

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**

For the three-month and six-month periods ended 30 June 2026
together with the
INDEPENDENT AUDITORS' REVIEW REPORT

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
For the three-month and six-month periods ended 30 June 2026

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**KPMG Professional Services Company**

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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. ٥٥٠٧٨
جدة ٢١٥٣٤
المملكة العربية السعودية
سجل تجاري رقم ٤٠٣٠٢٩٠٧٩٢

المركز الرئيسي في الرياض

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

To the Shareholders of Modern Mills Company

Introduction

We have reviewed the accompanying 30 June 2026 condensed consolidated interim financial statements of **Modern Mills Company ("the Company") and its subsidiary ("the Group")**, which comprises:

- the condensed consolidated statement of financial position as at 30 June 2026;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2026; and
- the notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' that is endorsed in the Kingdom of Saudi Arabia. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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

To the Shareholders of Modern Mills Company (Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2026 condensed consolidated interim financial statements of **Modern Mills Company and its subsidiary** are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

KPMG Professional Services Company

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



Jeddah, 30 July 2026
Corresponding 16 Safar 1448H

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Property, plant and equipment	7.1	918,346,084	869,841,301
Right-of-use assets		190,952,784	196,284,896
Intangible assets		8,068,487	5,647,719
Non-current assets		1,117,367,355	1,071,773,916
Inventories	8.1	92,869,870	87,447,739
Trade receivables		24,518,427	26,722,904
Prepayments and other current assets		22,072,380	16,501,700
Cash and cash equivalents		55,292,073	72,004,293
Current assets		194,752,750	202,676,636
Total assets		1,312,120,105	1,274,450,552
Equity and liabilities			
Equity			
Share capital	9	81,832,000	81,832,000
Shareholders' contributions		14,309,338	14,309,338
Treasury shares	16.2	(39,279,372)	(39,279,372)
Retained earnings		304,411,651	266,099,223
Total equity		361,273,617	322,961,189
Liabilities			
Loans and borrowings	10	479,857,356	500,512,868
Lease liabilities		201,779,499	212,880,870
Employees' defined benefit obligations		10,955,045	10,167,723
Non-current liabilities		692,591,900	723,561,461
Current portion of loans and borrowings	10	98,612,109	82,863,270
Current portion of lease liabilities		14,392,534	14,708,094
Trade and other payables		78,500,378	45,490,859
Accrued expenses and other liabilities		52,492,114	66,993,716
Advances from customers		10,893,008	13,468,624
Zakat payable	15	3,364,445	4,403,339
Current liabilities		258,254,588	227,927,902
Total liabilities		950,846,488	951,489,363
Total equity and liabilities		1,312,120,105	1,274,450,552

The accompanying notes from 1 to 23 form an integral part of these condensed consolidated interim financial statements.

Dr. Ibrahim AlRazhi
Chairman

Majed Mazen Nofal
CEO

Shahid Akbar
Executive Finance Director

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

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

For the three-month and six-month periods ended 30 June 2026
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

		For the three-month period ended 30 June		For the six-month period ended 30 June	
	Notes	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Revenue from contract with customers	12	296,948,113	248,184,682	578,180,046	512,402,401
Cost of revenue	13	(194,036,438)	(157,616,717)	(366,598,199)	(320,543,073)
Gross profit		102,911,675	90,567,965	211,581,847	191,859,328
Selling and distribution expenses		(23,602,834)	(18,308,251)	(43,587,858)	(35,263,683)
General and administrative expenses		(15,474,366)	(14,921,434)	(28,513,678)	(26,361,311)
Expected credit loss on trade receivables		(225,000)	--	(225,000)	--
Other income		9,216	111,842	305,594	133,142
Operating profit		63,618,691	57,450,122	139,560,905	130,367,476
Finance costs	14	(8,674,063)	(7,142,392)	(17,466,448)	(14,907,856)
Finance income		20,650	523,836	400,150	2,659,942
Profit before zakat		54,965,278	50,831,566	122,494,607	118,119,562
Zakat expense	15.1	(1,538,469)	(1,163,598)	(3,168,499)	(2,806,672)
Profit for the period		53,426,809	49,667,968	119,326,108	115,312,890
Other comprehensive income for the period		--	--	--	--
Total comprehensive income for the period		53,426,809	49,667,968	119,326,108	115,312,890
Earnings per share for the period attributable to shareholders of the Company (SR):					
Basic	18	0.66	0.61	1.47	1.42
Diluted	18	0.66	0.61	1.47	1.42

The accompanying notes from 1 to 23 form an integral part of these condensed consolidated interim financial statements.


Dr. Ibrahim AlRazhi
Chairman


Majed Mazen Nofal
CEO


Shahid Akbar
Executive Finance Director

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

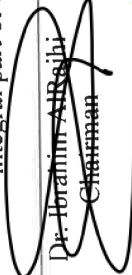
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	<u>Share capital</u>	<u>Shareholders' contribution</u>	<u>Treasury shares</u>	<u>Retained earnings</u>	<u>Total</u>
Six-month period ended 30 June 2026:					
As at 31 December 2025 (audited)	81,832,000	14,309,338	(39,279,372)	266,099,223	322,961,189
Profit for the period	--	--	--	119,326,108	119,326,108
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	--	--	--	119,326,108	119,326,108
Dividends distribution (note 11)	--	--	--	(81,013,680)	(81,013,680)
As at 30 June 2026 (unaudited)	81,832,000	14,309,338	(39,279,372)	304,411,651	361,273,617
Six-month period ended 30 June 2025:					
As at 31 December 2024 (audited)	81,832,000	14,309,338	(39,279,372)	205,694,386	262,556,352
Profit for the period	--	--	--	115,312,890	115,312,890
Other comprehensive income for the period	--	--	--	--	--
Total comprehensive income for the period	--	--	--	115,312,890	115,312,890
Dividends distribution (Note 11)	--	--	--	(81,013,680)	(81,013,680)
As at 30 June 2025 (unaudited)	81,832,000	14,309,338	(39,279,372)	239,993,596	296,855,562

The accompanying notes from 1 to 23 form an integral part of these condensed consolidated interim financial statements.


Dr. Ibrahim Al-Rajhi
Chairman

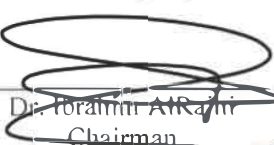

Majed Mazen Nofal
CEO


Shahid Akbar
Executive Finance Director

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
For the six-month period ended 30 June 2026
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	<u>Notes</u>	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)
Cash flows from operating activities			
Profit before zakat		122,494,607	118,119,562
Adjustments:			
Depreciation on property, plant and equipment	7.2	30,128,547	23,531,042
Depreciation of right-of-use assets		5,546,698	5,514,013
Amortisation of intangible assets		293,332	224,896
Finance cost on lease liabilities	14	2,846,573	2,969,228
Finance cost on loans and borrowings	14	14,619,875	11,938,628
Finance income for the period		(400,150)	(2,659,942)
Adjustment for net realizable value for inventories	8.2	(193,790)	(296,275)
Provision for employees' defined benefit obligations		1,795,896	1,379,969
(Gain) / loss on disposal of property, plant and equipment	7.2	(280,250)	497,949
Expected credit loss on trade receivables		225,000	--
		177,076,338	161,219,070
Changes in working capital:			
Inventories		(5,228,341)	(8,965,304)
Trade receivables		1,979,477	(1,627,155)
Prepayments and other current assets		(5,570,680)	(2,751,497)
Trade and other payables		5,018,587	8,287,033
Accrued expenses and other liabilities		(16,054,699)	(18,891,908)
Advances from customers		(2,575,616)	4,517,958
		154,645,066	141,788,197
Employees' defined benefit obligations paid		(1,008,574)	(322,787)
Finance cost paid on loans and borrowings		(13,066,778)	(4,678,979)
Finance cost paid on lease liabilities		(2,846,573)	(2,969,228)
Finance income received		400,150	2,659,942
Zakat paid		(4,207,393)	(5,405,270)
Net cash from operating activities		133,915,898	131,071,875
Cash flows from investing activities			
Additions to property, plant and equipment	7.2	(50,649,148)	(58,292,184)
Additions to intangible assets		(2,714,100)	(929,366)
Proceeds from sale of property, plant and equipment		287,000	--
Net cash used in investing activities		(53,076,248)	(59,221,550)
Cash flows from financing activities			
Repayment of loans and borrowings	10	(170,345,308)	(107,390,835)
Proceeds from loans and borrowings	10	165,438,635	--
Capital repayment of lease liabilities		(11,631,517)	(11,146,658)
Dividends paid	11	(81,013,680)	(81,013,680)
Net cash used in financing activities		(97,551,870)	(199,551,173)
Net decrease in cash and cash equivalents during the period		(16,712,220)	(127,700,848)
Cash and cash equivalents as at 1 January		72,004,293	182,903,783
Cash and cash equivalents at 30 June		55,292,073	55,202,935
Non-cash transactions:			
Additions to property, plant and equipment		27,990,932	--

The accompanying notes from 1 to 23 form an integral part of these condensed consolidated interim financial statements.


Dr. Ibrahim Al-Rajhi
Chairman


Majed Mazen Nofal
CEO


Shahid Akbar
Executive Finance Director

MODERN MILLS COMPANY
(A Saudi Joint Stock Company)

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

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY 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 with Unified No. 7027330609 and 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 PIF, 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 & PPP (the “NCP”) and for the NCP to carry out the tasks assigned to the PIF 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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION (continued)

The registered address of the Company is as follows:

Alkhalidiah
Mohammed Altaib Altunisi Street,
Jeddah 23421 - 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 condensed consolidated interim financial statements comprise the condensed 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. The Company has investment in the following subsidiary:

<u>Subsidiary name</u>	<u>Country of incorporation</u>	<u>Principal business activity</u>	<u>Effective ownership interest (%)</u>	
			<u>30 June 2026</u>	<u>31 December 2025</u>
<i>Operating subsidiary</i>				
Hasad Al-Arabia for Trading Company	Kingdom of 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	9 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

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

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standards (IAS 34) “Interim Financial Reporting” as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”) (collectively referred to as “IFRS as endorsed in KSA”) and should be read in conjunction with the Group’s last annual financial statements as at and for the year ended 31 December 2025 (“last annual financial statements”).

These condensed consolidated interim financial statements do not include all the information and disclosures required to prepare a complete set of consolidated financial statements in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia. However, selected accounting policies and explanatory notes have been included to explain the events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial statements. In addition, the results for the three-month and six-month periods ended 30 June 2026 are not necessarily indicative of the results that may be expected for the year ended 31 December 2026.

2.2 Basis of measurement

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

2.3 Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiary as at and for the three-month and six-month periods ended 30 June 2026 (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.

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

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

2. BASIS OF PREPARATION (continued)

2.3 Basis of consolidation (continued)

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

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

2.4 Functional and presentation currency

These condensed consolidated interim financial statements are presented in Saudi Arabian Riyals (SR) which is the functional and presentation currency of the Company and its subsidiary. All amounts have been rounded to the nearest SR, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets, liabilities and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Group based its assumptions and estimates on parameters available when the condensed consolidated interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The significant judgments exercised in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2025.

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

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. MATERIAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards, interpretations and amendments effective as at 1 January 2026, as mentioned in note 5.1. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

5.1 Standards, interpretations and amendments adopted

Several amendments and interpretations apply for the first time in 2026, which are effective for annual periods beginning on or after 1 January 2026 which do not have a material effect on these condensed consolidated interim financial statements.

<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 – disclosures (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

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 financial statements are disclosed below. The Group intends to adopt these standards, where applicable, when they become effective.

<u>Standards / Interpretations</u>	<u>Description</u>	<u>Effective from periods beginning on or after the following date</u>
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to 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

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

For the six-month period ended 30 June 2026

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS (continued)

5.2 Standards, interpretations and amendments issued but not yet effective (continued)

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

IFRS 18 "Presentation and Disclosure in Financial Statements" was issued by the IASB and will replace IAS 1 "Presentation of Financial Statements" for annual reporting periods beginning on or after 1 January 2027. Early adoption is permitted; however, the Group has not early adopted the standard in these condensed consolidated interim financial statements.

The Group is currently assessing the impact of IFRS 18 on its consolidated financial statements. Based on the assessment performed to date, the standard is not expected to have an impact on the net profit, total equity or cash flows of the Group. The principal impact is expected to relate to the presentation and disclosure of information within the consolidated financial statements.

The Group expects changes to the presentation of the consolidated statement of profit or loss, including the introduction of new mandatory subtotals such as operating profit and profit before financing and zakat charge, together with the classification of income and expenses into operating, investing and financing categories. Certain items currently presented within finance income and finance costs, including foreign exchange differences, may be reclassified based on the nature of the underlying transaction in accordance with IFRS 18.

IFRS 18 also introduces new disclosure requirements for management-defined performance measures ("MPMs"), where applicable, and enhanced principles relating to the aggregation, disaggregation and labelling of information presented in the primary financial statements and accompanying notes. The Group is evaluating the related disclosure requirements and any associated reporting process changes.

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.

Reportable segments

Khamis Mushait
Al Jumum
Al Jowf

Operations

Production of flour and feed
Production of flour and bran
Production of flour and bran

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

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6. SEGMENT INFORMATION (continued)

Transfer prices between operating segments are on cost and any transmission and distribution costs are recovered from the segments in a manner similar to transactions with third parties.

The selected financial information for these business units is set out below. Intercompany transactions, if any, within the reportable segments have been appropriately eliminated. There were no inter-segment sales during the period presented below. All unallocated amounts relate to the head office and are not allocable to the operating segments. Segment profit before zakat is used to measure performance because management believes that this measure provides the most relevant information for evaluating the results of the respective segments relative to other entities operating in the same industries.

**For the three-month
period ended 30 June
2026 (Unaudited)**

	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total segments</u>
Total revenue	188,441,390	71,255,350	37,251,373	296,948,113
Cost of inventories	(116,104,535)	(23,585,108)	(12,171,875)	(151,861,518)
Employee benefits expenses	(6,469,976)	(5,777,141)	(3,462,339)	(15,709,456)
Depreciation and amortization	(5,235,871)	(10,455,241)	(2,179,080)	(17,870,192)
Other expenses	(7,786,069)	(12,711,558)	(5,821,061)	(26,318,688)
Financing costs	(400,406)	(825,429)	(200,122)	(1,425,957)
Other income	--	9,216	--	9,216
Expected credit loss on trade receivables	(259,800)	34,800	--	(225,000)
Segment profit	<u>52,184,733</u>	<u>17,944,889</u>	<u>13,416,896</u>	<u>83,546,518</u>

**For the three-month period
ended 30 June 2025
(Unaudited)**

	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total segments</u>
Total revenue	156,810,359	61,374,289	30,000,034	248,184,682
Cost of inventories	(84,753,096)	(19,981,609)	(9,146,953)	(113,881,658)
Employee benefits expenses	(6,152,266)	(5,074,198)	(3,318,449)	(14,544,913)
Depreciation and amortization	(5,125,929)	(7,273,581)	(2,033,535)	(14,433,045)
Other expenses	(15,622,207)	(10,048,241)	(4,847,854)	(30,518,302)
Financing costs	(414,548)	(856,519)	(207,190)	(1,478,257)
Other income	--	123,036	--	123,036
Finance income	--	15,428	--	15,428
Segment profit	<u>44,742,313</u>	<u>18,278,605</u>	<u>10,446,053</u>	<u>73,466,971</u>

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6. SEGMENT INFORMATION (continued)

**For the six-month periods
ended 30 June 2026
(Unaudited)**

	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total segments</u>
Total revenue	350,773,715	152,411,520	74,994,811	578,180,046
Cost of inventories	(204,910,692)	(50,594,611)	(24,128,860)	(279,634,163)
Employee benefits expenses	(12,335,876)	(11,285,814)	(6,779,699)	(30,401,389)
Depreciation and amortization	(10,406,060)	(20,245,810)	(4,337,600)	(34,989,470)
Other expenses	(20,478,849)	(23,391,698)	(12,269,891)	(56,140,438)
Financing costs	(793,774)	(1,635,834)	(396,726)	(2,826,334)
Other income	286,957	18,637	--	305,594
Expected credit loss on trade receivables	(259,800)	34,800	--	(225,000)
Segment profit	<u>101,875,621</u>	<u>45,311,190</u>	<u>27,082,035</u>	<u>174,268,846</u>

**For the six-month periods
ended 30 June 2025
(Unaudited)**

	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total segments</u>
Total revenue	319,929,211	134,605,875	57,867,315	512,402,401
Cost of inventories	(181,035,988)	(41,174,608)	(19,724,565)	(241,935,161)
Employee benefits expenses	(12,374,757)	(9,954,393)	(6,701,359)	(29,030,509)
Depreciation and amortization	(10,170,594)	(14,299,044)	(4,041,692)	(28,511,330)
Other expenses	(24,746,579)	(17,705,797)	(8,516,282)	(50,968,658)
Financing costs	(821,810)	(1,697,983)	(410,739)	(2,930,532)
Other income	--	144,336	--	144,336
Finance income	--	15,428	--	15,428
Segment profit	<u>90,779,483</u>	<u>49,933,814</u>	<u>18,472,678</u>	<u>159,185,975</u>

**At 30 June 2026
(Unaudited)**

	<u>Khamis Mushait</u>	<u>Al Jumum</u>	<u>Al Jowf</u>	<u>Total Segments</u>
Total assets	394,150,772	738,974,737	134,573,452	1,267,698,961
Total liabilities	110,583,456	206,566,128	47,500,042	364,649,626

Other disclosures:

**Property, plant and
equipment with right-of-
use assets**

	311,106,097	690,649,367	104,427,400	1,106,182,864
Inventories	49,796,141	25,764,935	17,308,794	92,869,870
Intangible assets	560,119	1,825,342	312,713	2,698,174

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6. SEGMENT INFORMATION (continued)

At 31 December 2025 (Audited)	Khamis <u>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

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

i) Profit before zakat

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total profit before zakat for reportable segments	83,546,518	73,466,971	174,268,846	159,185,975
Unallocated amounts				
Employee benefits expenses	(12,715,105)	(11,328,511)	(23,184,223)	(19,465,181)
Depreciation	(477,439)	(456,082)	(979,107)	(758,621)
Other expenses	(8,161,240)	(5,683,891)	(13,370,945)	(11,498,607)
Financing costs	(7,248,106)	(5,664,135)	(14,640,114)	(11,977,324)
Other income	--	(11,194)	--	(11,194)
Finance income	20,650	508,408	400,150	2,644,514
	54,965,278	50,831,566	122,494,607	118,119,562

ii) Total assets

	30 June <u>2026</u> (Unaudited)	31 December <u>2025</u> (Audited)
Total assets for reportable segments	1,267,698,961	1,170,249,034
Unallocated amounts	44,421,144	104,201,518
	1,312,120,105	1,274,450,552

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6. SEGMENT INFORMATION (continued)

6.1 Reconciliations of information on reportable segments to the amounts reported in the financial statements (continued)

iii) Total liabilities

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Total liabilities for reportable segments	364,649,626	330,217,742
Unallocated amounts	586,196,862	621,271,621
	<u>950,846,488</u>	<u>951,489,363</u>

7. PROPERTY, PLANT AND EQUIPMENT

7.1 Property, plant and equipment comprise of the following:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Buildings	342,984,439	353,707,518
Plant and equipment	445,126,706	457,059,588
Furniture and fittings	2,268,090	2,447,521
Motor vehicles	1,795,392	2,170,878
Strategic spare parts	6,974,516	7,525,580
Capital work in progress	119,196,941	46,930,216
	<u>918,346,084</u>	<u>869,841,301</u>

7.2 For the purposes of preparing the condensed consolidated interim statement of cash flows, the movement in property, plant and equipment during the six-month period ended 30 June is as follows:

	For the six-month period ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Depreciation	30,128,547	23,531,042
Additions	50,649,148	58,292,184
(Gain) / loss on disposal	(280,250)	497,949
Proceeds from disposal	287,000	--

7.3 The buildings are built on land leased from the GFSA with an annual rental of SR 3,499,290. 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.

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7. PROPERTY, PLANT AND EQUIPMENT (continued)

- 7.4** During the current period, additions to capital work in progress includes the capitalised borrowing cost amounting to SR 1.2 million (31 December 2025: SR 8.7 million) million calculated using the applicable market rate of interest.
- 7.5** As at 30 June 2026, capital work in progress mainly relates to the construction of new feed plant which is under progress at Al Jumum Branch.
- 7.6** Capital commitments relating to these capital work in progress projects amount to SR 103.2 million (31 December 2025: SR 140 million).
- 7.7** As at 30 June 2026, capital work in progress includes advance to suppliers amounting to SR 6 million (31 December 2025: SR 10 million).

8. INVENTORIES

- 8.1** Inventories comprise of the following:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Spare parts	53,753,212	54,708,464
Raw materials	21,461,476	18,943,879
Finished goods	20,339,200	19,334,857
Packing material	10,275,614	7,931,753
Others	1,603,138	1,285,346
	<u>107,432,640</u>	<u>102,204,299</u>
Less: adjustment for net realizable value of inventories	<u>(14,562,770)</u>	<u>(14,756,560)</u>
	<u>92,869,870</u>	<u>87,447,739</u>

- 8.2** During the six-month periods ended 30 June 2026, the Group has recognized the adjustment for net realizable value of inventories amounting to SR 0.2 million (30 June 2025: SR 0.3 million). The amount is included in the cost of revenue.

9. SHARE CAPITAL

The authorized, issued and fully paid-up share capital of the Parent Company as at 30 June 2026 amounted to SR 81,832,000 (31 December 2025: SR 81,832,000) consists of 81,832,000 shares (31 December 2025: 81,832,000 shares) at SR 1 each share.

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10. LOANS AND BORROWINGS

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Short term borrowings	61,200,000	55,000,000
Long-term loans	517,269,465	528,376,138
	<u>578,469,465</u>	<u>583,376,138</u>
Current portion	98,612,109	82,863,270
Non-current portion	479,857,356	500,512,868
	<u>578,469,465</u>	<u>583,376,138</u>

The movement in loans and borrowings is as follows:

	30 June 2026	31 December 2025
At the beginning of the period / year	583,376,138	646,912,281
Obtained during the period / year	165,438,635	55,000,000
Paid during the period / year	(170,345,308)	(118,536,143)
At the end of the period / year	<u>578,469,465</u>	<u>583,376,138</u>

On 8 October 2024 (corresponding to 5 Rabi Al Thani 1446H), the Company entered into Murabaha financing agreements with Saudi National Bank (“SNB”). 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.

Furthermore, the above facility letter with SNB also includes revolving working capital facilities amounting to SR 120 million on prevailing market rates. During the period ended 30 June 2026, drawdowns and repayments amounting to SR 165.4 million (31 December 2025: SR 55 million) and SR 104.2 million (31 December 2025: SR Nil), respectively have been made by the Company with a closing balance of SR 61.2 million (31 December 2025: SR 55 million). 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 30 June 2026, there has not been any non-compliance observed for any of the covenants.

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10. LOANS AND BORROWINGS (continued)

Maturity analysis - contractual undiscounted cash flows

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Within one year	131,140,685	110,446,092
One to five years	258,040,741	274,231,714
More than five years	382,620,583	413,313,075
	771,802,009	797,990,881

11. DIVIDEND PAYABLE

11.1 The movement in dividend payable is as follows:

	30 June 2026 (Unaudited)	31 December 2025 (Audited)
Declared during the period / year	81,013,680	163,664,000
Dividend on treasury shares	--	(1,636,640)
Paid during the period / year	(81,013,680)	(162,027,360)
At end of the period / year	--	--

11.2 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 81,013,680. The payment was made on 6 April 2026.

11.3 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.

11.4 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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12. REVENUE FROM CONTRACT WITH CUSTOMERS

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sale of goods	296,948,113	248,184,682	578,180,046	512,402,401

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

Disaggregation of revenue

Revenue is disaggregated by type of customer as shown below:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Type of customer				
Individuals	23,754,951	19,158,899	45,390,806	39,870,552
Corporate sector	273,193,162	229,025,783	532,789,240	472,531,849
	296,948,113	248,184,682	578,180,046	512,402,401

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.

- 12.1** During the prior year, the Group reassessed the presentation of certain freight and shipment expenses for the year ended 31 December 2025 and reclassified these amounts from revenue from contracts with customers to selling and distribution expenses. The comparative figures have been adjusted accordingly to reflect this reclassification.

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13. COST OF REVENUE

Cost of revenue comprises the following:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Raw materials consumed	151,861,518	113,881,658	279,634,163	241,935,161
Salaries and other benefits	13,316,481	11,359,158	25,849,246	24,255,590
Depreciation	16,522,050	12,941,216	32,305,492	25,729,919
Utilities	6,308,394	5,421,379	12,929,451	11,054,199
Insurance	1,790,028	1,484,824	3,374,065	2,880,366
Maintenance	3,121,036	2,834,361	5,666,297	5,277,301
Other expenses	5,100,580	4,239,211	8,037,618	7,083,020
Adjustment for net realizable value of inventories	(1,168,518)	49,358	(193,790)	(296,275)
	196,851,569	152,211,165	367,602,542	317,919,281
Finished goods inventory at the beginning of the period	17,524,069	20,813,375	19,334,857	18,031,615
Finished goods available for sale during the period	214,375,638	173,024,540	386,937,399	335,950,896
Finished goods inventory at the end of the period	(20,339,200)	(15,407,823)	(20,339,200)	(15,407,823)
	194,036,438	157,616,717	366,598,199	320,543,073

14. FINANCE COSTS

Finance costs comprise the following:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Finance cost on lease liabilities	1,435,251	1,501,419	2,846,573	2,969,228
Finance cost on loans and borrowings	7,238,812	5,640,973	14,619,875	11,938,628
	8,674,063	7,142,392	17,466,448	14,907,856

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15. ZAKAT

15.1 Movement in provision for zakat during the period/year

Movement in provision for zakat during the period/year is as follows:

	30 June <u>2026</u> (Unaudited)	31 December <u>2025</u> (Audited)
At the beginning of the period/year	4,403,339	5,130,362
Charged during the period/year	3,168,499	4,678,247
Paid during the period/year	<u>(4,207,393)</u>	<u>(5,405,270)</u>
At end of the period/year	<u>3,364,445</u>	<u>4,403,339</u>

15.2 Zakat status

The Parent Company has submitted the zakat declaration for the year ended 31 December 2025 and obtained the unrestricted Zakat certificate for the said year which is valid till 30 April 2027. ZATCA did not issue the Zakat assessments for the said year till date.

16. EMPLOYEES' SHARE OPTION SCHEME

16.1 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 condensed consolidated interim financial statements.

16.2 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 and are held for the purpose of the Company's employee share programs.

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17. CAPITAL COMMITMENTS AND CONTINGENCIES

17.1 Contingencies

- a) The Group has provided bank guarantees of 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 2027.
- b) The Group has provided bank guarantees of 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 2027.
- c) The Company has provided bank guarantee amounting to SR 2,000,000 for supply of yellow corn in Khamis Mushait. This guarantee is valid up to 30 September 2026.

17.2 Commitments

The Group has outstanding outward Letters of Credit (LCs) amounting to SR 55.8 million as of 30 June 2026 (31 December 2025: SR 43 million) for ongoing projects, including factory upgrades, flour mill machinery, silos aspiration systems, and production facility enhancements.

18. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic earnings per share has been based on the distributable earnings attributable to shareholder of ordinary shares and the weighted average number of ordinary shares outstanding at the date of the condensed consolidated interim financial statements, after adjustment for the effects of all dilutive potential ordinary shares, if any.

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period	53,426,809	49,667,968	119,326,108	115,312,890
Weighted average number of ordinary shares for basic and diluted EPS	81,013,680	81,013,680	81,013,680	81,013,680
Earnings per share - basic and diluted	0.66	0.61	1.47	1.42

The calculation for weighted average number of ordinary shares for basic and diluted EPS has been adjusted for the effect of treasury shares (Note 16.2). 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.

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19. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent 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.

Compensation of key management personnel of the Group for the six-month period ended:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Short-term employee benefits	2,175,861	2,068,862	4,178,141	4,137,724
Post-employment benefits and medical benefits	1,196,724	1,137,874	2,297,978	2,275,748
Total compensation paid to key management personnel	<u>3,372,585</u>	<u>3,206,736</u>	<u>6,476,119</u>	<u>6,413,472</u>

OTHER RELATED PARTY TRANSACTIONS

Transactions with related parties arise mainly from services provided/ received and payments made on behalf of each other and are undertaken at mutually agreed terms.

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:

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19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

OTHER RELATED PARTY TRANSACTIONS (continued)

<u>Name</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Amount of transactions</u>	
			For the six-month period ended 30 June	
			<u>2026</u>	<u>2025</u>
Al Ghurair Food Company LLC	Shareholder with significant influence	Purchases Payment made on behalf	-- 75,000	296,514 75,000
Mada International Holding Company	Shareholder with significant influence	Payment made on behalf	75,000	75,000
Fursan Travel & Tourism Company	Subsidiary of shareholder with significant influence	Ticket and related expenses	45,884	234,793
Al Ghurair Advanced Trading Company	Subsidiary of shareholder with significant influence	Purchases	21,679,534	--
Al Rajhi Holding Group Company	Parent of shareholder with significant influence	Lease rental	460,416	273,376

DUE TO RELATED PARTIES – included in trade and other payables

	<u>Closing balances</u>	
	<u>30 June 2026</u> (Unaudited)	<u>31 December 2025</u> (Audited)
Al Rajhi Holding Group Company	7,697	7,697
Fursan Travel & Tourism Company	10,524	--
	18,221	7,697

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19. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

DUE TO RELATED PARTY- included in accrued expenses and other liabilities

	Closing balance	
	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
Al Ghurair Food Company LLC	17,067	92,067
	17,067	92,067

Amounts due to related parties are repayable on demand, unsecured and interest free.

20. FINANCIAL INSTRUMENTS FAIR VALUES

Financial assets

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

	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
Financial assets at amortised cost:		
Bank balances	43,335,490	71,804,293
Short term deposit	10,000,000	--
Trade receivables	24,518,427	26,722,904
	77,853,917	98,527,197

Financial liabilities

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

	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
Financial liability at amortised cost:		
Loans and borrowings	578,469,465	583,376,138
Lease liabilities	216,172,033	227,588,964
Trade and other payables	78,500,378	45,490,859
Accrued finance charge	6,807,794	7,938,349
Other payables	3,395,202	3,323,762
Due to related parties under accrued expenses	17,067	92,067
	883,361,939	867,810,139

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20. FINANCIAL INSTRUMENTS FAIR VALUES (continued)

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, trade receivables, due from related parties and other receivables. Its financial liabilities consist of trade and other payables, loans and borrowings, obligations under finance lease and amounts due to related parties. The management assessed that fair value of bank balances, trade receivables, other receivables, trade and other payables, loans and borrowings loans, obligations under finance lease and amounts due to related parties 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 2026 and 2025. No transfers between any levels of the fair value hierarchy took place in the equivalent comparative period.

21. SIGNIFICANT EVENT – GEOPOLITICAL AND SECURITY DEVELOPMENTS:

The Middle East region has experienced rapid geopolitical and security developments that have resulted in increased instability in certain regional markets. Based on management's assessment, these developments have not had a material impact on the Group's operations, financial position, or financial performance for the period ended 30 June 2026, and accordingly, no adjustments to the balances or additional disclosures have been recognized in these condensed consolidated interim financial statements.

The Group continues to monitor regional geopolitical developments and assess any potential implications for its operations, supply chain arrangements, and cost structure. Management will continue to evaluate the evolving situation and take appropriate operational measures, where necessary, to mitigate any potential future impact.

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22. SUBSEQUENT EVENTS

On 23 July 2026 (corresponding to 9 Safar 1448H), the Board of Directors as authorised by General Assembly meeting held on 29 April 2026 (corresponding to 12 Dhul Qidah 1447H) approved the distribution of interim dividends for the first half of 2026 of SR 1 per share amounting to SR 81,013,680.

No other events or matters have occurred up to and including the date of the approval of these condensed consolidated interim financial statements by the Board of Directors which could materially affect these condensed consolidated interim financial statements and the related disclosure for the three-month and six-month periods ended 30 June 2026.

23. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issuance by the Company's Board of Directors on 23 July 2026 (corresponding to 9 Safar 1448H).


Dr. Ibrahim AlRajhi
Chairman
Majed Mazen Nofal
CEO
Shahid Akbar
Executive Finance Director