process simulation technologies and supported by substantial capital investments in expansion projects to ensure sustainable growth. As a result, the Company has evolved from a traditional "supplier" into an "innovation partner," delivering differentiated solutions and specialized, value-added products that meet the requirements of the local market in line with the highest quality standards.

MMC continues to consolidate its competitive leadership among milling companies operating in the Kingdom through continuous brand enhancement, ongoing domestic expansion, and a confident pursuit of leadership in transforming the food and animal nutrition segments. At the same time, the Company remains firmly committed to minimizing waste, supporting the national food security ecosystem, and placing environmental and social responsibility at the forefront of its priorities, in alignment with Saudi Vision 2030. Accordingly, MMC advances steadily toward a prosperous future that aligns with its ambitions and further reinforces its leading market position.

Awards and Certifications

In 2025, MMC obtained the ISO/IEC 27001 certification, an internationally recognized standard for Information Security Management Systems (ISMS). This standard provides a structured and systematic framework for managing and safeguarding the Company's sensitive information, including financial data, customer information, and operational systems. The attainment of this certification underscores

the Company's commitment to implementing robust cybersecurity controls, effectively managing information security risks, and ensuring the confidentiality, integrity, and availability of data. It further enhances stakeholder confidence, supports compliance with applicable regulatory requirements, and mitigates the risks associated with data breaches and operational disruptions.



Strategic Report

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Chairman’s Statement

“We believe that the success of Modern Mills Company extends beyond financial results to encompass rooting the Company’s role in supporting food security, consolidating its market position and operational efficiency, accelerating investment in sustainable growth, innovation, and national talent development, in alignment with Saudi Vision 2030”

Esteemed Shareholders, Valued Customers,

I am pleased to present to you the Modern Mills Company (MMC) 2025 Annual Report, which reflects our steadfast commitment to transparency and sound governance and highlights our continued progress toward building a more efficient and inclusive organization capable of keeping pace with the Kingdom’s aspirations in the food sector, in alignment with Saudi Vision 2030. The year marked a significant milestone in the Company’s journey, as we continued to operate with a strong sense of responsibility and innovation to pursue our strategic objectives. Furthermore, we have enhanced our production capacities to support our ambitious expansion plans, including the launch of a range of innovative, high-quality flour and feed products. These initiatives further strengthened our market leadership and enabled us to meet our customers’ growing needs.

Integrated Expansion and Growth Strategy

The Company’s operations in 2025 were driven by clear strategic pillars, including geographic expansion into new markets, the development of innovative products and adjacent categories, and the enhancement of infrastructure capabilities to support food security. This was coupled with investments in human capital and technological capabilities, as well as the strengthening of Environmental, Social, and

Governance (ESG) practices. In the end of the third quarter of the year, the new mill at Al-Jumum branch (Mill C) commenced operations, increasing total production capacity. In addition, the the company has signed an agreement for the establishment of a new feed facility, with a leading global company specializing in manufacturing and construction of feed mills, at the same branch to address the growing demand for compound feed.

These initiatives led to the expansion of the Company’s product portfolio across the flour and animal feed segments and improved the efficiency of production facilities and distribution channels, thereby reinforcing the Company’s competitive position and enhancing its ability to meet rising demand.

Sustainable Leadership Supporting Saudi Vision 2030

In alignment with Saudi Vision 2030 objectives, the Company continues to play a pivotal role in supporting the food security strategy and delivering sustainable value to all stakeholders. Particular focus was placed on developing national talent through specialized training programs, empowering employees to enhance their capabilities and strengthen their contribution to the achievement of the Company’s strategic objectives. In addition, the Company enhanced its integrated risk management framework to address supply chain and commodity price volatility, thereby reinforcing its resilience in the face of challenges.

Robust Financial and Operational Performance

In light of a global economic environment marked by elevated inflation and market volatility, and despite continued instability in global supply chains, our investments in enhancing operational efficiency and exercising prudent cost management, together with the effective support of the General Food Security Authority (GFSA), resulted in strong financial and operational performance. This was reflected in revenue growth of 3.1% and an increase in net profit of 7.2%, compared to the previous year, reaffirming our ability to adapt to evolving economic conditions and strengthen our financial resilience.

Towards Comprehensive Sustainability

During 2025, the Company continued to strengthen its sustainability practices by focusing on employees, the community, and the environment. Youth empowerment and Saudization were placed at the forefront of its priorities, and the Company participated in social and environmental initiatives aimed at supporting the local community and instilling a culture of Corporate Social Responsibility (CSR).

A Steadfast Commitment to Growth and Excellence

Looking ahead to 2026, the Company aims to accelerate its growth and expand across local and regional markets. MMC will focus on developing

employee capabilities, broadening the scope of its operations in alignment with its strategic objectives, and fostering an innovative and sustainable work environment. The Company’s commitment will remain steadfast toward supporting food security and increasing its market share in the human and animal nutrition segments, thereby reinforcing its position as a key partner in achieving Saudi Vision 2030.

Recognition and Gratitude

To conclude, on behalf of myself and the Board of Directors, the Executive Management, and all shareholders, I would like to express my deepest gratitude and appreciation to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and to His Royal Highness the Crown Prince, Mohammed bin Salman (may God protect them), for their unwavering support. I am also pleased to express my profound thanks and gratitude to our esteemed shareholders for their trust and ongoing support. Furthermore, I highly value the dedication and efforts of our loyal team across all locations. Together, we reaffirm our resolve to drive sustainable growth and contribute to the Company’s flourishing future.

Chairman
Ibrahim Sulaiman Al-Rajhi



CEO’s Statement

“The year 2025 marked a pivotal chapter for Modern Mills Company, as we expanded our operations across both the flour and animal feed segments, supported by the commissioning of production expansions and tangible progress in our operational performance. Guided by clear priorities and the support of our wise government, the Company is steadily moving towards delivering sustainable value for its shareholders and enhancing food security, in alignment with Saudi Vision 2030”

Esteemed Shareholders and Customers,

I am pleased to present to you the Modern Mills Company 2025 Annual Report, which reflects the Company’s steadfast commitment to supporting the national food security ecosystem, strengthening its position in the sector, and achieving sustainable growth, in alignment with Saudi Vision 2030 objectives.

During the year, the Company continued its journey of expansion and innovation, with revenue increasing by 3.1%, compared to the previous year, driven by improved performance in its core operations and the expansion of its product portfolio. Despite global challenges related to supply chain disruptions and higher operating costs, the Company succeeded in achieving net profit after zakat of SAR 223.8 million, an increase of 7.2%, compared to 2024, reflecting its operational efficiency and ability to adapt to economic developments

Strengthening Integrated Operational and Digital Infrastructure

During the year, the Company’s strategy focused on increasing production capacity and investing in digital infrastructure, while reinforcing operational efficiency. The automation of processes and the implementation of advanced analytical solutions contributed to improving production rates and enhancing operational resilience, which had a positive impact on the performance of both the flour and animal feed segments.

The flour segment recorded growth across various distribution

channels, driven by the launch of new products and the commissioning of a new production line at Al-Jumum Facility. Commissioned in the fourth quarter, the new line contributed to increasing flour milling capacity at Al-Jumum Facility from 1,200 to 2,450 tons per day. At the same time, customer experience enhancement initiatives supported this growth, enabling the Company to maintain a strong market share. The animal feed segment also achieved notable growth as a result of investments in product development and enhanced competitiveness among the four milling companies. After the approval was granted, in December 2024, for the construction of a new feed facility in Al-Jumum, with an investment of up to SAR 150 million, to meet the growing demand for compound feed; the company signed the agreement with a leading global company in March 2025. The facility will have a production capacity of up to 1,440 tons per day. The new facility is expected to commence operations in the fourth quarter of 2026.

Investing in Human Capital

We believe that human capital is the cornerstone of the Company’s success. Accordingly, the Company placed particular emphasis on developing leadership capabilities and strengthening its teams through specialized technical and behavioral training programs, as well as on-the-job vocational training programs (Tamheer). These initiatives contributed to the implementation of the Saudization plan across various operational activities in several departments, including quality, maintenance, supply chain, and shared services. As a result, the Company increased both Saudization and female empowerment

rates, achieving the Platinum category.

Strengthening Corporate Governance Framework and Practices

Throughout 2025, the Company continued to strengthen its corporate governance framework to ensure effective oversight of its strategy and maximize value for investors, while maintaining full compliance with the Capital Market Authority (CMA) regulations. These efforts included enhancing disclosure and listing practices, developing risk management policies, and updating the Code of Conduct and Ethics to foster transparency and accountability, thereby reinforcing shareholder and stakeholder confidence.

Sustainable Growth and Innovation

Over the next two years, MMC aims to intensify its innovation efforts and broaden its growth base, bolstered by government directives toward localizing food production, rising demand for flour products, and the flourishing tourism sector. Furthermore, the Company continues to adopt sustainable practices by supporting environmental and social initiatives and reducing food waste. This is coupled with the development of technical infrastructure, such as the new Warehouse and Inventory Management System (WMS), to enhance operational resilience and ensure sustained long-term performance.

Appreciation and Gratitude

In conclusion, I extend my sincere appreciation and profound

gratitude to the Chairman and the Board Members for their continued support and wise vision, which have been instrumental in driving the Company’s success and expanding its growth horizons. I also express my appreciation for the ongoing government support of the industrial sector, as well as the General Food Security Authority (GFSA) for its constructive cooperation, and for all the teams whose outstanding efforts contributed to achieving qualitative milestones during 2025. Furthermore, we reaffirm our commitment to our esteemed shareholders to pursue our growth trajectory and enhance long-term value, remaining steadfast in our commitment to transparency, sound governance, and building a more sustainable future.

CEO
Osama Ashi

Strategy and Key Performance Indicators (KPIs)

MMC moves forward with a resilient vision that keeps pace with the rapid developments in the food sector. The 2025 strategy centered on “Focused Growth and Operational Efficiency” aimed at strengthening the national food security by increasing production and supporting self-sufficiency levels. The Company seeks to achieve sustainable growth in promising markets, expand its household product portfolio through retail channels, and develop innovative solutions that meet customer needs. This is underpinned by ensuring supply chain continuity and maintaining product quality to attract new segments, thereby enhancing its competitive advantage at both the local and regional levels.

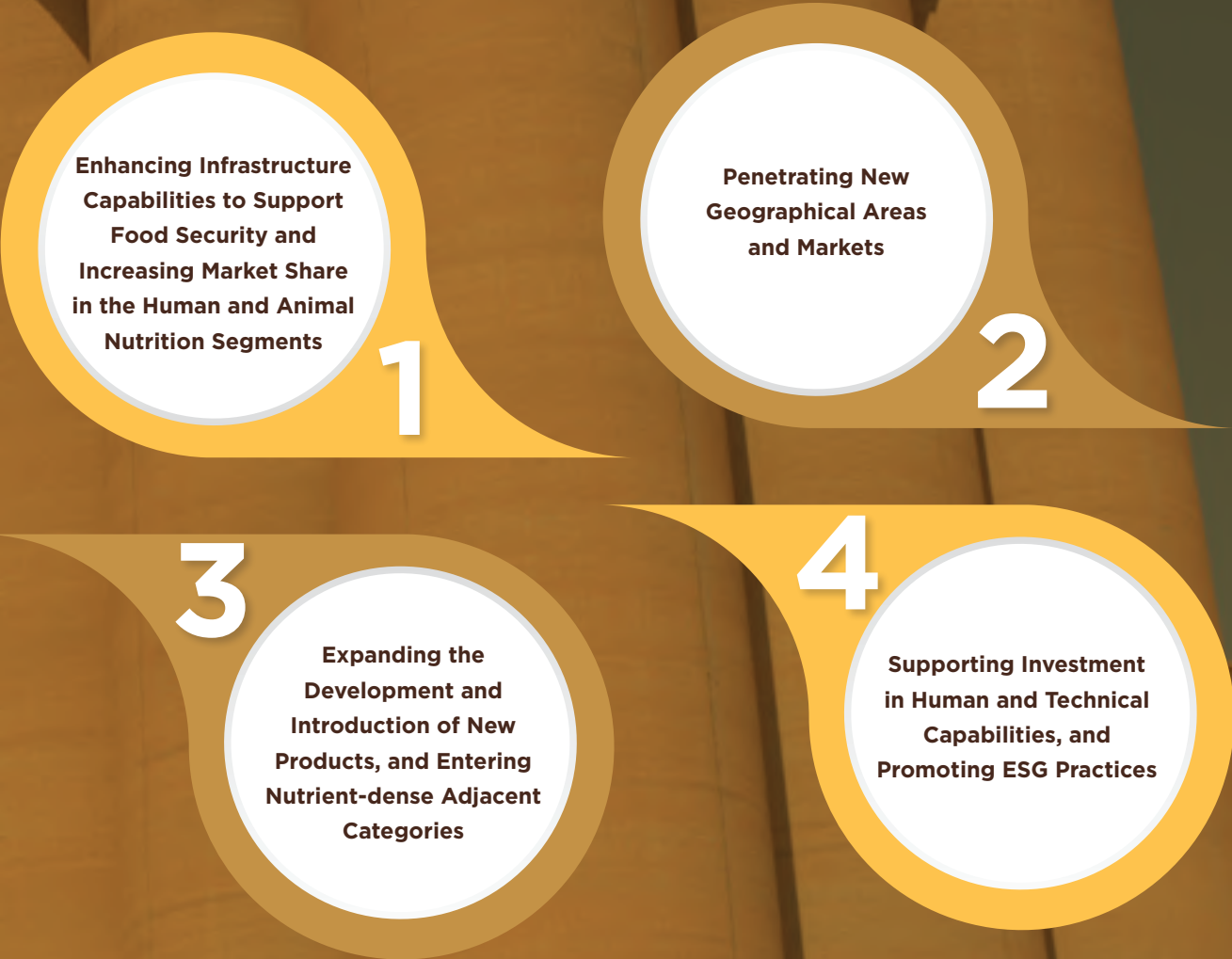
Clear Strategic Pillars

The Company has established a set of strategic directions to ensure the continuity of growth over the coming years and is centered around four main pillars: strengthening infrastructure to support food security, geographical footprint, product development, and investing in human and

The Company reaffirms its strategic commitment to aligning its strategy with Saudi Vision 2030 by actively contributing to the development of secure strategic food reserves that ensure the continuity of supplies and strengthen the capacity to withstand crises. The Company also diversifies food sources by supporting local production and expanding the scope of global partnerships with countries possessing natural resources that support the stability of supply chains. Driven by its deep-rooted social responsibility, MMC continues to collaborate with various stakeholders, including consumers, manufacturers, and distributors, to reduce food waste and enhance the efficient use of resources, thereby helping to reinforce the national food security ecosystem.

technological capabilities while enhancing ESG practices. Through these pillars, the Company aims to consolidate its leading position in the market and achieve long-term growth that creates added value for all stakeholders.

MMC Core Strategic Pillars



1

Enhancing Infrastructure Capabilities to Support Food Security and Increasing Market Share in the Human and Animal Nutrition Segments

2025 Key Achievements

Success Criteria & KPIs

Target

The Company aims to contribute to the national food security ecosystem by increasing the production and storage of flour and animal feed, enhancing infrastructure capabilities, and raising operational efficiency across all Company operations.



1. Maintaining market leadership and strengthening the Company's market share locally in both the flour and animal feed segments.
2. Increasing the utilization rate of daily production capacity for flour milling and animal feed manufacturing across the Company's production facilities.
3. Building strong, trusted trademarks that earn customer trust, and offering a range of innovative added-value products.
4. Ensure full regulatory compliance across all Company's production facilities and consistently obtain the required approvals and licenses from relevant authorities, including the GFSA (wheat and flour) and the Saudi Food and Drug Authority (SFDA) (feed products).
5. Achieving operational excellence by enhancing production efficiency and optimizing supply chain performance.



- Achieving revenue growth of 3.1%, bringing total revenue to SAR 1,046.62 million, with a slight impact resulting from the delayed commissioning of Mill C.
- Enhancing production capacity efficiency by applying lean manufacturing methodologies, Six Sigma, addressing bottlenecks, and reducing operating costs.
- Increasing capacity utilization rates in 2025, compared to the previous year, reflecting the high operational efficiency and ability to meet demand.
- Capital investments in Khamis Mushait feed facility led to a tangible increase in productivity and sales volume.
- Providing distinguished services while maintaining, strengthening, and further developing relationships with existing customers.
- Implementing strategic expansion projects at Al-Jumum site, including the commissioning of Mill C, following approval from the GFSA. This expansion doubled production capacity in this production facility from 1,200 to 2,450 metric tons per day, an increase of 104%, while enhancing delivery reliability.
- Applying periodic control systems to ensure product quality and continuous compliance with approved standards.



2

Penetrating New Geographical Areas and Markets

2025 Key Achievements

Success Criteria & KPIs

Target

Increasing the Company's domestic sales and export volume to include flour and animal feed products, in a step aimed at strengthening its position locally and regionally through enterering new markets.



1. Capturing new international markets through flour exports.
2. Increasing the annual export volume of flour and animal feed.
3. Achieving revenue growth driven by the geographical penetration of markets.



- Completing playing key strategic roles and launching the operations of the subsidiary distribution company, "Hasad Al-Arabia for Trade". This expanded the Company's geographical penetration, enhanced distribution efficiency, and facilitated a gradual expansion from regional markets to new global markets.
- Expanding presence in the Western and Central Provinces, while successfully penetrating the Eastern Province markets.
- Boosting flour product exports to neighboring markets while capitalizing on high-potential growth opportunities.
- Strengthening geographical footprint by acquiring new customers and targeting high-growth sectors, including the industrial, tourism, and retail sectors.



3

Expanding the Development and Introduction of New Products, and Entering Nutrient-dense Adjacent Categories

2025 Key Achievements

Success Criteria & KPIs

1. Adding innovative nutrient-dense products, while meeting the needs of sectors expected to grow, particularly the industrial and tourism sectors.
2. Ensuring business sustainability through the effective management of global price volatility risks, while maintaining product quality and continuity.
3. Increasing the number of direct distribution channels and expanding the scope of logistics services provided.
4. Strengthening strategic partnerships, including merger and acquisition opportunities to achieve vertical integration.

- Enhancing the Company's capital investments to reach SAR 137 million in 2025, and targeting an amount exceeding this figure in 2026 to implement projects aimed at developing infrastructure and supporting expansion and innovation plans.
- Strengthening the efficiency of R&D teams and investing in smart technologies, thereby contributing to improving product quality and ensuring compliance with approved specifications.
- Continuing to supply wheat products to all the Company's customers, while capitalizing on sales opportunities to achieve targets and fully complying with the instructions of the General Food Security Authority (GFSA).
- Expanding into the layer poultry segment alongside broiler and livestock feed, contributing to increased self-sufficiency levels.
- Increasing the number of new nutrient-dense products, such as speciality flour, gluten-free flour, and ready mixes.
- Developing customized products that provide integrated nutritional solutions, such as specialized feed to increase milk yield in livestock and premium performance feed for racehorses.
- Expanding and strengthening the logistics fleet to support direct distribution and increase reach across various markets.
- Launching new products in both human and animal nutrition, with the aim of introducing a broader range of products in 2026 based on the new equipment.

4

Supporting Investment in Human and Technical Capabilities, and Promoting ESG Practices

2025 Key Achievements

Success Criteria & KPIs

1. Supporting the Saudization strategy by increasing the number of Saudi employees recruited and trained.
2. Enhancing compliance with Quality, Health, Safety, and Environment (QHSE) standards in line with regulatory reports and ISO certification requirements.
3. Fostering a strong corporate culture and developing human capital capabilities across work teams.
4. Raising community awareness of the risks of food waste and contributing to environmental initiatives.
5. Improving operational efficiency indicators and automation levels.
6. Upgrading Enterprise Resource Planning (ERP) systems to streamline business processes and enhance operational reporting.

- Providing regular internal and external training programs to strengthen workforce operational excellence, with a particular focus on empowering women across all sectors.
- Attracting outstanding competencies and high-caliber talent to enhance human capital capabilities and drive sustainable growth.
- Achieving a qualitative leap in the governance framework through the automation of reporting via SAP, ensuring accuracy and timely data processing.
- Continuing the strategic partnership with the GFSA under the "Li Tadum" (Let it Last) initiative, and activating joint initiatives during the Hajj season to raise awareness of food waste, reinforcing the Company's role in national food security.
- Implementing the Saudization strategy efficiently and effectively.
- Launching awareness initiatives to reduce food waste in collaboration with the GFSA.
- Strengthening health, safety, and environmental (HSE) standards by expanding the use of environmentally friendly materials and improving waste management and treatment practices.
- Enhancing teams' capabilities in data-driven decision-making and modern manufacturing technologies.

Business Model

MMC adopts a flexible business model to enhance operational efficiency and ensure supply chain sustainability, thereby supporting the Kingdom’s food security ecosystem. The Company’s business model is based on manufacturing and supplying essential food products, including flour, animal feed, and flour derivatives, through an integrated operational framework that encompasses all stages of the value chain: procurement, manufacturing, storage, and distribution. This model aims to provide new products that meet diverse customer needs and keep pace with market shifts, while maintaining full commitment to the highest quality standards.

(1)

Inputs	Description
Financial Capital	• A robust financial management framework that contributes to securing additional financing opportunities to support the Company’s growth and investments. • Free Cash Flow (FCF) of SAR 123.39 million. • Return on assets (ROAA) 17.6%. • Return on Shareholders’ Equity (ROAE) 69.3%. • Financing operating activities, capital expansions, and strategic investments.
Human Capital	• An innovative workforce comprising 451 employees. • The team comprises Saudi and expatriate professionals with global experience. • Implementation of 31 training and development programs in line with international standards to enhance skills and competencies. • The Saudization rate reached 48.7% by year-end, with a plan to increase it to 50.0% in 2026. • Experienced operational, technical, and administrative professionals specialized in food manufacturing and supply chain management.

Inputs	Description
Social Capital	• Strategic relationship with government entities, suppliers, and customers.
Physical Capital	• Three advanced production facilities in strategic locations with a production capacity of up to 4,700 and 1,400 tons per day of flour and feed, respectively. • A logistics infrastructure that includes a transport fleet and 3 logistics storage centers with a capacity of 44,600 metric tons. • State-of-the-art machinery and equipment for milling, packaging, and wrapping, in addition to maintenance equipment. • Physical technical assets including automated operating systems, analysis and quality control equipment, and digital infrastructure, including hardware servers.
Core Cost Structure	• Raw materials (wheat and feed), energy, maintenance, transport, and wages.
Key Resources and Core Activities	• Procurement of raw materials, milling and manufacturing, storage, distribution, and quality assurance.

(2)

Value Creation and Enhancement

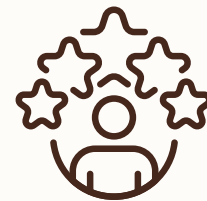
Services

- Supplying essential food products (flour, feed, and their derivatives) with consistent quality and reliable quantities.



Expertise

- Extensive operational experience in the food industries (flour, animal feed, and their derivatives) and supply chain management.



Strengths

- Integrated operations, reliable supply, and an efficient geographical footprint.



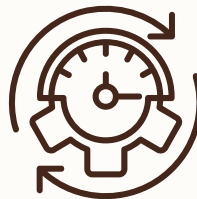
Quality Control

- Compliance with certified quality and food safety standards.



Cost Management and Operational Efficiency

- Optimizing resource consumption, enhancing asset efficiency, and controlling costs.



Investment in Digital Technology

- Enterprise Resource Planning (ERP) systems, logistics tracking, and operational process optimization.



(3)

Outputs

Revenue

- Sales of flour, feed, and nutrient-dense products.



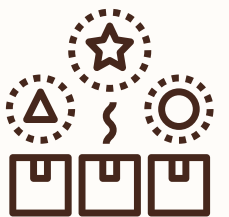
Net Profit

- Achieving sustainable profitability supported by operational efficiency.



Diversified Product Portfolio

- Essential and specialized food products that meet the needs of multiple customer segments.



Strategic Partnerships

- Strategic partnerships with global suppliers, distributors, and government entities.



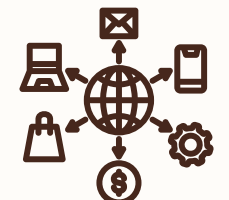
Target Customers

- Bakeries, food manufacturers, and the hospitality and food service sectors.
- Retailers across modern and traditional sales channels, including discount stores.



Distribution and Marketing Channels

- Direct distribution through transport trucks owned by the Company, and collaboration with approved external distribution companies.



Stakeholder and Concerned Parties Engagement

MMC strengthens effective communication with concerned parties and all stakeholders through active strategic partnerships and involves investors in decision-making to achieve shared objectives that support leadership and corporate social responsibility (CSR). The Company is also committed to expanding channels for constructive dialogue, enhancing transparency, and developing innovative initiatives that reinforce trust, support the sustainability of growth, and contribute to creating long-term value for all relevant parties.

Engagement and Partnerships with Stakeholders

Stakeholders	PRINCIPLES AND COMMITMENTS
Shareholders and Investors 	• Protecting shareholders' rights and ensuring financial fairness. • Transparent disclosure of financial data, periodic performance reports in line with the highest standards, and any material developments in a timely manner. • Holding General Assembly meetings on schedule to enhance shareholder participation in accordance with governance rules. • Distributing cash dividends of SAR 2 per share in 2025. • Building a strong foundation of trust with shareholders by strengthening the role of Investor Relations (IR). • Implementing a robust governance framework that safeguards rights and strengthens confidence. • Strengthening the relationship between the Board of Directors and shareholders to serve their interests.
Customers 	• Geographic expansion within the Kingdom to enhance customer reach. • Establishing strategic partnerships with key customers across sales channels. • Providing high-quality products that meet requirements and increase customer satisfaction. • Strengthening relationships and partnerships with suppliers to ensure the continuity and efficiency of supply chains. • Developing innovative products based on market research and customer needs.

Stakeholders	PRINCIPLES AND COMMITMENTS
Employees 	• A work environment based on equality, inclusion, and active employee participation. • Attracting outstanding talent and competencies and providing training programs to develop them. • Committing to supporting women's empowerment and enhancing their participation within the Company. • Increasing the retention rate of high-performing employees and improving organizational performance. • Enhancing employee participation and improving overall satisfaction levels.
Communities 	• Implementing CSR programs to contribute to the creation of a sustainable society. • Committing to environmental responsibility through optimizing resource consumption and mitigating environmental impacts. • Implementing Occupational Health and Safety (OHS) standards for employees and ensuring the quality of products delivered. • Enhancing support programs dedicated to supporting targeted social segments and elevating the focus on their specific needs. • Supporting various activities and sectors with a broader range of products and services.
Regulatory and Government Authorities 	• Pioneering partnership with several regulatory bodies, such as the GFSA and SFDA. • Contributing to the achievement of national food security, while expanding exports to regional markets. • Committing to fair market competition and full compliance with regulatory standards and updates. • Participating in events and conferences in cooperation with various local entities to enhance communication.

Company's 2026 Outlook

Driven by its ambitious vision to support food security and reinforce sustainable growth, MMC has developed an integrated strategic plan aimed at increasing production capacity and maximizing operational efficiency. This strategy seeks to solidify its domestic market share and strengthen its position as a leading regional and global company in the flour and animal feed segments. Furthermore, the Company remains committed to developing nutrient-dense products that meet market needs and align with the expectations of existing customers, while expanding its reach to attract new customer segments to ensure sustained growth and maximize positive impact.

Sustainable Vision and Integrated Growth

Expanding Production Capacities

- Increasing the productivity of the Company's three advanced facilities at their strategic locations, and relaunching "Hasad Al-Arabia for Trade Company" to ensure comprehensive geographical coverage and strengthen direct access to markets.
- Reducing costs and expanding operational capabilities through modern technologies.
- Expanding in the retail sector to enhance the presence of household products and increase direct reach to the end consumer.
- Continuing to implement a package of capital investment projects initiated during 2025, aimed at increasing production capacity and developing infrastructure.
- Capitalizing on available sales opportunities in the market to achieve targeted sales levels.
- Activating full batch tracking and setting KPIs to ensure full compliance.
- The anticipated commissioning of the new feed mill during the second half of the year, in order to support the growth of total revenue.
- Building accurate indicators and measurement schedules that cover all operational value chains to shift them to tangible results.

Strengthening Food Safety Systems

- Aligning internal procedures with global safety standards.
- Developing customer experience in line with consumption expectations.
- Ensuring the accuracy of product quality testing and boosting consumer confidence.
- Ensuring the continuity of wheat product supplies to all customers as a basic commodity within the Kingdom's food security objectives.
- Closely monitoring the number of food-related incidents and reducing customer complaints.

Innovation and Product Development

- Expanding the operations of Al-Jumum Facility Innovation Center as a specialized R&D hub, equipped with the latest baking simulation technologies.
- Developing innovative industrial solutions and a diversified range of flour products to meet customer and consumer needs in 2026.
- Strengthening strategic partnerships with customers by providing an advanced testing environment, positioning the Company as an indispensable partner in supporting innovation.
- Enhancing the customer experience through interactive and digital channels to increase satisfaction levels.
- Expanding the nutrient-dense product portfolio, leveraging recent capital investments in advanced machinery and equipment.

Risk Management

- Specialized teams to manage risks efficiently at all levels.

Financial Performance

- Commitment to achieving the approved targets for net income and free cash flows.

Corporate Environment

- Enhancing the Organizational Health Index (OHI) to drive performance efficiency.

Digital Transformation

- Developing operational systems and technologies, and automating production to enhance efficiency.

Workforce Development

- Launching training programs to enhance human capital efficiency and productivity.
- Instilling a culture of innovation to achieve operational excellence.

International Market Expansion

- Penetrating new markets, launching innovative products, and expanding exports to GCC countries.

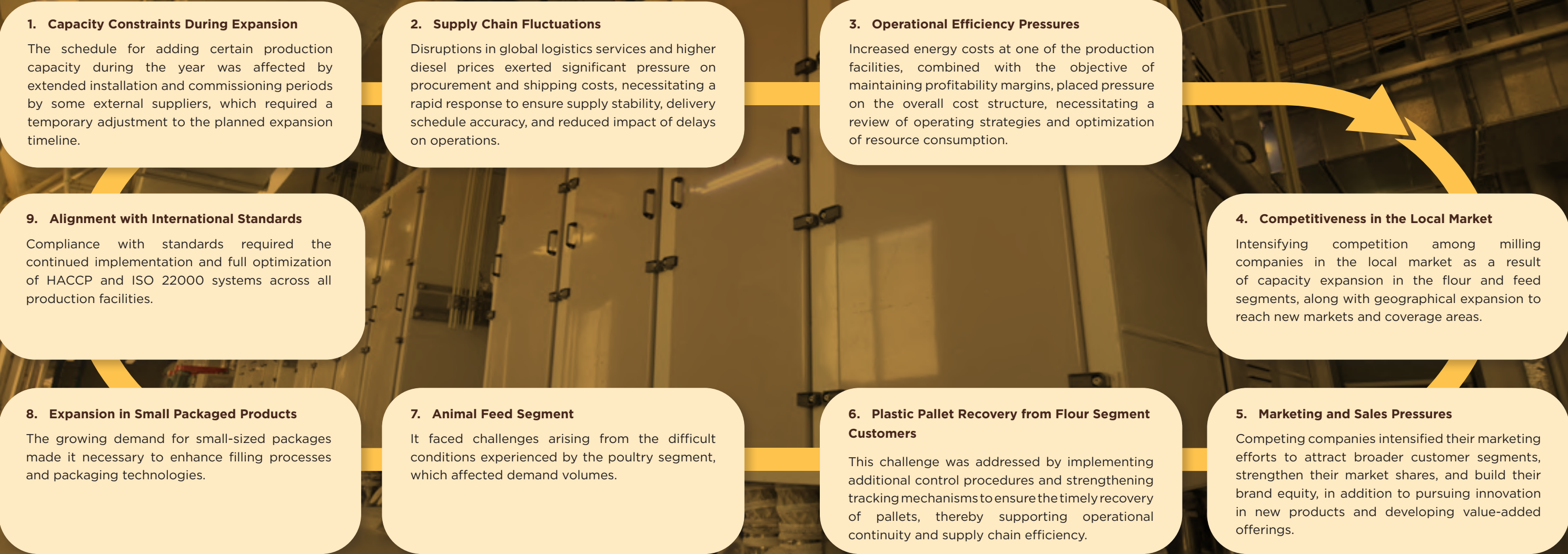
Alignment with Sustainability Goals

- Aligning R&D and innovation plans with Saudi Vision 2030.

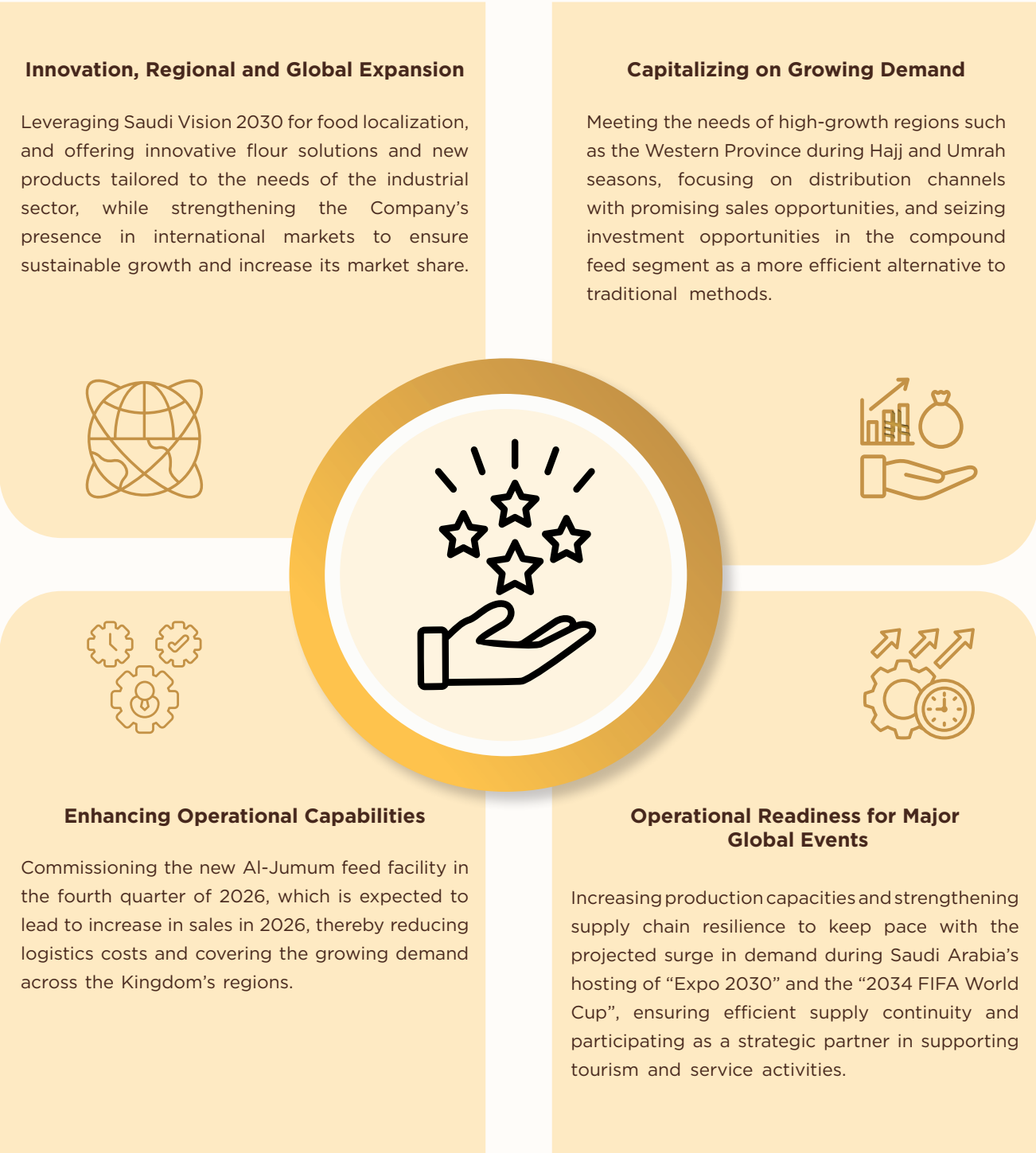
Challenges and Opportunities

MMC faces a range of challenges within its operating environment, from changing consumption patterns to the impact of inflation and regulatory policies on purchasing power. Nevertheless, the Company addresses these challenges through various strategies and timely procurement to ensure supply stability and mitigate financial risks, reflecting its steadfast commitment to its vision and mission towards both shareholders and customers.

Operational Challenges and Strategic Response



Future Opportunities and Strategies



Risk Management

Risk Management Governance

MMC adopts a comprehensive framework for managing operational risks, which ensures the alignment of strategic objectives with regulatory requirements and enhances the Company's resilience and adaptability to change in order to guarantee performance sustainability. These risks are managed under the oversight of the Board of Directors, with direct follow-up from the CEO and a specialized team of department managers to ensure effective response and implementation. The Audit Committee performs its oversight role by

reviewing risk management policies, assessing key risks, and evaluating the effectiveness of mitigation plans before submitting its recommendations and review results to the Board of Directors. Furthermore, the Internal Audit Department conducts independent assurance engagements to verify the effectiveness of controls and risk mitigation plans, while identifying required areas of development to strengthen risk management governance.

Risk Identification

The Internal Audit Department organizes risk identification sessions with department managers and management teams to discuss risks that may affect operations or hinder the achievement of strategic objectives. These sessions encourage

open dialogue and the presentation of potential risks across different categories. Active management participation is critically important to ensure that operations align with the operational reality and emerging challenges.

Risk Classification

To enhance a comprehensive understanding of risk impact on the organization, MMC employs a systematic classification framework for risk identification, under which risks are grouped into consistent and comprehensive categories.

Strategy Risks

Relate to achieving objectives, decision-making, and responding to market changes.



Governance Risks

Relate to roles, responsibilities, and compliance with regulatory authorities.



Human Resources Risks

Relate to recruitment, retention, development, and performance evaluation.



Compliance Risks

Relate to adherence to laws, regulations, and reporting requirements.



Operational Risks

Relate to fraud, cybersecurity, process inefficiencies, and business continuity.



Financial Risks

Relate to the accuracy of financial reporting, controls, and budget management.



Information Technology (IT) Risks

Relate to systems development and data security.



Risk Identification Methodologies

The Company relies on a diverse range of methodologies to ensure comprehensive risk identification, including:

Historical Data Analysis

Reviewing previous assessments and Self-Assessment Reports (SARs) to identify recurring risks.



Brainstorming Sessions and Discussions

Organizing group sessions to identify and classify risks.



Interviews and Workshops

Holding formal and informal sessions with representatives from various departments, branches, and management levels.



Surveys and Data Analysis

Collecting employee feedback and analyzing organizational data to uncover latent risks.



External Environment Monitoring

Including regulatory, economic, and technological changes.



Collaboration with the Internal Audit

Identifying vulnerabilities and any emerging risks.

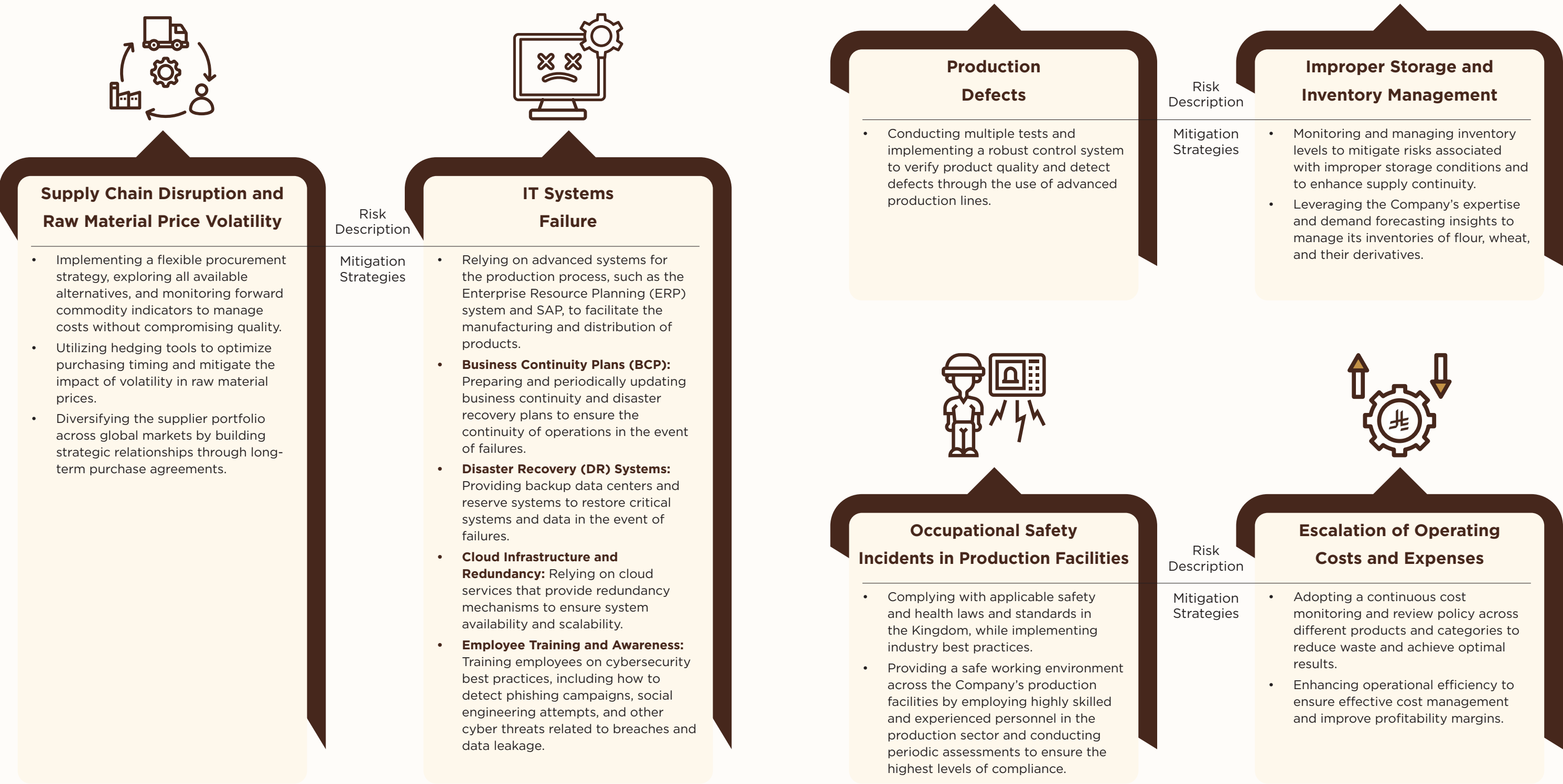


Ongoing Updates

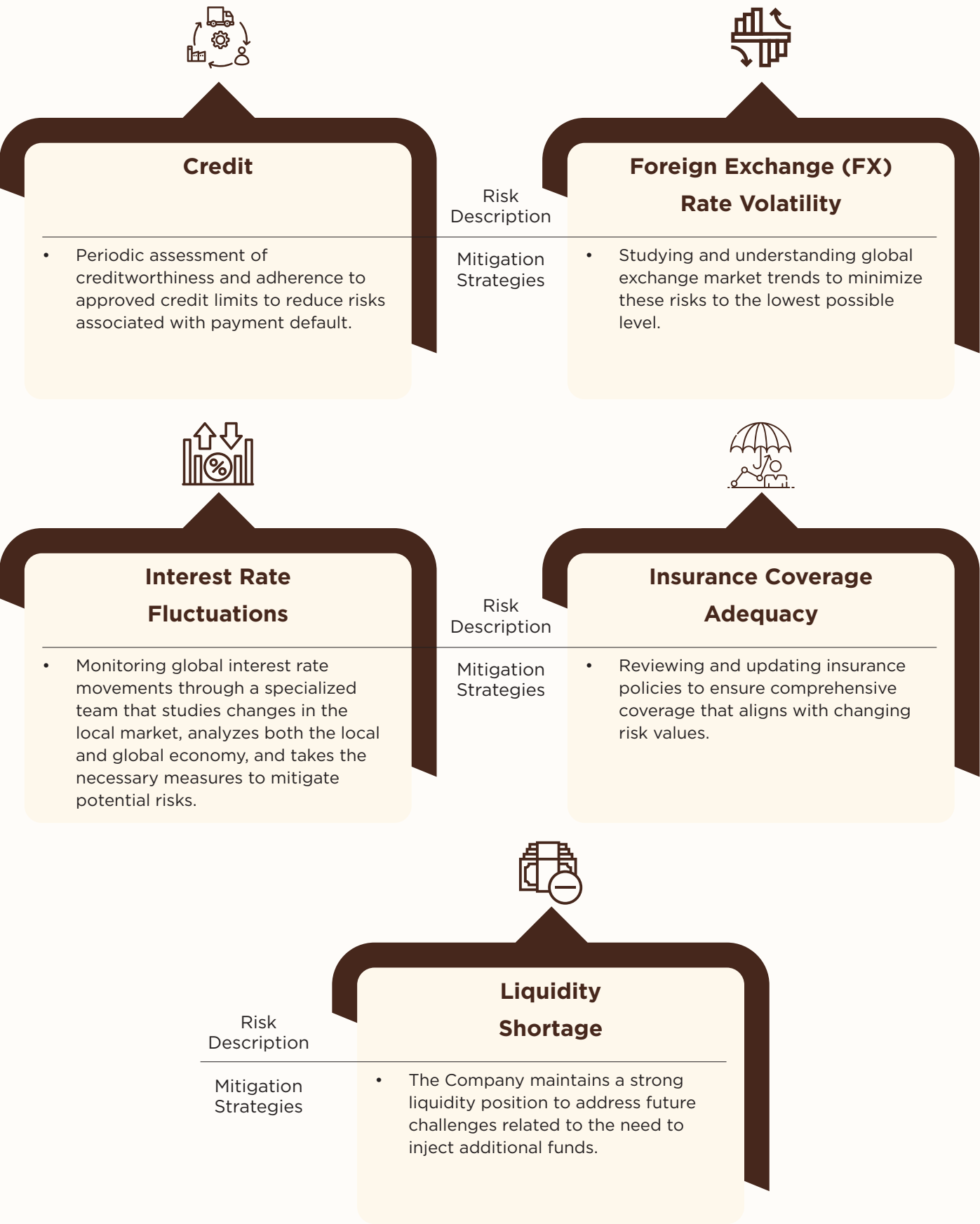
MMC adopts a dynamic approach to risk identification and ongoing updates through periodic interviews and workshops, enabling the definition of strategic objectives, a clear understanding of the relationship between regulatory and administrative requirements, and the assessment of the external environment and asset-related risks. The outcomes of this process are integrated into a comprehensive risk management strategy, ensuring the Company's ability to assess and address risks effectively while enhancing its operational resilience to achieve its strategic objectives.

Key Risks

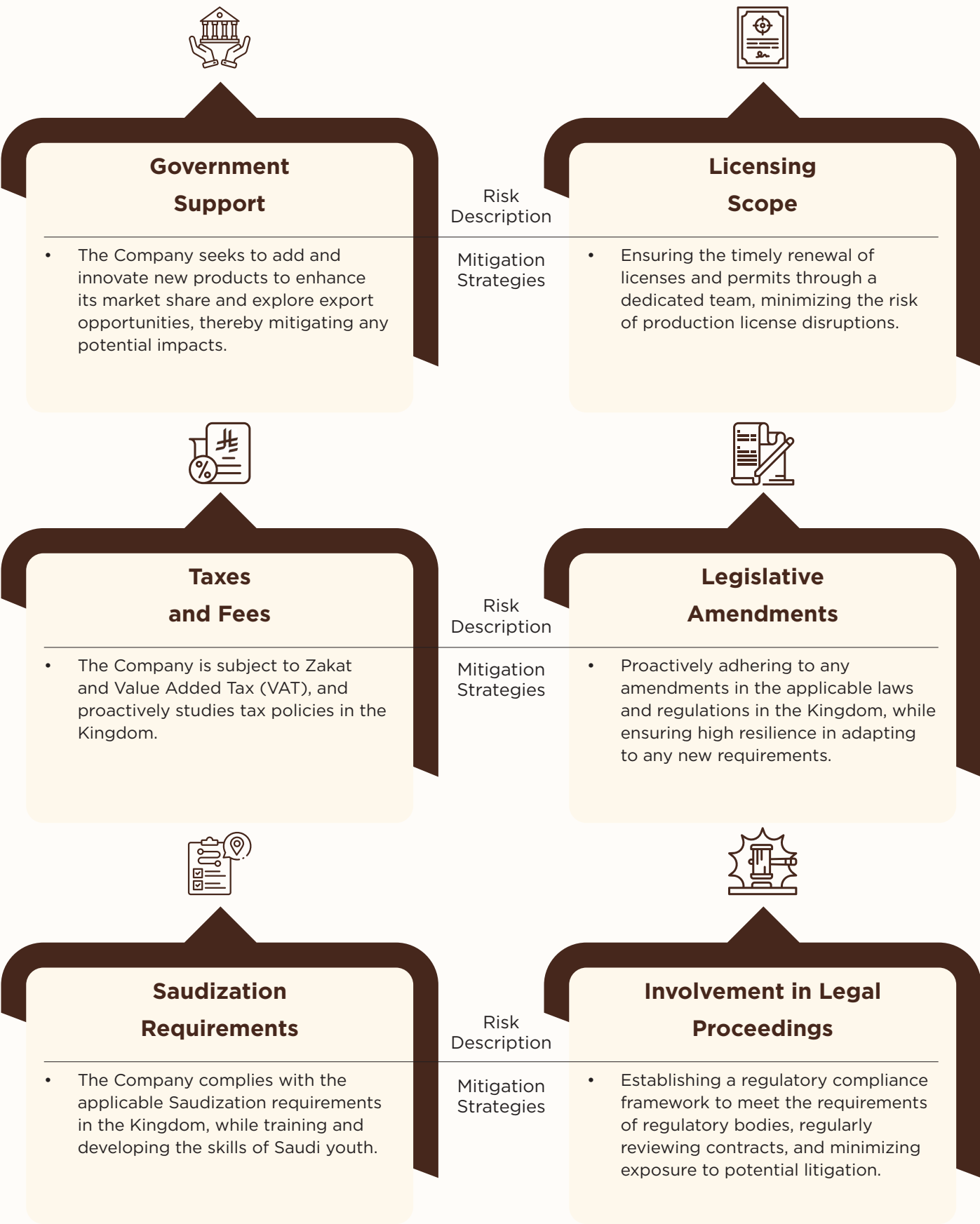
Operational Risks



Financial and Economic Risks



Regulatory Risks



Market and Environmental Risks



Revenue Concentration

Risk Description

Mitigation Strategies

- Increasing geographical expansion across the Kingdom and enhancing market share.
- Maintaining agreements with key suppliers and entering into partnerships with new suppliers.
- Strengthening relationships with existing customers through long-term agreements and attracting new customers.



Intensifying Sector Competition

Risk Description

Mitigation Strategies

- Strengthening relationships with customers to maintain a robust competitive advantage in the market.
- Offering innovative types of flour products, which has created added value and reduced reliance on price-based competition.
- Investing in food safety systems and rigorous testing, which has reinforced customer trust and positioned the Company as the preferred choice.



Natural Disasters

Risk Description

Mitigation Strategies

- Developing contingency plans to address natural disasters and climate change.



Changing Consumer Preferences

Risk Description

Mitigation Strategies

- Monitoring market conditions and consumer trends to make timely strategic decisions.
- Offering innovative, high-quality products to meet customer expectations, while updating marketing and production strategies.



Cybersecurity Threats

Risk Description

Mitigation Strategies

- Implementing rigorous access management and backup procedures, while ensuring system readiness for rapid recovery to guarantee continuity of operations.
- Enhancing real-time monitoring to ensure swift response to cyber incidents and to limit their potential impact.
- Strengthening security controls for information networks and operational technologies to protect industrial control systems.



Reputational Risk

Risk Description

Mitigation Strategies

- Launching retail trademarks, namely “Qoot & Root”, “Modern Mills”, and “Qamhati”, to increase the Company’s market share in the retail market, supporting its growth and sustainability strategy while attracting a broader customer base.



Operational Review

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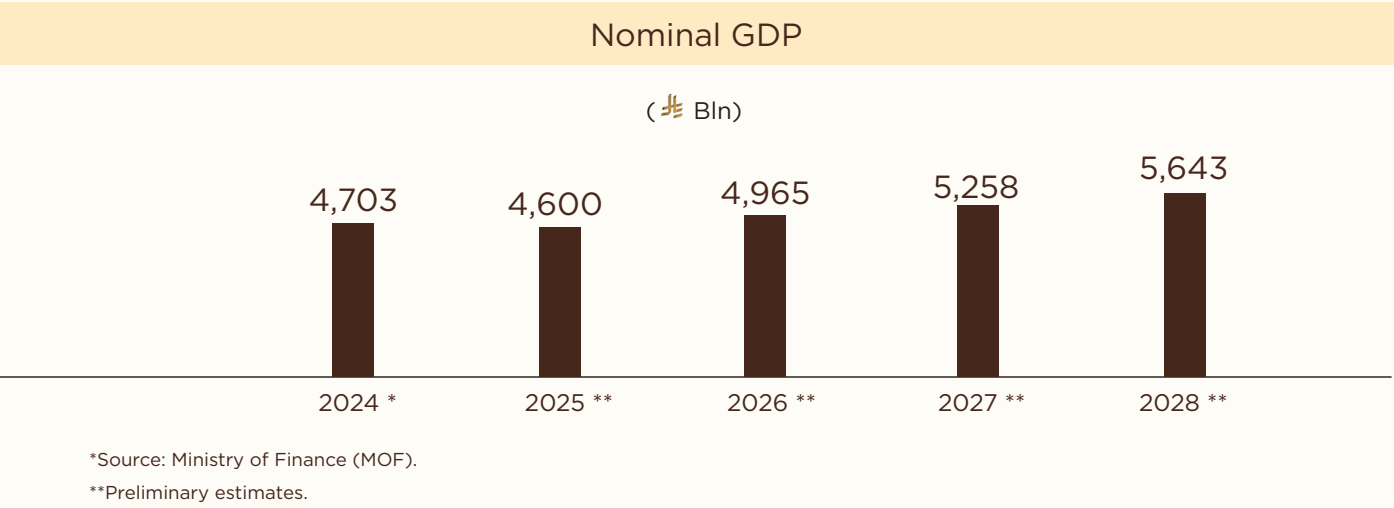
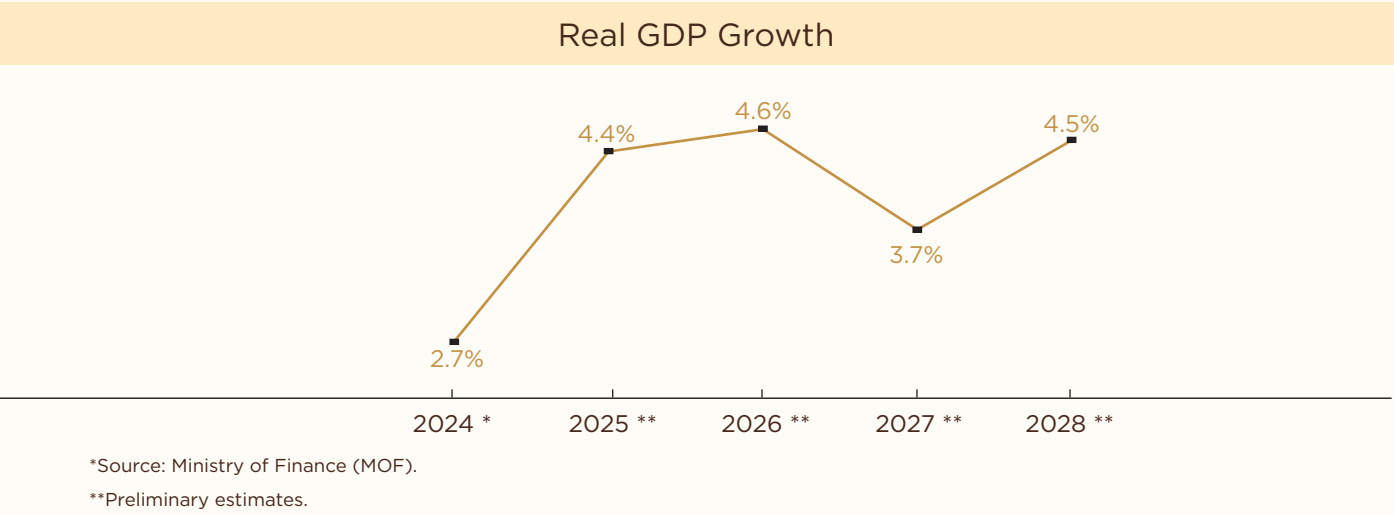


Market Overview

The Kingdom is witnessing accelerated economic growth driven by an ambitious national vision aimed at achieving income diversification and enhancing the contribution of non-oil sectors, foremost among them the food sector. Structural reforms and strategic investment have helped consolidate the foundations of economic transformation, thereby positively impacting consumers’ purchasing power and stimulating demand for a wide range of goods and services.

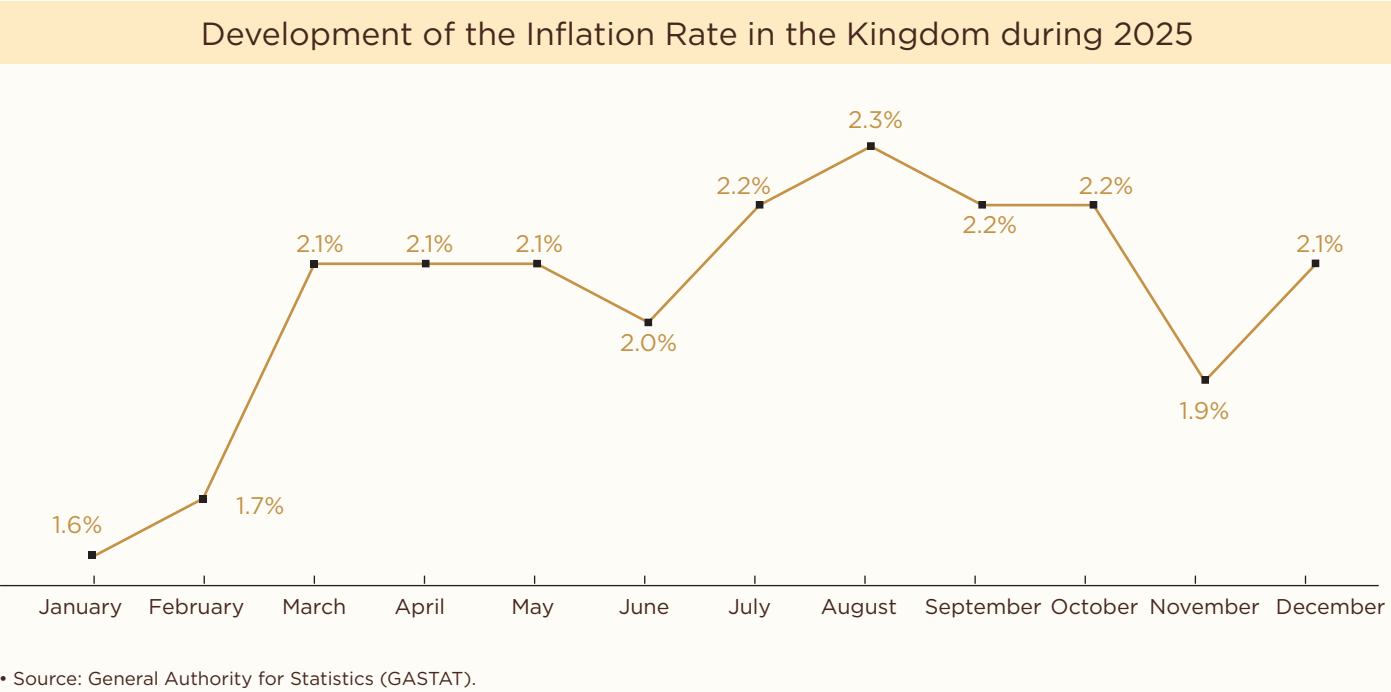
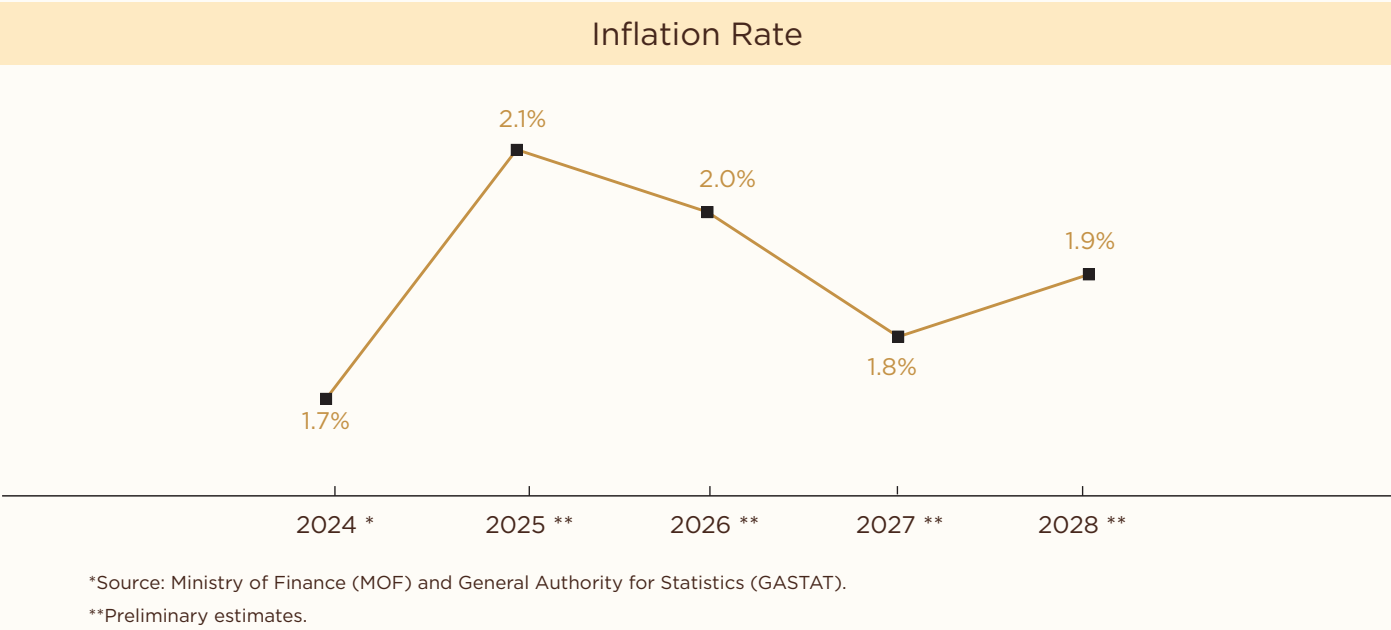
Gross Domestic Product (GDP)

The Kingdom’s GDP has been experiencing accelerated growth, reflecting the success of 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. Recent indicators have shown a tangible improvement in economic activity, which has positively affected domestic consumption levels, particularly in sectors related to food and milling.



Inflation

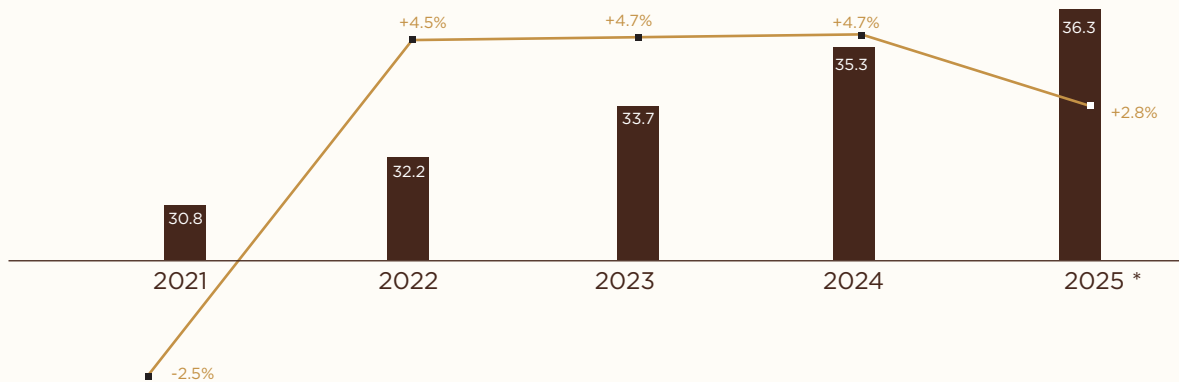
Saudi Arabia has maintained low inflation rates and stable prices, supported by proactive fiscal and monetary policies that have enabled it to absorb inflationary pressures and mitigate price volatility, particularly in food commodities, compared with many neighbouring economies. This performance has been reflected in declining inflation rates in recent years to safe, stable levels, which have strengthened consumer confidence, enhanced purchasing power, and supported market stability while promoting sustainable economic growth.



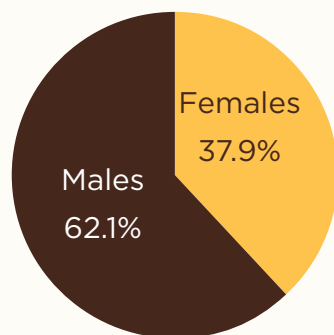
Population Growth and Food Demand

The Kingdom’s population growth is a key driver of rising demand for food commodities, supported by a national vision to increase the population by 2030. With continued improvements in living standards and ongoing development projects, demand for food products, particularly wheat and wheat derivatives, is expected to see accelerating growth, reflecting the strength of the local market.

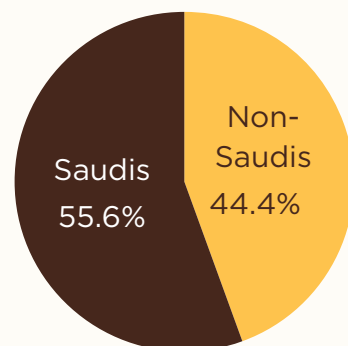
Development of the Population Count in the Kingdom over the Last 5 Years



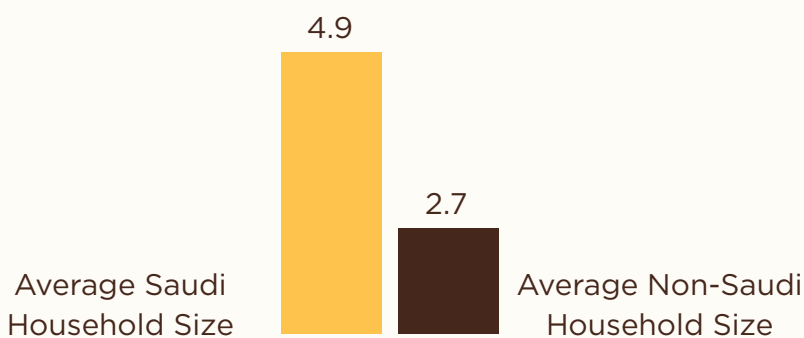
Gender Distribution



Demographic Composition



Household Size (Individual)



• Source: Ministry of Economy and Planning (MEP).



Global Wheat Market

The global wheat market underwent significant shifts between 2019 and 2025, influenced by the COVID-19 pandemic and the repercussions of the Russia-Ukraine conflict. This led to a historic surge in prices in 2022, followed by a decline as global supply improved and the market entered a phase of relative stability. Despite this

recovery, the market remains exposed to volatility driven by geopolitical tensions, climate change, and tightening protectionist policies, including trade restrictions and higher tariffs, which may adversely affect supply chains and intensify inflationary pressures.

Development of Prices of Selected Main Types of Global Wheat

(Prices in ﷼/Ton)

Year	Standard Australian 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
Compound Annual Growth Rate (CAGR)	-0.2%	2%	2%	2%	1%	1%

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

Global wheat production is expected to reach 827.4 million tons in 2025, representing an increase of 3.6%, compared with the previous year levels, while the report projects that global consumption will rise by about 1.1% to 803.7 million tons.

Data from the Food and Agriculture Organization (FAO) indicate a state of relative balance in global wheat

production and exports despite geopolitical and economic crises, as supply chains have maintained resilience with the support of government policies. In contrast, these crises have had a more pronounced impact on prices, transportation costs, and international trade than on production and consumption volumes.

Global Wheat Production Levels, Output Volume, and Exports

(Quantities in Mln Tons/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
2025/ 2026	827.4	203.5	803.7

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

Wheat Market in the Kingdom

Despite volatility in global markets, the milling sector in the Kingdom has maintained stability and sustainable growth, supported by a robust regulatory and strategic framework and the oversight of the General Food Security Authority (GFSA), ensuring adequate supply and price stability.

Stability of the Milling Sector

Stability of Supply Operations



Diversifying wheat supply sources while maintaining a secure strategic reserve.

Price Stability



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

Sector Regulation



Licensing and monitoring the production and sale of flour by the four milling companies in a manner that ensures the achievement of local food security.

The Kingdom secures its wheat requirements through diversified sources, including global markets, Saudi overseas investments, and licensed domestic production. Wheat is supplied to milling companies with government support to ensure adequate supply and price stability.

With population growth, increasing tourist arrivals, and improving income levels, domestic demand for flour and its derivatives continues to rise, reflecting the strength of the local market.

Quantities and Average Prices of Wheat Contracted by the GFSA for Import over the Last Six Years

Year	Contracted Quantity ±10% (000' Tons)	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	269.7	1,011
2025	3,271	265.5	996

• Source: General Food Security Authority (GFSA).

The FAO expects the Kingdom's wheat imports to decline to 3.5 million tons during the 2025–2026 marketing year, driven by higher local inventories. In parallel, estimates by the U.S. Department of Agriculture (USDA) indicate consumption growth of 3–4%, driven by population growth, increased expatriate labour supporting major projects, and the expansion of the tourism sector. The GFSA data showed exceptional growth in the volumes of locally produced wheat received from farmers during the period 2019–2023, with a compound annual growth rate (CAGR) of 28% over the period. This reflects a significant improvement in the local supply system, in line

with the Kingdom's objectives to strengthen the domestic food security framework. It is worth noting that the FAO had projected that the Kingdom's wheat production will reach 1.5 million tons by the end of 2024.

Average per capita consumption in the Kingdom stands at approximately 115 KG per year, exceeding the global average of 66.7 KG, reflecting the strength of domestic demand.

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

Year	Quantity Received (Tons)	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	

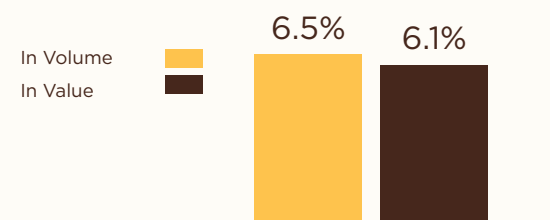
• Source: General Food Security Authority (GFSA).

With the expansion of the food services sector in the Kingdom and the expected increase in tourist arrivals to more than 150 million annually by 2030, demand for flour is projected to grow significantly, particularly from bakeries and food manufacturing companies, which are among its largest consumers. Wheat flour consumption is

expected to grow at a CAGR of 3.2% from 2022 to 2030, reaching 4,362.3 thousand tons by 2030. In value terms, this corresponds to a CAGR of 4.4%, equivalent to SAR 2,760.3 million, driven by increasing flour consumption in local markets and the expansion of tourism and service-sector activities in the Kingdom.

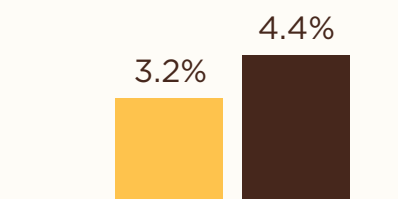
CAGR of Wheat Flour Consumption

Actual Rate
(2018- 2022)



Source: Euromonitor International estimates.

Expected Rate
(2022- 2030)



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 into the Kingdom

Pre-war (2021)	Quantity (000' Tons)	Ukraine	Russia	Rest of the World
	Percentage	7.4%	9.7%	82.9%
Post-war (2024)*	Quantity (000' Tons)	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 20232024/, according to source data.

List of Wheat-Exporting Countries and the Kingdom’s Share

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

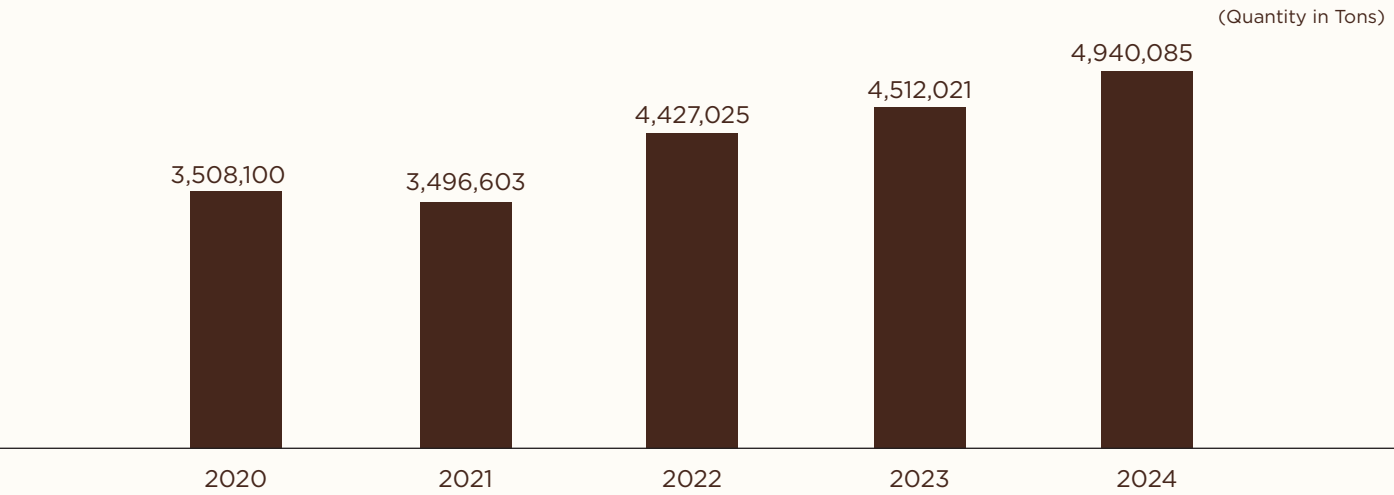
• Source: GFSA 2024 Annual Report.



Milling Companies

The milling sector in the Kingdom is anchored by four main companies: First Mills, Arabian Mills, Modern Mills, and Fourth Mills. The GFSA is responsible for supervising and regulating the sector, in addition to allocating wheat quantities to these companies according to their needs. 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.

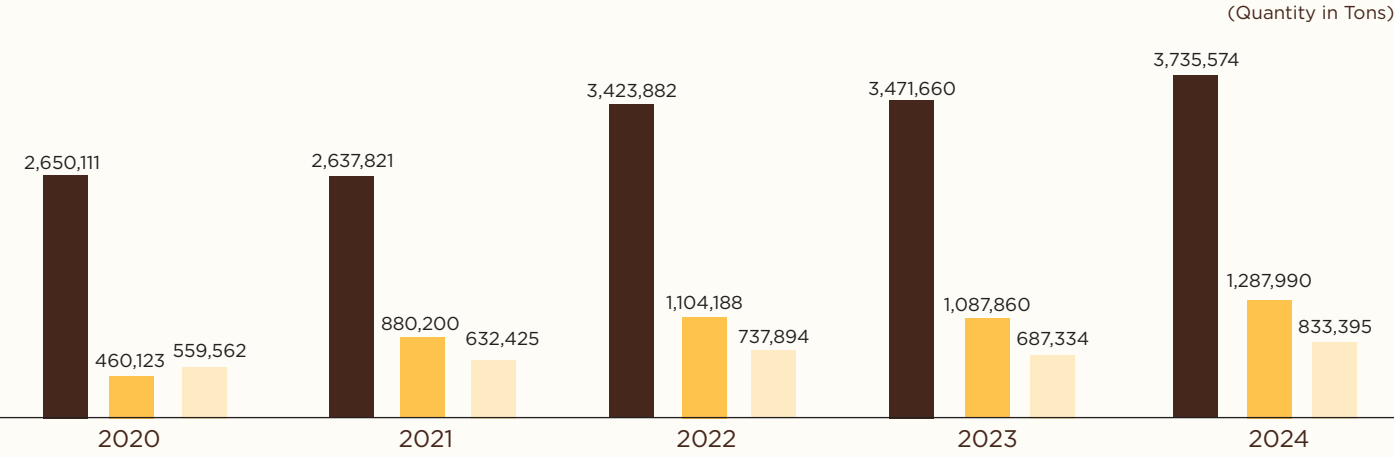
Development of Wheat Sales for the 4 Milling Companies



• Source: Annual Report of the GFSA for 2024.

The four milling companies operate silos with a total storage capacity of 745,000 tons, while their total available production capacity for flour is 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 global challenges and geopolitical tensions in the international wheat market, the milling and flour sector in the Kingdom has not been significantly affected, thanks to supportive government policies that regulate wheat and flour prices to protect the local market from inflation and ensure food security.

The GFSA is in charge of regulating the prices for wheat flour sold in bags that weigh 45 kilograms 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 of wheat and has capped the maximum selling price range

from 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.

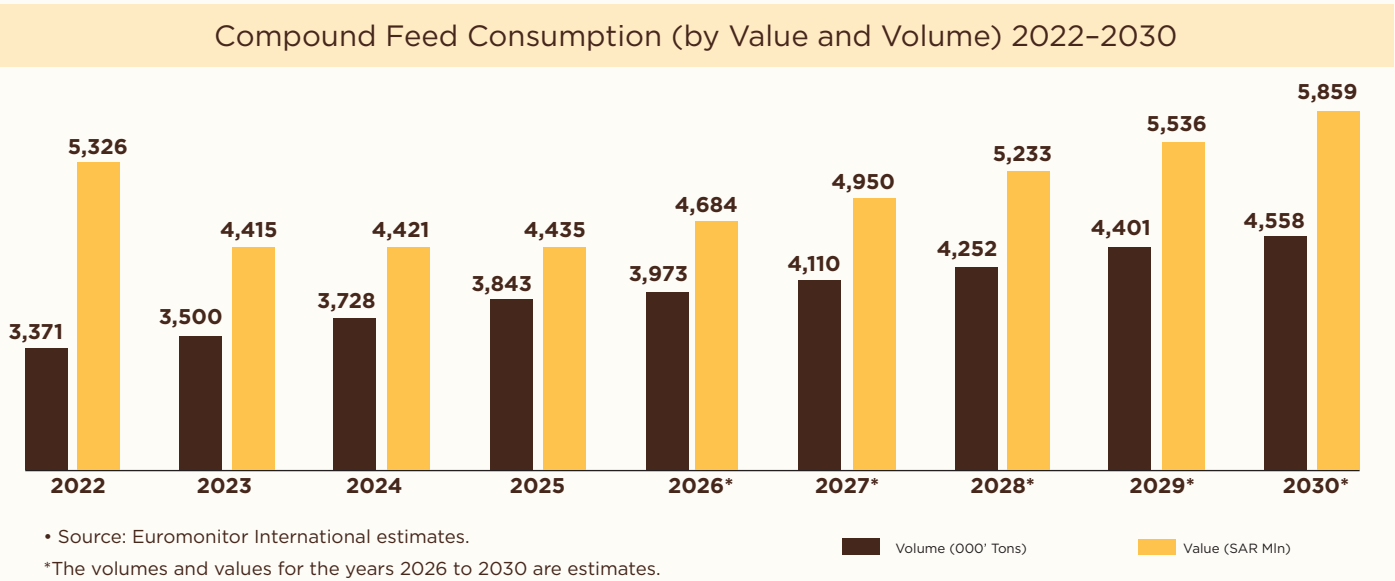
It is noted that the commitment period for the wheat supply agreement, signed with GFSA on 15/04/1442H (corresponding to 30/11/2020), expired on 12/07/2025. As of the end of 2025, the Company has not received any official notification from the GFSA regarding changes to the current subsidized pricing policy, indicating the continued application of generous government subsidy without modification.

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

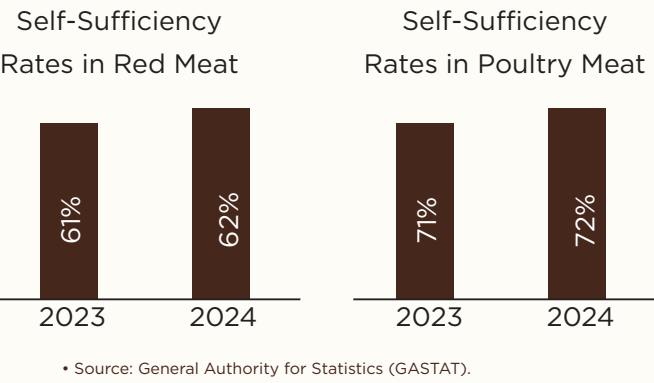
the distribution of nutrients. Tailored to specific livestock requirements, the mixture is either pelletized into small cylinders or maintained in powder form for efficient handling and distribution.

The compound feed market in the Kingdom recorded notable growth of 14% in volume during the period 2022–2025. The market is expected to grow strongly during the period 2025–2030, expanding by 18.6% in volume, while increasing by an exceptional rate, reaching about 32.1% in value, driven by government policies supporting local production, including initiatives to localize poultry production and rising demand for high-quality feed.



Livestock Statistics Indicators

The Kingdom recorded a high self-sufficiency rate in poultry meat, reaching approximately 72% in 2024. This reflects the progress achieved in the livestock production sector as a result of these policies, while efforts continue to increase self-sufficiency levels in the future to support production sustainability and enhance food security.



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

Actual Rate (2018–2022)		Expected Rate (2022–2030)	
In Volume	In Value	In Volume	In Value
7%	21.3%	4.6%	3.5%

• Source: Euromonitor International estimates.

Bran

Growing demand for poultry meat and livestock feed is driving higher domestic consumption of bran, a by-product of wheat milling and a key component of livestock feed. Locally produced wheat bran in the Kingdom is used as a primary ingredient in livestock feed, helping to improve animals’ digestive health and enhance

feed efficiency. Bran consumption is expected to reach 925.5 thousand tons by 2030, equivalent to a value of SAR 704.3 million, after recording a CAGR of 2.9% during the period 2022–2030.

CAGR of Total Animal Wheat Bran Consumption

Actual Rate (2018–2022)		Expected Rate (2022–2030)	
In Volume	In Value	In Volume	In Value
(1.5%)	4.8%	2.9%	1.6%

• Source: Euromonitor International estimates.

Our Operational Capabilities

Modern Mills continues to strengthen its leadership in the flour and feed production sector, supported by advanced infrastructure and modern production facilities distributed across three strategic regions. This has translated into strong operational performance in 2025, as the Company enhanced its growth indicators despite market challenges by adopting the latest global

milling technologies, improving supply chain efficiency, and optimizing costs. These efforts have improved the product quality, expanded the customer base, and preserved the Company’s leading position in the local market, supporting its path toward sustainable growth.

Main Activities of the Company

The Company’s main activities, as stated in the Commercial Registration Certificate, include wheat milling and packaging, barley milling and packaging, the manufacture of compound animal feed, the wholesale

trading of barley, the wholesale trading of bakery products, the retail trading of barley, and storage in ports and customs or free zones.

Key Operational and Strategic Achievements in 2025

- **Strengthening the Competitive Edge:** Leveraging the Company’s strategically located production facilities adjacent to the GFSA silos to ensure rapid supply and operational continuity.
- **Logistics Expansion:** Relaunching “Hasad Al-Arabia for Trade” to enhance supply chain efficiency and expand the geographic footprint to reach new areas, thereby strengthening the Company’s market position.
- **Increasing Production Capacity:** Commissioning Mill (C) in Al-Jumum, adopting lean manufacturing practices to identify bottlenecks and streamline processes, and implementing specialized programs to embed a culture of operational excellence.
- **Enhancing Operational Maintenance:** Implementing advanced preventive programs that reduced unplanned downtime to approximately 2% of total operating hours (within global benchmarks), while improving energy consumption, developing technical competencies, and upgrading spare parts management.
- **Strengthening Leadership in the Nutrition Sector:** Achieving the largest production capacity for compound animal feed among milling companies in

- the Kingdom, which has supported wider geographic coverage, particularly in the Southern Region.
- **Consolidating the Quality and Food Safety Framework:** Implementing Hazard Analysis and Critical Control Point (HACCP) protocols and international quality systems across all production stages to ensure safe products in line with the highest global standards.
 - **Upgrading Production Lines:** Equipping the Company’s production facilities in Al-Jumum, Khamis Mushait, and Al-Jouf with the latest milling and packaging technologies to ensure compliance with quality and food safety standards.
 - **Innovating Products and Services:** Developing new products such as small-pack flour and enhancing packaging quality, while integrating automated inspection technologies and electronic traceability.
 - **Accelerating Digital Transformation (Customer Portal):** Approaching the launch of the digital Customer Portal to facilitate communication and order tracking through faster and more transparent services.

Stages of the Production and Operations Process

The production process passes through several key stages, beginning with the supply of raw materials and ending with continuous improvement and preventive maintenance to achieve operational excellence. These stages can be summarized as follows:

Supply and Storage of Raw Materials	- Wheat Supply: Sourcing wheat from the GFSA and Sabil Company. - Quality Inspection: Testing grains for moisture, protein content, and safety - standards. - Storage: Transferring wheat to silos under controlled environmental conditions to preserve quality.
Cleaning and Conditioning (Adjustment)	- Cleaning: Removing impurities (stones, dust, and weed seeds) using sifters and aspiration systems. - Conditioning: Adjusting the moisture content to prepare the wheat for the milling process.
Milling Process	- Grinding and Crushing: Milling wheat kernels into flour using roller mills. - Separation: Using sifters to separate flour from bran and germ. - Blending: Mixing flour grades to meet product specifications.
Quality Control	- Laboratory Testing: Testing flour for ash and moisture content and evaluating baking performance. - Compliance: Ensuring full compliance with food safety standards.
Packaging and Storage (Warehouses)	- Packaging: Packing flour in different formats (bulk, 45 KG bags, and retail packs). - Storage: Storing finished products in suitable, well-equipped warehouses.
Distribution and Logistics	- Order Fulfillment: Integrating sales systems with distribution networks to ensure rapid response. - Transportation: Delivering products efficiently to wholesalers, retailers, and feed-sector customers.
Feed Production (Parallel Stream)	The feed is produced in separate production facilities, and the production stages include: - Ingredient Mixing: Blending grains, vitamins, and minerals. - Pelleting and Cooling: Forming feed pellets and cooling them for storage. - Packaging and Dispatch: Packing and distributing feed to support the livestock and poultry sectors.
Continuous Improvement and Maintenance	- Preventive Maintenance: Maintaining equipment in optimal operating condition. - Operational Excellence: Applying lean manufacturing principles and enhancing the capabilities and skills of the existing team.

Key Performance Indicators (KPIs)

Indicator	2024	2025
Total Production Volume (Tons)	1,442,060	1,565,506
Capacity Utilization Ratio (%) ⁽¹⁾	91%	92%
Operational Downtime Rate ⁽²⁾	2.8%	2.1%
Operating Cost per Ton ⁽³⁾	SAR 105 per Ton	SAR 101 per Ton
Quality Index ⁽⁴⁾	99.7%	99.8%

(1) Capacity Utilization Ratio = Actual Production ÷ Maximum Production Capacity

(2) Operational Downtime Rate = Downtime Hours ÷ Total Operating Hours

(3) Operating Cost per Ton = Total Operating Costs ÷ Total Production

(4) Quality Index = Conforming Products ÷ Total Products

The Company is preparing to continue its ambitious growth trajectory in 2026, building on its integrated operating strategy launched in 2025. This strategy focuses on diversifying the product portfolio, increasing capital expenditure to maximize production capacity utilization, strengthening operational excellence, and expanding strategic partnerships. This was reflected in strong performance during 2025, as annual production volume increased by 13% to reach 1.54 million tons, compared to the previous year, as shown in the following data:

Total Production Volume of the Company between 2024 and 2025

(Quantities in Tons)			
Activity	2024	2025	Change%
Flour	824,354	887,549	7.7%
Animal Feed	338,022	367,930	8.8%
Animal Bran	279,684	310,027	10.8%
Total	1,442,060	1,565,506	8.6%

Flour Segment

Modern Mills continues to produce a diversified range of flour and other wheat derivatives, consisting mainly of animal bran, as by-products of the milling process. In 2025, the Company enhanced its operational efficiency to ensure continuity of supply and meet growing demand in the local market by managing seven sales branches, with an expansion plan to reach 10 branches. These efforts enabled the flour segment to achieve a notable growth rate in revenues of 7.3%, compared to the previous year, thereby strengthening the Company’s market position and geographic penetration.

The Company also succeeded in efficiently managing the cost structure of flour production to ensure the sustainability of its operations. The main cost components are concentrated in key items, including the cost of raw materials, wages, and depreciation, followed by utilities, and then maintenance and repair. In terms of raw materials, the Company received 1,127.5 thousand metric tons of wheat in 2025, of which 23% was sourced from local production (260, 000 tons), while the remaining quantity was imported to ensure diversified supply sources and continuity of operations.

The contribution of flour sales to the Company’s revenue tangibly improved in 2025, growing 7%, compared to

the previous year. The Company is targeting a quantum leap in growth in 2026, supported by logistics expansion plans and improvements to the distribution network efficiency, in addition to leveraging the additional production capacity of Mill (C), which will operate at full capacity throughout the year. The Company applies precise demand-forecasting methods to ensure balanced inventory levels and prevent shortages or surpluses in production, based on three main pillars:

1. Analysis of Historical Data: Reviewing historical sales data to identify seasonal trends and growth patterns.
2. Utilizing Market Information: Reviewing reports from sales teams, distributors, and retailers, and monitoring competitors and promotional campaigns.
3. Operational Risk Management: Calculating “safety stock” and planning demand-simulation scenarios to ensure an immediate response to market dynamics.

Flour Production Capacity of the Company in 2025

(Production Volume in Tons)		
Statement	2024	2025
Daily Flour Production Capacity*	2,588	3,525
Annual Flour Production Capacity*	866,813	1,180,875
Annual Flour Production Volume*	824,353	887,549
Production CapacityUtilization Rate**	93.9%	95.1%

* It should be noted that flour production capacity was calculated on the basis of a full year, whereas the actual design capacity for 2025 amounted to 2,821 metric tons per day (equivalent to 945,113 metric tons per year). The difference is attributable to Mill (C) in Al-Jumum, which commenced operations on 17 September 2025 and entered the commercial production phase on 1 October 2025. Accordingly, production efficiency for 2025 was calculated based on the actual operating capacity.

** The decline in the capacity utilization rate between 2024 and 2025 is attributable to the gradual commissioning period of Mill (C) at Al-Jumum Facility.

Feed Segment

The Company enhances added value through the optimal utilization of by-products generated internally from wheat milling operations, such as bran, in addition to other materials such as grains and soybean meal, which constitute the largest share of production costs. These resources are utilized to produce a diversified portfolio of high-quality livestock and poultry feed, supported by an advanced blend of acids, feed additives, vitamins, and minerals, thereby providing integrated nutritional solutions that enhance the efficiency and sustainability of livestock production.

Modern Mills has adopted a balanced supply strategy that has strengthened its resilience to volatility in global

1- Cost Efficiency: Capitalizing on the global decline in raw material prices, which positively affected final product prices, enhanced the Company's competitive position and backed the stability of the local market.

The Company organized several events dedicated to the Feed Sector, as follows:

- **Poultry Nutrition Seminar:** A seminar titled “Effective Poultry Nutrition: Maximizing Performance and Profitability” was conducted.
- **Loyalty Program Ceremony:** A dedicated loyalty program for livestock feed distributors was launched,

markets and ensured a stable flow of raw materials, with local materials accounting for 40% of the total and imported materials accounting for 60%. This was reflected in the Company's operational performance for 2025, with the company successfully maintained its revenue, recording only a marginal decline of 1.7%, despite intensifying competition and lower commodities pricing and with production volume in the animal feed segment increasing by 8.9%, while the animal bran segment increased by 10.9%, compared to the previous year.

The Company strengthened its leading position in the animal feed market through two main pillars:

2- Competitive Leadership: The Company aims to consolidate its position among the top three feed producers and suppliers in the Kingdom in terms of production and sales volumes.

featuring an award ceremony where distributors were honored with prizes including trucks and gold awards.

- **Feed Product Awareness Campaign:** An initiative was launched to engage with farmers and provide customer support, aiming to enhance product knowledge and encourage the trial of compound feeds.



Feed Production Capacity of the Company in 2025

(Production Volume in Tons)

Statement	2024	2025
Daily Feed Production Capacity	1,400	1,400
Annual Feed Production Capacity	434,350	434,350
Annual Feed Production Volume	338,022	367,930
Production Capacity Utilization Rate*	77.8%	84.7%

* The production capacity utilization rate for feed recorded a notable increase as a result of the Company's success in expanding its customer base and increasing sales volumes.

Company Production Facilities

The Company owns three advanced production facilities distributed across three strategic regions in the Kingdom: the Western Region (with a particular focus on Makkah and Madinah), the Southern Region, and the Northern Region, with a total flour production capacity of approximately 4,700 tons per day. Supported by its strategic partnerships with leading international milling equipment suppliers, the Company has increased its annual wheat milling volume capacity to more than 1.57 million tons, representing an increase of 470.5 thousand

tons, compared to the previous year, supported by storage capacity of up to 185,000 tons.

These production facilities operate under a stringent regulatory framework that ensures the highest quality standards. They are regularly approved by the General Food Security Authority (GFSA) for flour and wheat products and by the Saudi Food and Drug Authority (SFDA) for animal feed products. The Company also maintains full compliance with all necessary approvals for any production expansions.



(1) Al-Jumum Facility: A Hub for Innovation and Operational Excellence

Established in 2015, Al-Jumum Facility has built a strong presence due to its strategic location in the Western Region and its production capacity, which covers all types of flour produced by the Company. The facility is equipped with state-of-the-art research and production facilities, positioning it as a hub for innovation and the development of value-added products serving the hotel, restaurant, and café (HoReCa) sector, in addition to the retail market. The facility operates three milling lines with a production capacity of 2,450 metric tons per day, making it the largest wheat milling facility in the Kingdom and enabling the Company to meet rising demand during Hajj and Umrah seasons.

(2) Khamis Mushait Facility: Historical Leadership and an Integrated Strategic Hub

In 1982, Khamis Mushait Facility was established to stand as one of the Company's oldest facilities. The facility is distinguished by substantial production capacity across all categories of the Company's products and is strategically located in the Southern Region of the Kingdom, making the facility a primary driver in efficiently meeting market demand.

The facility operates three milling lines with a production capacity of 1,650 metric tons per day. The Company is currently implementing a development plan to upgrade one of the mills and equip it with the latest technological equipment, which is expected to increase production capacity to 1,800 metric tons per day by 2026. The facility is supported by wheat storage silos with a capacity of 40,000 metric tons and a finished goods warehouse with

In 2025, the facility recorded strong operational efficiency and growth, as reflected in the following:

1. Flour Segment: Annual production capacity reached 820.75 thousand tons.
2. Capacity Expansion: Daily production capacity increased from 1,200 tons to 2,450 metric tons following the addition of a new milling line, supported by the Company's strategic investments.
3. Feed Expansion: Construction of a new animal feed facility commenced, with operations targeted to begin in 2026, as part of the Company's strategy to diversify its product portfolio.

a capacity of 21,000 metric tons. The site also includes an animal feed production facility and represents a key pillar in meeting demand for animal feed and bran, both of which are experiencing growing demand that the Company aims to meet efficiently.

In 2025, the facility recorded high operational efficiency, as reflected in the following:

1. Flour Segment: Annual production capacity reached 552.75 thousand tons.
2. Animal Feed Segment: The site includes two animal feed facilities with a production capacity of 1,400 metric tons per day, the highest among milling companies in the Kingdom, with a maximum annual production capacity of 434,000 tons.

(3) Al-Jouf Facility: Operational Efficiency and Production Flexibility

Al-Jouf Facility was established in 2008 and primarily serves the market in the Kingdom's Northern Region. Despite being the smallest of the Company's facilities, it demonstrates strong operational capability in producing the full range of the Company's flour products. The facility operates a single milling line with a production capacity of 600 metric tons per day, supported by a robust logistics infrastructure that includes wheat storage silos with a capacity of 20,000 metric tons and a finished goods warehouse with a capacity of 4,800 metric tons. This

infrastructure supports the continuity of supply chains and enhances the efficiency of distribution operations.

In 2025, Al-Jouf Facility achieved strong operational performance, with annual production capacity reaching 201,000 tons. This reflects the Company's ability to maximize resource utilization to meet growing market demand while maintaining compliance with the highest approved quality standards.

Statement/Facility	Al-Jumum Facility	Khamis Mushait Facility	Al-Jouf Facility
Year of Establishment	2015	1982	2008
Manufactured Products	Flour and Bran Products	Flour, Animal Feed, and Bran Products	Flour and Bran Products
Daily Wheat Milling Capacity (Tons)	2,450*	1,650	600
Silo Storage Capacity (Tons)	125,000	40,000	20,000
Annual Wheat Milling Capacity (Tons)	820,750	552,750	201,000
Daily Feed Production Capacity (Tons)	-	1,400	-
Annual Feed Production Capacity (Tons)	-	434,000	-

* The operation of Mill (C) at Al-Jumum Facility commenced in September 2025, contributing to an overall enhancement in the facility's production efficiency.

Key Operational Performance Indicators

Development in the Company's Revenue in 2025

Activity	Change Rate in 2025
Flour	7.3%
Animal Feed	-1.3%
Animal Bran	5.6%
Total	3.1%

Infrastructure and Operations Expansion

Modern Mills adopts an expansion-driven vision based on selecting strategic locations that provide a competitive cutting edge by leveraging logistics and production infrastructure. This approach ensures flexible responsiveness to seasonal fluctuations and supports the rapid growth of the religious tourism sector. The Company continues to invest in advanced infrastructure and equip

its facilities with the latest global technologies, thereby enhancing operational efficiency and reducing costs across various regions of the Kingdom. Modern Mills also remains committed to increasing capital investments and developing its services to ensure sustainable long-term growth.

In 2025, the Company implemented a series of major capital and operational investments aimed at strengthening its competitiveness and consolidating its market share in the local market. Key initiatives included:

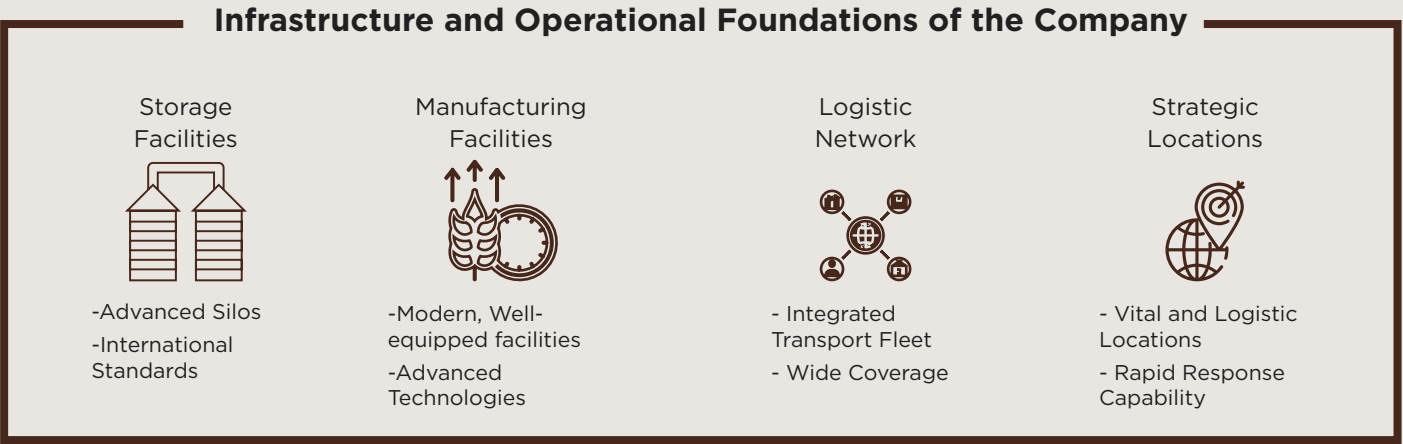
Al-Jumum Facility Expansion:
Enhancing the facility production capacity through the commencement of operations at Mill (C), strengthening the Company’s ability to meet growing demand during peak seasons, particularly during Hajj and Umrah seasons, and ensuring supply chain continuity.

Opening of the Innovation Center:
Launching a dedicated Research and Development (R&D) Center at Al-Jumum Facility, equipped with advanced baking process simulation technologies, positioning it as a regional innovation hub that supports the development of new products aligned with evolving market needs.

Expansion of the Product Portfolio: Establishing advanced production lines for animal feed at Al-Jumum Facility, with operations scheduled to commence in 2026.

Enhancing Automation and Advanced Technologies:
Launching technology initiatives to automate operational processes, including the introduction of large-scale industrial mixing technologies for ready-mix production, while adopting the latest global milling technologies to ensure precision and operational excellence.

Administrative Expansion:
Investing in a new headquarters equipped with advanced technologies to accommodate the rapid expansion of operations and the continuous growth of the workforce.



Warehouse Storage Capacity			
(In MT)			
Location	Flour	Feed	Total
Al-Jumum Warehouse	12,000	0	12,000
Al-Jouf Warehouse	4,800	0	4,800
Khamis Mushait Warehouse	19,800	8,000	27,800
Total	36,600	8,000	44,600



Quality Assurance and Control

Quality and food safety are fundamental pillars of Modern Mills operational strategy and lie at the core of all its operations. The Company is ethically committed to developing and producing high-quality products across its facilities, ensuring full compliance with all relevant legal and regulatory requirements. To achieve this objective, the Company adopts an integrated framework of standards that includes:

- **Local Regulatory Standards:** Compliance with the

requirements of the GFSA and the SFDA.

- **International Standards:** Implementation of standards issued by the International Organization for Standardization (ISO) and the Gulf standards governing the flour industry.
- **Continuous Improvement:** Adoption of rigorous internal standards to ensure the continuous enhancement of product performance and quality.



Operational Excellence and International Quality Certifications

Modern Mills relies on a specialized team responsible for overseeing quality and safety across its facilities and operations in accordance with international best practices, supported by advanced training programs for quality control personnel. This approach has contributed

to enhancing operational performance and implementing an integrated Quality Management System (QMS). As a result, the Company's three facilities obtained internationally recognized certifications in 2025, reaffirming their commitment to operational excellence.

Quality Certifications

Certification	Certification Details	Issuing Body
ISO 9001	Quality Management System (QMS)	TUV Austria
ISO 14001	Environmental Management System (EMS)	TUV Austria
ISO 45001	Occupational Health and Safety Management System (OHSMS)	TUV Austria
ISO 22000	Food Safety Management System (FSMS)	TUV Austria



Production Control

The Company applies standard operating procedures (SOPs) and effective monitoring systems supported by regular internal audits. In 2025, early warning systems demonstrated high efficiency, as several cases requiring rejection and reprocessing were detected at an early

stage. This enabled the Company to take the necessary corrective actions immediately before any product reached the market, without affecting production continuity or the quality of the final product offered to consumers.

Laboratory Capabilities

To ensure the highest levels of accuracy, Modern Mills provides advanced quality control facilities and a dedicated Research and Development (R&D) Center, supported by laboratories equipped with the latest measurement and analytical instruments across all branches. All components undergo rigorous testing, including the primary raw material (wheat), work-in-progress products, finished products, and packaging materials, using advanced analytical techniques that include:

- **Physical and Chemical Properties:** Measurement of protein content, moisture levels, assessment of starch condition, detection of impurities, and analysis of fiber, fat, and mineral content.
- **Food Safety:** Detection of mycotoxins and

implementation of effective pest control programs.

- **Microbiological Analyses:** Conducting precise tests to detect Salmonella, fungi, and harmful yeasts, ensuring consumer safety.

The Company adopts a continuous improvement framework that integrates customer feedback and the latest trends in the food industry through effective coordination among the Quality, Research and Development, Marketing, and Sales Departments. This approach has contributed to the development of new products that undergo rigorous testing prior to market launch while ensuring full regulatory compliance and maintaining the highest quality standards.

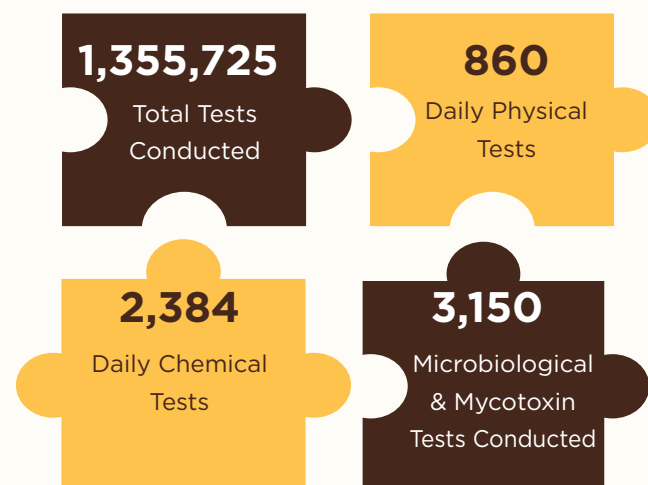


Quality Testing

Modern Mills Company adopts a rigorous quality control system to ensure compliance with the highest safety and quality standards. All products undergo a comprehensive inspection cycle that includes 35 technical tests conducted across all stages of production. The control process begins with the receipt of raw and packaging

materials, continues through the milling and processing stages, and extends to the final packaging and loading stages. This integrated system ensures the delivery of high-quality products that meet customer expectations and comply with the regulatory standards governing the food sector.

Key Figures in Quality Assurance



Occupational Health, Safety, and Environment (OHSE)

Modern Mills places operational excellence, occupational health, safety, and environment (OHSE) among its strategic priorities by applying international best practices and integrating sustainability across all its operations. This approach reflects a proactive commitment to creating a safe working environment, minimizing environmental impact, and enhancing resource efficiency in line with established international standards.

The Company has obtained several internationally

recognized certifications issued by the International Organization for Standardization (ISO), including ISO 14001 for Environmental Management Systems (EMS), ISO 45001 for Occupational Health and Safety (OH&S) Management Systems, and ISO 50001 for Energy Management Systems (EMS). These certifications demonstrate that the Company's OHSE Management System is aligned with leading global standards.

Environmental Responsibility and Oversight

As part of its environmental commitment, the Company implements a rigorous monitoring and control framework to ensure full compliance with applicable regulations and standards. This includes continuous monitoring of emissions and waste streams and their treatment

in accordance with international requirements. These measures are complemented by the adoption of responsible operational practices aimed at reducing the Company's carbon footprint and enhancing the sustainability of its industrial operations.

Proactive Approach to Safety and Sustainability

The Occupational Health, Safety, and Environment (OHSE) Department is directly responsible for overseeing the implementation of these systems through a proactive framework built around the following pillars:

- **Risk Assessment:** Identifying potential hazards and addressing them proactively to prevent injuries or environmental incidents.
- **Safe Work Environment:** Providing the highest levels of protection for employees, visitors, and all relevant stakeholders.

- **Training Programs:** These programs focus on occupational health and safety while improving operational efficiency. The programs contribute to reducing raw material waste, minimizing unplanned equipment downtime, lowering repair costs, and reducing occupational accident rates, which in turn helps reduce overall operating costs.
- **Operational Sustainability:** Ensuring business continuity in line with the Company's long-term vision of safeguarding lives and assets while enhancing the resilience of operational processes.

Safety Procedures Training

The Company places the safety of its workforce among its highest priorities through an integrated training and monitoring framework. These efforts resulted in notable

- 36 specialized training courses were conducted for Company employees in the field of OHSE, serving as a key performance indicator.
- 100% of core employees received annual training on emergency response procedures.

achievements in 2025, reflecting the Company's strong commitment to the highest standards of safety and quality.

- Periodic simulation exercises were conducted for emergency scenarios, including evacuation procedures and fire-fighting drills.
- Specialized rapid response teams were trained to respond to incidents promptly, ensuring the highest levels of industrial safety.

Marketing and Corporate Communication

“Modern Mills builds on more than 40 years of experience in flour milling and the provision of integrated food solutions, supported by a sustainable investment vision aimed at developing and innovating products that meet the growing needs of the market and evolving consumer expectations”

The Company attaches significant importance to marketing activities as a key driver of growth, focusing on building leading brands and establishing strategic partnerships that strengthen its market presence. The Marketing Department pursues an ambitious vision to transition from a product supplier to a strategic partner that delivers integrated and flexible solutions aligned with customer needs and future innovation. The Company also applies a rigorous sales planning framework, updated monthly, to balance production and demand while enhancing distribution efficiency across regions and sales channels.

In Q4 2025, and in line with the Company’s objective of building a strong brand presence, Modern Mills launched a large-scale advertising campaign for the “Modern Mills” brand across multiple media channels, including social media platforms, outdoor advertising, and points of sale. The campaign aimed to strengthen brand awareness and encourage product trials across the Kingdom.

Pillars of Marketing Growth



Enhancing the Competitive Edge

- Launching innovative products
- Increasing customer loyalty
- Acquiring new customers



Expanding Market Reach

- Creating new distribution channels
- Implementing targeted advertising campaigns
- Enhancing the end-consumer experience



Agility and Sustainable Growth

- Monitoring market trends and customer preferences
- Expanding the product portfolio
- Sustaining long-term partnerships

Key Marketing Milestones in 2025

Record Growth in the Retail Sector	Contemporary Product Design	Launch of Comprehensive Marketing Campaigns	Innovative and Diversified Product Portfolio	Extensive Research to Track Market Dynamics
- More than doubling sales compared with 2024 - Expansion of market share	- Revamping the packs of “Modern Mills” range - Modern designs with strong visual appeal - Strong on-shelf competitiveness	- Implementing the first comprehensive (360-degree) marketing campaign for “Modern Mills” brand - Stimulating product trial among a broad base of consumers	- Launching new products covering both human and animal nutrition segments	- Conducting periodic studies of market and competitor trends - Gathering customer feedback - Measuring the strength of brand presence

Opportunities and Challenges

Modern Mills remains committed to achieving sustainable growth by expanding its product portfolio and strengthening the presence of its brands in the local market. The Company relies on high operational agility and a proactive, innovation-driven vision to navigate evolving market dynamics.

Opportunities

Increasing Production Capacity: Launching several investment and capital projects, most notably maximizing the benefits of the full operation of Mill (C) in 2026. This also includes implementing the new animal feed project in Al-Jumum, which is expected to commence in the fourth quarter of 2026. These initiatives will enable the Company to achieve a significant increase in production volumes.

Expanding the Product Portfolio: Expanding into “health products”, ready-to-cook foods, and value-added specialty flour, in addition to localizing the production of imported flour and its derivatives.

Investment Partnerships with Other Companies: Establishing alliances and investment partnerships with leading companies in the food and logistics sectors to exchange technical expertise and expand geographic reach, thereby enhancing operational efficiency and opening new avenues for sustainable growth.

Growth across the Value Chain: Expanding vertically and horizontally, from developing supply chains to innovating final food solutions. This approach maximizes added value across various stages of operations and strengthens profit margins.

Challenges

Price Competition: The sector has faced pressure from the growing volume of promotional offers, which have affected profit margins. In response, the Company adopted a two-tier brand strategy in the retail segment, providing greater flexibility for price positioning while preserving market share without compromising the intrinsic value of its brand.

Growing Industrial Demand: The Company has observed increasing demand from industrial customers for specialty flour. To address this trend, the Company strengthened its technical capabilities and expertise to develop customized solutions that precisely meet manufacturers’ requirements.

Marketing Channels of the Company

Marketing and corporate communications represent a core pillar of Modern Mills strategy, leveraging digital channels and various exhibitions to strengthen the presence of its products in the market. In 2025, the Company achieved a balanced customer growth profile, with new customer acquisition accounting for 50.3%, while maintaining a strong base of existing customers. The Company also strengthened its relationships with major buyers and retail

chains through a well-coordinated supply framework that ensured reliable deliveries during peak seasons, thereby supporting its market share and sales performance. Looking ahead to 2026, the Company aims to intensify its media presence and expand its marketing channels, with a particular focus on industrial customers and the food services sector, in support of sustainable growth.

Company Website

<https://modernmills.com.sa/>

Social Media Accounts

LinkedIn

<https://www.linkedin.com/company/modernmillscompany/posts/?feedView=all>

Facebook

<https://www.facebook.com/Modernmillscompany/>

X Platform

<https://x.com/modernmillscomp>

Instagram

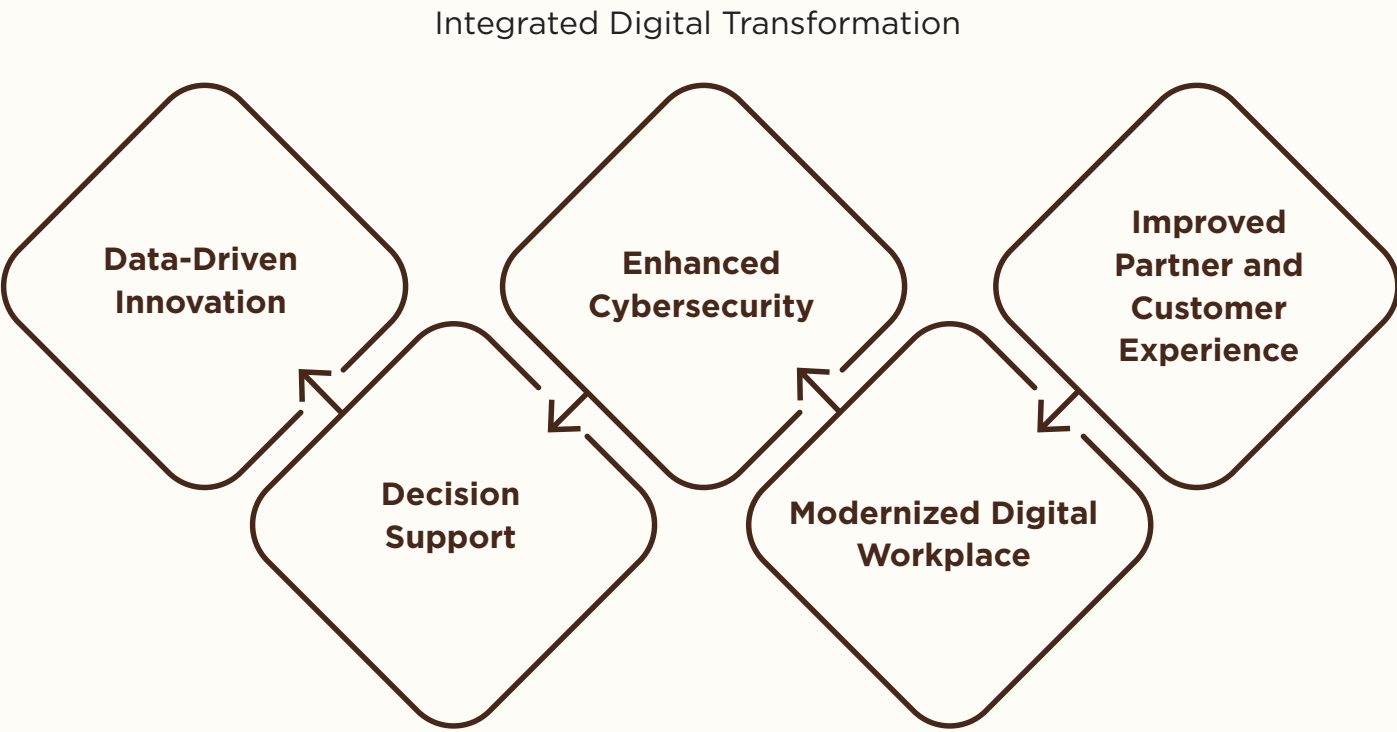
<https://www.instagram.com/modernmillscompany/>



Digital Transformation and Operating Lines Automation

Modern Mills Company is implementing a comprehensive digital transformation plan to enhance operational efficiency and business sustainability, aligned with Saudi Vision 2030 objectives. This plan focuses on building a flexible, secure digital enterprise based on accurate data

to support growth and competitiveness. Information Technology serves as a key enabler through automation initiatives and the transition toward smart operations, improving performance and strengthening innovation.



Digital Applications and Systems

Modern Mills relies on a suite of operational digital applications and systems to support production and internal operations and to enhance communication with customers and suppliers within the framework of the Company's enterprise-wide digital transformation:

- **Enterprise Resource Planning (ERP) systems** to ensure the continuity of core operations with high efficiency.
- **Production and operations management systems**

to support production planning, scheduling, and monitoring, improve resource utilization, and reduce operational waste.

- **Dedicated systems for managing supply chains, suppliers,** and warehouses to ensure the efficiency of logistical operations.
- **Digital systems for communication with customers and suppliers** to enhance service levels and respond effectively to market needs.

Digital Technologies

The Company has advanced its transition toward smart operations by developing advanced automation systems and initiating the evaluation of artificial intelligence (AI) solutions aimed at enhancing the efficiency of operational processes and improving the cost structure. This approach strengthens the Company's competitiveness and aligns with its strategic direction toward innovation and sustainability, as outlined below:

- **Automation of Operational Processes:** Developing reporting and operational analytics systems for all production processes, which has contributed to enhancing operational efficiency.
- **Adoption of Artificial Intelligence (AI) Technologies:** The Company is working to implement artificial intelligence technologies to streamline operational processes, reduce costs, and enhance operational efficiency.
- **Integration of Control Systems:** Implementing the SAP system, which will be directly linked to production lines and laboratories, enabling precise tracking of each production batch.
- **Industrial Control Systems:** Utilizing SCADA and PLC systems to monitor operations in real time and ensure that raw materials and finished products comply with approved specifications.

- **Automation of Packaging and Handling Lines:** Utilizing high-speed packaging machines supported by precise weight-control systems, in addition to robots designated to palletizing to reduce manual handling.
- **Innovation in Production Safety:** Deploying quality and food safety systems to enhance the work environment through enclosed conveyor belts and advanced dust extraction systems to reduce waste, while equipping production lines with metal detectors and checkweighers to ensure the safety of the final product.
- **Logistics Control:** Implementing barcode and QR code solutions to enhance tracking accuracy, alongside automated weighbridge solutions to ensure the reliability of logistics operations and supply chains.



Technical Support

The Company adopts a proactive, multi-tier technical support model integrated with its operational processes. This framework ensures uninterrupted production, enables rapid response to critical failures, and supports

operational teams in monitoring performance accurately while maintaining high levels of operational and technical readiness.

Flour Segment	Animal Feed Segment
- o Adopting full automation in milling and packaging systems to reduce waste and increase productivity. - o Utilizing data analytics tools to support sales planning and analyze seasonal growth patterns, thereby improving the accuracy of marketing forecasts. - o Implementing the SAP system to enhance production management efficiency.	o Adopting advanced formulation software to develop innovative feed formulations based on analysis of the nutritional value of raw materials and feed additives, as well as field performance, achieving an optimal balance between economic efficiency and nutritional quality.

Cybersecurity

The food industry faces increasing cybersecurity challenges, and Modern Mills is committed to protecting its systems through a multi-layered defensive approach that includes network segmentation, continuous monitoring, and strict access controls. This approach is complemented by initiatives to strengthen employee awareness and enhance recovery readiness, ensuring production continuity and product safety. The Company

has further strengthened its technical capabilities through advanced systems for threat monitoring and early detection, supported by robust protection protocols that safeguard data confidentiality and business continuity. These measures reinforce confidence in the Company's digital systems and ensure the security of its operational information assets.



Our Employees

Modern Mills places strategic importance on human capital management, as it underpins sustainable growth and enhanced competitiveness. Employees constitute a core pillar in achieving institutional excellence, and the Company is committed to developing and empowering them through an integrated framework of policies and programs aligned with international best practices, ensuring their capabilities align with the Company’s future aspirations and ambitious vision.

The Company reinforces its leadership through a merit-based and equal-opportunity recruitment approach that prioritizes national talent, in accordance with rigorous criteria covering academic qualifications as well as technical and behavioral competencies. Modern

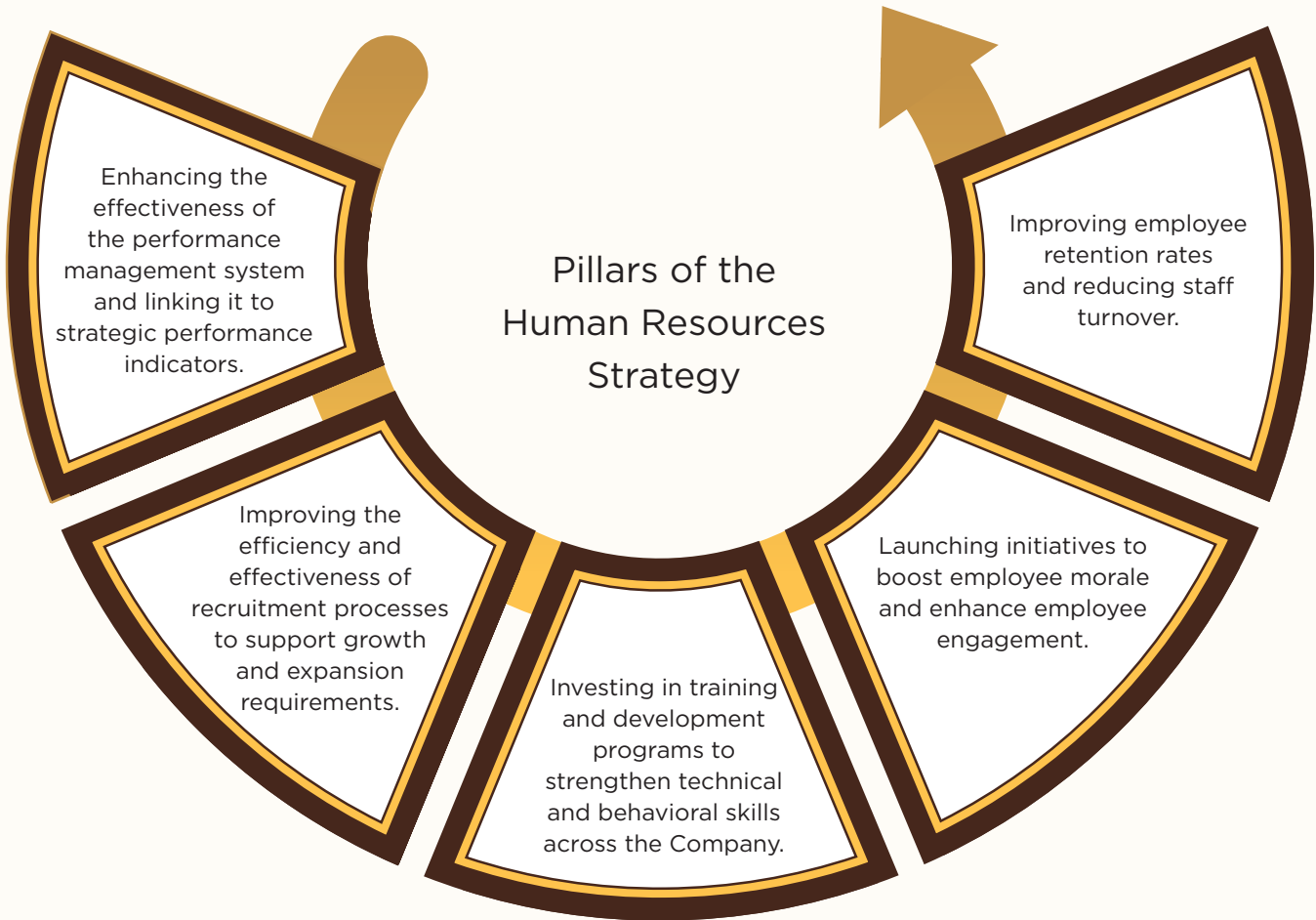
Mills also fosters a dynamic work environment through reward systems and continuous development programs that strengthen the values of belonging and fairness, reinforcing its position as an employer of choice in the food sector.



Overall Human Resources Strategy in 2025

The overall human resources strategy at Modern Mills in 2025 focused on attracting, training, and empowering the workforce, with particular emphasis on developing and sustaining national talent in support of the Company’s operational and

expansion strategy. This approach was reflected in improved recruitment efficiency, strengthened training and development programs, and enhanced retention indicators and workforce stability.



Challenges and Opportunities

The main challenges faced by the Company in 2025 were related to organizational changes across certain business units, coinciding with the Company’s strategy to develop sales, expand geographically, and enter new markets. These challenges were addressed with agility through the realignment of organizational structures, the updating of job descriptions, and the implementation

of supportive communication and training initiatives to facilitate effective change management. Looking ahead, opportunities lie in strengthening proactive workforce planning and further developing employment relations, which will support the attraction of high-caliber talent and enable the Company to achieve sustainable growth.



HR Department Targets in 2026

The Human Resources (HR) Department targets at Modern Mills focus on attracting qualified talent and supporting the Company's growth plan in 2026 by filling vacancies, maintaining a high Saudization rate across all sectors, and strengthening organizational readiness to support future expansion. The Company also plans to increase its workforce during the coming year in line with growth and expansion requirements through the implementation of modern and advanced recruitment mechanisms, including:

1. Tests and Assessments: Including psychometric tests to measure cognitive, personality, and behavioral capabilities, in addition to technical and practical assessments to evaluate professional and technical skills. This ensures alignment between candidates, job

requirements, and the Company's culture.

- 2. Government Development and Qualification Initiatives:** Leveraging government programs designed to develop skills and prepare talent for the labor market, ensuring that new employees possess the required competencies.
- 3. Building a Talent Pool:** Maintaining résumés of qualified candidates for potential future opportunities, supporting the continuity of talent acquisition.
- 4. Automating the Recruitment Process:** Transitioning from traditional paper-based procedures to the SAP SuccessFactors platform to manage all recruitment stages, including candidate screening, application tracking, and digital documentation of results, thereby streamlining the process and improving efficiency.

- 5. Leveraging Social Media and Professional Networks:** Utilizing platforms such as Bayt.com and LinkedIn, in addition to participating in job fairs, depending on the nature and level of the position.
- 6. Internal Recruitment Programs (Internal Mobility):** Encouraging internal transfers and the development of existing employees to fill open positions in accordance with job roles and grades.
- 7. Expanding Cooperation with Recruitment Companies and External Consultants:** Ensuring access to candidates with specialized expertise.
- 8. Employee Referral Program:** Encouraging current employees to nominate qualified candidates, supporting the attraction of suitable talent.
- 9. Post-Hiring Performance Analysis (Onboarding**

and Early Performance Analytics): Monitoring the performance of newly hired employees to ensure the effectiveness of the recruitment process and alignment with job requirements.

- 10. Continuous Communication with Qualified Candidates:** Maintaining positive relationships with candidates to ensure readiness for future opportunities and to support the sustainability of the talent pool.

Recruitment Initiatives and Enhancing Talent Attraction

The Company faced challenges in attracting talent due to market competition, the scarcity of qualified professionals, and rising expectations regarding the work environment. To address these challenges, the Company adopted a comprehensive human capital management strategy focused on attracting and retaining talent, while strengthening Saudization initiatives and establishing long-term partnerships aligned with Saudi Vision 2030 objectives. This strategy is supported by specialized training programs and collaboration with government institutions to ensure sustainable growth across the Company’s various operational activities.

1. Saudization Strategy

The Ministry of Human Resources and Social Development (MHRSD) launched the Saudization program “Nitaqat” in 2011 to enhance the employment of Saudi nationals. Under this program, companies are evaluated according to specific classifications, including Platinum, Green, and Red. In 2025, Modern Mills was classified as Platinum thereby meeting Saudization requirements. This classification enabled the Company to obtain several benefits, including the issuance of work visas and the ability to change the professions of non-Saudi employees through formal regulatory channels. Companies classified as Red are considered non-compliant and are subject to specific regulatory penalties.

In this context, the Company continues to demonstrate

its commitment to supporting localization by attracting graduates and providing them with six months of training through Tamheer program, while gradually replacing non-Saudi labor with qualified national talent. The Company also places particular emphasis on empowering Saudi female talent and strengthening their active participation in the labor market, thereby reinforcing their role in achieving the objectives of sustainable development and Saudi Vision 2030.

2. Localization (Tamheer Program) and Diversity

Tamheer program represents a key pillar of the Company’s strategy to empower Saudi talents and integrate them into the labor market, in line with the policies of the Ministry of Human Resources and Social Development (MHRSD). In parallel, the Company implements specialized programs to prepare national talent for future leadership and managerial roles. The Company also promotes diversity through targeted initiatives to attract female graduates and provide diverse employment opportunities, thereby strengthening women’s participation in economic development.

In addition, the Company places significant emphasis on the quality of the work environment through the quarterly Pulse Survey, which measures employee satisfaction and analyzes feedback. The results help address emerging challenges and support the continuous development of a motivating and sustainable workplace environment.

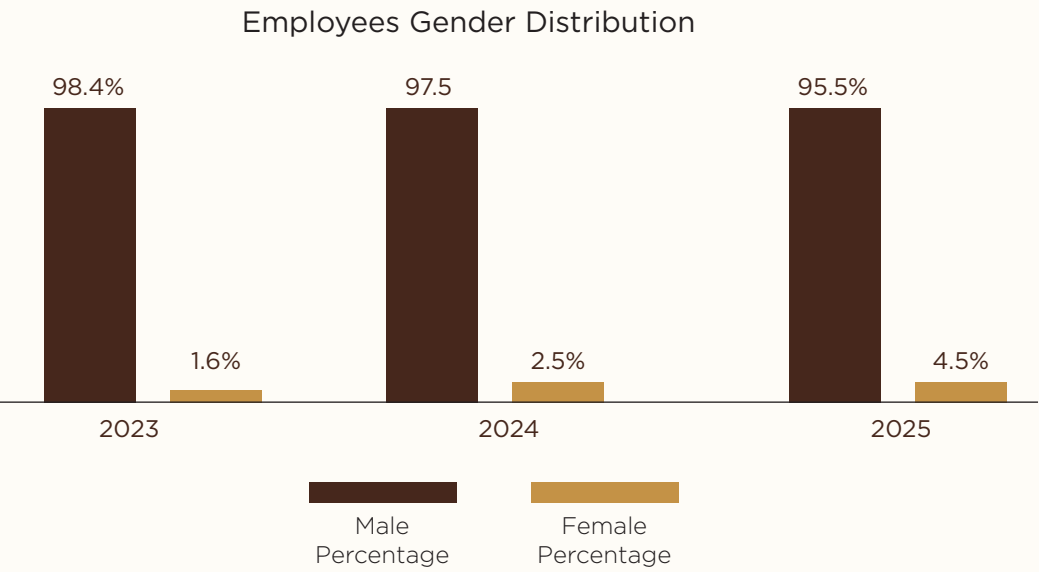
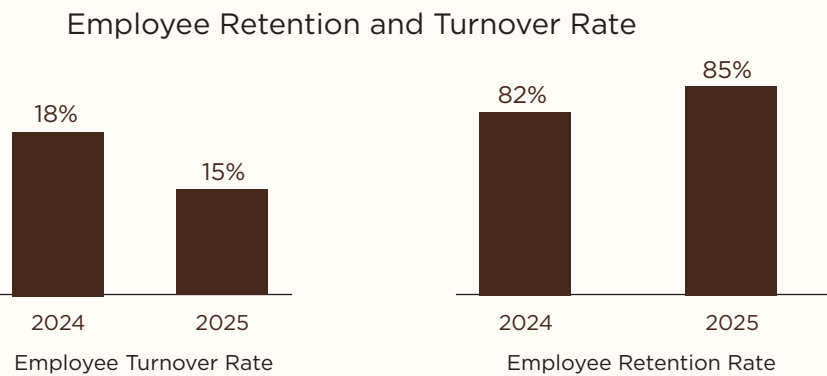
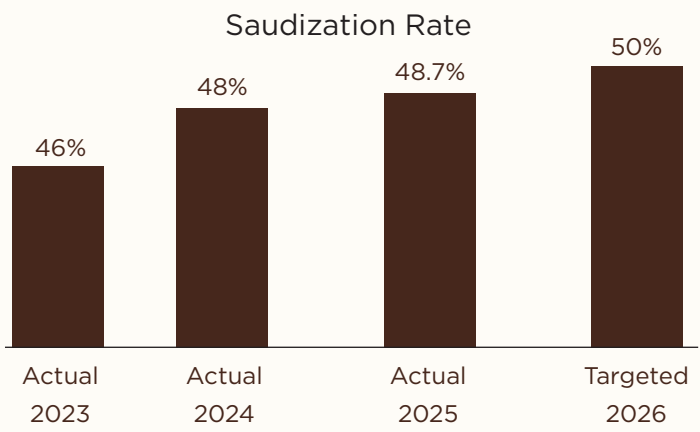
Key Highlights and Results for 2025

- **Women Empowerment:** The Company achieved an increase of 2% in the proportion of female employees, bringing the total ratio to 4.5%.
- **Saudization:** The Saudization rate at the Company reached 48%, enabling it to maintain its classification within the Platinum category.
- **Training and Development:**

Statement/Year	2023	2024	2025
No. of Employees Benefiting (Employees)	101	185	108
No. of Training Programs Implemented (Programs)	14	29	5

Overview of Employees

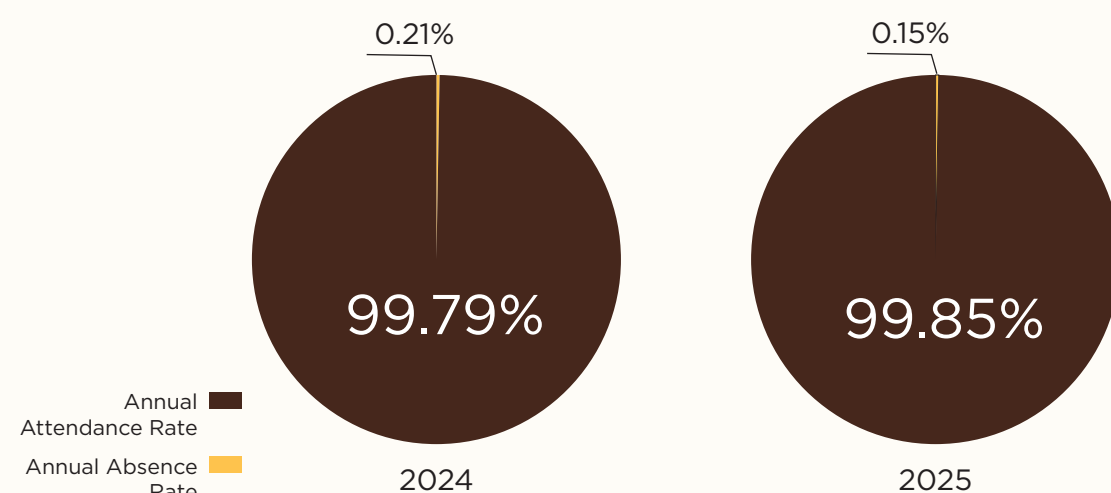
Modern Mills team comprises a diverse group of qualified professionals, combining technical expertise and administrative capabilities. This reflects the Company’s commitment to building a motivating work environment that supports growth and sustainability.



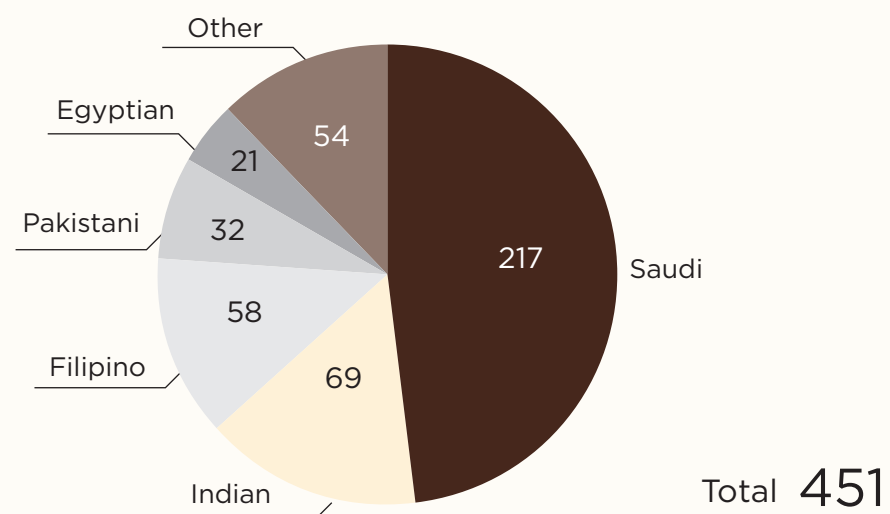
Development of Employees Number at the Company

Sector / Department	2024			2025		
	Saudis	Non-Saudis	Total	Saudis	Non-Saudis	Total
Total Strategic Office in Jeddah	25	31	56	39	47	86
Al-Jumum Facility	65	62	127	59	60	119
Khamis Mushait Facility	85	107	192	71	92	163
Al-Jouf Facility	52	41	93	48	35	83
Total Facilities and Branch Centers	202	210	412	178	187	365
Grand Total	227	241	468	217	234	451

Employee Attendance and Absence Rates



Composition of the Workforce (Nationalities) at the Company in 2025



Awards and Recognitions

In 2025, Modern Mills strengthened its culture of recognition and motivation within the workplace by launching dedicated programs to acknowledge outstanding performance. These initiatives included awards such as "Employee of the Month" and "Excellence Awards," in addition to recognizing both individual

and team achievements. This approach reflects the Company's commitment to fostering a positive work environment built on recognizing contributions and motivating talent, thereby enhancing job satisfaction and employee engagement, while supporting the Company's sustainable growth.

Events and Celebrations

In 2025, Modern Mills organized a range of events and celebrations that strengthened communication and fostered a sense of belonging among employees. These initiatives contributed to reinforcing a culture of appreciation and motivation within the workplace and supported the development of a positive and sustainable organizational culture that promotes outstanding performance. Among the most notable events were:

- 1. Annual Day:** Included a review of the achievements of the previous year, a discussion of the Company's strategy and future plans, and a comprehensive recreational day for employees.
- 2. Ramadan Iftar Gathering (Dish Party):** A Ramadan Iftar that brought employees together in a distinctive

social and spiritual atmosphere, strengthening relationships among team members.

- 3. Eid Al-Fitr and Eid Al-Adha Celebrations:** Included organizing internal activities, distributing symbolic gifts, and decorating workplace facilities in celebration of the occasions.
- 4. Saudi National Day:** An internal celebration highlighting national identity through special arrangements, accompanied by the distribution of symbolic gifts to employees.
- 5. Founding Day:** A celebratory event that included heritage-themed elements and the distribution of special gifts marking this national occasion.



Training and Professional Development Programs

In 2025, Modern Mills reaffirmed its commitment to developing its human capital by launching comprehensive training programs and workshops to foster a culture of continuous learning and support professional growth. The strategy focuses on providing fair and equitable development opportunities to ensure high levels of effectiveness, alongside structured induction and mentoring programs for new employees to help them adapt and succeed in their roles. The Company also provides specialized training programs tailored to each role to ensure the acquisition of the

required skills. The Company places particular emphasis on developing leadership capabilities through workshops, professional certifications, and e-learning platforms, preparing promising talent to assume managerial and executive positions in the future. In parallel, the Company works to strengthen technical skills and enhance awareness of compliance with regulatory requirements, contributing to the reduction of operational risks and supporting continuous improvement in institutional performance.

Methodology for Identifying Training Needs

1

Post-Performance Appraisal Analysis:
Identifying skill gaps for each employee based on periodic surveys designed to assess development needs, thereby fostering a supportive and motivating work environment.

2

Detailed Meetings with Department Heads:
Reviewing technical requirements and critical skills associated with milling technologies.

3

Alignment with New Technical Requirements:
Reviewing developments in modern equipment and operational systems and incorporating them into training plans to ensure employee readiness.

4

Developing a Data- and Analysis-based Annual Plan:
Developing an annual training plan based on data and analysis, covering the technical and technological skills required to ensure the continuous development of the workforce.

Training Courses for Employees in 2025

Program Name	Program Provider	No. of Trainees from the Company's Employees
Mechanical and Electrical Maintenance and Maintenance of Automatic Control Systems Related to Milling Technologies	Agrolab	55
International Financial Reporting Standards (IFRS)	Beacon FinTrain	15
Root Cause Analysis	BSI Management Systems	26
Grain Storage and Transportation	Agrolab	17
Fumigation Operations	Atyab International Services	29

Cooperative Training Programs in 2025

Cooperative Training Programs	Branch	No. of Programs
Tamheer – On-the-Job Training Program	Jeddah (Head Office)	1
	Khamis Mushait	19
	Al-Jouf	10
	Al-Jumum	1

Professional and Leadership Development Support Initiatives

Leadership Development and Succession Planning Program: Preparing high-potential employees to assume future managerial roles by equipping them with the necessary leadership skills, while establishing clear career pathways that ensure the continuity of leadership development within the Company.

Enhancing Internal Career Opportunities: Adopting transparent recruitment and promotion processes that enable employees to explore new roles and align

with the Company's strategic objectives, thereby creating a motivating work environment that supports the sustainable growth of both employees and the organization.

Governance and Sustainability

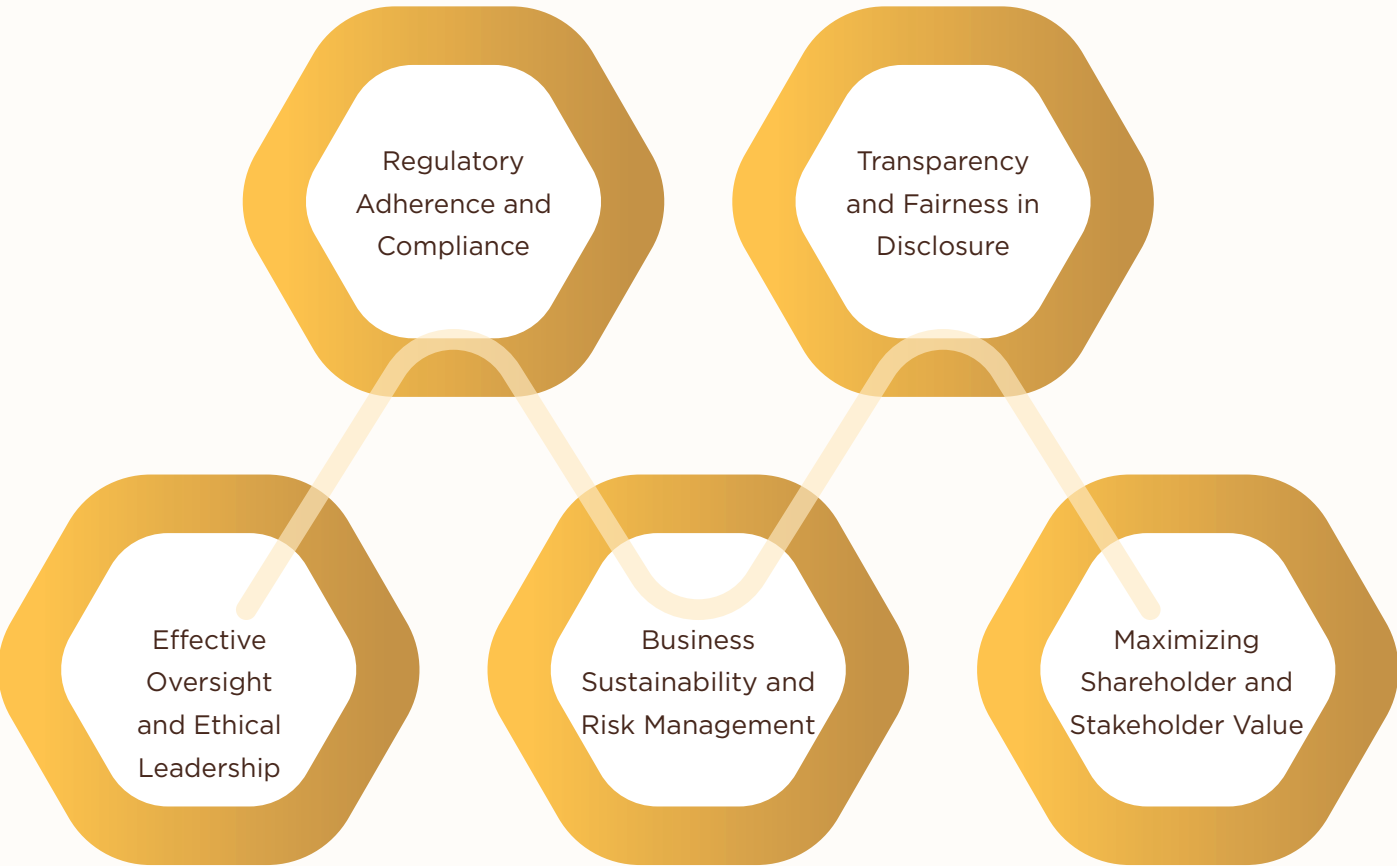
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Governance at Modern Mills

Modern Mills adopts a well-established corporate governance approach that transcends regulatory compliance to serve as a strategic guide, ensuring the sustainability of operational and financial excellence. This approach is rooted in effective oversight, adherence to professional ethics, and the protection of investor rights. The Board of Directors activates the role of specialized committees to ensure transparency and accountability in strategic decision-making, which boosts integrity and efficient risk management while bolstering stakeholder confidence.

Additionally, the Company’s governance system is based on principles aligned with local regulatory requirements. In October 2023, the General Assembly adopted an amended Governance Manual, Committee Charters, Policies for Disclosure, Risk Management, Conflict of Interest, and Dividend Distribution, in addition to a Code of Conduct and Ethics. These measures solidify the Company’s future directions in line with Saudi Vision 2030.

The Company’s Governance Pillars



The Company’s General Governance Framework

Modern Mills embraces a comprehensive governance framework that defines how the Board of Directors, Executive Management, shareholders, and all stakeholders interact. This framework is built on corporate rules and procedures that facilitate decision-making, protect rights, and promote values like credibility and fairness, ultimately boosting the Company’s competitiveness in the capital market. The Company is dedicated to upholding the

highest governance standards to ensure transparency and align with the best local and international practices, while adhering to the relevant laws and regulations applicable in the Kingdom, including the Companies Law, Corporate Governance Regulations (CGRs), and Environmental, Social, and Governance (ESG) standards. This commitment not only strengthens the Company’s position but also aligns with Saudi Vision 2030 objectives.

The Company’s Governance Achievements in 2025

During 2025, Modern Mills implemented a series of material initiatives aimed at strengthening the governance and compliance framework through the application of comprehensive developmental measures, as follows:

- 1. Improving disclosure mechanisms to align with the Company’s responsibilities as a listed entity, which included publishing notices and agendas for General Assembly meetings on Tadawul website, while providing comprehensive data to shareholders.
- 2. Executing the necessary measures to ensure that the Capital Market Authority (CMA) and Tadawul are duly notified of any changes in the composition

of the Board of Directors, and sharing the results of General Assembly meetings in line with regulatory requirements.

- 3. Appointing an independent external party to conduct a performance evaluation of the Board and Board Committees.
- 4. Expanding the scope of the Code of Conduct and Ethics, which contributed to establishing clear behavioral standards for Board Members, Executive Management, and employees.

Our 2026 Outlook

Looking ahead to 2025, Modern Mills is eager to reinforce its leadership in governance by developing robust compliance frameworks and adopting the best regulatory practices in the Kingdom. The goal is to ensure transparency, accountability, and shareholder rights protection. The Board of Directors is committed to

creating a workplace grounded in integrity and effective risk management, while also ensuring that internal policies align with national and international legislation. This strategy will enhance stakeholder trust and support sustainable corporate growth in line with Saudi Vision 2030.

Provisions and Compliance

Corporate Governance Regulations Provisions - Implementation/Non-Implementation (With Reasons)

Modern Mills’ governance model is based on a strategic vision aimed at enhancing sustainable value by establishing the principles of transparency and disclosure as a fundamental pillar in its relationship with shareholders and investors, while committing to the implementation of a comprehensive system of regulatory policies to ensure full compliance with applicable laws and regulations. The Company’s approach to transparent communication and data provision is not limited to meeting regulatory requirements, but extends to enabling investors to evaluate the Company’s performance and anticipate future trends. During 2025, the Company stressed its full commitment to the provisions and standards, with the exception of those disclosed, in accordance with regulatory requirements.

Article/Paragraph No.	Title	Article/Paragraph Text	Implementation Status	Reasons for Non-Implementation
37	Training	The Company shall pay adequate attention to the training and preparation of the Board Members, Committee Members, and Executive Management, and shall develop the necessary programs required for the same, taking the following into account: 1. Preparing programs for the recently-appointed Board Members, Committee Members, and Executive Management to familiarize them with the progress of the Company's business and activities, particularly the following: a. the strategy and objectives of the Company. b. the financial and operational aspects of the Company's activities. c. the obligations of the Board Members and their duties, responsibilities, and rights. d. the duties and competencies of the Committees of the Board. 2. Developing the necessary mechanisms for Board Members, Committee Members, and Executive Management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.	Partially Implemented	Guiding Article (Partially complied with and paragraph No. 1 was implemented)

Article/Paragraph No.	Title	Article/Paragraph Text	Implementation Status	Reasons for Non-Implementation
39	Assessment	a. The Board shall develop, based on the proposal of the Nomination Committee, the necessary mechanisms to annually assess the performance of the Board, Board Members and Committees and Executive Management using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company. b. The procedures of performance assessment shall be in writing and clearly stated and disclosed to the Board Members and parties concerned with the assessment. c. The performance assessment shall entail an assessment of the skills and experiences of the Board, identification of the weaknesses and strengths of the Board and shall attempt to resolve such weaknesses using the available methods, such as nominating competent professional staff able to improve the performance of the Board. The performance assessment shall also entail the assessment of the mechanisms of the Board's activities in general. d. The individual assessment of the Board Members shall take into account the extent of effective participation of the Member and his/her commitment to performing his/her duties and responsibilities, including attending the Board and Board Committees' meetings and dedicating adequate time thereof. e. The Board shall carry out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years. f. Non-Executive Board Members shall carry out a periodic assessment of the performance of the Chairman of the Board after getting the opinions of the Executive Board Members, without the presence of the Chairman of the Board in the discussion on this matter, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the Company.	Partially Implemented	Guiding Article (Partially complied with, and paragraph (e) was implemented) (A competent external party was appointed to evaluate the performance of the Board and Board Committees)
67	Composition of the Risk Management Committee	The Company's Board shall, by resolution therefrom, form a committee to be named the "Risk Management Committee". The Chairman and the 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.	Unimplemented	Guiding Article

Article/Paragraph No.	Title	Article/Paragraph Text	Implementation Status	Reasons for Non-Implementation
68	Competencies of the Risk Management Committee	The competencies of the Risk Management Committee shall include the following: - 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. - 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. - Ensuring the feasibility of the Company's continuation, the successful continuity of its activities, and determining the risks that threaten its existence during the following twelve (12) months. - 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. - Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests, as an example). - Preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board. - Providing recommendations to the Board on matters related to risk management. - Ensuring the availability of adequate resources and systems for risk management. - Reviewing the organizational structure for risk management and providing recommendations regarding the same before approval by the Board. - Verifying the independence of the risk management employees from activities that may expose the Company to risk. - Ensuring that the risk management employees understand the risks threatening the Company and seeking to raise awareness of the culture of risk. - Reviewing any issues raised by the Audit Committee that may affect the Company's risk management.	Unimplemented	Guiding Article

Article/Paragraph No.	Title	Article/Paragraph Text	Implementation Status	Reasons for Non-Implementation
69	Meetings of the Risk Management Committee	The Risk Management Committee shall convene periodically at least once every six months, and as may be necessary.	Unimplemented	Guiding Article
82	Employee Incentives	The Company shall establish programs for developing and encouraging the participation and performance of the Company's employees. The programs shall particularly include the following: - Forming committees or holding specialized workshops to hear the opinions of the Company's employees and discuss the issues and topics that are subject to important decisions. - Establishing a program for granting Company shares or a percentage of the Company's profits and pension programs for employees, and setting up an independent fund for such programs. - Establishing social organizations for the benefit of the Company's employees.	Partially Implemented	Guiding Article (Paragraph No. 1 has been complied with, and paragraph No. 2 has been partially complied with)
84	Social Responsibility	The Ordinary General Assembly, based on the Board's recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for the purposes of developing the social and economic conditions of the community.	Unimplemented	Guiding Article
85	Social Initiatives	The Board shall establish programs and determine the necessary methods for proposing social initiatives by the Company, which include: - Establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities. - Disclosing the objectives of the Company's social responsibility to its employees and raising their awareness and knowledge of social responsibility. - Disclosing plans for achieving social responsibility in the periodical reports on the activities of the Company. - Establishing awareness programs for the community to familiarize them with the Company's social responsibility.	Unimplemented	Guiding Article

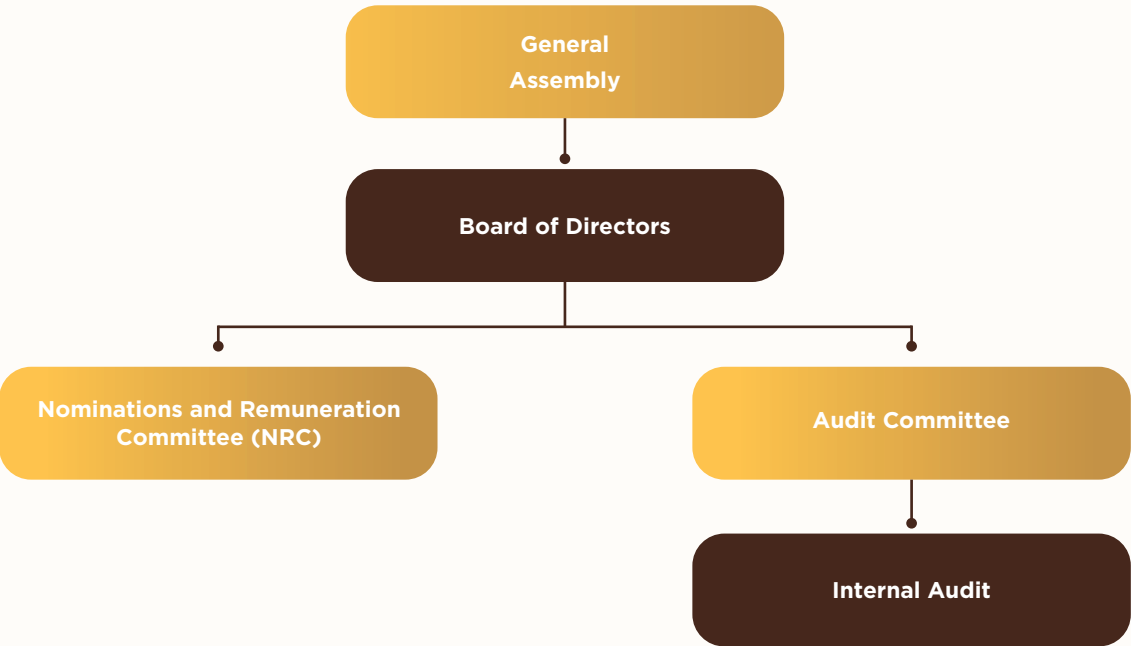
Article/Paragraph No.	Title	Article/Paragraph Text	Implementation Status	Reasons for Non-Implementation
86	Policies and Procedure of Disclosure	Without prejudice to the Rules on the Offer of Securities and Continuing Obligations, the Board shall set forth in writing the policies, procedures, and supervisory rules related to disclosure pursuant to the disclosure requirements provided for in the Companies Law and the Capital Market Law, as the case may be, and their implementing regulations, taking into consideration the following: - Such policies shall include proper disclosure methods that enable the shareholders and other Stakeholders to access the financial and non-financial information pertaining to the Company's performance and information in respect of ownership of shares, and to obtain a comprehensive view of the Company's position. - Disclosure to shareholders and investors shall be made without discrimination in a clear, correct, and non-misleading fashion, and in a timely, regular, and accurate manner in order to enable shareholders and other stakeholders to exercise their rights to the fullest extent. - The Company's website shall include all information required to be disclosed and any details or other information that may be published through other disclosure methods. - Reporting rules shall be established and shall describe the information required to be disclosed and the method of its classification in terms of its nature, and the frequency of its disclosure. - The disclosure policies shall be reviewed periodically, and their compliance with the best practices and the provisions of the Capital Market Law and its implementing rules shall be verified.	Partially Implemented	Paragraph No. 3 is a guiding paragraph (The Company is committed to disclosure in accordance with the CMA's regulatory requirements)
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.	Unimplemented	Guiding Article



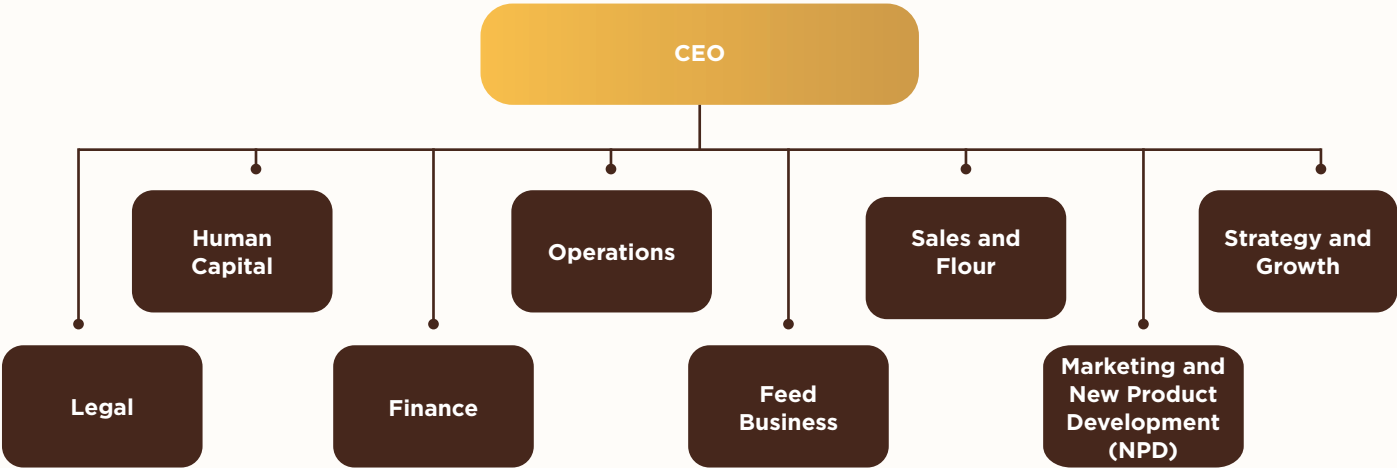
Organizational Structure

Modern Mills organizational structure acts as a vital foundation for ensuring that information flows smoothly and effectively. It is designed to clearly define the lines of authority and responsibility at all management levels. The structure includes the Board of Directors and Board Committees, which are essential for supporting decision-making, improving collaboration between departments, and maintaining high performance and quality standards in all operations. This solid framework helps to reinforce the Company's status as a leading player in governance and operational excellence.

Organizational Structure of Modern Mills



Current Organizational Structure



Board of Directors

In accordance with the provisions of Article (17) of Modern Mills Bylaws, the Company shall be managed by a Board of Directors consisting of seven Members, who must be natural persons elected by the Ordinary General Assembly of Shareholders for a tenure not exceeding four years.

Powers of the Board of Directors

Modern Mills Board of Directors is responsible for the comprehensive oversight of the Company's business and its various sectors, while assuming legal responsibility toward shareholders to protect their interests and exercise duties of care and loyalty. The Board is also responsible for approving strategic directions and general policies and monitoring their implementation to ensure compliance with applicable laws and regulations. In carrying out its duties, the Board of Directors depends on a set of powers stipulated in the Company's Bylaws, which grant it the ability to efficiently lead the business and enhance the confidence of shareholders and stakeholders.

Classification of Board Members

The Company's Board of Directors consists of seven Members, as follows:

Member Name	Position	Membership Type
Ibrahim Sulaiman Abdulaziz Al Rajhi	Chairman	Non-Executive
John Iossifidis	Vice Chairman	Non-Executive
Djamal Djouhri	Board Member	Non-Executive
Abdulmohsen Al-Bazie	Board Member	Non-Executive
Nafez Al-Morhabi	Board Member	Independent
Majed Nofal	Board Member	Independent
Hosam Saleh Al-Kadi	Board Member	Independent

Biographies of the Board of Directors



Ibrahim Sulaiman Abdulaziz Al Rajhi

Current Positions and Memberships

- 2021-Present: Chairman, Modern Mills for Food Products Company (Modern Mills).
- 2025-Present: Member, Al-Qassim Investment Advisory Board, an Advisory Body Focused on Enhancing Investment, Economy, and Opportunity Creation in Al-Qassim.
- 2024-Present: Member, Board of Directors, Transport General Authority (TGA), the Regulatory and Legislative Body for the Land, Maritime, and Railway Transport Sectors in the Kingdom.
- 2024-Present: Member, Executive Committee, Transport General Authority (TGA).
- 2024-Present: Member, Board of Directors, Al Rajhi Holding Group, a Closed Joint Stock Company (CJSC) with Diverse Investments across Various Sectors.
- 2024-Present: Chairman, City Cool Cooling Company, a Limited Liability Company (LLC), Operating in Air Conditioning Services and Solutions.
- 2024-Present: Member, Board of Directors, King Fahd Causeway Authority (KFCA).
- 2024-Present: Chairman, Executive Committee, Sheikh Sulaiman bin Abdulaziz Al Rajhi Endowments (Waqf Sulaiman Al Rajhi).
- 2024-Present: Chairman, Aqna Holding Company, a Closed Joint Stock Company (CSJC), Focused on Asset Investment.
- 2023-Present: Chairman, Board of Trustees, Sheikh Sulaiman bin Abdulaziz Al Rajhi Endowments (Waqf Sulaiman Al Rajhi), the Highest Legislative Authority Overseeing the Governance and Regulation of the Endowments and their Entities.
- 2023-Present: Member, Board of Directors, the National Center for Family Business (NCFB), a Non-profit Advisory Organization.
- 2022-Present: Member, Board of Directors, ACWA Power, a Listed Joint Stock Company (LJSC), Operating in the Water and Power sector.
- 2018-Present: Vice Chairman, Hessah bint Ibrahim Al Qubaisi Academic Excellence Program, a Non-profit Program, Operating in Academic Excellence Support.
- 2018-Present: Member, Board of Directors, the Family Business Council Gulf (FBCG), Dubai, a Non-profit Advisory Organization.
- 2017-Present: Member, Advisory Board, Collage of Business (CoB), Alfaisal University, an Educational Institution.
- 2016-Present: Member, Board of Trustees, Al-Rajhi Humanitarian, a Non-profit Foundation, Focused on Charitable and Humanitarian Work.
- 2015-Present: Chairman, Tibah Airports Development Company, a Closed Joint Stock Company (CJSC), Operating in Airport Operation and Development.
- 2015-Present: Member of the Board of Trustees, Endowments of Hessah bint Ibrahim Al Qubaisi, a Non-profit Endowment Institution.
- 2012-Present: Chairman, Tibah Airports Operation Company, a Limited Liability Company (LLC), Operating in airport operation and development.

Previous Positions and Memberships

- 2016-2020: Chairman, Board of Directors, Arabian Cement Company (ACC).
- 1999-2016: Member, Board of Directors, Arabian Cement Company (ACC).
- 2009-2021: Member, Board of Directors, Al Rajhi Holding Group.
- 2012-2018: Member, Board of Managers, Sulaiman Al Rajhi Real Estate Company (ARI).
- 2011-2017: Member, Board of Directors, Al-Watania Poultry.
- 2012-2017: Member, Board of Managers, Sulaiman Al Rajhi Real Estate Company (ARI).
- 2011-2018: Member, Executive Committee, Sulaiman Abdulaziz Al Rajhi Endowments Holding Company.
- 2014-2017: Member, Board of Directors, Al Ajial Holding.
- 2012-2017: Member, Board of Directors, Al Arrab Contracting Company.
- 2012-2016: Chairman, Mada International Holding.
- 2008-2017: Chairman, General Enterprises and Trading Company (GETCO).
- 2018-2020: Member, Board of Directors, International Company for Water and Power Projects (ACWA Power), Riyadh.

Qualifications

- 2008: Ph.D., Human Resources, London Metropolitan University, London.
- 1996: Master's Degree, Management Science, Hult International Business School (formerly Arthur D. Little School of Management), USA.
- 1994: Bachelor's Degree, Systems Engineering (Industrial Engineering), King Fahd University of Petroleum and Minerals (KFUPM), Dhahran.



John Iossifidis

Current Positions and Memberships

- 2021-Present: Vice Chairman, Member, Nominations and Remuneration Committee (NRC), Modern Mills for Food Products Company (Modern Mills).
- 2020-Present: CEO, Al Ghurair Investment Group, a Limited Liability Company (LLC), Operating in the Investment Sector.
- 2021-Present: Non-Executive Member, Board of Directors, Mashreq Bank PJSC, a Listed Joint Stock Company (LJSC), Operating in the Banking Services Sector.
- 2019-Present: Member, Australian Institute of Company Directors (AICD), a Non-profit Institute Focusing on Governance and Professional Development in Corporate Governance.
- 2015-Present: Member, the Business Council of Australia (BCA), a Non-Profit Business Organization.
- 1988-Present: Member and Fellow, Australian Institute of Bankers (AIB), a Professional Body Focused on the Financial Services and Banking Sector.

Previous Positions and Memberships

- 2017-2020: CEO, Noor Bank PJSC, an Unlisted Public Company Licensed by the Central Bank of the UAE, Operating in the Banking Services Sector.
- 2015-2017: Executive Vice President, Group Head, Corporate and Investment Banking.
- 2009-2015: Executive Vice President, Group Head, International Banking and Financial Institutions, Mashreq Bank PJSC.
- 2003-2009: Managing Director, Regional Head, Origination and Client Coverage MENAP, Standard Chartered Bank PLC, a Listed Joint Stock Company (LJSC) Operating in the Banking Services Sector.
- 2021-2024: Senior Independent Member, Board of Directors, Hellenic Bank Public Company Limited, a Listed Bank Regulated by the European Central Bank, Operating in the Banking Services Sector.
- 2018-2020: Non-Executive Vice Chairman, Digital Financial Services LLC, a Limited Liability Company (LLC), Operating in the E-wallets and Digital Payments Sector.
- 2017-2020: Non-Executive Board Member, Noor Takaful, a Listed Joint Stock Company (LJSC), Operating in the Provision of Sharia-compliant General, Personal Life, and Medical Insurance Products.
- 2013-2017: Non-Executive Board Member, Mashreq Capital (DIFC) Ltd., a Limited Liability Company (LLC), Operating in the Asset Management Sector.
- 2009-2017: Non-Executive Board Member, Makaseb Investment Funds Company (BSC), a Limited Liability Company (LLC) Operating in Asset Management Services.

Qualifications

- 2022: Diploma, Corporate Governance, Corporate Governance Institute, Ireland.
- 1992: Master's Degree, Business Administration, Monash University, Australia.
- 1984: Bachelor's Degree, Accounting, Monash University, Australia.



Djamal Djouhri

Current Positions and Memberships

- 2021-Present: Member, Board of Directors, Modern Mills for Food Products Company (Modern Mills).
- 2012-Present: Member, U.S. Wheat Associates, an Export Market Development Organization for the U.S. Wheat Industry.
- 2012-Present: Member, Canadian Wheat Board (CWB), a Marketing Board in Canada, Operating in the Wheat and Barley Sector.
- 2012-Present: Member, Global Grain Association (GGA), a Global Association, Operating in the Grain Sector.
- 2012-Present: Member, Grain and Feed Trade Association (GAFTA), a Trade Association, Operating in the Grain and Feed Sector.
- 2012-Present: Member, U.S. Soybean Export Council (USSEC), a United Soybean Board Entity, Operating in the Soybean Export Sector.

Previous Positions and Memberships

- 2009-2019: Executive Director, Al Ghurair Resources International Company, a Limited Liability Company (LLC), Operating in the Food and Grain Supply Chain Sector (Flour, Corn, Wheat, Barley, and Oilseeds).
- 2004-2009: Vice President, Al Ghurair Resources International Company, a Limited Liability Company (LLC), Operating in the Food and Grain Supply Chain Sector (Flour, Corn, Wheat, Barley, and Oilseeds).
- 1990-2004: Marketing Manager, Gulf Import & Export Company, a Limited Liability Company (LLC), Operating in the Grain Trading Sector.
- 1983-1988: Head of Treasury and Investment Department, Mashreq Bank for Foreign Exchange Trading and Capital Markets, a Listed Joint Stock Company (LJSC), Operating in the Banking Services Sector.

Qualifications

- 1983: Master's Degree, Business Administration, San Diego State University (SDSU), USA.
- 1979: Bachelor's Degree, Economics, University of Algiers, Algeria.



Abdulmohsen Al-Bazie

Current Positions and Memberships

- 2022-Present: Member, Board of Directors, Nominations and Remuneration Committee (NRC), Modern Mills for Food Products Company (Modern Mills).
- 2022-Present: CEO, Mada International Holding, a Limited Liability Company (LLC), Operating in the Infrastructure Sector Investments.
- 2022-Present: Member, Board of Directors, Tibah Airports Development Company, a Closed Joint Stock Company (CJSC), Operating in Airport Operation and Development.
- 2022-Present: Board Member, City Cool Cooling Company, a Limited Liability Company (LLC), Operating in Air Conditioning Services and Solutions.
- 2023-Present: Chairman, Board of Directors, Madinah Airport Hotel Company, a Closed Joint Stock Company (CJSC), Operating in the Hospitality Sector.
- 2024-Present: Member, Board of Directors, One Investments, a Closed Joint Stock Company (CJSC), Operating in the Marketing and Communication Solutions Sector.

Previous Positions and Memberships

- 2019-2022: Head, Structured Finance, Saudi National Bank (SNB) (Formerly Known as the National Commercial Bank), a Listed Joint Stock Company (LJSC), Operating in the Banking Services Sector.

Qualifications

- 2011: Bachelor's Degree, Finance, King Fahd University of Petroleum and Minerals (KFUPM), Dhahran.



Nafez Al-Morhabi

Current Positions and Memberships

- 2024-Present: Member, Board of Directors, Audit Committee, Modern Mills for Food Products Company (Modern Mills).
- 2024-Present: Independent Board Member, Member, Nominations and Remuneration Committee (NRC), Al-Muftah Rent a Car, a Closed Joint Stock Company (CJSC).
- 2024-Present: Member, Board of Directors, Chairman, Transformation Committee, Mohammed Sweilem Al-Shareef Sons Company, a Closed Joint Stock Company (CJSC).
- 2025-Present: Independent Board Member, Chairman, Audit Committee, FAD International, a Saudi Company Listed on the Parallel Market (Nomu).

Previous Positions and Memberships

- 2008-2011: Chief Investment Officer, Savola Group.
- 2011-2017: Head, Corporate Finance, KPMG, Saudi Arabia.
- 2017-2023: CEO, KPMG, Lebanon.
- 2020-2023: COO, KPMG, Saudi Arabia and Levant.
- 2018-2021: Member, Board of Directors, KPMG, Saudi Arabia and Levant.

Qualifications

- 1996: Master's Degree, Accounting and Finance, Lancaster University.



Majed Nofal

Current Positions and Memberships

- 2023-Present: Member, Board of Directors, Member, Nominations and Remuneration Committee (NRC), Modern Mills for Food Products Company (Modern Mills).
- 2023-Present: CEO, Takween Advanced Industries, a Listed Joint Stock Company (LJSC), Operating in the Plastic Industries Sector.

Previous Positions and Memberships

- 2021-2022: CEO, Daily Food Co., a Limited Liability Company (LLC), Operating in the Fast-food Sector.
- 2020-2021: CEO, Pure Beverage Industry Company, a Limited Liability Company (LLC), Operating in the Manufacturing and Sale of Bottled Water.
- 2019-2020: CEO, Almarai Co., a Listed Joint Stock Company (LJSC), Operating in the Manufacturing and Sale of Dairy, Bakery, Juice, and Poultry Products.
- 2019-2020: Chairman, Board of Directors, International Company for Agricultural Industrial Projects (Beyti) in Egypt, a Closed Joint Stock Company (CJSC), Operating in the Manufacturing and Sale of Dairy and Juice Products.
- 2019-2020: Chairman, Board of Directors, Teeba Investment for Developed Food Processing (Teeba), a Limited Liability Company (LLC), Operating in the Manufacturing and Sale of Dairy and Juice Products.

Qualifications

- 1992: Bachelor's Degree, Administrative Sciences (Accounting), King Saud University (KSU), KSA.



Hosam Saleh Al-Kadi

Current Positions and Memberships

- 2025-Present: Member, Board of Directors, Modern Mills for Food Products Company (Modern Mills).
- 2021-Present: Secretary General, Industrial Council.

Previous Positions and Memberships

- To 2020: CEO, Feed Division, Arabian Agricultural Services Company (ARASCO).
- To 2016: Vice President, Sales and Marketing, Arabian Agricultural Services Company (ARASCO).

Qualifications

- 2011: Master’s Degree, Business Administration, Johns Hopkins University (JHU), USA.
- 2009: Master’s Degree, Agricultural Economics, King Saud University (KSU), KSA.
- 2003: Bachelor’s Degree, Agricultural Economics, King Saud University (KSU), KSA.

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

The following table sets out the names of the companies, inside or outside the Kingdom, in which the Board Members of Modern Mills hold current or previous positions, in addition to their legal entity:

Ibrahim Sulaiman Abdulaziz Al Rajhi						
Company Name	Legal Entity	Company Location		Position of Board Member	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Modern Mills for Food Products Company (Modern Mills)	Listed Joint Stock Company (LJSC)	√	-	Chairman of the Board	√	-
Al-Qassim Investment Advisory Board	Government Investment Advisory Council	√	-	Board Member	√	-
Transport General Authority (TGA)	Regulatory and Legislative Authority for the Land, Maritime, and Railway Transport Sectors	√	-	Board Member	√	-
Transport General Authority (TGA)	Regulatory and Legislative Authority for the Land, Maritime, and Railway Transport Sectors	√	-	Member of the Executive Committee	√	-
Al Rajhi Holding Group	Closed Joint Stock Company (CJSC)	√	-	Board Member	√	-
City Cool Cooling Company	Limited Liability Company (LLC)	√	-	Chairman	√	-
King Fahd Causeway Authority	Government Institution	√	-	Member of the Investment Committee	√	-
Sulaiman Bin Abdulaziz Al Rajhi Endowments (Waqf)	Endowments	√	-	Chairman of the Executive Committee	√	-
Sulaiman Bin Abdulaziz Al Rajhi Endowments (Waqf)	Endowments	√	-	Chairman of the Board of Trustees	√	-
The National Center for Family Business (NCFB)	Non-profit Advisory Organization	√	-	Board Member	√	-
ACWA Power Company	Listed Joint Stock Company (LJSC)	√	-	Board Member	√	-
Hessah bint Ibrahim Al Qubaisi Academic Excellence Program	Endowment	√	-	Vice Chairman	√	-
The Family Business Council Gulf (FBCG)	Non-profit Advisory Organization, Operating in the Field of Consulting	-	√	Board Member	√	-
College of Business (CoB), Alfaisal University	Educational Institution	√	-	Member of the Advisory Board	√	-

Ibrahim Sulaiman Abdulaziz Al Rajhi						
Company Name	Legal Entity	Company Location		Position of Board Member	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Al-Rajhi Humanitarian	Endowment	√	-	Member of the Board of Trustees	√	-
Tibah Airports Development Company	Closed Joint Stock Company (CJSC)	√	-	Chairman	√	-
Tibah Airports Operation Company	Limited Liability Company (LLC)	√	-	Chairman	√	-
Endowments of Hessah bint Ibrahim Al Qubaisi	Endowment	√	-	Member of the Board of Trustees	√	-
Al-Watania Poultry	Limited Liability Company (LLC)	√	-	Board Member	-	√
Fursan Travel	Limited Liability Company (LLC)	√	-	General Manager	-	√
Arabian Cement Company (ACC)	Listed Joint Stock Company (LJSC)	√	-	Chairman	-	√
Arabian Cement Company (ACC)	Listed Joint Stock Company (LJSC)	√	-	Board Member	-	√
Al Rajhi Holding Group	Closed Joint Stock Company (CJSC)	√	-	Board Member	-	√
ACWA Power Company	Listed Joint Stock Company (LJSC)	√	-	Board Member	-	√
Sulaiman Bin Abdulaziz Al Rajhi Endowments (Waqf)	Endowment	√	-	Member of the Board of Managers	-	√
Sulaiman Bin Abdulaziz Al Rajhi Endowments (Waqf)	Endowment	√	-	Member of the Executive Committee	-	√
Sulaiman Al Rajhi Real Estate Company (ARI).	Limited Liability Company (LLC)	√	-	Board Member	-	√
Al Ajjal Holding	Closed Joint Stock Company (CJSC)	√	-	Board Member	-	√
General Enterprises & Trading Company (GETCO)	Limited Liability Company (LLC)	√	-	Chairman	-	√
Al Arrab Contracting Company	Limited Liability Company (LLC)	√	-	Board Member	-	√
Mada International Holding	Limited Liability Company (LLC)	√	-	Chairman	-	√
Arabian Cement Company (ACC)	Listed Joint Stock Company (LJSC)	√	-	Member of the Governance Committee, Nomination and Remuneration Committee	-	√

John Iossifidis						
Company Name	Legal Entity	Company Location		Position of Board Member	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Modern Mills for Food Products Company (Modern Mills)	Listed Joint Stock Company (LJSC)	√	-	Vice Chairman of the Board and Member of the Nomination and Remuneration Committee (NRC)	√	-
Al Ghurair Investment Company	Limited Liability Company (LLC)	-	√	Group CEO	√	-
Al-Mashreq Bank PJSC	Listed Joint Stock Company (LJSC)	-	√	Non-Executive Board Member	√	-
Australian Institute of Company Directors (AICD)	Non-profit Institute	-	√	Member of the Institute	√	-
Business Council of Australia (BCA)	Non-profit Council	-	√	Board Member	√	-
Australian Institute of Bankers (AIB)	Non-profit Institute	-	√	Member and Fellow of the Institute	√	-
Noor Bank PJSC	Unlisted Public Company	-	√	CEO	-	√
Hellenic Bank Public Company Limited	Listed Bank	-	√	Senior Independent Board Member	-	√
Digital Financial Services LLC	Limited Liability Company (LLC)	-	√	Non-Executive Vice Chairman of the Board	-	√
Noor Takaful Company	Listed Joint Stock Company (LJSC)	-	√	Non-Executive Board Member	-	√
Mashreq Capital (DIFC) Limited Company	Limited Liability Company (LLC)	-	√	Non-Executive Board Member	-	√
Makaseb Investment Funds Company (BSC)	Limited Liability Company (LLC)	√	√	Non-Executive Board Member	-	√

Djamal Djouhri						
Company Name	Legal Entity	Company Location		Position of Board Member	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Modern Mills for Food Products Company (Modern Mills)	Listed Joint Stock Company (LJSC)	√	-	Board Member	√	-
Reem Rice Mills	Private Limited Liability Company (LLC)	-	√	Board Member	-	√
Serendib Flour Mills (SFML)	Private Limited Liability Company (LLC)	-	√	Board Member	-	√
Canada-Arab Business Council (CABC)	Non-profit Organization	-	√	Council Member	-	√
Great Southern Roller Flour Mills Ltd.	Closed Joint Stock Company (CJSC)	-	√	Board Member	-	√
Al Ghurair Resources International Company	Limited Liability Company (LLC)	-	√	Executive Director and Vice President	-	√
US Wheat Associates (USW)	Organization for the Development of Export Markets for the U.S. Wheat Industry	-	√	Member of the Association	-	√
Canadian Wheat Board (CWB)	Marketing Board in Canada, Operating in the Wheat and Barley Sector	-	√	Council Member	-	√
Global Grain Association (GGA)	Global Association, Operating in the Grains Sector	-	√	Member of the Association	-	√
Grain and Feed Trade Association (GAFTA)	Trade Association, Operating in the Grain and Feed Sector		√	Member of the Association	-	√
U.S. Soybean Export Council (USSEC)	United Soybean Board, Operating in the Soybean Export Sector	-	√	Council Member	-	√

Abdulmohsen Al-Bazie						
Company Name	Legal Entity	Company Location		Position of Board Member	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Modern Mills for Food Products Company (Modern Mills)	Listed Joint Stock Company (LJSC)	√	-	Board Member and Member of the Nomination and Remuneration Committee (NRC)	√	-
Mada International Holding	Limited Liability Company (LLC)	√	-	CEO	√	-
Tibah Airports Development Company	Closed Joint Stock Company (CJSC)	√	-	Board Member	√	-
City Cool Cooling Company	Limited Liability Company (LLC)	√	-	Board Member	√	-
Madinah Airport Hotel Company	Closed Joint Stock Company (CJSC)	√	-	Chairman	√	-
One Investments	Closed Joint Stock Company (CJSC)	√	-	Board Member	√	-

Nafez Al-Morhabi						
Company Name	Legal Entity	Company Location		Position of Board Member	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Modern Mills for Food Products Company (Modern Mills)	Listed Joint Stock Company (LJSC)	√	-	Board Member and Member of the Audit Committee	√	-
FAD International	Listed Joint Stock Company (LJSC)	√	-	Board Member and Chairman of the Audit Committee	√	-
Al-Muftah Rent a Car	Closed Joint Stock Company (CJSC)	√	-	Board Member and Member of the Nomination and Remuneration Committee (NRC)	√	-
Mohammed Sweilem Al-Shareef Sons Company	Closed Joint Stock Company (CJSC)	√	-	Board Member, Member of the Audit Committee, and Chairman of the Transformation Committee	√	-

Majed Nofal						
Company Name	Legal Entity	Company Location		Position of Board Member	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Modern Mills for Food Products Company (Modern Mills)	Listed Joint Stock Company (LJSC)	√	-	Board Member and Member of the Nomination and Remuneration Committee (NRC)	√	-
Takween Advanced Industries	Listed Joint Stock Company (LJSC)	√	-	CEO	√	-
Daily Food Co.	Limited Liability Company (LLC)	√	-	CEO	-	√
Pure Beverage Industry Company	Limited Liability Company (LLC)	√	-	CEO	-	√
Almarai	Listed Joint Stock Company (LJSC)	√	-	CEO	-	√
International Company for Agricultural Industrial Projects (Beyti) (Egypt)	Closed Joint Stock Company (CJSC)	-	√	Chairman	-	√
International Company for Agricultural Industrial Projects (UAE)	Limited Liability Company (LLC)	-	√	Chairman	-	√
Teeba Investment for Developed Food Processing (Teeba)	Limited Liability Company (LLC)	-	√	Chairman	-	√

Hosam Saleh Al-Kadi						
Company Name	Legal Entity	Company Location		Position of Board Member	Membership Status	
		Inside KSA	Outside KSA		Current	Previous
Modern Mills for Food Products Company (Modern Mills)	Listed Joint Stock Company (LJSC)	√	-	Board Member	√	-

Board Meetings

The Board of Directors of Modern Mills held four meetings during 2025, reflecting the Board of Director’s commitment to its oversight responsibilities and ensuring the continuity of constructive communication among its Members.

Board of Directors’ Meetings and Attendance Record during 2025

Name	Position	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Attendance (%)
		11 March	7 May	6 August	25 November	
Ibrahim Sulaiman Abdulaziz Al Rajhi	Chairman of the Board	√	√	√	√	100%
John Iossifidis	Vice Chairman	√	√	√	√	100%
Djamal Djouhri	Board Member	√	√	√	√	100%
Abdulmohsen Al-Bazie	Board Member	√	√	√	√	100%
Nafez Al-Morhabi	Board Member	√	√	√	√	100%
Majed Nofal	Board Member	√	√	√	√	100%
Hosam Saleh Al-Kadi	Board Member	√	√	√	√	100%

Board Performance Evaluation

In a bid to monitor and improve the performance of its Board of Directors, while ensuring they meet regulatory standards and adopt best governance practices, Modern Mills has partnered with the GCC Board Directors Institute (GCC BDI). This independent, non-profit organization has no ties to the Company and will conduct a comprehensive evaluation of the Board, Board Committees, Members, and Executives. This initiative is a vital step towards enhancing transparency and credibility. The aim is to align the

Board’s performance with the regulations set forth by the Ministry of Commerce and the Capital Market Authority (CMA), following the relevant regulatory guidelines. This will help build trust among shareholders and stakeholders, fostering the sustainability of institutional excellence.

Board Committees

Modern Mills has approved the formation of a number of Committees in line with its needs and circumstances, to enable the Board of Directors to perform its duties efficiently and effectively. The formation of these Committees is carried out in accordance with general procedures determined by the Board, which include defining their mandates, duration, delegated powers, and mechanisms for monitoring their performance,

while requiring them to submit transparent and accurate reports on their activities and the results of their work. In addition, the Board ensures the periodic monitoring of the Committees' work to ensure that the tasks assigned to them are executed, thereby enhancing the principles of sound governance and establishing the values of transparency and accountability at all levels of institutional work.

1- Audit Committee

The Audit Committee at Modern Mills is tasked with the important job of overseeing the compliance framework, verifying that the internal control and risk management systems are effective and adequate, while also ensuring the integrity and accuracy of financial reports. On top of that, the Committee continuously monitors external

audit activities to maintain the independence of those conducting them. In addition, the Committee also keeps tabs on the Company's compliance with applicable laws, regulations, and policies, and present its recommendations to the Board to promote transparency, credibility, and the principles of sound governance.

Audit Committee Roles and Responsibilities

The following are the key responsibilities of the Committee:

1. Financial Reports

- Analyzing preliminary and annual financial statements and discussing the same before presenting them to the Board, while providing opinions and recommendations to ensure their fairness and transparency.
- Providing technical opinions, upon the request of the Board, regarding the balance and fairness of financial reports and their alignment with the Company's strategy and the expectations of shareholders and investors.
- Analyzing any material or unusual issues that might appear in the financial reports with accuracy and depth.
- Thoroughly investigating and examining any issues raised by the CFO, the Compliance Officer, or the External Auditor.
- Reviewing significant accounting estimates and policies adopted by the Company and providing the necessary recommendations to the Board regarding them.

2. Internal Audit

- Examining and reviewing the Company's internal control and financial systems, as well as the Risk Management System.
- Analyzing internal audit reports and following up on the implementation of corrective actions regarding the observations contained therein.
- Monitoring and supervising the performance and activities of the Internal Auditor and the Company's Internal Audit Department to ensure the availability of necessary resources and their effectiveness.

3. External Audit

- Providing recommendations to the Board for the nomination, dismissal, and remuneration of External Auditors, and evaluating their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts.
- Verifying the independence, objectivity, and integrity of the External Auditor, as well as the effectiveness of the audit processes, taking into account relevant rules and standards.

- Reviewing the External Auditors plan for the Company and its activities, ensuring that External Auditors do not provide any technical, administrative, or advisory services outside the scope of their work, and providing an opinion thereon.
 - Responding to the inquiries of the Company's External Auditor.
 - Reviewing the External Auditors' reports and their observations on the financial statements and following up on the actions taken regarding them.
- ### 4. Compliance
- Reviewing the findings of regulatory reports and making sure that the Company has taken the necessary actions regarding them.
 - Ensuring the Company's compliance with relevant laws, regulations, policies, and instructions.
 - Reviewing proposed contracts and transactions with related parties and providing its recommendations to the Board.
 - Informing the Board of any issues regarding which it deems action is necessary and providing recommendations on the steps that should be taken.

5. Risk Management

- Overseeing and developing the risk management framework approved by the Company.
- Identifying and analyzing the key risks facing the Company, while evaluating the management of such risks and aligning the activities of departments with the Company's general objectives and policies.
- Verifying that risk is managed within acceptable thresholds, while considering the balance between the size of the Company and the business, as well as long-term and short-term objectives.
- Selecting and developing risk management policies and procedures appropriate for decision-making stages, while establishing the necessary controls and determining administrative reporting mechanisms.
- Reviewing major risk assessment reports regularly, while reviewing the Company's business continuity plans.

Committee Formation and Member Classification

Member Name	Position	Membership Type
Ehsan Makhdoum	Chairman of the Committee	Independent
Mohammed Abdelhafez	Committee Member	Non-Executive
Nafez Al-Morhabi ⁽¹⁾	Committee Member	Independent
Nasser Paracha	Committee Member	Non-Executive

(1) This Member's biography is provided on page ## of the Annual Report 2025.

Biographies of the Audit Committee Members



Ehsan Makhdoum
(Chairman of the Audit Committee – Non-Board Member)

Current Positions and Memberships

- Chairman, Audit Committee, Modern Mills for Food Products Company (Modern Mills).
- 2023-Present: Member, Audit Committee, Noon Investment Company, a Closed Joint Stock Company (CJSC), Operating in the E-Commerce Sector.
- 2023-Present: Chairman, Audit Committee, Saudia Cargo, a Closed Joint Stock Company (CJSC), Operating in the Air Freight Sector.
- 2022-Present: Member, Audit Committee, Ardara, a Closed Joint Stock Company (CJSC), Operating in the Real Estate Development Sector.
- 2022-Present: Chairman, Audit Committee, Middle East Fiber Cable Manufacturing Company (MEFC), a Closed Joint Stock Company (CJSC), Operating in the Production of Fiber Optic Cables.
- 2021-Present: Chairman, Audit Committee, Saudi Lime Industries Company, a Listed Joint Stock Company (LJSC), Operating in the Supply of Lime and Limestone Products.
- 2021-Present: Member, Audit Committee, ROSHN, a Closed Joint Stock Company (CJSC), Operating in the Real Estate Development Sector.
- 2021-Present: Member, Board of Directors, Chairman, Audit Committee, Crédit Agricole CIB Saudi Arabia, a Closed Joint Stock Company (CJSC), Operating in the Financial Services Sector.
- 2021-Present: Member, Board of Directors, Member, Audit Committee, Etihad Atheeb Telecommunication Co. (GO), a Listed Joint Stock Company (LJSC), Operating in the Telecommunications Services Sector.
- 2020-Present: Member, Audit Committee, the Company for Cooperative Insurance (Tawuniya), a Listed Joint Stock Company (LJSC), Operating in the Insurance Sector.
- 2020-Present: Member, Audit Committee, Saudi Downtown Company, a Closed Joint Stock Company (CJSC), Operating in the Real Estate Development Sector.
- 2023-Present: Member, Audit Committee, Gulf Coast Real Estate Development Company, a Closed Joint Stock Company (CJSC) Operating in the Real Estate Development Sector.
- 2023-Present: Member, Audit Committee, Desert Technologies Factory for Industry Company (DT Manufacturing), a Closed Joint Stock Company (CJSC), Operating in the Real Estate Development Sector.
- 2024-Present: Member, Audit Committee, Awqaf Investments, a Closed Joint Stock Company (CJSC), Operating in the Endowment Management and Investment Sector.
- 2024-Present: Member, Audit Committee, Aldrees Industrial & Trading Company (ALITCO), a Closed Joint Stock Company (CJSC), Operating in the Manufacturing and Trading Sector.
- 2025-Present: Chairman, Audit Committee, Saudi Development Company (Tatweer), a Closed Joint Stock Company (CJSC), Operating in the Real Estate Development Sector.

Previous Positions and Memberships

- 2016-2019: Managing Partner, Deloitte & Touche – Chartered Accountants, a Limited Liability Company (LLC), Operating in the Accounting Sector.
- 2020-2021: Chairman, Audit Committee, Dammam Pharma, a Limited Liability Company (LLC), Operating in the Pharmaceutical Manufacturing and Marketing Sector.
- 2022-2023: Member, Audit Committee, Rayan Advanced Industrial Company, a Closed Joint Stock Company (CJSC), Operating in the Plastic Packaging Products Sector.
- 2024-2025: Chairman, Audit Committee, Abdulmohsen Al-Tamimi Group, a Closed Joint Stock Company (CJSC), Operating in the Contracting Sector.

Qualifications

- 2025: Certified Board Member Certificate, the Financial Academy and GCC Board Directors Institute (GCC BDI).
- 2022: Diploma, Board Effectiveness, the Financial Academy and GCC Board Directors Institute (GCC BDI).
- 2021: Certificate, Board Effectiveness, the Financial Academy and GCC Board Directors Institute (GCC BDI).
- 2009: Fellow, American Institute of Certified Public Accountants (AICPA).
- 2005: Fellow, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
- 2001: Fellow, Saudi Organization for Chartered and Professional Accountants (SOCPA).
- 1997: Bachelor’s Degree, Accounting, King Fahd University of Petroleum and Minerals (KFUPM), Dhahran.



Mohammed Abdelhafez

(Member of the Audit Committee – Non-Board Member)

Current Positions and Memberships

- Member, Audit Committee, Modern Mills for Food Products Company (Modern Mills).
- 2012-Present: Chairman, Audit Committee, Tibah Airports Development Company, a Closed Joint Stock Company (CJSC), Operating in the Airport Operation and Development Sector.
- 2025-Present: Chairman, Audit Committee, Millennium Hotel Madinah.

Previous Positions and Memberships

- 2021- 2025: Director, Internal Audit, Al Rajhi Holding Group, a Closed Joint Stock Company (CJSC) with Subsidiaries across Various Sectors, KSA.
- 2021-2025: Member, Audit Committee, Gemstone Group, a Conglomerate Providing Investment Banking, Financial Advisory Services, and Project Development in the UAE, Qatar, and KSA.
- 2022-2025: Member, Audit Committee, Elsewedy Cables, a Limited Liability Company (LLC), Operating in the Electrical Cables Sector.
- 2021-2025: Member, Audit Committee, City Cool Cooling Company, a Company Providing Air Conditioning Services and Solutions.
- 2023-2025: Member, Audit Committee, MATTEX Group, a Company Specializing in the Production of Carpet Backings and Technical Textiles, KSA.
- 2023-2025: Member, Audit Committee, Ajyal Group, a Company Operating in Educational Services and Investments, KSA.
- 2021-2025: Member, Audit Committee, Erth Group, a Diversified Group Operating in Various Sectors, KSA.
- 2015-2021: Group Head, Internal Audit, Member, Corporate Governance Steering Committee, Abdullatif Alissa Group Holding Co., a Closed Joint Stock Company (CJSC), Operating in the Automotive Retail Sector.
- 2019-2022: Member, Audit Committee, Siporex, a Limited Liability Company (LLC), Operating in the Production of Structural Aerated Concrete from Prefabricated Reinforced Panels.
- 2020-2021: Member, Audit Committee, National General Automotive Company (NAT), a Company Operating in the Automotive Industry with a Focus on Distribution and Services, KSA.

Qualifications

- 2016: Certified Public Accountant (CPA), California Board of Accountancy (CBA), USA.
- 2018: Certified Internal Auditor (CIA), Institute of Internal Auditors (IIA).
- 2007: Bachelor's Degree, Accounting and Finance (English Section), Cairo University, Egypt.



Nasser Paracha

(Member of the Audit Committee – Non-Board Member)

Current Positions and Memberships

- April 2024-Present: Member, Audit Committee, Modern Mills for Food Products Company (Modern Mills).
- January 2024-Present: Head, Risk Assurance Department, Al Ghurair Investment Company, a Limited Liability Company (LLC), Dubai.

Previous Positions and Memberships

- 2024-2025: Member, Audit Committee, AG MELCO Elevator Company, a Limited Liability Company (LLC).
- 2015-2025: Member, Audit Committee, Sukoon Insurance (UAE).
- 2019-2023: Executive Vice President, Group Head, Internal Audit, Mashreq Bank, Dubai.
- 2014-2019: Executive Vice President, Head, Internal Audit, Compliance, and Fraud Prevention, Mashreq Bank, Dubai.
- 2004-2013: Senior Vice President, Head of Compliance Department, Officer, Anti-Money Laundering (AML), Mashreq Bank, Dubai.

Qualifications

- 1981-1984: Bachelor of Science (Honors), Operational Research with Computing, University of Leeds, UK.
- 2006: Certified Anti-Money Laundering Specialist (CAMS), Association of Certified Anti-Money Laundering Specialists (ACAMS).
- 2017: Certificate, Corporate Governance, INSEAD.
- 2021: Honorary Advanced Diploma, Governance, Risk and Compliance (GRC), Henley Business School.

Audit Committee Meeting Details in 2025 and Member Attendance Record

The Audit Committee held six meetings during 2025, as shown in the following table:

Name	Position	Meeting Attendance Record						
		First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	Sixth Meeting	Attendance (%)
		30 January	02 March	10 March	28 April	24 July	22 October	
Ehsan Makhdoum	Chairman of the Committee	√	√	√	√	√	√	100%
Mohammed Abdelhafez	Committee Member	√	√	√	√	√	√	100%
Nafez Al-Morhabi	Committee Member	√	√	√	√	√	√	100%
Nasser Paracha	Committee Member	√	√	√	√	√	√	100%

2- Nomination and Remuneration Committee (NRC)

The primary mission of the Nomination and Remuneration Committee (NRC) at Modern Mills is to define policies and procedures related to the nomination of Board Members, Board Committees, and the Executive Team, in addition to defining

policies and procedures related to compensation. The amended Nomination and Remuneration Committee Charter was approved by the General Assembly on 19 October 2023.

NRC Roles and Responsibilities:

The Committee’s scope of work includes performing all tasks that enable it to fulfill its duties, including:

- 1. Remuneration:**

 - Developing a clear remuneration policy for Board Members, Board Committees, and Senior Executives, and submitting it to the Board for approval by the General Assembly, while ensuring it is tightly linked to KPIs, and committing to its disclosure and monitoring its implementation.
 - Reviewing the remuneration policy and benchmarking it against practices in peer companies, with the possibility of engaging external consultants to design competitive remuneration plans that ensure the attraction of leadership competencies capable of enhancing shareholder value.
 - Conducting an annual review of the actual remuneration granted and comparing it against the approved policy, while monitoring any instances of non-compliance and presenting the same to the Board to approve any necessary exceptions.
 - Providing the necessary recommendations to the Board regarding the remuneration of Members, Committees, and Executive Management in accordance with the approved policies.
 - Periodically reviewing the Company’s classification and salary structure to ensure the proper maintenance of internal and external equity.
 - Submitting recommendations to the Board regarding the total annual cash amounts and bonuses, the Employee Stock Ownership Plan (ESOP), and determining the allocation ratios between the Company’s employees and Executive Management.
 - Recommending balanced ratios that combine fixed and performance-linked remuneration, as well as immediate and deferred remuneration.

2. Nominations:

 - Proposing clear policies and criteria for membership of the Board, Board Committees, and Executive Management.
 - Determining the procedures to be followed in the event of a vacancy in the Board or in Senior Executive positions.
 - Assisting the Board in filling vacancies on the Board and
- Board Committees, as well as the position of the CEO, with the Committee committed to best nomination practices to enhance the quality and efficiency of hiring processes.
 - Overseeing the appointment, performance evaluation, and removal of key Executive Management Members.
 - Ensuring the adoption of an effective business operating model, with a streamlined and flexible organizational structure.
 - Supervising the adoption of succession plans for leadership positions on the Board and in Executive Management, and verifying the effectiveness of these plans while examining associated challenges and risks and considering the diversity of candidates’ skills, experience, and independence. This is provided that succession programs are reviewed annually and that reports thereon are submitted to the Board.
 - Putting together the job description that defines the qualifications and capabilities required for Board and Executive Management positions, while specifying the time expected to be allocated by each Member to perform their assigned tasks.
 - Defining the expected roles for Board Committees and Board Members.
 - Maintaining a record that specifies all qualifications and capabilities that Board and Committee Members must possess to perform their responsibilities and duties effectively.
 - Reviewing the structure and composition of the Board and Executive Management, and providing the necessary recommendations to make the required changes.
 - Annually examining the independence of Independent Members and ensuring there are no conflicts of interest, by verifying the number of other boards of directors in which the Member holds membership.
 - Identifying the strengths and weaknesses of the Board, and proposing corrective measures that serve the interests of the Company.

Committee Formation and Member Classification

Name	Position	Membership Type
Majed Nofal ⁽¹⁾	Chairman of the Committee	Independent
John Iossifidis ⁽²⁾	Committee Member	Non-Executive
Abdulmohsen Al-Bazie ⁽³⁾	Committee Member	Non-Executive
Ayman Al-Ghamdi	Committee Member	Independent

(1) The Member’s biography is included on page ## of the 2025 Annual Report.
(3) The Member’s biography is included on page ## of the 2025 Annual Report.
(3) The Member’s biography is included on page ## of the 2025 Annual Report.

Biographies of the Nomination and Remuneration Committee (NRC) Members



Ayman Al-Ghamdi
(NRC Member - Non-Board)

Current Positions and Memberships

- 2023-Present: Chief Human Capital Officer (CHCO), Cruise Saudi, a PIF-wholly Owned Company, Operating in Cruise Ship and Port operations.
- Member, Nominations and Remuneration Committee (NRC), Modern Mills for Food Products Company (Modern Mills).
- 2021-Present: Chairman, Nominations and Remuneration Committee (NRC), Asfar Company, a PIF-wholly Owned Company, Operating in the Tourism Investment.

Previous Positions and Memberships

- 2019-2023: Executive Vice President, Human Resources, Saudi Ground Services (SGS), a Listed Joint Stock Company (LJSC), Operating in Ground Handling Services across KSA airports.
- 2021-2023: Member, Nominations and Remuneration Committee (NRC), Jeddah Health Cluster, a Ministry of Health-owned Company, Operating in the Healthcare Sector.

Qualifications

- 2024: Board Director Diploma, IMD Business School, Lausanne, Switzerland.
- 2009: Master’s Degree, Business Administration (MBA), Open University Malaysia (OUM).
- 2004: Bachelor of Science, Mechanical Engineering, King Abdulaziz University (KAU), Jeddah, KSA.

NRC Meetings and Attendance Record in 2025

The Nominations and Remuneration Committee (NRC) held two meetings during 2025, as illustrated in the following table:

Name	Position	Attendance Record		
		First Meeting	Second Meeting	Attendance (%)
		20/04/2025	23/07/2025	
Majed Nofal	Chairman of the Committee	√	√	100%
John Iossifidis	Committee Member	√	√	100%
Abdulmohsen Al-Bazie	Committee Member	√	√	100%
Ayman Al-Ghamdi	Committee Member	√	√	100%

Executive Management

The leadership of Modern Mills within the Kingdom’s food industry is underpinned by a robust administrative and executive structure. This team has been strategically selected to serve as the primary driver of transformation and development, aligning with shareholder aspirations and fostering sustainable institutional growth. This structure effectively contributes to supporting national food security targets through an ambitious vision centered on innovation and operational efficiency. Such a framework solidifies the Company’s position as a fundamental pillar of the Kingdom’s food industry.

Executive Management Composition

Name	Position	Date of Appointment
Osama Ashi	Chief Executive Officer (CEO)	01/08/2021
Shahid Akbar	Chief Financial Officer (CFO)	14/03/2021
Ahmad Hijazi	Vice President of Feed Segment	01/11/2021
Hattan Malki	Human Capital and Administrative Affairs Director	01/04/2021
Stephen Wouters	Product Supply Operations Director	14/02/2022
Abdullah Alzughaibi	Legal Department Director	01/09/2021
Fares Al-Qaryouti	Head of Flour Sales	01/10/2021
Ramy Fahmy	Marketing and Product Innovation Director	01/06/2022
Oleg Koslov	Head of Internal Audit	04/10/2022

Biographies of Executive Management Members



Osama Ashi
CEO

Current Positions and Memberships

- CEO, Modern Mills for Food Products Company (Modern Mills).

Previous Positions and Memberships

- 2013-2022: General Manager for KSA, GCC, and Levant at Savola Foods, a Listed Joint Stock Company (LJSC), Operating in the Food Business and Food Security Sectors.
- 2010-2012: Vice President, Commercial Business (KSA), Economic Cities and Special Zones Authority (ECZA), a Listed Joint Stock Company (LJSC), Operating in the Economic and Urban Development.
- 1995-2010: Director, Regional Marketing, Middle East and Pakistan, Procter & Gamble, a Listed Joint Stock Company (LJSC), Operating in the Fast-Moving Consumer Goods (FMCG) Sector.

Qualifications

- Bachelor's degree in Engineering from King Abdulaziz University, KSA, 1994G.



Shahid Akbar
Finance Director

Current Positions and Memberships

- Finance Director, Modern Mills for Food Products Company (Modern Mills).

Previous Positions and Memberships

- 2013-2021: Finance Director, Savola Foods.
- 2009-2013: Senior Manager, Savola Foods.
- 2004-2007: Management Accountant, Unilever Arabia.

Qualifications

- Fellow, Chartered Institute of Management Accountants (CIMA), UK.
- Master's Degree, Business Administration (MBA), University of Nottingham, UK.
- Bachelor's Degree, Accounting & Commerce, Bangalore University, India.



Ahmad Hijazi

Vice President of Feed Segment

Current Positions and Memberships

- Vice President (VP), Feed Segment, Modern Mills for Food Products Company (Modern Mills).

Previous Positions and Memberships

- 2021-2022: Member, Board of Directors, Modern Mills for Food Products Company (Modern Mills), a Closed Joint Stock Company (CJSC), Operating in the Food Business and Food Security Sectors.
- 2016-2020: General Manager, Poultry, Feed, and Oats, Al Ghurair Foods, a Limited Liability Company (LLC), Operating in the Flour Milling, Egg, Oat, and Animal Feed Production.
- 2012-2016: Head of Sales, Feed and Oats, Al Ghurair Foods, a Limited Liability Company (LLC), Operating in the Flour Milling, Egg, Oat, and Animal Feed Production.
- 2008-2012: Business Unit Manager, Tanmiah Food Company, a Listed Joint Stock Company (LJSC), Operating in the Manufacturing and Distribution of Food and Agricultural Products.
- 2003-2008: Product Manager, Tanmiah Food Company, a Listed Joint Stock Company (LJSC), Operating in the Manufacturing and Distribution of Food and Agricultural Products.

Qualifications

- 2007: Master's Degree, Business Administration (MBA), University of Leicester, UK.
- 2000: Bachelor's Degree, Agricultural Sciences, Jordan University of Science and Technology (JUST), Jordan.



Hattan Malki

Human Capital and Administrative Affairs Director

Current Positions and Memberships

- Director, Human Capital and Administrative Affairs, Board Secretary, Nominations and Remuneration Committee (NRC) Secretary, Modern Mills for Food Products Company (Modern Mills).

Previous Positions and Memberships

- 2018-2021: Director, Human Resources and Administrative Affairs, Sunbulah Group, a Limited Liability Company (LLC), Operating in the Pastry, Honey, and Meat Production, as well as Retail Sales.
- 2012-2018: Director, Human Resources and Administrative Affairs, Mohamed Yousuf Naghi Group, a Limited Liability Company (LLC), Operating in the Sales and Maintenance of Cars and Commercial Vehicles.
- 2010-2012: Director, Country Human Resources, Philips Company, a Foreign Investment Company (FIC), Operating in the Retail of Medical Devices, Lighting, and Electrical Appliances.
- 2007-2010: Manager, HR, Operations, Recruitment, and Training, SADAFCO, a Joint Stock Company (JSC).

Qualifications

- 2007: Bachelor's Degree, Human Resources Management and Organization, King Abdulaziz University (KAU), Jeddah.



Stephen Wouters
Product Supply Operations Director

Current Positions and Memberships

- Executive Director, Product Supply Operations, Modern Mills for Food Products Company (Modern Mills).

Previous Positions and Memberships

- 2015-2018: Group Manager, Operations, Bolux Group, a Limited Liability Company (LLC), Operating in the Food and Beverage (F&B) Sector.
- 2014-2015: Technical Director, Matola Industrial Company, a Limited Liability Company (LLC), Operating in the Food and Beverage (F&B) Sector.
- 2011-2013: Technical Director, Merrick Industries Company, a Limited Liability Company (LLC), Operating in the Food and Beverage (F&B) Sector.
- 2009-2011: Technical Director, National Foods, a Listed Joint Stock Company (LJSC), Operating in the Food and Beverage (F&B) Sector.

Qualifications

- 1995: National Diploma (Level 5), Bloemfontein Technical College, South Africa.



Abdullah Alzughaibi
Legal Department Director

Current Positions and Memberships

- Director, Legal Department, Modern Mills for Food Products Company (Modern Mills).

Previous Positions and Memberships

- 2012-2021: Director, Legal Department, Almajal G4S, a Limited Liability Company (LLC), Operating in the Support Services, Maintenance, Operation, Security Systems, and Safety.

Qualifications

- 2011: Master of Laws (LLM), International Commercial Law, University of East Anglia, UK.
- 2008: Bachelor's Degree, Judiciary, Umm Al-Qura University, KSA.



Fares Al-Qaryouti
Head of Flour Sales

Current Positions and Memberships

- Head, Flour Sales, Modern Mills for Food Products Company (Modern Mills).

Previous Positions and Memberships

- 2018-2021: Head, Sales and Marketing, Astra Farms, a Limited Liability Company (LLC), Operating in the Agriculture and Production of Dairy, Cheese, Chicken, Quail, and Fruits.
- 2011-2017: Executive General Manager, Sales, NADEC, a Listed Joint Stock Company (LJSC), Operating in the Dairy and Milk Production and Distribution.
- 2008-2011: Manager, Business Development, Kraft Foods, a Listed Joint Stock Company (LJSC), Operating in the Processed Cheese, Biscuits, Tang, and Cadbury Chocolate.
- 2003-2008: Commercial Director, Clorox, a Limited Liability Company (LLC), Operating in the Manufacturing and Distribution of Cleaning Products.
- 2000-2003: Regional Manager, Arabian Food Supplies (AFS), a Limited Liability Company (LLC), Distributing Reckitt Benckiser and California Garden Products.

Qualifications

- 1997: Bachelor's Degree, English Literature, a Minor in Marketing, Philadelphia University, USA.



Ramy Fahmy
Marketing and Product Innovation Director

Current Positions and Memberships

- Director, Marketing and Product Innovation, Modern Mills for Food Products Company (Modern Mills).

Previous Positions and Memberships

- 2020-2022: National Head, Local Sales, Red Bull, a Limited Liability Company (LLC), Operating in the Energy Drinks Sector.
- 2018-2020: Manager, Marketing, Red Bull, a Limited Liability Company (LLC), Operating in the Energy Drinks Sector.
- 2017-2018: Manager, Marketing, Danone, a Listed Joint Stock Company (LJSC), Operating in the Dairy Products Sector.
- 2014-2017: Regional Manager, Marketing, MENA & Pakistan, S.C. Johnson, a Closed Joint Stock Company (CJSC), Operating in Air Care, Pest Control, and Home Cleaning.
- 2008-2014: Brand Manager, Red Bull, a Limited Liability Company (LLC), Operating in the Energy Drinks Sector.
- 2004-2008: Brand Manager, Kraft Foods, a Listed Joint Stock Company (LJSC), Operating in the Biscuits, Chocolate, and Spices.

Qualifications

- 2010: Master's Degree, Business Administration (MBA), Marketing, American University in Cairo (AUC), Egypt.
- 2004: Bachelor's Degree, Economics, Minor in Business Administration and Philosophy, American University in Cairo (AUC), Egypt.



Oleg Koslov
Head of Internal Audit

Current Positions and Memberships

- Head, Internal Audit, Modern Mills for Food Products Company (Modern Mills).

Previous Positions and Memberships

- 2021-2022: Regional Controller, Australia & New Zealand, Fortive, a Listed Joint Stock Company (LJSC), Operating in the Global Manufacturing and Distribution of Medical Devices.
- 2020-2021: General Manager, Operations, Russia, Fortive, a Listed Joint Stock Company (LJSC), Operating in the Global Manufacturing and Distribution of Medical Devices.
- 2018-2020: Global Director, Over-the-Counter (OTC) Drugs, Fortive, a Listed Joint Stock Company (LJSC), Operating in the Global Manufacturing and Distribution of Medical Devices.
- 2014-2018: Head, Internal Audit, Holcim, a Listed Joint Stock Company (LJSC), Operating in the Cement and Aggregates Sector.

Qualifications

- 2007: Bachelor's Degree, Commerce, Accounting, Cairo University, Egypt.
- 2010: Master's Degree, Business Administration (MBA), University of Houston-Clear Lake (UHCL), USA.
- Certified Public Accountant (CPA), Texas, USA.
- Lean Six Sigma Green Belt, Florida International University (FIU), USA.

Remunerations

Modern Mills officially adopted its Remuneration Policy through a resolution by the Extraordinary General Assembly on 11/04/1445H (corresponding to 19/10/2023), establishing it as a fundamental pillar of the Company's corporate governance framework. The Company is committed to implementing this Policy in accordance with all laws and regulations governing listed joint stock companies, while ensuring full compliance with the

standards and procedures set forth in the Corporate Governance Regulations issued by the Capital Market Authority (CMA). The Nomination and Remuneration Committee (NRC) is responsible for overseeing the review of relevant policies and standards, and for submitting the necessary recommendations to the Board to enhance transparency and fairness, thereby upholding the values of sound corporate governance.

Remuneration Policy

• First: Remuneration of Board Members

1. Each Member of the Board of Directors is granted a fixed annual remuneration of SAR 200,000, which is proportional to the number of meetings attended during the fiscal year (FY).
2. The Company provides all necessary travel and transportation arrangements to facilitate the attendance of Board Members residing outside Jeddah at Board meetings.
3. The Company assumes full responsibility for organizing all logistics associated with travel for Board Members residing outside Jeddah and covers all related expenses in full.
4. Board Members may be entitled to additional remuneration for their membership in sub-committees, or for performing any executive, technical, administrative, or advisory roles assigned to them under a professional license within the Company. This is in addition to the remuneration they are entitled to as Board Members or as Independent Members of Committees, in accordance with the Company's Bylaws and internal regulations.
5. Remuneration for Independent Board Members shall not be linked to a percentage of the Company's profits, nor shall it be based, directly or indirectly, on the Company's profitability performance criteria.
6. The aforementioned annual remuneration is subject to periodic review based on the recommendations

of the NRC, in light of the Company's performance, subject to the approval of the General Assembly.

7. Board Members are not permitted to vote on the agenda items pertaining to the remuneration of Board Members.

• Second: Remuneration of Committee Members

The remuneration for Committee Members shall be as follows:

1. An annual remuneration of SAR 100,000 for the Committee Chairman.
2. An annual remuneration of SAR 60,000 for each Committee Member.

• Third: Remuneration of Executive Management

The total remuneration for the Executive Management comprises the following:

1. Basic Salary: Paid at the end of each month.
2. Allowances: Including housing, vehicle, mobile phone, and education allowances.
3. Insurance Benefits: Including medical, health, life, and accident insurance.
4. Incentive Plans: Short-term incentives linked to individual and Company performance, and long-term incentives such as stock options.
5. Other Benefits: Including annual leave, annual airline tickets, and end-of-service gratuity.

Remuneration of Board Members for 2025

(All Amounts in ﷲ Mln)

Name	Position	Fixed Remuneration							Variable Remuneration						End-of-Service Gratuity	Total	Expense Allowance
		Lump Sum (Annual Remuneration)	Allowance for Attending Board Meetings	Total Allowance for Attending Board Meetings	In-Kind Benefits	Remunerations for Technical, Managerial and Consultative Work	Remunerations of the Chairman, Managing Director or Secretary, if a Member	Total	Percentage of Profits	Periodic Remuneration	Short-Term Incentive Plans	Long-Term Incentive Plans	Granted Shares (Value)	Total			
Non-Executive Members																	
Ibrahim Sulaiman Al Rajhi	Chairman of the Board	200,000	-	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	-
John Iossifidis	Vice Chairman of the Board	200,000	-	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	-
Abdulmohsen Al-Bazie	Board Member	200,000	-	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	-
Djamal Djouhri	Board Member	200,000	-	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	-
(Total in SAR)		800,000	-	-	-	-	-	800,000	-	-	-	-	-	-	-	800,000	-
Independent Members																	
Nafez Al Morhabi	Board Member	200,000	-	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	-
Majed Nofal	Board Member	200,000	-	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	-
Hosam Saleh Al-Kadi	Board Member	200,000	-	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000	-
(Total in SAR)		600,000	-	-	-	-	-	600,000	-	-	-	-	-	-	-	600,000	-
Grand Total (SAR)		1,400,000	-	-	-	-	-	1,400,000	-	-	-	-	-	-	-	1,400,000	-

Remuneration of Committee Members for 2025

(All Amounts in ﷲ Mln)

Name	Fixed Remuneration (Excl. Meeting Attendance Allowance)	Meeting Attendance Allowance	Total
Audit Committee Members			
Ehsan Makhdoum	100,000	-	100,000
Mohammed Abdelhafez	60,000	-	60,000
Nafez Al Morhabi	60,000	-	60,000
Nasser Paracha	60,000	-	60,000
(Total in SAR)	280,000	-	280,000
NRC Members			
Majed Nofal	100,000	-	100,000
John Iossifidis	60,000	-	60,000
Abdulmohsen Al-Bazie	60,000	-	60,000
Ayman Al-Ghamdi	60,000	-	60,000
(Total in SAR)	280,000	-	280,000
Grand Total (SAR)	560,000	-	560,000

Remuneration of Executive Management for 2025

During 2025, the NRC approved an updated Comprehensive Remuneration Policy for Senior Executives. This Policy was based on a market benchmarking study conducted by an independent external consultant, aimed at ensuring alignment with best professional practices and enhancing the Company's competitiveness. The Policy is structured as follows:

Remuneration and Compensation of Top 5 Senior Executives for 2025

Remuneration of Top 5 Senior Executives for 2025	(All Amounts in SAR)
Remuneration of the Top 5 Senior Executives, Including the CEO and CFO	9,929,825

Loans

The following table details the total loans obtained by Modern Mills from various banks, along with the repayment schedules and transactions executed during 2025:

(All Amounts in ₪ Mln)

Lending Entity	Loan Principal	Drawn Amount	Loan Tenor	Repaid Amount	Loan Balance at Year End
Saudi National Bank (SNB)	75,000,000	55,000,000	6 Months	0	55,000,000
Saudi National Bank (SNB)	413,886,804	413,886,804	14 Years	118,536,143	295,350,661
Saudi National Bank (SNB)	233,000,000	233,000,000	14 Years	0	233,000,000
Saudi National Bank (SNB)	20,000,000	0	-	0	0
Total	741,886,804	701,886,804	-	118,536,143	583,350,661

The following table illustrates the development of the Company’s total loan balances between 2024 and 2025:

(All Amounts in ₪ Mln)

Statement/Year	2024	2025	Change%
Loans and Advances	617,348,941	500,512,868	-18.9%
Current Portion of Loans and Advances	29,563,340	82,863,270	180.3%
Total	646,912,281	583,376,138	-9.8%

Debt Instruments and Treasury Shares

Disclosure of Any interests in the Class of Voting Shares of Individuals (Save for the Company’s Board Members, Senior Executives, and their Relatives)

None

Disclosure of Any Interests, Contractual Securities, and Subscription Rights of Board Members, Senior Executives, and their Relatives in the Shares or Debt Instruments of the Company or Any of its Subsidiaries

• Board Members, Their Spouses and Minor Children:

None of the members of the Board of Directors, their spouses, or their children have any ownership of ordinary shares, preferred shares, or debt instruments in the Company and its Subsidiaries.

• Senior Executives, Their Spouses and Minor Children:

The following table shows the number of the Company’s shares owned by senior executives during the year 2025:

Name	Position	Start of 2025	End of 2025	Difference During Year	Difference Rate	Debt Instruments
Shahid Akbar	Finance Department Director	4,850	4,850	0%	0	None

Except as set out in the table above, none of the executive management, their spouses, or their children have any ownership of ordinary shares, preferred shares, or debt instruments in the Company and its Subsidiaries.

Disclosure of Any Convertible Debt Instruments, Contractual Securities, Subscription Warrants, or Similar Rights Issued or Granted by the Company, along with a Disclosure of Any Consideration Received by the Company in Connection Therewith

During the FY2025, the Company did not issue or grant any convertible debt instruments, contractual securities, subscription warrants, or similar rights.

Issuances and Grants of Convertible Debt Instruments, Contractual Securities, Subscription Warrants, or Similar Rights

During the FY2025, neither the Company nor any of its subsidiaries granted or issued any conversion or subscription rights under convertible debt instruments, contract-based securities, subscription warrants, or any similar rights.

Redemption, Purchase, or Cancellation of Redeemable Debt Instruments by the Company or Any of its Subsidiaries

During the FY2025, neither the Company nor any of its subsidiaries undertook any redemption or cancellation of redeemable debt instruments.

Disclosure of Shares and Debt Instruments Issued by Each Subsidiary

Not applicable

Disclosure of Treasury Shares Held by the Company

Currently, the Company holds 818,320 treasury shares. These shares were acquired through market purchases totaling 687,389 shares (representing 84% of the total) and the acquisition of 130,931 shares from selling shareholders (representing 16% of the total). These shares are intended for use in the Company’s Employee Stock Ownership Plan (ESOP).

Disclosure of Information Regarding Any Business Competing with the Company or Any of its Business Lines, Engaged in by Any Board Member

S	Board Member	Company	Business Line	Terms
1	John Iossifidis	Group CEO, Al Ghurair Investment, United Arab Emirates	Export and Import of Bran and Flour for Household Consumption to Gulf Cooperation Council (GCC) Countries and the Local Market within the Kingdom.	No Specific Terms and Conditions Apply

Statutory Payments

The following table provides a detailed breakdown of the statutory fees and charges paid by Modern Mills during 2025, along with the amounts due to government authorities within the Kingdom, including a brief description of each:

(All Amounts in ﷲ Mln)

Description	Paid during the Year	Outstanding at Year-End	Reasons
Zakat, Tax and Customs Authority (ZATCA)	5,405,270	4,403,339	Government Requirements
Value Added Tax (VAT)	48,448,906	1,842,546	Government Requirements
General Organization for Social Insurance (GOSI)	7,937,821.44	839,054	Government Requirements

Penalties, Sanctions, and Legal Cases

The following table provides a detailed disclosure of all penalties, sanctions, and fines imposed on Modern Mills during 2025 by the CMA, or any other supervisory, regulatory, or judicial authority:

(All Amounts in ﷲ Mln)

Violation Type	Violation Issuer	Violation Year	Violation Processing	Final Amount
Financial Penalty	National Center for Environmental Compliance (NCEC)	2024	Corrective Measures Taken to Prevent Recurrence	10,000
Financial Penalty	National Center for Environmental Compliance (NCEC)	2025	Corrective Measures Taken to Prevent Recurrence	10,000

Related Party Transactions

The following table provides a detailed statement of the contracts entered into with Related Parties during 2025, highlighting the interests of the Board Members and Senior Executives in such contracts:

S	Related Party	Nature of Relationship	Nature of Transaction	(All Amounts in SAR)
2	Al Ghurair Foods	Major Shareholder	Purchase of Goods	448,100
4	Al Rajhi Holding	Parent Company of a Major Shareholder	Rental Expenses	904,255



Shareholders

Modern Mills believes that protecting shareholder rights is the cornerstone of robust corporate governance and the driver of sustainable growth. The Board and Executive Management are committed to empowering shareholders to exercise their statutory rights with full transparency and fairness. This commitment encompasses providing accurate information to facilitate informed investment

decisions, ensuring equitable profit distribution, and enhancing shareholder participation and voting rights in General Assemblies. Furthermore, the Company maintains direct and effective communication channels, fostering a culture of transparency and strengthening shareholder trust in the Company's performance.

Company's Bylaws

The Bylaws of Modern Mills serve as the primary legal framework governing the Company's operations and organizational structure, in accordance with the Saudi Companies Law and CMA's standards. Comprising 53 articles, the Bylaws define the Company's share capital, the powers of the Board of Directors, remuneration policies, shareholder rights, and the procedures for convening general assemblies. Furthermore, these Bylaws

regulate the Company's financial regulations, including the appointment of External Auditors and Dividend Distribution Policies. This framework is established to ensure the highest standards of corporate governance and compliance, thereby enhancing transparency and fostering long-term trust among shareholders and stakeholders alike.

Shareholder Information

Date of Incorporation	12 October 2016
Listing Date	27 March 2024
Capital Market	TASI
Short Name on Tadawul	Modern Mills
Company's Symbol on Tadawul	2284
ISIN Code	SA1610013M15
Line of Business	Manufacturing of Animal Feed, Production of Flour, and Bran
Sector	Food Production
No. of Issued Shares	81,832,000
Par Value/Share	SAR 1
Paid-up Capital	SAR 81,832,000
Foreign Ownership as of Year-End 2025	2.47%
Free Floats	30%
Closing Price as of Year-End 2025	SAR 28.62
Market Cap as of Year-End 2025	SAR 2,302.75

General Assemblies of Shareholders

Modern Mills convened one Ordinary General Assembly on 30 April 2025, with an attendance rate of 70.03%. The table below details the meeting, alongside the attendance records of the Board of Directors:

Name	Position	Attendance Status
Ibrahim Sulaiman Al Rajhi	Chairman of the Board	√
John Iossifidis	Vice Chairman of the Board	√
Djamal Djouhri	Board Member	√
Majed Nofal	Board Member	√
Nafez Al Morhabi	Board Member	√
Abdalmohsen Al-Bazie	Board Member	√
Hosam Saleh Al-Kadi	Board Member	√

The voting results on the General Assembly’s agenda items were as follows:

1. The Board of Directors’ Report for the FY ending 31 December 2024, has been reviewed and discussed.

2. Approval of the Company’s External Auditor’s Report for the FY ending 31 December 2024 following its discussion.

3. The Financial Statements, for the FY ending 31 December 2024 have been reviewed and discussed.

4. 4. Approval of the appointment of KPMG Professional Services as the Company’s External Auditor, as recommended by the Audit Committee. The appointment covers the review and audit of the Financial Statements for Q2 and Q3, and the Annual Financial Statements for the FY2025, as well as Q1 of FY2026. The total audit fees were set at SAR 747,000.

5. Approval to authorize the Board of Directors with the authority of the Ordinary General Assembly, as stipulated in Paragraph (1) of Article (27) of the Companies Law, for a period of one year from the date of the General Assembly’s approval or until the end of the delegated Board’s tenure, whichever is earlier, in accordance with the conditions set forth in the Implementing Regulations of the Companies Law for Listed Joint-Stock Companies.

6. Approval to authorize the Board of Directors with the authority of the Ordinary General Assembly, as stipulated in Paragraph (2) of Article (27) of the Companies Law, for a period of one year from the date of the General Assembly’s approval or until the end of the delegated Board’s tenure, whichever is
- earlier. This authorization specifically applies to the Company’s business activities regarding the sale of flour, bran, and animal feed.

7. Approval of the Board Members’ remuneration amounting to SAR 1,359,215 for the FY ending 31 December 2024.

8. Approval to authorize the Board of Directors to distribute interim dividends on a (semi-annual/ quarterly) basis for the FY2025.

9. Approval of the Board recommendation to distribute cash dividends to shareholders for 2024, totaling SAR 81,832,000, at a rate of SAR 1 per share, representing 100% of the share capital. Eligibility for the dividends shall be for shareholders of record at the end of the trading day of the General Assembly meeting who are registered in the Company’s shareholder register maintained by the Securities Depository Center (Edaa) at the end of the second trading day following the entitlement date. The dividend distribution date is set for Thursday, 17/11/1446H, corresponding to 15 May 2025.

10. Approval of the Board Resolution to appoint Hosam Saleh Al-Kadi as an Independent Board Member, effective 01 January 2025, to complete the current Board tenure ending 15 August 2027, succeeding the resigned Independent Member, Martin Reintjes.

11. Approval of the discharge of liability of the Board Members for the FY ending 31 December 2024.

Major Shareholders as of 31 December 2025

Shareholder Name	No. of Shares	Percentage of Total Shares
Mada International Holding	28.23 Mln	34.50%
Al Ghurair Foods	25.41 Mln	31.05%

Foreign Ownership

The following table illustrates the change in actual foreign ownership in the Company as of the end of 2025, compared to the previous year:

Description	Maximum Ownership Limit	Ownership as of 31 December 2024	Ownership as of 31 December 2025
Foreign Ownership in the Company	49%	2.23%	2.47%

Disclosure and Transparency Policy

The Disclosure and Transparency Policy of Modern Mills aims to ensure the highest standards of accuracy and credibility in disclosing both financial and non-financial information to all stakeholders. The Company is committed to publishing comprehensive, clear, and non-misleading information, and to notifying the CMA and the public of any material developments that may affect its financial position or its ability to meet its obligations. Furthermore, the Company is committed to disclosing its Financial Statements and Performance Reports in accordance with regulatory requirements through

its website and “Tadawul” platform. This includes the disclosure of major shareholder ownership, Board Member ownership, and any subsequent changes thereto. This commitment underscores the Company’s dedication to enhancing shareholder rights, whereby performance details are provided regularly through the Annual Report and General Assembly meetings, with a focus on ensuring that dividend distributions are deposited directly into shareholders’ updated bank accounts.



Modern Mills Disclosures for 2025

S	Date of Disclosure	Disclosure Title
1	04/03/2025	Modern Mills Announcement of its Annual Financial Results for the Period Ending 31/12/2024.
2	04/03/2025	Modern Mills Announcement of the Board Recommendation to Distribute Cash Dividends to Shareholders for the FY2024.
3	23/03/2025	Modern Mills Release of a Supplementary Announcement Regarding Updates on the Construction of the Animal Feed Facility.
4	25/03/2025	Modern Mills Announcement of the Early and Voluntary Repayment of SAR 100 Mln from its Outstanding Murabaha Financing with the Saudi National Bank (SNB).
5	08/04/2025	The Board of Directors of Modern Mills Inviting Shareholders to Attend the Ordinary General Assembly Meeting (First Meeting) via Modern Technology Means.
6	24/04/2025	Modern Mills Announcement of the Commencement of E-Voting on the Agenda Items of the Ordinary General Assembly Meeting (First Meeting) (Reminder Announcement).
7	30/04/2025	Modern Mills Announcement of its Interim Financial Results for the Period Ending 31-03-2025 (3 Months).
8	01/05/2025	Modern Mills Announcement of the Results of the Ordinary General Assembly Meeting (First Meeting).
9	15/07/2025	Modern Mills Announcement of a Clarification Regarding the Wheat Supply Agreement with the Saudi Grains Organization (SAGO).
10	27/07/2025	Modern Mills Announcement of its Interim Financial Results for the Period Ending 30/06/2025 (6 Months).
11	27/07/2025	Modern Mills Announcement of the Board's Decision to Distribute Cash Dividends to Shareholders for the First Half (H1) of 2025.
12	18/09/2025	Modern Mills Announcement of the Commencement of the New Flour Mill Operation in Al-Jumum Branch (Mill C).
13	26/10/2025	Modern Mills Announcement of its Interim Financial Results for the Period Ending 30-09-2025 (9 Months).

Company's Applications for the Shareholder Register in 2025

During 2025, Modern Mills requested the shareholders' records from the Securities Depository Center (Edaa) to ensure accurate and up-to-date communication with our shareholders. The following table provides a summary of the dates and purposes for these shareholder record requests:

Application Date	Reason of Application
20/01/2025	Company Procedures
05/02/2025	Company Procedures
29/04/2025	Company Procedures
15/06/2025	Company Procedures
14/07/2025	Company Procedures
14/07/2025	Company Procedures
04/08/2025	Company Procedures

Recommendations Regarding Share Performance

Throughout 2025, Modern Mills' stock garnered significant attention from research firms and financial analysts. The diverse range of recommendations issued reflects growing market confidence in the share performance and its long-term strategic trajectory. These recommendations ranged from 'Buy' and 'Overweight' to 'Hold' and 'Neutral' ratings, providing shareholders with a reliable analytical benchmark for making informed investment decisions based on clarity and transparency.

Recommending Entity	Date	Share Price on Date (SAR)	Current Recommendation	Previous Recommendation
Aljazira Capital	02/01/2025	40.70	Under Review	Overweight
Nosooh Capital	23/03/2025	39.05	Buy	Coverage Initiated
Al Rajhi Capital	13/05/2025	36.95	Neutral	Overweight
GIB Capital	20/07/2025	31.92	Overweight	Overweight
SNB Capital	03/09/2025	31.04	Overweight	Neutral
Arqaam Capital	03/09/2025	31.04	Hold	Hold
GIB Capital	12/11/2025	32.94	Overweight	Overweight
HSBC Bank	25/11/2025	32.10	Buy	Buy
Aljazira Capital	26/11/2025	31.96	Neutral	Under Review

Dividend Distributions

In accordance with Article (48) of the Company's Bylaws, shareholders are entitled to their share of dividends as determined by the General Assembly Resolution in this regard. This Resolution shall specify the entitlement date and the distribution date. Dividends shall be payable to shareholders registered in the shareholders' register at the end of the specified entitlement date. The Board shall implement the General Assembly Resolution regarding the distribution of dividends to shareholders.

The Company's net profits, after deducting all general expenses, other expenses, and provisions, including Zakat, as well as other provisions and reserves, shall be distributed to shareholders as follows:

1. The Ordinary General Assembly may, when determining dividends from the net profit, decide to create other reserves to serve the Company's interest or ensure the distribution of fixed dividends, as feasible, to the shareholders. The General Assembly may allocate amounts from the net profit for social objectives that benefit the Company's staff.
2. The General Assembly shall determine the percentage of the net profit to be distributed to the shareholders after deducting the reserves, if any.
3. 3. The Company may distribute interim dividends to shareholders, in accordance with the provisions stipulated in this policy.
4. Any remaining balance shall be set aside in retained earnings to support the Company's financial position.

The Company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis, subject to meeting the following requirements:

- The Ordinary General Assembly shall authorize the Board to distribute interim dividends pursuant to a resolution that is renewed annually.
- The Company must maintain good and consistent profitability.
- The Company must have reasonable liquidity and be able to forecast its profit levels with a reasonable degree of certainty based on several factors, including historical and projected earnings, cash flows, financing and capital requirements, as well as the prevailing market environment and general economic conditions.
- The Company must have distributable profits according to the latest audited financial statements, sufficient to cover the proposed dividends after deducting any amounts distributed or capitalized from those profits following the date of such financial statements. Furthermore, there must be no contractual or statutory restrictions preventing the Company from distributing such dividends.

Upon deciding to distribute interim dividends, the Company is committed to immediate disclosure and announcement, and to providing the CMA with a copy thereof as soon as it is issued.

Dividends Distributed to Company Shareholders

Fiscal Year	Cash Dividend (SAR/Share)	Total Cash Distributions (SAR)
2024	2	162,027,360
2025	2	162,027,360

Stock Performance in 2025

Monthly Closing Price Development for Company Shares in 2025

(All Amounts in ﷲ Mln)

Month	Current Price	Previous Close	Change	Change %
January	43.50	41.15	2.35	5.7%
February	40.40	43.50	-3.10	-7.1%
March	40.55	40.40	0.15	0.4%
April	39.00	40.55	-1.55	-3.8%
May	35.65	39.00	-3.35	-8.6%
June	32.30	35.65	-3.35	-9.4%
July	32.18	32.30	-0.12	-0.4%
August	31.46	32.18	-0.72	-2.2%
September	32.82	31.46	1.36	4.3%
October	34.96	32.82	2.14	6.5%
November	31.56	34.96	-3.40	-9.7%
December	28.62	31.56	-2.94	-9.3%

Annual Stock Trading

Monthly Trading Activity Development for Company Shares in 2025

(All Amounts in ﷲ Mln)

Month	Trading Volume (Shares)	Trading Value (SAR)	No. of Transactions
January	2,364,714	100,954,481.85	17,707
February	1,522,689	63,478,739.50	14,228
March	2,056,103	80,280,337.35	17,372
April	1,948,364	74,466,314.85	16,317
May	1,117,691	41,047,085.10	11,544
June	2,949,902	92,177,780.41	18,762
July	2,524,830	83,312,937.78	16,199
August	1,425,911	45,123,487.70	11,621
September	1,168,689	37,443,532.92	12,231
October	2,190,375	75,210,605.88	14,525
November	882,210	29,056,100.50	10,686
December	1,298,553	38,830,603.80	15,832
Total	21,450,031	761,382,007.64	177,024

Shareholder Suggestions

- During 2025, the Company did not receive any material suggestions or feedback from shareholders regarding its performance or operations that required submission to the Board or necessitated specific action. Nevertheless, the Board places paramount importance on the views and suggestions of its shareholders, adopting effective mechanisms to ensure that all its Members, particularly the Non-Executive Members, are kept fully informed of all received feedback through:

 - Board Members and Committees’ Chairmen attend the General Assembly meetings to actively engage with and address shareholders’ suggestions
- Monitoring all suggestions submitted during the General Assembly and ensuring the Chairman of the Board is apprised of them for consideration at the next scheduled meeting.
 - Providing financial statements and periodic reports through the Investor Relations (IR) Department on the Company’s website.
 - Establishing a dedicated email address for receiving feedback, and publishing it on both the Company’s official website and Tadawul platform to ensure its review by the Board.

Investor Relations (IR)

The Investor Relations (IR) Department at Modern Mills serves as a strategic liaison aimed at fostering communication and building sustainable relationships with shareholders and stakeholders by adhering to the highest standards of transparency and providing accurate data on financial and operational performance to support informed investment decisions.

The Department also plays a pivotal role in analyzing market trends and providing insights that support

sustainable growth, while ensuring the timely disclosure of financial results and material developments, and maintaining full compliance with the regulations of the CMA and Tadawul. Furthermore, through its advanced digital channels, the Company strives to facilitate investor access to information, thereby enhancing market value and reinforcing its leadership position within the Kingdom’s food industry sector.

Contact Information

E-mail	info@modernmills.com.sa
IR Website	https://ir.modernmills.com.sa/ar/investor-relations
Official Website	https://modernmills.com.sa/ar
Official Social Media Accounts	LinkedIn https://www.linkedin.com/company/modernmillscompany/posts/?feedView=all Facebook https://www.facebook.com/Modernmillscompany/ X https://x.com/modernmillscomp Instagram https://www.instagram.com/modernmillscompany/
Contact Phone Number	+966 122 728 989
Address	2780 Muhammed Atatib at Tunki St., 6228 Al khalidiyah District, Jeddah, KSA

Internal Audit and Control

Internal Control System

The Executive Management of Modern Mills is responsible for implementing an effective internal control system that ensures operational efficiency and compliance with policies and regulatory requirements. The Internal Auditor periodically reviews this system and evaluates its effectiveness, consistently submitting the assessment results to Senior Executive Management and the Audit Committee. Furthermore, these control reports are

made available to the Board to ensure direct oversight and continuous monitoring. This approach enhances the Board’s ability to effectively assess the internal control framework, thereby reinforcing the principles of sound corporate governance and reflecting the Company’s commitment to transparency and credibility across all its operations.

Internal Audit Department’s Scope of Work

The Internal Audit Department continues to perform its duties in accordance with the charter approved by the Board, while maintaining full powers and responsibility. During 2025, a series of procedural enhancements were implemented, aimed at increasing the efficiency of audit activities and fostering continuous improvement.

As part of its strategy, the Company’s Management has worked to consolidate the pillars of governance and compliance, verify the effectiveness of internal and financial control systems and risk management, and provide practical insights and actionable recommendations to Executive Management, the Audit Committee, and the Board of Directors. Furthermore, reporting mechanisms have been developed, and advanced analytical tools have

been integrated to better understand operational trends, in alignment with the Company’s strategic risk profile. The 2026 plan aims to adopt a “Risk-Based Approach” based on the latest risk assessment results of the Company, providing comprehensive coverage of key operational, financial, and strategic areas. The plan also focuses on monitoring emerging risks and expanding the scope of data-driven testing, while maintaining the necessary agility for immediate response to any unforeseen developments. This strengthens the Company’s resilience against challenges and ensures the sustainability of its institutional excellence.

Annual Review Results of Internal Control Effectiveness

During 2025, the Internal Audit Department completed a comprehensive annual assessment of the internal control system, covering financial, operational, risk management, and compliance aspects. The assessment results confirmed that the Company’s internal control framework is appropriately designed and operating with general effectiveness, supporting both operational reliability and the quality of financial reporting. As part of a commitment to continuous improvement, certain development opportunities were identified, prompting Executive Management to implement corrective action plans. Management adhered to the approved schedule

for issuing audit reports, which effectively supported decision-making processes and the realization of the Company’s strategic objectives. Furthermore, this assessment strengthened the governance framework and verified the efficiency of the Company’s regulatory and financial systems. Moreover, this assessment has strengthened the governance framework and contributed to verifying the efficiency of the Company’s regulatory and financial systems, reflecting its commitment to transparency and credibility, and reinforcing the practices of sound corporate governance.

Audit Committee Opinion

Based on the audit activities conducted during 2025, the Committee considers the Company's financial and internal control systems and risk management framework to be reasonably adequate.

Recommendation of the Internal Audit Committee regarding the Appointment of an Internal Auditor

This recommendation is considered not applicable, as the Company currently has a dedicated Internal Audit Department with an appointed Head of Internal Audit.

Internal Audit Committee Recommendations that Conflict with, or Have Been Disregarded by, the Board

There were no recommendations from the Audit Committee that conflicted with the decisions of the Board of Directors. Furthermore, no recommendations made by the Board regarding the appointment, dismissal, remuneration, or performance assessment of the Company's External Auditor, or the appointment of the Internal Auditor, were rejected.

Board Declarations

Modern Mills Board of Directors hereby declares that:

- The accounting records have been duly updated and prepared.
- The internal control system has been duly made and adequately implemented.
- The Board has no doubts about the Company's ability to continue its activity.
- None of the Company's shareholders has waived any of their rights to dividends.
- None of the Board Members or Senior Executives of the Company has waived any of their accrued remuneration.
- No investments or reserves established for the benefit of the Company's employees.
- The subsidiaries hold no equity shares or debt instruments.
- No material deviations between the remuneration granted to the Board Members, Committee Members, and Senior Executives, compared to the Remuneration Policy in effect during 2025.
- There were no deviations from the accounting standards issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) regarding the audit and valuation of the Company's financial statements for 2025.
- The Independent Auditor's report on the Company's Consolidated Financial Statements for the year ending 31 December 2025 does not contain any reservations or modifications.
- No recommendations have been issued by the Audit Committee that conflict with the Board resolutions or which the Board did not accept regarding the Company's Auditor appointment, dismissal, remuneration, performance appraisal, or the appointment of the Internal Auditor.
- No recommendations from the Audit Committee to appoint an Internal Auditor for the Company in 2025.

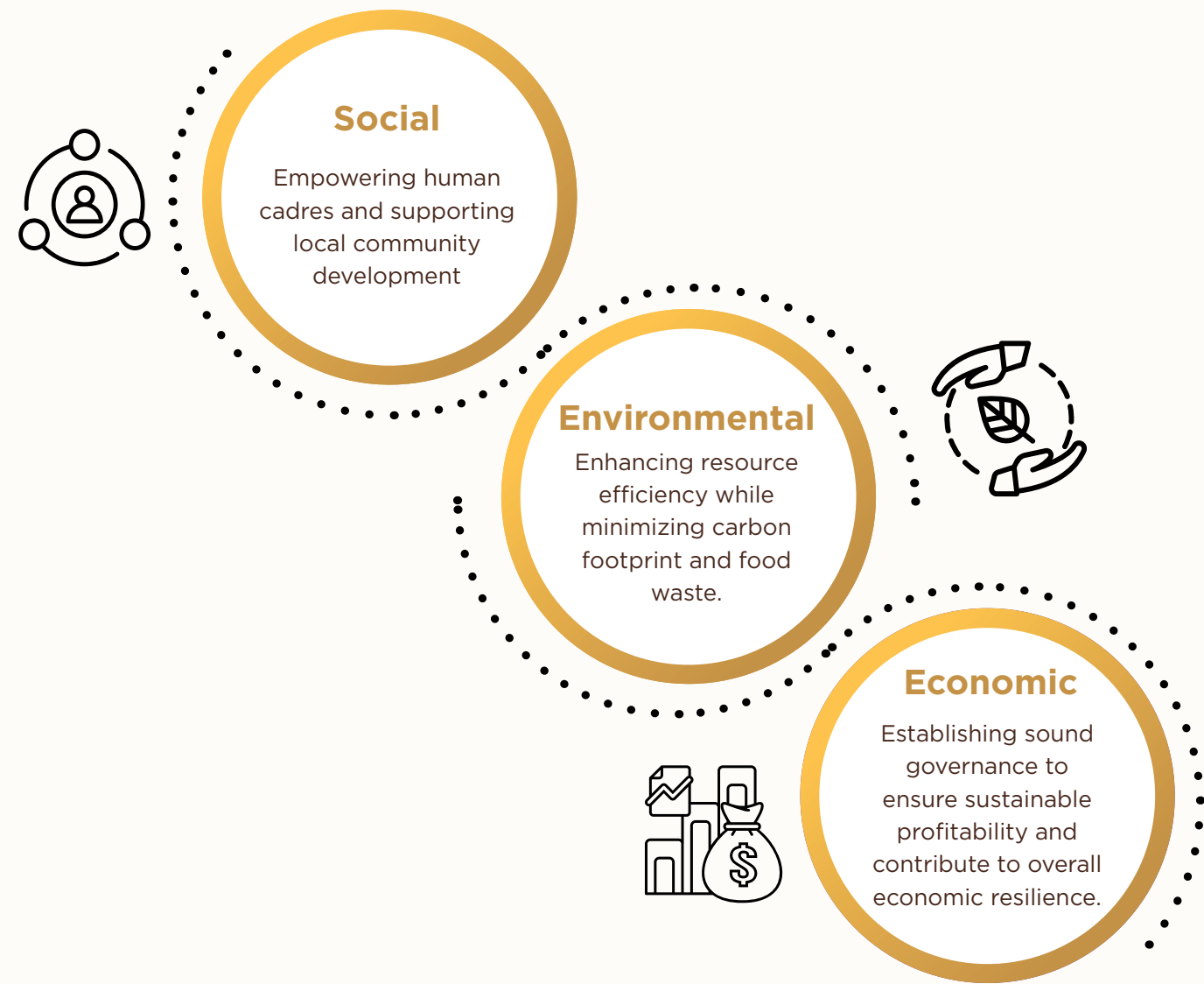
Sustainability at Modern Mills

Modern Mills believes that sustainability is the fundamental pillar for ensuring operational excellence and delivering long-term value. Leveraging its leadership position in the Kingdom's food production sector, the Company is committed to adopting strategic visions that support sustainable growth and align with economic and social

shifts. This is coupled with a steadfast commitment to environmental standards and the principles of corporate governance, reflecting the Company's responsibility towards society and enhancing the ability to achieve balanced and sustainable development.

Sustainability Methodology and Framework

Modern Mills prioritizes Environmental, Social, and Governance (ESG) standards, reflecting the Company's unwavering commitment to corporate responsibility and the highest levels of transparency. The Company operates under an integrated framework designed to secure a sustainable future, anchored by the following three pillars:



Sustainability Strategy and Pillars

Modern Mills’ vision for sustainability is to become the most trusted food company in the Kingdom, while actively contributing to national food security. Through this vision, the Company aims to solidify its leadership position and enhance its role in achieving sustainable development.

Sustainability Pillars



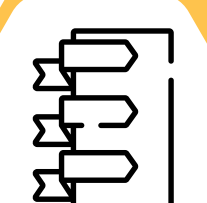
Key Performance Indicators (KPIs)

Implementing rigorous measurement tools to regularly track environmental and social impact, ensuring that operational processes remain aligned with the Company’s strategic objectives.



Periodic Reporting and Internal Audit

Committing to comprehensive reporting and auditing processes to strengthen accountability and continuously develop operational pathways in accordance with global best practices.



International Accreditations and Standards

Adhering to the application of international standards, which is reflected in the Company’s obtaining international ISO certificates.

Sustainability Initiatives in 2025

Driven by the Company’s responsibility toward food security and the preservation of natural resources, Modern Mills launched a series of strategic initiatives in 2025 that embed sustainability into the core of its operating model. This commitment extends beyond mere compliance with global standards; it encompasses the development of scientific solutions that reduce carbon footprint and enhance production efficiency, thereby cementing the Company’s position as a leader in achieving sustainable development.

Innovative Initiatives and Sustainable Growth

Environmental Initiatives

Water and Electricity Consumption Rationalization

The Company has adopted energy-efficient LED lighting technology and upgraded its equipment and machinery. Furthermore, Modern Mills has implemented comprehensive Energy Management Systems (EMS) and introduced automated timers for water consumption and air conditioning systems.

Transition to Clean Energy

The Company is actively exploring opportunities to diversify its energy portfolio through a strategic transition toward solar energy utilization.

Waste Management

In 2025, the Company achieved a significant milestone by reaching “zero industrial waste”, a development that underscores the success of waste recycling strategies and commitment to minimizing resource waste.

Economic Initiatives

Operational Cost Reduction

This initiative focuses on achieving greater financial efficiency by optimizing production processes, which resulted in a 5% reduction in operational costs throughout 2025.

Animal Feed Segment Expansion

The Company is working to diversify its product portfolio and expand business footprint within the animal feed segment, thereby contributing to the strengthening of its economic resilience.

Expansion of Production Capacity

Modern Mills has received authorization from the Saudi Food and Drug Authority (SFDA) to commission an additional mill at Al-Jumum Facility. This expansion significantly boosts production capacity, enabling the Company to effectively meet the rising market demand.

Social Initiatives

Occupational Health and Safety (OHS)

The health and safety of workforce remain the Company’s top priority, achieving this by strictly adhering to rigorous, globally recognized Occupational Health and Safety (OHS) standards. This commitment was further validated in 2025 as the Company successfully secured the ISO 45001 certification for Occupational Health and Safety (OH&S) Management.

Training and Development

Modern Mills is actively investing in its human capital through comprehensive training programs designed to enhance production efficiency and sharpen professional skill sets. This initiative underscores the Company’s firm commitment to empowering the workforce and driving sustainable organizational performance.

Saudization

The Company increased its Saudization rate to 48.7% in 2025, with a dedicated focus on creating sustainable career opportunities for Saudi nationals. This progress underscores Modern Mills’ commitment to contributing to national economic growth and solidifying the Company’s role as a key partner in achieving Saudi Vision 2030 objectives.

Empowering Women in Workplace

The Company is dedicated to fostering a culture of diversity and inclusion in the workplace by launching targeted initiatives aimed at attracting and empowering women within the industrial sector. Women’s participation in the Company’s workforce rose by 2.1%, reaching 4.4% by the end of 2025.

Governance Initiatives

Quality and Innovation

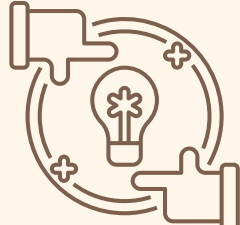
Modern Mills is committed to upholding rigorous quality standards that align with international benchmarks, while embedding innovation across all operational processes, ensuring the delivery of premium-quality products that solidify its leadership in the food production sector.

Enhancing Food Safety Standards

The Company adheres to internationally recognized quality protocols, including the Hazard Analysis and Critical Control Points (HACCP) system, to ensure the integrity and safety of its products across every stage of production and distribution.

Strengthening Compliance and Oversight

Modern Mills maintains an integrated oversight framework to ensure rigorous compliance with sustainability and sound corporate governance principles, thereby upholding transparency and accountability while driving the continuous improvement of organizational performance.



Sustainability in 2026

In 2026, Modern Mills is focused on achieving strategic objectives anchored by four core pillars: monitoring food safety incidents and consumer feedback to ensure product integrity; maintaining full traceability for every production batch while optimizing performance indicators to guarantee compliance; enhancing the

customer experience through interactive, responsive communication channels; and developing precise metrics and comprehensive scorecards to track operational performance, translating insights into tangible results that drive sustainable organizational growth.

Environmental and Social Practices

Modern Mills embodies a steadfast commitment to ESG principles by adopting an integrated approach that harmonizes operational efficiency with corporate responsibility. Modern Mills has earmarked significant financial resources for strategic initiatives aimed at mitigating its environmental footprint by reducing carbon

emissions and mitigating waste, while simultaneously strengthening its social impact through targeted investments in national talent development and the integration of advanced digital solutions, thereby embedding a culture of sustainability while ensuring full compliance with the highest global standards.

Company Spending on ESG Initiatives

Initiative	Investment Amount
Environmental Initiatives	SAR 1.6 Mln
Economic Initiatives	SAR 4 Mln
Social Initiatives	SAR 0,18 Mln
Governance Initiatives	SAR 5 Mln

First: Environmental Practices

The Company’s environmental practices are firmly grounded in the principle of operational sustainability, achieved through the optimization of production efficiency, the deployment of Intelligent Resource Management Systems (IRMS), and the integration of clean energy solutions to minimize environmental footprint.

Sustainable Environmental Efficiency

Carbon Emissions Reduction

Maintaining consistently low emission levels, operating well within the permissible thresholds of 0.005 µg/m³ for carbon monoxide, 70.8 µg/m³ for nitrogen dioxide, and 132.3 µg/m³ for sulfur dioxide.

Water Resource Efficiency

Reusing water generated from wheat tempering processes for agricultural irrigation, contributing to water conservation and the preservation of natural resources.

Sustainable Management of Secondary Waste

Collecting fine dust and particulate matter (PM) for re-mixing with animal bran, while safely disposing of non-viable by-products and maintaining a waste ratio of only 1.5% to 2.5% of the total inputs.

Sustainable Packaging

Utilizing eco-friendly materials, such as paper-based packaging, throughout our product lines, while implementing standardized inspection processes across all stages of the production cycle.

Industrial Process Automation

Implementing sophisticated automated mechanisms to precisely control mixing ratios and dosing accuracy, complemented by Supervisory Control and Data Acquisition (SCADA) systems for moisture regulation and intelligent sensors to optimize flour extraction rates, ensuring consistent production quality.

Compliance with International Energy Standards

Implementing the ISO 50001 Energy Management System (EMS) standards to periodically measure reductions in electricity and water consumption, alongside the activation of automated shut-off systems for air conditioning and lighting across its facilities.

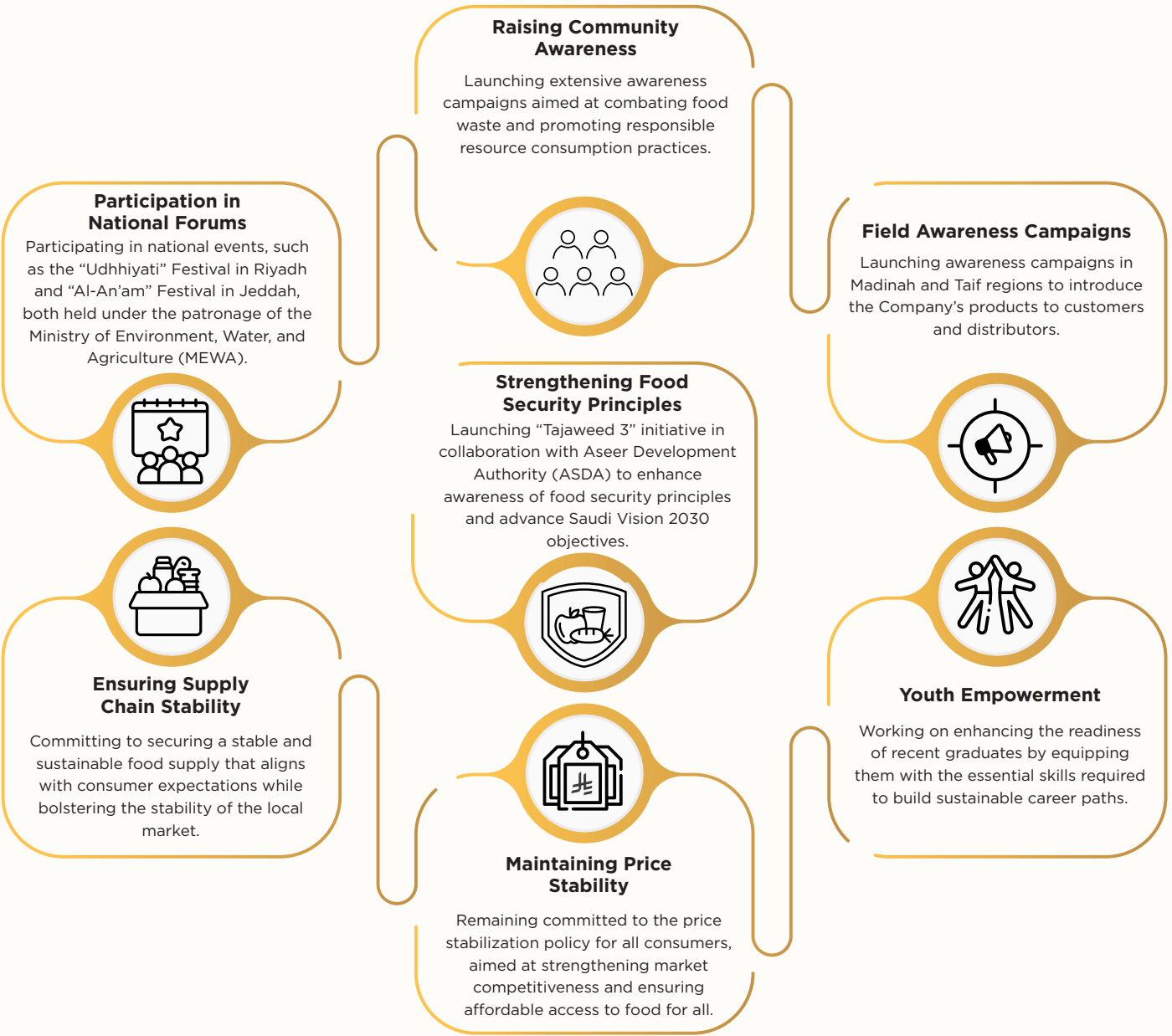
Preventive Maintenance and Innovation

Reducing resource consumption through preventive maintenance programs and innovative solutions, while adopting sustainable operational practices and designing facilities that ensure high performance efficiency and a minimized environmental footprint.

Second: Social Contributions

Social contribution is central to the Company's development strategy, with a core focus on investing in human capital and fostering Corporate Social Responsibility (CSR). This commitment is realized through ongoing efforts to empower national talent, increase Saudization rates, and promote women's participation in the industrial sector. Furthermore, Modern Mills actively promotes a culture of food security awareness and waste reduction, reinforcing its role as an active partner in achieving sustainable development.

Pioneering Community Partnership





5

Financial Performance

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Development of the Company's Financial Statements in the Last 5 Years

Modern Mills' revenue rose by 3.1% to reach SAR 1,046.62 million, representing an increase of SAR 31.6 million. This growth was driven by higher sales volumes across all product lines. This performance is attributed to the effective execution of the Company's strategy, which contributed to broader geographical expansion and an

enhanced market share.

Net profit also jumped 7.2%, amounting to SAR 223.79 million, a growth of SAR 15.1 million. This strong performance is due to revenue growth, disciplined cost optimization, and effective financial management, which successfully reduced financing costs.

(All Amounts in ﷲ Mln)

Statement/Year	2021	2022	2023	2024	2025
Statement of Income					
Revenue	555.01	978.00	938.62	1,014.98	1,046.62
Cost of Revenue	-392.55	-611.99	-592.88	-626.94	-655.48
Total Profit	162.46	366.01	345.74	388.05	391.14
Selling and Distribution Expenses	-10.92	-27.87	-28.82	-63.53	-82.40
General and Administrative (G&A) Expenses	-63.04	-68.63	-63.22	-65.34	-50.05
Operating Profit	88.61	270.11	253.57	259.29	258.59
Profit before Zakat	81.89	235.64	209.31	211.65	228.46
Zakat Expense	-2.38	-2.63	-7.50	-2.98	-4.68
Net Profit	79.51	233.01	201.81	208.67	223.79
Earnings per Share (SAR)	0.97	2.85	2.47	2.57	2.76
Statement of Financial Position					
Current Assets	223.77	226.36	241.67	315.54	202.68
Non-Current Assets	948.36	925.86	927.47	988.03	1,071.77
Total Assets	1,172.13	1,152.22	1,169.14	1,303.57	1,274.45
Current Liabilities	149.96	197.44	194.51	195.42	227.93
Non-Current Liabilities	924.33	776.36	726.97	845.59	723.56
Total Liabilities	1,074.29	973.79	921.49	1,041.01	951.49
Equity	97.84	178.43	247.65	262.56	322.96
Total Liabilities and Equity	1,172.13	1,152.22	1,169.14	1,303.57	1,274.45
Cash and Cash Equivalents (CCE)	94.13	118.16	112.03	182.90	72.00
Total Loans	692.33	580.56	543.92	646.91	583.38
Cash Flow Statement					
Net Cash from Operating Activities	154.46	353.21	238.77	275.73	262.68
Cash Flow from Investing Activities (CFI)	-18.43	-32.19	- 56.00	-107.09	-139.28
Cash Flow from Financing Activities (CFF)	-411.95	-296.99	-188.90	-97.77	-234.30

Key Financial Ratios and Indicators

The following table illustrates the development in key financial ratios and indicators concerning Modern Mills' business performance and financial position over the past five years:

Statement/Year	2021	2022	2023	2024	2025
Liquidity Ratios					
Current Ratio (%)	149.2	114.7	124.2	161.5	88.9
Cash Ratio (%)	62.8	59.8	57.6	93.6	31.6
Equity Ratio (%)	8.3	15.5	21.2	20.1	25.3
Debt Ratios					
Total Debt Ratio (%)	91.7	84.5	78.8	79.9	74.7
Total Assets to Equity Ratio (Times)	12.0	6.5	4.7	5.0	4
Total Liabilities to Equity Ratio (%)	1098.0	545.8	372.1	396.5	294.6
Total Debt to Total Assets Ratio (%)	59.1	50.4	46.5	49.6	45.8
Profitability Ratios					
Gross Profit Margin (%)	29.3	37.4	36.8	38.2	37.4
Net Profit Margin (%)	14.3	23.8	21.5	20.6	21.4
Return on Assets (RoA) (%)	6.3	20.0	17.4	16.0	17.6
Return on Equity (RoE) (%)	12.9	168.7	94.7	79.5	69.3

Annual Results in Brief

Statement of Income

Modern Mills delivered a strong financial performance in 2025, with revenue increasing by 3.1% to reach SAR 1,046.62 million, compared to SAR 1,014.98 million in the previous year. This growth is primarily attributable to enhanced sales performance, particularly within the flour segment, which recorded a 7.3% increase. This was driven by strategic geographic expansion and the introduction of innovative, value-added products.

In terms of sales channels, the Business-to-Business (B2B) segment continued to outperform the retail segment. This success was underpinned by rising domestic demand, optimized logistical efficiency, and the expansion of the Company's distribution network, all of which bolstered the Company's operational resilience and capacity for sustainable growth.

The Company capped a strong financial year by reporting a net profit of SAR 223.79 million, compared to SAR

208.67 million in the previous year, a year-on-year (Y-o-Y) increase of 7.2%. This performance was underpinned by robust revenue growth and a 7.9% rise in profit before Zakat.

Modern Mills aims to accelerate revenue growth and drive robust net profitability by maximizing the financial impact of the Mill (C) expansion at Al-Jumum Facility, which will serve as a qualitative enhancement to the Company's overall production capacity. Furthermore, Modern Mills is preparing to launch its animal feed facility in the Q4 FY2026. This initiative is set to enhance revenue diversification and broaden the Company's existing product portfolio. In addition, Modern Mills is actively expanding its credit capacity and strengthening its cash flows, which will support future growth and cement the Company's leading position within the sector.

Annual Change in Main Items of the Income Statement

(All Amounts in ﷲ Mln)

Key Items	2024	2025	Change	Change (%)
Revenue	1,014.98	1,046.62	31.64	3.1
Cost of Revenue	-626.93	-655.48	-28.55	4.6
Total Profit	388.05	391.14	3.09	0.8
Operating Profit/Loss	259.29	258.59	-0.7	-0.3
Profit before Zakat	211.65	228.46	16.81	7.9
Net Profit	208.67	223.79	15.11	7.2
Earnings per Share (SAR)	2.57	2.76	0.19	7.4

Statement of Financial Position

In 2025, Modern Mills successfully strengthened its shareholders' equity, achieving a 23% Y-o-Y increase. By the end of the year, equity reached SAR 322.96 million, compared to SAR 262.56 million in the previous year. Furthermore, total liabilities decreased by 8.6% during the reporting period, reaching SAR 951.49 million by the end of the year, compared to SAR 1,041.01 million in 2024.

Conversely, the Company's total assets saw a marginal decrease of 2.2%, reaching SAR 1,274.45 million by the end of the year, compared to SAR 1,303.57 million in

2024. During the same period, Modern Mills successfully reduced its total borrowings by 9.8%, bringing the balance down to SAR 583.38 million from SAR 646.91 million in the previous year. This reduction in total borrowings reflects an improved financial position and underscores the Company's enhanced efficiency in managing liabilities. This strengthens Modern Mills' financial flexibility and supports the sustainability of the Company's future growth trajectory.

Annual Change in Key Items of the Statement of Financial Position

(All Amounts in ﷲ Mln)

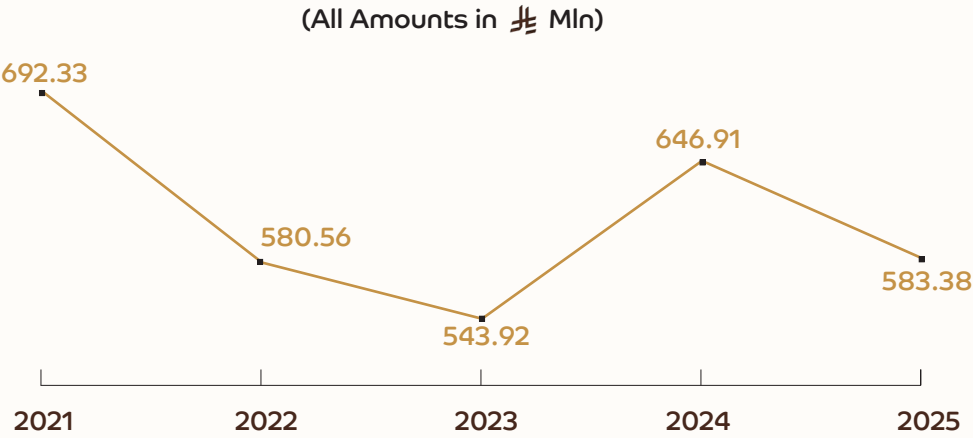
Key Items	2024	2025	Change	Change (%)
Current Assets	315.54	202.68	-112.86	-35.8
Non-Current Assets	988.03	1,071.78	83.75	8.5
Total Assets	1,303.57	1,274.45	-29.12	-2.2
Current Liabilities	195.42	227.93	32.51	16.6
Non-Current Liabilities	845.59	723.56	122.03	-14.4
Total Liabilities	1,041.01	951.49	-89.52	-8.6
Total Equity	262.56	322.96	60.40	23.0
Total Liabilities and Equity	1,303.57	1,274.45	-29.12	-2.2



Loans

Modern Mills employs a flexible financing strategy focused on supporting the strategic expansion projects while maintaining a robust and secure capital structure. This strategy is reflected in the gradual reduction of total indebtedness from SAR 692.33 million in 2021 to SAR 583.38 million in 2025. This downward trend underscores the Company's operational efficiency in generating sufficient cash flows to comfortably meet its financing obligations. This strategic direction has significantly contributed to bolstering net profit by reducing financing costs and maximizing shareholder returns. Furthermore, it has fortified the Company's credit profile, enabling Modern Mills to finance future strategic initiatives under optimal terms, thereby reinforcing the Company's market leadership and ensuring sustainable growth.

Development of Company's Loans for the Last 5 Years

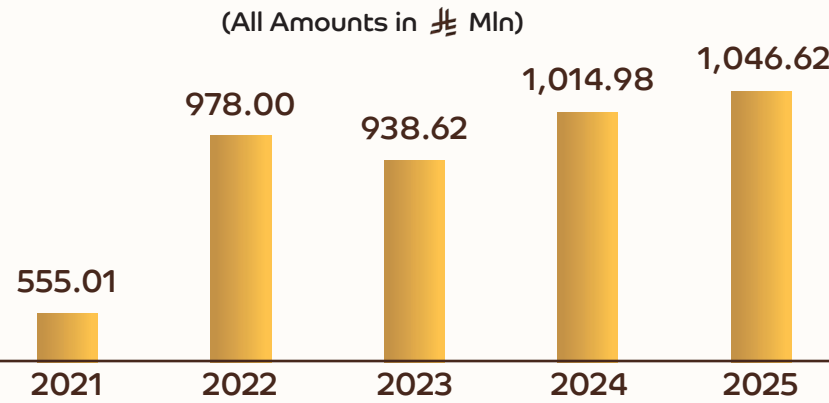


Revenue Analysis

Analysis of Total Company Revenue

The financial results of Modern Mills demonstrate high adaptability and operational resilience. The Company has successfully maintained a positive growth trajectory, consistently exceeding the SAR 1 billion threshold over the past two years, reflecting the strength of its operating model and the sustainability of its financial performance. The following table illustrates the development of the annual revenue, highlighting this upward trend:

5-Year Total Revenue Analysis



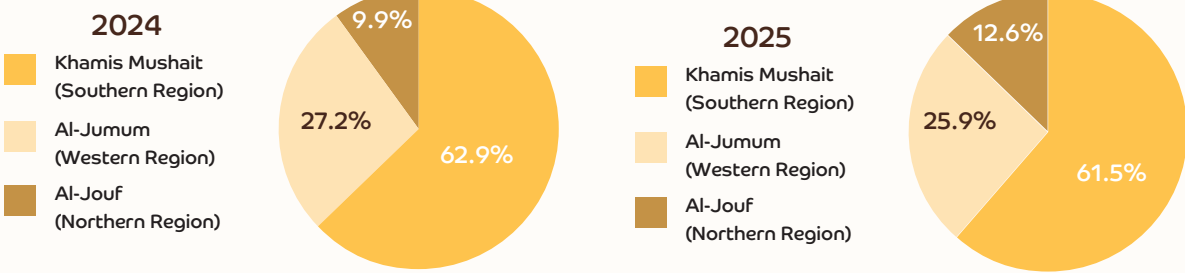
Geographically, the Company's three production facilities have demonstrated strong operational integration, yielding positive results, underpinned by enhanced operational efficiency and improved productivity rates across all sites. Khamis Mushait Facility continued to lead revenue generation, accounting for 61.5% of the total, which underscores its role as a cornerstone of the Company's operational infrastructure. Al-Jumum Facility followed, contributing 25.9% to total revenue. Meanwhile, Al-Jouf Facility emerged as the fastest-growing facility in 2025 as its revenue climbed to SAR 131.74 million, marking an exceptional growth rate of 31.3% and increasing the facility's contribution to total revenue to 12.6%. This performance underscores the success of the geographic expansion strategy in penetrating new markets across the Kingdom and strengthening supply chains, thereby ensuring sustained growth and meeting rising demand.

Geographic Analysis of Total Revenue

(All Amounts in ﷲ Mln)

Year/Statement	Khamis Mushait (Southern Region)	Al-Jumum (Western Region)	Al-Jouf (Northern Region)	Total
2024	638.28	276.36	100.34	1,014.98
2025	644.02	270.87	131.74	1,046.62
Change (%)	0.9%	-2.0%	31.3%	3.1%

Revenue Contribution by Facility (Geographic Region) – 2025



Differences from the Accounting Standards Endorsed by SOCPA

Description

These Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA) (collectively referred to as "IFRS" as adopted in the Kingdom).

There were no deviations from the accounting standards

issued by SOCPA regarding the audit and valuation of the Company's financial statements for the fiscal year (FY) 2025. The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's Annual Financial Statements for the year ended 31 December 2025, with the exception of the adoption of the amendments to IAS 21, "Lack of Exchangeability (Amendments to IAS 21)", which became effective on 01 January 2025.

New Standards, Interpretation, and Amendments

New Standards or Amendments to IFRS	Expected Impact	Effective Date
Lack of Exchangeability (Amendments to IAS 21) (Effects of Changes in Foreign Exchange Rates)	None	01 January 2025
Expected Requirements		
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	Minimal	01 January 2026
Annual Improvements to IFRS Accounting Standards (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	Minimal	01 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	Minimal	01 January 2026
Presentation and Disclosure in Financial Statements (IFRS 18)	High	01 January 2027
Subsidiaries without Public Accountability: Disclosures (IFRS 19)	None	01 January 2027
Sale or Transfer of Assets between an Investor and their Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Minimal	To Be Decided

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025
with
INDEPENDENT AUDITOR’S REPORT

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

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KPMG Professional Services Company

Zahrán Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarters in Riyadh

شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية

مركز زهران للأعمال
شارع الأمير سلطان
ص. ب. 55078
جدة 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor’s Report
To the Shareholders of Modern Mills Company

Opinion

We have audited the consolidated financial statements of **Modern Mills Company (“the Company”)** and **its subsidiary (“the Group”)**, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated 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 consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Professional Services Company, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR110,000,000 and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

© 2026 شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية، شركة مساهمة مهنية مغلقة مسجلة في المملكة العربية السعودية، رأسمالها (110,000,000) ريال سعودي مدفوع بالكامل، وهي عضو غير شريك في الشبكة العالمية لشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة الإنجليزية خاصة محدودة بال ضمان. جميع الحقوق محفوظة



Independent Auditor's Report

To the Shareholders of Modern Mills Company (continued)

Revenue recognition

Refer Note 22 to the consolidated financial statements.

Key audit matter

During the year ended 31 December 2025, the Group recognized revenue from contract with customers of SR 1,046 million.

Revenue from contract with customers is recognised at point in time when control over the goods is transferred to the customer on dispatch or delivery of the goods in accordance with applicable financial reporting framework.

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.

How the matter was addressed in our audit

Our audit procedures performed included, among other audit procedures, the following:

- Evaluated the appropriateness of the Company's accounting policies for revenue recognition in line with the requirements of applicable financial reporting framework;
- Evaluated the design and implementation, of the Company's key controls over the recognition of revenue;
- Examined key contractual and returns arrangements by considering relevant documentation and agreements with the customers on sample basis;
- Tested sample of sales transactions and inspected the supporting documents to assess they were recognized at the correct amounts;
- Recalculated and inspected the supporting documents for rebates and discounts on a sample basis according to their arrangements;
- 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 consolidated financial statements.

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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.



Independent Auditor's Report

To the Shareholders of Modern Mills Company (continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.
- 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



Independent Auditor's Report

To the Shareholders of Modern Mills Company (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 **Modern Mills Company ("the Company") and its subsidiary ("the Group")**.

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 consolidated 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

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

Jeddah, 8 March 2026
Corresponding to 19 Ramadan 1447H

MODERN MILLS COMPANY (A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	31 December 2025	31 December 2024
Assets			
Property, plant and equipment	7	869,841,301	777,757,171
Right-of-use assets	8	196,284,896	206,654,985
Intangible assets	9	5,647,719	3,620,300
Non-current assets		1,071,773,916	988,032,456
Inventories	10	87,447,739	86,593,799
Trade receivables	11	26,722,904	9,804,203
Prepayments and other current assets	12	16,581,700	36,233,225
Cash and cash equivalents	13	72,084,293	182,903,783
Current assets		202,836,636	315,535,010
Total assets		1,274,450,552	1,303,567,466
Equity and liabilities			
Equity			
Share capital	14	81,832,000	81,832,000
Shareholder's contributions	15	14,309,338	14,309,338
Treasury shares	30	(39,279,372)	(39,279,372)
Retained earnings		266,099,223	205,694,386
Total equity		322,961,189	262,556,352
Liabilities			
Loans and borrowings	16	500,512,868	617,348,941
Lease liabilities	17	212,880,870	221,268,973
Employees' defined benefit obligations	18	10,167,723	6,972,328
Non-current liabilities		723,561,461	845,590,242
Current portion of loans and borrowings	16	82,863,270	29,563,340
Current portion lease liabilities	17	14,708,094	14,366,008
Trade and other payables		45,490,859	52,657,166
Accrued expenses and other current liabilities	19	66,993,716	80,152,914
Advances from customers	20	13,468,624	13,552,082
Zakat payable	29	4,403,339	5,130,362
Current liabilities		227,927,902	195,420,872
Total liabilities		951,489,363	1,041,011,114
Total equity and liabilities		1,274,450,552	1,303,567,466

Dr. Ibrahim AlRajhi
Chairman

Ahmad Hijazi
CEO - Acting

Shahid Akbar
Finance Director

The accompanying notes from 1 to 36 form an integral part of these consolidated financial statements.

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	2025	2024
Revenue from contract with customers	22	1,046,622,787	1,014,982,907
Cost of revenue	23	(655,483,483)	(626,935,382)
Gross profit		391,139,304	388,047,525
Selling and distribution expenses	24	(82,397,792)	(63,530,767)
General and administrative expenses	25	(50,048,573)	(65,335,204)
Expected credit loss on trade receivables	11	(316,896)	(134,843)
Other income	26	209,847	246,551
Operating profit		258,585,890	259,293,262
Finance cost	27	(33,120,864)	(54,903,155)
Finance income	28	2,998,901	7,238,232
Profit before zakat		228,463,927	211,648,339
Zakat expense	29	(4,678,247)	(2,978,063)
Profit for the year		223,785,680	208,670,276
Other comprehensive (loss) / income:			
Items that will not be reclassified to profit or loss.			
Remeasurements of defined benefit obligations	18	(1,353,483)	507,516
Other comprehensive (loss) / income for the year		(1,353,483)	507,516
Total comprehensive income for the year		222,432,197	209,177,792
Earnings per share for the year attributable to shareholders of the Company (SR):			
Basic	32	2.76	2.57
Diluted	32	2.76	2.57


Dr. Ibrahim AlRajhi
Chairman


Ahmad Hijazi
CEO - Acting


Shahid Akbar
Finance Director

The accompanying notes from 1 to 36 form an integral part of these consolidated financial statements.

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	Share capital	Shareholder's contributions	Treasury shares	Retained earnings	Total
Balance at 1 January 2025		81,832,000	14,309,338	(39,279,372)	205,694,386	262,556,352
Profit for the year		-	-	-	223,785,680	223,785,680
Other comprehensive loss for the year		-	-	-	(1,353,483)	(1,353,483)
Total comprehensive income for the year		-	-	-	222,432,197	222,432,197
Transactions with owners:						
Dividends distribution	21	-	-	-	(162,027,360)	(162,027,360)
Part base of treasury shares for employees' share based payment plan	30	-	-	(32,904,684)	-	(32,904,684)
Treasury shares contributed by pre-listing shareholders	30	-	6,284,688	(6,284,688)	-	-
Shareholder's contributions	15	-	750,452	-	-	750,452
Balance at 31 December 2025		81,832,000	14,309,338	(39,279,372)	205,694,386	262,556,352
Balance at 1 January 2024		81,832,000	7,274,198	-	158,543,954	247,650,152
Profit for the year		-	-	-	208,670,276	208,670,276
Other comprehensive income for the year		-	-	-	507,516	507,516
Total comprehensive income for the year		-	-	-	209,177,792	209,177,792
Transactions with owners:						
Dividends distribution	21	-	-	-	(162,027,360)	(162,027,360)
Part base of treasury shares for employees' share based payment plan	30	-	-	(32,904,684)	-	(32,904,684)
Treasury shares contributed by pre-listing shareholders	30	-	6,284,688	(6,284,688)	-	-
Shareholder's contributions	15	-	750,452	-	-	750,452
Balance at 31 December 2024		81,832,000	14,309,338	(39,279,372)	205,694,386	262,556,352


Dr. Ibrahim AlRajhi
Chairman


Ahmad Hijazi
CEO - Acting


Shahid Akbar
Finance Director

The accompanying notes from 1 to 36 form an integral part of these consolidated financial statements.

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CASH FLOWS

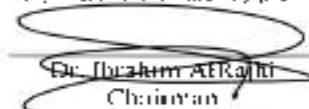
For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

	Notes	2025	2024
Cash flows from operating activities			
Profit before zakat		228,463,927	211,648,339
Adjustments:			
Depreciation of property, plant and equipment	7.5	50,899,556	48,131,859
Depreciation of right-of-use assets	8.1	11,859,997	11,013,437
Amortization of intangible assets	9.1	440,875	450,811
Finance cost on lease liabilities	17.2	6,011,838	6,301,344
Finance cost on loans and borrowings	27	27,149,026	29,715,045
Finance income	28	(2,998,901)	(7,258,232)
Amortization of loan transaction cost	27	—	8,886,766
Adjustment for net realizable value of inventories	10.2	(2,199,256)	11,456,500
Provision for employees' defined benefit obligations	18	2,780,441	2,416,792
Gain on derecognition of lease		—	(82,912)
Expected credit loss on trade receivables	11.2	316,896	1,54,843
Loss / (gain) on disposal of property, plant and equipment		(12,863)	(23,078)
		323,256,462	319,880,494
Changes in:			
Inventories		1,545,316	1,235,271
Trade receivables		(17,235,597)	(8,931,019)
Prepayments and other current assets		19,731,528	(3,931,734)
Trade and other payables		(11,749,351)	(1,092,777)
Accrued expenses and other current liabilities		(21,097,547)	13,999,411
Advances from customers		(83,458)	(673,257)
Cash generated from operating activities		292,467,350	320,425,389
Employees' defined benefit obligations paid	18	(938,529)	(477,233)
Finance cost paid on lease liabilities		(6,011,838)	(6,301,344)
Finance cost paid on loans and borrowings		(26,133,435)	(29,715,045)
Finance income		2,998,901	6,976,565
Zakat paid	29.2	(5,405,270)	(5,173,620)
Net cash from operating activities		262,677,189	275,734,722
Cash flows from investing activities			
Additions to property, plant and equipment		(137,135,813)	(106,679,398)
Additions to intangible assets	9	(2,467,494)	(1,437,923)
Proceeds from disposal of property, plant and equipment		325,086	31,869
Net cash used in investing activities		(139,278,221)	(107,085,652)
Cash flows from financing activities			
Repayment of loans and borrowings	16	(118,536,143)	(788,630,880)
Proceeds from loans and borrowings	16	55,000,000	882,741,860
Principal repayment of lease liabilities	17.3	(8,734,925)	(7,904,967)
Dividends paid	21	(162,027,360)	(162,027,360)
Due from related parties		—	11,050,395
Purchase of treasury shares	30.2	—	(22,294,654)
Net cash used in financing activities		(134,298,428)	(97,771,556)
Net change in cash and cash equivalents during the year		10,099,490	70,977,529
Cash and cash equivalents at the beginning of the year		182,983,783	112,006,254
Cash and cash equivalents at the end of the year		193,083,273	182,983,783

Non-cash transactions

Additions to property, plant and equipment		4,583,044	12,920,555
Treasury shares contributed by pre-listing shareholders	30	—	5,235,864


Dr. Ibrahim Al-Rajhi
Chairman


Ahmad Hijazi
CFO - Acting


Shuhad Akbar
Finance Director

The accompanying notes from 1 to 30 form an integral part of these consolidated financial statements.

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise stated)

1. CORPORATE INFORMATION

Modern Mills Company (the "Company" or the "Parent Company"), a Saudi Joint Stock Company, was incorporated in accordance with the Companies' Regulations in the Kingdom of Saudi Arabia under Commercial Registration No. 5855070277 issued on 12 October 2016 (corresponding to 11 Muharram 1438H). On 9 January 2022 (corresponding to 6 Jumada Al-Akhirah 1443H), a branch was opened in with commercial registration No. 4030449122. The Company converted its head office (commercial registration No. 5855070277) into a branch of the Company and converted the branch (commercial registration No. 4030449122) to be the head office of the Company.

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

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

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

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

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

On 1 November 2021 (corresponding to 26 Rabi al Awal 1443H) merger agreement was signed between shareholders of Mada Al Ghurair Limited (the Ultimate Parent Company) and its wholly owned subsidiary, Modern Mills Company ("Company") whereby all assets, liabilities, rights and obligations of the ultimate Parent Company were to be transferred to the Company subject to the completion of legal procedures.

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise stated)

1. COMPANY INFORMATION (continued)

The registered address of the Company is as follows:

Alkhalidiah
Mohammed Altaib Altunisi Street,
Jeddah 2341 - 6228
Kingdom of Saudi Arabia

The members of the Extraordinary General Assembly have approved the offering and listing of the Company's shares in Tadawul on 4 October 2023 (corresponding to 19 Rabi Al Awal 1445H). On 7 February 2024 (corresponding to 26 Rajab 1445H) the Company has announced its intention to float 24,549,600 shares, representing 30% of the Company's share capital and to proceed with an initial public offering and listing on the main market of the Saudi Exchange (Tadawul). The Company was successfully listed on the Saudi Exchange on 27 March 2024 (corresponding to 17 Ramadan 1445H).

These accompanying consolidated financial statements comprise the financial statements of Modern Mills Company (the "Company" or the "Parent Company") and its subsidiary (collectively referred to as the "Group"). The Group is principally engaged in flour production in the Kingdom of Saudi Arabia and all activities related to the provision of wheat products, animal feed and related products, including making any contracts or making any related arrangements.

The Company is the ultimate controlling party of the Group. As at 31 December 2025, the Company has investment in the following subsidiary:

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Effective ownership interest (%)</u>	
			<u>31 December 2025</u>	<u>31 December 2024</u>
<u>Operating subsidiary</u>				
Hasad Al-Arabia for Trading Company	Saudi Arabia	Wholesale and retail of flour	100	100

The Group operates through three branches and a head office, which are as follows:

<u>Branch Location</u>	<u>Date</u>	<u>Commercial Registration No.</u>
Head office	09 January 2022 (corresponding to 6 Jumada Al-Akhirah 1443H).	4030449122
Khamis Mushait	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	5855070707
Al Jumum	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	4622099376
Al Jowf	28 March 2017 (corresponding to 29 Jumada Al Thani 1438H)	3400020077

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2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the 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) collectively referred to as IFRS as endorsed in the Kingdom of Saudi Arabia.

2.2 Basis of measurement

These consolidated 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.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at and for the year ended 31 December 2025 (Note 1). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent company and to the non-controlling interests. All intra-group assets and liabilities, equity, income and expenses relating to transactions between members of the Group are eliminated in full on consolidation. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

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2. BASIS OF PREPARATION (continued)

2.3 Basis of consolidation (continued)

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.4 Functional and presentation currency

These consolidated 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 Group's consolidated 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 Group based its assumptions and estimates on parameters available when the consolidated 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 Group. 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 Group'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.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.2 Determining lease term for leases with termination option - Group as lessee

The Group determines the term of the lease as non-cancellable periods plus any period covered by a renewable option if the Group is reasonably certain to exercise that option.

The Group has several lease contracts that include termination options. The Group decides through its evaluation of the lease whether it is reasonable to exercise the option to terminate the lease. This means that the Group considers all relevant factors that constitute an economic incentive to exercise the option to terminate the lease. After the lease commencement date, the Group reassesses the lease term if there is an event or change in circumstances within the Group's control that affects the Group'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 Determination 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.

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.

4. MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following material accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

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 Group 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 consolidated 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.

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.1 Property, plant and equipment (continued)

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	shorter of the useful life and lease term	Furniture and fittings	6.67 - 10 years
Plant and equipment	10 - 25 years	Strategic spare parts	15 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 consolidated 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.

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 Leases

4.2.1 Right-of-use assets

The Group 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 Group 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.

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4. MATERIAL ACCOUNTING POLICIES (continued)

4.2 Leases (continued)

4.2.2 Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

4.3 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.

4.3.1 Financial Assets

The Group's financial assets comprise of cash and cash equivalents, trade and other receivables, margin against letter of credits and guarantees and due from related parties.

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 Group'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) – debt instruments;
- Fair value through other comprehensive income (FVOCI) – equity instruments; or
- Fair value through profit or loss (FVTPL)

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.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

4.3.1 Financial Assets (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and short-term deposits with a maturity of 90 days or less and are subject to an insignificant risk of changes in value.

Trade receivable and other current financial assets

Trade receivables and other current financial assets are measured at amortized cost and comprise of trade and other receivables, margin against letter of credits and guarantees and other current financial assets.

Due from related parties

Amounts due from related parties are measured at amortized cost.

4.3.2 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 Group's financial liabilities include trade payables, certain accrued expenses and other current liabilities, advance from customers, loans and borrowings, lease liabilities and due to related parties. At 31 December 2025, all the Company's financial liabilities are classified at amortised cost.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.4 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. Finished goods are stated at cost or net realizable value, whichever is lower with provision for any obsolete or slow-moving goods. 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.
Wheat	Weighted average of SR 180 per metric ton (Note 1).
Goods of production inputs, goods of production services and others	Weighted average

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses. The amount of any write-down of inventories to net realizable 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 realizable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

4.5 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks, cash on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated 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 Group's cash management.

4.6 Employees' defined benefit obligations

The Group has defined benefit plans with General Organization for Social Insurance "GOSI" where the Group and the employees contribute fixed percentage of their salary toward the retirement of its employees. The Group operates defined benefit plans, under the Saudi Arabian Labor Law based on employees' accumulated periods of service at the consolidated 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.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.6 Employees’ defined benefit obligations (continued)

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 consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the year end in which they occur. Re-measurements 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 Group recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group 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 consolidated statement of profit or loss and other comprehensive income.

Share based payment plan

The Group maintains an equity-settled share-based payment plan for its key management. The grant-date fair value of such share-based payment arrangement granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

4.7 Revenue from contracts with customers

The Group is involved in the manufacturing of flour, feed and bran (by-product). Under IFRS 15 Revenue from Contracts with Customers, the Group 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.

Revenue is measured at the transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods, excluding amounts collected on behalf of third parties.

Revenue from the sale of goods is recognised at a point in time, based on the terms of the contract with the customer. Control is generally transferred either upon dispatch of the goods from the Group’s warehouse or upon delivery to the location specified by the customer, depending on the agreed shipping terms.

4. MATERIAL ACCOUNTING POLICIES (continued)

4.7 Revenue from contracts with customers (continued)

The Group has concluded that it acts as principal in its revenue arrangements, as it controls the goods before transfer to the customer and is primarily responsible for fulfilling the promise to provide the goods.

Variable consideration mainly includes discounts and rebates granted to customers. The Group 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 Group 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.

4.8 Zakat

Zakat provision is calculated and recorded based on the zakat base according to the regulations of the Zakat, Tax and Customs Authority ("ZATCA "). The expense relating to a provision is charged to the consolidated statement of profit or loss and other comprehensive income.

4.9 Treasury shares

Own equity instruments that are reacquired (treasury shares), with the aim of allocating to the Group’s employees within the employee share programs, are recognized at cost and presented as a deduction from equity. No gain or loss is recognized in the consolidated statement of profit or loss and other comprehensive income on the purchase of the Group’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in retained earnings.

5. NEW STANDARDS, INTERPRETATION AND AMENDMENTS

5.1 Standards, interpretations and amendments adopted

The Group has applied the following amendments for the first time for the annual reporting period commencing 1 January 2025.

<u>Standards / Interpretations and amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IAS 21	Lack of Exchangeability (Amendments to IAS 21)	1 January 2025

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5. NEW STANDARDS, INTERPRETATION AND AMENDMENTS (continued)

5.2 Standards, interpretations and amendments issued but not yet effective

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

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

<u>Standards / Interpretations and amendments</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Volume 11	Annual Improvements to IFRS Accounting Standards	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

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

6. SEGMENT INFORMATION

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

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

<u>Reportable segments</u>	<u>Operations</u>
Khamis Mushait	Production of flour and feed
Al Jumum	Production of flour and bran
Al Jowf	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. Intercompany transactions, if any, within the reportable segments have been appropriately eliminated. There was no inter-segment sales in the period presented below. All unallocated amounts are related to the head office and are not allocatable to the operating segments. Segment profit before zakat is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

<u>For the year ended 31 December 2025</u>	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total</u>
Total revenue	644,015,104	270,868,322	131,739,361	1,046,622,787
Cost of inventories	(371,380,978)	(92,192,108)	(41,078,631)	(504,651,717)
Employee benefits expenses	(24,514,388)	(20,479,271)	(13,468,596)	(58,462,255)
Depreciation and amortization	(20,569,823)	(31,161,917)	(8,275,689)	(60,007,429)
Other expenses	(44,641,983)	(36,205,940)	(20,333,934)	(101,181,857)
Financing costs	(1,665,697)	(3,441,578)	(832,512)	(5,939,787)
Other income	--	209,847	--	209,847
Finance income	--	125,395	--	125,395
Expected credit loss on trade receivables	(316,896)	--	--	(316,896)
Segment profit	180,925,339	87,722,750	47,749,999	316,398,088

<u>For the year ended 31 December 2024</u>	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total</u>
Total revenue	638,281,598	276,363,104	100,338,205	1,014,982,907
Cost of inventories	(357,814,086)	(90,976,355)	(36,142,764)	(484,933,205)
Employee benefits expenses	(23,942,348)	(18,890,068)	(13,312,064)	(56,144,480)
Depreciation and amortization	(20,315,067)	(29,718,742)	(8,336,612)	(58,370,421)
Other expenses	(32,459,143)	(35,676,048)	(12,773,607)	(80,908,798)
Financing costs	(1,725,716)	(3,622,956)	(862,510)	(6,211,182)
Other income	--	223,473	23,078	246,551
Segment profit	202,025,238	97,702,408	28,933,726	328,661,372

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6. SEGMENT INFORMATION (continued)

<u>At 31 December 2025</u>	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total</u>
Total assets	368,352,648	675,259,181	126,637,205	1,170,249,034
Total liabilities	118,640,246	166,260,572	45,316,924	330,217,742
Other disclosures:				
Property, plant and equipment and right-of-use assets	304,772,731	649,556,133	107,507,239	1,061,836,103
Inventories	44,868,925	25,668,606	16,910,208	87,447,739
Intangible assets	480,904	1,286,214	325,299	2,092,417
<u>At 31 December 2024</u>	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total</u>
Total assets	347,372,240	616,369,120	128,149,948	1,091,891,308
Total liabilities	114,707,643	205,419,760	49,006,379	369,133,782
Other disclosures:				
Property, plant and equipment and right-of-use assets	298,254,361	575,002,332	108,399,128	981,655,821
Inventories	42,133,120	26,271,234	18,189,445	86,593,799
Intangible assets	249,453	1,075,531	14,500	1,339,484

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

i. Profit before zakat

	<u>2025</u>	<u>2024</u>
Total profit before zakat for reportable segments	316,398,088	328,661,372
Unallocated amounts:		
Employee benefits expenses	(39,476,043)	(41,640,885)
Depreciation and amortization	(1,592,199)	(1,227,686)
Other expenses	(22,558,348)	(32,575,878)
Financing costs	(27,181,077)	(48,691,973)
Finance income	2,873,506	7,258,232
Expected credit loss on trade receivables	--	(134,843)
	<u>228,463,927</u>	<u>211,648,339</u>

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6. SEGMENT INFORMATION (continued)

ii. Total assets

	<u>31 December 2025</u>	<u>31 December 2024</u>
Total assets for reportable segments	1,170,249,034	1,091,891,308
Unallocated amounts	104,201,518	211,676,158
	<u>1,274,450,552</u>	<u>1,303,567,466</u>

iii. Total liabilities

	<u>31 December 2025</u>	<u>31 December 2024</u>
Total liabilities for reportable segments	330,217,742	369,133,782
Unallocated amounts	621,271,621	671,877,332
	<u>951,489,363</u>	<u>1,041,011,114</u>

The Group's total revenue is generated from external customers. Revenue from one customer of the Group's Khamis Mushait segment is SR 211 million (2024: SR 264 million) which represents 19% (2024: 25.17%) of the Group's total revenues.

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7. PROPERTY, PLANT AND EQUIPMENT	Buildings	Plant and equipment	Furniture and fittings	Motor vehicles	Strategic spare parts	Capital work in progress	Total
Cost:							
Balance at 31 December 2023	403,841,083	521,367,738	11,302,096	7,264,427	15,707,474	40,660,649	1,000,143,467
Additions during the year	342,409	9,710,928	214,660	--	--	111,747,516	122,015,513
Disposals during the year	--	(21,061)	(4,317)	--	--	--	(25,378)
Transfers during the year	927,679	6,978,096	59,400	440,000	--	(8,405,175)	--
Balance at 31 December 2024	405,111,171	538,035,701	11,571,839	7,704,427	15,707,474	144,002,990	1,122,133,602
Additions during the year	--	6,433,691	80,415	796,466	274,585	135,096,478	142,681,635
Disposals during the year	--	(851,555)	--	(117,676)	--	--	(969,231)
Transfers during the year	94,647,308	137,075,987	355,557	90,400	--	(232,169,252)	--
Balance at 31 December 2025	499,758,479	680,693,824	12,007,811	8,473,617	15,982,059	46,930,216	1,263,846,006

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7. PROPERTY, PLANT AND EQUIPMENT (continued)	Buildings	Plant and equipment	Furniture and fittings	Motor vehicles	Strategic spare parts	Capital work in progress	Total
Accumulated depreciation:							
Balance at 31 December 2023	112,858,304	165,866,091	7,314,200	4,207,419	6,013,150	--	296,259,164
Charge for the year	15,729,691	28,483,843	1,258,188	1,450,601	1,211,536	--	48,133,859
Disposals during the year	--	(12,275)	(4,317)	--	--	--	(16,592)
Balance at 31 December 2024	128,587,995	194,337,659	8,568,071	5,658,020	7,224,686	--	344,376,431
Charge for the year	17,462,966	29,650,183	992,219	762,395	1,231,793	--	50,099,556
Disposals during the year	--	(353,606)	--	(117,676)	--	--	(471,282)
Balance at 31 December 2025	146,050,961	223,634,236	9,560,290	6,302,739	8,456,479	--	394,004,705
Net book value:							
At 31 December 2025	353,707,518	457,059,588	2,447,521	2,170,878	7,525,580	46,930,216	869,841,301
At 31 December 2024	276,523,176	343,698,042	3,003,768	2,046,407	8,482,788	144,002,990	777,757,171

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

- 7.1** The buildings are built on land leased from the GFSA with an annual rental of SR 3,173,959. The lease term is twenty-five calendar years commencing from 1 January 2017 (corresponding to 3 Rabee Thani 1438H) and is renewable for a similar period. In 2020, the lease term was extended by an additional four years.
- 7.2** As at 31 December 2025, capital work in progress mainly relates to the construction of new feed plant which is under progress at Al-Jumum Branch.
- Capital commitments relating to capital work in progress are amounting to SR 140 million (2024: SR 77.5 million).
- 7.3** During the current year, additions to capital work in progress includes the capitalised borrowing cost amounting to SR 8.7 million (2024: 6 million) calculated using the applicable market rate of interest.
- 7.4** As at 31 December 2025, capital work in progress includes advance to suppliers amounting to SR 10 million (31 December 2024: Nil).
- 7.5** The depreciation charge on property, plant and equipment for the year has been allocated as follows:

	Notes	2025	2024
Cost of revenue	23	44,126,345	42,294,158
Selling and distribution expenses	24	1,807,988	1,278,773
General and administrative expenses	25	4,165,223	4,560,928
		50,099,556	48,133,859

8. RIGHT-OF-USE ASSETS

The Group leases silos, lands and building. Lands and Silos are leased from the GFSA with a lease term of twenty-five calendar years commenced from 1 January 2017 (corresponding to 3 Rabee Thani 1438H) and is renewable for a similar period. In 2020, the lease term was extended by an additional four years. Leases for head office building is for a period of 5 years, with an option to renew the lease after that date. For leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases labour accommodations and motor vehicles with contract term of one year. These leases are short term and low value. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

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8. RIGHT-OF-USE ASSETS (continued)

	Silos	Lands	Building and warehouse	Total
Cost:				
Balance at 31 December 2023	204,919,862	69,751,146	6,276,503	280,947,511
Derecognition	--	--	(3,830,871)	(3,830,871)
Balance at 31 December 2024	204,919,862	69,751,146	2,445,632	277,116,640
Additions during the year	--	--	689,908	689,908
Balance at 31 December 2025	204,919,862	69,751,146	3,135,540	277,806,548
Accumulated depreciation:				
Balance at 31 December 2023	46,047,718	12,500,792	1,446,870	59,995,380
Charge for the year	7,630,895	2,653,969	728,573	11,013,437
Released on derecognition	--	--	(547,162)	(547,162)
Balance at 31 December 2024	53,678,613	15,154,761	1,628,281	70,461,655
Charge for the year	7,630,895	2,653,969	775,133	11,059,997
Balance at 31 December 2025	61,309,508	17,808,730	2,403,414	81,521,652
Net book value:				
At 31 December 2025	143,610,354	51,942,416	732,126	196,284,896
At 31 December 2024	151,241,249	54,596,385	817,351	206,654,985

- 8.1** The depreciation for the year has been allocated as follows:

	Note	2025	2024
Cost of revenue	23	10,284,864	10,284,864
General and administrative expenses	25	775,133	728,573
		11,059,997	11,013,437

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9. INTANGIBLE ASSETS

9.1 Intangible assets include computer programmes and software. Movement in intangible assets is as follows:

	<u>Software</u>	<u>Software under development</u>	<u>Total</u>
Cost:			
Balance at 31 December 2023	3,336,796	4,049,276	7,386,072
Transfers	168,746	(168,746)	--
Additions during the year	123,617	1,314,306	1,437,923
Balance at 31 December 2024	3,629,159	5,194,836	8,823,995
Transfers	438,985	(438,985)	--
Additions during the year	256,025	2,211,469	2,467,494
Balance at 31 December 2025	4,324,169	6,967,320	11,291,489
Accumulated amortization:			
Balance at 31 December 2023	764,870	3,988,014	4,752,884
Amortization for the year (Note 25)	450,811	--	450,811
Balance at 31 December 2024	1,215,681	3,988,014	5,203,695
Amortization for the year (Note 25)	440,075	--	440,075
Balance at 31 December 2025	1,655,756	3,988,014	5,643,770
Net book value:			
At 31 December 2025	2,668,413	2,979,306	5,647,719
At 31 December 2024	2,413,478	1,206,822	3,620,300

10. INVENTORIES

10.1 Inventories comprise of the following:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Spare parts	54,708,464	56,763,332
Raw materials	18,943,879	21,880,718
Finished goods	19,334,857	18,031,615
Packing material	7,931,753	5,100,822
Goods in transit	--	49,167
Others	1,285,346	1,723,961
	102,204,299	103,549,615
Less: adjustment for net realizable value of inventories	(14,756,560)	(16,955,816)
	87,447,739	86,593,799

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10. INVENTORIES (continued)

10.2 Movement in adjustment for net realizable value of inventories is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
At the beginning of the year	16,955,816	18,412,316
Provision reversed during the year	(2,199,256)	(1,456,500)
At the end of the year	14,756,560	16,955,816

10.3 Spare parts amounting to SR 7.1 million (2024: SR 5.5 million) consumed during the year is included in the maintenance expenses under cost of revenue. Cost of raw materials, packing materials and finished goods recognized during the year are disclosed in Note 23.

11. TRADE RECEIVABLES

11.1 Trade receivables comprise of the following:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Trade receivables	27,471,951	10,236,354
Allowance for expected credit losses	(749,047)	(432,151)
	26,722,904	9,804,203

The settlement period of these trade receivables are 30-60 days and are secured by promissory notes issued by some customers amounting to SR 20.8 million (31 December 2024: 3.4 million).

11.2 The movement of allowance for expected credit losses is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
At the beginning of the year	432,151	297,308
Provision during the year	316,896	134,843
At the end of the year	749,047	432,151

12. PREPAYMENTS AND OTHER CURRENT ASSETS

	<u>31 December 2025</u>	<u>31 December 2024</u>
Advances to suppliers	8,321,013	20,552,782
Prepayments (Note 12.1)	6,387,209	2,696,764
VAT receivable	1,793,478	53,466
Margin against letters of guarantee and letters of credit	--	12,648,546
Other receivables	--	281,667
	16,501,700	36,233,225

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12. PREPAYMENTS AND OTHER CURRENT ASSETS (continued)

12.1 Prepayments mainly includes prepaid rent related to low value and short-term leases, medical insurance, employees' allowances, and others.

13. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Cash in hand	200,000	143,438
Cash at banks – current accounts	71,804,293	32,760,345
Short-term deposits	--	150,000,000
	<u>72,004,293</u>	<u>182,903,783</u>

13.1 Short-term deposits are deposited with a commercial bank for 90 days or less period from the date of deposit with agreed return rates.

14. SHARE CAPITAL

The authorized, issued and fully paid-up share capital of the Parent Company as at 31 December 2025 amounted to SR 81,832,000 (31 December 2024: SR 81,832,000) consists of 81,832,000 shares (31 December 2024: 81,832,000 shares) at SR 1 (2024: SR 1) each share.

The shareholding pattern as of 31 December 2025 and 31 December 2024 is as follows:

	Percentage	No. of shares	Amount
Mada International Holding Company	34.5	28,232,040	28,232,040
Al Ghurair Foods LLC	31.05	25,408,836	25,408,836
Masafi Company LLC	3.45	2,823,204	2,823,204
Treasury shares (Note 30)	1	818,320	818,320
General public	30	24,549,600	24,549,600
	<u>100</u>	<u>81,832,000</u>	<u>81,832,000</u>

15. SHAREHOLDERS' CONTRIBUTIONS

During the year ended 31 December 2024, the shareholders' reimbursed an amount of SR 750,452 as shareholders' contribution related to listing of existing shares during IPO process. Furthermore, during the year ended 31 December 2024, 130,931 shares amounting to SR 6,284,688 have been contributed by pre-listing shareholders as shareholders' contributions. These shares have been reflected as treasury shares in the consolidated statement of financial position (Note 30.2).

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16. LOANS AND BORROWINGS

	31 December 2025	31 December 2024
Short term borrowings	55,000,000	--
Long-term loans	<u>528,376,138</u>	<u>646,912,281</u>
	<u>583,376,138</u>	<u>646,912,281</u>
Non-current portion	500,512,868	617,348,941
Current portion	<u>82,863,270</u>	<u>29,563,340</u>
	<u>583,376,138</u>	<u>646,912,281</u>

The movement in loans and borrowings is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	646,912,281	552,807,201
Obtained during the year	55,000,000	882,741,960
Paid during the year	<u>(118,536,143)</u>	<u>(788,636,880)</u>
At the end of the year	<u>583,376,138</u>	<u>646,912,281</u>

On 8 October 2024 (corresponding to 5 Rabi Al Thani 1446H), the Company entered into Murabaha financing agreements with Saudi National Bank ("SNB") on more favourable terms. The facilities available under these agreements amounted to SR 751 million which have been fully utilized by the Company. The facilities amounting to SR 518 million and SR 233 million are repayable in quarterly instalments starting from 31 December 2024 to 31 December 2038 and 8 January 2027 to 8 January 2039 respectively. During the year ended 31 December 2025, the Company made an early settlement payment of SR 100 million.

During the year ended 31 December 2024, the loans from Alinma Bank for Murabaha facility and commercial loan amounting to SR 643 million were repaid from the proceeds of loan from SNB. Accordingly, the total amount of loans with Alinma Bank was derecognised and unamortized loan transaction cost was charged to consolidated statement of profit or loss and other comprehensive income (Note 27).

Furthermore, the above facility letter with SNB also includes revolving working capital facilities amounting to SR 120 million on prevailing market rates. During the current year, drawdowns and repayments amounting to SR 55 million (31 December 2024: SR 75 million) and SR Nil (31 December 2024: SR 75 million), respectively have been made by the Company with a closing balance of SR 55 million (31 December 2024: SR Nil). These revolving working capital facilities are valid till 8 January 2039.

All loan facilities with SNB are secured by assignment of insurance policies amounting to SR 670 million. These loan facilities has certain covenants including debt to service and total liabilities to equity ratio. As at 31 December 2025, there has not been any non-compliance observed for any of the covenants.

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16. LOANS AND BORROWINGS (continued)

Maturity analysis - contractual cash flows

	31 December 2025	31 December 2024
Within one year	110,446,092	69,498,745
One to five years	274,231,714	310,823,178
More than five years	413,313,075	569,340,887
	797,990,881	949,662,810

17. LEASE LIABILITIES

17.1 Movement in lease liabilities is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	235,633,981	246,905,589
Additions during the year	689,908	--
Derecognition	--	(3,366,641)
Finance cost on lease liabilities	6,011,838	6,301,344
Capital repayments of lease liabilities	(8,734,925)	(7,904,967)
Finance cost paid	(6,011,838)	(6,301,344)
At the end of the year	227,588,964	235,633,981
		S
Current portion	14,708,094	14,365,008
Non-current portion	212,880,870	221,268,973
	227,588,964	235,633,981

17.2 Amounts recognised in consolidated statement of profit or loss and other comprehensive income:

	2025	2024
Finance cost on lease liabilities	6,011,838	6,301,344
Expenses relating to short-term leases and low-value lease	1,710,887	1,543,334
Gain on derecognition	--	82,932

17.3 Amounts recognised in consolidated statement of cash flows:

	2025	2024
Principal repayment of lease liabilities	8,734,925	7,904,967
Payments relating to short-term leases and low-value lease	1,710,887	1,543,334
Finance cost paid	6,011,838	6,301,344

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18. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS

	31 December 2025	31 December 2024
Present value of defined benefit obligation	10,167,723	6,972,328

18.1 The major financial assumptions used to calculate the defined benefit obligation are as follows:

	31 December 2025	31 December 2024
Discount rate	5.18%	5.26%
Salary increase rate	2.50%	2.50%
Mortality table	75% of WHO SA 2019 Table	Mortality table issued by Institute of Actuaries of India for assured lives (IALM 2012- 14)
Employee turnover (withdrawal) rate	7%	16%
Expected retirement age	65 Years	60 Years

At 31 December 2025, the weighted-average duration of the defined benefit obligation was 9.47 years (2024: 8 years).

18.2 Amount charged to consolidated statement of profit or loss and other comprehensive income is as follows:

	2025	2024
Service cost	2,416,964	2,150,084
Net interest	363,477	266,708
	2,780,441	2,416,792

18.3 Amount charged to consolidated other comprehensive income is as follows:

	2025	2024
(Loss) / gain resulting due to experience adjustments	(1,278,278)	353,307
(Loss) / gain resulting from the change in financial assumptions	(75,205)	154,209
	(1,353,483)	507,516

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18. EMPLOYEES' DEFINED BENEFIT OBLIGATIONS (continued)

18.4 Movement in present value of defined benefit obligations is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	6,972,328	5,540,275
Service cost	2,416,964	2,150,084
Net interest	363,477	266,708
Paid during the year	(938,529)	(477,223)
Loss / (Gain) resulting due to experience adjustments	1,278,278	(353,307)
Gain resulting from the change in financial assumptions	75,205	(154,209)
At the end of the year	10,167,723	6,972,328

18.5 A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as follows:

31 December 2025	Original	%	Amount (SR)
Discount rate	10,167,723	+ 1%	9,307,816
		- 1%	11,168,462
Salary increase rate	10,167,723	+ 1%	11,186,007
		- 1%	9,278,969
Withdrawal rate	10,167,723	+10%	10,153,722
		-10%	10,175,335

31 December 2024	Original	%	Amount (SR)
Discount rate	6,972,328	+ 1%	6,208,790
		- 1%	7,738,125
Salary increase rate	6,972,328	+ 1%	7,461,628
		- 1%	6,400,601
Withdrawal rate	6,972,328	+10%	6,820,370
		-10%	7,002,678

The maturity profile of the defined benefit obligation is as follows:

	31 December 2025	31 December 2024
Current portion	809,436	672,905
Between 1 and 2 years	673,085	741,695
Between 2 and 5 years	2,823,102	3,311,809
Beyond 5 years	13,388,518	7,623,989
	17,694,141	12,350,398

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19. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December 2025	31 December 2024
Accrued expenses (Note 19.1)	24,030,919	30,920,875
Employee related accruals	20,051,068	21,667,437
Accrued rebates	8,796,795	17,021,986
Accrued finance charge on loans and borrowings	7,938,349	3,415,080
Accrued professional fees	2,760,756	3,713,748
Due to related parties (Note 33)	92,067	167,067
Other payables (Note 19.2)	3,323,762	3,246,721
	66,993,716	80,152,914

19.1 Accrued expenses mainly comprise of accrued electricity, rent and accrued utility charges.

19.2 Other includes the penalty imposed by GFSA amounting to SR 3 million (Note 25.1).

20. ADVANCES FROM CUSTOMERS

It represents the consideration received from customers for the sale of goods. Advances from customers amounting to SR 13.6 million as at 31 December 2024 has been recognised as revenue in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025 (2024: SR 14.2 million). The Group expects to recognise advances from customers amounting to SR 13.5 million as revenue for the year ending 31 December 2026.

21. DIVIDENDS PAYABLE

The movement in dividend payable is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	--	--
Declared during the year	163,664,000	163,664,000
Dividend on treasury shares	(1,636,640)	(1,636,640)
Paid during the year	(162,027,360)	(162,027,360)
At end of the year	--	--

21.1 On 24 July 2025 (corresponding to 29 Muharram 1447H), the Board of Directors of the Parent Company as authorised by General Assembly meeting held on 30 April 2025 (corresponding to 2 Dhul Qidah 1446H) approved the distribution of interim dividends for the first half of 2025 of SR 1 per share amounting to SR 81,013,680. The payment was made on 8 August 2025.

21.2 On 3 March 2025 (corresponding to 3 Ramadan 1446H), the Board of Directors of the Parent Company has resolved to recommend the General Assembly for distribution of annual dividends for the year ended 31 December 2024 of SR 1 per share amounting to SR 81,832,000 which were approved by the General Assembly on 30 April 2025 (corresponding to 2 Dhul Qadah 1446H). The payment was made on 11 May 2025.

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21. DIVIDENDS PAYABLE (continued)

21.3 On 29 July 2024 (corresponding to 23 Muharram 1446H), the Board of Directors of the Parent Company as authorised by General Assembly meeting held on 12 June 2024 (corresponding to 6 Dhul Hijjah 1445H) approved the distribution of interim dividends for the first half of 2024 of SR 1 per share amounting to SR 81,832,000. The payments were made on 6 August 2024, 7 August 2024 and 8 August 2024.

21.4 On 28 March 2024 (corresponding to 18 Ramadan 1445H), the Board of Directors of the Parent Company resolved to recommend the General Assembly for distribution of annual dividends for the year ended 31 December 2023 of SR 1 per share amounting to SR 81,832,000 which were approved by the General Assembly on 12 June 2024 (corresponding to 6 Dhul Hijjah 1445H). The payments were made on 30 June 2024 and 1 July 2024.

22. REVENUE FROM CONTRACT WITH CUSTOMERS

	<u>2025</u>	<u>2024</u>
Sale of goods	<u>1,046,622,787</u>	<u>1,014,982,907</u>

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

22.1 Disaggregation of revenue

Revenue is disaggregated by type of customer as follows:

	<u>2025</u>	<u>2024</u>
Type of customer		
Corporate sector	961,929,538	906,835,519
Individuals	84,693,249	108,147,388
	<u>1,046,622,787</u>	<u>1,014,982,907</u>

Timing of revenue recognition

The sale of the goods is recognised by the Group at a point in time, and the performance obligation is fulfilled when the goods are delivered or dispatched from the warehouses.

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23. COST OF REVENUE

Cost of revenue comprises the following:

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Raw materials consumed		504,651,717	484,933,205
Salaries and other benefits		49,581,261	46,591,162
Depreciation of property, plant and equipment	7.5	44,126,345	42,294,158
Utilities		24,408,294	17,957,289
Depreciation of right-of-use assets	8.1	10,284,864	10,284,864
Maintenance expenses		9,710,429	9,918,305
Insurance		6,040,613	5,431,826
Professional and consulting fees		290,827	67,251
Adjustment for net realizable value of inventories	10.2	(2,199,256)	(1,456,500)
Other expenses	23.1	9,891,631	10,937,128
		<u>656,786,725</u>	<u>626,958,688</u>
Finished goods inventory at the beginning of the year	10.1	18,031,615	18,008,309
Finished goods available for sale		674,818,340	644,966,997
Finished goods inventory at the end of the year	10.1	(19,334,857)	(18,031,615)
		<u>655,483,483</u>	<u>626,935,382</u>

Cost of goods sold

23.1 Other expenses include mainly mill license fee and other operating expenses.

24. SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses comprise the following:

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Salaries and other benefits		17,827,757	9,719,331
Freight and shipment	24.1	44,943,858	32,068,035
Marketing and promotion		10,587,250	11,775,719
Depreciation of property, plant and equipment	7.5	1,807,988	1,278,773
Insurance		812,858	751,346
Maintenance expenses		335,088	1,009,804
Fuel and power		296,149	532,311
Professional and consulting fees		113,300	1,930,448
Other expenses	24.2	5,673,544	4,465,000
		<u>82,397,792</u>	<u>63,530,767</u>

24.1 During the year, the Group reassessed the presentation of certain freight and shipment expenses for the year ended 31 December 2024 and reclassified from revenue from contracts with customers to selling and distribution expenses.

24.2 Other expenses include mainly travelling expenses and communication charges.

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25. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprise the following:

	Note	2025	2024
Salaries and other benefits		30,529,280	41,474,872
Depreciation of property, plant and equipment	7.5	4,165,223	4,560,928
Subscriptions		3,655,978	1,970,764
Professional and consulting fees		3,249,069	5,204,853
Board and committees' expenses and allowances		2,207,620	1,919,755
Insurance		1,186,632	1,207,298
Depreciation of right-of-use assets	8.1	775,133	728,573
Communication		626,696	214,017
Amortization of intangible assets	9.1	440,075	450,811
Maintenance expenses		229,279	509,044
Utilities		51,392	1,002,884
Fines and penalties	25.1	--	3,000,000
Initial public offering (IPO) costs		--	750,452
Other expenses	25.2	2,932,196	2,340,953
		50,048,573	65,335,204

25.1 On 15 January 2025 (corresponding to 15 Rajab 1446H), GFSA filed a claim against the Company amounting to SR 3 million following an inspection conducted on 20 October 2024 (corresponding to 17 Rabi Al Thani 1446H). The claim alleges non-compliance with the Flour Mills Law, the Mill Operating License, and the Wheat Purchase Agreement. Management formally objected to the claim and submitted its response, prepared in consultation with an independent third-party expert, on 4 February 2025 (corresponding to 5 Shaban 1446H). On 14 December 2025 (corresponding to 23 Jumada Al-Thani 1447H), GFSA rejected management's objection and upheld its original decision. The Company has subsequently filed an appeal before the Administrative Court against this decision. Notwithstanding the ongoing appeal, management has adopted a prudent approach and recognized a full provision of SR 3 million in the consolidated financial statements during the year ended 31 December 2024.

25.2 Other expenses include mainly travelling expenses.

26. OTHER INCOME

	2025	2024
Gain on disposal of property, plant and equipment	--	23,078
Income from wrapping services	209,847	223,473
	209,847	246,551

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27. FINANCE COST

Finance cost comprise the following:

	Note	2025	2024
Finance cost on loans and borrowings		27,109,026	39,715,045
Finance cost on lease liabilities	17.2	6,011,838	6,301,344
Amortization of loan transaction cost		--	8,886,766
		33,120,864	54,903,155

28. FINANCE INCOME

Finance income represents interest income on short term deposits at applicable market interest rates.

29. ZAKAT

29.1 The significant components of the zakat base of the Group under zakat regulations are as follows:

	31 December 2025	31 December 2024
Equity at the beginning of the year	331,474,326	271,843,282
Opening allowances and other adjustments	777,290,419	879,734,617
Book value of long-term assets	(1,108,265,679)	(1,045,952,356)
Zakat base excluding the zakat able income	499,066	105,625,543
Zakat able income for the year	224,041,059	207,997,942
Minimum zakat base	166,665,939	--
Zakat base for the year	166,665,939	207,997,942

29.2 Amount charged to consolidated profit or loss during the year is as follows:

	2025	2024
Charge for the year	4,296,121	5,258,618
Prior year adjustment	382,126	(2,280,555)
At end of the year	4,678,247	2,978,063

29.3 Movement in provision for zakat during the year is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	5,130,362	7,325,919
Charge during the year	4,678,247	2,978,063
Paid during the year	(5,405,270)	(5,173,620)
At end of the year	4,403,339	5,130,362

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29. ZAKAT (continued)

29.4 Zakat Status

The Parent Company has submitted the zakat declaration for the year ended 31 December 2024 and obtained the unrestricted Zakat certificate for the said year. ZATCA did not issue the Zakat assessments for the said year till date.

30. EMPLOYEES' SHARE SCHEMES

30.1 The shareholders of the Parent Company through Extraordinary General Assembly meeting held on 19 October 2023 (corresponding to 4 Rabi Al-Thani 1445H), approved the purchase of treasury shares and employee shares program with a maximum of 818,320 shares and authorize the Board of Directors to determine the terms of this program, including the allocation price for each share offered to employees if it is for a consideration.

On 30 July 2024 and 20 May 2025, the Board of Directors approved the IPO award and long-term incentive plan (Awards), respectively. As part of this approval, a total of 341,338 shares were allocated for the employees. The Company is in the process of obtaining regulatory approval from the GFSa to execute the plan which is pending as at the date of approval of these consolidated financial statements.

30.2 On 4 March 2024 (corresponding to 23 Shaban 1445H), the Company has paid an amount of SR 32,994,684 to buy-back 687,389 shares at the initial public offering price of SR 48 per share. Furthermore, 130,931 shares amounting to SR 6,284,688 have been contributed by pre-listing shareholders as shareholders' contributions at the initial public offering price of SR 48 per share. These shares have been reflected as treasury shares in the consolidated statement of financial position as at 31 December 2025 for the purpose of Company's employee share programs.

31. CAPITAL COMMITMENTS AND CONTINGENCIES

31.1 Contingencies

- a) The Company has provided bank guarantees amounting to SR 1,576,477 in favor of GFSa for lease of silos in Khamis Mushait, Al Jumum and Al Jowf. These guarantees are valid up to 30 January 2026.
- b) The Company has provided bank guarantees amounting to SR 475,979 in favor of GFSa for lease of lands in Khamis Mushait, Al Jumum and Al Jowf. These guarantees are valid up to 30 January 2026.
- c) The Company has provided bank guarantee amounting to SR 4,339,500 in favor of Bunge for supply of yellow corn in Khamis Mushait. This guarantee is valid up to 31 March 2026.

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31. CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

31.2 Commitments

In addition to the amounts disclosed in note 7.2 and 17, the Group has outstanding outward Letters of Credit (LCs) amounting to SR 43 million as of 31 December 2025 (31 December 2024: SR 18.4 million) for ongoing projects, including factory upgrades, flour mill machinery, silos aspiration systems, and production facility enhancements.

32. EARNINGS PER SHARE

32.1 Basic and diluted earnings per share

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

	<u>2025</u>	<u>2024</u>
Profit for the year	223,785,680	208,670,276
Weighted average number of ordinary shares for basic and diluted EPS	81,013,680	81,205,963
Earnings per share - basic and diluted	2.76	2.57

The calculation for weighted average number of ordinary shares for basic and diluted EPS has been adjusted for the effect of treasury shares (Note 30.2). Further, there are no transactions that reduce the diluted earnings per share and therefore, the earnings per diluted share are not different from the basic earnings per share.

33. RELATED PARTY TRANSACTIONS AND BALANCES

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

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

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

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33. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (continued)

Compensation of key management personnel of the Group for the year ended 31 December:

	<u>2025</u>	<u>2024</u>
Short term employee benefits	8,611,596	9,243,909
Post-employment benefits and medical benefits	4,736,378	5,084,150
Total compensation paid to key management personnel	13,347,974	14,328,059

Short term employee benefits include SR 2.2 million (2024: SR 1.9 million) related to board and committees' fees.

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.

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

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
			<u>For the year ended 31 December 2025</u>	<u>2024</u>
Al Ghurair Food Company LLC	Shareholder with significant influence	IPO costs	--	12,517,606
		Payment made on behalf	75,000	1,365,552
		Purchases	448,100	380,453
Mada International Holding Company	Shareholder with significant influence	IPO costs	--	13,908,451
		Payment made on behalf	75,000	1,508,912
Fursan Travel & Tourism Company	Subsidiary of shareholder with significant influence	Ticket and related expenses	366,175	614,058
Al Ghurair Resources international	Subsidiary of shareholder with significant influence	Purchases	--	8,725,988
Al Rajhi Holding	Parent of shareholder with significant influence	Lease payment	904,255	522,500

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33. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

RELATED PARTY TRANSACTIONS (continued)

Amount due to related parties included in trade and other payables are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Al Rajhi Holding	7,697	7,697
	7,697	7,697

Amount due to related party included in accrued expenses other liabilities is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Al Ghurair Food Company LLC	92,067	167,067
	92,067	167,067

Amounts due to related parties are payable on demand, are unsecured and interest free.

34. FINANCIAL INSTRUMENTS

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
Financial assets at amortised cost:		
Bank balances	71,804,293	32,760,345
Trade receivables	26,722,904	9,804,203
Short term deposits	--	150,000,000
Margin against letters of guarantee and letters of credit	--	12,648,546
Other receivables	--	281,667
	98,527,197	205,494,761

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34. FINANCIAL INSTRUMENTS (continued)

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

	31 December 2025	31 December 2024
Financial liabilities at amortised cost:		
Loans and borrowings	583,376,138	646,912,281
Lease liabilities	227,588,964	235,633,981
Trade and other payables	45,490,859	52,657,166
Accrued finance charges	7,938,349	3,415,080
Other payables	3,323,762	3,246,721
Due to related parties under accrued expenses	92,067	167,067
	867,810,139	942,032,296

Fair value hierarchy

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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.

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34. FINANCIAL INSTRUMENTS (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main purpose of the Group's financial instruments is to raise finances for the Group's operations.

The Group's activities expose it to a variety of financial risks that include credit risk, liquidity risk, and market risk. These financial risks are actively managed by the Group's Finance Department under strict policies and guidelines approved by the Board of Directors. The Group's Finance Department actively monitors market conditions minimising the volatility of the funding costs of the Group.

There were no changes in the policies for managing these risks.

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 Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer which the Group 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 Group's business, significant portion of revenue is collected in cash due to which the Group is not significantly exposed to credit risks.

The Group is exposed to credit risk on its financial assets as follows:

	31 December 2025	31 December 2024
Financial assets at amortised cost		
Bank balances	71,804,293	32,760,345
Trade receivables	26,722,904	9,804,203
Short term deposits	--	150,000,000
Margin against letters of guarantee and letters of credit	--	12,648,546
Other receivables	--	281,667
	98,527,197	205,494,761

The carrying amounts of financial assets represent the maximum credit exposure. Credit risk on amounts due from related parties and balances with banks is limited as:

- Amounts due from related parties are of non-operating nature.
- Bank balances and short-term deposits are held with banks with sound credit ratings as below:

	Rating			31 December 2025	31 December 2024
Banks	Short-term	Long-term	Rating agency		
Saudi National Bank	P-1	Aa3	Moody's	70,737,595	11,187,792
Banque Saudi Fransi	P-1	A-2	Moody's	902,779	161,484,467
Alinma Bank	P-1	A-2	Moody's	163,919	10,088,086
				71,804,293	182,760,345

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34. FINANCIAL INSTRUMENTS (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Ratings of Prime-1 (P-1) reflect a superior ability to repay short-term obligations (Aaa – A3).

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings (long-term) of the respective counterparties.

Trade receivables

The Group'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 Group limits its exposure to credit risk from trade 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 Group's exposure to any such credit risk on trade receivables is very limited.

Expected credit loss assessment for accounts 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 and contract assets.

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 Group 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.

The Group assessed the concentration of risk with respect to trade receivables and concluded it to be low. The Group has recognized allowance for expected credit losses against their trade receivables amounting to SR 749,047 (31 December 2024: SR 432,151).

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2025:

Trade Receivables	<u>Loss rate</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Credit-impaired</u>
Current (not past due)	1.1%	26,037,103	286,408	No
0 – 90 days past due	8.93%	1,067,569	95,360	No
Above 90 days	100%	367,279	367,279	Yes

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34. FINANCIAL INSTRUMENTS (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Trade receivables (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

Trade Receivables	<u>Loss rate</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Credit-impaired</u>
Current (not past due)	0.56%	7,841,053	44,201	No
0 – 30 days past due	4.61%	2,115,257	107,904	No
Above 90 days	100%	280,046	280,046	Yes

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations as they fall due. As at 31 December 2025, the Group had net current liabilities of SR 25 million (2024: Nil). In view of the net liability position as at 31 December 2025, the risk of liquidity shortfall has been carefully assessed. The Group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Excessive risk concentration:

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The table below summarises the maturities of the Group's financial liabilities based on contractual payment dates and current market interest rates as following:

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34. FINANCIAL INSTRUMENTS (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

31 December 2025

Non derivative financial liabilities	Carrying amounts	Contractual amounts			Total contractual amounts
		1 year or less	1 to 5 years	More than 5 years	
Loans and borrowings	583,376,138	110,446,092	274,231,714	413,313,075	797,990,881
Lease liabilities	227,588,964	14,772,230	70,395,628	205,386,495	290,554,353
Trade and other payables	45,490,859	45,490,859	--	--	45,490,859
Accrued finance charges	7,938,349	7,938,349	--	--	7,938,349
Other payables	3,323,762	3,323,762	--	--	3,323,762
Due to related parties under accrued expenses	92,067	92,067	--	--	92,067
	867,810,139	182,063,359	344,627,342	618,699,570	1,145,390,271

31 December 2024

Non derivative financial liabilities	Carrying amounts	Contractual amounts			Total contractual amounts
		1 year or less	1 to 5 years	More than 5 years	
Loans and borrowings	646,912,281	69,498,745	310,823,178	569,340,887	949,662,810
Lease liabilities	235,633,981	14,389,262	56,442,149	233,754,704	304,586,115
Trade and other payables	52,657,166	52,657,166	--	--	52,657,166
Accrued finance charges	3,415,080	3,415,080	--	--	3,415,080
Other payables	3,246,721	3,246,721	--	--	3,246,721
Due to related parties under accrued expenses	167,067	167,067	--	--	167,067
	942,032,296	143,374,041	367,265,327	803,095,591	1,313,734,959

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market profit rates or the market prices of securities due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risk: foreign currency risk, interest rate risk and other price risks.

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34. FINANCIAL INSTRUMENTS (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). However, as the Group primarily deals in USD, and Euro, with Euro being immaterial and the majority being in USD, which is pegged with SR, the Group's exposure to foreign currency risk is immaterial. No sensitivity for foreign currency risk is presented due to its minimal effect on these consolidated financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Sensitivity analysis

A reasonably possible change of 10% in interest rates at the reporting date would have (increased) / decreased profit before Zakat by the amounts shown below. This analysis assumes that all other variables remain constant.

	Impact on profit before Zakat	
	10% increase	10% decrease
31 December 2025		
Long term loan (floating rate)	(2,710,903)	2,710,903
31 December 2024		
	Impact on profit before Zakat	
	10% increase	10% decrease
Long term loan (floating rate)	(3,971,505)	3,971,505

Capital Risk Management

For the purpose of the Group's management, capital includes issued share capital, and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholders' value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, lease liabilities, employees' defined benefit obligations, zakat payable, less cash and cash equivalents. The gearing ratio as at 31 December 2025 and 31 December 2024 is as follows:

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34. FINANCIAL INSTRUMENTS (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital Risk Management (continued)

	31 December 2025	31 December 2024
Loans and borrowings	583,376,138	646,912,281
Lease liabilities	227,588,964	235,633,981
Employees' defined benefit obligations	10,167,723	6,972,328
Zakat payable	4,403,339	5,130,362
Less: Cash and cash equivalents	(72,004,293)	(182,903,783)
Net debt	753,531,871	711,745,169
Share capital	81,832,000	81,832,000
Treasury shares	(39,279,372)	(39,279,372)
Shareholder's contributions	14,309,338	14,309,338
Retained earnings	266,099,223	205,694,386
Equity	322,961,189	262,556,352
Capital and net debt	1,076,493,060	974,301,521
Gearing ratio	70%	73%

35. SUBSEQUENT EVENTS

On 1 March 2026 (corresponding to 12 Ramadan 1447H), the Board of Directors as authorised by General Assembly meeting held on 30 April 2025 (corresponding to 2 Dhul Qidah 1446H) approved the distribution of interim dividends for the second half of 2025 of SR 1 per share amounting to SR \$1,013,680.

No matter has occurred up to and including the date of the approval of these consolidated financial statements by the Board of Directors which could materially affect these consolidated financial statements and the related disclosures for the year ended 31 December 2025.

36. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issuance by the Company's Board of Directors on 1 March 2026 (corresponding to 12 Ramadan 1447H).


Gh. Ibrahim AlRanhi
Chairman


Ahmad Hijazi
CEO - Acting


Shuhid Akbar
Finance Director