



المطاحن العربية
Arabian Mills

**VALUE WE CREATE..
TRUST WE BUILD**

ANNUAL REPORT

2025

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



The Custodian of the Two Holy Mosques
King Salman bin Abdulaziz Al-Saud



His Royal Highness Prince
Mohamed bin Salman bin Abdulaziz Al-Saud
Crown Prince and Prime Minister

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2025

About the Report

The 2025 Annual Report of Arabian Mills for Food Products Company (“Arabian Mills” or the “Company”) brings together the Company’s financial and non-financial information, combining the financial statements, operational reporting, and the Board of Directors’ Report, alongside our strategy and business model, Enterprise Risk Management (ERM) framework, and sustainability issues. This is intended to provide shareholders and all other stakeholders with a comprehensive view of our activities, achievements, and objectives for the period from 01 January to 31 December 2025. All financial figures in this Report are in millions of Saudi Riyals (SAR), unless otherwise stated. Minor discrepancies in totals may occur due to rounding.



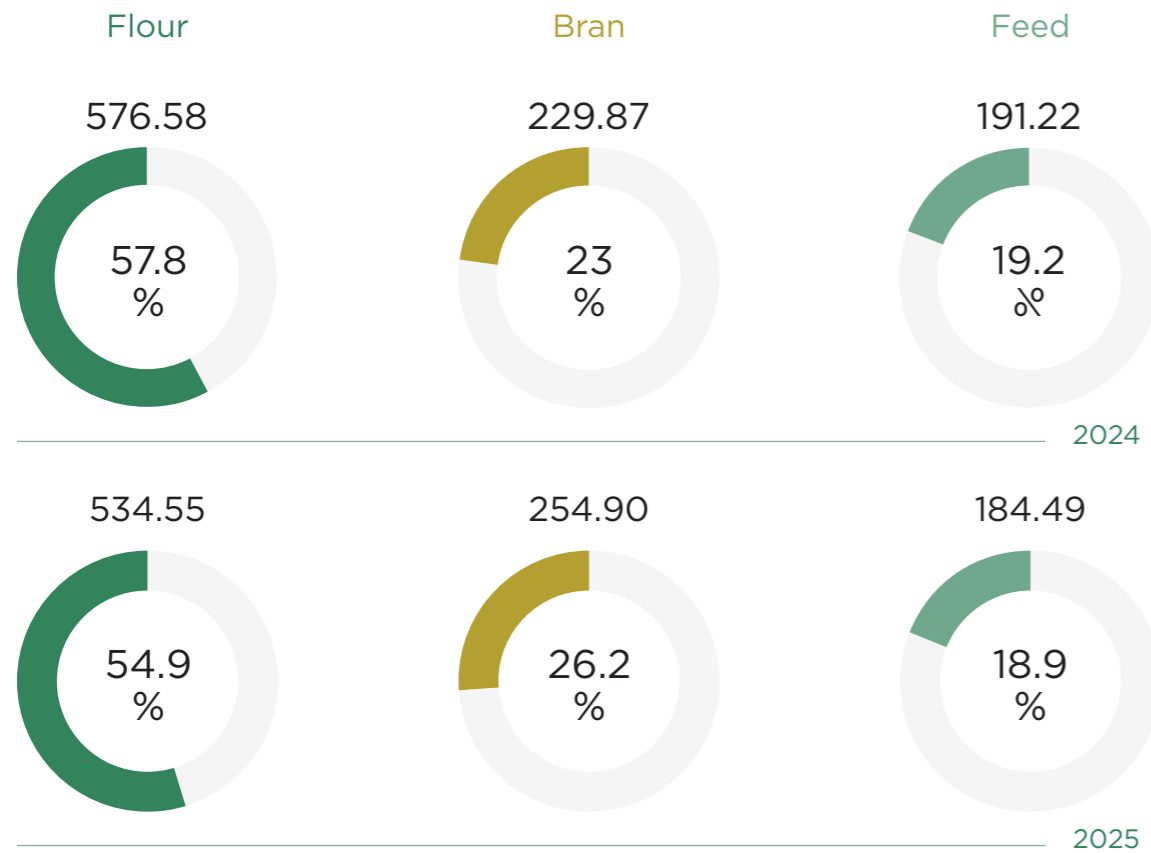
Key Financial Results

Revenues



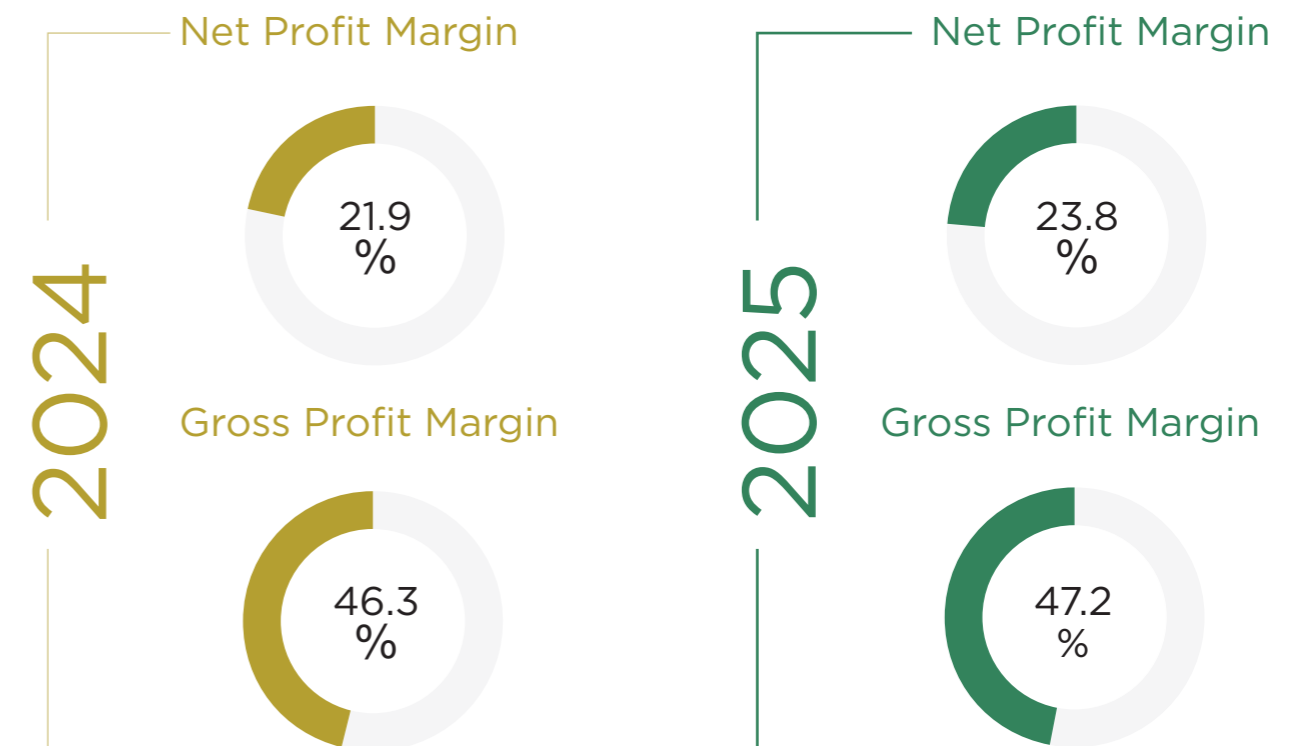
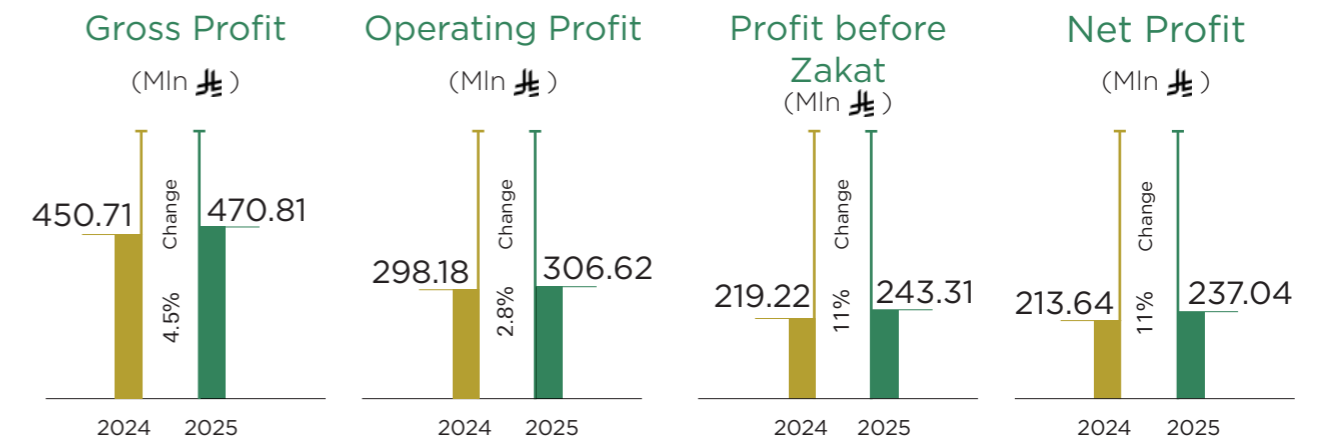
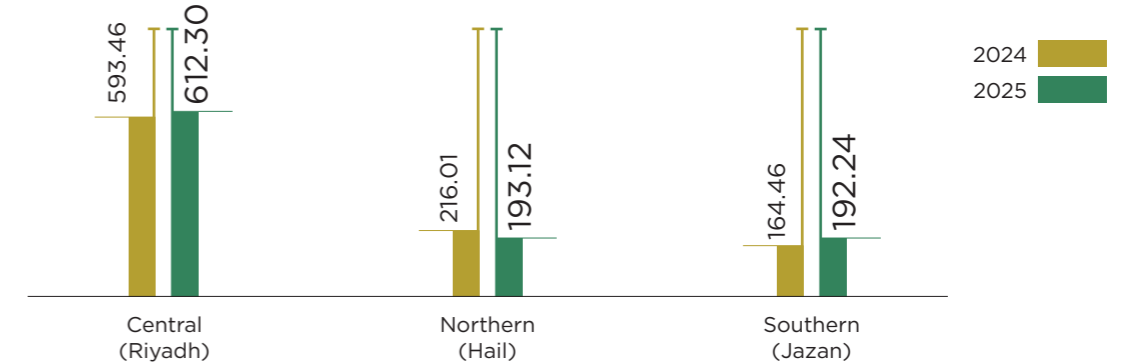
Contribution of Key Activities to Annual Revenue (Value and Share)

(Values in Mln ₪)



Geographic Contribution to Annual Revenue

(Values in Mln ₪)

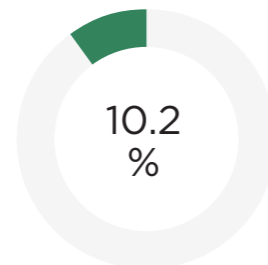
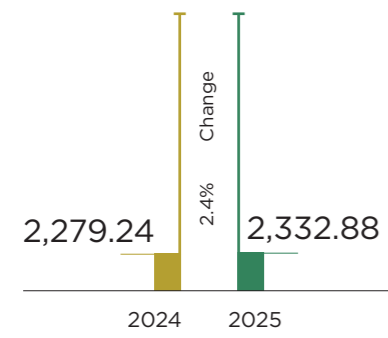


Return on Assets (RoA)

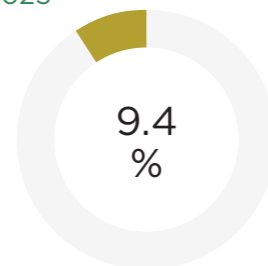
Return on Shareholders' Equity (RoE)

Total Assets

(Mln ₺)



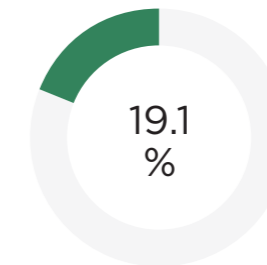
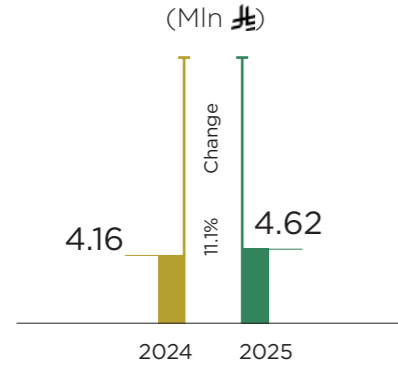
2025



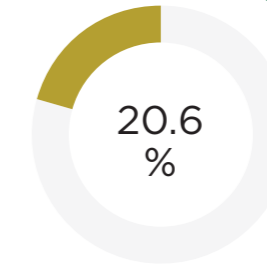
2024

Earnings per Share (EPS)

(Mln ₺)



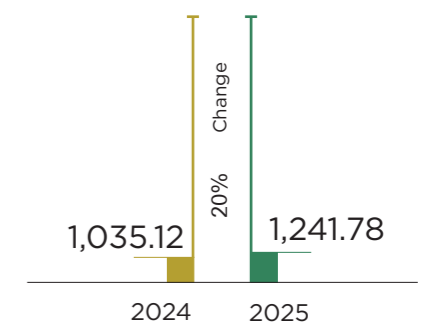
2025



2024

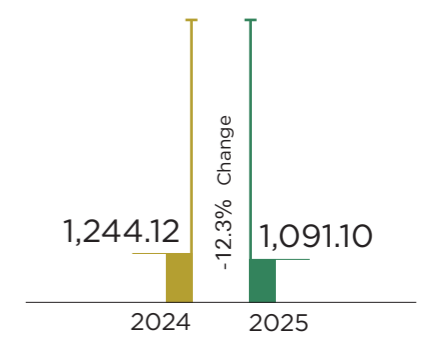
Total Shareholders' Equity

(Mln ₺)



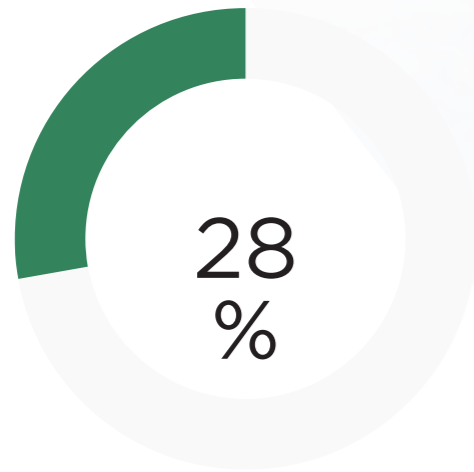
Total Liabilities

(Mln ₺)

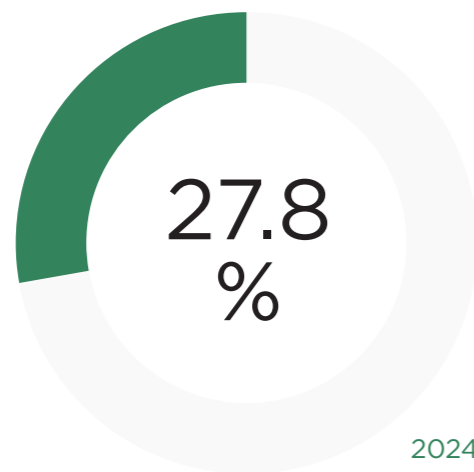


Key Operating Results

Market Share



2025



2024



Employees and Saudization

Headcount

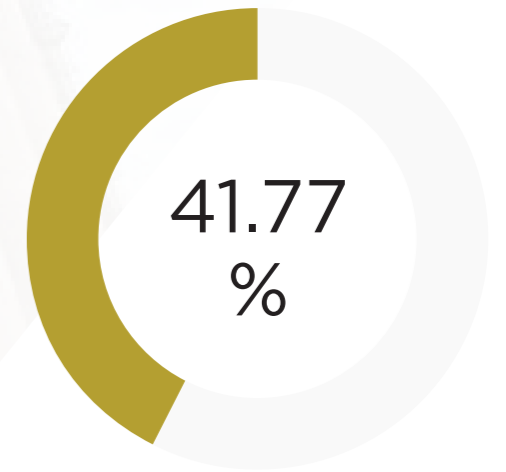
623

2025

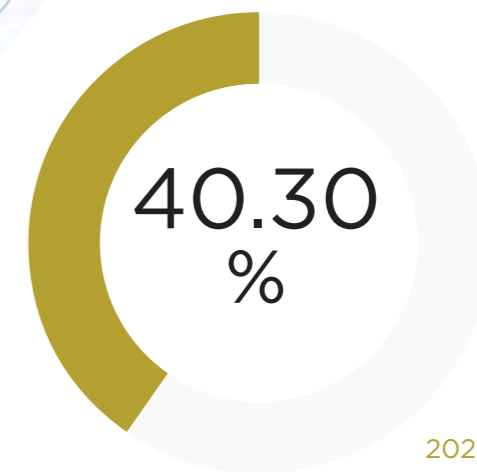
593

2024

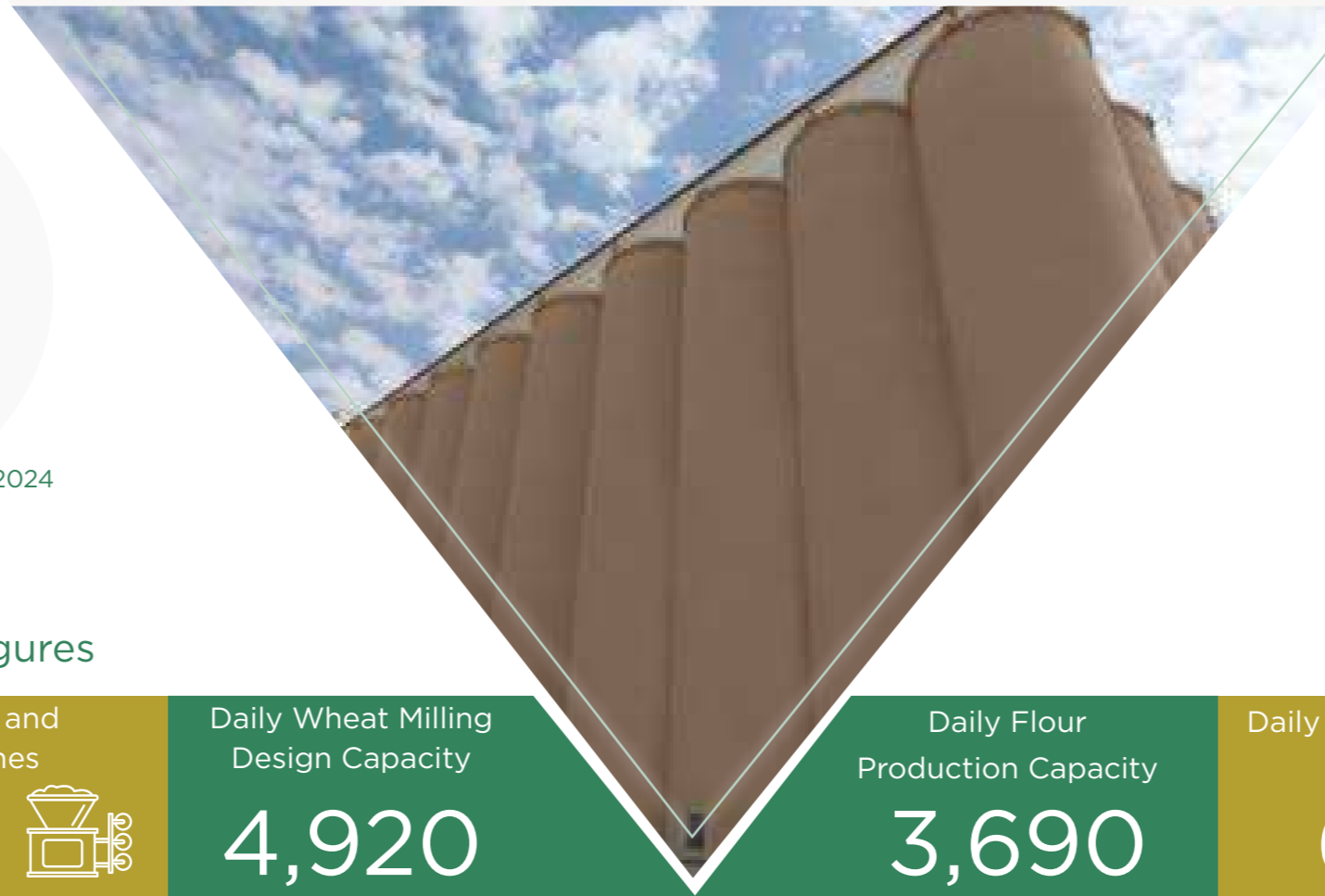
Saudization Rate



2025



2024



Operational Performance in Figures

<p>No. of Plants</p> <p>3</p>	<p>No. of Milling and Blending Lines</p> <p>11</p>	<p>Daily Wheat Milling Design Capacity</p> <p>4,920 MT</p>	<p>Daily Flour Production Capacity</p> <p>3,690 MT</p>	<p>Daily Feed Production Capacity</p> <p>600 MT</p>	<p>Daily Animal Bran Production Capacity</p> <p>1,230 MT</p>
<p>Milling Production Efficiency</p> <p>90%</p>	<p>Silo Storage Capacity</p> <p>202,000 MT</p>	<p>Warehouse Storage Capacity</p> <p>25,000 MT</p>	<p>No. of Customers</p> <p>+2,650</p>	<p>No. of Products</p> <p>+65</p>	<p>Market Share</p> <p>28%</p>



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Chairman's Statement



Chairman of the Board

Ajlan Abdulaziz Al-Ajlan

Dear valued shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Arabian Mills for Food Products Company for the fiscal year 2025. The year has been marked by notable achievements that reflect our strategic direction and reinforce the Company's position as a key pillar in the Kingdom's food security ecosystem, in alignment with the objectives of Saudi Vision 2030.

In line with the Board of Directors' role in setting strategic direction and ensuring sustainable growth, the Board has approved a series of strategic expansion initiatives aimed at enhancing production capacity, thereby strengthening the Company's market position and its ability to meet growing demand. These initiatives include the development of the Company's mills in Riyadh and Hail, supporting future growth and delivering sustainable value to shareholders.

The Board has also approved the Company's voluntary early repayment of SAR 150 million under the existing Murabaha financing agreement with The Saudi Awwal Bank. This step reflects the Company's continued commitment to strengthening its financial position and ensuring the sustainability of its performance, while maintaining a balanced capital structure and supporting long-term financial stability.

As part of the Board's commitment to delivering sustainable returns to shareholders, the Company, following approval by the General Assembly, distributed cash dividends for the fiscal year 2024 amounting to SAR 0.59 per share during 2025.

In addition, the Board has recommended the distribution of cash dividends for the fiscal year 2025 of SAR 1.00 per share,

subject to the approval of the upcoming General Assembly, and in line with the Company's dividend policy, balancing growth ambitions with shareholder returns.

Despite the challenges and evolving dynamics within the sector, the Company continues to strengthen its operational resilience and readiness, supported by an institutional approach focused on efficiency, sustainability, and effective risk management, ensuring business continuity and the achievement of strategic objectives.

We look ahead with confidence, supported by clear plans to drive growth and expansion, explore new opportunities, and uphold the highest standards of governance while reinforcing sustainability and responsibility, in a manner that delivers long-term value to all stakeholders.

In closing, I extend my deepest appreciation and gratitude to the Custodian of the Two Holy Mosques, King Salman bin Abdulaziz Al Saud, and His Royal Highness Crown Prince Mohammed bin Salman Al Saud—may God preserve them—for their continued support. I also extend my sincere thanks and appreciation to our valued shareholders for their trust and ongoing support, and I commend the efforts of the executive management and all Company employees for their dedication in advancing the Company's aspirations.

May God grant us success.

About Us

Arabian Mills for Food Products Company is a pivotal contributor to Saudi Arabia's food security system, playing a strategic and vital role in supplying and distributing high-quality food products across the Kingdom. Focused on the production of flour, flour derivatives, and animal feed, the Company leverages a sophisticated operational infrastructure and a skilled national workforce. The Company is committed to the highest quality standards to ensure production efficiency and meet local market expectations, in full alignment with the objectives of Saudi Vision 2030.

The Company's operations date back to 1977, with the establishment of the Riyadh Plant under the supervision of the General Food Security Authority (GFSA), formerly known as the Saudi Grains Organization (SAGO). The Company later expanded its geographical footprint by establishing Hail and Jazan Plants in 2016, a major turning point marked by the Council of Ministers Resolution No. (25) approving GFSA's Privatization Program. Consequently, Arabian Mills was transformed into a closed joint-stock company owned at that time by the Public Investment Fund (PIF), before ownership was later transferred to leading national investment entities. This transition has significantly strengthened the Company's operational and financial efficiency, propelling the Company toward new horizons.

Ever since its establishment as a joint-stock company in 2016, Arabian Mills has achieved a series of milestones that demonstrate its resilience and adaptability in the face of economic shifts. This journey culminated in a market share of approximately 28%. This landmark year also witnessed the launch of the new "Master Mills" brand, marking a new chapter of success that reinforces the Company's leadership in the Saudi market as the Company looks toward imminent regional expansion.

Operational Performance in Figures



No. of Plants

3



No. of Products

+65



Total Silo Storage Capacity

202,000

MT



Wheat Milling Design Capacity

4,920

MT



Market Share

28%



Daily Flour Production Capacity

3,690

MT



Daily Animal Feed Production Capacity

600

MT



Daily Animal Bran Production Capacity

1,230

MT



No. of Customers (Direct or Indirect)

+2,650



Warehouse Storage Capacity

25

MT



Milling and Blending Lines

11

<p>A Strong and Growing Production Base</p>	<p>Three Fully Integrated Plants with High Design Capacities</p>	<p>Storage Capabilities that Enable Efficient Inventory Management</p>	<p>A Large and Steadily Rising Market Share</p>
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Vision

We strive to be the trusted choice for consumers, offering a wide range of innovative and high-quality products.



Mission

To elevate the consumer experience by producing flour and flour derivatives, manufacturing animal feed, utilizing qualified national talent, and offering competitive pricing for all segments of society, while steadfastly supporting food security and sustainability.



Values

Arabian Mills believes that quality, innovation, and environmental sustainability are the fundamental pillars of success and continuity in a competitive and evolving market. The Company's values reflect a firm commitment to sound governance and sustainable growth, while reinforcing our role as a leading contributor to national food security through:

Quality

We are committed to producing premium flour that remains an essential ingredient of an exceptional kitchen.

Innovation

We continuously explore the latest technologies to enhance production efficiency and deliver distinctive, high-quality products.

Environmental Stewardship

We strive to protect the environment and apply sustainable practices that reduce our environmental footprint.

Key Activities

Arabian Mills' key activities include packaging and milling grains (wheat, corn, barley, Jareesh, semolina, and bulgur), manufacturing oats, bakery flour, and dough, and producing all types of vermicelli pasta. The Company also manufactures and produces concentrated animal feed, livestock feed, plant byproducts as animal feed, and provides preparation, grinding, and pelleting of animal feed, including poultry and bird feed.

The Company's activities also include exporting, importing, and wholesale trading of barley and other grains, livestock feed and non-medicated feed additives, bakery products, and food and beverages (F&B). Arabian Mills' key activities further include retail sales of bakery products and sugar confectionery, livestock feed, and barley, as well as the sale of F&B through retail outlets and commercial markets.

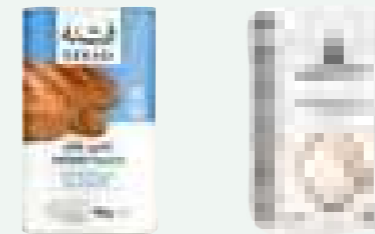
In addition, the Company provides a range of logistics services, including operating warehouses and silos for storing grains, flour, agricultural products, feed, and dry food items; providing land transport services for food products; and offering packing and packaging services for food products and animal feed in various formats. Moreover, Arabian Mills is managing headquarters and delivering integrated administrative services, and leasing motorized equipment as well as measurement and control devices.

Our Products

Arabian Mills' vision comes to life through products, investing in this segment efficiently and effectively to support Saudi Arabia's livestock sector. Our strength lies in the breadth of our portfolio and our ability to meet the needs of diverse consumer segments, from households and individuals to industrial and agricultural institutions.

Consumer Segment (B2C)

Flour Products



Fortified Patent Flour (All Purpose)

Bakery Flour for All Baked Goods

Whole Wheat Flour

Pizza Flour

Chapati Flour

Vitamin D Flour (All-purpose)

Chakki Fresh Atta

Premium Flour

Wheat-Derivative Products



Edible Bran

Wheat Germ

Harees

Jareesh

Cake Mixes

Premium Pasta

Gluten-free Products

Semolina (Fine & Coarse)

Business Segment (B2B)

Flour Products



Superior Flour

Bakery Flour

Whole Wheat Flour

Pizza flour

Superior Whole Wheat Flour

Edible Bran

Feed Products



Livestock Feed

Poultry Feed

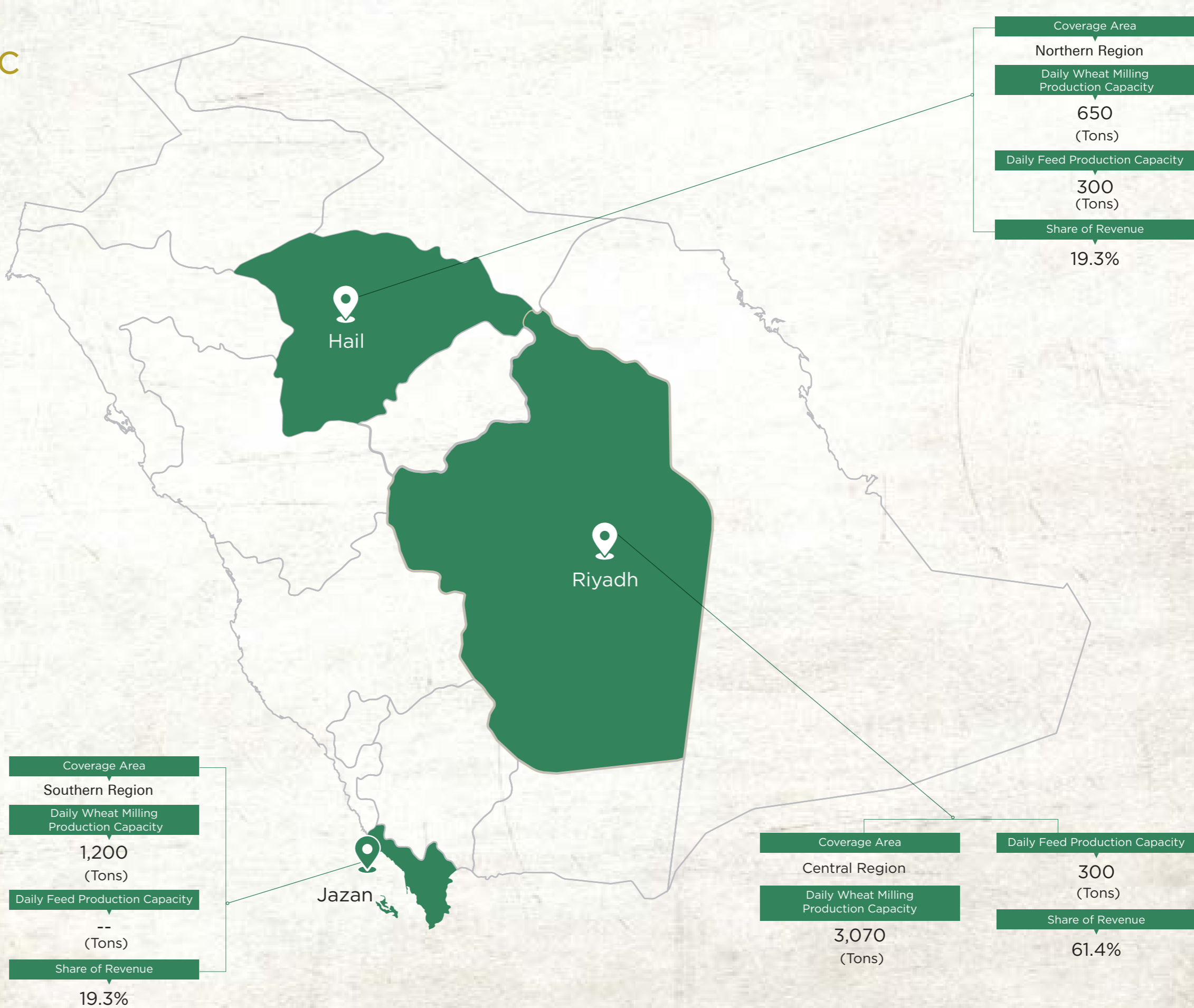
Animal Bran

Geographic Footprint

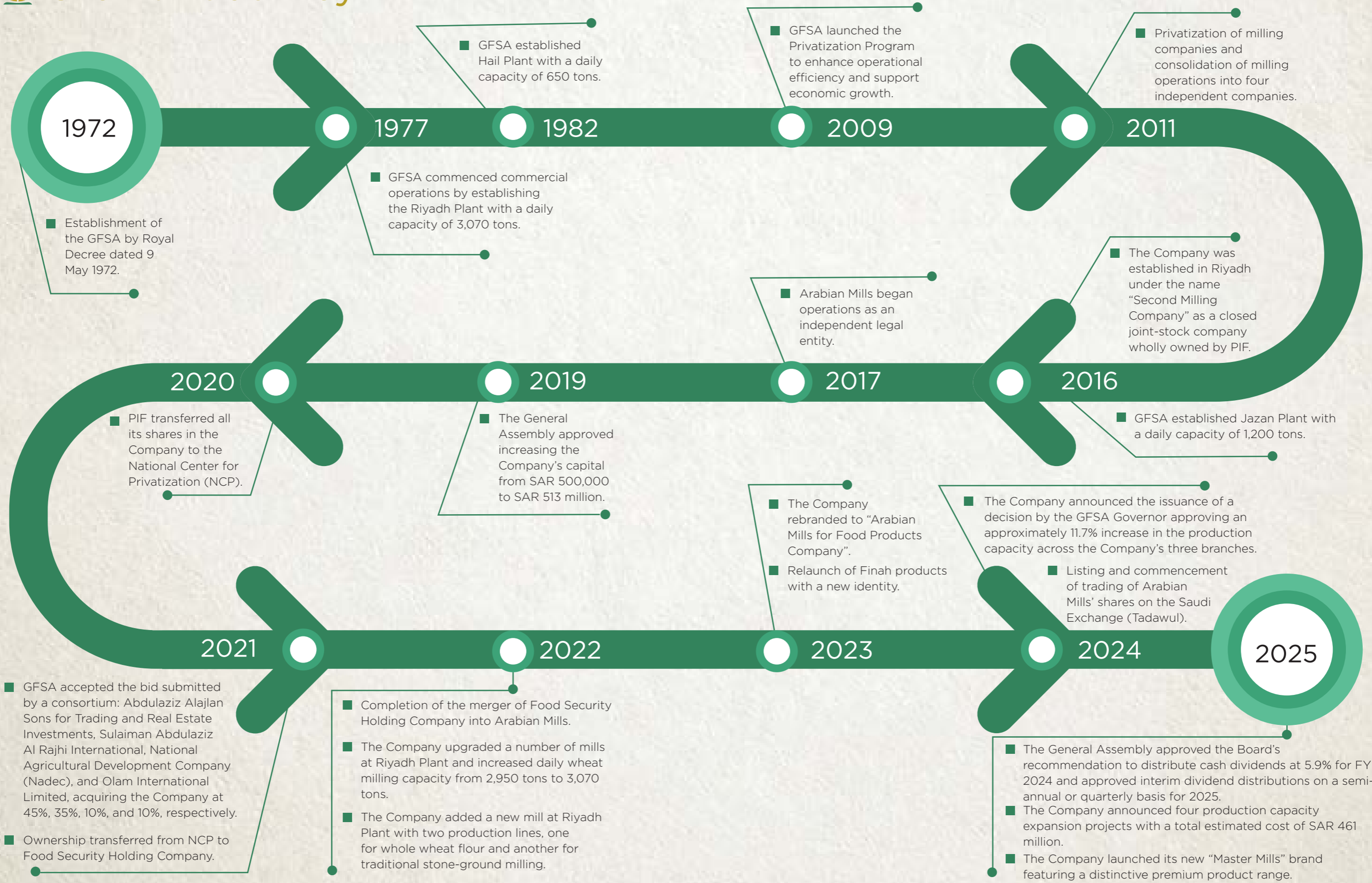
Arabian Mills enjoys a strong and expansive geographic footprint that enhances the Company's operational capabilities and logistics flexibility, enabling it to play its critical role in supporting and securing Saudi Arabia's food security system. This strategic presence is anchored by three advanced plants and distribution hubs across key regions, ensuring efficient access to different customer segments and reliable service delivery.

The Company's three facilities are located in Riyadh, Hail, and Jazan, providing full coverage of the Central, Northern, and Southern regions and supporting those markets with high efficiency while reducing transportation and distribution costs.

Our coverage extends the Eastern, Northern, and Western regions. Jeddah leads these locations, with storage capacity reaching 15,000 tons of the Company's flour products.



Growth Journey





Brand Trademarks

Arabian Mills' brand stands for a steady promise of reliability, progress, and innovation. The brand is the umbrella that brings together the Company's ambitions and supports its vision of strengthening a market-leading position. Over the years, the Company has built a focused brand that adds value to consumers' lives and responds to the needs of diverse segments across the Saudi market.

The Company strengthened its brand presence through:

<p> Continuous Innovation in Flour and Feed Offerings, and the development of new products that keep pace with evolving consumer tastes. The Company launched several new items, including stone-ground flour (Chakki Fresh Atta), pasta, and cake mix.</p>	<p> Uncompromising Quality Standards, including obtaining internationally recognized quality accreditations to further reinforce confidence in our products.</p>	<p> A Strategic, Logistics-driven Approach by increasing the number of storage centers covering Dammam, Tabuk, and Jeddah, with capacities ranging from 5,000 tons to 15,000 tons. This culminated in opening a new distribution branch in Jeddah in 2025 to serve the Western Region. In addition, new warehouses will be established in Riyadh at an estimated cost of up to SAR 43 million, starting from Q1 2026.</p>
<p> Expanded Digital Reach by creating compelling marketing content and leveraging advanced analytics to tailor marketing efforts. This keeps the Company closely aligned with customer preferences while helping anticipate future market directions and trends.</p>	<p> Customer-centric Campaigns built on accurate profiling and regular studies of customer needs and preferences. Through strenuous efforts to earn loyalty and trust.</p>	
<p> A Firm Commitment to Sustainability and Social Responsibility through nutrition and health awareness programs, strengthening the link between the Company's brand and consumers' core values.</p>	<p> Turning Effort into Results, with flour volumes sold rising by around 8% in 2025, compared to the previous year, and bran volumes sold increasing by around 26%.</p>	



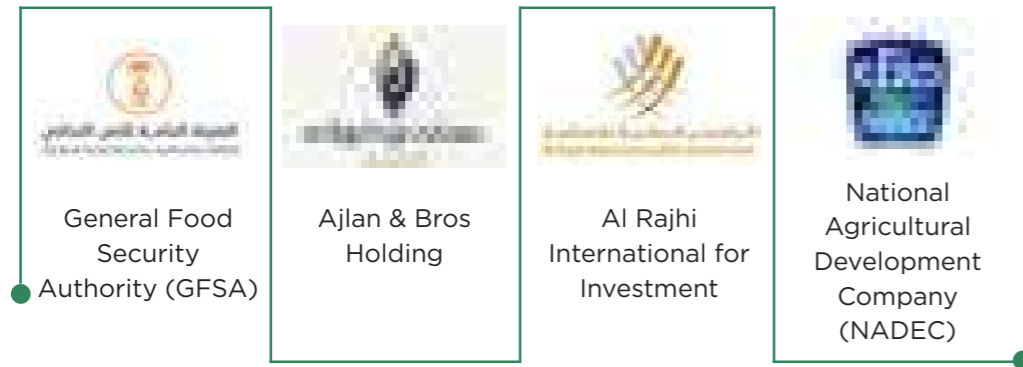
Country of Registration	Trademark No.	Expiry Date	Class	Logo
KSA	1438011686	21/05/1448H (Corresponding to 01/11/2026)	30	
KSA	1442036629	25/11/1452H (Corresponding to 19/03/2031)	31	
KSA	1439014979	29/06/1449H (Corresponding to 28/11/2027)	30	
KSA	1439014978	29/06/1449H (Corresponding to 28/11/2027)	31	
KSA	1442036791	25/11/1452H (Corresponding to 19/03/2031)	30	
KSA	1445016582	24/04/1455H (Corresponding to 21/07/2033)	30	
KSA	1444007507	28/02/1454H (Corresponding to 02/12/2032)	30	
KSA	1444004664	03/02/1454H (Corresponding to 13/05/2032)	31	
KSA	TM-01-00-10803-25	13/09/1456H (Corresponding to 24/11/2034)	30	
KSA	TM-01-00-42433-24	25/04/1456H (Corresponding to 11/07/2034)	30	

Subsidiaries

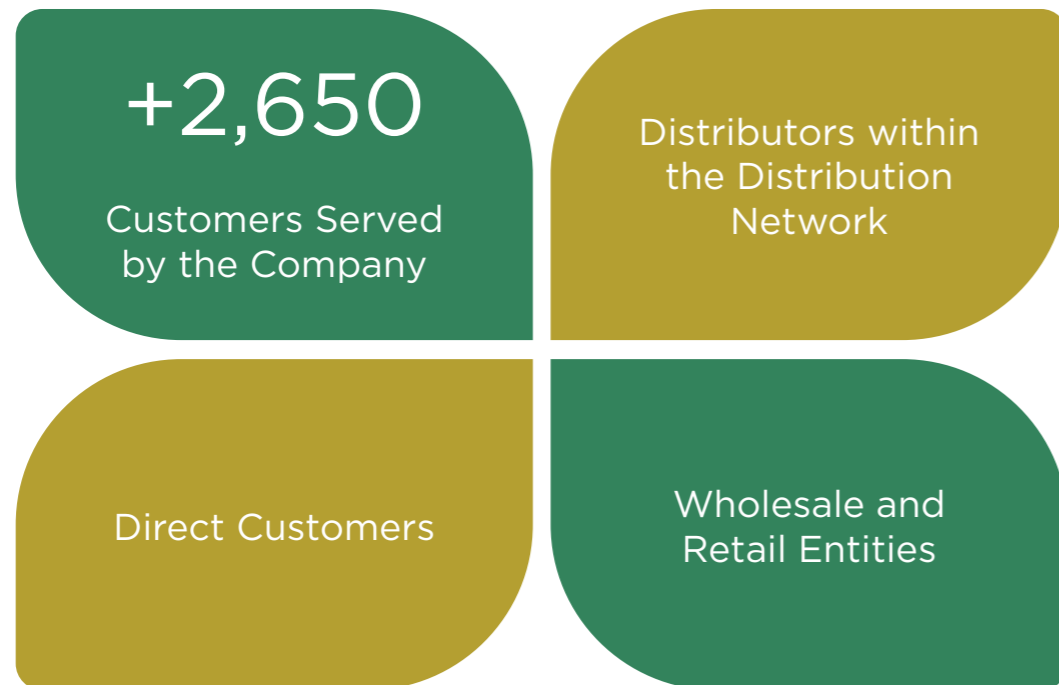
The Company's operations are confined to the single legal entity referred to in this Report. As of the date of this Report's preparation, the Company does not hold any equity interests or investments in any other entities or companies, whether within or outside the Kingdom.

Success Partners

Strategic partners are essential to Arabian Mills' sustainable growth. Their scale and expertise give the Company a competitive advantage through advisory support and knowledge exchange, strengthening operational efficiency and paving the way for future expansion.

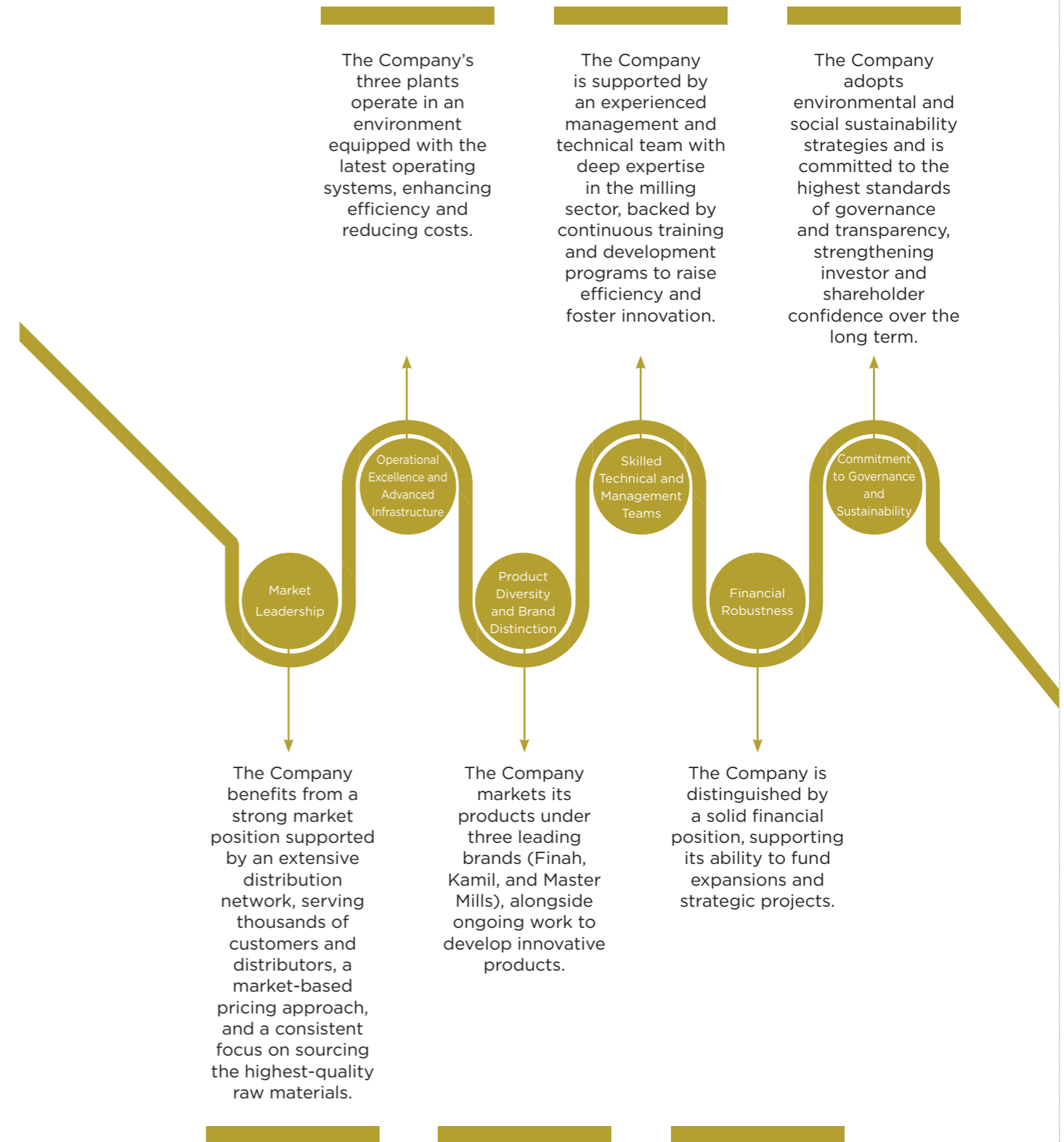


Arabian Mills also takes pride in building relationships with its customers grounded in mutual trust and shared benefit. These relationships support the Company's strategic objectives and reinforce its role within the Kingdom's food security ecosystem.



Investment Case

As a key pillar in Saudi Arabia's food security ecosystem, Arabian Mills' investment appeal stems from its vital role in supplying the market with high-quality products, underpinned by strong investment fundamentals aligned with its local and regional ambitions.






Awards and Certifications

Head Office/Branch	ISO Standard	Certificate No.
Head Office	ISO 14001:2015 	AMER10772
Head Office	ISO 45001:2018 	AMER10773
Hail Branch	ISO 14001:2015 	AMER10772
Hail Branch	ISO 45001:2018 	AMER10773
Jazan Branch	ISO 14001:2015 	AMER10772
Jazan Branch	ISO 45001:2018 	AMER10773

Head Office/Branch	ISO Standard	Certificate No.
Hail Branch	ISO 22000:2018 	IND.21.0153/FM/J
Jazan Branch	ISO 22000:2018 	IND.21.0152/FM/J
Head Office	ISO 22000:2018 	IND.21.0155/FM/J
Head Office	ISO 31001:2018 	AMER12674
All Branches (Riyadh, Hail, and Jazan)	ISO 9001:2015 	SA0029176

Arabian Mills also obtained several certifications during 2025 as part of the Company's ongoing commitment to quality.

Certificate	Details	Issuing Body
	Arabian Mills Laboratories (Hail Branch) obtained accreditation for testing competence, ensuring the accuracy and reliability of results.	The Saudi Accreditation Center (SAAC)
	A Quality Management System (QMS) covering the manufacturing of flour, wheat products, and feed, as well as laboratory management and technical support services, ensuring effective process control and continuous improvement in operational and service performance.	Bureau Veritas
	A Food Safety Management System (FSMS) covering the production of flour, wheat products, and feed. It spans all stages from receiving raw materials, through milling, mixing, packing, and storage, to transportation and distribution, ensuring product safety and quality in line with Hazard Analysis and Critical Control Point (HACCP) requirements and international best practices.	Bureau Veritas

Initiatives

Arabian Mills continues to pursue institutional excellence through a series of strategic initiatives spanning operational and organizational frameworks. These efforts are designed to deliver sustainable growth, measurable efficiency gains, and stronger responsiveness to evolving market requirements.

Improving Operational Efficiency and Reducing Costs

- Continuous upgrades across plants and the implementation of advanced preventive maintenance programs.
- Rationalizing energy consumption and reducing downtime across production lines.

Human Capital Development and National Talent Empowerment Initiatives

- Professional training and development programs aligned with the needs of operational expansion projects.
- Delivering technical and leadership training programs covering 20% of the Company's total workforce.
- Launching initiatives to enhance the workplace environment, including partnerships with health, financial, and sports institutions to support employee wellbeing and sustained motivation.

Geographic Expansion and Supply Readiness

- Enhancing geographic reach by leasing distribution centers in strategic locations to ensure comprehensive coverage and streamlined transportation.

Accelerating Digital Transformation and Enhancing Operational Efficiency

- Automating operational and sales processes through collaboration between the Information Technology (IT) and Finance Departments.
- Developing electronic data analysis tools and automating quality assurance and quality control by the SAP system.
- Deploying modern monitoring systems for raw material flow and real-time quality oversight to detect deviations early.
- Strengthening digital presence across social platforms through engaging and interactive content.
- Expanding the distribution base via the Company's mobile application and strategic partnerships with leading e-commerce platforms.



Key Achievements in 2025

Arabian Mills delivered an exceptional performance in 2025, marked by high-impact milestones that strengthened the Company's market leadership in Saudi Arabia and created added value for shareholders through excellence in financial, operational, and sales performance, alongside a firm commitment to governance and compliance.



Expansion and Development Projects Announced in 2025



Project/
Expansion



Location



Increase in
Production
Capacity
(Tons/Day)



Total
Production
Capacity
after Increase
(Tons/Day)



Construction
start date





Theme of the Year

“Value We Create.. Trust We Build”

Arabian Mills embodied its 2025 theme, centered on national responsibility, operational excellence, and sustainability, as a reaffirmation of its commitment to supporting food security and the creation of added economic value.. This theme aligns with the national vision, underscoring the delivery of safe, sustainable food backed by an ambitious direction that keeps pace with the Kingdom’s aspirations and supports the economy toward lasting leadership and sustainable growth.

National Responsibility

Recognizing Arabian Mills central role, the Company views flour and feed products as a first line of defense in strengthening food security in the Kingdom. Accordingly, the Company works to ensure the stability and availability of essential goods for everyone, from households to business sectors, under any emergency circumstances.

Top Quality Knows No Compromise

For Arabian Mills, sustainability goes beyond continuity. It means continuously advancing our flagship products, improving operational efficiency, and reducing waste. In 2025, the Company launched new and innovative products, and will launch more, guided by the belief that everyone deserves the highest standards of quality, and with the goal of building strong local trust and promising global leadership.

National Vision

Saudi Vision 2030 inspires the Company’s vision. The national interest embedded across every stage of planning and execution. The Company raised Saudization rate to 41.77% and reduced employee turnover to 3.29%, firm in the belief that Arabian Mills’ future is built on the strength of qualified national talent, capable of leading the journey of growth and excellence.



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CEO's Statement



CEO
Rohit Chugh

Dear valued shareholders,

On behalf of the Company, the Annual Report of Arabian Mills for Food Products Company for the fiscal year 2025 is presented, outlining a year characterized by efficiency, innovation, and growth in both financial and operational performance. This reflects the Company's strategic vision to achieve financial and operational sustainability and to further strengthen its position within the sector.

Strong Financial Performance

The Company delivered strong financial performance, with net profit increasing by 10.95% to reach SAR 237.04 million, while revenues amounted to SAR 997.7 million. This performance was driven by the diversification of income sources and the Company's ability to capture market opportunities, as the flour segment maintained its positive performance, while the feed segment recorded notable growth supported by increased demand.

The Company also achieved a 7.9% growth in retail sales and a significant 90.4% increase in consumer segment sales, reflecting the success of its strategy in strengthening brand presence.

On the financial efficiency front, the Company successfully narrowed its loans by 19%, equivalent to SAR 162 million in 2025, reaching SAR 689.7 million, compared to SAR 851.8 million in the previous year. This rigorous financial discipline directly enhanced the Company's liquidity.

Strategic Growth and Expansion

In line with its long-term strategic vision, the Company approved strategic investments amounting to SAR 461 million, aimed at enhancing production capacity and improving supply chain efficiency. These investments include:

- Establishing new mills in Riyadh with a production capacity of 800 tons per day.
- Developing the Hail mill with a capacity of 150 tons per day.
- Establishing a new feed mill in Riyadh with a capacity of 400 tons per day.
- Developing logistics infrastructure through the establishment of new storage facilities in Riyadh, enhancing storage and distribution efficiency.

Launching the premium brand "Master Mills" as a strategic initiative to strengthen the Company's presence in the consumer products segment and

deliver high-quality products that meet evolving customer expectations.

Technological Leadership and Institutional Excellence

The Company continued to advance its digital transformation initiatives, successfully completing the integrated automation project across its factories, enhancing operational efficiency and reducing operational waste, with a positive impact on profitability.

The Company also reinforced its commitment to the highest standards of quality and safety by obtaining the ISO/IEC 17025 certification, reflecting its commitment to laboratory quality and the safety and quality of its products.

Sustainable Growth

As part of its social responsibility, the Company continued to invest in human capital, with Saudization rates reaching 41.8% across the Company and 57% at headquarters, alongside advanced training programs aimed at developing national talent.

The Company also continued to support environmental sustainability initiatives by improving energy efficiency and reducing emissions.

Outlook

The Company looks ahead with confidence, supported by expansion plans and development initiatives to launch new and innovative products, explore promising regional expansion opportunities, and maintain a strong commitment to governance, sustainability, and social responsibility as key pillars for long-term growth.

In conclusion, the Company extends its sincere appreciation and gratitude to its valued shareholders for their continued trust and support, and commends the efforts of the executive management and all employees for their dedication in advancing the Company's objectives.

May God grant us success.

Company Strategy

Arabian Mills adopts a long-term strategy to consolidate its position in both the flour and feed sectors, and to enhance its role as a key pillar in the Kingdom's food security ecosystem. This strategy is based on providing high-quality and innovative products that make the Company the first choice for consumers, while continuously investing in a skilled national workforce to ensure sustainable growth and support food security objectives.

Sustainable Growth Strategy Pillars



1

Solidifying and Enhancing the Company's Market Leadership



2

Maintaining and Improving an Efficient and High-Performing Operational Framework



3

Expanding Sales through B2B, Retail, and Wholesale Sales Channels



4

Delivering High-Quality Products that Meet Evolving Consumer Preferences



1 Solidifying and Enhancing the Company's Market Leadership



Target

Increasing the Company's presence and market share in the local flour market to%.
Enhancing brand loyalty through sustainability programs and customer engagement.



KPIs

Market share growth.
Customer satisfaction rate.
Brand awareness level.



Key Highlights of the Year

The Company's market share increased to 28%.
The Company implemented successful marketing campaigns that enhanced brand awareness among customers and consumers.



3 Expanding Sales through B2B, Retail, and Wholesale Sales Channels



Target

Expanding regional distribution channels.
Expanding International market.



KPIs

Increase in customer numbers (new customers).
Sales growth breakdown by distribution channels.
Geographic reach.



Key Highlights of the Year

The Company successfully expanded its digital presence across multiple e-commerce platforms.
The Company leased strategic distribution centers.
B2B sales increased by 46%.
The Company strengthened its local geographic presence through strategic distribution centers and its international reach through successful and growing export operations.



2 Maintaining and Improving an Efficient and High-Performing Operational Framework



Target

Achieving 99.2% fault-free operation.
Achieving 10.6% reduction of operational costs.



KPIs

Operational efficiency.
Downtime rate in production lines.
Reducing operational costs.



Key Highlights of the Year

The Company successfully developed its production line automation system.
The Company successfully reduced production line downtime by 1.3%.
The Company successfully raised energy efficiency and optimized productivity across all of its production facilities.



4 Delivering High-Quality Products that Meet Evolving Consumer Preferences



Target

Obtaining the "ISO/IEC 17025" accreditation for all branches.
Completing the expansion of existing credit facilities.
Launching and developing innovative products.
Implementing an integrated customer complaint management system.



KPIs

Enhancing operational efficiency by qualifying quality laboratories for the "ISO/IEC 17025" accreditation.
Developing and launching new products.
Meeting customers' evolving needs.



Key Highlights of the Year

The Company launched its new brand, "Master Mills", adding 32 new products to its product portfolio.
The Company's laboratories at Hail branch achieved the "ISO/IEC 17025" accreditation.
The Company relaunched traditional products with a modern twist, including Jareesh, Harees, and Chakki Atta flour.
The Company developed optimized feed formulations for livestock, lamb, and calf fattening.



Business Model

Arabian Mills' business model is based on integration and sustainability, combining operational efficiency, innovation, and strategic expansion, all driven by a steadfast commitment to supporting the Kingdom's food security system. This model aims to maximize value for shareholders and customers by delivering high-quality products in line with the highest international standards, thereby enhancing the Company's competitive leadership and sustaining its growing market share.

A Leading and Innovative Business Model

(1) Inputs	Description
Financial Capital	<ul style="list-style-type: none"> The Company's Cash and cash equivalents amounted to SAR 235.96 Mln. Return on Equity (RoE) 19.1% Debt level SAR 689.69 Mln
Human Capital	<ul style="list-style-type: none"> The Company's workforce reached 623 employees. Saudization rate stands at 41.77%. A workforce comprising highly skilled Saudi nationals and international expertise from 14 different nationalities.
Physical Capital	<ul style="list-style-type: none"> Three advanced plants located in strategic areas, with a total production capacity of up to 3,690 tons/day of flour, 600 tons/day of feed, and 1,230 tons/day of animal bran. Three logistical storage centres with a capacity of 25,000 metric tons.
Core Cost Structure	<ul style="list-style-type: none"> Raw Material Costs: Managed through long-term contracts with the GFSA. Operating and Energy Costs: Managed through initiatives aimed at enhancing efficiency and optimizing consumption.
Resources and Activities	<ul style="list-style-type: none"> Resources: Advanced plants and modern machinery, accredited quality laboratories, and a logistical distribution network. Activities: Wheat milling and the production of flour, feed, and bran, alongside packaging, storage, and distribution activities.



(2) Value Creation Model	Description
Products	<ul style="list-style-type: none"> A diverse product portfolio including various types of flour (Superior, Bakeries, and Whole Wheat Flour), in addition to bran, animal feed, and multiple wheat derivatives.
Expertise	<ul style="list-style-type: none"> Nearly 48 years of experience in the milling sector, operating under the GFSA supervision. A specialized technical team managing daily operations according to the highest international standards.
Strengths	<ul style="list-style-type: none"> Strong Financial Performance: Sustained revenue growth alongside improved profitability. Market Share: Reached 28% by year-end, making the Company the second-largest flour producer in the Kingdom. Long-term partnership with the GFSA to ensure the stability of supply chain operations. Operational resilience achieved through supply diversification and strategic reserves. Continuous planning for local expansion and entry into regional markets. An advanced operational environment that is constantly updated. Strategic distribution channels covering most regions of the Kingdom.
Quality Control	<ul style="list-style-type: none"> Possession of local and international accreditations that strengthen operational quality and efficiency. A safe, healthy, and supportive work environment. A specialized team leading the quality management of maintenance services. Digitization of various processes, including predictive maintenance technologies, to minimize downtime. Strict quality control supported by a traceability system for raw materials and finished products.
Operational Efficiency	<ul style="list-style-type: none"> Reducing unplanned downtime by 1.3% and enhancing energy efficiency. Implementing advanced predictive maintenance technologies to minimize downtime.
Expansion and Innovation	<ul style="list-style-type: none"> Launching 32 new products (SKUs) under the "Finah", "Kamil" brands, and the new brand "Master Mills". Approving expansionary projects with investments estimated at approximately SAR 461 Mln.
Digital Transformation	<ul style="list-style-type: none"> Launching an electronic application to facilitate purchasing and delivery processes. Digital expansion through data analytics and enhancing Company's presence on e-commerce platforms.

(3) Outputs	Description
Revenue	<ul style="list-style-type: none"> Revenue reached SAR 997.7 Mln by the end of 2025.
Net Profit	<ul style="list-style-type: none"> Net profit reached SAR 237 Mln by year-end.
Operational Performance	<ul style="list-style-type: none"> The Company maintained a production efficiency of 90%.
Diversified Product Portfolio	<ul style="list-style-type: none"> Developing innovative products aligned with shifting market dynamics and consumer trends.
Strategic Partnerships	<ul style="list-style-type: none"> A strategic partnership with NielsenIQ to ensure quality and consumer satisfaction. Expanding reach to the end consumer (B2C) through strategic partnerships with e-commerce platforms.
Target Customers	<ul style="list-style-type: none"> End consumers. Retail customers (supermarkets, hypermarkets, and grocery stores), and industrial and production sectors (farms and bakeries).
Distribution and Marketing Channels	<ul style="list-style-type: none"> Wholesale Channel: One of the most critical marketing channels, serving as a key pillar in driving sales volume and ensuring demand stability. Modern Trade Channel: Includes hypermarkets, supermarkets, and large retail chains. E-commerce Channel and Digital Platforms. Branches: Enables direct access to key customer bases with high efficiency. Direct Distribution Channel: Relies on sales operations to end-consumers without intermediaries. HoReCa Channel: Targeting hotels, restaurants, and cafés. B2B Channel: Includes direct sales to the commercial and industrial sectors, such as companies and distributors.

Stakeholder and Concerned Parties Engagement

Arabian Mills 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).



Investing in Trust



Customers and Suppliers

Shareholders and Investors

Employees

Regulatory and Government Authorities

Principles and Commitments

- Sustainable strategic partnerships with customers and suppliers.
- Local expansions to increase the customer base.
- Fair and transparent contractual relationships.
- Enhancing customer experience and after-sales services.
- Developing communication tools and rapid-response capabilities.

Principles and Commitments

- Protecting shareholders' rights and ensuring financial transparency.
- Complying with regulatory authorities and regulations.
- Maintaining effective periodic communication with shareholders and disclosing the financial statements with full transparency.
- Holding General Assembly meetings on schedule to enhance shareholder participation.
- Building a strong foundation of trust with shareholders by strengthening the role of Investor Relations (IR).
- Participating in conferences and events related to capital markets.

Principles and Commitments

- Creating a motivating work environment that prioritizes continuous development and empowerment of employees.
- Applying the highest occupational health and safety (OHS) standards across all work locations.
- Enhancing employee engagement through effective internal communication channels.
- Empowering national talent and supporting diversity and equality in employment opportunities.
- Supporting employee well-being programs to enhance stability and reduce turnover rates.

Principles and Commitments

- Full compliance with the regulations and rules issued by regulatory and supervisory authorities in the Kingdom.
- Adherence to the requirements of the Capital Market Authority (CMA) and compliance with offering and listing rules.
- Compliance with instructions issued by relevant authorities, such as the Saudi Food and Drug Authority (SFDA) and the General Food Security Authority (GFSA).
- Effective cooperation with regulatory bodies during periodic visits and inspections, in addition to providing required data.
- Supporting government initiatives to enhance food security in the Kingdom.



Society

Principles and Commitments

- Sustainable environmental practices through energy conservation, waste recycling, and enhancing operational efficiency.
- Participation in Saudi Vision 2030 programs to achieve sustainability and economic development.
- Implementation of the CSR initiatives focused on health, nutrition, and supporting local communities.
- Supporting food security by maintaining continuous production and providing high-quality flour products.

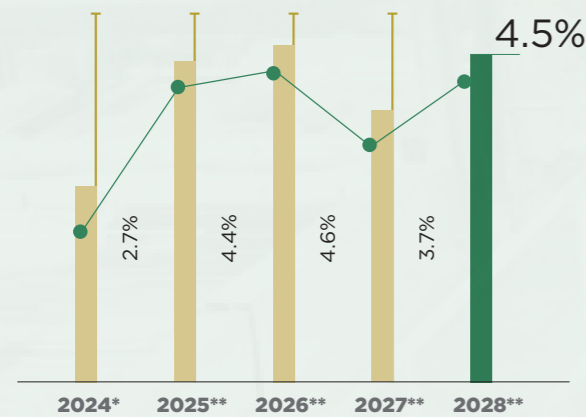
Market Review

The Kingdom is witnessing accelerated economic growth driven by an ambitious national vision that aims to diversify sources of income and enhance the contribution of non-oil sectors, foremost among them the food sector. Structural reforms and strategic investments have helped to consolidate the foundations of economic transformation, which has positively impacted consumers' purchasing power and contributed to boosting demand for a wide range of goods and services.

Gross Domestic Product (GDP)

The Kingdom's gross domestic product (GDP) is witnessing accelerated growth, reflecting the success of programs and initiatives stemming from Saudi Vision 2030. These efforts have contributed to strengthening a robust and resilient economic environment, driven by the expansion of non-oil sectors. Recent indicators show tangible improvements in economic activity, positively impacting local consumption levels, particularly in the food and milling-related sectors.

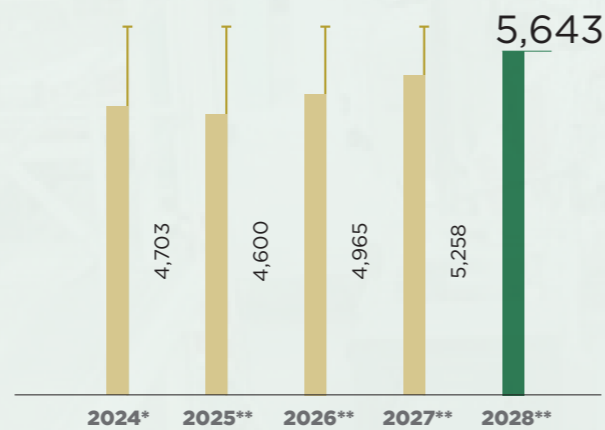
Real GDP Growth



*Source: Ministry of Finance (MoF).
**Preliminary Estimates.

Nominal GDP

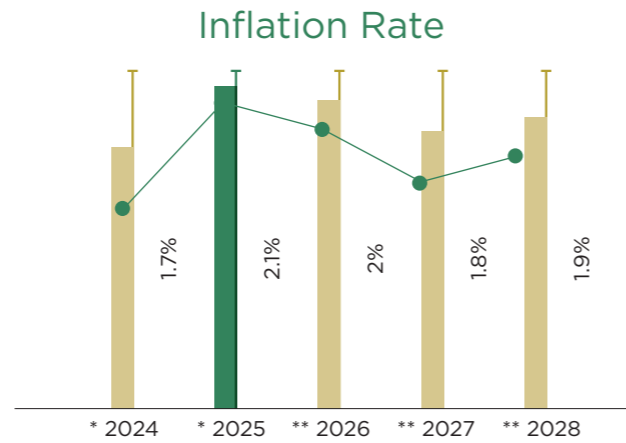
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*Source: Ministry of Finance (MoF).
**Preliminary Estimates.

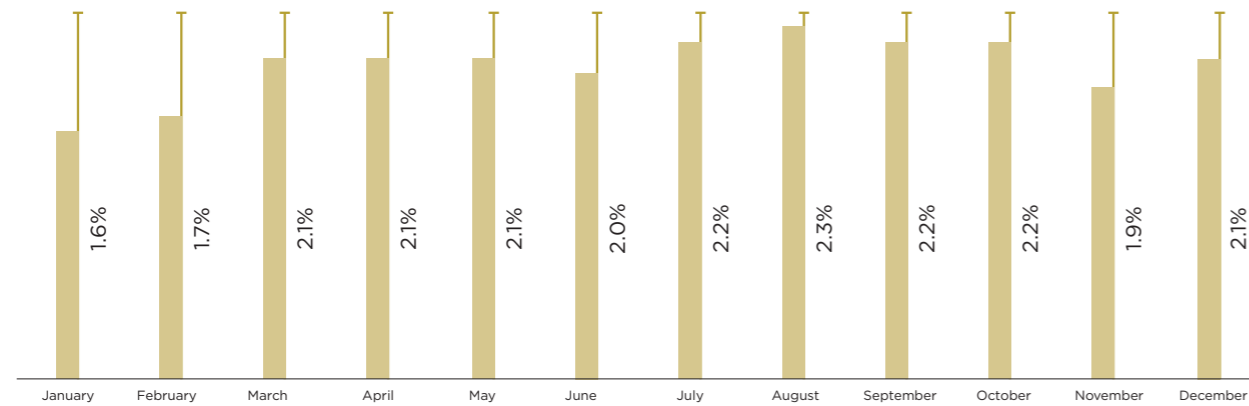
Inflation

The Kingdom has maintained low inflation rates and stable prices, supported by proactive fiscal and monetary policies that enabled it to absorb inflationary pressures and mitigate price volatility, particularly in food commodities, compared with many neighboring economies. This performance has been reflected in the decline of inflation rates in recent years to safe and stable levels, which has strengthened consumer confidence, enhanced purchasing power, and contributed to supporting market stability and stimulating sustainable economic growth.



* Source: Ministry of Finance (MoF) and General Authority for Statistics (GASTAT). ** Preliminary Estimates.

Inflation Rate Evolution in the Kingdom in 2025

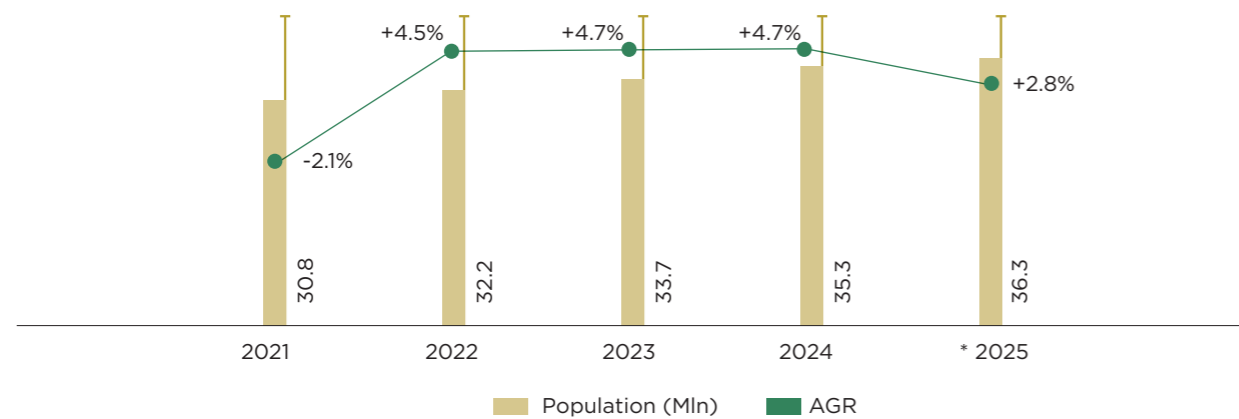


Source: General Authority for Statistics (GASTAT).

Population Growth and Food Demand

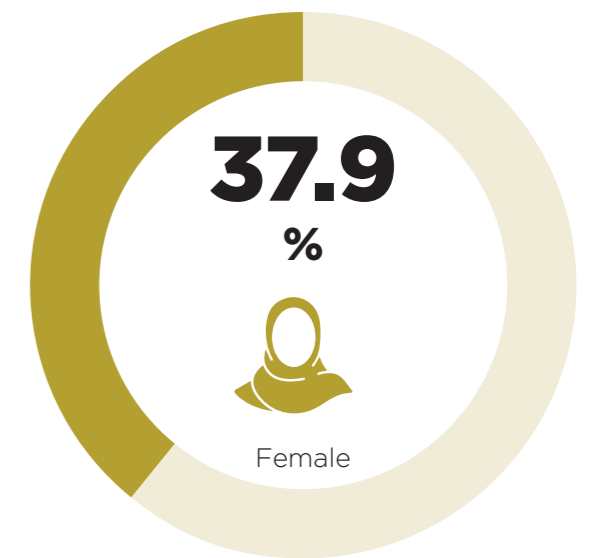
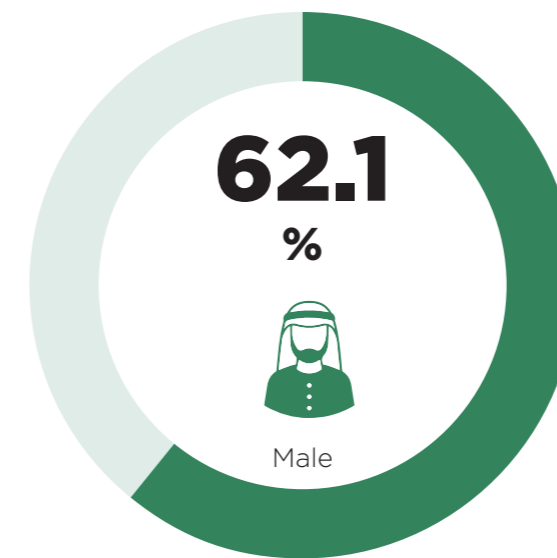
Population growth in the Kingdom represents a key driver of increasing demand for food commodities, supported by a national vision that aims to raise the population to 50 million people by 2030. With the continued improvement in living standards and the implementation of development projects, demand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

Saudi Population Growth over the Last 5 Years

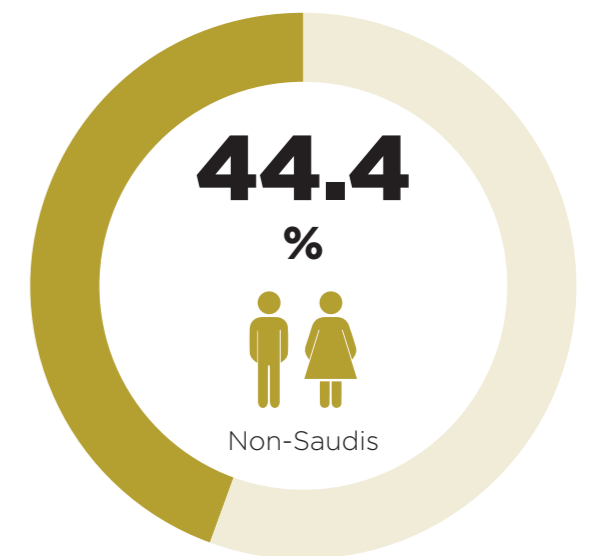
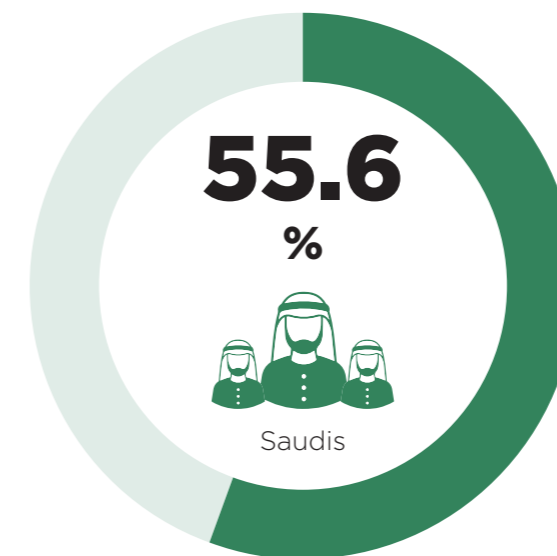


Source: Ministry of Economy and Planning (MED). * Estimated.

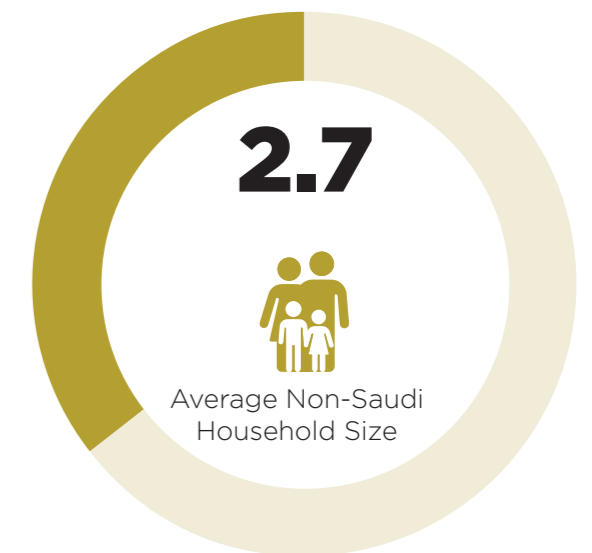
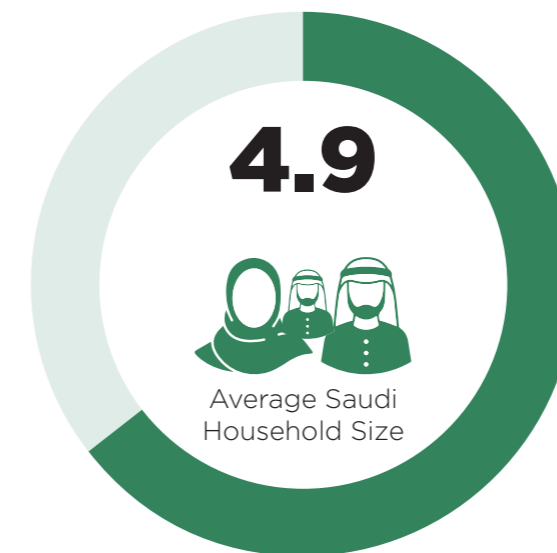
Gender Breakdown



Demographics



Household Size (Individuals)



Global Wheat Market

Between 2019 and 2025, the global wheat market witnessed fundamental shifts, driven by the COVID-19 pandemic and the repercussions of the Russia-Ukraine conflict. As a result, prices reached historic highs in 2022 before easing with improvements in global supply, leading to a period of relative stability. Nonetheless, the market remains susceptible to volatility stemming from geopolitical tensions, climate change, and tightening protectionist policies, including trade restrictions and higher tariffs, which may adversely affect supply chains and increase inflationary pressures.

Prices Evolution of Key Global Wheat Varieties

(Prices in USD/Ton)

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

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

Global wheat production is expected to reach 827 million tons in 2025, a 3.6% increase over the previous year's levels. Meanwhile, the FAO report projects that global consumption will rise by approximately 1.1%, reaching 803.7 million tons. According to FAO data, global wheat production and exports remained relatively balanced despite geopolitical and economic crises, as supply chains demonstrated resilience supported by government policies. However, these crises were reflected more clearly in prices, shipping costs, and international trade than in the overall volumes of production and consumption.

Global Wheat Production Levels, Volume, and Export Volumes

(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).

Saudi Wheat Market

Despite the fluctuations in the global market, the milling sector in the Kingdom has maintained its stability and sustainable growth, thanks to a robust regulatory and strategic framework, supported by the supervision of the GFSA to ensure supply abundance and price stability.

Milling Sector Stability



The Kingdom secures its wheat needs through diversified sources, including global markets, Saudi foreign investments, and licensed local production. Wheat is supplied to milling companies at subsidized rates to ensure supply abundance and price stability. With the growth in population and tourists, and the improvement in income levels, local demand for flour and its derivatives is continuously rising, reflecting the strength of the market.

Quantities and Average Prices of Wheat Contracted for Import by the GFSA over the Last 6 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	269.71	1,011
2025	3,271	265.53	996

Source: General Food Security Authority (GFSA).

The FAO expects the Kingdom's wheat imports to decline to 3.5 million tons during the 2024–2025 marketing year, as a result of elevated domestic inventories. Meanwhile, estimates by the U.S. Department of Agriculture (USDA) indicate consumption growth of 3–4%, driven by population growth, an increase in expatriate labor to support mega-project execution, and the expansion of the tourism sector. Average per capita wheat consumption in the Kingdom stands around 115 kg per year, exceeding the global average of 66.7 kg per year, reflecting strong domestic demand.

Average per Capita Wheat Consumption

(KG/Annum)

Season	KSA	World	Variance
2021/2022	115.5	66.7	48.8
2022/2023	115.5	66.7	48.8
2023/2024	115.7	66.6	49.1
2024/2025	115.5	66.7	48.8
2025/2026	115.6	66.6	49.0

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

According to the GFSA data, local wheat quantities received from farmers during the period 2019–2024 showed exceptional growth, with a Compound Annual Growth Rate (CAGR) of 28% recorded during the period. This reflects a fundamental development in the local supply ecosystem and aligns with the Kingdom's objectives aimed at enhancing the domestic food security framework, noting that the FAO had expected the Kingdom's wheat production volume to reach 1.5 million tons by the end of 2024.

Local Wheat Quantities and Prices Received from Farmers

(2015 - 2019)

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

Source: General Food Security Authority (GFSA).

The rising domestic demand for wheat products has been reflected in the continuous annual growth of milling companies' sales, contrasted by a significant decline in flour imports. Meanwhile, local flour production recorded a 7.1% increase during the 2018–2022 period.

Total Wheat Flour Consumption

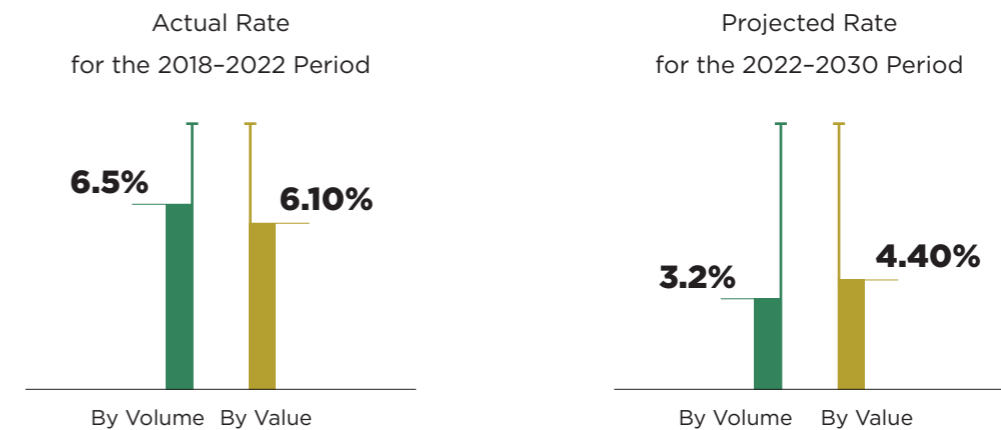
(000' Tons)

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

Source: Euromonitor International Estimates.

Driven by the expansion of the food services sector in the Kingdom and the growing number of tourists, which is expected to exceed 150 million visitors annually by 2030. The flour sector is anticipated to experience significant growth in demand, 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% between 2022 and 2030, reaching 4,362.3 thousand tons by 2030. In value terms, consumption is projected to grow at a CAGR of 4.4%, amounting to SAR 2,760.3 million, driven by increased flour consumption in local markets and the expansion of tourism and service-related activities in the Kingdom.

CAGR of Wheat Flour Consumption



Source: Euromonitor International Estimates.

The Kingdom's wheat imports from Ukraine declined from 7% to less than 1% during the 2023/2024 season, due to geopolitical tensions.

Slight Change in the Structure of the Kingdom's Wheat Imports

		Ukraine	Russia	Rest of the World
Pre-war (2021)	Quantity (000' Tons)	222	291	2,487
	Percentage	7%	9%	84%
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 the U.S. Department of Agriculture (USDA) Report (March 2025).

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

Wheat Exporting Countries and the Kingdom's Import Share

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

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

Government Wheat Subsidy

The GFSA is responsible for regulating the prices of wheat flour packed in bags weighing 45 kg or more, while smaller packs allow milling companies to benefit from the expansion of the modern retail environment. The GFSA has set a fixed price of SAR 180 (equivalent to USD 48) per ton of wheat, with maximum selling price caps ranging from SAR 488 per ton for cake flour to SAR 622 per ton for bakery flour, in a move aimed at enhancing food security, protecting consumers, and achieving economic stability.

Milling Companies

The milling sector in the Kingdom is based on four main companies: First Milling Company, Arabian Mills, Modern Mills, and Fourth Milling Company. The GFSA is responsible for supervising and regulating the sector, as well as distributing wheat quantities to these companies according to their needs. By the end of 2024, wheat sales to milling companies recorded a 9.5% growth rate, compared to the previous year.

Evolution of Wheat Sales for the 4 Milling Companies

(Quantities in Tons)



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

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

Performance Overview of Saudi Milling Companies

(Tons)

	2020	2021	2022	2023	2024
Flour Production Volume	2,650,111	2,637,821	3,423,882	3,471,660	3,735,574
Animal Bran Production Volume	460,123	880,200	1,104,188	1,087,860	1,287,990
Animal Feed Production Volume	559,562	632,425	737,894	687,334	833,395

Source: Euromonitor International Estimates.

Feed

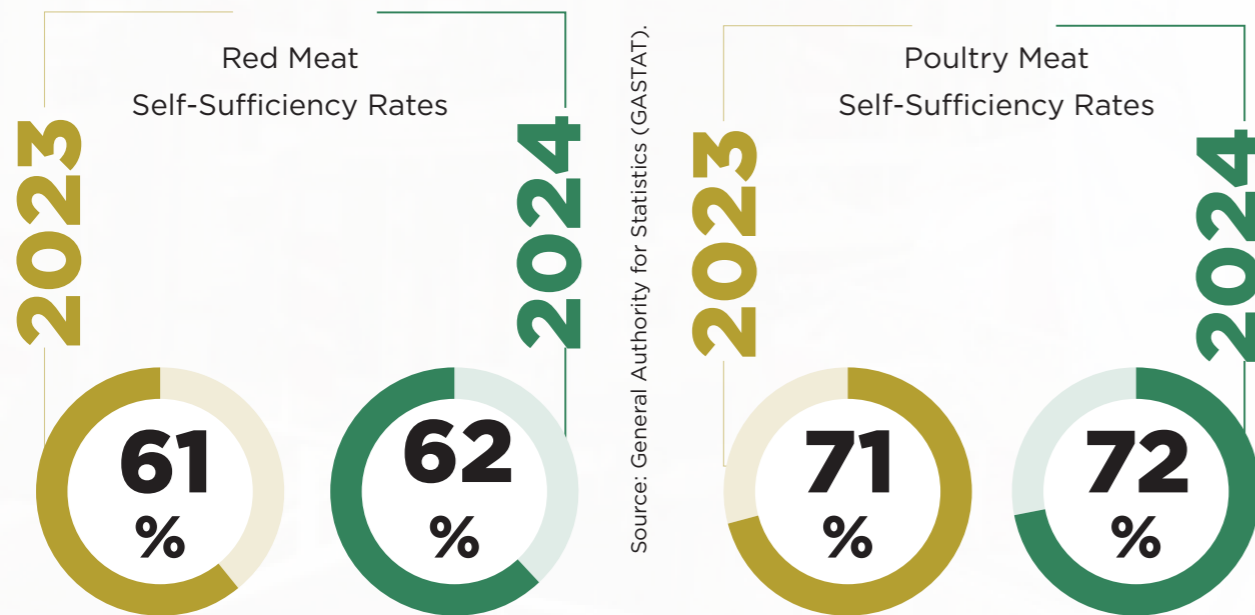
The Kingdom has adopted price support policies for essential commodities, including direct and indirect subsidies for the feed sector and animal production inputs, expansion of local farming projects, and building strategic reserves of production inputs. Feed support is of particular importance, given that feed represents a significant portion of production costs in the poultry and livestock industries. This support helps keep poultry products affordable for consumers by absorbing part of the cost of importing feed inputs such as corn and soybeans, while also encouraging investment in domestic feed production as part of broader efforts to reduce reliance on global markets.

The compound feed market in Saudi Arabia is expected

to grow strongly during the 2022-2030 period, driven by government policies to enhance local production, including initiatives to localize poultry production and the rising demand for high-quality feed. Projections indicate that the compound market volume will reach approximately 5.1 million tons by 2030, thanks to this growth in demand.

The Kingdom recorded a high self-sufficiency rate in poultry meat, reaching approximately 72% in 2024, reflecting the progress made in the animal production sector as a result of these policies, with continued efforts to reach higher self-sufficiency rates in the future, in a move aimed at enhancing food security, protecting consumers, and achieving economic stability.

Livestock Statistics Indicators (%)



CAGR of Compound Feed Consumption

(Livestock, Poultry, Fish, etc.)

Actual Rate for the 2018–2022 Period		Projected Rate for the 2022–2030 Period	
By Volume	By Value	By Volume	By Value
7%	21.3%	4.6%	3.5%

Source: Euromonitor International Estimates.

Bran

The increasing demand for poultry meat and livestock feed contributes to boosting the domestic consumption of bran, which is a by-product of the wheat milling process and a key component in the production of livestock feed. Locally produced wheat bran in the Kingdom is used as a primary ingredient in manufacturing livestock feed, as it improves animal digestive health and enhances feeding efficiency. Bran consumption is projected 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 2022-2030 period.

CAGR in Total Animal Wheat Bran Consumption

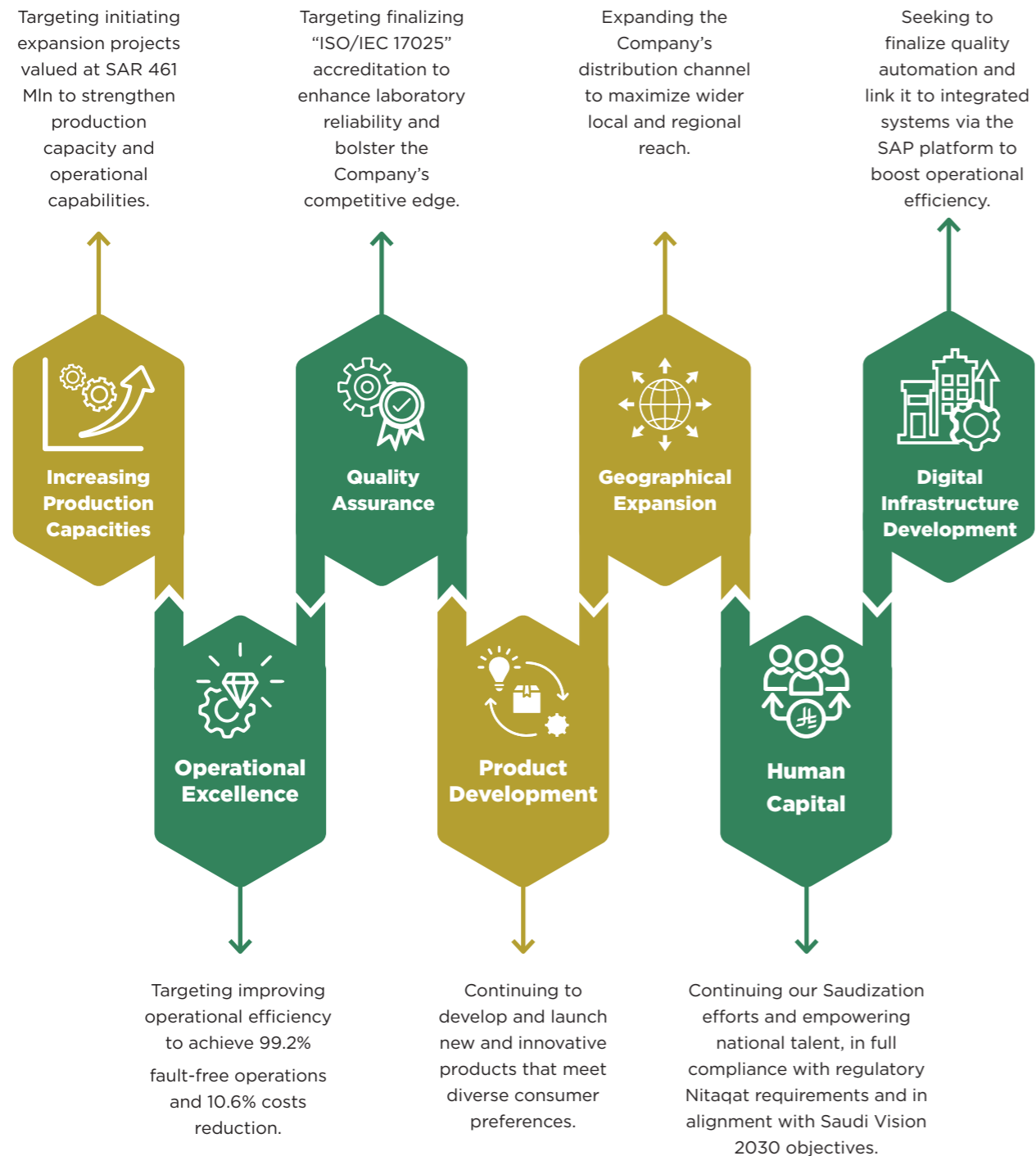
Actual Rate for the 2018–2022 Period		Projected Rate for the 2022–2030 Period	
By Volume	By Value	By Volume	By Value
(1.5%)	4.8%	2.9%	0.6%

Source: Euromonitor International Estimates.

Company's 2026 Outlook

Arabian Mills enters 2026 with an ambitious vision built on solid strategic pillars, aiming to strengthen its market share, increase production capacity, and execute local and regional expansions that support its sustainable growth.

Growth and Development Plans for 2026

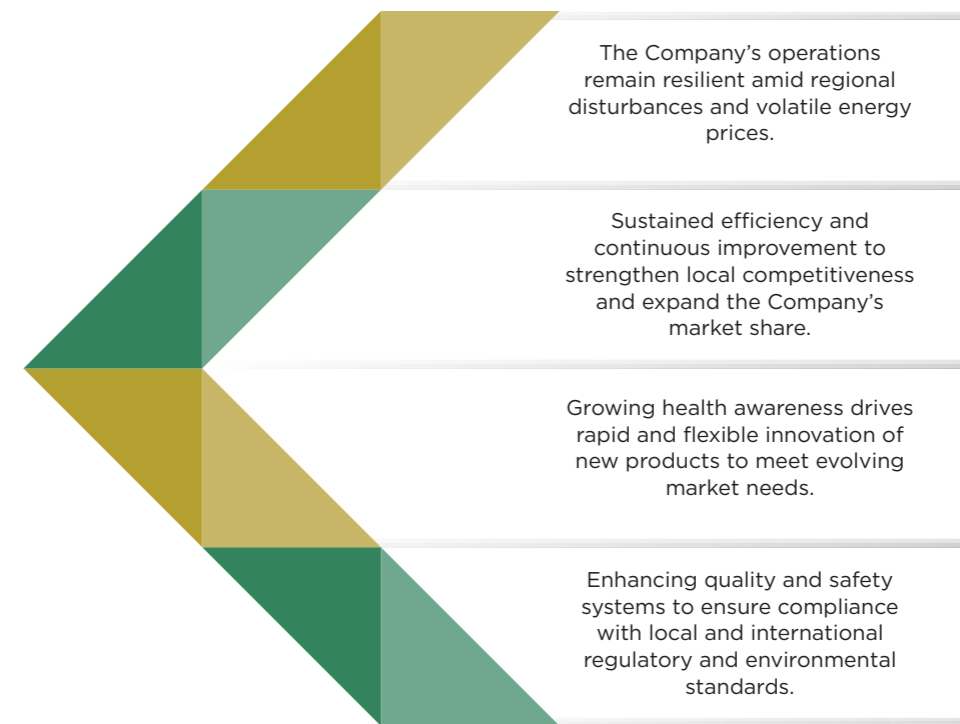


Challenges and Opportunities

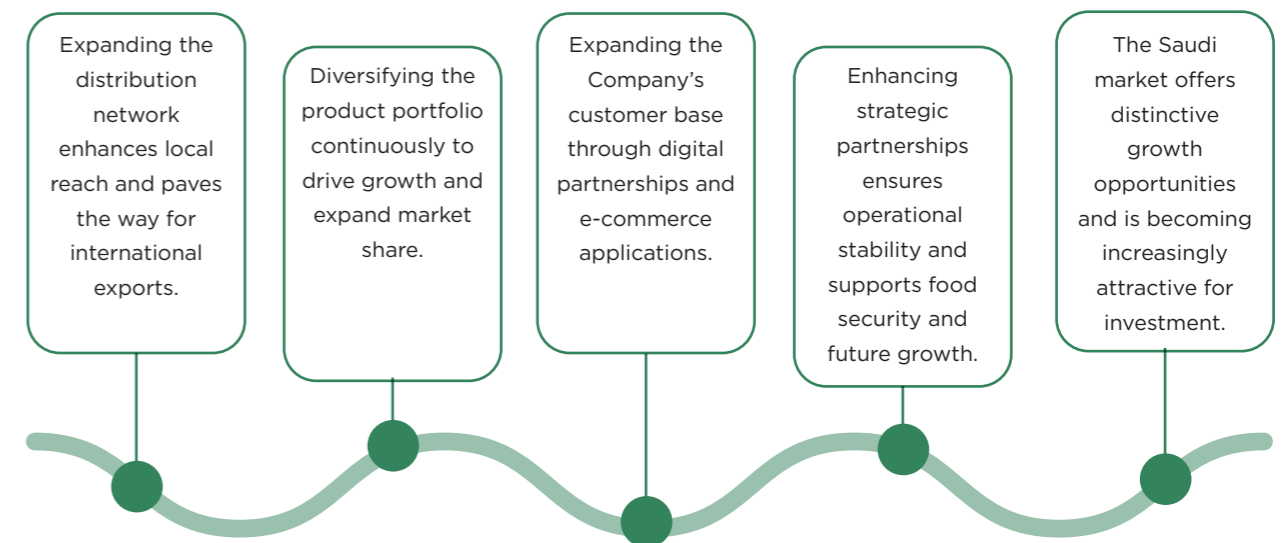
Arabian Mills is moving steadily toward achieving its strategic goals within a supportive regulatory environment and clear growth opportunities. The Company's success remains contingent on its ability to manage competitive and operational challenges while maintaining the pace of innovation, positioning it for market leadership and promising regional growth.

The Company has turned the challenges of 2025 into tangible achievements, thanks to its strategic vision and operational flexibility, reaffirming its role as a key contributor to the Kingdom's food security ecosystem.

Turning Challenges into Achievements



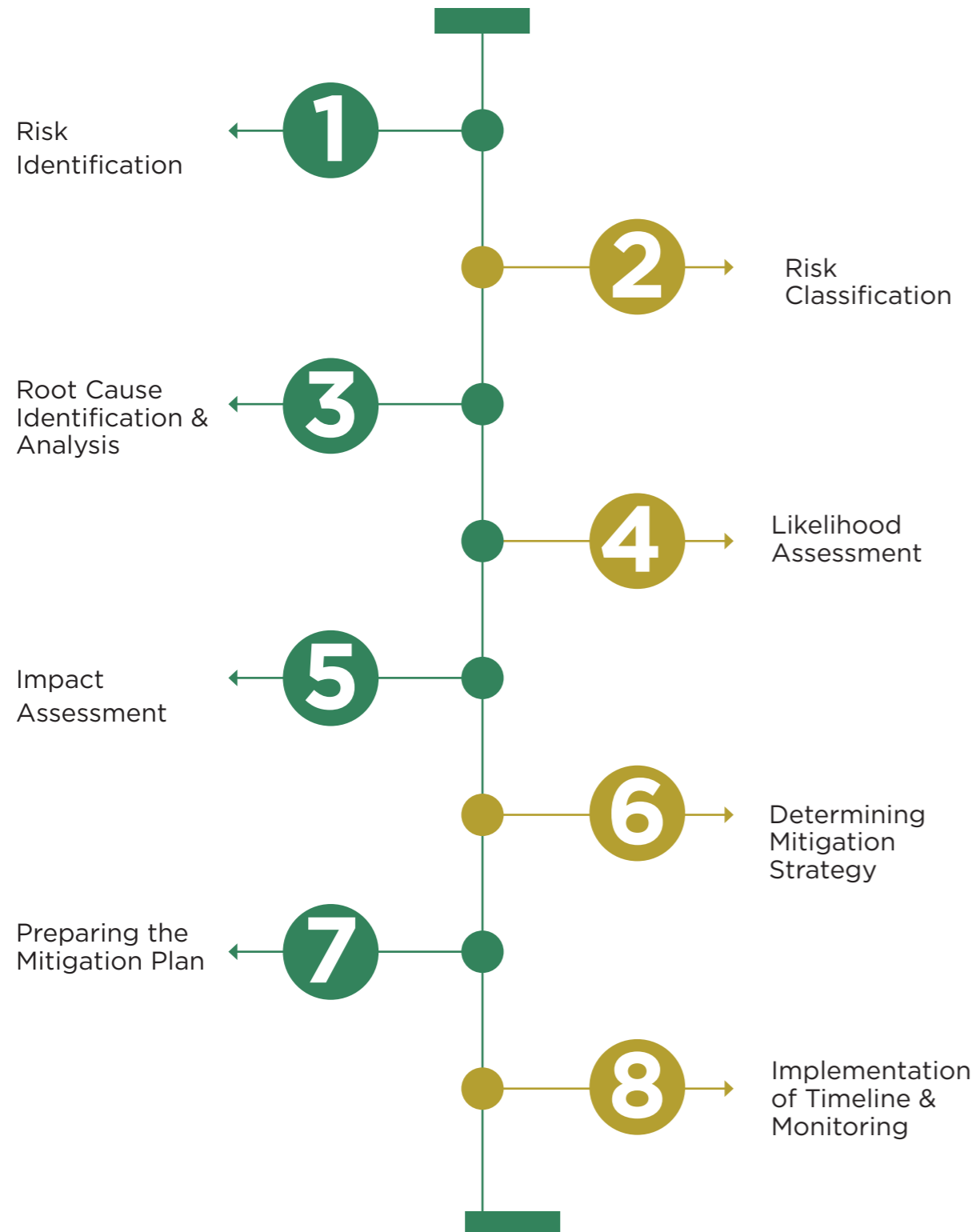
Strategic Growth Opportunities



Risk Management

The Company adopts a proactive risk management approach that protects assets and supports the achievement of strategic objectives, under the supervision of the Audit Committee in line with the best international practices and governance standards.

Risk Management Approach



Risk Categories



Operational Risks

Activity	Risk Management Approach
Supply Chains	Diversifying supply sources and maintaining safety stock levels to ensure continuity of production. Establishing a long-term partnership with the GFSMA to enhance supply operations stability.
Production Pressures	Announcing expansion projects valued at SAR 461 Mln, along with upgrades at Riyadh Plant and the automation of operations to increase production capacity. Adopting advanced predictive maintenance technologies, leading to 1.3% reduction in downtime.
Control and Quality	Adhering to standards and quality accreditations to ensure defect-free products. Implementing strict traceability systems and periodic testing across all production stages. Providing continuous food safety and product quality training for all operational teams.
Security and Safety	Complying fully with the safety standards and regulations applicable within the Kingdom. Implementing strict policies and providing qualified expertise to ensure a safe working environment. Conducting training and orientation sessions to foster a safety culture within the workplace.
Inventory Management	Monitoring storage conditions for raw materials and finished products to ensure their safety. Updating the Hazard Analysis and Critical Control Points (HACCP) system to enhance control and ensure the safety of production and storage. Implementing an effective Traceability System to ensure data integrity and efficiency in storage and production.

Financial and Economic Risks

Activity	Risk Management Approach
Insurance Coverage	Retaining and periodically reviewing insurance documents to ensure effectiveness under all circumstances.
Liquidity and Interest Rates	Maintaining a high level of liquidity to reduce reliance on external financing. Depending on operating cash flows enhances efficiency and lowers costs. Enhancing the customer collection cycle and reassessing granted credit terms.
Fees and Taxes	Conducting periodic review with legal and tax experts to proactively avoid risks. Providing sufficient financial provisions to meet new tax obligations.
Credit	Diversifying the customer base reduces default risks and protects cash flows.

Market Risks

Activity	Risk Management Approach
Changing Consumer Preferences	Investing in R&D to launch new and innovative products. Establishing leading partnerships, including NielsenIQ, for pre-market product testing. Launching marketing campaigns to enhance brand awareness and loyalty.
Intensifying Sector Competition	Continuous innovation and high quality strengthen the Company's position and protect its market share. The GFSA regulates the market to mitigate price pressures within the milling sector.
Brand Erosion	Conducting periodic reviews and launching seasonal campaigns to strengthen the brand. Innovating new products that meet changing consumer needs and preferences. Collaborating with experts in brand valuation and market research to ensure the success and popularity of new products.
Revenue Concentration	Expanding geographically to serve additional regions across the Kingdom. Strategic planning for entry into regional markets and broadening the customer base.

Regulatory Risks

Activity	Risk Management Approach
Government Subsidy	Focusing on developing unsubsidized products and expanding regional export.
HSE Compliance	Complying fully with the Kingdom's HSE rules and regulations. Obtaining international certifications that prove the effectiveness of systems and the work environment across the Company's three facilities.
Saudization Requirements	Aligning Saudization with qualified talent to support expansion goals. Complying with Saudization requirements in line with Saudi Vision 2030 objectives.

Cybersecurity and IT Risks

Activity	Risk Management Approach
Audit and Cybersecurity	Conducting regular reviews and ongoing contingency planning to mitigate potential disasters and unexpected incidents. Offering training programs to enhance employees' cybersecurity awareness.



Section III
Operational
Review

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Our Operational Efficiency

Operational Achievements in 2025

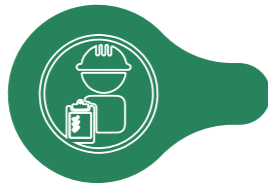
Improving the efficiency of production capacity utilization delivered stable growth in flour output, exceeding 1.11 million metric tons in 2025, up 4.2% compared to the previous year.



Strengthening geographic presence through inaugurating Jeddah branch and supporting marketing and sales operations in the Western Region.



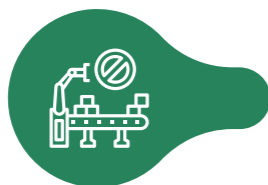
Integrating automation with predictive maintenance and resource recovery systems, enhancing the efficiency of Riyadh Plant and positioning it as the most efficient facility in the region.



Strengthening quality assurance, as Hail branch laboratories obtained ISO/IEC 17025 accreditation, alongside updating Hazard Analysis and Critical Control Points (HACCP) for food safety systems across all branches.



Accomplishing the digital transformation that bolstered the Company's performance through advanced production, inventory, and supply chain systems, increasing operational speed and accuracy.



Upgrading the milling system comprehensively at Riyadh Plant, shifting operations from semi-automated processes to a fully integrated digital environment.



Adopting technological upgrades, enhancing energy performance, and enabling smooth operations, increasing efficiency and reducing waste across all production lines.



Expanding the product portfolio by launching new specialized value-added products such as Chakki Atta flour, pasta, and cake mix, in addition to relaunching certain products such as Harees and Jareesh, with a focus on products targeting the HoReCA sector.



Automating operational and commercial processes by initiating the automation of retail sales and finalizing the activation of the Quality Management Module within the SAP system.



Enhancing human capabilities by investing in human capital and supporting Saudization, which reached 41.77% in 2025.

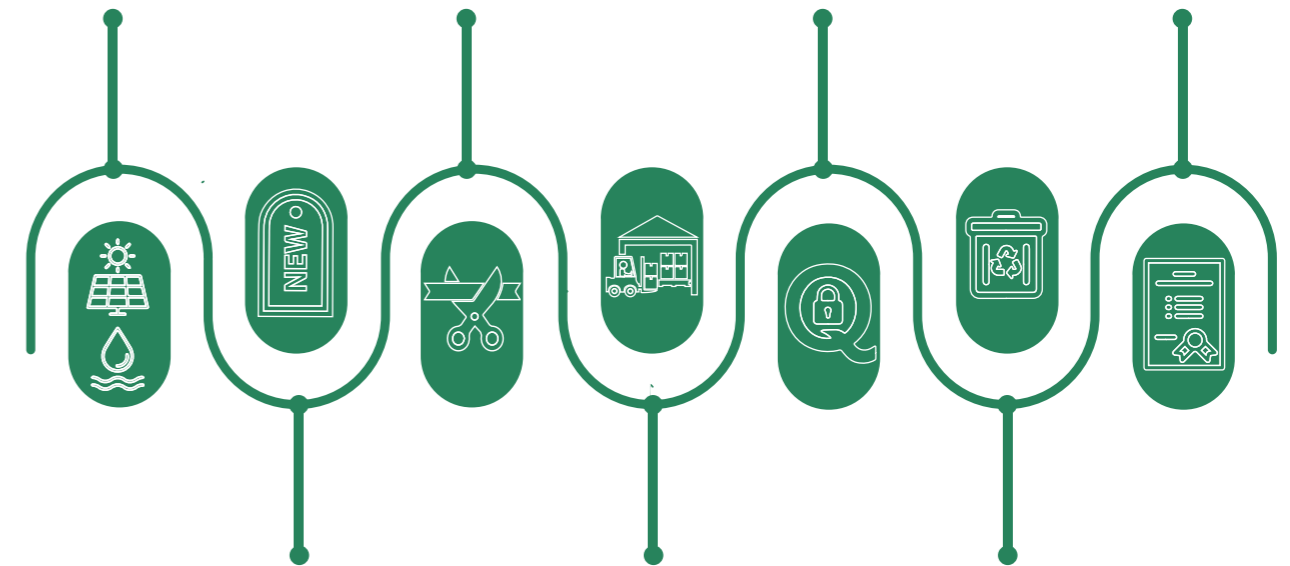
Our Operational Objectives for 2026

Leveraging technological upgrades, applying lean operations, and rationalizing energy and resource consumption to enhance efficiency.

Implementing expansion projects and preparing to open new branches in the Eastern and Southern Regions to strengthen regional presence.

Completing the automation of sales processes and integrating all quality systems to enhance efficiency through SAP systems.

Continuing to obtain ISO/IEC 17025 accreditation for all Company branches.



Launching new specialized products that address diverse preferences, such as pasta, specialized flour, and gluten-free products.

Diversifying supply sources and strengthening strategic inventory management to ensure production continuity and address global volatility.

Continuing to apply lean operating principles to rationalize energy and resource consumption and reduce waste.

Main Activities of Arabian Mills

Activities as per Commercial Registration	Current Activities
Milling and Packing Wheat	✓
Milling and Packing Barley	✓
Milling and Packing Jareesh, Semolina, and Bulgur	✓
Manufacturing Compound Animal Feed	✓
Manufacturing Livestock Feed	✓
Land Freight Transport of Goods	--
Storing in Customs or Free-Zone Ports	--
Wholesaling of Bakery Products	✓
Trading in Specialty and Health Foods	--
Using Integrated Administrative Office Services	--

Financial Performance Indicators	2021	2022	2023	2024	2025
Flour					
Revenue (SAR Mln)	391.62	491.00	521.55	534.55	576.58
Feed					
Revenue (SAR Mln)	114.97	200.34	132.01	184.49	191.22
Bran					
Revenue (SAR Mln)	134.19	212.52	220.61	254.90	229.87

Operational Performance Indicators	2021	2022	2023	2024	2025
No. of Production Sites	3	3	3	3	3
No. of Production Lines	11	11	11	11	11
Wheat Milling Capacity (Tons per Day)	4,450	4,600	4,750	4,920	4,920
Flour Production Volume (000' Tons)	752	964	1,011	1,069	1,136
Flour Milling Utilization (%)	73.6%	73.6%	75.6%	75.7%	75.7%
Feed Production Capacity (Tons per Day)	600	600	600	600	600
Feed Production Volume (Tons per Day)	157.1	175.1	119.3	159.8	181.9



Flour Products

The flour product portfolio of Arabian Mills includes three main product categories, which are flour and wheat derivatives (semolina, wheat germ, and wheat bran for human consumption), marketed under “Finah” and “Master Mills” brands. The Company also produces a wide range of feed products under “Kamil” brand, including poultry and livestock feed, as well as wheat bran for animal consumption.

In terms of flour production, the Company holds the second-largest market share in the Kingdom’s flour sector at 28%. Furthermore, Arabian Mills is one of the leading suppliers of 45 KG bagged flour and bulk flour, reinforcing its prominent position in the market.

Flour Products by Extraction Rate



Flour Production Stages

Flour at Arabian Mills is produced through a precise engineering methodology that integrates human expertise with digital automation, starting with the receipt of raw materials and continuing through to the delivery of safe, high-quality products that meet the highest international standards.

Production Journey (From Wheat Farms to Table)



1 Receipt and Inspection of Wheat

- Receiving incoming wheat shipments.
- Subjecting the grains to immediate, rigorous inspections upon receipt, including measurement, sifting, and moisture-content testing.
- Conducting classification tests for the different wheat types in preparation for blending processes.
- Storing wheat in specialized silos.
- Ensuring that all raw materials undergo quality assurance procedures in line with the Quality Management System (QMS).



2 Cleaning, Sorting, and Conditioning

- Removing lightweight impurities using suction equipment and air separators.
- Separating larger-sized particles using advanced sorting and separation equipment.
- Adding specific quantities of water to clean wheat to improve bran separability.
- Allowing the grains to rest for a defined period of time to ensure uniform moisture absorption.



3 Milling and Sifting

- Passing the wheat through a series of successive milling rollers to break the kernels.
- Passing ground material through multi-layered vibrating sieves to separate fine flour from larger semolina particles.
- Returning larger-sized particles to subsequent milling stages to extract the maximum possible quantity of the required flour.



4 Fortified Blending

- Collecting flour types resulting from milling stages and blending them according to specified formulations to produce varieties of flour (Premium, Bakery, and Whole Wheat).
- Fortifying certain products with approved vitamins and minerals to compensate for nutrients lost during processing.



5 Quality Control

- The Quality Department supervises, monitors, and inspects all processes to ensure the safety and reliability of the final product and to guarantee full compliance with the requirements and standards approved by the relevant Saudi authorities. This stage includes conducting the necessary tests in advanced laboratories recognized for their efficiency and accuracy to verify that the final products meet the highest quality and safety requirements before being released to the market.



6 Automated Packaging

- Automated packaging into suitable containers that protect against moisture and contaminants, using advanced systems. Packages are provided in a variety of sizes ranging from 1 KG to 45 KG across 31 packaging lines at the Company's plants.

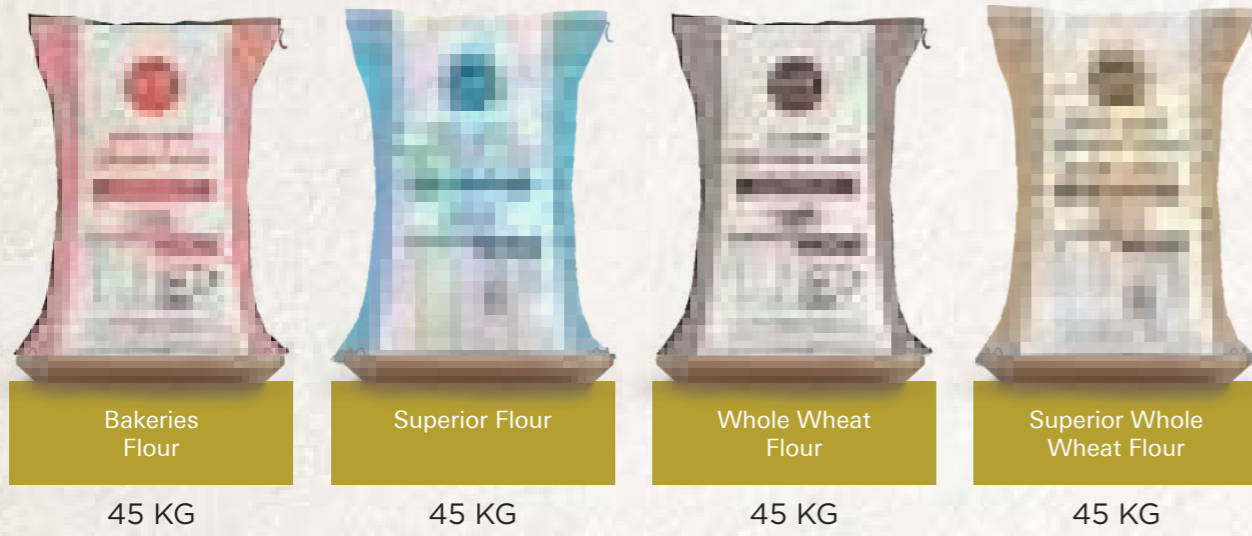


7 Storage and Distribution

- Systematic storing in controlled warehouses, with continuous monitoring of transport conditions to prevent spoilage.

Product Portfolio

Business-to-Business (B2B) Packs



Bakeries Flour

45 KG

Superior Flour

45 KG

Whole Wheat Flour

45 KG

Superior Whole Wheat Flour

45 KG



Consumer Packs (B2C)



Finah Patent Flour

(1, 2, 5, 10) KG

Finah Superior Flour (for Sweets & Pastries)

(1, 10) KG

Whole Wheat Flour

(1, 2, 5, 10) KG

Pizza Flour

(1, 10) KG



Chapati Flour

(1, 10) KG

Flour

(1, 10) KG

Whole Wheat Flour

(1, 10) KG

Chakki Fresh Atta

5 KG



Bakery Flour

10 KG

Superior Whole Wheat Flour

10 KG

Wheat By-Products

Bran accounts for approximately 23% of wheat by-products and is used as a low-cost ingredient in animal feed production. Arabian Mills adopts an integrated philosophy to grain utilization that extends beyond flour production to include extracting and maximizing value from all secondary milling by-products. Bran is a by-product of considerable importance, contributing to the nutritional value chain both directly and indirectly, supporting the Company's operational efficiency and financial performance, and further strengthening the livestock sector.

The Company leads the bran market in the Kingdom with a 32.6% market share, producing bran intended for human and animal consumption. Bran sales accounted for approximately 23% of total sales in 2025, underscoring its strategic importance within the Company's product portfolio and its role in reinforcing the Company's market position.

The Company's Wheat By-Products



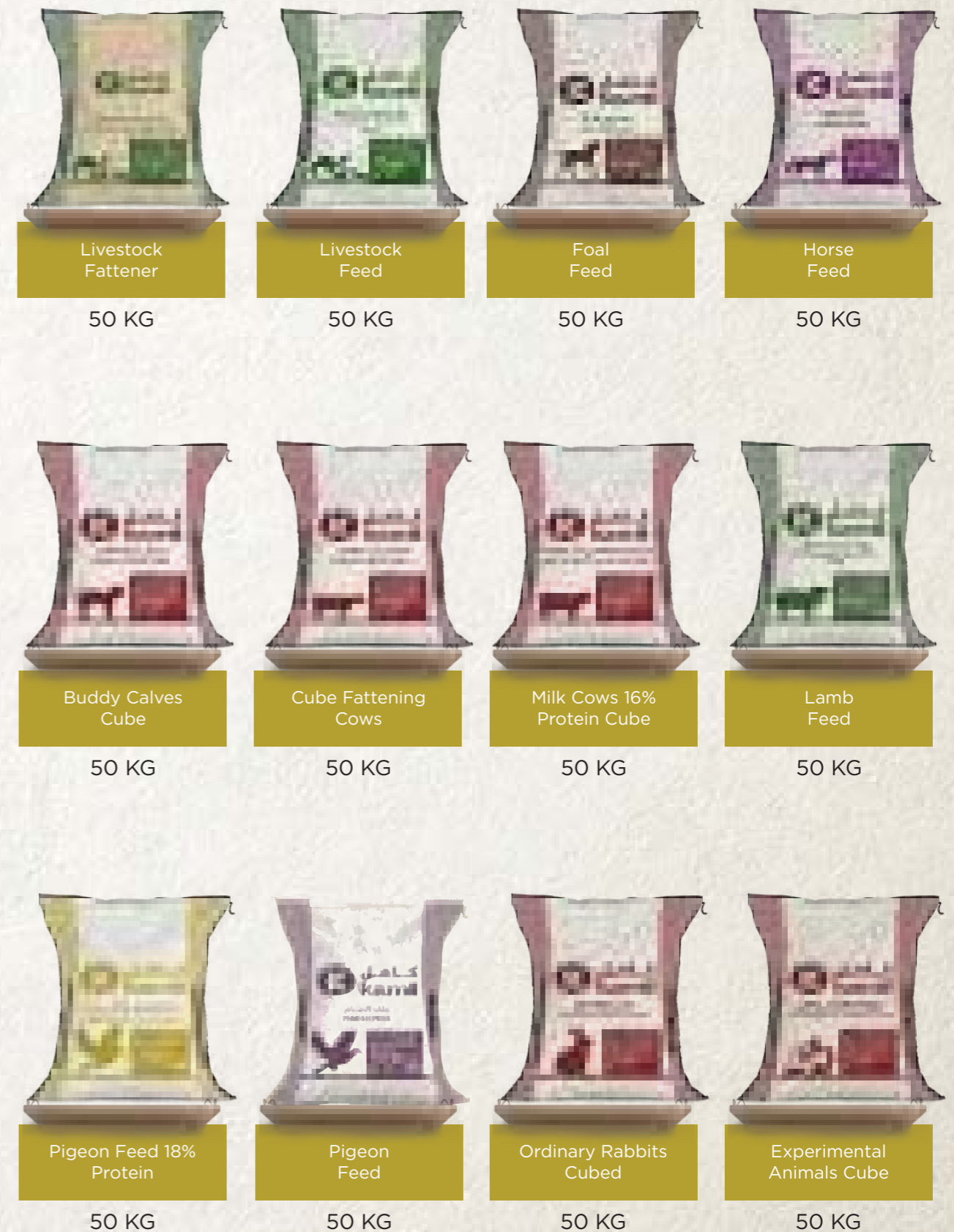
Animal Feed Products

Arabian Mills adopts an integrated model that aims to maximize the value extracted from the wheat production chain, where animal feed products play a pivotal role in supporting the livestock and poultry sectors in the Kingdom, in line with Saudi Vision 2030 objectives to enhance food security.

The Company uses animal bran as a primary component in feed manufacturing, subjecting it to stringent control standards that ensure high operational efficiency and reduced waste. These products are marketed under the leading "Kamil" brand, which includes a wide range of poultry and livestock feed, as well as wheat bran prepared for animal consumption. To reinforce its market presence, the Company provides its products through a network of authorized distributors and retail outlets, as well as direct sales from its plants and affiliated centers.

The Company has successfully secured a 2.3% market share in the compound feed market, while feed sales accounted for approximately 19.84% of total sales in 2025, underscoring the segment's importance to its business portfolio and its role in strengthening financial and operational performance.

The Company's Animal Feed Products



“Master Mills”: An Icon of Food Innovation

The launch of Arabian Mills’s new “Master Mills” brand in 2025 marked a qualitative shift toward the premium product segment. It was not merely a production addition; rather, it embodied the Company’s strategy of targeting consumer segments seeking a refined culinary experience that combines competitive quality with a variety of healthy options.

The launch of “Master Mills” followed an unconventional approach, relying on strategic partnerships with international market research firms to conduct advanced testing and detailed studies of the products and their designs. This methodology ensured that the new brand’s products aligned with customer expectations and consumer preferences regarding quality, safety, taste, and design, thereby strengthening the Company’s position in the premium products market.

The Company’s Products under its New Brand “Master Mills”



Dark Chocolate Moist Cake Mix

Milk Chocolate Moist Cake Mix

Orange Moist Cake Mix

Pancake, Crepe, Waffle Mix



Vanilla Moist Cake Mix

Vanilla Moist Cupcake Mix

White Moist Cake Mix



Dark Chocolate Moist Cupcake Mix

Donut Mix

Dumpling Mix

Lemon Moist Cake Mix

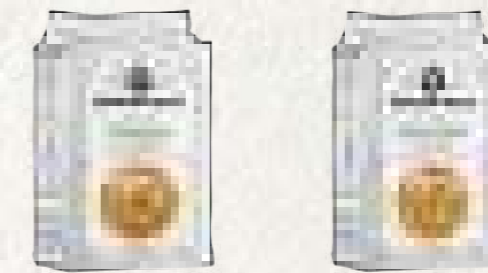
Pasta Products under “Master Mills” Brand



Spaghetti

Vermicelli

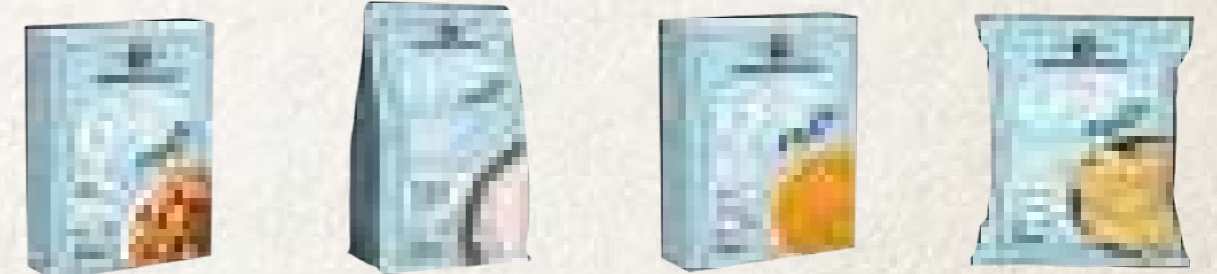
Penne Rigate



Nocciole

Elbow Rigati

Gluten-Free Products under “Master Mills” Brand



Corn & Rice Penne

Flour Mix

Corn Flakes

Triangular Corn Snacks

“Master Mills” Flour Packs Targeted at the Consumer Sector (1 KG Category)



Premium Flour (All-Purpose)

Semolina - Fine

Semolina - Coarse

Infrastructure and Operations Expansion

Company Plants

Arabian Mills's production and logistics network spans the Kingdom's main regions, supported by capital investments to develop infrastructure and enhance operational capacity. The Company's operations are anchored in three main plants distributed across key regions of the Kingdom, which reinforces its local presence and positions it for highly efficient geographic and export expansion.

Riyadh Plant

Riyadh Plant is the Company's oldest and largest facility. Established in 1977, the plant has a daily milling capacity of 3,070 tons of flour and a daily feed production capacity of 300 tons. The plant supplies the Central and Eastern Regions. Riyadh Plant has a storage capacity of 80,000 tons and includes 111 silos for wheat storage, six mills for producing various types of flour, and an additional feed production plant.

Riyadh Plant includes seven milling and blending lines and 15 packaging lines, providing high operational flexibility to handle multiple varieties

of flour and feed products. It also features six dedicated loading docks for handling operations and product delivery from the warehouses to the Company's customers, as well as bulk-flour loading stations for customer trucks.

The Company has recently upgraded the plant's milling technology by transitioning from semi-mechanical control systems to an integrated digital infrastructure, enhancing milling efficiency, reducing waste, lowering energy consumption, and strengthening operational

Indicator	2021	2022	2023	2024	2025
Daily Wheat Milling Production Capacity (Ton)	2,650	2,800	3,040	3,070	4,920
Daily Feed Milling Production Capacity (Ton)	300	300	300	300	300
No. of Mills	6	6	7	7	7
No. of Packaging Lines	12	13	13	13	13
No. of Silos	111	111	111	111	111
Milled Wheat (Ton)	661,797	877,390	903,141	929,009	973,659



Hail Plant

Hail Plant was established in 1982 to serve the Northern Region. The plant has a daily milling capacity of 650 tons and a daily feed production capacity of 300 tons, with a silo storage capacity of 50,000 tons. The number of packaging lines increased from six in 2023 to seven in 2025.

Indicator	2021	2022	2023	2024	2025
Daily Wheat Milling Production Capacity (Ton)	600	600	600	650	650
Daily Feed Production Capacity (Ton)	300	300	300	300	300
No. of Mills	2	2	2	2	2
No. of Packaging Lines	7	7	7	7	7
No. of Silos	15	15	15	15	16
Milled Wheat (Ton)	173,073	202,273	186,061	212,684	214,489

Jazan Plant

Jazan Plant is the newest facility of Arabian Mills, having been established in 2016 to serve as a link between the Company's production and the highly populated markets of the Southern Region, where demand continues to grow. The plant has a daily wheat milling capacity of 1,200 tons and a storage capacity of 72,000 tons, with no feed production.

Indicator	2021	2022	2023	2024	2025
Daily Wheat Milling Production Capacity (Ton)	1,200	1,200	1,200	1,200	1,200
No. of Mills	2	2	2	2	2
No. of Packaging Lines	9	9	9	9	9
No. of Silos	64	64	54	64	64
Milled Wheat (Ton)	186,498	299,445	248,206	270,567	312,400



Consolidated Data for Plants

Indicator	Riyadh	Hail	Jazan	Total
Year of Establishment	1977	1982	2016	-
Daily Flour Production Capacity (Ton)	3,070	650	1,200	4,920
Relative Share of Production Capacity	62.4%	13.2%	24.4%	100%
Annual Wheat Milling Capacity (Ton) Based on 335 Operating Days	1,028,450	217,750	402,000	1,648,200
Daily Feed Production Capacity (Tons)	300	300	-	600
Silo Storage Capacity (Tons)	80,000	50,000	72,000	202,000
Actual Milled Wheat Quantity (Tons per Year)	877,390	202,273	299,445	1,379,108
Percentage of Total Revenue	61.4%	19.3%	19.3%	100%



Quality Assurance and Control

Arabian Mills believes that quality lies at the core of its relationship with its customers and constitutes a fundamental pillar of its business sustainability. Accordingly, the Company adopts a comprehensive, integrated approach that ensures the highest standards of control and food safety across all stages of the value chain, from raw materials receipt through to marketing and distribution. The Company's commitment extends beyond regulatory compliance to the adoption of advanced operational practices that reinforce customer confidence and support its position locally and regionally. The quality system is managed through an integrated institutional framework that balances operational efficiency, compliance, and continuous improvement in line with the Company's strategy and long-term objectives

Organizational Structure of the Company's Quality Department



Regulatory and Standard Compliance for Raw Material Quality Determination

The Company implements an integrated quality and food safety management system based on the highest international and local standards, including the systems of food safety management, quality management, and laboratory competence. Additionally, the Company adheres to approved national, Gulf, and regulatory standards, enhancing its product reliability and reinforcing its market-leading position.

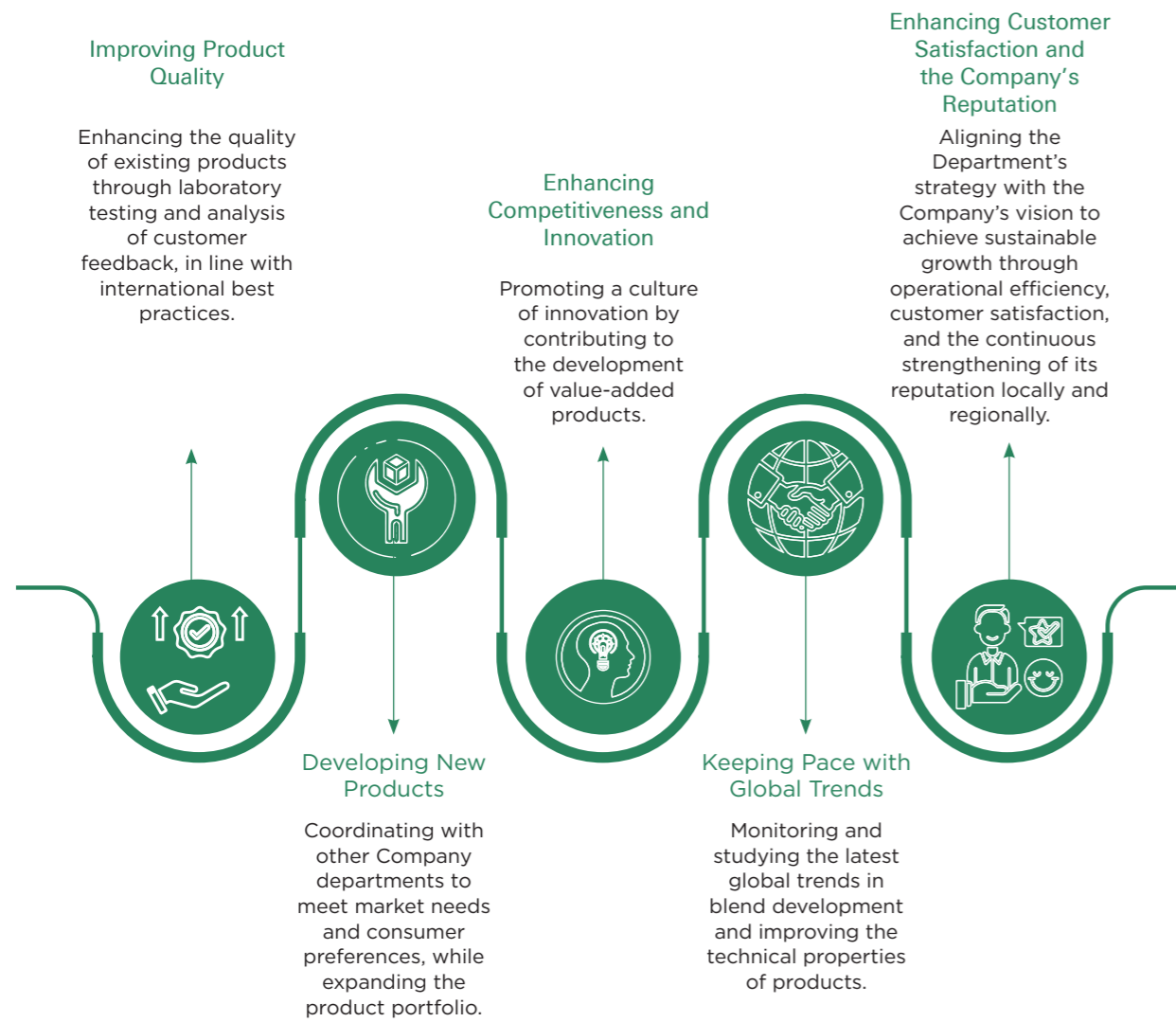
Standards Applied to Determine Raw Material Quality



Main Functions of the Quality Assurance Department

- Verifying Raw Materials:** Verifying raw materials prior to receipt by conducting precise tests and inspections in accordance with approved specifications, ensuring the safety and quality of inputs.
- Monitoring Storage Conditions:** Monitoring storage conditions for raw materials and finished products to ensure compliance with food safety requirements and maintain product quality.
- Monitoring the Production Process:** Continuously monitoring the production process and conducting daily inspections to ensure strict adherence to approved Standard Operating Procedures (SOPs).
- Conducting Laboratory Analyses:** Conducting the necessary laboratory analyses to ensure that finished products and ingredients comply with national and international specification requirements.
- Reviewing and Updating Procedures:** Periodically reviewing and updating relevant policies, procedures, and documents in a manner that enhances institutional performance efficiency and supports continuous improvement.
- Implementing the Periodic Internal Audit Program:** Implementing periodic internal audit programs to verify the level of compliance with approved international standards (Quality Management System, Food Safety Management System, and Laboratory Competence Standards).
- Strategic Goal Alignment:** Aligning operational performance with the Company's strategic objectives through the application and monitoring of quality standards, thereby improving the efficiency of operations and strengthening the confidence of customers and stakeholders.

Main Functions of the Research and Development (R&D) Department



Key Milestones of the Quality Department in 2025

Milestones	Description
Accreditations and Certifications	<ul style="list-style-type: none"> The Company's laboratories at Hail branch obtained ISO/IEC 17025 accreditation from the Saudi Accreditation Center (SAAC), representing a qualitative advancement in testing efficiency and enhancing the accuracy and reliability of laboratory results in accordance with international standards. The Company obtained ISO 9001:2015 Quality Management System certification, covering flour and wheat product manufacturing, feed production, laboratory management, and technical support services. The Company obtained ISO 22000:2018 certification, covering the production of flour, wheat products, and feed, including all stages from the receipt of raw materials to transportation and distribution.
Standardized Systems Upgrade	<ul style="list-style-type: none"> Developing and updating the Integrated Management System (IMS) for quality, food safety, and laboratories to ensure alignment with the latest international standards, thereby enhancing the efficiency of control processes.
Enhancing Control and Internal Audit	<ul style="list-style-type: none"> Implementing a robust internal audit system to ensure compliance with international standards and identify areas for improvement.
Digital Transformation and Automation	<ul style="list-style-type: none"> Implementing digital tools and automation to streamline quality control processes, reduce human error, and improve data accuracy.
Improving Customer Experience	<ul style="list-style-type: none"> Enhancing communication and collaboration with customers to address their needs and improve product quality.
Enhancing Human Capital Efficiency	<ul style="list-style-type: none"> Investing in employee training and development to enhance their skills and efficiency in quality control tasks.

Initiatives Implemented during the Year

Initiative	Description
Infrastructure Development	<ul style="list-style-type: none"> Riyadh Laboratory Project: Approving the establishment of a new central laboratory at Riyadh branch and equipping it with the latest analytical technologies, with the aim of increasing testing capacity and ensuring the speed and accuracy of results. Jazan Laboratory Upgrade: Developing the infrastructure of the microbiology laboratory at Jazan branch to achieve full compliance with ISO/IEC 17025 international accreditation requirements.
Strengthening the Food Safety System	<ul style="list-style-type: none"> Updating the HACCP plans comprehensively across all branches to ensure full compliance with the ISO 22000 standard.
Comprehensive Audit and Compliance	<ul style="list-style-type: none"> Completing the implementation of the annual internal audit program to provide full coverage of all the Company's branches and facilities, ensuring strict adherence to operational regulations and approved international standards.
Enhancing Traceability Mechanisms	<ul style="list-style-type: none"> Enhancing the efficiency of the Traceability System to ensure accurate tracking of the movement of raw materials and finished products across the entire value chain.
Strategic Partnerships	<ul style="list-style-type: none"> Forging high-value partnerships with industry experts to develop feed product formulations and performance, and enhance their quality in line with certified global nutritional best practices.
Promoting Quality Culture and Building Capabilities	<ul style="list-style-type: none"> Implementing intensive awareness campaigns and training programs for operations, warehouse, and support-function teams to embed food safety concepts and ensure the effective daily implementation of HACCP plans.



Laboratory Testing and Analysis Framework

Throughout 2025, the Company conducted over 524,000 tests covering the entire product life cycle, utilizing the latest technologies and international standards. This approach ensures high nutritional quality alongside health safety that meets consumer expectations and aligns with regulatory requirements.

Tests Conducted on the Company's Products

Physical Tests	Chemical Tests	Microbiological and Toxin Tests
329,570	193,226	1,435
Include examining general appearance, odor, impurity levels, determining insect infestation levels, and measuring moisture content, in addition to testing the durability and safety of packing and packaging materials.	Focus on precise analysis of nutritional and functional composition, including measurement of protein and ash percentages, gluten (wet and dry), dough rheological properties, as well as fat and fiber percentages.	Advanced examinations to detect invisible contaminants, including analysis of mycotoxins such as Aflatoxin and Deoxynivalenol (DON), and detection of Salmonella and Coliform bacteria.

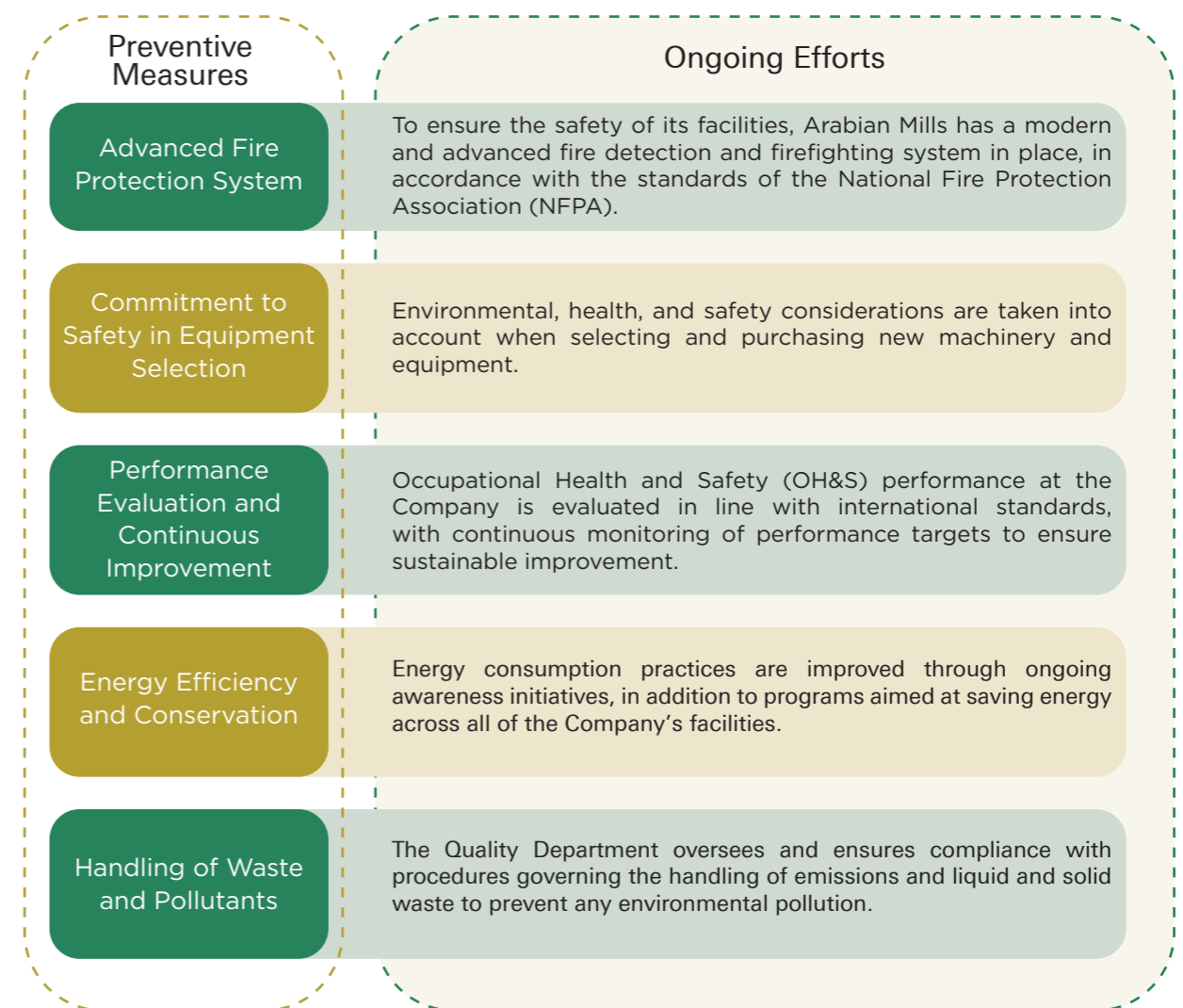
* The Company also conducts additional daily tests totaling 1,436 tests.

Occupational Health, Safety, and Environment (OHSE)

Arabian Mills is keen on Occupational Health, Safety, and Environment (OHSE) as a core part of its social responsibility and sustainable strategy. The Company has adopted integrated systems to ensure a safe working environment and maintain full compliance with relevant laws and regulations. These efforts are reflected in obtaining ISO certifications, which underscore the alignment of its practices with international standards.

The Company adopts a proactive approach to managing potential risks to employees, visitors, and the environment through periodic inspections, continuous monitoring of performance indicators, and the implementation of intensive training programs that enhance awareness and support decision-making, thereby helping to reduce injuries and minimize environmental impact.

Sustainable Safety and Efficiency Enhance Confidence



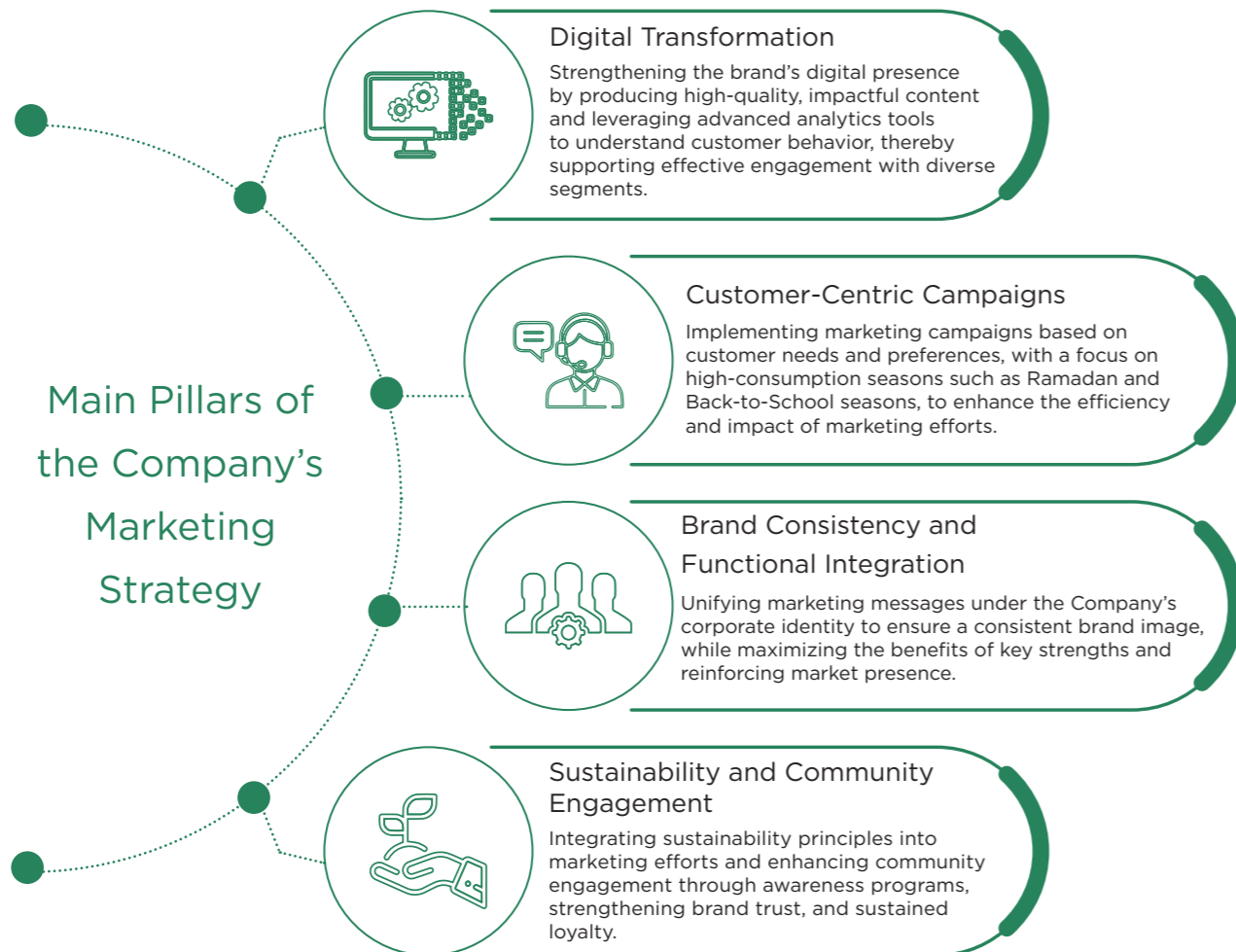
Arabian Mills enhances the readiness of its teams through specialized training programs that strengthen technical and supervisory capabilities in line with international standards, thereby ensuring product quality and food safety. This approach reflects the Company's commitment to improving institutional performance and achieving its sustainable strategic objectives.

Training Courses on Quality Assurance and Food Safety

Training	Total No. of Trainees
Internal Auditor Training Course in Accordance with ISO 22000	22 Trainees from the Quality Assurance Department
Total Quality Management (TQM) Course	21 Trainees from the Quality Assurance Department
Hazard Analysis & Critical Control Points (HACCP) Training Course	45 Trainees from all operational departments
Course on Applications and Operation of the High-Performance Liquid Chromatography (HPLC) Device	6 Trainees from all operational departments
Root Cause Analysis Workshop using Fishbone Diagram and the Five Whys Technique.	22 Trainees from the Quality Assurance (QA) Department

Marketing and Corporate Communication

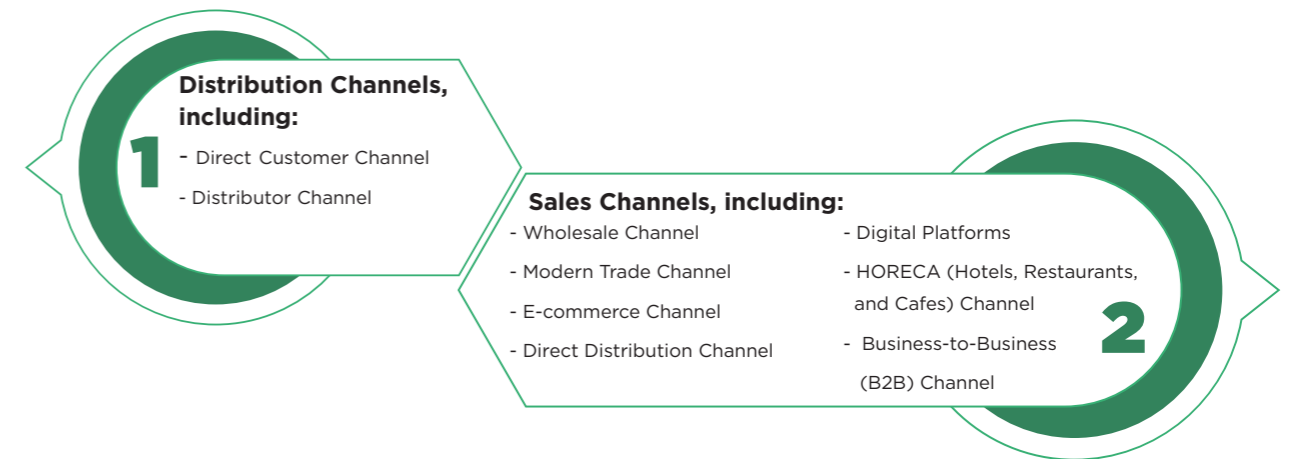
Marketing is a key driver of sustainable growth at Arabian Mills. In 2025, the Company achieved a qualitative shift by aligning its promotional initiatives with its commercial objectives, thereby strengthening the brand value and presence among consumers and partners. The Marketing Department continues to lead strategic efforts based on innovation, digital transformation, and community engagement, thereby reinforcing market share and consolidating the Company's position as a trusted partner within the food security ecosystem.



Marketing Channels and Customers

Arabian Mills is distinguished by its exceptional logistics and marketing capabilities, supported by an extensive distribution network spanning multiple marketing channels, ensuring full coverage of local market needs.

Key Distribution Channels for Flour Products to B2B Segment



The Company also has an extensive marketing network targeting the consumer segment, with the wholesale sales channel accounting for 73% of sales directed to this segment, while the retail market sales channel accounts for 23%.

Main Distribution Channels for Flour Products to the B2C Segment



Distribution Channel	Description
Feed and Bran Distributors Sales Channel	Specialized Distributors in the Marketing and Sale of Feed and Bran Products
Direct Customers Sales	Farmers and Livestock Breeders

Key Marketing Achievements of the Company in 2025

- The Company launched its new brand, "Master Mills".
- The Company expanded its product portfolio by adding 32 new Stock Keeping Units (SKUs), including pasta products and cake mixes, in addition to 10 other SKUs under development.



- The Company collaborated with "Nielsen" to test products and designs, ensuring that these products meet the highest quality standards.



- Success of Seasonal Campaigns

- The Company expanded its customer base through major platforms such as "Noon" and "Amazon".
- Developing an integrated system for managing customer complaints, in line with the Quality Assurance Department.
- Establishing a dedicated team to conduct systematic market surveys of current and prospective customers.



- Community Initiatives

Developing incentive programs aimed at building trust and strengthening loyalty among strategic customers across various sectors.



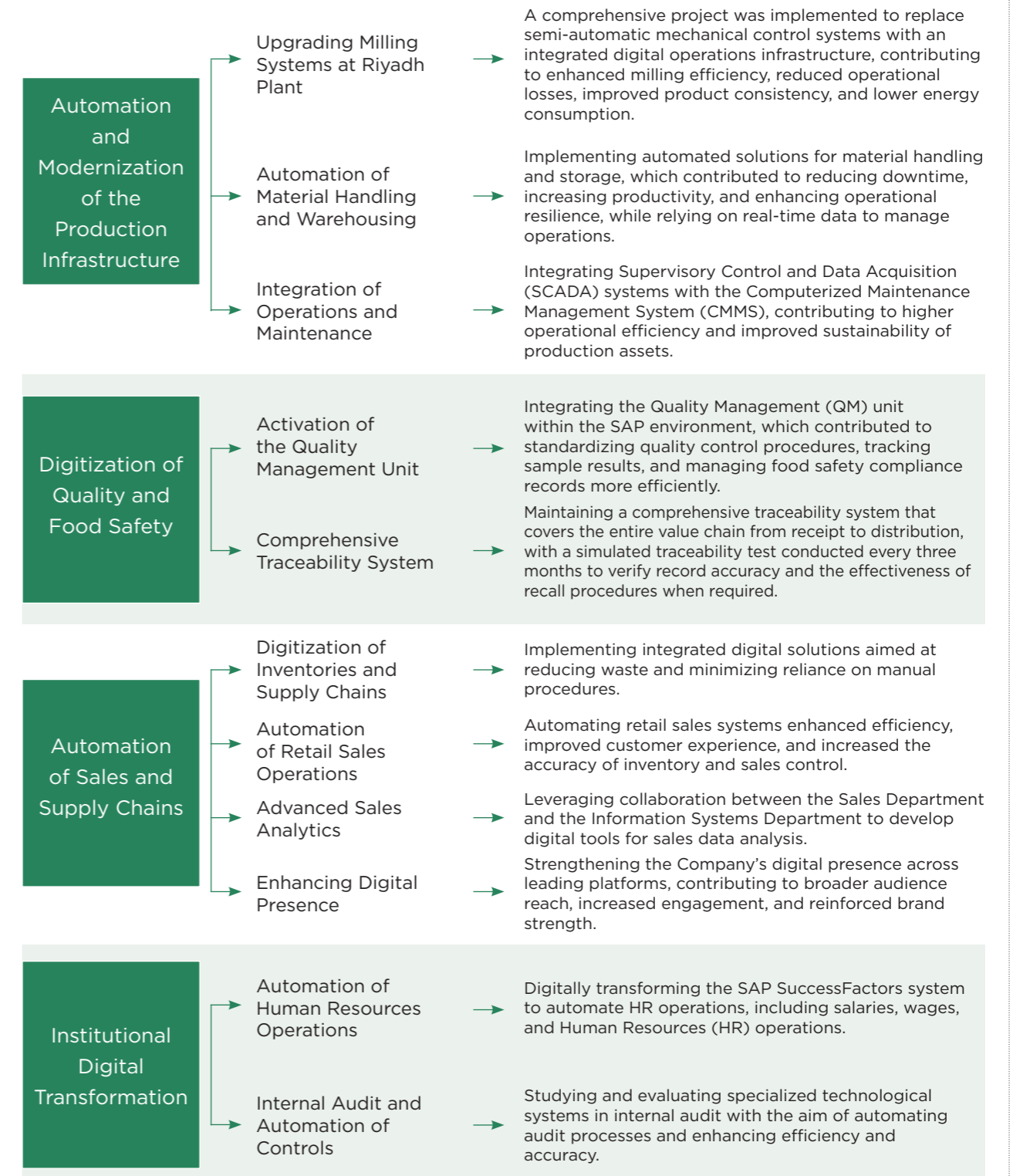
- Kitchen Renovation Campaign

- The Company demonstrated its social commitment by collaborating with the Saudi Food Bank (Etaam) and donating over 10,000 packs to those in need.
- The seasonal campaigns delivered a significant impact, as the Ramadan campaign contributed to increased sales during the year.
- The Back-to-School campaign achieved exceptional performance, reaching more than 14 million users, generating over 31.4 million views of the promotional video, and recording total impressions exceeding 32.3 million.
- The Kitchen Renovation Campaign contributed to a 16% increase in market penetration and strengthened the Company's market share in the local market.

Digital Transformation and Operating Lines Automation

Arabian Mills has adopted a transformational approach to establish an integrated digital infrastructure for its operations, with the objective of optimizing operational efficiency, reducing waste, and laying a solid foundation for future growth.

Key Achievements of the Company in Digital Transformation and Automation



Case Study

Driven by its commitment to maximizing shareholder equity and adopting international best practices, and in line with Saudi Vision 2030 objectives to automate and enhance the efficiency of the industrial sector, Arabian Mills implemented in 2025 a flagship project to upgrade the industrial infrastructure of its Riyadh Plant. The project included replacing conventional control systems with an integrated digital platform, establishing a cornerstone for the Company's digital transformation strategy and reinforcing its leadership in the food security sector.

This transition to automation created a significant leap in operational efficiency through the intelligent integration of the management of production, inventories, and supply chains, which translated into tangible improvements in institutional performance and competitiveness.

Riyadh Plant: Operational Excellence and Integrated Digital Transformation

Maximizing Efficiency and Productivity

Achieving highly efficient milling rates while reducing waste and losses to record levels, positively reflecting on overall production capacity.

Reliability and Predictive Maintenance

Activating upgrade processes and updating predictive maintenance systems contributed to improving maintenance scheduling, enhancing readiness for immediate response, and providing high operational flexibility.

Sustainability and Environmental Compliance

The project aligns with the Company's commitments to environmental and social governance, enhancing resource efficiency, reducing emissions, and ensuring international compliance to support operational sustainability.

Investing in Value and Impact

The transformation was not merely a technical upgrade, but a strategic capital investment that positively impacted the Company's financial and operational indicators.

Risk Management

The increased precision of automated control has neutralized operational risks related to quality and non-compliance, thereby enhancing reliability, strengthening brand reputation, while ensuring business continuity.

Scalability

The new digital infrastructure established a strong foundation to support future expansions and increase production capacity, strongly reinforcing the Company's ambitious growth plans.



Our Employees

Believing that sustainability and excellence depend on investing in people, Arabian Mills has adopted a human resources strategy that focuses on attracting top talent, developing national capabilities, and providing a motivating and stable work environment, in alignment with Saudi Vision 2030 objectives.

HR Management Strategy at the Company

Aligning Workforce with Expansion Plans

Ensuring the readiness of qualified and sufficient human resources to support current and future expansion projects in the milling, feed production, and new warehousing sectors.

Developing Talent Acquisition Strategies

Adopting active and innovative talent acquisition strategies aimed at attracting and recruiting the best-qualified national talent, whose skills and experience align with the Company's current needs and future directions.

Talent Management and Succession Planning

Activating structured talent management programs focused on identifying and grooming promising leaders, and establishing clear and sustainable succession plans for leadership positions.

Developing Performance Metrics and Evaluation

Updating the performance evaluation framework to be more effective, objective, and transparent, linking it to measurable Key Performance Indicators (KPIs) fully aligned with the Company's strategic objectives.

Enhancing Work Environment

Continuously striving to create and develop a motivating and safe work environment that fosters productivity and innovation by improving employees' physical and professional well-being and cultivating an organizational culture based on teamwork and excellence.

Enhancing Employee Satisfaction and Retention

Launching qualitative initiatives and practices aimed at raising job satisfaction levels and strengthening employees' sense of institutional belonging and loyalty.

Digital Transformation of Operations

Implementing comprehensive automation and digitization of human resources processes through advanced technology solutions (SAP SuccessFactors) to enhance operational effectiveness and reduce manual procedures.

Developing Skills and Enhancing Efficiency

Providing continuous, carefully designed training and development programs to raise the technical and managerial skill levels of the Company's workforce, thereby supporting higher production and operational efficiency in line with future growth requirements.

Development of Employee Headcount across Company Departments between 2024 and 2025

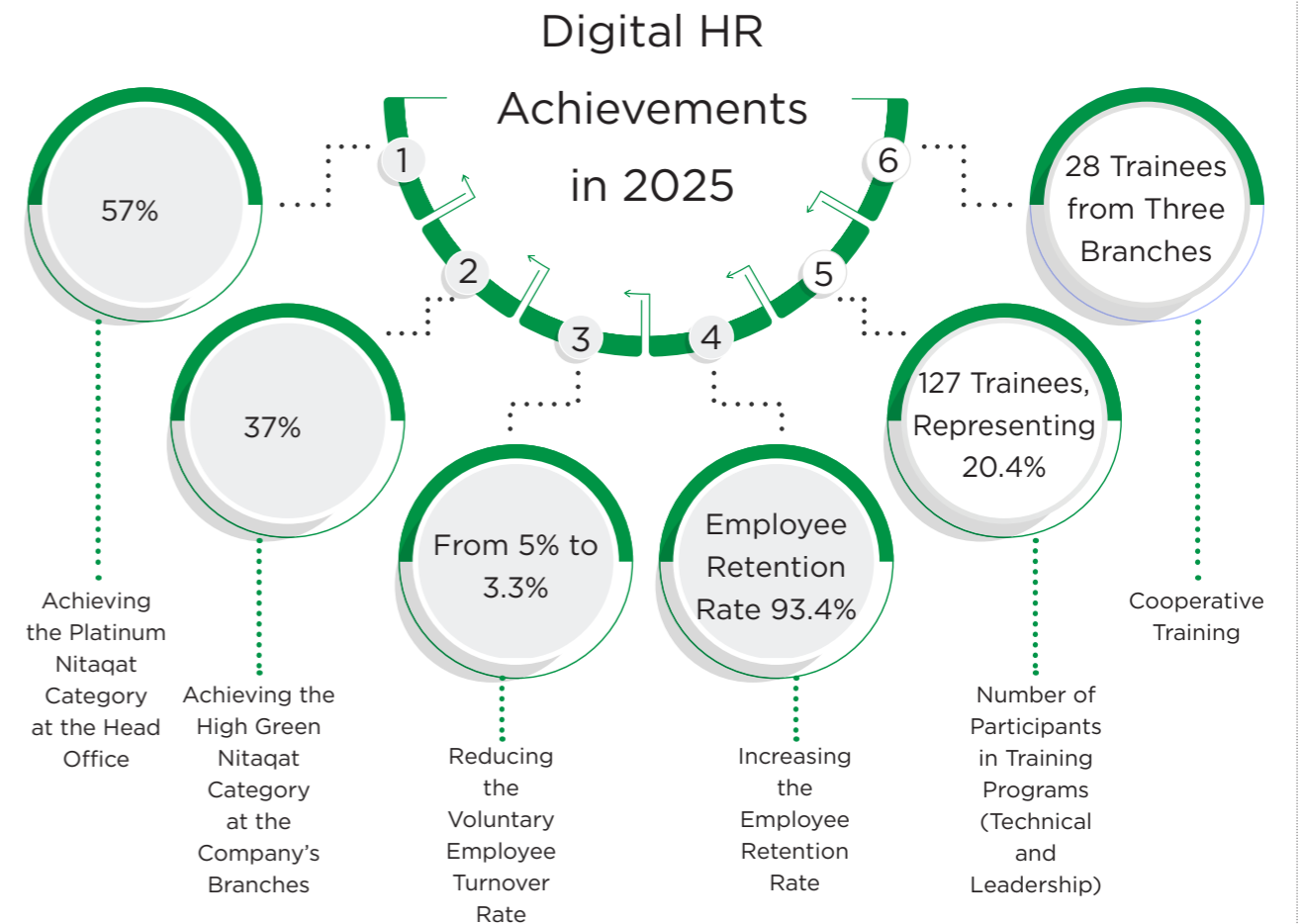
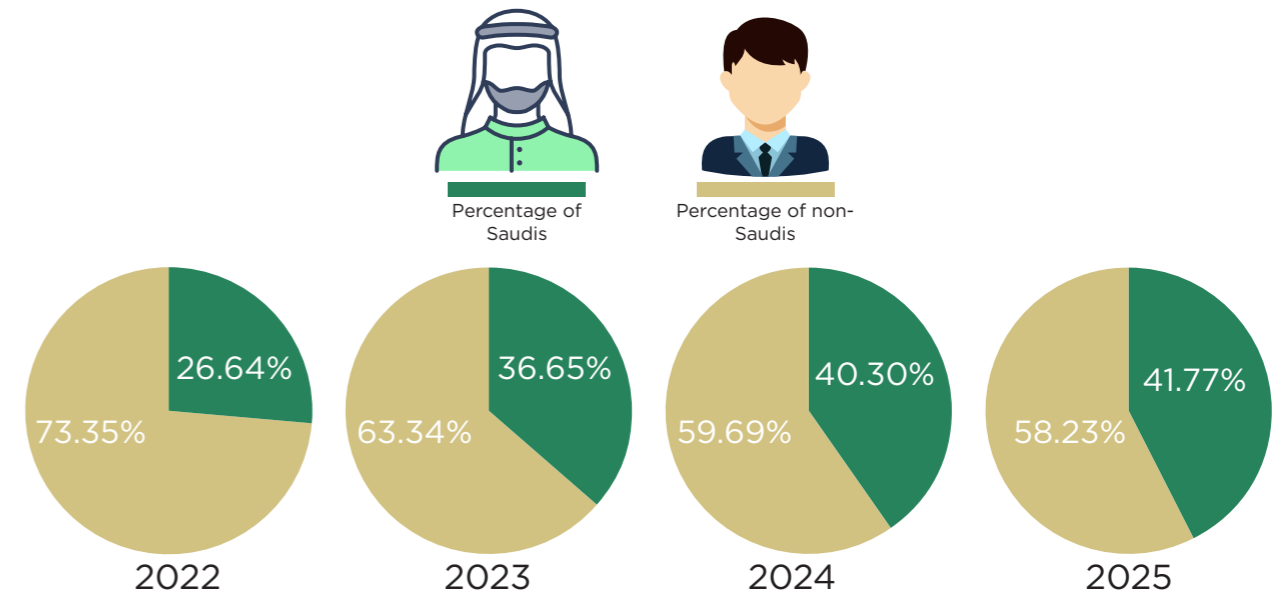
Sector/Department	2024			2025		
	Saudis	Non-Saudis	Total	Saudis	Non-Saudis	Total
CEOs	0	1	1	2	3	5
Finance	18	15	33	20	15	35
Legal Affairs and Compliance	46	0	46	56	0	56
Human Resources and Support Services	32	26	58	30	25	55
Operations	84	264	348	88	251	339
Sales	28	15	43	27	19	46
Quality	23	19	42	28	19	47
Marketing	1	3	4	2	3	5
Supply Chains	7	10	17	9	24	33
Internal Audit	0	1	1	1	1	2
Total	239	354	593	263	360	623



Saudization Efforts

As part of its national commitment, Arabian Mills achieved notable progress in Saudization, recording distinguished Saudization rates that placed the head office in the Platinum category and its three branches in the High Green category, reflecting the success of workforce replacement plans and the empowerment of national talent.

Saudization Rate Development in the Company



4

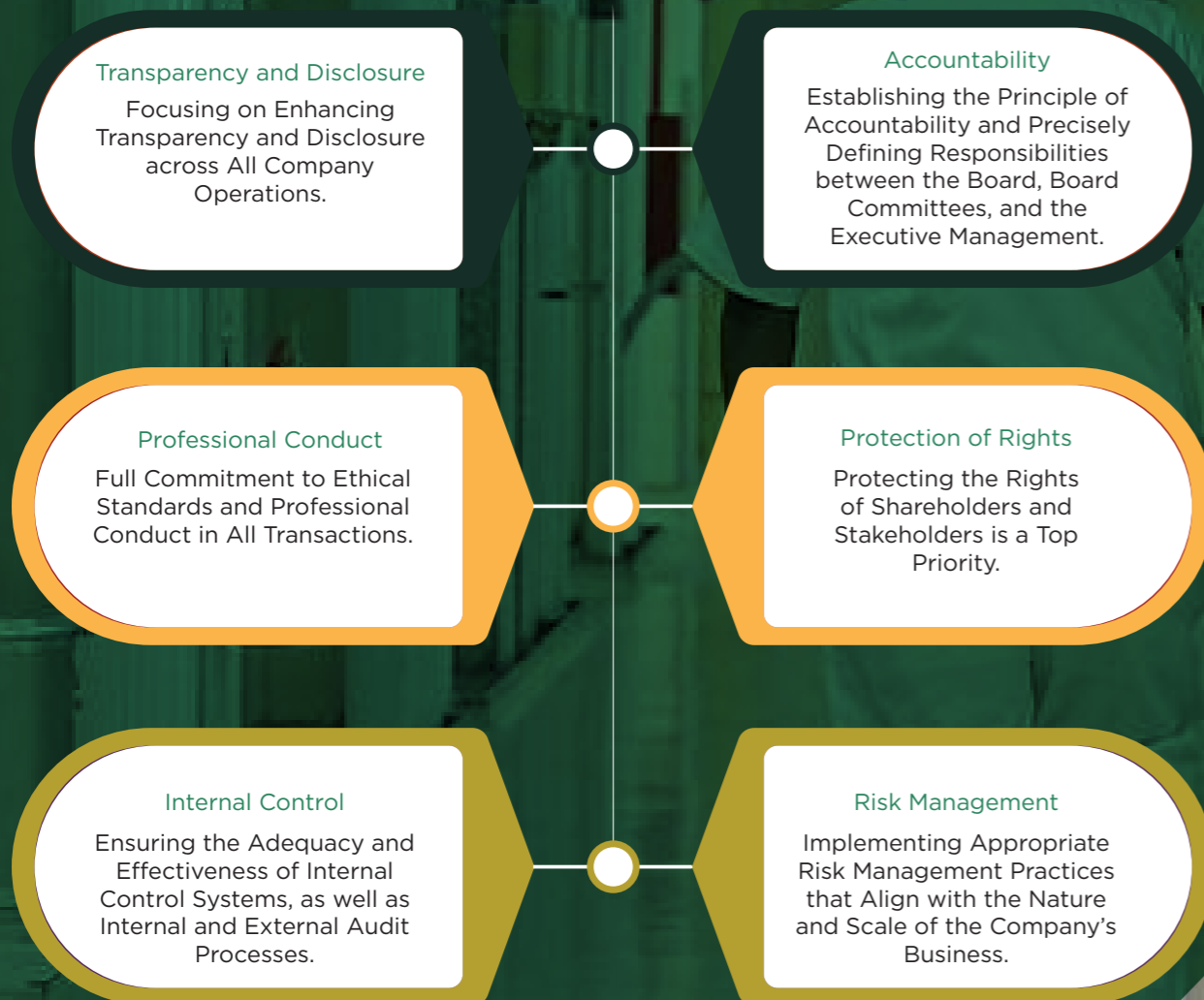
Section IV Governance and Sustainability

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Arabian Mills Corporate Governance

Arabian Mills for Food Products Company (Arabian Mills) is committed to the highest standards of corporate governance and professional ethical practices. This commitment stems from the Company's realization that effective governance is the fundamental pillar for achieving sustainable growth, protecting shareholder rights, and enhancing trust among all stakeholders. The Company operates within a regulatory framework governed by a clear separation of powers and responsibilities. The Board of Directors provides supreme oversight and strategic guidance, while the Executive Management assumes responsibility for daily execution and achieving operational objectives.

Key Pillars of the Company's Governance Practices



Provisions and Compliance

The Company acknowledges the implementation of all provisions of the Corporate Governance Regulations issued by the Capital Market Authority (CMA), with the exception of the articles listed below, which are deemed guiding or non-applicable for the reasons stated:

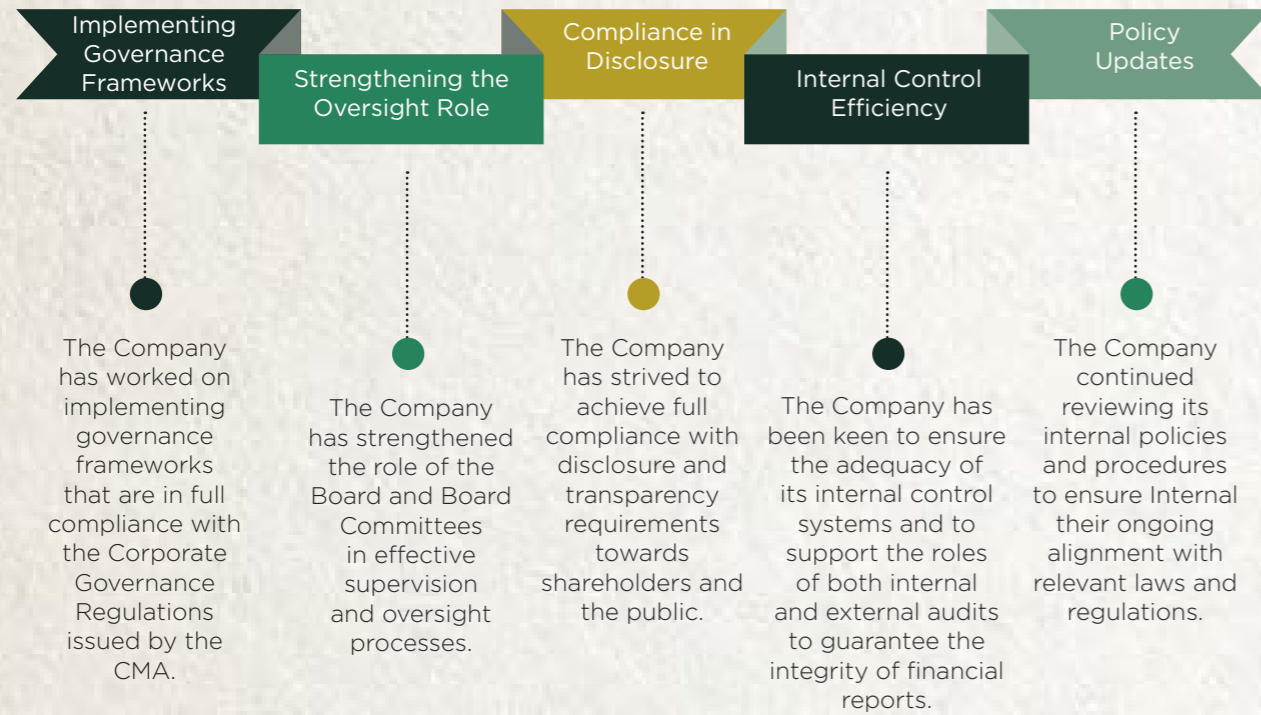
Article/ Paragraph No.	Title	Article/Paragraph Text	Degree of Application	Reasons for Non-application
67	Formation of Risk Management Committee	The Company's Board shall, by resolution, form a Committee to be named the "Risk Management Committee". The Chairman and the majority of its Members shall be Non-Executive Directors. The Members of that Committee shall possess an adequate level of knowledge in risk management and finance.	Not Applied	Guiding Article The Company has not established an independent Risk Management Committee. Instead, risk-related tasks have been assigned to the Audit Committee, which performs its duties as a single Committee.
68	Competencies of the Risk Management Committee	<p>The competencies of the Risk Management Committee shall include the following:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Regularly reassessing the Company's ability to take risks and be exposed to such risks (through stress tests, for example).</p> <p>Preparing detailed reports on the exposure to risks and the recommended measures to manage such risks, and presenting them to the Board.</p> <p>Providing recommendations to the Board on matters related to Risk Management.</p> <p>Ensuring the availability of adequate resources and systems for Risk Management.</p> <p>Reviewing the organizational structure for Risk Management and providing recommendations regarding the same before approval by the Board.</p> <p>Verifying the independence of the Risk Management employees from activities that may expose the Company to risk.</p> <p>Ensuring that the Risk Management employees understand the risks threatening the Company and promoting a risk-awareness culture.</p> <p>Reviewing any issues raised by the Audit Committee that may affect the Company's Risk Management.</p>	Not Applied	Guiding Article The Company has not established an independent Risk Management Committee. Instead, risk-related tasks have been assigned to the Audit Committee, which performs its duties as a single Committee.
69	Meetings of the Risk Management Committee	The Risk Management Committee shall meet periodically at least once every six months and whenever necessary.	Not Applied	Guiding Article The Company has not established an independent Risk Management Committee. Instead, risk-related tasks have been assigned to the Audit Committee, which performs its duties as a single Committee.

Article/ Paragraph No.	Title	Article/Paragraph Text	Degree of Application	Reasons for Non-application
80	Regulating the Relationship with Stakeholders	<p>The Board of Directors shall establish clear, written policies and procedures governing the relationship with stakeholders to protect them and safeguard their rights. These policies shall include, in particular, the following: Methods to compensate Stakeholders when their rights established by laws or protected by contracts are infringed.</p> <p>Procedures for resolving complaints or disputes that may arise between the Company and stakeholders.</p> <p>Mechanisms for building sound relationships with customers and suppliers and maintaining the confidentiality of their information.</p> <p>Rules of professional conduct for Company managers and employees that are prepared in compliance with the proper professional and ethical standards and regulate their relationship with Stakeholders, provided that the Board establishes mechanisms to monitor compliance with these rules.</p> <p>The Company's social contributions.</p> <p>Ensuring that the Company's dealings with Board Members and related parties are conducted on the same terms applied to stakeholders, without discrimination or preferential treatment.</p> <p>Enabling stakeholders to obtain information related to their activities in a manner that allows them to perform their duties, provided that such information is accurate, sufficient, timely, and provided on a regular basis.</p> <p>Treating the Company's employees in accordance with the principles of fairness and equality, without discrimination.</p>	Partially Applied	Guiding Article
84	Social Responsibility	The Ordinary General Assembly, based on the Board's recommendation, shall establish a policy that ensures a balance between its objectives and those of the community to develop the community's social and economic conditions.	Not Applied	Guiding Article The Company may consider implementing this article in the future.
85	Social Initiatives	<p>The Board of Directors shall establish programs and determine the appropriate mechanisms for launching the Company's social initiatives, which include:</p> <p>Establishing indicators that link the Company's performance with its social initiatives and comparing it with other companies that engage in similar activities.</p> <p>Disclosing the Company's social responsibility objectives to its employees and raising their awareness of them.</p> <p>Disclosing plans for achieving social responsibility in the Company's periodic reports related to its activities.</p> <p>Establishing community awareness programs to promote understanding of the Company's social responsibility.</p>	Partially Applied	Guiding Article The Company is keen to enhance participation in various social activities that contribute to sustainability and help achieve its goals.
92	Formation of a Corporate Governance Committee	If the Board of Directors establishes a Corporate Governance Committee, it shall delegate to it the competencies stipulated in Article (91) of these Regulations. The Committee shall oversee matters related to the implementation of governance and provide the Board of Directors with its reports and recommendations at least annually.	Not Applied	Guiding Article The Board of Directors ensures compliance with corporate governance rules, reviews and updates them, and oversees the development of the code of professional conduct and other internal policies and procedures. Board Members are continuously informed of developments in governance. Accordingly, the Company does not currently consider it necessary to establish a specialized Committee.

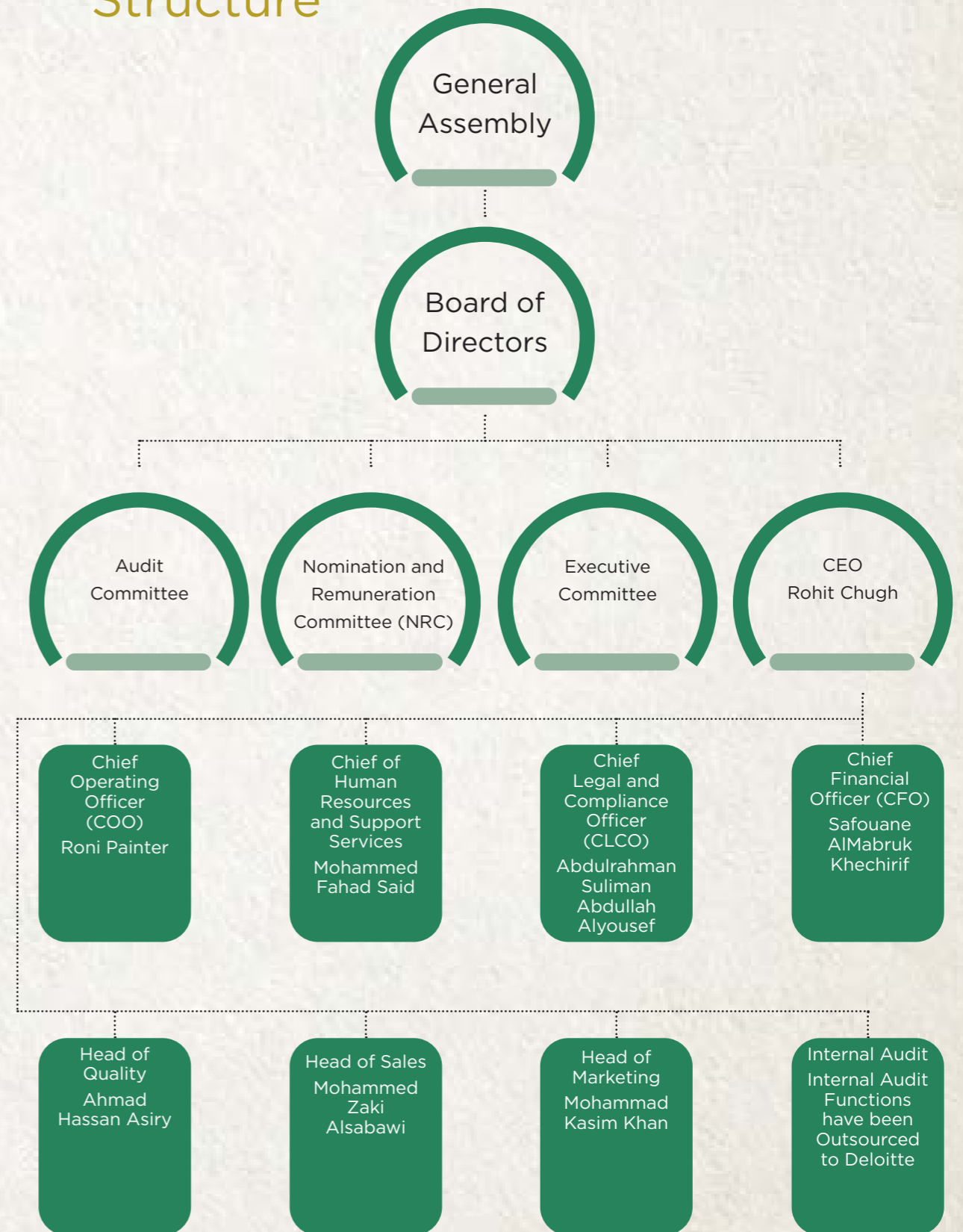
Enhancing Governance and Corporate Compliance

During 2025, Arabian Mills continued its efforts to develop its governance framework and enhance corporate compliance mechanisms. These efforts contributed to strengthening its organizational structure and boosting the confidence of shareholders and stakeholders. Such achievements testify to the Company's steadfast commitment to applying the highest regulatory standards and ensuring continuous alignment with best practices in governance and compliance.

The Company's Governance Achievements during 2025



The Company's Organizational Structure



Board of Directors

The Board of Directors serves as the supreme authority, responsible for defining the Company's strategic direction and policies, exercising full powers to manage the Company's business affairs, and making the necessary decisions to achieve its corporate objectives. The Board's duties include defining general strategies and long-term plans, overseeing the Executive Management's performance, and appointing the Chief Executive Officer (CEO). Furthermore, the Board ensures full compliance with applicable laws and regulations as part of its core responsibility to protect the Company's interests, foster sustainable growth, and reinforce shareholder and stakeholder trust.

Powers of the Board of Directors

The Board of Directors derives its powers from the Company's Bylaws, as approved by the General Assembly, and the Corporate Governance Regulations. The Board carries out its functions within a framework of collective responsibility, providing strategic direction and oversight for the Company. The Board's powers include defining the strategic direction and leading the Company effectively, monitoring the performance of the Executive Management, ensuring compliance, and protecting shareholder rights. This is executed within an integrated framework of responsibility and accountability that strengthens governance and supports the achievement of the Company's sustainable objectives.

Key Board Powers and Responsibilities as per the Company's Bylaws

Powers	Details
General Authority	Without prejudice to the competencies of the General Assembly, the Board shall have the broadest powers to manage the Company, establish its policies, determine its investments, oversee its business and funds, and take all necessary actions to achieve its objectives.
Legal Representation and External Relations	Representing the Company legally before all government and private entities, authorities, commercial and industrial chambers, companies, and institutions, both locally and internationally.
Contracts and Documentation	Approving and signing all contracts, documents, and instruments (such as agreements, tenders, the governance framework, and internal policies).
Subsidiaries and Participations	Approving the establishment of subsidiaries and participation in companies; signing their founders' agreements or participation agreements and amendments thereto; appointing and dismissing their managers; and endorsing all actions issued by them.
Financial Affairs and Audit	Approving the Company's financial statements.
Guarantees and Banking Transactions	Issuing guarantees and indemnities to financing entities and approving all banking transactions, including opening and closing accounts for the Company and its subsidiaries, and managing and investing their funds.
Asset Disposition	Buying, selling, mortgaging, and discharging mortgages on the assets, real estate, and movables of the Company and its subsidiaries. This is subject to specific conditions, including ensuring fair value, requiring guarantees for deferred payments, and obtaining General Assembly approval if the sale value exceeds 50% of total assets.
Borrowing	Contracting loans of all types and durations, within any financial limits determined by the Board, with any financing entity.
Debt Settlement (With Conditions)	Discharging the Company's debtors in accordance with specific accounting standards, provided that the debt is at least one year old and subject to an annual maximum limit per debtor. This right is non-delegable.
Settlement and Arbitration	Entering into conciliations, waivers, contracts, and commitments; debt collection; and accepting arbitration.
Internal Structuring	Forming Board Committees, appointing and dismissing their Members, determining their remuneration, and ensuring the Company's properties.
Executive Leadership Appointment	Appointing the Chief Executive Officer (CEO), defining their competencies, powers, duties, and financial rights; and appointing deputies and defining their respective powers.
Negotiation Authority	Negotiating, concluding, and managing deals and agreements, and representing the Company before all official entities.
Litigation and Procedural Powers	Initiating all legal and litigation procedures, including filing lawsuits, defending, conciliation, arbitration, execution, and appealing judgments before all courts and competent judicial authorities.

Board Composition and Classification

Name	Current Position	Membership Type		
		Executive	Non-Executive	Independent
Ajlan Abdulaziz Ajlan Al-Ajlan	Chairman of the Board		✓	
Alaa Abdullah Mohammed Al-Hashem	Vice Chairman of the Board		✓	
Ahmed Ali Abdullah Al-Dakheel*	Board Member		✓	
Mohammed Abdulaziz Ajlan Al-Ajlan	Board Member		✓	
Solaiman Abdulaziz Altwajiri	Board Member		✓	
Naif Abdulrahman Abdullah Al-Ajlan	Board Member			✓
Mishal Amar Abdulwahid Al-Khudairy	Board Member			✓
Fahad Suleiman Abdulrahman Al-Nuhait	Board Member			✓
Abdulwahab S. Abu Daresh Al Gahtani	Board Member		✓	
Nasser Abdulaziz Abanamy**	Board Member		✓	

* The Member held office until 19/03/2025.

** The Member held office on 30/09/2025.





Board Member Biographies

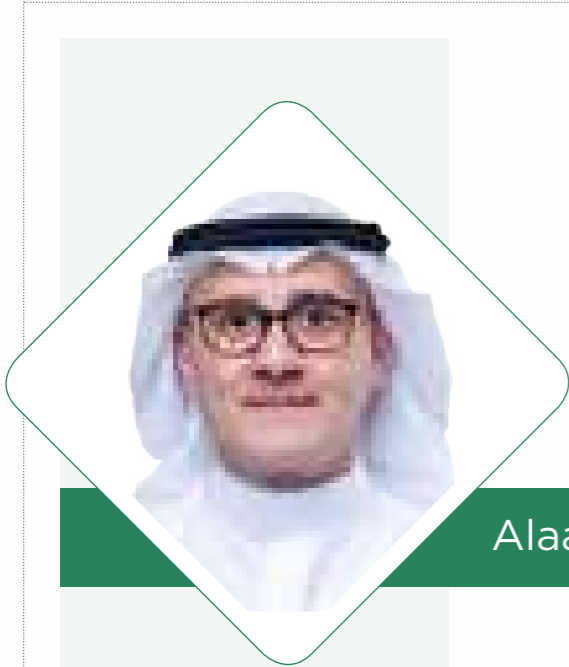
Ajlan Abdulaziz Ajlan Al-Ajlan

Position	Chairman of the Board
Date of Appointment	05/11/2023
Qualifications	<ul style="list-style-type: none"> 2019: Bachelor's Degree, Business Administration, Edinburgh Napier University, Scotland. 2003: Master of Business Administration (MBA), London Business School (LBS).

Current and Previous Positions of Board Members (Inside or Outside KSA)

Ajlan Abdulaziz Ajlan Al-Ajlan

Company Name	Company Location		Position	Membership Status	
	Inside KSA	Outside KSA		Current	Previous
Arabian Mills Company	√		Chairman of the Board	√	
Ajlan & Bros. Holding	√		Chairman of the Board	√	
Abdulaziz Alajlan Sons for Trading & Real Estate Investments Co.	√		Chairman of the Board	√	
Ajlan & Bros. Holding	√		Chairman of the Board	√	
Riyadh Chamber of Commerce and Industry	√		Chairman	√	
Saudi Export Development Authority (SAUDI EXPORTS)	√		Board Member	√	
Consultative Assembly of Saudi Arabia (Shura Council)	√		Board Member	√	
Federation of Saudi Chambers (FSC)	√		Chairman of the Board		√
Federation of GCC Chambers (FGCCC)	√		Chairman of the Board		√
U.S.-Saudi Business Council	√		Board Member		√
Chamber of Commerce and Industry - Ministry of Commerce	√		Business Development Committee Member		√
National Employment Plan (NEP) - Follow-up and Monitoring Committee	√		Board Member		√
Council of Saudi Chambers	√		Chairman of the Development Initiatives Committee		√
Council of Saudi Chambers	√		Chairman of the Arbitration Committee for Disputes Arising Between Chambers		√
Riyadh Regional Council	√		Board Member		√
Riyadh Regional Council	√		Chairman of Economic and Development Committee		√



Board Member Biographies

Alaa Abdullah Mohammed Al-Hashem

Position	Vice Chairman of the Board
Date of Appointment	05/11/2023

Qualifications

- 2016: Chartered Director (CDir), Institute of Directors (IoD), UK.
- 2003: Master of Business Administration (MBA), Lancaster University, UK.
- 1998: Bachelor's Degree, Accounting, King Fahd University of Petroleum and Minerals (KFUPM), KSA.

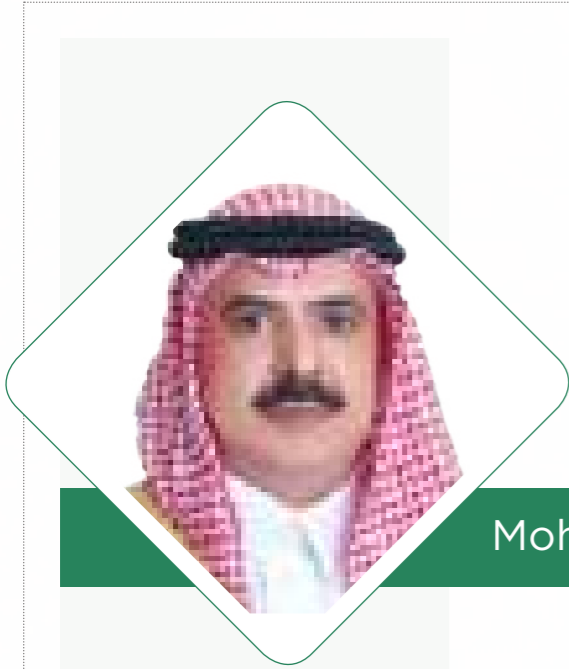


Current and Previous Positions of Board Members (Inside or Outside KSA)

Alaa Abdullah Mohammed Al-Hashem*

Company Name	Company Location		Position	Membership Status	
	Inside KSA	Outside KSA		Current	Previous
Arabian Mills Company	√		Vice Chairman of the Board	√	
National Agricultural Development Company (NADEC)	√		Board Member	√	
Sulaiman Bin Abdul-Aziz Al Rajhi Holding Co.	√		Member of the Board of Managers	√	
Center for Governance - Public Investment Fund (PIF)	√		Board Member	√	
Al Balad Development Company (BDC)	√		Audit Committee Member	√	
Soudah Development Company	√		Investment Committee Member	√	
Awqaf Investments Company	√		Audit Committee Chairman	√	
Al Watania Poultry	√		Board Member		√
Sulaiman Bin Abdul-Aziz Al Rajhi Holding Co.	√		CEO		√
Center for Governance - Public Investment Fund (PIF)	√		Managing Director		√
Roland Berger	√		Strategic Advisor		√
Roland Berger	√		Chairman of the Board of Advisors		√
Malaz Capital	√		Head of Post-Investment Operations		√
Deloitte	√		Senior Manager and Head of Business Development		√
Gulf Real Estate Development Company	√		CEO		√
Ahmad Hamad Algosaibi & Bros. Co. (AHAB)	√		New Business Development Manager		√
Arab Banking Corporation (ABC)		√	Vice President of Investment Banking		√
Saudi National Bank (SNB)	√		Regional Director of Private Banking		√
Hail Region Development Authority (HRDA)	√		Audit Committee Member		√
Al-Ahsa Valley Investment Company	√		Board Member		√
Saudi Technology Development and Investment Company (TAQNIA)	√		Board Member		√
Algerian Saudi Investment Company (ASICOM)		√	Chairman of the Board		√
Emirates NBD	√		Board Member		√
Salama Cooperative Insurance Company	√		Audit Committee Member		√

*Alaa Abdullah Mohammed Al-Hashem also served as an Independent Consultant during the periods from 2014 to 2016, and from 2018 to 2020.



Board Member Biographies

Mohammed Abdulaziz Ajlan Al-Ajlan

Position	Board Member
Date of Appointment	05/11/2023

Qualifications	<ul style="list-style-type: none"> 1406H: Intermediate School Certificate, Ash Sharafiyah Intermediate School, Riyadh.
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Current and Previous Positions of Board Members (Inside or Outside KSA)

Mohammed Abdulaziz Ajlan Al-Ajlan

Company Name	Company Location		Position	Membership Status	
	Inside KSA	Outside KSA		Current	Previous
Arabian Mills Company	√		Board Member	√	
Saudi Chinese Business Council (SCBC)	√		Chairman of the Board	√	
Ajlan & Bros Group	√		Vice Chairman of the Board	√	
Executive Committee of the Saudi Chinese Business Council (SCBC)	√		Executive Committee Chairman	√	
King Abdulaziz Public Library Branch in Peking University		√	Board Member	√	
Ajlan & Bros. Holding	√		Vice Chairman of the Board	√	
Abdulaziz Alajlan Sons for Trading & Real Estate Investments Co.	√		Vice Chairman of the Board	√	
Saudi Chinese Business Council (SCBC)	√		Vice Chairman		√



Board Member Biographies

Dr. Solaiman Abdulaziz Altwaijri

Position	Board Member
Date of Appointment	05/11/2023

Qualifications

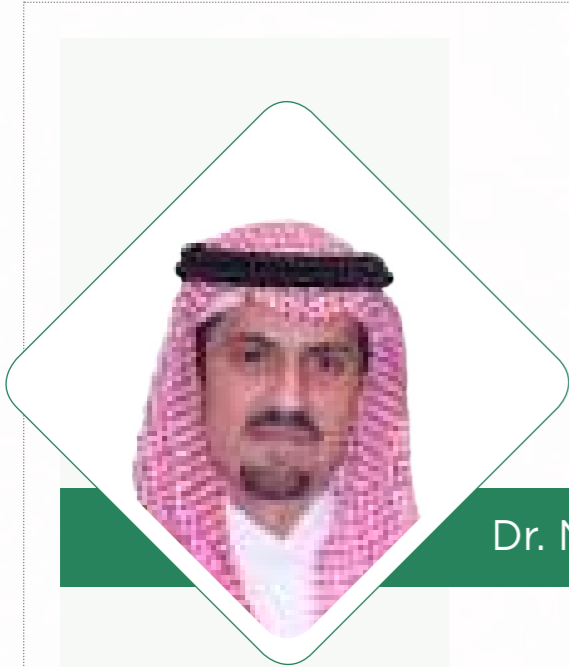
- 2019: Master's Degree, International Sports Law, Higher Institute of Law and Economics (ISDE).
- 1998: PhD, Accounting, Case Western Reserve University, USA.
- 1994: Master's Degree, Accounting, University of Illinois, USA.
- 1990: Bachelor's Degree, Industrial Management, King Fahd University of Petroleum and Minerals (KFUPM), KSA.



Current and Previous Positions of Board Members (Inside or Outside KSA)

Dr. Solaiman Abdulaziz Altwaijri

Company Name	Company Location		Position	Membership Status	
	Inside KSA	Outside KSA		Current	Previous
Arabian Mills Company	√		Board Member	√	
First Abu Dhabi Bank (FAB)		√	Chairman of the Board	√	
Saudi Arabian Amiantit Co.	√		Board Member	√	
National Agricultural Development Company (NADEC)	√		CEO	√	
National Grid SA	√		Board Member		√
Advanced Petrochemical Company	√		Audit Committee Chairman		√
National Agricultural Development Company (NADEC)	√		Board Member		√
Takween Advanced Industries	√		Vice Chairman of the Board		√
Mulkia Investment Company	√		Board Member		√
Saudi Arabian Amiantit Co.	√		CEO		√
Walaa Cooperative Insurance Co.	√		Board Member		√
Institute of Management Accountants (IMA)	√		Board Member		√
Student Support Fund	√		Board Member and Secretary General		√



Board Member Biographies

Dr. Naif Abdulrahman Abdullah Al-Ajlan

Position	Board Member
Date of Appointment	05/11/2023
Qualifications	<ul style="list-style-type: none"> • 2006: PhD, Artificial Intelligence (AI), University of Waterloo, Canada. • 2002: Master's Degree, Electrical Engineering, King Saud University (KSU), Riyadh. • 1998: Bachelor's Degree, Electrical Engineering, King Saud University (KSU), Riyadh.



Current and Previous Positions of Board Members (Inside or Outside KSA)

Dr. Naif Abdulrahman Abdullah Al-Ajlan

Company Name	Company Location		Position	Membership Status	
	Inside KSA	Outside KSA		Current	Previous
Arabian Mills Company	√		Board Member	√	
King Abdullah Institute for Research and Consulting Studies (KAI)	√		Consultant	√	
Kafalah (Small and Medium Enterprises Loan Guarantee Program)	√		Digital Transformation Committee Member	√	
King Salman Institute for Entrepreneurship (KSIE)	√		Dean		√
King Saud University (KSU)	√		Assistant Vice Chairman of Innovation		√
King Saud University (KSU)	√		Director of the Innovation Center		√
King Saud University (KSU)	√		Member of the Scientific Council		√
Riyadh Economic Forum	√		Board of Trustees Member		√
National Strategy for Transformation into a Knowledge Society	√		Executive Committee Member		√
Riyadh Valley Company (RVC)	√		Board Member		√



Board Member Biographies

Mishal Amar Abdulwahid Al-Khudairy

Position	Board Member
Date of Appointment	05/11/2023

Qualifications

- 2009: Bachelor's Degree, Commerce, McGill University, Canada.
- 2014: Certificate, Real Estate Development, New York University (NYU), USA.
- 2018: General Securities Qualification Certificate (CME-1), Capital Market Authority (CMA).
- 2019: Certified Real Estate Valuer, Saudi Authority for Accredited Valuers (Taqeem).

Current and Previous Positions of Board Members (Inside or Outside KSA)

Mishal Amar Abdulwahid Al-Khudairy

Company Name	Company Location		Position	Membership Status	
	Inside KSA	Outside KSA		Current	Previous
Arabian Mills Company	√		Board Member	√	
Tanmyah Company	√		Founding Managing Partner	√	
Diyar AlKhayyal Real Estate Development Company	√		Founding Managing Partner	√	
Derayah REIT Fund	√		Board Member	√	
Derayah Real Estate Fund	√		Board Member	√	
Derayah Commercial Real Estate Fund	√		Board Member	√	
Fay United Real Estate	√		Board Member	√	
Tarmeez Capital	√		Board Member	√	
Al Rajhi Capital (North Riyadh Fund 1)	√		Board Member	√	
Al Rajhi Capital (North Riyadh Al-Arid Fund)	√		Board Member	√	
Al Rajhi Capital (North Riyadh Olaya Fund)	√		Board Member	√	
PricewaterhouseCoopers (PwC)	√		Assistant Director of Transactions Department		√
Mawten Real Estate Co.	√		Board Member		√
Mawten Real Estate Co.	√		Nomination and Remuneration Committee Member		√
Derayah Real Estate Fund	√		Board Member		√
Malaz Capital	√		Real Estate Development Management Consultant		√



Board Member Biographies

Fahad Suleiman Abdulrahman Al-Nuhait

Position	Board Member
Date of Appointment	05/11/2023
Qualifications	<ul style="list-style-type: none"> • 2022: Master's Degree, Major Programme Management, University of Oxford, UK. • 2018: Program for Leadership Development (PLD), Harvard Business School, USA. • 2009: Master's Degree, Financial Management, Newcastle University, UK. • 2017: Chartered Financial Analyst (CFA) Charterholder, CFA Institute. • 2003: Bachelor's Degree, Business Administration, King Saud University (KSU), KSA.



Current and Previous Positions of Board Members (Inside or Outside KSA)

Fahad Suleiman Abdulrahman Al-Nuhait

Company Name	Company Location		Position	Membership Status	
	Inside KSA	Outside KSA		Current	Previous
Arabian Mills Company	√		Board Member	√	
Halal Product Development Company (HPDC)	√		CEO	√	
Saudi Coffee Company	√		Chairman of the Board	√	
Al Hammadi Holding	√		Board Member	√	
BRF Arabia	√		Board Member	√	
Nayifat Finance Company	√		Audit Committee Member	√	
GDC Middle East	√		Nomination and Remuneration Committee Member	√	
Addoha Poultry Company	√		Board Member	√	
NEOM	√		General Manager of Industrial Investment and Finance		√
Saudi Arabian Industrial Investments Company (Dussur)	√		General Manager of Investments in Emerging Sectors		√
The Arab Investment Company (TAIC)	√		Head of Investment Team & Principal Investment Manager		√
Saudi Fund for Development (SFD)	√		Export Credit Manager		√
Saudi Jordanian Investment Fund (SJIF)		√	Board Member		√
IFC MENA Fund	√		Board Member		√
Egyptian Propylene & Polypropylene (EPP)		√	Board Member		√
PowerVest Fund (ACWA Power & SNB)	√		Board Member		√
International Company for Leasing SAE (Incolease)		√	Board Member		√
Bedaya Mortgage Finance Co.	√		Board Member		√



Board Member Biographies

Dr. Abdulwahab S. Abu Dahesh Al Gahtani

Position	Board Member
Date of Appointment	25/12/2024

Qualifications

- 1985: Bachelor's Degree, Political Science, King Saud University (KSU), KSA.
- 1987: Master's Degree, Political Science, Eastern New Mexico University, USA.
- 1998: PhD, Economics, American University, Washington, D.C.
- 1989: Advanced Management Program, Harvard Business School.



Current and Previous Positions of Board Members (Inside or Outside KSA)

Dr. Abdulwahab S. Abu Dahesh Al Gahtani

Company Name	Company Location		Position	Membership Status	
	Inside KSA	Outside KSA		Current	Previous
Arabian Mills Company	√		Board Member	√	
Abdulaziz Alajlan Sons for Trading & Real Estate Investments Co.	√		Chief Operating Officer (COO)	√	
Sakani Real Estate Finance	√		CEO and Founder		√
Wilayah Investment Company	√		CEO and Founder		√
Riyad Bank	√		Chief Economist		√
Bin Jarallah Group	√		Chief Financial Officer (CFO)		√
Abdullatif Alissa Group	√		General Manager of Investments and Business Development		√
Ministry of Finance	√		Economic Advisor		√
International Monetary Fund (IMF)		√	Assistant Executive Director		√
Inmia Real Estate and Tourism Development Company	√		Chairman of the Board		√
First Abu Dhabi Bank (FAB)	√		Board Member and Chairman of the Audit Committee		√
Alessa Industries Co.	√		Board Member and Audit Committee Member		√
Saudi Public Transport Company (SAPTCO)	√		Board Member and Investment Committee Member		√
Saudi Real Estate Co. (Al Akaria)	√		Board Member and Investment Committee Member		√
First Investment Bank (Fibank)	√		Board Member and Executive Committee Member		√
Saudi Paper Manufacturing Co. (SPMC)	√		Board Member and Executive Committee Member		√
Middle East Battery Company (ACDelco)	√		Board Member		√
Saudi Development and Export Services Company (SDES)	√		Board Member		√
Gulf Salt Company	√		Board Member and Executive Committee Member		√
Gulf Ferro Alloys Company (Sabayek)	√		Board Member		√
Riyad Capital (Riyad Bank)	√		Board Member of Investment Funds		√
Chamber of Commerce and Industry	√		Real Estate Committee Member and Finance Committee Chairman		√
Saudi Economic Journal - Financial Academy	√		Advisory Committee Member		√
King Khalid University - College of Administrative Sciences	√		Scientific Committee Member		√



Board Member Biographies

Nasser Abdulaziz Abanamy

Position	Board Member
Date of Appointment	30/09/2025
Qualifications	<ul style="list-style-type: none"> 1992: Bachelor's Degree, Industrial Chemistry, King Fahd University of Petroleum and Minerals (KFUPM), KSA. 2018: Leadership Development Program, International Institute for Management Development (IMD), Switzerland. 2012: Executive Development Program (EDP), University of Pennsylvania, USA. 2005: Leadership & Managerial Development Program, London Business School (LBS), UK.



Current and Previous Positions of Board Members (Inside or Outside KSA)

Company Name	Company Location		Position	Membership Status	
	Inside KSA	Outside KSA		Current	Previous
	Arabian Mills Company	√			Board Member
Al Watania Poultry - Egypt		√	Chairman of the Board	√	
Abu Qir Fertilizers and Chemical Industries Company		√	Board Member and Audit Committee Member	√	
Al Watania Poultry - Saudi Arabia	√		Board Member	√	
National Industrialization Company (Tasnee)	√		Board Member	√	
IDAC Merieux NutriSciences	√		Chairman of the Board		√
Middle East Food Solutions Company (MEFSCO)	√		Board Member		√
Bahri Dry Bulk	√		Board Member		√
SABIC Terminal Services Company (SabTank)	√		Board Member		√
SABIC Chemical Storage Company	√		Chairman of the Board		√
Jubail United Petrochemical Company (United)	√		Chairman of the Board		√
High Institute for Elastomer Industries (HIEI)	√		Vice Chairman of the Board		√
National Methanol Company (Ibn Sina)	√		Vice Chairman of the Board		√
Saudi Acrylic Acid Company (SAAC)	√		Board Member		√
Saudi Methacrylates Company (SAMAC)	√		Board Member		√

Board Meetings and Attendance Record for 2025

Name	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Total	Attendance (%)
	19 March	26 June	30 September	21 December		
Ajlan Abdulaziz Ajlan Al-Ajlan	√	√	√	√	4	100%
Alaa Abdullah Mohammed Al-Hashem	√	√	√	√	4	100%
Mohammed Abdulaziz Ajlan Al-Ajlan	√	√	√	√	4	100%
Solaiman Abdulaziz Altwajiri	√	√	√	√	4	100%
Ahmed Ali Abdullah Al-Dakheel*	--	--	--	--	0	--
Naif Abdulrahman Abdullah Al-Ajlan	√	√	√	√	4	100%
Fahad Suleiman Abdulrahman Al-Nuhait	√	√	√	√	4	100%
Mishal Amar Abdulwahid Al-Khudairy	√	√	√	√	4	100%
Abdulwahab S. Abu Dahesh Al Gahtani	√	√	√	√	4	100%
Nasser Abdulaziz Abanamy**	-	-	-	√	1	25%

* The Member held office until 19/03/2025.

** The Member held office on 30/09/2025.



Remuneration Policy for the Board, Committees, and Executive Management

Arabian Mills is committed to implementing a balanced and comprehensive remuneration policy, carefully crafted to ensure alignment between the Company's strategic objectives and the interests of its shareholders, while simultaneously attracting top-tier talent and motivating the Board Members, Committees, and Executive Management. This policy is built upon several key pillars in accordance with corporate governance best practices, as follows:

Pillar	Description
Regulatory Compliance	Full alignment with the Corporate Governance Regulations issued by the CMA and all relevant laws and regulations.
Balance and Alignment	Balancing shareholder rights with incentives for the Board Members, Committees, and Executive Management to ensure sustainable performance.
Eligibility Criteria	Establishing principles of fairness and transparency by linking remuneration to the level of responsibilities, Company size, and overall performance results.
Approval Mechanism	Remuneration is determined by the Nomination and Remuneration Committee (NRC) and is subject to the necessary statutory approvals from the competent authorities (General Assembly).

Board Performance Evaluation

The Company adopts a systematic, periodic evaluation system to assess the performance of Board Members, measuring the effectiveness of the Board as a whole and the performance of each individual Member. This ensures that assigned responsibilities are carried out to the fullest extent, serving the interests of the Company and its shareholders. The evaluation mechanism is a pivotal tool for enhancing corporate governance practices and embedding the principles of accountability in accordance with the highest approved standards.

Accountability Framework and Performance Evaluation

Mechanism	Description
Embedding Accountability Principles	The Company's general governance framework is built on a set of core principles fundamentally aimed at embedding the principle of accountability and defining responsibilities across all levels.
Compliance Monitoring Mechanism	The Board and its Committees, particularly the Audit Committee, rely on an integrated control system based on periodic reports issued by the Executive Management and Internal Audit.
Linking Remuneration to Performance Evaluation	Within the framework of the incentive and evaluation policy, the Company adopts a remuneration policy based on fairness and transparency, directly linked to the level of responsibilities, assigned duties, and the Company's overall performance.



Board Committees

Arabian Mills relies on three primary Board Committees to manage its operations and strengthen its governance framework. These Committees operate in accordance with specific policies and procedures to ensure the distribution of responsibilities and the institutionalization of the principle of accountability. The year 2025 saw stability in the Board's Committee structure, with no new Committees established. Furthermore, there were no changes to the positions of Committee Chairmen, and no additional competencies were introduced compared to the previous year.

Audit Committee

The Audit Committee plays a pivotal role in overseeing the internal control system and financial reporting. The Committee held four meetings during 2025. In addition, the Committee undertakes substantial additional responsibilities regarding risk management, as the Company has not established a separate Risk Committee. The Committee is also responsible for approving the annual audit plan and receives periodic reports from the Internal Audit Department to evaluate the effectiveness of regulatory controls.

Audit Committee Members and Meeting Details in 2025

Name	Position	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Total	Attendance (%)
		13 March	07 May	03 August	05 November		
Solaiman Abdulaziz Altwajiri	Chairman	√	√	√	√	4	100%
Alaa Abdullah Mohammed Al-Hashem	Member	√	√	√	√	4	100%
Mishal Amar Abdulwahid Al-Khudairy	Member	√	√	√	√	4	100%

Committee Key Duties

External Audit	<ul style="list-style-type: none"> Providing annual recommendations to the Board to nominate External Auditors, dismiss them, determine their remuneration, as well as reporting on their independence and other related matters. Reviewing the terms and specifications of all consulting engagements related to special audits performed by the External Auditors and determining the associated remuneration. Reviewing and affirming the independence of the External Auditors by obtaining statements regarding the relationships between the Auditors and the Company, including the provision of non-audit services, and discussing such relationships with the External Auditors. Meeting periodically with the External Auditors to discuss any matters that the Audit Committee or the auditors deem necessary to address in a closed session. Reviewing external audit reports, working with External Auditors, and providing support whenever possible to offer an alternative communication link between the External Auditors and the Board when necessary. Reviewing the audit plan with the External Auditor (specifically examining the proposed audit scope and approach), including the coordination of audit efforts with the Internal Auditor. Reviewing the qualifications of the External Auditor and evaluating their performance and independence, including the review and assessment of the Lead Partner, taking into account the views of the Company's Management and Internal Auditors, and presenting the findings and conclusions to the Board. Reviewing the External Auditor's comments on the financial statements, and following up on the procedures taken in connection therewith.
Financial Reports, Statements, and Accounting Policies	<ul style="list-style-type: none"> Overseeing the arrangements for the finalization of the audited year-end financial statements. Reviewing the audited financial statements and discussing the audit methodology and accounting adjustments with the External Auditor, while providing recommendations to the Board to enhance internal controls and any other significant findings resulting from the audit process. Analyzing the Company's interim and annual financial statements and providing recommendations to the Board thereon to ensure their integrity, fairness, and transparency. Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allows shareholders and investors to assess the Company's financial position, performance, business model, and strategy. Analyzing any important or non-familiar issues contained in the financial reports. Examining the accounting estimates in respect of significant matters that are contained in the financial reports. Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon. Reviewing the impact of any regulatory or accounting initiatives on the Company's financial statements with Management and the External Auditors. Submitting regular reports to the Board regarding any issues arising in relation to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, and the performance and independence of the Company's External Auditor. Reviewing the general policies and procedures of the Company, as well as those of the internal and External Auditors, to obtain reasonable assurance regarding the adequacy of the accounting principles and financial practices applied by the Company.
Internal Control Systems	<ul style="list-style-type: none"> Reviewing and assessing the effectiveness and/or weaknesses of the Company's information system controls and security, as well as the status and adequacy of Management Information Systems (MIS) and other information technologies, in coordination with Management, External Auditors, and the Internal Auditor. Examining any significant findings and recommendations provided by the External Auditors and the Internal Audit Unit, along with Management's responses thereto; this includes reviewing the proposed timeline for implementing recommendations to remediate identified weaknesses in controls and security systems, as well as discussing any material risks related to key controls with Management, External Auditors, and the Internal Auditor. Reviewing the effectiveness of the Company's internal control system, including information technology security and controls. Reviewing and providing observations on significant new changes or amendments to existing policies and procedures approved by Management, and offering opinions and recommendations in this regard. Reviewing and assessing the Company's internal control system and preparing a report stating its opinion on the adequacy of such system, alongside other activities within its scope. The Board shall make sufficient copies of this report available at the Company's head office at least twenty-one days prior to the General Assembly meeting, to provide each shareholder with a copy.

Committee Key Duties

Internal Audit	<ul style="list-style-type: none"> Defining the objectives, powers, and responsibilities of the Internal Audit Unit to conduct and review ongoing assessments of the Company's operations, risk management processes, and internal control system, in coordination with Senior Management and the Audit Committee. Providing a recommendation to the Board on appointing the Manager of the Internal Audit Department, or the Internal Auditor and proposing their remunerations. Overseeing the internal audit activities and reviewing its charter, scope, effectiveness, independence, objectivity, performance, and annual work plan. Analyzing the findings of internal audit efforts with the Internal Auditor on a quarterly basis, or as needed, and examining the periodic and annual internal audit reports. Controlling and overseeing 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 in performing the assigned tasks and duties (the contract with Deloitte has been renewed to conduct internal audit services). Examining the summary of all internal audit reports, including Management's responses and the exceptions noted therein, and following up on the implementation of corrective actions for observations raised in the internal audit report. Overseeing the Company's Internal Audit Unit to ensure its effectiveness in performing its activities and duties. Reviewing and approving the annual audit plan and any significant changes made thereto. Ensuring there are no unjustified restrictions, and reviewing and approving the appointment, replacement, or dismissal of the Internal Auditor. Reviewing the performance of the Internal Auditor at least once a year, and approving the annual remuneration and salary adjustments, as necessary. Reviewing the effectiveness of the Internal Audit Unit, including compliance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA). Meeting periodically with the Internal Auditor to discuss any matters that the Audit Committee or the Internal Audit Unit deems necessary to address in an executive session.
Risk Management	<ul style="list-style-type: none"> Developing and maintaining written policies and procedures to identify, measure, monitor, and control all key risks associated with the Company's operations and objectives. Approving risk management policies and procedures that define appropriate stages for decision-making approvals, as well as other controls, balances, and limits for risk management, and determining administrative risk reporting requirements. Receiving the annual study results from the Internal Auditor regarding the enforcement of the Company's risk management policies and procedures, and recommending changes if issues arise concerning management deficiencies or problems in the risk measurement methodologies. Considering the coordination of audit efforts between the Internal Auditor and External Auditors to ensure that the audit covers key system controls and risk areas related to information technology (IT) controls. Undertaking administrative oversight tasks in all precautionary reviews, and following up on any required administrative actions taken by the relevant sectors. Ensuring the inclusion of a "big picture" analysis scope for future risks, taking into account emerging trends. Conducting a critical assessment of the Company's strategies and business plans from a risk management perspective. Reviewing policies related to risk assessment and management, including the key financial risks to which the Company is exposed, and the steps taken by the Company's Management to monitor and control them. Overseeing and enhancing the Company's adopted risk management framework. Periodically reviewing key risk assessment activities, considering legal claims filed against the Company, and reviewing the Company's Business Continuity Plan (BCP). Ensuring that risks are maintained within acceptable limits, taking into account business objectives, company size, workload, financial ratios, and both short- and long-term perspectives. Identifying and monitoring the Company's key risks, assessing the management of such risks, and aligning risk management activities with the Company's general objectives and policies.
Compliance, Regulations, and Related Party Transactions	<ul style="list-style-type: none"> Reviewing the process of communicating the Code of Ethics and Professional Conduct to the Company's employees, and the process of monitoring compliance therewith. Obtaining periodic updates from Management and the Company's legal counsel regarding compliance matters. Accurately investigating any issues raised by the Company's Chief Financial Officer (CFO) or any person assuming his duties or the Company's compliance officer or External Auditor. Reviewing the effectiveness of the control system and ensuring compliance with applicable laws and regulations, examining the results of investigation activities conducted by Management and following up thereon, including any disciplinary actions for cases of non-compliance. Reviewing the findings of examinations conducted by regulatory authorities and considering the auditor's observations. Reviewing contracts and transactions proposed to be entered into by the Company with related parties, and providing its views thereon to the Board. Escalating any matters, it deems necessary, for action to the Board, and providing its recommendations on the measures to be taken.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) consists of three Members, appointed by the Board on the recommendation of the NRC and with the General Assembly's approval. A majority of the Committee Members must be Independent Members to ensure objectivity and integrity in the performance of their duties.

NRC Members and Meeting Details in 2025

Name	Position	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Total	Attendance (%)
		04 March	18 March	01 June	28 September		
Fahad Suleiman Abdulrahman Al-Nuhait	Chairman	√	√	√	√	4	100%
Mohammed Abdulaziz Ajan Al-Ajlan	Member	√	√	√	√	4	100%
Solaiman Abdulaziz Altwaijri	Member	√	√	√	√	4	100%
Naif Abdulrahman Abdullah Al-Ajlan	Member	√	√	√	√	4	100%

NRC Key Duties

Nominations and the Composition of the Board and Committees	<ul style="list-style-type: none"> Providing recommendations to the Board regarding the nominees for the membership of the Board at the General Assembly meeting. Preparing a description of the capabilities and qualifications required for Board membership. Reviewing the composition of each Board Committee and recommending to the Board the approval of their Members to serve on each Committee.
Governance, Regulatory Policies, and Independence	<ul style="list-style-type: none"> Providing job descriptions for Executive, Non-Executive, and Independent Members, as well as Senior Executives, and setting procedures to be followed if the position of a Member of the Board or a Senior Executive becomes vacant. Annually ensuring the independence of Independent Members and the absence of any conflicts of interest if a Board Member also acts as a Member of the Board of another company. Determining, on an annual basis, the extent of compliance by each Board Member and the Executive Management with the Company's Code of Conduct and Ethics, and reporting any violations of these rules to the Board.
Executive Leadership and Succession Planning	<ul style="list-style-type: none"> Selecting, developing, and evaluating potential nominees for Executive Management positions, including the Chief Executive Officer (CEO), and overseeing the development of Executive Management succession plans.
Performance Evaluation and Board Effectiveness	<ul style="list-style-type: none"> Reviewing the structure and composition of the Board and the Executive Management. Conducting an annual assessment of the required skills and experiences for Board membership and Executive Management positions, identifying strengths and weaknesses within the Board and Executive Management, and proposing remedies in line with the Company's best interests. Identifying the strengths and weaknesses of the Board, and proposing solutions to address them in a manner consistent with the Company's best interests.
Remuneration and Compensation Policies	<ul style="list-style-type: none"> Developing a clear policy for the remuneration and compensation of Board Members, Senior Executives, and Board Committees, and submitting such policy to the Board in preparation for approval by the General Assembly. The Committee bears direct responsibility for recommending the remuneration of the Board. In discharging this responsibility, the Committee seeks to attract, motivate, reward, and retain Board Members of high integrity and superior capability who are focused on enhancing long-term shareholder value. Providing recommendations to the Board regarding the remuneration of Board Committees and the Company's Senior Executives, in accordance with the approved policy. Clarifying the relation between the paid remuneration and the adopted remuneration policy, and highlighting any material deviation from that policy.

Executive Committee

The Executive Committee is composed of at least three Members appointed by the Board of Directors. The Committee operates based on a mandate from the Board, which clearly defines the scope of delegated powers and responsibilities to ensure its effectiveness and alignment with general policies.

Executive Committee Members and Meeting Details in 2025

Name	Position	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	Total	Attendance (%)
		12 March	15 June	21 July	31 July	17 December		
Ajlan Abdulaziz Ajan Al-Ajlan	Chairman	√	√	√	√	√	5	100%
Ahmed Ali Abdullah Al-Dakheel*	Member	√	√	√	√	-	4	80%
Abdulwahab S. Abu Dahesh Al Gahtani**	Member	-	√	√	√	√	4	80%
Nasser Abdulaziz Abanamy***	Member	-	-	-	-	√	1	20%

* The Member held his position until 19/03/2025 and departed from the Committee on 30/09/2025.

** The member started his position on 19/3/2025.

*** The member started his position on 30/09/2025.

Executive Committee Key Duties

Strategic Planning and Vision	<ul style="list-style-type: none"> Providing assistance to the Board in defining major strategic objectives and investment strategies. Providing assistance to the Board in formulating and embedding the Company's vision and mission. Facilitating the Board's task in defining strategic targets and desired outcomes. Developing the business plan based on the Company's vision and mission, and formulating short-term and long-term action plans.
Performance and Operations Monitoring	<ul style="list-style-type: none"> Periodically reviewing the Company's performance to verify the extent to which objectives are being achieved. Monitoring the performance of the Executive Management in relation to the implementation of the business plan approved by the Board. Establishing operational processes, policies, and procedures to be followed in day-to-day operations, monitoring compliance therewith, identifying challenges, and developing action plans to overcome them.
Investment and Financial Decisions	<ul style="list-style-type: none"> Reviewing and approving major investment decisions in alignment with the Company's approved strategies. Making decisions related to the establishment or restructuring of joint ventures or partnerships, and the associated expenditures. Working on establishing an investment portfolio for the Company aimed at increasing market share and maximizing profitability for owners and shareholders.
Technical and Human Capital Development	<ul style="list-style-type: none"> Enhancing and developing the technologies utilized by the Company and improving the efficiency of technical support. Overseeing the general development of employees through regular training and skill enhancement, and preparing succession plans to assess needs based on business requirements.
Corporate Relations and Communication	<ul style="list-style-type: none"> Managing relationships with key suppliers. Ensuring the existence of effective coordination and appropriate communication channels between the Executive Management and the Board. Exploring ways to conduct business in an economically feasible and highly efficient manner to respond to customer expectations.
Powers and Exceptions	<ul style="list-style-type: none"> The Committee shall be vested with all powers of the Board in executing and approving the activities assigned to it, with the exception of powers such as approving the annual budget and the interim and annual financial statements.

Executive Management Composition



Rohit Chugh

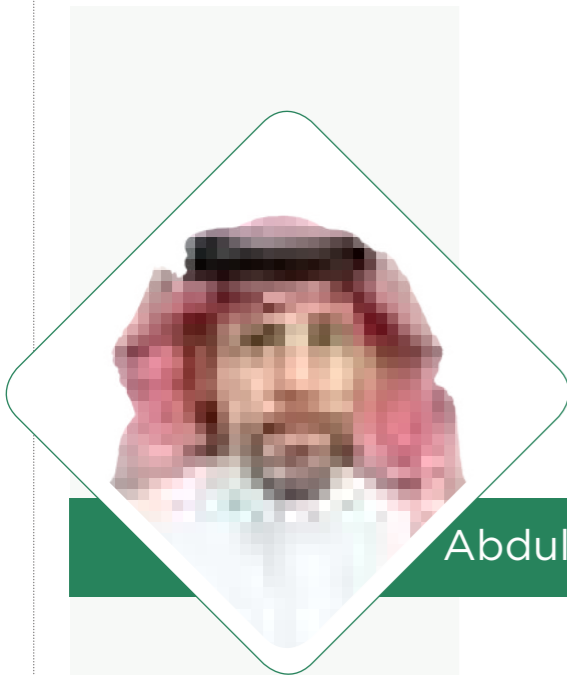
Position	Chief Executive Officer (CEO)
Qualifications	<ul style="list-style-type: none"> 1995: Bachelor's Degree, Electronics Engineering, Shri Govindram Seksaria Institute of Technology and Science (SGSITS), Indore, India. 2000: Diploma, Management and Marketing, Xavier School of Management (XLRI), Jamshedpur, India.
Key Memberships and Experiences	<ul style="list-style-type: none"> Senior Vice President, Olam International. Associate Vice President, Sales and Marketing, Vodafone. General Manager, Coca-Cola India. Senior Regional Manager, Asian Paints Limited. Area Sales Manager, Agro Tech Foods Limited (ConAgra).



Safouane AlMabruk Khechirif

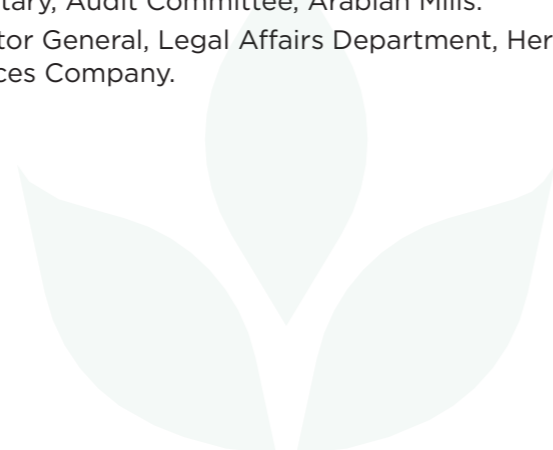
Position	Chief Financial Officer (CFO)
Qualifications	<ul style="list-style-type: none"> 2000: Master's Degree, Accounting and Business Administration, Higher Institute of Accounting and Business Administration (ISCAE), Tunisia. 2007: IFRS (International Financial Reporting Standards) Certified, Price Waterhouse Coopers (PwC), Tunisia.
Key Memberships and Experiences	<ul style="list-style-type: none"> CFO, Golden Chicken Company. CFO, North Africa, Egypt, and Sudan, General Electric (GE). CFO, North Africa at General Electric (GE). CFO, Middle East and Africa (MEA), Sopra HR Software. CFO, L'Appétissante IFFCO Group. CFO, AZUR Gabon, BINTEL Group Bahrain. Member, Board of Directors, GE Power.





Abdulrahman Suliman Abdullah Alyousef

Position	Chief Legal and Compliance Officer (CLCO)
Qualifications	<ul style="list-style-type: none"> • 2007: Bachelor's Degree, Sharia (Islamic Law), Imam Mohammad Ibn Saud Islamic University (IMSIU), KSA. • 2009: Higher Diploma, Law, Institute of Public Administration (IPA), KSA.
Key Memberships and Experiences	<ul style="list-style-type: none"> • Acting Director, Internal Audit Department, Arabian Mills. • Chief Executive Officer, Occupational Safety, Security and Health Department. • Secretary, Board of Directors, Arabian Mills. • Member, Saudi Bar Association. • Member, Saudi Judicial Scientific Association. • Secretary, Executive Committee, Board of Directors, Arabian Mills. • Secretary, Nomination and Remuneration Committee (NRC), Board of Directors, Arabian Mills. • Secretary, Audit Committee, Arabian Mills. • Director General, Legal Affairs Department, Herfy Food Services Company.



Roni Painter

Position	Chief Operating Officer (COO)
Qualifications	<ul style="list-style-type: none"> • 2004: Milling Expert Certificate, Bühler Academy, Switzerland. • 1998: Master of Science (M.Sc.), Sardar Patel University. • 1995: Bachelor of Science (B.Sc. Special), Veer Narmad South Gujarat University. • 1992: High School Certificate, Marketing, Frederick Institute of Technology, Cyprus.
Key Memberships and Experiences	<ul style="list-style-type: none"> • CEO (Consultant), METL, 21st Century Food and Packaging, Tanzania. • Chief Operating Officer (COO), United Millers Limited, Kenya. • Head, Operations, Astco Food Complex, Ethiopia. • Head, Operations, Capwell Industries Ltd, Kenya.





Mohammed Fahad Said

Position

Chief of Human Resources and Support Services

Qualifications

- 1999: Bachelor's Degree, Business Administration, King Saud University (KSU), KSA.

Key Memberships and Experiences

- Member, Society for Human Resource Management (SHRM).
- Member, Saudi Management Association (SMA).
- Head, Shared Services, Arabian Mills.
- Director General, Administrative Development, General Food Security Authority (GFSA).



Ahmad Hassan Asiry

Position

Head of Quality

Qualifications

- 2008: Bachelor's Degree, Chemistry, King Khalid University, KSA.
- 2011: Master's Degree, Analytical Chemistry, University of Hull, UK.

Key Memberships and Experiences

- Member, Saudi Quality Council (SQC).
- Head, Quality Assurance and Industrial Safety, Arabian Mills.





Mohammed Zaki Alsabawi

Position

Head of Sales

Qualifications

- 1992: Diploma, Marketing, Frederick Institute of Technology, Cyprus.
- 1996: Bachelor's Degree, Business Administration, Applied Science Private University (ASU), Jordan.

Key Memberships and Experiences

- Manager, General Sales, Delta Food Industries.
- Manager, General Sales, Nestlé Waters.



Mohammad Kasim Khan

Position

Head of Marketing

Qualifications

- 1996: Bachelor of Science (B.Sc.), Agra University, India.
- 2008: Diploma, Business Administration, Symbiosis International University, India.
- 2008: Executive Education Program, Digital Marketing, Indian Institute of Management (IIM), Bangalore, India.

Key Memberships and Experiences

- Head, Marketing, Al Daajan Holding.



Remuneration

Board Remuneration for 2025

(All Amounts in SAR Mln)

Name	Position	Fixed Remuneration							Variable Remuneration					Grand Total	Expense Allowance	
		** Annual Bonus	*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																
Ajlan Abdulaziz Ajlan Al-Ajlan	Chairman of the Board	250,000	12,000					262,000							262,000	
Alaa Abdullah Mohammed Al-Hashem	Vice Chairman of the Board	250,000	12,000		99,419			361,419							361,419	
Ahmed Ali Abdullah Al-Dakheel*	Board Member	53,424.66	-					53,424.66							53,424.66	
Mohammed Abdulaziz Ajlan Al-Ajlan	Board Member	250,000	12,000					262,000							262,000	
Solaiman Abdulaziz Altwajiri	Board Member	250,000	12,000		73,600			335,600							335,600	
Abdulwahab S. Abu Dahesh Al Gahtani	Board Member	250,000	12,000					262,000							262,000	
Nasser Abdulaziz Abanamy**	Board Member	63,698.63	3,000					66,698.63							66,698.63	
(Total in SAR)		1,367,123.29	63,000		173,019			1,603,142.29							1,603,142.29	
Independent Members																
Naif Abdulrahman Abdullah Al-Ajlan	Board Member	250,000	12,000		139,540			401,540							401,540	
Mishal Amar Abdulwahid Al-Khudairy	Board Member	250,000	12,000					262,000							262,000	
Fahad Suleiman Abdulrahman Al-Nuhait	Board Member	250,000	12,000		59,800			321,800							321,800	
(Total in SAR)		750,000	36,000		199,340			985,340							985,340	
Grand Total (SAR)		2,117,123.29	99,000		372,359			2,588,482.29							2,588,482.29	

* The Member held office until 19/03/2025.

* The attendance allowance is disbursed on a quarterly basis.

** The Member held office on 30/09/2025.

** The annual bonus is granted following the approval of the General Assembly.

Committee Members' Remuneration for 2025

(All Amounts in SAR Mln)

Name	Fixed Remuneration (Excl. Meeting Attendance Allowance)	Meeting Attendance Allowance	Total
Audit Committee Members			
Solaiman Abdulaziz Altwajiri	150,000	12,000	162,000
Alaa Abdullah Mohammed Al-Hashem	150,000	12,000	162,000
Mishal Amar Abdulwahid Al-Khudairy	150,000	12,000	162,000
Total	450,000	36,000	486,000
NRC Members			
Fahad Suleiman Abdulrahman Al-Nuhait	100,000	12,000	112,000
Mohammed Abdulaziz Ajlan Al-Ajlan	100,000	12,000	112,000
Solaiman Abdulaziz Altwajiri	100,000	12,000	112,000
Naif Abdulrahman Abdullah Al-Ajlan	100,000	12,000	112,000
Total	400,000	48,000	448,000
Executive Committee Members			
Ajlan Abdulaziz Ajlan Al-Ajlan	150,000	15,000	165,000
Ahmed Ali Abdullah Al-Dakheel*	112,500	12,000	124,500
Abdulwahab S. Abu Daresh Al Gahtani	113,000	12,000	125,000
Nasser Abdulaziz Abanamy**	37,500	3,000	40,500
Total	413,000	42,000	455,000
Grand Total	1,263,000	126,000	1,389,000

* The Member held his post until 19/03/2025 and departed from the Committee on 30/09/2025.

** The Member held office on 30/09/2025.

Remuneration of Top Five Senior Executives for 2025

Remuneration of Top Five Senior Executives for 2025

(All Amounts in SAR)

Remuneration of the Top Five Senior Executives, Including the CEO and CFO	15,401,958
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Loans

Development of the Company's Loans: 2024-2025

(All Amounts in SAR Mln)

Statement / Year	2024	2025	Change %
Long-term Loan	824,884,452	667,789,273	-19%
Current Portion of Long-Term Debt (CPLTD)	26,867,674	21,903,247	-18.5%
Interest Payable	-	-	-
Total	851,752,126	689,692,520	-19%

Statement of Outstanding Loans as of Year-End 2025

(All Amounts in SAR Mln)

Lending Entity	Amount	Maturity Date	Amount Paid as of 2025	Outstanding Balance as of Year-End 2025
SAB	1,500,000,000	31/12/2039	800,984,989	699,015,011



Statutory Payments

The following table illustrates the statutory payments paid and those due for Zakat, taxes, fees, or any other charges incurred by the Company that remained unpaid as of the end of 2025:

(All Amounts in SAR Mln)

Description	Paid	Due & Unpaid at Year-End	Brief Description	Reasons for Non-Payment
Zakat	5,667,741	6,100,000	Due for 2025	The balance due for Zakat for the fiscal year 2025 represents the amount arising from the Company's Zakat base, in accordance with the regulations, rules, and instructions approved by the Zakat, Tax and Customs Authority.
Withholding Tax	163,994	-	Due for 2025	The balance due for withholding tax for the fiscal year 2025 represents the amount arising from transactions and services provided by non-resident parties, in accordance with the regulations, rules, and instructions approved by the Zakat, Tax and Customs Authority.
Value Added Tax (VAT)	73,107,693	7,035,537	Due for 2025	The balance due for value-added tax (VAT) returns for the financial year 2025 represents the amount arising from taxable transactions and sales, in accordance with the regulations, rules, and instructions approved by the Zakat, Tax and Customs Authority.
General Organization for Social Insurance (GOSI)	9,012,269	854,322	Due for 2025	The balance due for General Organization for Social Insurance (GOSI) contributions for the financial year 2025 represents the amount arising from due employee contributions, in accordance with the regulations, rules, and instructions approved by the General Organization for Social Insurance.
Visas and Passports Costs	322,963	-	Due for 2025	The balance due for visa and passport costs for the financial year 2025 represents the amount arising from the issuance and renewal of visas and passports and their associated employee services, in accordance with the regulations, rules, and instructions approved by the relevant government authorities.
Labor Office Fees	1,518,882	-	Due for 2025	The balance due for labor office fees for the financial year 2025 represents the amount arising from work permits, licenses, and associated employee fees, in accordance with the regulations, rules, and instructions approved by the Ministry of Human Resources and Social Development (HRSD) and the relevant authorities.
Other Government Fees	405,556	-	Due for 2025	The balance due for other government fees for the financial year 2025 represents the amount arising from various regulatory and operational obligations and fees on the Company, in accordance with the regulations, rules, and instructions approved by the relevant government authorities.

Sanctions, Penalties, and Fines

The following table details the sanctions, penalties, and fines issued by the General Food Security Authority (GFSA) or any supervisory, regulatory, or judicial body against the Company during the year 2025:

Violation Type	Issuing Authority	Financial Impact in 2025	Cause of Violation	Final Violation Amount	Remediation and Future Prevention Measures
Milling Standards Violation	General Food Security Authority (GFSA)	Improvement in Annual Profits	Violation of the GFSA Instructions Issued in 2024. The Announced Value was Reduced in 2024 from SAR 5,600,000 to SAR 3,100,000	3,100,000	The case is still pending; necessary corrective actions were taken at the time, and the relevant department's commitment to regulatory requirements was reaffirmed.
Violation	General Department of Traffic (GDT)	Reduction in Annual Profits	A Number of GDT Violations	18,213	Paid; necessary corrective actions were taken at the time, and the relevant department's commitment to regulatory requirements was reaffirmed.
Violation	Zakat, Tax and Customs Authority (ZATCA)	Reduction in Annual Profits	Violations Related to ZATCA	7,625.98	Paid; necessary corrective actions were taken at the time, and the relevant department's commitment to regulatory requirements was reaffirmed.
Audit	Zakat, Tax and Customs Authority (ZATCA)	Reduction in Annual Profits	ZATCA Audit (without fines)	1,003,235.81	Paid; necessary corrective actions were taken at the time, and the relevant department's commitment to regulatory requirements was reaffirmed.

Arabian Mills respects the aforementioned decisions and reaffirms its full commitment to all rules and regulations issued by regulatory authorities in a manner that protects the rights of its shareholders and customers, noting that some penalties are not final but are currently in the litigation stage, and there is no final judgment against the Company.

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:

Related Party	Nature of Transaction	Nature of Relationship	Year	Amount (SAR)	Terms
Al Watania Poultry	Feed Sales	Board Member Nasser Abdulaziz Abanamy has an indirect interest as he is also a Board Member of Al Watania Poultry. And the Vice Chairman of the Board, Mr. Alaa bin Abdullah Al-Hashem, also has an indirect relationship, as he previously served as a member of the Board of Directors of the National Poultry Company.	2025	24,382,325	No preferential terms or benefits.
National Agricultural Development Company (NADEC)	Feed Sales	Vice Chairman Alaa Abdullah Mohammed Al-Hashem has an indirect interest as a Board Member of NADEC. Board Member Solaiman Abdulaziz Altwaijri has an indirect interest as the CEO of NADEC.	2025	41,675,797	No preferential terms or benefits.

Shareholders

Company's Bylaws

The Company's Bylaws serve as the corporate constitution and the legal reference for all decision-making processes. The Board of Directors and Executive Management are committed to exercising their strategic and oversight functions within the legislative framework defined by these Bylaws, which constitute the core pillar of the corporate governance system.

The Bylaws aim to ensure:

Regulation of Rights and Duties: By framing the contractual and statutory relationship between the Company and its shareholders to ensure transparency and fairness.

Separation of Powers: By precisely defining the Delegation of Authority (DoA) and responsibility matrix, and ensuring a clear separation between the roles of all parties.

Compliance and Alignment: The Company adopts a dynamic approach in periodically reviewing its Bylaws to ensure full alignment with all regulations issued by regulatory authorities.

Ensuring Transparency and Disclosure: The Bylaws require the Company's Board of Directors to prepare financial statements and reports and publish them to shareholders within a specified period prior to the General Assembly. This requirement is consistent with the ongoing disclosure obligations applicable in the capital market.

Shareholder Information

Date of Incorporation	10 November 2016
Listing Date	08 October 2024
Capital Market	Saudi Exchange (Tadawul) - Main Market - TASI
Short Name on Tadawula	Arabian Mills for Food Products Company
Company's Symbol on Tadawul	2285
ISIN Code	SA164H113MH2
Line of Business	Production and Storage of Flour and Animal Feed
Sector	Food Production
No. of Issued Shares	51,315,006
Par Value/Share	SAR 10
Authorized and Paid-up Capital	SAR 513,150,060
Foreign Ownership as of Year-End 2025	1%
Free Floats	30%
Closing Price as of Year-End 2025	SAR 38.70
Market Cap as of Year-End 2025	SAR 1,985.89 Mln

Shareholder Rights

Arabian Mills is committed to implementing a comprehensive governance framework that ensures the protection of shareholder rights and promotes the principles of fairness and transparency. This is achieved by enabling shareholders to exercise their statutory rights associated with their shares, including their inherent right to access material information and financial data accurately, clearly, and in a timely manner.

In the context of establishing effective and continuous communication, the Company adopts written policies and procedures to regulate relationships with shareholders and stakeholders. These policies provide clear channels for submitting inquiries, suggestions, and complaints, ensuring that their views reach the Board of Directors and Executive Management to be addressed with the utmost seriousness and diligence.

The Company also affirms its commitment to the immediate disclosure of the results and resolutions of General Assembly meetings. All deliberations are documented in detailed minutes, including voting results and discussions, to ensure shareholders are kept fully informed of all proceedings with complete transparency. These practices are rooted in a firmly held conviction that protecting shareholder rights and activating their oversight role is not merely a matter of regulatory compliance but rather a fundamental pillar for reinforcing trust, supporting business sustainability, and achieving long-term institutional growth.

Mechanisms for Ensuring and Protecting Shareholder Rights

- 01** The Company ensures equal rights for all shareholders in attending General Assembly meetings and participate in voting, thereby reinforcing the legitimacy and fairness of the resolutions issued, and upholding the principles of equity and transparency in managing its affairs.
- 02** The Company ensures the independence of the Board and its supervisory governance, relying on a governance structure comprising highly competent Independent Members, which supports the decision-making process and enhances confidence in the quality of internal controls.
- 03** The Company guarantees shareholder financial rights and dividend distributions through clear and announced policies, ensuring their right to receive returns generated from the Company's performance.
- 04** The Company ensures trading stability and protects the market value of its shares through strict measures aimed at maintaining stable financial performance and mitigating volatility, thereby strengthening shareholder confidence and supporting business sustainability.
- 05** The Company ensures transparency and full disclosure, with the Board bearing direct responsibility for the accuracy of disclosed information. This enhances trust and establishes the principles of sound corporate governance.

General Assembly Meetings for 2025 and Board Attendance Record

Name	Position	Attendance Record	
		Extraordinary General Assembly First Meeting	Ordinary General Assembly First Meeting
		Date: 06/02/2025	Date: 03/06/2025
Ajlan Abdulaziz Ajlan Al-Ajlan	Chairman of the Board	✓	✓
Alaa Abdullah Mohammed Al-Hashem	Vice Chairman of the Board	✓	✓
Ahmed Ali Abdullah Al-Dakheel*	Board Member	✓	-
Mohammed Abdulaziz Ajlan Al-Ajlan	Board Member	✓	✓
Solaiman Abdulaziz Altwajri	Board Member	✓	✓
Naif Abdulrahman Abdullah Al-Ajlan	Board Member	✓	-
Mishal Amar Abdulwahid Al-Khudairy	Board Member	✓	✓
Fahad Suleiman Abdulrahman Al-Nuhait	Board Member	✓	✓
Abdulwahab S. Abu Dahesh Al Gahtani	Board Member	✓	✓
Nasser Abdulaziz Abanamy**	Board Member	-	-

* The Member held office until 19/03/2025.

** The Member's term began on 30/09/2025. This appointment will be presented to the next General Assembly meeting for approval.

Major Shareholders

Owner	No. of shares (in Mln)	% of Total Shares
Abdulaziz Alajlan Sons for Trading & Real Estate Investments Co.	18.01	35%
Al Rajhi International for Investment (RAII)	12.57	25%
National Agricultural Development Company "NADEC"	5.34	10%
Public	15.40	30%
Total	51.32	100%

Development of Foreign Ownership in the Company (2024-2025)

As of 31 December 2024	As of 31 December 2025
1.10%	1%

Company Disclosures on Tadawul in 2025

Date	Announcement
08/01/2025	Announcement of the Invitation to the Company's Shareholders to Attend the Extraordinary General Assembly Meeting (First Meeting) via Modern Technology Means.
02/02/2025	Announcement Regarding the Commencement of E-Voting for the Agenda Items of the Extraordinary General Assembly Meeting (First Meeting) via Modern Technology Means
06/02/2025	Announcement of the Results of the Extraordinary General Assembly Meeting (First Meeting).
17/03/2025	Announcement of the Annual Financial Results for the Period Ending 31/12/2024.
19/03/2025	Announcement Regarding the Resignation of a Board Member.
19/03/2025	Announcement Regarding the Board of Directors Recommendation to Distribute Cash Dividends to Shareholders for 2024.
08/05/2025	Announcement of the Interim Financial Results for the Period Ending 31/03/2025 (Three Months).
11/05/2025	Announcement of the Invitation to the Company's Shareholders to Attend the Ordinary General Assembly Meeting (First Meeting).
20/05/2025	Corrective Announcement Regarding the Interim Financial Results for the Period Ending 31/03/2025 (Three Months).
03/06/2025	Announcement of the Results of the Ordinary General Assembly Meeting (First Meeting).
03/06/2025	Announcement Regarding an Update on its Announcement Regarding the Board Recommendation to Distribute Cash Dividends to Shareholders for 2024.
17/06/2025	Announcement Regarding Board Approval for a Voluntary Early Prepayment of SAR 100 Mln under the Existing Murabaha Agreement with Saudi Awwal Bank (SAB)
17/07/2025	Clarification Announcement Regarding the Wheat Supply Agreement with the General Food Security Authority (GFSA).
05/08/2025	Announcement of the Interim Financial Results for the Period Ending 30/06/2025 (Six Months).
01/10/2025	Announcement of Strategic Projects to Expand its Production Capacity in Riyadh and Hail.
01/10/2025	Announcement of the Appointment of a Board Member.
06/11/2025	Announcement of the Interim Financial Results for the Period Ending 30/09/2025 (Nine Months).
22/12/2025	Announcement Regarding the Board Recommendation to Distribute Cash Dividends to Shareholders for 2025.
22/12/2025	Announcement Regarding Board Approval for a Voluntary Early Prepayment of SAR 50 Mln under the Existing Murabaha Agreement with Saudi Awwal Bank (SAB)

Number of Shareholder Register Applications: Dates and Purposes

Application Date	Reason for Application
27/01/2025	General Assembly
25/05/2025	General Assembly
04/06/2025	Dividend Distribution
04/12/2025	Shareholder Analysis

Company's Dividend Policy

Dividend Distribution

- The Dividend Policy has been prepared in accordance with the requirements of the Companies Law, its Implementing Regulations, and the Corporate Governance Regulations. This policy outlines the Company's procedures regarding the calculation and determination of dividend amounts, the announcement of distributions, and the specification of the payment form and timing.
- 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.
- Dividend distributions shall be debited against the accumulated retained earnings from previous years, contractual reserves, or both. The Company must ensure consistency and regularity in the manner and percentages of dividend distributions, based on the Company's available capabilities and liquidity. The Board shall disclose and announce the regular periodic dividend percentages decided for distribution to shareholders on their scheduled dates.
- The Board shall include in its Annual Report, presented to the Company's General Assembly, the dividend percentages distributed to shareholders during various periods of the fiscal year, in addition to the dividend percentage proposed for distribution at the end of the financial year and the total amount of such dividends.
- The General Assembly shall determine the percentage of net profits to be distributed to shareholders after deducting reserves, if any.

Interim Dividend Distribution

The possibility of distributing interim dividends to the Company's shareholders, whether on a semi-annual or quarterly basis, is subject to a resolution by the Board, in accordance with the Companies Law and the relevant regulatory rules and procedures, and after fulfilling 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 have reasonable liquidity and be able to forecast its profit levels with a reasonable degree of certainty.
- The Company must maintain good and consistent profitability.
- 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.

Dividend Eligibility

Regarding dividend eligibility, Article (125) of the Companies Law states that: "A shareholder shall be entitled to dividends pursuant to a decision issued by the General Assembly. The decision shall indicate eligibility and distribution dates. Shareholders registered in the shareholders' register by the end of the eligibility date shall be eligible to receive dividends".

Dividend Sources and Amounts

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:

- 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 said Assembly may allocate amounts from the net profit for social objectives that benefit the Company's staff.
- The General Assembly shall determine the percentage of the net profit to be distributed to the shareholders after deducting the reserves, if any, based on the Board's recommendation (unless otherwise decided).
- Any remaining balance shall be set aside in retained earnings to support the Company's financial position.

General Provisions

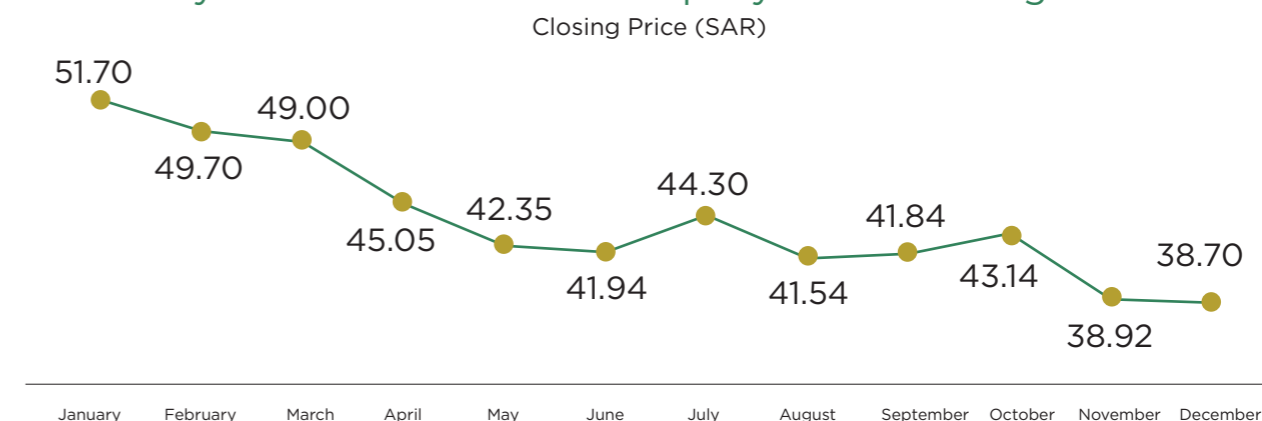
- The Company may, for the purpose of organizing and completing the dividend distribution process, seek the assistance of an external party, such as one of the banks it deals with.
- No interest shall be calculated or accrued on unclaimed dividends.
- The Company shall deduct a 5% withholding tax from the cash dividends of non-Saudi shareholders, in accordance with the requirements of the applicable law.

Dividends Distributed in 2025

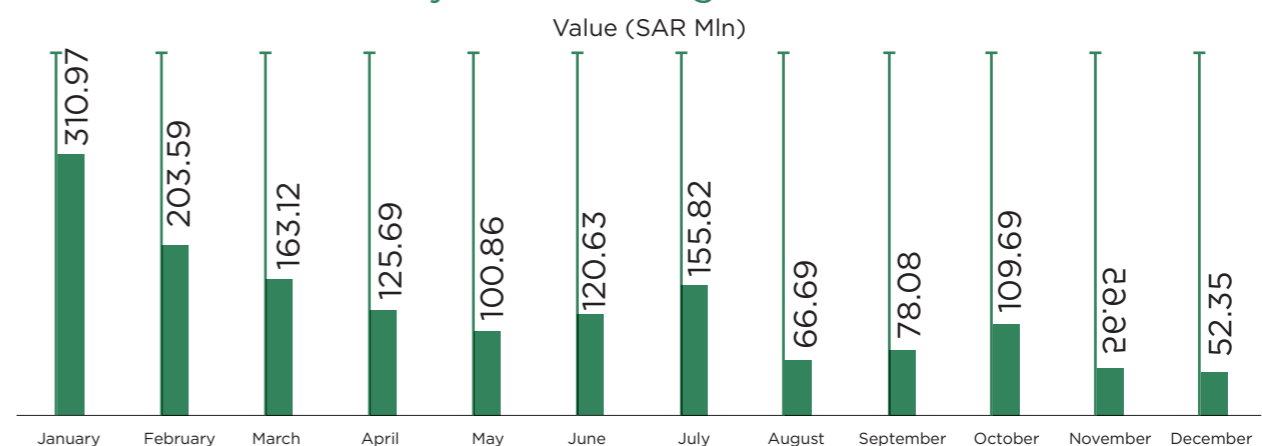
Date	Status	Total Dividends (SAR Mln)	Dividend Per Share (DPS) (SAR)	Dividend to Nominal Value Ratio
03/06/2025	The General Assembly approved cash dividends for 2024	30,275,853.54	0.59	5.90%
22/12/2025	The Board of Directors recommended cash dividends for 2025	51,315,006	1	10%

Stock Performance in 2025

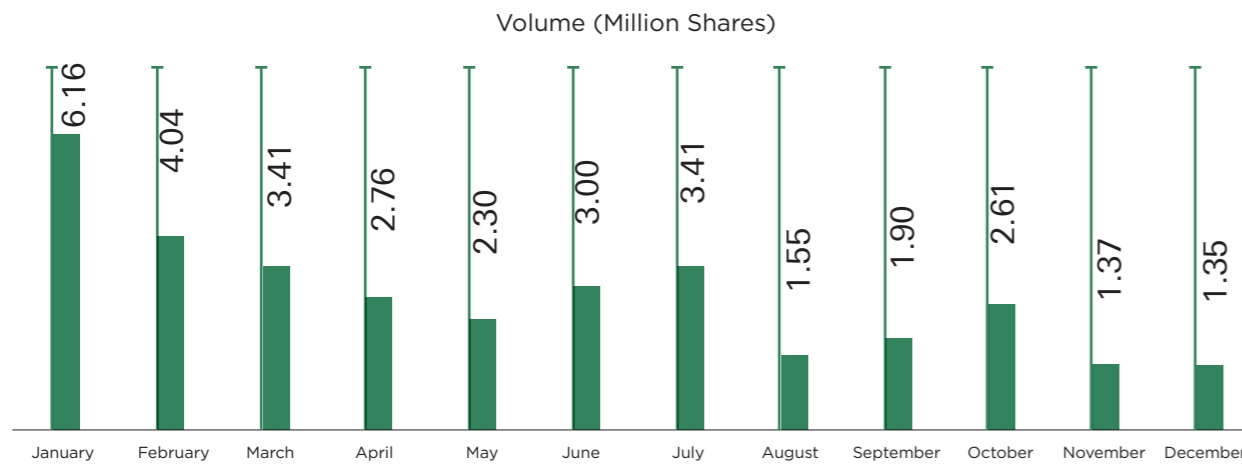
Monthly Performance of the Company's Stock during the Year



Monthly Stock Trading Values in 2025



Monthly Stock Trading Volumes in 2025



Stock Performance Summary 2025



Shareholders' Suggestions and Feedback Regarding the Company and its Performance

Arabian Mills believes that effective communication with shareholders is the cornerstone of its corporate governance framework and a fundamental pillar for fostering mutual trust and ensuring sustainable growth. Guided by this principle, the Company has strengthened its corporate communication channels to foster trust, enhance performance, and elevate its organizational practices.

The measures adopted by the Board to keep its Members, particularly Non-Executive Members, informed of shareholders' suggestions and feedback regarding the Company and its performance are as follows:

- Board Members and Committees' Chairmen attend the General Assembly meetings to keep abreast of the shareholders' feedback and suggestions.
- Conducting periodic meetings with investors and financial analysts to discuss the Company's financial results.
- Maintaining effective engagement with shareholders and all stakeholders through social media platforms and email to receive inquiries, proposals, and complaints, thereby supporting the Company's corporate communication ecosystem.

It is worth noting that during 2025, the Company has not received any formal proposals that shareholders wish to include on the agenda during the General Assembly meetings.

Investor Relations Contact Information

Investor Relations Contact Number	E-mail
+9664951111	ir@arabianmills.com
Address	
5018, Al-Manakh, Riyadh 14313	

Internal Audit Control

* Audit Committee Report to the General Assembly

Through this report, the Audit Committee of Arabian Mills aims to support the Board of Directors in fulfilling its responsibilities, and provide recommendations that contribute to enhancing and developing internal control systems to achieve the Company's objectives and safeguard shareholders' interests with high efficiency and effectiveness.

* Audit Committee Duties

1. Exercising competencies in accordance with the regulations approved by the General Assembly and other relevant regulatory requirements.
2. Overseeing the performance of the Internal Audit Department and reviewing its reports.
3. Approving the annual audit plan and ensuring the effectiveness and integrity of the internal control systems.
4. Reviewing the interim and annual financial statements.
5. Reviewing the Company's adopted accounting policies.
6. Providing recommendations regarding the nomination of External Auditors.

* Scope of Audit Activities Performed During 2025

During the year, internal audit activities covered a number of key departments and functions, most notably:

1. Reviewing the Information Technology (IT) Department.
2. Reviewing the Retail and Wholesale Sales Departments.
3. Reviewing the Inventory and Warehousing Department.
4. Reviewing the Human Resources (HR) Department.
5. Reviewing of the Development Department.
6. Reviewing the Marketing Department.

7. Reviewing the Production Department.

8. Reviewing the Quality Assurance (QA) Department.

9. Reviewing the Research and Development (R&D) Department.

10. Reviewing the Procurement Department.

* Monitoring and Control

The Audit Committee submits its recommendations to the Board of Directors regarding matters it deems necessary, relying on the Board's ongoing support, which enables the Committee to perform its duties efficiently and enhance its performance, as follows:

- 1- The Committee monitors the Executive Management's implementation of corrective actions regarding observations raised by regulatory authorities.
- 2- The Committee receives regular reports from the Executive Management, as well as the Internal and External Auditors, concerning the monitoring and implementation of the Company's internal control activities.
- 3- Both the External and Internal Auditors perform the necessary audit procedures to provide an opinion on the effectiveness and adequacy of the approved internal control systems.

* Audit Committee Opinion

In the Audit Committee's opinion, as of 31 December 2025, and based on the information presented by the Executive Management, as well as the reports issued during the year by the Internal and External auditors, no material weakness has been identified in the Company's internal financial controls, risk management systems, or general internal control systems that would materially affect the integrity and fairness of the financial statements, the efficiency of the Company's operations, or its compliance with relevant regulations. It is noteworthy that any control system, by its nature, cannot provide absolute assurance, but rather provides reasonable assurance in light of the approved controls and procedures.

Board Declarations

Arabian 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.
- The Company's consolidated financial statements for the fiscal year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).
- No substantial events have occurred that affect the integrity of the Company's financial position following the end of the fiscal year 2025, that need to be disclosed, other than the already available information declared earlier.
- The Company's Board did not receive any request from the auditors calling upon the General Assembly to convene in 2025.
- The Company's Board did not receive any requests during 2025 from shareholders holding 5% of the Company's capital calling upon the General Assembly to convene in 2025.
- No measures have been taken to obstruct the rights of shareholders to vote.
- Arabian Mills did not report any natural or legal person who holds 5% or more of the Company's issued shares in 2025.
- No treasury shares held, nor are there any details regarding the utilization of such shares.
- The subsidiaries hold no equity shares or debt instruments.
- There is no redemption, purchase, or cancellation by the Company of any redeemable debt instruments during 2025.
- No arrangements or agreements have been concluded, according to which any of the Company's Board Members or Senior Executives have waived any salaries or remunerations.
- No arrangements or agreements have been concluded, according to which any of the Company's shareholders has waived any rights to dividends.
- Arabian Mills is not party to any agreement in which any of the Board Members, CEO, CFO, or any related person has or had a substantial interest, save for what has already been disclosed in the General Assembly meeting.
- Arabian Mills did not offer any cash loans whatsoever to any of its Board Members and did not serve as a guarantor for any loan to any Third Party.
- No option rights or subscription rights are held by any of the Board Members, Senior Executives, their spouses, or minor children.
- The Company's External Auditor has expressed its opinion without reservations on the consolidated financial statements of 2025.
- 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 Member of the Board is engaged in, or has previously engaged in, any business that competes with the Company or any of the business lines in which the Company operates.
- No shares or debt instruments issued by any of the Company's subsidiaries during 2025.
- No interests in the class of voting shares belonging to persons (save for the Board, Senior Executives, and their relatives) who have notified the Company of such rights under Article 85 of the Rules on the Offer of Securities and Continuing Obligations, and no change in those rights occurred during 2025.
- No interests, contractual securities, or subscription rights belonging to the Members of the Board, Senior Executives, or their relatives in the shares or debt instruments of the Company or any of its subsidiaries. Furthermore, no changes in such interests or rights occurred during 2025.
- The Company did not issue or grant any convertible debt instruments, contractual securities, subscription right warrants, or similar rights during 2025.
- No investments or reserves established for the benefit of the Company's employees.

Sustainability at Arabian Mills

Arabian Mills views sustainability as a strategic choice and a fundamental component of its corporate identity. Moving beyond traditional compliance, the Company adopts a holistic approach that integrates Environmental, Social, and Governance (ESG) criteria into the very heart of its operating model. Through this methodology, the Company seeks to align its operations with the ambitious national objectives of Saudi Vision 2030, particularly regarding the enhancement of the food security system and the achievement of sustainable economic development, thereby ensuring long-term value creation for both shareholders and society.



Sustainability Governance

The Company is committed to implementing governance practices that support business sustainability within a regulatory framework built on transparency and accountability. Sustainability is a core pillar of the Company's pursuit of excellence and efficiency. Although independent sustainability reports are not currently issued on a periodic basis, the Company integrates sustainability aspects into its daily operations and operational practices in alignment with applicable requirements, reflecting its dedication to fostering sustainable growth and adherence to best corporate practices.

Sustainability Strategy

The sustainability strategy at Arabian Mills is built on aligning economic growth objectives with environmental and social responsibility, as an integral part of the Company's comprehensive operational and marketing strategy. This strategy centers on key pillars aimed at ensuring sustainable growth and enhancing the positive impact on shareholders, society, the environment, and the national economy.

Company's Sustainability Goals



Strengthening the Company's role as a cornerstone of the Kingdom's food security system and ensuring a stable supply of high-quality flour products for the entire population.



Increasing energy efficiency and productivity to minimize waste, targeting high-uptime/fault-free operations, and reducing operating costs by 10.6% as part of resource sustainability.



Supporting and empowering national talent in line with Saudization targets, and increasing Saudization rates in technical and leadership positions.



Launching educational and awareness programs focused on nutrition, public health, and environmental awareness.

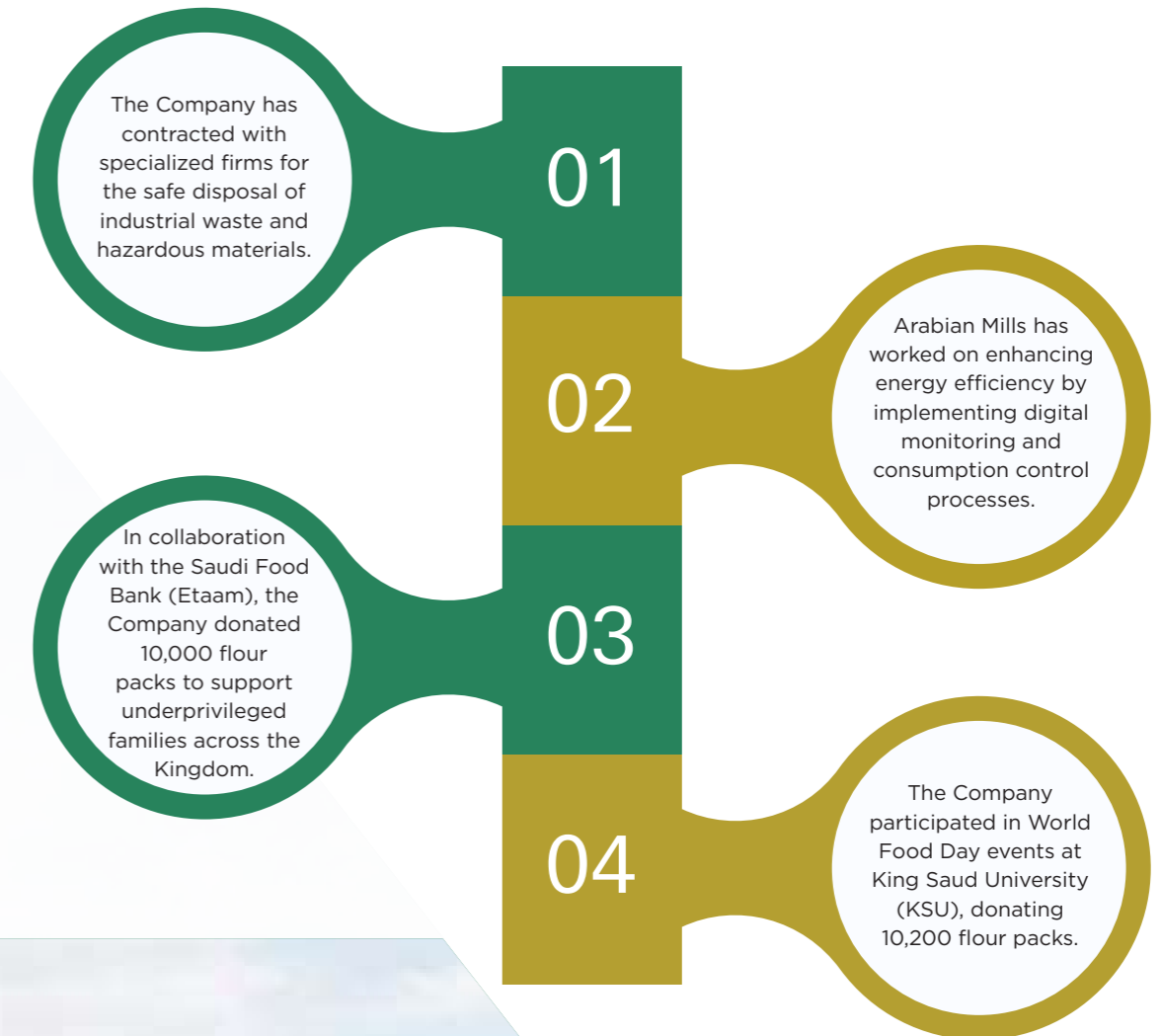


Optimizing energy consumption and collaborating with specialized entities for the safe disposal of chemical waste.

Environmental and Social Practices

As part of the Arabian Mills' commitment to an integrated corporate sustainability approach based on ESG standards, the Company's general strategy in 2025 was translated into specific operational practices and measurable initiatives. These efforts aim to maximize positive impact and reduce the environmental footprint across all stages of the Company's operational activities.

Corporate Responsibility and Sustainable Impact



Section V
Financial
Performance

5

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

There were no forecasts regarding the operational results announced by the Company, and the following table illustrates the development of the Company's financial statements over the past five years:

(All Amounts in SAR Mln)

Statement/Year	2021	2022	2023	2024	2025
Income Statement					
Revenue	640.78	902.81	862.08	973.94	997.66
Direct Costs	-407.05	-490.19	-437.08	-523.23	-526.85
Gross Profit	233.73	412.61	425.014	450.71	470.81
Operating Profit	130.28	289.09	306.27	298.18	306.62
Net Profit	121.23	255.27	200.28	213.64	237.04
Earnings per Share (SAR)	2.36	4.97	3.9	4.16	4.62
Statement of Financial Position					
Current Assets	495.41	713.87	253.36	301.58	377.16
Non-Current Assets	951.12	2,065.87	2,038.35	1,977.65	1,955.72
Total Assets	1,446.53	2,779.74	2,291.71	2,279.24	2,332.88
Current Liabilities	89.91	401.56	145.76	149.21	151.30
Non-Current Liabilities	181.25	1,759.22	1,322.98	1,094.91	939.80
Total Liabilities	271.16	2,160.78	1,468.74	1,244.12	1,091.10
Equity	1,175.37	618.96	822.97	1,035.12	1,241.78
Total Liabilities and Equity	1,446.53	2,779.74	2,291.71	2,279.24	2,332.88
Cash and Cash Equivalents (CCE)	327.16	573.85	127.8	130.45	235.96
Total Loans	-	1,747.95	1,088.69	851.75	689.69
Statement of Cash Flows					
Cash Flows from Operating Activities (CFO)	155.14	345.07	366.07	344.35	430.10
Cash Flow from Investing Activities (CFI)	-92.62	-72.53	-2.71	-14.29	-50.40
Cash Flow from Financing Activities (CFF)	-4.92	-25.9	-809.41	-327.42	-274.18

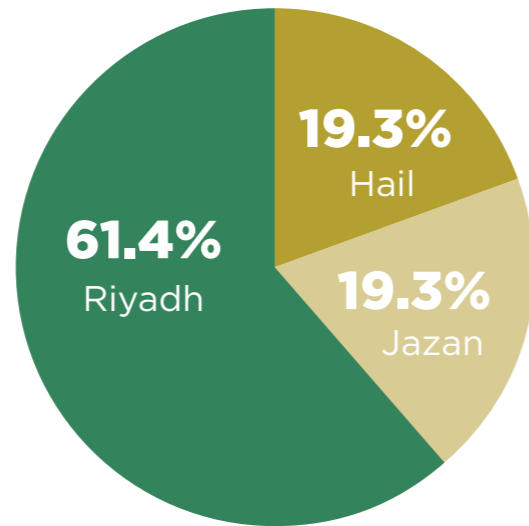
Key Financial Ratios and Indicators

Statement/Year	2021	2022	2023	2024	2025
Liquidity Ratios					
Current Ratio (%)	551.03	177.77	173.82	202.12	249.28
Cash Ratio (%)	363.90	142.90	87.68	87.42	155.96
Equity Ratio (%)	81.25	23.16	35.91	45.42	53.23
Debt Ratios					
Total Debt Ratio (%)	18.75	76.84	64.09	54.58	46.77
Total Asset to Equity Ratio (%)	123.07	431.80	278.47	220.19	187.87
Total Liabilities to Equity Ratio (%)	23.07	331.80	178.47	120.19	87.87
Total Loans to Total Assets Ratio (%)	0.00	65.40	46.98	37.37	29.56
Profitability Ratios					
Gross Profit Margin (%)	36.48	45.70	49.30	46.28	47.19
Net Profit Margin (%)	18.92	28.28	23.23	21.94	23.76
Return on Assets (RoA) Ratio (%)	8.38	9.55	8.74	9.37	10.16
Return on Equity (RoE) Ratio (%)	10.31	41.24	24.34	20.64	19.09

Geographical Analysis of Revenue

Analyzing revenue geographically, Riyadh Province continues to be the Company's main market, accounting for 61.4% of total sales, reflecting strong demand and pivotality in supporting financial performance.

The contributions of the Hail and Jazan regions were closely aligned, with each region accounting for approximately 19.3% of total revenues, reflecting the broad geographic reach of the Company's sales. This distribution highlights the Company's ability to build a geographically balanced revenue base that integrates core and secondary markets. This, in turn, enhances the resilience of the Company's business model, supports sustainable growth over the medium to long term, and provides greater agility in navigating future challenges.



The Company's export sales reached approximately SAR 141,700 in 2025, driven by its strategic commitment to regional expansion and penetrating neighboring markets beyond the Kingdom.

Analysis of Domestic and International Sales 2025-2024

Year	Inside KSA	Outside KSA	Total
2024	973,942,448	-	973,942,448
2025	997,516,500	141,673	997,658,173

Annual Results Analysis

Upsides

In 2025, the Company's financial statements witnessed a series of positive transformations, reflecting the success of the operational strategy and financial reforms implemented in the previous year. Key highlights include:

- Revenue Growth:** Revenues increased by 2.4% compared to 2024, driven by higher demand for core products/services and the Company's expansion into new markets.
- Improved Profitability Metrics:** Net profit rose by 11% compared to 2024, supported by improved gross margins and a decrease in the direct cost-to-sales ratio from 53.7% in 2024 to 52.8% in 2025, driven by optimized production and supply chain efficiencies.
- Efficient Expense Management:** The Company successfully streamlined General and Administrative (G&A) expenses by 1.7%, attributed to the implementation of a more effective control system and the restructuring of certain departments.
- Enhanced Liquidity and Cash Flows:** Net cash flow from operating activities rose by 26.1%, resulting from improvements in the collection cycle and a commitment to disciplined working capital management.

Downsides

Despite the overall improvement in the Company's performance during 2025, certain challenges and negative factors were identified that partially impacted the results. The most prominent among them include:

- Slower Growth in Certain Sub-sectors:** Some production lines or services experienced a slight decline in sales by 3% to 5%, resulting from intensified competition in the domestic market and a decrease in purchasing power within specific segments.
- Raw Material Price Volatility:** The Company faced fluctuations in the prices of primary materials during the first half of the year, leading to a relative increase in the cost of sales by 0.7%.
- Growth Deceleration in Specific Sectors:** The Bran production sector witnessed a decline in sales by approximately 9.8% during 2025.

Highlights of Annual Results Developments

The annual results of Arabian Mills for the fiscal year 2025 have witnessed some changes compared to the previous year, as illustrated in the following table:

Description	Changes (+)/(-)	Change (%)
Profit before Zakat	24,092,943	11%
Depreciation of Property, Plant, and Equipment	4,256,613	7%
Depreciation of Right-of-Use Assets	8,475	0.1%
Amortization of Intangible Assets	267,477	8.7%
Finance Cost on Long-term Loans	(21,930,997)	-29%
Finance Cost on Lease Liabilities	(212,301)	-3%
Amortization of Loan Transaction Costs	8,994,309	569%
Finance Income	(2,497,337)	54%
Adjustment to Net Realizable Value of Inventory	(455,609)	-68%
Expected Credit Loss (ECL) on Trade Receivables	(900,000)	-39%
Provision for Employees' Defined Benefit Obligations	1,269,137	32%
Inventory	(35,718,728)	-28%
Trade Receivables	5,037,020	14.7%
Prepaid Expenses and Other Current Assets	743,547	8%
Trade and other Payables	2,347,970	6%
Accrued Expenses and Other Current Liabilities	13,365,042	36%
Advance from Customers	(5,418,639)	-26.9%
Due From Related Parties	-	0%
Due to Related Parties	-	0%
Net Cash from Operating Activities	90,411,300	26%

Standards and Interpretations

Arabian Mills confirms that its financial statements for 2025 have been prepared in accordance with the accounting standards endorsed by the Saudi Organization for Chartered and Professional Accountants (SOCPA), in full compliance with these standards. The Company further confirms that there are no discrepancies between the accounting bases and standards adopted in preparing the financial statements and the standards issued by SOCPA, reflecting its full commitment to transparency and professional compliance.

The following table sets out the most recent amendments to the standards that are required to be applied for annual periods beginning on or after 01 January 2025, and which are available for early adoption for annual periods commencing on 01 January 2025:

Issued Standards, Interpretations, and Amendments

Standards, Amendments, and Interpretations	Description	Effective for Annual Periods Beginning on or After the Next Date
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments - Disclosures	01 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	01 January 2026
Volume (11)	Annual Improvements to IFRS Accounting Standards	01 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	01 January 2027
IFRS 19	Subsidiaries without Public Accountability - Disclosures	01 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Available for Optional Adoption / Effective Date Deferred Indefinitely



 Auditor's Report and Financial Statements
for the Year Ending on 31 December 2025

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

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

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

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
جده 21534
المملكة العربية السعودية
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

Independent Auditor's Report

To the Shareholders of Arabian Mills for Food Products Company

Opinion

We have audited the financial statements of Arabian Mills for Food Products Company ("the Company"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia, as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Independent Auditor's Report

To the Shareholders of Arabian Mills for Food Products Company (continued)

Key Audit Matters (continued)

Revenue recognition

See note 23 to the financial statements.

The key audit matter	How the matter was addressed in our audit
<p>During the year ended 31 December 2025, the Company recognized revenue from contract with customers of SR 998 million.</p> <p>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.</p> <p>Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks to overstate revenue recognition to increase profitability and earnings. Therefore, revenue recognition was considered a key audit matter.</p>	<p>Our audit procedures performed included, among other audit procedures, the following:</p> <ul style="list-style-type: none"> - Assessed the appropriateness of the Company's accounting policies for revenue recognition in line with the requirements of applicable financial reporting framework; - Assessed the design and implementation of the Company's controls over the recognition of revenue; - Evaluated key contractual and return arrangements by considering relevant documentation and agreements with the customers on sample basis; - Tested samples of sales transactions taking place during the year to inspect the supporting documents to assess they were recognized at the correct amounts; - Recalculated and inspected the supporting documents for discounts and rebates for a sample of customers according to their agreements; - Tested sample of sales transactions taking place before and after the year-end to assess whether revenue was recognized in the correct accounting period; and - Assessed the adequacy of the relevant disclosures in accordance with the requirements of applicable financial reporting framework included in the financial statements.

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© 2026 شركة كي بي إم جي للاستشارات المهنية مساهمة مهنية مملوكة مساهمة في المملكة العربية السعودية، رأس مالها (110,000,000) ريال سعودي مدفوع بالكامل، وهي عضو غير شركة في الشبكة العالمية للشركات كي بي إم جي المسجلة والتابعة لـ كي بي إم جي العالمية المحدود، شركة الإنجليزية الخاصة محدودة بضمان. جميع الحقوق محفوظة.



Independent Auditor's Report

To the Shareholders of Arabian Mills for Food Products Company (continued)

Key Audit Matters (continued)

Impairment of goodwill

See note 7 to the financial statements.

The key audit matter	How the matter was addressed in our audit
<p>As of 31 December 2025, the carrying value of goodwill is stated at SR 822 million.</p> <p>Goodwill is subject to a mandatory annual impairment test.</p> <p>Management engaged an independent expert to carry out the impairment assessment. The impairment assessment was performed by comparing the carrying values of the respective Cash Generating Units ("CGUs"), including partially allocated goodwill, to their recoverable amounts, which is the higher of value-in-use (VIU) or the fair value less costs to sell. The recoverable amount of each CGU was determined based on value-in-use ("VIU") calculations. A VIU assessment requires input of several key assumptions, including growth rates and discount rates. These calculations employ a discounted cash flow ("DCF") model, by using cash flow projections based on financial budgets prepared by management and approved by the Board of Directors.</p> <p>There is uncertainty in estimating the recoverable amount of the CGUs which principally arises from the inputs used in both forecasting and discounting future cash flows. The significance of the goodwill balance, combined with the inherent uncertainty in the assumptions supporting its valuation, means that impairment testing is a key judgmental area.</p> <p>Accordingly, we considered the valuation of goodwill to be a key audit matter due to the significant judgment and key assumptions involved in the impairment assessment process.</p>	<p>Our audit procedures performed included, among other audit procedures, the following:</p> <ul style="list-style-type: none"> - Assessed the design and implementation of the Company's controls around impairment assessment; - Compared the respective information used by the management in the DCF model with the historical financial information; - Checked the mathematical accuracy of the models used by the management; - Assessed the methodology for identifying CGUs and allocation of goodwill to them; - Engaged our internal valuations specialist to assess the reasonableness of key assumptions (i.e., growth rates and discount rates) used in the VIU calculation; - Performed a sensitivity analysis, which include assessing the effect of reasonably possible reductions in growth rates to evaluate the impact on the currently estimated headroom for the CGU; and - Assessed the adequacy of the relevant disclosures in accordance with the requirements of applicable financial reporting framework included in the financial statements.

Emphasis of matter - comparative information

We draw attention to Note [34] to the financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2024 has been reclassified. Our opinion is not modified in respect of this matter.



Independent Auditor's Report

To the Shareholders of Arabian Mills for Food Products Company (continued)

Other matter relating to comparative information

The financial statements of Arabian Mills for Food Products Company as at and for the year ended 31 December 2024, excluding the reclassifications described in Note [34] to the financial statements were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 March 2025.

As part of our audit of the financial statements as at and for the year ended 31 December 2025, we audited the reclassifications described in Note [34] that were applied to reclass the comparative information presented as at and for the year ended 31 December 2024. We were not engaged to audit, review, or apply any procedures to the financial statements for the year ended 31 December 2024, other than with respect to the reclassifications described in Note [34] to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the reclassifications described in Note [34] are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





Independent Auditor's Report

To the Shareholders of Arabian Mills for Food Products Company (continued)

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

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of **Arabian Mills for Food Products Company ("the Company")**.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

KPMG Professional Services Company

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

Jeddah, 26 March 2026
Corresponding to 7 Shawwal 1447H



ARABIAN MILLS FOR FOOD PRODUCTS COMPANY (A Saudi Joint Stock Company)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	31 December 2025	31 December 2024
Assets			
Goodwill	7	822,434,373	822,434,373
Property, plant and equipment	8	836,773,531	844,853,151
Right-of-use assets	9	236,415,722	247,682,492
Intangible assets	10	60,095,524	62,681,694
Non-current assets		1,955,719,150	1,977,651,710
Inventories	11	91,685,993	127,404,721
Trade receivables	12	39,230,271	34,193,251
Prepayments and other current assets	13	10,284,304	9,540,757
Cash and cash equivalents	14	235,963,432	130,444,607
Current assets		377,164,000	301,583,336
Total assets		2,332,883,150	2,279,235,046
Equity and liabilities			
Equity			
Share capital	15	513,150,060	513,150,060
Reserve	16	50,849,137	50,849,137
Retained earnings		677,784,866	471,117,861
Total equity		1,241,784,063	1,035,117,058
Liabilities			
Long-term loan	18	669,642,126	824,884,452
Lease liabilities	19	252,060,309	261,466,872
Employees' benefits	20	18,130,000	8,557,000
Non-current liabilities		939,832,435	1,094,908,324
Trade and other payables		44,703,336	42,355,366
Accrued expenses and other current liabilities	21	50,186,495	38,968,230
Current portion of long-term loans	18	20,050,394	26,867,674
Current portion lease liabilities	19	15,524,901	15,403,229
Advances from customers	22	14,701,526	20,120,165
Zakat payable	28	6,100,000	5,495,000
Current liabilities		151,266,652	149,209,664
Total liabilities		1,091,099,087	1,244,117,988
Total equity and liabilities		2,332,883,150	2,279,235,046

These financial statements were approved by the Board of Directors and have been signed on its behalf by:

Mr. Safouane AlMabruk Khechirif
Chief Financial Officer (CFO)

Mr. Rohit Chugh
Chief Executive Officer

Mr. Ajlan bin Abdulaziz bin
Ajlan Al-Ajlan
Chairman Board of Directors

The accompanying notes from 1 to 35 form an integral part of these financial statements.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

	Notes	2025	2024
Revenue from contract with customers	23	997,658,173	973,942,448
Cost of revenue	24	(526,849,274)	(523,233,904)
Gross profit		470,808,899	450,708,544
Selling and distribution expenses	25	(79,222,219)	(64,147,416)
General and administrative expenses	26	(85,099,803)	(86,556,440)
Expected credit loss on trade receivables	12	(1,400,000)	(2,300,000)
Other income		1,537,573	473,145
Operating profit		306,624,450	298,177,833
Finance cost	27	(70,414,732)	(83,563,721)
Interest income		7,100,877	4,603,540
Profit before zakat		243,310,595	219,217,652
Zakat expense	28	(6,272,741)	(5,581,037)
Profit for the year		237,037,854	213,636,615
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of defined benefit obligations	20	(95,000)	(1,486,000)
Other comprehensive loss for the year		(95,000)	(1,486,000)
Total comprehensive income for the year		236,942,854	212,150,615
Earnings per share for the year attributable to shareholders of the Company (SR):			
Basic	30	4.62	4.16
Diluted	30	4.62	4.16

These financial statements were approved by the Board of Directors and have been signed on its behalf by:

Mr. Safouane AlMabruk Khechirif
Chief Financial Officer (CFO)

Mr. Rohit Chugh
Chief Executive Officer

Mr. Ajlan bin Abdulaziz bin
Ajlan Al-Ajlan
Chairman Board of Directors

The accompanying notes from 1 to 35 form an integral part of these financial statements.

7

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

STATEMENT OF CHANGES IN EQUITY

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

	Note	Share capital	Statutory reserve	Retained earnings	Total
Balance at 1 January 2025		513,150,060	50,849,137	471,117,861	1,035,117,058
Profit for the year		--	--	237,037,854	237,037,854
Other comprehensive loss for the year		--	--	(95,000)	(95,000)
Total comprehensive income for the year		--	--	236,942,854	236,942,854
Dividends distribution	17	--	--	(30,275,849)	(30,275,849)
Balance at 31 December 2025		513,150,060	50,849,137	677,784,866	1,241,784,063
Balance at 1 January 2024		513,150,060	50,849,137	258,967,246	822,966,443
Profit for the year		--	--	213,636,615	213,636,615
Other comprehensive loss for the year		--	--	(1,486,000)	(1,486,000)
Total comprehensive income for the year		--	--	212,150,615	212,150,615
Balance at 31 December 2024		513,150,060	50,849,137	471,117,861	1,035,117,058

These financial statements were approved by the Board of Directors and have been signed on its behalf by:

Mr. Safouane AlMabruk Khechirif
Chief Financial Officer (CFO)

Mr. Rohit Chugh
Chief Executive Officer

Mr. Ajlan bin Abdulaziz bin
Ajlan Al-Ajlan
Chairman Board of Directors

The accompanying notes from 1 to 35 form an integral part of these financial statements.

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ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)
STATEMENT OF CASH FLOWS
For the year ended 31 December 2025
(Expressed in Saudi Arabian Riyals, unless otherwise specified)

	Notes	2025	2024
Cash flows from operating activities			
Profit before zakat		243,310,595	219,217,652
Adjustments:			
Depreciation of property, plant and equipment	8.5	69,181,649	64,925,036
Depreciation of right-of-use assets	9.1	11,266,770	11,258,295
Amortization of intangible assets	10.2	3,348,170	3,080,693
Finance cost on lease liabilities	19.2	6,118,343	6,330,644
Interest on long-term loan	27	51,846,812	75,651,647
Amortization of loan transaction cost	27	12,449,577	1,581,430
Interest income		(7,100,877)	(4,603,540)
Adjustment for net reliable value of inventories	11.2	215,987	671,596
Provision for employees' defined benefit obligations	20	5,259,603	3,990,466
Expected credit loss on trade receivables	12.2	1,400,000	2,300,000
Provision for long-term incentive plan (LTIP)	20.2	4,600,000	--
		401,896,629	384,403,919
Changes in:			
Inventories		31,482,285	(29,264,675)
Trade receivables		(6,437,020)	(24,826,233)
Prepayments and other current assets		(1,067,226)	6,005,004
Trade and other payables		2,347,970	(6,394,688)
Accrued expenses and other current liabilities		13,365,042	15,877,782
Advances from customers		(5,418,639)	3,977,087
Cash generated from operating activities		436,169,041	349,778,196
Zakat paid	28.2	(5,667,741)	(5,208,131)
Employees' defined benefit obligations paid	20	(381,603)	(216,630)
Net cash from operating activities		430,119,697	344,353,435
Cash flows from investing activities			
Additions to property, plant and equipment	8	(57,299,737)	(17,779,221)
Additions to intangible assets	10	(762,000)	(787,500)
Interest received		7,424,556	4,279,862
Proceeds from disposal of property, plant and equipment		218,164	--
Net cash used in investing activities		(50,419,017)	(14,286,859)
Cash flows from financing activities			
Dividends paid	17	(30,275,849)	--
Principal repayment of long-term loan	18	(174,509,183)	(226,475,806)
Interest paid on long-term loan		(53,993,589)	(85,540,452)
Principal payment of lease liabilities	19.1	(9,072,590)	(9,072,585)
Finance cost paid on lease liabilities		(6,330,644)	(6,330,649)
Net cash used in financing activities		(274,181,855)	(327,419,492)
Net change in cash and cash equivalents during the year		105,518,825	2,647,084
Cash and cash equivalents as at the beginning of the year		130,444,607	127,797,523
Cash and cash equivalents at the end of the year		235,963,432	130,444,607

These financial statements were approved by the Board of Directors and have been signed on its behalf by:

Mr. Safouane AlMabruk Khechirif
Chief Financial Officer (CFO)

Mr. Rohit Chugh
Chief Executive Officer

Mr. Ajlan bin Abdulaziz bin
Ajlan Al-Ajlan
Chairman Board of Directors

The accompanying notes from 1 to 35 form
an integral part of these financial statements

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ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

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

1. COMPANY INFORMATION

Arabian Mills for Food Products Company (the "Company"), a Saudi Joint Stock Company, was incorporated in accordance with the Companies' Regulations in the Kingdom of Saudi Arabia under Unified No. 7010991938 and Commercial Registration No. 1010465464 issued on 10 November 2016 (corresponding to 10 Safar 1438H) and listed on the Saudi Stock Exchange Market ("Tadawul").

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 Flour Milling Companies according to the proposed geographical distribution. The PIF, in coordination with the General Food Security Authority ("GFSA") formerly known as Saudi Grains Organization ("SAGO"), shall do so in accordance with Royal Decree No. (62) dated 31 July 2014 (corresponding to 4 Shawwal 1435H).

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 Privatization (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).

On 30 November 2021 (corresponding to 25 Rabi Al-Thani 1443H), the Company's share capital of 51,315,006 shares of SR 10 per share, were wholly sold to Food Security Holding Company (the "Parent Company") for the purchase price specified in the share sale and purchase agreement on the same date.

The Company 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-Awwal 1442H).

On 4 September 2022 (corresponding to 8 Safar 1444H), the Company entered into a merger agreement (the "Merger") pursuant to which the Company and the Parent Company have agreed to take necessary steps to implement the Merger between the two Companies. Subsequently, on 30 November 2022 (corresponding to 6 Jumada Al-Awwal 1444H), pursuant to the approval of the Ministry of Commerce (the "MOC"), the Parent Company ceased to exist and all of the assets and liabilities of the Parent Company were transferred to the Company.

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ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

1. COMPANY INFORMATION (continued)

The Company and the former Parent Company satisfied the required regulatory approvals and the Merger conditions agreed between the two companies in the Merger agreement. The legal formalities were completed, and the Parent Company's commercial registration was cancelled and closed for the purpose of the merger on 18 December 2022 (corresponding to 24 Jumada Al-Awwal 1444H).

On 12 April 2023 (corresponding to 21 Ramadan 1444H), the General Assembly of Shareholders decided to go for an Initial Public Offering ("IPO") and listing of 30% of its ordinary shares on Saudi Stock Exchange ("Tadawul"), which was approved by Capital Market Authority ("CMA") on 24 June 2024 (corresponding to 18 Duh Al-Hijjah 1445H). On 21 August 2024 (corresponding to 17 Safar 1446H), formal announcement was published in this regard. The allotment of shares to new shareholders was completed and the Company's ordinary shares began trading on Tadawul on 8 October 2024 (corresponding to 5 Rabi Al-Thani 1446H).

On 05 November 2023 (corresponding to 21 Rabi Al Thani 1445H), the shareholders of the Company resolved to change the name of the Company to "Arabian Mills for Food Products Company" from Second Milling Company. Legal formalities have been completed in this regard and the commercial register, and the amended By-laws were issued on 19 November 2023 (corresponding to 05 Jumada Al Awwal 1445H).

The registered address of the Company is as follows:

Building no. 5252
Jabal Abu Zawalah Street, Al Manakh District
P.O. Box 6868, Riyadh 14313
Kingdom of Saudi Arabia

The Company's licensed activities include packing and grinding wheat, grits, semolina, and bulgur, manufacture of concentrated feed for animals, manufacture of livestock feed, wholesale of bakery products, trade of specialty and healthy foods, land transportation of goods, storage in ports and customs or free zones, and integrated office administrative services activities.

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

The Company operates through its five branches in the many cities in the Kingdom of Saudi Arabia listed as follows:

Branch / warehouse location	Date	Commercial registration no.
Riyadh (Branch)	26 March 2017 (corresponding to 27 Jumada Al-Akhirah 1438H)	1010469375
Jizan (Branch)	26 March 2017 (corresponding to 27 Jumada Al-Akhirah 1438H)	5900036083
Hail (Branch)	26 March 2017 (corresponding to 27 Jumada Al- Akhirah 1438H)	3350044599
Jizan (Warehouse)	28 May 2024 (corresponding to 20 Dhul-Qi'dah 1445H)	5957101150
Jeddah (Warehouse)	19 August 2024 (corresponding to 15 Safar 1446H)	4030573659

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board ("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 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 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.1 Useful lives and residual value of property, plant and equipment

The Company's management determines the estimated useful lives of its property, plant and equipment with finite useful lives for calculating depreciation. The estimate is determined after considering the expected usage of the assets or physical wear and tear. Management reviews the residual value, depreciation methods and useful lives annually and future depreciation 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 is consistent with the expected pattern of economic benefits from these assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

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

3.2 **Adjustment for net realizable value of inventories**

The management makes an adjustment for net realizable value (NRV) of inventories. 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.

Adjustment for net realizable value of spare parts inventories is made on the basis of the NRV adjustments of the relevant finished goods. Spare parts that are in excess of the Company's use are written down to their estimated scrap values determined on the basis of the market quotations. The identification of excess spare parts and estimates of their scrap value are based upon historical experience, expected inventory turnover, current condition, and future expectations with respect to its consumption and are reviewed at each reporting date.

3.3 **Defined benefit plans**

The cost of the employees' defined benefit obligations and other post-employment medical benefits and the present value of the employees' defined benefit obligations are determined based on the Projected Unit Credit Method as defined under IAS-19 "Employee Benefits" using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, employees' defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3.4 **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3.5 **Determination of discount rate for present value calculations**

Discount rates represent the current market assessment of the risks specific to each cash flow stream, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and is derived from recent market transactions and a market yields overview.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. **MATERIAL ACCOUNTING POLICIES**

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

4.1 **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss and other comprehensive income as incurred. The present value of the expected cost for the decommissioning (if any) of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of the assets for the calculation of depreciation are as follows:

<u>Categories</u>	<u>Useful lives</u>	<u>Categories</u>	<u>Useful lives</u>
Buildings	Shorter of the useful life and lease term (10 - 25 years)	Furniture, fittings and equipment	5 - 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 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.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. MATERIAL ACCOUNTING POLICIES (continued)

4.2 Leases

4.2.1 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

4.2.2 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the year on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

4.3 Goodwill

Goodwill represents the difference between the cost of businesses acquired and the Company's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill arising on acquisitions is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment losses on goodwill are not reversed. Goodwill is assessed for impairment at CGU level.

4.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. MATERIAL ACCOUNTING POLICIES (continued)

4.4 Financial instruments (continued)

4.4.1 Financial Assets

The Company's financial assets comprise of cash and cash equivalents, trade receivables and other current financial assets, margins against letter of guarantees and amounts 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 Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) – 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.

Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks, cash in hand and short-term deposits, as defined above, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

Trade 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, margins against letters of guarantee and other current financial assets.

Due from related parties

Amounts due from related parties are measured at amortized cost.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. MATERIAL ACCOUNTING POLICIES (continued)

4.4 Financial instruments (continued)

4.4.2 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 Company's financial liabilities include trade and other payables, certain accrued expenses and other current liabilities, long-term loan, and lease liabilities. At 31 December 2025, all of the Company's financial liabilities are classified at amortised cost.

Long-term loan

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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.5 Inventories

Cost is measured as follows:

Finished goods	Direct cost of raw materials as well as overheads, the latter of which is allocated based on the normal level of activity.
Wheat (raw material)	Weighted average based on SR 180 per metric ton (note 1).
Spare parts and other raw materials	Weighted average
Goods in transit	Cost plus freight and other related expense based on the underlying shipping terms.

Inventories are stated at cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. MATERIAL ACCOUNTING POLICIES (continued)

4.5 Inventories (continued)

Adjustment for net realizable value of spare parts inventories is made on the basis of the NRV adjustments of the relevant finished goods. Spare parts that are in excess of the Company's use are written down to their estimated scrap values determined on the basis of the market quotations. The identification of excess spare parts and estimates of their scrap value are reviewed at each reporting date.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

4.6 Employees' benefits

4.6.1 Employees' defined benefit obligations

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

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the year end in which they occur. 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 Company recognizes related restructuring costs.

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

The Company recognizes the changes in the net defined benefit obligation for service costs that comprises current service costs, past-service costs, gains and losses on curtailments, net interest expense and non-routine settlements in the statement of profit or loss and other comprehensive income.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. MATERIAL ACCOUNTING POLICIES (continued)

4.6 Employees' benefits(continued)

4.6.2 Long-term incentive plan

The Company's net obligation in respect of long-term incentive plan is the amount of future benefits that certain executives have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in the profit or loss in the period in which they arise.

4.7 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-zakat discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.8 Revenue from contracts with customers

The Company is involved in the manufacturing of flour, feed and bran (by-product).

Under IFRS 15 Revenue from Contracts with Customers, the Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

ARABIAN MILLS FOR FOOD PRODUCTS COMPANY
(A Saudi Joint Stock Company)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(Expressed in Saudi Arabian Riyals, unless otherwise specified)

4. MATERIAL ACCOUNTING POLICIES (continued)

4.8 Revenue from contracts with customers (continued)

Revenue is measured at the transaction price, being the amount of consideration to which the Company 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 Company's warehouse or upon delivery to the location specified by the customer, depending on the agreed shipping terms.

The Company 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 Company estimates its provision for discounts and rebates based on current contractual terms and conditions as well as historical experience, changes to business practices and credit terms. The Company continually monitors the provisions for discounts and rebates and makes adjustments when it believes that actual discounts may differ from established reserves. All discounts are recognised in the period in which the underlying sales are recognised as a reduction of revenue.

4.9 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 statement of profit or loss and other comprehensive income.

4.10 Finance costs

Finance costs comprise of interest cost on loan, amortisation of loan transaction cost, finance cost on lease liabilities, finance cost on employees' defined benefit obligations and financing charges as and when incurred by the Company.

5. NEW STANDARDS, INTERPRETATION AND AMENDMENTS

5.1 Standards, interpretations and amendments adopted

Several amendments and interpretations apply for the first time in 2025, which are effective for annual periods beginning on or after 1 January 2025 which do not have a material effect on these financial statements.

<i>Standards, interpretations and amendments</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
Amendments to IAS 21	Lack of exchangeability	1 January 2025

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5. NEW STANDARDS, 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 financial statements are disclosed below. The Company intends to adopt these standards, where applicable, when they become effective.

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

<u>Standards / Interpretations</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 Company is currently assessing the implications for other above-mentioned standards, interpretations and amendments on the Company's financial statements on adoption.

6. SEGMENT INFORMATION

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

The Company operates in three regions in the Kingdom of Saudi Arabia, which are its reportable segments. These regions are identified as a separate reportable segment because the Company managed them separately.

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

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6. SEGMENT INFORMATION (continued)

<u>Reportable segments</u>	<u>Operations</u>
Riyadh	Production of flour, feed and bran
Hail	Production of flour, feed and bran
Jizan	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.

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 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>Riyadh</u>	<u>Hail</u>	<u>Jizan</u>	<u>Total</u>
Total revenue	612,298,327	193,123,668	192,236,178	997,658,173
Cost of inventories	(206,817,390)	(90,024,455)	(63,202,721)	(360,044,566)
Salaries and other benefits	(30,005,527)	(20,482,368)	(18,643,149)	(69,131,044)
Depreciation and amortization	(40,725,081)	(16,852,816)	(24,979,435)	(82,557,332)
Other expenses	(62,804,773)	(28,194,836)	(27,476,104)	(118,475,713)
Finance costs	(2,095,359)	(1,874,268)	(2,148,716)	(6,118,343)
Other income	1,445,000	--	--	1,445,000
Segment profit	271,295,197	35,694,925	55,786,053	362,776,175

<u>For the year ended 31 December 2024</u>	<u>Riyadh</u>	<u>Hail</u>	<u>Jizan</u>	<u>Total</u>
Total revenue	593,463,546	216,014,200	164,464,702	973,942,448
Cost of inventories	(199,831,356)	(110,203,710)	(53,354,523)	(363,389,589)
Salaries and other benefits	(27,823,619)	(20,481,173)	(17,461,969)	(65,766,761)
Depreciation and amortization	(36,050,453)	(15,890,915)	(23,503,557)	(75,444,925)
Other expenses	(51,629,719)	(28,663,390)	(23,989,234)	(104,282,343)
Finance costs	(2,177,680)	(1,934,898)	(2,227,278)	(6,339,856)
Other income	140,986	2,637	96,521	240,144
Segment profit	276,091,705	38,842,751	44,024,662	358,959,118

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6. **SEGMENT INFORMATION (continued)**

<u>At 31 December 2025</u>	<u>Riyadh</u>	<u>Hail</u>	<u>Jizan</u>	<u>Total</u>
Total assets	1,119,475,376	322,442,815	599,874,304	2,041,792,495
Total liabilities	169,542,370	93,570,871	105,047,447	368,160,688
Other disclosures:				
Property, plant and equipment	339,282,093	149,703,934	310,875,043	799,861,070
Capital expenditure	21,869,137	7,828,589	4,909,952	34,607,678
Right-of-use assets	80,883,742	71,738,159	83,793,821	236,415,722
Goodwill	608,334,373	54,500,000	159,600,000	822,434,373
Inventories	51,479,371	20,347,778	19,858,844	91,685,993
<u>At 31 December 2024</u>	<u>Riyadh</u>	<u>Hail</u>	<u>Jizan</u>	<u>Total</u>
Total assets	1,125,405,231	366,714,449	618,308,768	2,110,428,448
Total liabilities	135,698,006	116,668,040	109,930,698	362,296,744
Other disclosures:				
Property, plant and equipment and	346,317,892	159,842,896	320,987,726	827,148,514
Capital expenditure	10,886,576	2,803,537	2,427,588	16,117,701
Right-of-use assets	84,735,804	75,154,263	87,792,425	247,682,492
Goodwill	608,334,373	54,500,000	159,600,000	822,434,373
Inventories	56,668,047	43,629,561	27,107,113	127,404,721

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

i) **Profit before zakat**

	<u>31 December 2025</u>	31 December 2024
Total profit before zakat for reportable segments	362,776,175	358,959,118
Unallocated amounts:		
Salaries and other benefits	(43,150,032)	(36,116,098)
Depreciation and amortization	(1,239,255)	(3,819,099)
Remuneration of board of directors	(3,934,346)	(4,225,082)
Other expenses	(12,639,008)	(20,893,862)
Finance costs	(64,296,389)	(77,223,865)
Finance income	7,100,877	4,603,540
Other income	92,573	233,000
Expected credit loss on trade receivables	(1,400,000)	(2,300,000)
	<u>243,310,595</u>	<u>219,217,652</u>

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6. **SEGMENT INFORMATION (continued)**

ii) **Total assets**

	<u>31 December 2025</u>	31 December 2024
Total assets for reportable segments	2,041,792,495	2,110,565,448
Unallocated amounts	291,090,655	168,669,598
	<u>2,332,883,150</u>	<u>2,279,235,046</u>

iii) **Total liabilities**

	<u>31 December 2025</u>	31 December 2024
Total liabilities for reportable segments	368,160,688	362,433,744
Unallocated amounts	722,938,399	881,684,244
	<u>1,091,099,087</u>	<u>1,244,117,988</u>

All revenue is generated from external customers. Revenue from one customer of the Company's Riyadh segment is SR 64.40 million (31 December 2024: SR 44.40 million) which represents 6.5% (31 December 2024: 4.6%) of the Company's total revenues.

7. **GOODWILL**

Pursuant to privatization program by the GFSA, the former Parent Company entered into an agreement with NCP and Public-Private Partnership (PPP) on 30 November 2021 (corresponding to 25 Rabi Al Thani, 1443H) to acquire 100% equity stake in the Company. The transaction was completed by 31 December 2020 (corresponding to 16 Jumada Al Awwal, 1442H).

The former Parent Company paid a consideration of SR 2,150 million to acquire the Company with book value of net assets of SR 1,141 million. The former Parent Company completed the purchase price allocation ("PPA") to net assets within a measurement period of one year after the date of acquisition in which the former Parent Company identify and measure the identifiable assets and liabilities assumed as of the acquisition date in accordance with the requirements of IFRS 3 Business Combination. The following adjustment was recorded by the former Parent Company:

	<u>SR</u>
Fair value of consideration paid	2,153,922,719
Book value of net assets of the subsidiary	(1,140,552,561)
Net uplift in property, plant and equipment	(130,254,750)
Recognition of intangible asset	(60,681,035)
Goodwill	<u>822,434,373</u>

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7. GOODWILL (continued)

Break-up of net assets as stated in the Parent Company's financial statements that were transferred to the Company at the time of merger (i.e. 30 November 2022) were as follows:

	<u>SR</u>
Property, plant and equipment	130,254,750
Intangible assets	60,681,035
Goodwill	822,434,373
Bank balances	47,285
Loans	(1,748,244,714)
Trade payables and other current liabilities	(6,463,901)
Amount due to related parties	(53,856,780)
Accumulated losses	136,314,546
Merger deficit reserve	<u>(658,833,406)</u>

For impairment testing, goodwill acquired through business combination is allocated to three CGUs, which are also the Company's operating and reportable segments. The amount of goodwill allocated to each CGU is as follows:

	<u>31 December 2025</u>	31 December <u>2024</u>
Riyadh	608,334,373	608,334,373
Jizan	159,600,000	159,600,000
Hail	54,500,000	54,500,000
	<u>822,434,373</u>	<u>822,434,373</u>

The Company has performed its impairment test for goodwill on 31 December 2025 and 31 December 2024. The Company considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As of 31 December 2025, the market capitalisation of the Company is above book value of its equity.

The recoverable amount of the CGUs is SR 2,129.50 million for Riyadh, SR 687 million for Jizan and SR 398.10 million for Hail, totalling SR 3,214.60 million as at 31 December 2025, which has been determined based on a value-in-use calculation using cash flow projections from financial budgets reviewed by key management covering a five-year period. The pre-zakat discount rate applied to cash flow projections is between 12% to 13%. As at 31 December 2025, the carrying amount of the CGUs is SR 683.20 million for Riyadh, SR 341.70 million for Jizan and SR 217.10 million for Hail, lower than the recoverable amount of the CGUs, indicating no impairment of goodwill. As a result of this analysis, there is headroom of SR 1,446.30 million for Riyadh, SR 354.40 for Jizan and SR 181 million for Hail, therefore, management did not identify impairment.

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7. GOODWILL (continued)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the following assumptions:

Earnings before interest, tax and depreciation (EBITDA)

EBITDA based on average values achieved in the three years preceding the beginning of the budget period. EBITDA of the CGUs was 43.3% for Riyadh, 39.1% for Jizan and 23.3% for Hail. These have been kept consistent over the budget period.

Management has identified that a reasonably possible change in EBITDA margins by 21.4% for Riyadh, 30.2% for Jizan and 14.1% for Hail would result in estimated recoverable amount to be equal to the carrying amount.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation also takes into account the specific circumstances of the CGU and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors from a market participant's view. The cost of debt is based on the market participant's view based on the Company's performance. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-zakat discount rate. The estimate of the value in use was determined using the pre-zakat discount rate 12%-13%.

A rise in the discount rate by 13.6% for Riyadh, 6.3% for Jizan and 6.3% for Hail would result in estimated recoverable amount to be equal to the carrying amount.

Growth rates used to extrapolate cash flows beyond the forecast period

Rates are based on detailed value creation plan with external consultant reflecting the market growth and the projection of the Company for coming years. The Company has assumed the terminal value growth rate (TVGR) of 2.3% to extrapolate cash flows beyond the forecast period. 1% increase in TVGR will increase the recoverable amount of Riyadh by SR. 195.15 million, Jizan by SR 68 million and Hail by SR 35.2 million. 1% decrease in TVGR will decrease the recoverable amount of Riyadh by SR 160.1 million, Jizan by SR 55.65 million and Hail by SR 28.85 million.

As management does not expect new entrant in the market till 31 December 2031, management build the growth plan based on the value creation plan focusing on key enablers to gain market share in retails segment while expanding the base by on-boarding new industrial consumer.

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8. PROPERTY, PLANT AND EQUIPMENT

	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Strategic spares</u>	<u>Furniture and fittings</u>	<u>Computer equipment</u>	<u>Motor vehicles</u>	<u>Capital work in progress</u>	<u>Total</u>
Cost:								
Balance at 1 January 2024	369,571,150	744,835,218	28,896,637	11,017,094	4,649,544	12,964,949	6,331,546	1,178,266,138
Additions during the year	2,431,209	7,290,340	1,540,541	585,319	478,965	26,086	5,426,761	17,779,221
Transfers during the year	7,554,006	5,256,610	(2,557,283)	--	--	--	(10,253,333)	--
Balance at 31 December 2024	379,556,365	757,382,168	27,879,895	11,602,413	5,128,509	12,991,035	1,504,974	1,196,045,359
Balance at 1 January 2025	379,556,365	757,382,168	27,879,895	11,602,413	5,128,509	12,991,035	1,504,974	1,196,045,359
Additions during the year	241,040	15,700,765	5,713,916	9,631,745	744,691	3,547,300	21,720,280	57,299,737
Transfers from inventories	--	--	4,020,456	--	--	--	--	4,020,456
Disposals during the year	--	(365,109)	--	(11,713)	(15,167)	--	--	(391,989)
Transfers during the year	5,075,152	4,437,988	(2,061,111)	325,378	--	--	(7,777,407)	--
Balance at 31 December 2025	384,872,557	777,155,812	35,553,156	21,547,823	5,858,033	16,538,335	15,447,847	1,256,973,563

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8. PROPERTY, PLANT AND EQUIPMENT (continued)

	<u>Buildings</u>	<u>Plant and equipment</u>	<u>Strategic spares</u>	<u>Furniture and fittings</u>	<u>Computer equipment</u>	<u>Motor vehicles</u>	<u>Capital work in progress</u>	<u>Total</u>
Accumulated depreciation:								
Balance at 1 January 2024	75,075,743	191,713,496	3,720,983	4,746,783	3,579,173	7,430,994	--	286,267,172
Charge for the year	18,763,932	39,032,561	2,982,494	1,025,470	533,122	2,587,457	--	64,925,036
Transfers during the year	--	496,313	(496,313)	--	--	--	--	--
Balance at 31 December 2024	93,839,675	231,242,370	6,207,164	5,772,253	4,112,295	10,018,451	--	351,192,208
Balance at 1 January 2025	93,839,675	231,242,370	6,207,164	5,772,253	4,112,295	10,018,451	--	351,192,208
Charge for the year	17,641,896	42,681,835	2,482,421	4,956,842	509,059	909,596	--	69,181,649
Transfer from inventories	--	449,585	(449,585)	--	--	--	--	--
Disposals during the year	--	(153,143)	--	(5,552)	(15,130)	--	--	(173,825)
Balance at 31 December 2025	111,481,571	274,220,647	8,240,000	10,723,543	4,606,224	10,928,047	--	420,200,032
Net book value:								
At 31 December 2025	273,390,986	502,935,165	27,313,156	10,824,280	1,251,809	5,610,288	15,447,847	836,773,531
At 31 December 2024	285,716,690	526,139,798	21,672,731	5,830,160	1,016,214	2,972,584	1,504,974	844,853,151

8.1 During the year ended 31 December 2025, management reclassified spare parts amounting to SR 4.02 million from inventories to property, plant and equipment, as these items have a useful life of more than one year and meet the definition of property, plant and equipment in accordance with IAS 16.

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8. PROPERTY, PLANT AND EQUIPMENT (continued)

8.2 The buildings are built on land leased from the GFSA with an annual rental of SR 3,017,456 (which is increasing at the rate of 5% after every 3 years). The lease term is twenty-five calendar years commencing from 1 January 2017 (corresponding to 03 Rabi Al Thani, 1438H) which was adjusted in 2021 to match with the duration of flour milling license (i.e. 30 November 2046). The lease is automatically renewable for a similar period subject to renewal of the Company's milling license.

8.3 As at 31 December 2025, projects capitalized mainly consist of the following projects:

- i) Establishment of administrative offices in Riyadh
- ii) Laboratory expansion and renovation in Riyadh
- iii) Asphalt parking in Riyadh
- iv) Installation of emergency ladder in Riyadh
- v) A & B Mills automation upgrade in Riyadh

8.4 As at 31 December 2025, projects under progress mainly consist of the following projects:

- i) Air wash system in A, B and C Mill in Riyadh, expected to be completed in March 2026
- ii) New line 10kg in flour packing area in Riyadh, expected to be completed in June 2026
- iii) Feed bulker – KT pacer in Riyadh, expected to be completed in June 2026

Capital commitments relating to capital work-in-progress are amounting to SR 15.45 million (31 December 2024: SR 5.84 million).

8.5 The depreciation charge on property, plant and equipment for the year has been allocated as follows:

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Cost of revenue	24	65,901,143	60,548,483
General and administrative expenses	26	2,782,674	3,614,962
Selling and distribution expenses	25	497,832	761,592
		<u>69,181,649</u>	<u>64,925,037</u>

9. RIGHT-OF-USE ASSETS

The Company leases lands, silos and warehouses. Silos and lands are leased from the GFSA. The term of the lease is twenty-five calendar years commenced from 1 January 2017 (corresponding to 3 Rabi Al-Thani 1438H), which was modified in December 2021 to match with the duration of flour milling license up to 30 November 2046 (corresponding to 2 Safar 1469H) and is renewable automatically for the same period subject to renewal of Company's milling license. For leases, the Company is restricted from entering into any sub-lease arrangements.

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9. RIGHT-OF-USE ASSETS (continued)

The Company leases warehouses with contract terms of twelve months or less. These leases are either low value or short-term leases. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

	<u>Silos</u>	<u>Lands</u>	<u>Total</u>
Cost:			
Balance at 31 December 2024	251,975,011	69,150,181	321,125,192
Balance at 1 January 2025	<u>251,975,011</u>	<u>69,150,181</u>	<u>321,125,192</u>
Balance at 31 December 2025	<u>251,975,011</u>	<u>69,150,181</u>	<u>321,125,192</u>
Accumulated depreciation:			
Balance at 1 January 2024	51,246,349	10,938,056	62,184,405
Charge for the year	8,727,333	2,530,962	11,258,295
Balance at 31 December 2024	<u>59,973,682</u>	<u>13,469,018</u>	<u>73,442,700</u>
Balance at 1 January 2025	<u>59,973,682</u>	<u>13,469,018</u>	<u>73,442,700</u>
Charge for the year	8,727,333	2,539,437	11,266,770
Balance at 31 December 2025	<u>68,701,015</u>	<u>16,008,455</u>	<u>84,709,470</u>
Net book value:			
At 31 December 2025	<u>183,273,996</u>	<u>53,141,726</u>	<u>236,415,722</u>
At 31 December 2024	192,001,329	55,681,163	247,682,492

9.1 The depreciation charge on right-of-use assets for the year has been allocated as follows:

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Cost of revenue	24	9,748,413	9,739,939
General and administrative expenses	26	1,265,298	1,265,297
Selling and distribution expenses	25	253,059	253,059
		<u>11,266,770</u>	<u>11,258,295</u>

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10. **INTANGIBLE ASSETS**

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

	Computer software	Brand	Projects under progress	Total
Cost:				
Balance at 1 January 2024	9,801,786	60,681,035	--	70,482,821
Additions during the year	787,500	--	--	787,500
Balance at 31 December 2024	10,589,286	60,681,035	--	71,270,321
Balance at 1 January 2025	10,589,286	60,681,035	--	71,270,321
Additions during the year	--	--	762,000	762,000
Balance at 31 December 2025	10,589,286	60,681,035	762,000	72,032,321
Accumulated amortization:				
Balance at 1 January 2024	653,452	4,854,482	--	5,507,934
Amortization for the year	653,452	2,427,241	--	3,080,693
Balance at 31 December 2024	1,306,904	7,281,723	--	8,588,627
Balance at 1 January 2025	1,306,904	7,281,723	--	8,588,627
Amortization for the year	718,659	2,629,511	--	3,348,170
Balance at 31 December 2025	2,025,563	9,911,234	--	11,936,797
Net book value:				
At 31 December 2025	8,563,723	50,769,801	762,000	60,095,524
At 31 December 2024	9,282,382	53,399,312	--	62,681,694

10.2 The amortisation charge on intangible assets for the year has been allocated as follows:

	Notes	2025	2024
General and administrative expenses	26	718,659	653,452
Selling and distribution expenses	25	2,629,511	2,427,241
		3,348,170	3,080,693

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11. **INVENTORIES**

11.1 Inventories comprise of the following:

	31 December 2025	31 December 2024
Spare parts	69,354,724	76,175,924
Raw materials	25,773,088	28,051,119
Finished goods	7,567,940	11,330,232
Goods in transit	1,052,673	24,137,870
Other inventories	1,817,323	1,373,344
Less: adjustment for net realizable value of inventories	(13,879,755)	(13,663,768)
	91,685,993	127,404,721

11.2 Movement in adjustment for net realizable value of inventories during the year is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	13,663,768	12,992,172
Charged during the year	215,987	671,596
At the end of the year	13,879,755	13,663,768

11.3 Spare parts amounting to SR 7.90 million (31 December 2024: SR 7.54 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 24.

11.1 During the year ended 31 December 2025, the Company has recognized the provision for net realizable value of inventories amounting to SR 0.22 million (31 December 2024: SR 0.67 million). The amount is included in the cost of revenue.

12. **TRADE RECEIVABLES**

12.1 Trade receivables comprise of the following:

	31 December 2025	31 December 2024
Trade receivables	42,930,271	36,493,251
Allowance for expected credit losses on trade receivables	(3,700,000)	(2,300,000)
	39,230,271	34,193,251

The settlement period of these trade receivables are 30-90 days and are secured by promissory notes.

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12. TRADE RECEIVABLES (continued)

12.2 The movement of allowance for expected credit losses during the year is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	2,300,000	1,700,000
Allowance during the year	1,400,000	600,000
At the end of the year	3,700,000	2,300,000

13. PREPAYMENTS AND OTHER CURRENT ASSETS

	Note	31 December 2025	31 December 2024
Advances to suppliers		5,070,724	3,658,815
Prepayments	13.1	2,938,111	3,243,206
Margins against letters of guarantee		2,187,976	2,187,976
Accrued interest on short-term murabaha deposits		--	323,679
Other receivables		87,493	127,081
		10,284,304	9,540,757

13.1 Prepayments mainly include prepaid rent related to low value and short-term leases, medical and other insurances.

14. CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
Cash in hand	91,817	180,000
Cash at banks	235,871,615	80,264,607
Short-term deposits	--	50,000,000
	235,963,432	130,444,607

15. SHARE CAPITAL

The authorized, issued and fully paid-up share capital of the Company as at 31 December 2025 amounted to SR 513,150,060 (31 December 2024: SR 513,150,060) consists of 51,315,006 shares (31 December 2024: 51,315,006 shares) at SR 10 (2024: SR 10) each share.

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15. SHARE CAPITAL (continued)

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

	Percentage	No. of shares	Amount
Abdulaziz Alajlan Sons Co. for Commercial and Real Estate Investment	35.09%	18,006,278	180,062,780
Sulaiman Abdulaziz Alrajhi International Company	24.50%	12,572,176	125,721,760
National Agriculture Development Company	10.41%	5,342,050	53,420,500
General public	30%	15,394,502	153,945,020
	100%	51,315,006	513,150,060

16. STATUTORY RESERVE

In accordance with the previous By-laws of the Company, the Company transfers 10% of its net income each year as a statutory reserve until such reserve reaches 30% of the share capital. This statutory reserve is not required in accordance with the new Companies Law and amended By-laws of the Company.

The Company is currently studying and reviewing the balance of statutory reserve, and it will be raised to the Company's General Assembly with the recommendations.

17. DIVIDENDS DISTRIBUTION

17.1 On 2 June 2025 (corresponding to 6 Dhul Hijjah 1446H), the General Assembly, on recommendation of Board of Directors on 19 March 2025 (corresponding to 19 Ramadan 1446H), approved the distribution of cash dividends to the Company's shareholders for the financial year 2024, with a total amount of SR 30.28 million at SR 0.59 per share of the nominal capital. The dividends were distributed on 17 June 2025 (corresponding to 21 Dhul Hijjah 1446H).

17.2 On 21 December 2025 (corresponding to 1 Rajab 1447H), the Board of Directors recommended the distribution of cash dividends to the Company's shareholders for the financial year 2025, with a total amount of SR 51.32 million at SR 1 per share of the nominal capital. The distribution of these dividends is subject to the approval of the General Assembly. The eligibility to dividends is for shareholders holding the shares by the end of the trading day of the assembly date, and who are registered in the Company's shareholders register held with the Securities Depository Center Company (Edaa) at the end of the second trading day following the Company's General Assembly meeting, which will be determine later.

18. LONG-TERM LOAN

	31 December 2025	31 December 2024
Term Murabaha facility	699,015,011	873,524,194
Less: unamortised loan transaction cost	(9,322,491)	(21,772,068)
	689,692,520	851,752,126
Current portion	20,050,394	26,867,674
Non-current portion	669,642,126	824,884,452
	689,692,520	851,752,126

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18. LONG-TERM LOAN (continued)

On 28 November 2021 (corresponding to 23 Rabi Al Thani 1443H), the former Parent Company signed a Murabaha facility agreement with Saudi Alawwal Bank (formerly known as Saudi British Bank "SABB") amounted to SR 1,500 million with the maturity period of 18 years to acquire the shares in the Company. The loan carries interest at SAIBOR plus margin. The loan is repayable on 31 December 2039 in 32 semi-annual instalments with a grace period of 24 months.

The Company made an early repayment of SR 400 million, SR 200 million and SR 100 million during the years ended 31 December 2023, 31 December 2024 and 31 December 2025 respectively. These payments were not originally scheduled under the contractual repayment plan.

This facility is subject to several guarantees, including promissory notes, equity commitment from the shareholders, pledges over the Company's rights under share purchase agreement by former Parent, pledge of shares held by the shareholders, assignment of dividends, assignment of Company's rights under compensation and claims agreement, pledge over insurance proceeds of the Company and pledge over project accounts of the Company of which pledge over the certain bank accounts and certain shares of the Company has been released as on 8 January 2024 (corresponding to 26 Jumada Al Thani 1445H).

Following the merger with the former Parent Company, the loan is novated in the name of the Company.

The loan facility has a covenant for debt service cover ratio to be maintained at each reporting date till the end of the facility agreement. As at 31 December 2025, there has not been any non-compliance observed for any this covenant. The Company expects to comply with this covenant within 12 months after the reporting date.

Movement in loan balance is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	873,524,194	1,100,000,000
Paid during the year	<u>(174,509,183)</u>	<u>(226,475,806)</u>
At the end of the year	699,015,011	873,524,194

Maturity analysis – contractual undiscounted cash flows

	31 December 2025	31 December 2024
Within one year	67,270,406	86,851,403
One to five years	368,969,719	422,643,617
More than five years	<u>701,826,945</u>	<u>1,233,445,323</u>
	1,138,067,070	1,742,940,343

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19. LEASE LIABILITIES

19.1 Movement in lease liabilities during the year is as follows:

	31 December 2025	31 December 2024
At the beginning of the year	276,870,101	285,942,686
Finance cost on lease liabilities	6,118,343	6,330,644
Repayment of lease liabilities	<u>(9,072,590)</u>	<u>(8,865,143)</u>
Finance cost paid on lease	<u>(6,330,644)</u>	<u>(6,538,086)</u>
At the end of the year	267,585,210	276,870,101
Current portion	15,524,901	15,403,229
Non-current portion	<u>252,060,309</u>	<u>261,466,872</u>
	267,585,210	276,870,101

19.2 Amounts recognised in profit or loss are as follows:

	2025	2024
Finance cost on lease liabilities	6,118,343	6,330,644
Expenses relating to short-term and low-value leases	2,192,239	1,381,810

20. EMPLOYEES' BENEFITS

Employees' benefits comprise of the following:

	Notes	31 December 2025	31 December 2024
Employees' defined benefit obligations	20.1	13,530,000	8,557,000
Long-term incentive plan (LTIP)	20.2	<u>4,600,000</u>	--
		18,130,000	8,557,000

20.1 Employees' defined benefit obligations

The Company has defined benefit plan (unfunded), which is a final salary plan in the Kingdom of Saudi Arabia and requires to recognise the provision for employees' end-of-service benefits for the amounts payable at the statement of financial position date in accordance with the employees' contracts of employment applicable to employees' accumulated periods of service. In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its defined benefit liabilities in respect of employees' end-of-service benefits payable under relevant local regulations and contractual arrangements in the current year.

	31 December 2025	31 December 2024
Present value of defined benefit obligations	13,530,000	8,557,000

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20. EMPLOYEES' BENEFITS (continued)

20.1 Employees' defined benefit obligations (continued)

20.1.1 The major financial assumptions used to calculate the defined benefit obligations are as follows:

	31 December 2025	31 December 2024
Discount rate	5.25%	5.30%
Salary increase rate	5.25%	5.00%
Mortality table	AMC00 / AFC00 Mortality Table	AMC00 / AFC00 Mortality Table
Employee turnover (withdrawal rate) 18-30 years	16.00%	16.00%
Employee turnover (withdrawal rate) 31-40 years	11.00%	11.00%
Employee turnover (withdrawal rate) 41+ years	6.00%	6.00%
Expected retirement age	65 years	65 years

At 31 December 2025, the weighted-average duration of the defined benefit obligations was 14.5 years (31 December 2024: 15 years).

20.1.2 Amount charged to profit or loss is as follows:

	2025	2024
Current service cost	4,816,603	3,822,466
Interest expense	443,000	168,000
	5,259,603	3,990,466

20.1.3 Amount charged to other comprehensive income is as follows:

	2025	2024
Gain resulting from change in demographic assumptions	--	1,312,000
Loss resulting from change in financial assumptions	333,000	(131,000)
Gain resulting from change in experience adjustments	(238,000)	305,000
Actuarial loss	95,000	1,486,000

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

	31 December 2025	31 December 2024
At the beginning of the year	8,557,000	3,297,164
Service cost	4,816,603	3,822,466
Interest expense	443,000	168,000
Paid during the year	(381,603)	(216,630)
Remeasurement of the net defined benefit liability	95,000	1,486,000
At the end of the year	13,530,000	8,557,000

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20. EMPLOYEES' BENEFITS (continued)

20.1 Employees' defined benefit obligations (continued)

The Company expects to pay SR 0.30 million out of defined benefit plans in 2025.

20.1.5 The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is as follows:

31 December 2025	Original	%	Amount (SR)
Discount rate	5.25%	+1	11,886,000
		-1	15,518,000
Salary increase rate	5.25%	+1	15,499,000
		-1	11,869,000
Future mortality	AMC00 / AFC00	+10	13,318,000
	Mortality Table	-10	13,741,000
Withdrawal rate	6%-16%	+10	13,527,000
		-10	13,533,000

31 December 2024	Original	%	Amount (SR)
Discount rate	5.30%	+1	7,476,000
		-1	9,869,000
Salary increase rate	5.00%	+1	9,861,000
		-1	7,462,000
Future mortality	AMC00 / AFC00	+10	8,555,000
	Mortality Table	-10	8,696,000
Withdrawal rate	6%-16%	+10	8,416,000
		-10	8,696,000

20.1.6 The maturity profile of the defined benefit obligations is as follows:

	31 December 2025	31 December 2024
Current portion	305,000	204,000
Between 2 to 5 years	1,797,000	909,000
Between 6 to 10 years	4,895,000	3,232,000
Beyond 10 years	23,548,000	15,718,000

20.2 Long-term incentive plan (LTIP)

Long-Term Incentive Plan (LTIP) represents future benefits earned by certain executives in consideration of services rendered during the current and prior periods. The incentives vest over a three-year performance cycle commencing on 1 January 2025 and ending on 31 December 2027 and are subject to continued employment and the achievement of performance targets (KPIs) approved by the Board of Directors. During the current year, the Company recognized an expense of SR 4.60 million in respect of the LTIP.

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21. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 December <u>2025</u>	31 December <u>2024</u>
Accrued employees' costs	21,943,442	19,110,928
VAT payable	5,142,922	1,187,605
Accrued rebates	8,637,584	5,103,507
Accrued trade marketing	6,812,500	--
Board and committees' expenses, rewards and allowances	2,344,500	2,315,500
Other accruals (note 21.1)	5,305,547	11,250,690
	<u>50,186,495</u>	<u>38,968,230</u>

21.1 Accrued expenses include accrued fines and penalties. Fines and penalties relate to the claim received from GFSA on 12 December 2024 (corresponding to 11 Jumada Al Thani 1446H) for inspection made on 16 October 2024 (corresponding to 13 Rabi Al Thani 1446H) alleging that the Company did not comply with the Flour Mills Production Law. The management has objected to the claim and shared their response on 31 December 2024 (corresponding to 30 Jumada Al Thani 1446H). The Company's management took a prudent view of the matter and made a provision of full amount of SR 5.6 million in the financial statements for the year ended 31 December 2024 (corresponding to 30 Jumada Al Thani 1446H).

During the year, on 16 October 2025 (corresponding to 24 Rabi Al Thani 1447H) the Company received response from GFSA with a revised claim amounting to SR 3.10 million and accordingly the reversed the excess provision amounting to SR 2.50 million. The Company has filed an appeal before the Administrative Court against this decision that is under review as on the date of approval of these financial statements.

22. ADVANCES FROM CUSTOMERS

Advances from customers primarily relates to the advance consideration received from customers for the sale of goods. Advances from customers amounting to SR 20.12 million as at 31 December 2024 has been recognised as revenue in the statement of profit or loss and other comprehensive income for the year ended 31 December 2025 (31 December 2024: SR 16.14 million). The Company expects to recognise advances from customers amounting to SR 14.70 million as revenue for the year 31 December 2026.

23. REVENUE FROM CONTRACTS WITH CUSTOMERS

	<u>2025</u>	<u>2024</u>
Sale of goods	<u>997,658,173</u>	<u>973,942,448</u>

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

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23. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

23.1 Disaggregation of revenue from sales of goods

Revenue is disaggregated by type of goods as shown below:

Type of goods	<u>2025</u>	<u>2024</u>
Flour	576,575,662	534,553,852
Feed	191,215,858	184,489,384
Bran	229,866,653	254,899,212
	<u>997,658,173</u>	<u>973,942,448</u>

The Company sells its goods based on sale orders from customers, the majority of which is secured by the advance receipts of value of goods.

Timing of revenue recognition

The sale of the goods is recognised by the Company at a point in time, and the performance obligation is fulfilled.

24. COST OF REVENUE

Cost of revenue comprises the following:

	Note	<u>2025</u>	<u>2024</u>
Raw materials consumed		355,527,106	366,539,333
Salaries and other benefits		40,549,815	40,560,290
Fuel and power		23,598,809	19,138,236
Depreciation of property, plant and equipment	8.4	65,901,143	60,548,483
Depreciation of right-of-use assets	9.1	9,748,413	9,740,410
Maintenance		14,786,739	13,697,950
Transportation		3,547,743	5,217,422
Insurance		1,118,797	962,378
Adjustment for net relisable value of inventories	11.2	215,987	671,596
Short-term lease rentals		659,800	592,758
Other expenses	24.1	7,432,630	8,714,792
		<u>523,086,982</u>	<u>526,383,648</u>
Finished goods inventory at the beginning of the year	11.1	11,330,232	8,180,488
Finished goods available for sale		534,417,214	534,564,136
Finished goods inventory at the end of the year	11.1	(7,567,940)	(11,330,232)
		<u>526,849,274</u>	<u>523,233,904</u>

24.1 Other expenses include mainly mill license fee, material scrapping expenses and other operating expenses for the period.

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25. SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses comprise the following:

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Shipping and transportation cost		33,161,938	26,944,771
Salaries and other benefits		18,243,600	15,330,404
Advertisement and marketing		15,616,683	7,017,011
Amortisation of intangible assets		2,629,511	2,427,241
Depreciation of right-of-use assets	8.4	253,059	253,059
Sales commission		2,503,807	1,020,218
Fuel and power		1,392,085	1,053,846
Depreciation of property, plant and equipment		497,832	761,592
Short-term lease rentals		1,532,439	789,053
Point of sales fees		1,550,022	7,831,397
Insurance		118,578	45,879
Repair and maintenance		52,078	254,528
Other expenses		1,670,587	418,417
		<u>79,222,219</u>	<u>64,147,416</u>

26. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprise the following:

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Salaries and other benefits		53,487,660	46,239,778
Professional and consulting fees		4,455,296	6,978,260
Depreciation of right-of-use assets		1,265,298	1,265,297
Fines and penalties		(1,470,925)	5,605,621
Board and committees' expenses, rewards, and allowances		3,934,346	3,977,000
Depreciation of property, plant and equipment		2,782,674	3,614,962
Insurance		576,479	329,958
Maintenance		4,709,008	2,617,856
Fuel and power		4,821,828	3,608,515
Materials and supplies		3,812,597	2,293,327
Amortisation of intangible assets		718,659	653,452
Other expenses	26.1	5,582,587	7,372,464
License renewal fees		424,296	1,999,950
		<u>85,099,803</u>	<u>86,556,440</u>

26.1 Other expenses include mainly communications, government fees, training, IPO costs and other general and administrative expenses for the year.

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27. FINANCE COSTS

Finance costs comprise the following:

	<u>Note</u>	<u>2025</u>	<u>2024</u>
Interest on long-term loan		51,846,812	75,651,647
Finance cost on lease liabilities	19.2	6,118,343	6,330,644
Amortization of loan transaction cost		12,449,577	1,581,430
		<u>70,414,732</u>	<u>83,563,721</u>

28. ZAKAT

28.1 Components of Zakat base

The significant components of the zakat base of the Company under zakat regulations are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
Equity at the end of the year	1,247,884,063	1,040,612,058
Liabilities and related items	994,708,155	1,158,512,978
Total deductions	(2,060,700,384)	(2,053,827,634)
Total base	<u>181,891,834</u>	<u>145,297,402</u>
Minimum zakat base	237,037,854	219,276,536
Maximum zakat base	<u>1,247,884,063</u>	<u>1,046,251,979</u>
Zakat base for the year	<u>237,037,854</u>	<u>219,276,536</u>

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

	<u>31 December 2025</u>	<u>31 December 2024</u>
At the beginning of the year	5,495,000	5,122,094
Charge during the year	6,272,741	5,581,037
Paid during the year	(5,667,741)	(5,208,131)
At end of the year	<u>6,100,000</u>	<u>5,495,000</u>

28.3 Zakat Status

The Company has filed Zakat and income tax returns for the years including and up to 31 December 2024. During the year, the Company received a request from ZATCA for submission of preliminary information in relation to the return submitted for the year ended 31 December 2024. The Company has submitted the required information to ZATCA and awaiting their response as on the approval of these financial statements. Furthermore, Zakat assessments for the Company have been finalized up to the years and including the year ended 31 December 2023.

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29. CAPITAL COMMITMENTS AND CONTINGENCIES

29.1 Contingencies

- The Company has provided a bank guarantee amounting to SR 1,840,485 in favor of GFSA for lease of silos in Riyadh, Hail and Jizan. This guarantee is valid up to 19 February 2026.
- The Company has provided a bank guarantee amounting to SR 347,491 in favor of GFSA for lease of lands in Riyadh and Hail. This guarantee is valid up to 19 February 2026.

29.2 Commitment

LC at sight amounting to SR 1,894,200 (EUR 430,500) (31 December 2024: NIL) in favor of OCRIM SPA for supply of new line 10kg packing for Riyadh.

30. EARNINGS PER SHARE

30.1 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 financial statements.

	<u>2025</u>	<u>2024</u>
Profit for the year	237,037,854	213,636,614
Weighted average number of ordinary shares for basic and diluted EPS	51,315,006	51,315,006
Earnings per share - basic and diluted	4.62	4.16

The calculation of diluted earnings per share has been based on the earnings attributable to the shareholder of ordinary shares and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares if any.

During the year ended 31 December 2025 and 31 December 2024, there are no transactions that reduce the earnings per share and therefore, the diluted earnings per share are not different from the basic earnings per share.

31. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders and key management personnel of the Company and entities controlled or significantly influenced by such parties. The terms of the transactions with related parties are approved by the Company's management. Transactions with related parties are on the basis of contractual arrangements made with them.

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31. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

For the purposes of the disclosure requirements contained in IAS 24 Disclosures Related to Related Parties, the phrase "key management personnel" (i.e., those persons who have the authority and responsibility to plan, direct and control the activities of the Company) refers to the board of directors, chief executive officer and other executives of the Company.

The compensation of the senior management personnel includes salaries and other benefits. The amounts disclosed in the table represent the amounts recognised as an expense during the financial period in respect of key management personnel.

Compensation of key management personnel of the Company for the year ended 31 December:

	<u>2025</u>	<u>2024</u>
Short term employee benefits	17,777,740	15,730,533
Post-employment benefits and medical benefits	5,225,915	318,676
Total compensation of key management personnel	<u>23,003,655</u>	<u>16,049,209</u>

Short term employee benefits include SR 4.30 million (31 December 2024: SR 4.23 million) related to board and committees' fees, rewards and allowances.

OTHER RELATED PARTY TRANSACTIONS

Transactions with related parties arise mainly from services provided/ received and payments made on behalf of each other and are undertaken at mutually agreed terms. Due to related parties (if any) are the balances payable on demand, interest free and unsecured.

The related parties of the Company are as follows:

<u>Name of related party</u>	<u>Nature of relationship</u>
Abdulaziz Alajlan Sons Co. for Commercial and Real Estate Investment	Shareholder
Sulaiman Abdulaziz Alrajhi International Company	Shareholder
National Agriculture Development Company (NADEC)*	Shareholder

Following table provides the total amount of transactions that have been entered into with the related parties during the years ended 31 December 2025 and 31 December 2024.

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31. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

OTHER RELATED PARTY TRANSACTIONS (continued)

Name	Relationship	Nature of transactions	Amount of transactions	
			For the year ended 31 December 2025	2024
Abdulaziz Alajlan Sons Co. for Real Estate Investment	Shareholder	IPO costs	--	7,277,989
Sulaiman Abdulaziz Alrajhi International Company	Shareholder	IPO costs	--	5,081,381
National Agriculture Development Company (NADEC)*	Shareholder	Sale of goods (Including VAT)	41,675,797	20,904,655
		Receipts	(38,484,264)	22,170,602
		Credit notes	(6,928)	--
National Poultry Company*	Subsidiary of shareholder	IPO costs	--	2,158,861
		Sale of goods (Including VAT)	24,382,325	8,012,988
		Receipts	(24,000,000)	(7,652,174)

Balances outstanding with the related parties are presented below:

Amounts due from related parties (under trade receivables)

	31 December 2025	31 December 2024
National Agriculture Development Company (NADEC)*	3,534,763	350,158
National Poultry Company*	424,017	41,692
	<u>3,958,780</u>	<u>391,850</u>

*This is in addition to the requirements of IAS 24.

32. FINANCIAL INSTRUMENTS

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

	31 December 2025	31 December 2024
Financial assets at amortised cost:		
Bank balances and short-term deposits	235,963,432	130,444,607
Margins against letters of guarantee	2,187,976	2,187,976
Trade receivables	42,930,271	36,493,251
	<u>281,081,679</u>	<u>169,125,834</u>

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32. FINANCIAL INSTRUMENTS (continued)

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

	31 December 2025	31 December 2024
Financial liabilities at amortised cost:		
Long-term loan	699,015,011	873,524,194
Lease liabilities	267,585,210	276,870,101
Trade and other payables	44,703,336	42,355,366
	<u>1,011,303,557</u>	<u>1,192,749,661</u>

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments comprise of financial assets and financial liabilities. The Company's financial assets consist of bank balances and short term deposits, amounts due from related parties, margins against letter of guarantees, trade and other receivables. Its financial liabilities consist of trade and other payables, accrued expenses, long-term loan and obligations under finance lease.

The management assessed that fair value of bank balances and short-term deposits, trade receivables, margins against letter of guarantees, other current assets, and amounts due from related parties, trade and other payables, certain accrued expenses and other current liabilities, long-term loans and obligations under finance lease approximate their carrying amounts, largely due to the short-term maturities of these instruments except for the long-term loan 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 Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There are no financial instruments recognised at fair value and there were no transfers between levels of fair value measurements in 2025 and 2024. No transfers between any levels of the fair value hierarchy took place in the equivalent comparative period.

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32. FINANCIAL INSTRUMENTS (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main purpose of the Company's financial instruments is to raise finances for the Company's operations.

The Company'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 Company's Finance Department under strict policies and guidelines approved by the Board of Directors. The Company's Finance Department actively monitors market conditions minimising the volatility of the funding costs of the Company.

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 Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer which the Company seeks to manage its credit risk with respect to customers by setting credit limits for individual customers and by monitoring outstanding receivables. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Owing to nature of the Company's business, significant portion of revenue is collected in cash due to which the Company is not significantly exposed to credit risks.

The Company is exposed to credit risk on its bank balances and short-term deposits, trade receivables, margin against letters of guarantee and other current financial assets as follows:

	31 December 2025	31 December 2024
Financial assets at amortised cost		
Bank balances and short-term deposits	235,963,432	130,444,607
Margin against letters of guarantee	2,187,976	2,187,976
Trade receivables	42,930,271	36,493,251
	281,081,679	169,125,834

The carrying amounts of financial assets represent the maximum credit exposure. Credit risk on balances with banks, short-term deposits and margin against letters of guarantee is limited as:

- Cash balances, short-term deposits and margins are held with banks with sound credit ratings as below:

Banks	Rating		Rating agency	Nature of financial asset	31 December	31 December
	Short-term	Long-term			2025	2024
Banque Saudi Fransi	P-1	A-1	Moody's	Cash balance	2,628,451	2,977,741
Saudi Awwal Bank	P-1	A-1	Moody's	Cash balance	233,243,164	77,286,865
Saudi Awwal Bank	P-1	A-1	Moody's	Short-term deposit	--	50,000,000
Banque Saudi Fransi	P-1	A-1	Moody's	Margin against LGs	2,187,976	2,187,976
					238,059,591	132,452,582

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32. FINANCIAL INSTRUMENTS (continued)

Credit risk (continued)

Ratings of Prime-1 (P-1) reflect a superior ability to repay short-term obligations (Aaa – A3).

Expected credit losses:

The Company considers that its cash and cash equivalents and margins against letter of guarantees and letter of credits have low credit risk based on the external credit ratings (long-term) of the respective counterparties.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company manages its exposure to credit risk from trade receivables by largely operating under advance payment or cash-based arrangements with customers. In most cases, payment is received prior to the delivery of goods, which significantly reduces the level of outstanding receivables. While a portion of sales is conducted on credit terms, management monitors receivable balances closely and applies established credit controls to mitigate the related credit risk.

Expected credit loss assessment for trade 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 Company has identified GDP of Kingdom of Saudi Arabia (the country in which it renders the services) to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

For the purposes of measuring expected credit losses, the Company defines a financial asset as being in default when the counter party is unlikely to pay its credit obligations in full or when contractual payments are more than 120 days past due.

IFRS 9 includes a rebuttable presumption that default occurs when contractual payments are more than 90 days past due. The Company has rebutted this presumption based on historical credit loss experience and internal credit risk management practices. Analysis of historical collection patterns indicates that a significant portion of balances that are between 90 and 120 days past due are subsequently recovered without enforcement actions and do not typically result in credit losses.

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32. FINANCIAL INSTRUMENTS (continued)

Expected credit loss assessment for trade and other receivables (continued)

The Company performed a quantitative assessment using historical ageing data covering multiple reporting periods to determine the point at which receivables demonstrate a significant increase in the likelihood of non-recovery. The analysis showed that the probability of default increases significantly after 120 days past due, which management considers to be a more appropriate indicator of default for the Company's portfolio.

Accordingly, management concluded that a 120-day past due threshold better reflects the point at which a financial asset is considered to be credit-impaired and therefore provides a more faithful representation of default for the purpose of expected credit loss measurement.

Credit risk

The Company's trade receivables are subject to concentration of credit risk as a significant portion of receivables is due from a limited number of customers. As at 31 December 2025, the Company's four largest customers accounted for approximately 58% of total trade receivables, with each customer individually representing more than 10% of the total trade receivable balance.

The Company manages this risk by monitoring the creditworthiness of these customers, reviewing credit limits on a regular basis, and maintaining ongoing relationships with these counterparties.

Management believes that the credit risk associated with these receivables is adequately managed and that no additional impairment is required as at the reporting date.

The Company has recognized allowance for expected credit losses against their trade receivables amounting to SR 3.70 million (31 December 2024: SR 2.30 million).

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>
1 – 30 days past due	1.69%	33,912,220	574,021	No
31 – 60 days past due	2.52%	2,838,454	71,458	No
61 – 90 days past due	3.28%	1,332,785	43,764	No
91 – 120 days past due	17.04%	60,282	10,277	No
More than 120 days past due	62.69%	4,786,530	3,000,480	Yes
		<u>42,930,271</u>	<u>3,700,000</u>	

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32. FINANCIAL INSTRUMENTS (continued)

Credit risk (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>
1 – 30 days past due	1.44%	26,868,204	387,492	No
31 – 60 days past due	3.53%	4,728,860	167,146	No
61 – 90 days past due	7.39%	1,352,497	99,919	No
91 – 120 days past due	15.24%	395,413	60,247	No
More than 120 days past due	50.35%	3,148,277	1,585,196	Yes
		<u>36,493,251</u>	<u>2,300,000</u>	

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its payment obligations as they fall due. The Company seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have 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 Company'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 Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company'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 Company's financial liabilities as 31 December based on contractual payment dates and current market interest rates as following.

31 December 2025

Financial liabilities	Carrying amounts	1 year or less	Contractual amounts		Total contractual amounts
			1 to 5 years	More than 5 years	
Loans and borrowings	699,015,011	67,270,406	368,969,719	701,826,945	1,138,067,070
Lease liabilities	267,585,210	15,524,901	62,355,105	256,896,119	334,776,125
Trade and other payables	44,703,336	44,703,336	--	--	44,703,336
Other payables	29,217,992	29,217,992	--	--	29,217,992
	<u>1,040,521,549</u>	<u>156,716,635</u>	<u>431,324,824</u>	<u>958,723,064</u>	<u>1,546,764,523</u>

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32. FINANCIAL INSTRUMENTS (continued)

Liquidity risk (continued)

31 December 2024

Financial liabilities	Carrying amounts	1 year or less	Contractual amounts		Total contractual amounts
			1 to 5 years	More than 5 years	
Loans and borrowings	873,524,194	86,851,403	422,643,617	1,233,445,323	1,742,940,343
Lease liabilities	276,870,101	15,403,234	62,227,355	272,548,771	350,179,360
Trade and other payables	42,355,366	42,355,366	--	--	42,355,366
Other payables	30,140,326	30,140,326	--	--	30,140,326
	<u>1,222,889,987</u>	<u>174,750,329</u>	<u>484,870,972</u>	<u>1,505,994,094</u>	<u>2,165,615,395</u>

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 Company'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.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). However, as the Company primarily deals in USD, and Euro, with Euro being immaterial and the majority being in USD, which is pegged with SR, the Company's exposure to foreign currency risk is immaterial. No sensitivity for foreign currency risk is presented due to its minimal effect on these 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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term loan with floating interest rates. The Company manages its exposure to interest rate risk by continuously monitoring movements in interest rates.

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32. FINANCIAL INSTRUMENTS (continued)

Interest rate risk (continued)

Sensitivity analysis

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Floating rate financial liabilities

	Impact on profit or loss	
	31 December 2025	31 December 2024
100 bps increase	6,990,150	8,735,242
100 bps decrease	(6,990,150)	(8,735,242)

Capital Risk Management

For the purpose of the Company's management, capital includes issued share capital, and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholders' value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The Company monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Company includes within net debt, long-term loan, 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:

	31 December 2025	31 December 2024
Long-term loan	699,015,011	873,524,194
Lease liabilities	267,585,210	276,870,101
Employees' defined benefit obligations	18,130,000	8,557,000
Zakat payable	6,100,000	5,495,000
Less: cash and cash equivalents	(235,963,432)	(130,444,607)
Net debt	754,866,789	1,034,001,688
Share capital	513,150,060	513,150,060
Retained earnings	677,784,866	471,117,861
Equity	1,190,934,926	984,267,921
Capital and net debt	1,945,801,715	2,018,269,609
Gearing ratio	38.79%	51.23%

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33. SUBSEQUENT EVENTS

Subsequent to the reporting date, the Middle East region has witnessed heightened geopolitical and security developments, resulting in increased uncertainty in certain regional markets. Management has evaluated these developments in accordance with IAS 10 – Events after the Reporting Period and determined that they constitute non-adjusting events, as they relate to conditions that arose after 31 December 2025. Accordingly, no adjustments have been made to the amounts recognized in these financial statements.

Based on the information available up to the date of authorization of these financial statements, management has not identified any impact from these developments that would affect the Company's ability to continue its operations or materially affect these financial statements and the related disclosures for the year ended 31 December 2025. Management will continue to monitor the situation and will assess the need for any future actions, as appropriate.

34. RECLASSIFICATION AND COMPARATIVE FIGURES

During the year, management performed a detailed review of the presentation of certain comparative figures and identified instances where amounts were not classified in the most appropriate categories.

These reclassifications have been made to ensure appropriate presentation and consistency in the financial statements for the year ended 31 December 2024. The reclassifications do not have a material effect on financial statements for the comparative period.

The table below summarises the impact of these reclassifications on the previously reported amounts.

The items are reclassified as follows:

Statement of profit and loss and other comprehensive income

Items	Amounts as reported earlier	Reclassifications	Reclassified amounts
Cost of revenue	518,997,498	4,236,406	523,233,904
General and administrative expenses	100,238,610	(11,382,170)	88,856,440
Selling and distribution expenses	59,589,605	4,557,811	64,147,416
Other income	(3,061,098)	3,534,243	473,145

Statement of financial position

Items	Amounts as reported earlier	Reclassifications	Reclassified amounts
Prepayments and other current assets	9,583,713	(42,956)	9,540,757
Cash and cash equivalents	130,264,607	180,000	130,444,607
Long-term loan	827,031,228	(2,146,776)	824,884,452
Trade and other payables	37,710,515	4,644,851	42,355,366
Accrued and other current liabilities	41,329,261	(2,361,031)	38,968,230

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35. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized for issuance by the Company's Board of Directors on 11 March 2026, corresponding to 27 Ramadan 1447H.