

## 2 - 4 Business Model

First Milling Company strongly believes that achieving sustainable development is a constant obligation that comes as part of its social responsibility and contribution to achieving economic development in light of the Kingdom's Vision 2030. Therefore, the Company dedicates all its potentials to create an added value for all its shareholders while seeking to be the first partner of choice in food and feed across the Kingdom and the credible source of vital products to the community and

the market.

Ever since its establishment, the Company has followed a developed commercial business model based on quality and advanced technology, aiming to provide high quality food products to its customers. For this purpose, the Company employs the latest technologies in production, manufacturing and control to contribute to achieving efficiency and competitiveness in the market.

## Strengths and Competitive Advantages of the Company

### Leading Local Market Position

- The Company's market share reached 30%\* in the flour local market.
- The Company also holds a prominent position in the animal feed market in the Kingdom, and maintains its leadership position through several factors..
- Distinguished profit margins and sustainable growth that exceeds the market rates and averages.
- More than 95% of the Company's product sales were effectuated in cash that guarantees the unrestricted conduct of its business in the short and medium terms.

### Diversity in Product Range and Geographical Spread of the Company

- Diverse product portfolio with more than 50 types of food and feed products.
- 4 facilities in Strategic geographical locations: Makkah Region (Jeddah Governorate), Al-Qassim Region (Buraidah Governorate), Tabuk Region (Tabuk City) and the Eastern Region (Al-Ahsa Governorate).
- Sale and distribution warehouses for the Company or its distributors spread all over the Kingdom.
- Close and robust relations with all suppliers of raw materials including GFSA.

### The Company's Commitment to Provide Quality Products

- High responsiveness and flexibility in face of local market changes and global market movement to meet variable needs of clients.
- High ability to expand and enter new geographic locations through the provision of required products with the highest quality.
- Constant control and precise tests of raw materials and final products by an experienced certified team.

\*According to GFSA updated report

\*\* Including 300 tons of Durum

### Company Mission:

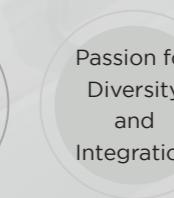
To be the reliable source of innovative, high-quality products in the food and feed sectors and be fully committed to enabling food availability and sustainability.

### Company Vision:

To be the first partner of choice in the food and feed sectors all over the Kingdom and a credible source of vital products for communities and markets across the region.

### Company Values:

In First Milling Company, our values are generally regarded as our culture with which we work and by which we define our behavioral criteria and decision-making process to achieve the Company's objectives and Vision.



### Relationships with Authorities and Stakeholders

#### 1 Shareholders and Investors

- First Milling Company abides by the implementation of the principles that protect the rights of shareholders and achieve the principle of justice through the timely provision of suitable information.
- By virtue of its clear dividend distribution policy, the Company seeks to create better value for shareholders through the dividend distribution and achieve sustainable revenues for investors in the long term.
- An amount of SAR 1.37 has been distributed as cash dividends per share for H1 of 2023G, in addition to a consent from the Board to the distribution of cash dividends for H2 of 2023G, with the amount of SAR 1.41 per share.
- The Company fully complies with the implementation of all policies and measures related to the disclosure of financial statements, performance reports and any substantial changes according to the legal requirements, regulatory regulations applicable and instructions issued by the concerned authorities.
- The Company has established a dedicated investor relations department that has a qualified team and members, holding IFSAH Professional Exam Certificate (IFSAH), and the Certified Investor Relations Officer Certificate, who receive all inquiries and questions from shareholders and work on handling and resolving them.

#### 2 Consumers

- The Company adopts a client-oriented principle in all its operations and constantly seeks to meet their various needs with the ultimate quality.
- Customers are registered in a system that is supervised by the GFSA, that organizes the Company sales process for the flour product clients, so that the registration of each client for which the Company sells the subsidized flour products, the sale price and allocated quantities are previously approved.
- Before requesting for an approval, each client is subject to an assessment process that includes a number of factors, inter alia field visits to the clients' facilities, an assessment to the clients' production lines and production capacity, in addition to special examinations to be carried on the clients' products which contain flour.

#### 3 Employees

- Developing human capabilities and national cadres which coincides with adapting to the technological and digital development.
- Currently, the Company seeks to be one of the best work environments in Saudi Arabia.
- Approving the Employees Stock Incentive Plan and Program to boost and to maintain the Company's talents and attract the best potential candidates

#### 4 Communities

- Developing sustainability and social responsibility programs with more than 20 initiatives and objectives which shapes our steady compliance to the ESG aspects.
- Paying attention to community initiatives like the "Saudi Bakery" program which has contributed to training and qualifying more than 400 young men and women by experts and specialists in the field of baking in 3 different cities (140 training days with 430 certified training hours). The program's objective is to prepare and graduate competent national cadres, in collaboration with the Small and Medium Enterprises General Authority (Monsha'at), the Culinary Arts Commission, and the National Center for Corporate Social Responsibility, can launch and oversee innovative baked goods projects.
- Building efficient cooperation by participating in the Cooperative Training Program and the Career Forum held at King Abdulaziz University (KAU).
- Cooperating with Keswa Aisha endowment for the distribution and preparation of 1,000 food baskets for needy families before the blessed month of Ramadan, in which a number of the Company's employees participated. To ensure that this support encompasses the entire community, the flour has been provided as in-kind aid to a number of other societies.
- The Company obtained the certificate of compliance "Mowaamah certificate" as a work environment that helps and supports the recruitment and employment of special needs.

#### 5 Regulatory and Government Authorities

- Maintaining the highest standards of governance and disclosure requirements through a strong collaboration with the CMA and Tadawul pre and post listing.
- Cooperating with the Zakat, Tax and Customs Authority (ZATCA) for the successful implementation of the e-invoicing system as part of our commitment to compliance. (as well as cooperation with Civil Defense and the High Commission For Industrial Security).
- The Company's products and operations are in line with the GFSA's food security strategy, the Ministry of Environment, Water and Agriculture (MEWA) and the Kingdom's Vision 2030 and Saudi Food & Drug Authority, for the sake of enhancing the food security indices, achieving the self sufficiency and combating any challenges to climate changes and scarcity of resources.
- Working hand in hand with the Ministry of Human Resources and Social Development (HRSD) to increase the percentage of Saudization in various positions (Current percentage of Saudization stands at 39% at the level of the Company in all positions, while the percentage of women stands at 3%).