



Challenges and Opportunities

First Milling Company successfully survived all challenges within its operating environment to deliver on its commitments to consumers and customers and to create strong and sustainable added value for shareholders and all stakeholders across the Kingdom and beyond.

The Company's management explores all investment opportunities in the market, conducting thorough analysis based on market trend studies. This approach

aims to capitalize on evolving consumer behaviors, preferences, and consumption patterns, enabling First Milling Company to develop appropriate plans that keep pace with future developments and overcome potential future challenges.

Competitive Edge

One of First Milling Company's biggest challenges is the high-level competition in the local market. However, the Company is making a concerted effort to maintain its leadership among all of its peers and to establish itself as the best. This is underpinned

by the Company's robust capacity to enhance its competitiveness in the market, leveraging key factors that bolster its leadership within the food industry sector, which can be summarized as follows:



Factors Enhancing Competitive Edge in the Local Market

Product Quality

- First Milling Company offers high-quality products that meet both local and international standards. This is achieved through the Company's reliance on state-of-the-art laboratories, coupled with skilled and expert personnel in quality control management. This commitment reinforces the Company's position as a trusted partner for its customers.
- Focusing on developing innovative products that meet the growing consumer demand for healthy and sustainable options.

Product Diversity

- Offering a diverse product portfolio that serves various sectors, including bakeries, restaurants, food industries, farmers, and livestock breeders, enhancing the Company's market inclusivity.

Advanced Infrastructure

- First Milling Company has advanced production plants situated in strategic locations that facilitate efficient local and regional distribution.
- The Company has a well-equipped transportation fleet, which provides greater opportunities to reach markets beyond the vicinity of its mills.
- The presence of warehouses for both the Company and its suppliers in multiple geographically diverse cities, located outside the reach of its plants, provides a competitive advantage and greater investment opportunities.

Prime Strategic Locations

- First Milling Company benefits from the competitive edge of its milling plants being directly located in Jeddah Port on the Red Sea. This location is a key competitive differentiator, as it houses the Company's largest mills in terms of capacity and productivity.

Operational Efficiency

- Investing in the latest operating technologies and analytical tools to enhance efficiency and reduce costs, thereby strengthening the Company's competitiveness.

Sustainability

- The Company's commitment to implementing sustainable practices adds competitive value that reflects its social and environmental responsibility.
- The Company's aims to release its first Sustainability report in 2025G.