

## 1-2 Vision and Mission

### Vision of the Company

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

### Mission of the Company

We are 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's Strategy

The company aims to achieve its vision by focusing on four main pillars: enhancing market leadership, establishing an efficient and distinguished operational framework, creating outstanding products, providing exceptional services, and developing the necessary capabilities and an effective framework to implement the company's strategy.

#### Enhancing

Market Leadership

#### Establishing

An Efficient and Distinguished Operational Framework

#### Creating

Outstanding Products and Providing Exceptional Services

#### Developing

Necessary Capabilities and an Effective Framework

4

Pillars to Achieve  
the Company's  
Vision



To know more about the Company's strategy and details, kindly see section 2, page 44.



## 2-3 Strategy and Key Performance Indicators “KPIs”

In light of the ongoing developments in the food and feed industries at the level of the local and international markets alike, First Milling Company has established its strategic flexibility and responsiveness to pace up with any changes. In fact, the constant technological innovations and active competitiveness have further motivated the Company to double its efforts in order to achieve a comprehensive strategic transformation for the entire organization.

Further to the Company's success in introducing a qualitative transformation at the level of its main activities and operations, and stemming from its steed belief in the Kingdom's Vision 2030 as a source of guidance for formulating its directives, First Milling Company has developed its strategies and objectives around the provision of high quality premium products in both food and feed sectors to reach its aspirations in becoming the first partner of choice in the food and feed sectors across the Kingdom and the credible source of vital products to the market and communities.

The Company's strategy has set a number of targets which First Milling Company is attempting to achieve by continuing its leading role in the market and by its active contribution to the provision of sustainable sources of food. This is done through four main pillars:



# 1

## Enhancing Market Leadership

### Description

Aiming to be the first choice for our consumers & customers and the first in the market in terms of the volume, revenue and market share in flour products.

### Criteria for Measuring Success and KPIs

Maximize the Company Valuation

Grow Revenue & Profit in Sustainable Manner

Expand into New Categories

Improve Distribution & Sales Channels

### Highlights of 2023G

- Achieving a Y-O-Y increase of 6% of the Company revenues.

- Flour sales represented 57% of the Company's total sales with an annual increase of 9%, compared to the previous year.

- Continuing the spread of coverage through the e-trade channels while expanding presence in new geographic areas to add new partners in all categories.

- 2023G revenues amounted to SAR 964.3 million compared to SAR 913.6 million in 2022G.

- Continuing to achieve stable revenues and double-digit profits, with net profit margin of 22.8% during the year.

- Achieving free cash flows of SAR 222.4 million with annual cash conversion ratio (CCR) of 66.3%.

- Regulating and managing operational costs to maintain the same levels compared to the previous year.

## 2

### Creating Outstanding Products and Providing Exceptional Services

#### Description

Aiming to have the most powerful brand, the best-in-class customer service, and well-known for its products innovation.

#### Criteria for Measuring Success and KPIs

Grow Revenue  
Contribution from  
the Flour New  
Products Developed  
(NPDs)

Strengthen  
Brand Equity

Improve  
Customer  
Service

Develop  
Innovation  
Practices

#### Highlights of 2023G

- Continuing expansion in retail sector led by "Aloula" brand and First Milling to achieve an increase in sales Y-o-Y amounted 37%. with the growth in sales. Expanding in terms of customer base and presence on the level of all regions.

- The market share of the Company reached 30%.

- Launching flour products specialized for industrial purposes and readymade flour through the Premix plant in Q3 of 2023G.

- Launching Chakki Atta (Al-Raha) Flour and 100% Whole Wheat Flour product range for the stone mill (Pisa Mill) by the beginning of Q3 of 2023G.

- Adding 7 new products in 2023G, thus increasing the Company's products to 50 products, which in turn, enhances the portfolio of provided products.

- Starting the trial operation of the Durrum Mill to produce Semolina in Q4 of 2023G.

- The Customer Satisfaction Score on Net Promoter Score (NPS) reached 88.5% in 2023G.

## 3

### Building an Efficient and Distinguished Operational Framework

#### Description

Aiming to produce premium quality products, in the most efficient manner utilizing world class technology at the right competitive cost

#### Criteria for Measuring Success and KPIs

Develop  
Strategic  
Sourcing

Optimize Cost  
across the  
Value Chain

Improve  
Product  
Quality

Increase  
Production  
Capacity

Develop  
Integrated  
Business  
Planning

Increase  
Production  
Efficiency

#### Highlights of 2023

- Enhancing the production capacity of Mill C in Jeddah Plant to 250 tons per day in the wheat milling operations with commencing operation in Q4 of 2023G.

- Updating the A&B milling units in Jeddah Plant to increase its production capacity and continue to provide high quality products to customers.

- The Company's efficiency rate of its production capacity reached 89%.

- Continuing the development of the quality testing for products with 730,000 tests per day during the year, in accordance with the highest quality standards and the ISO certifications.

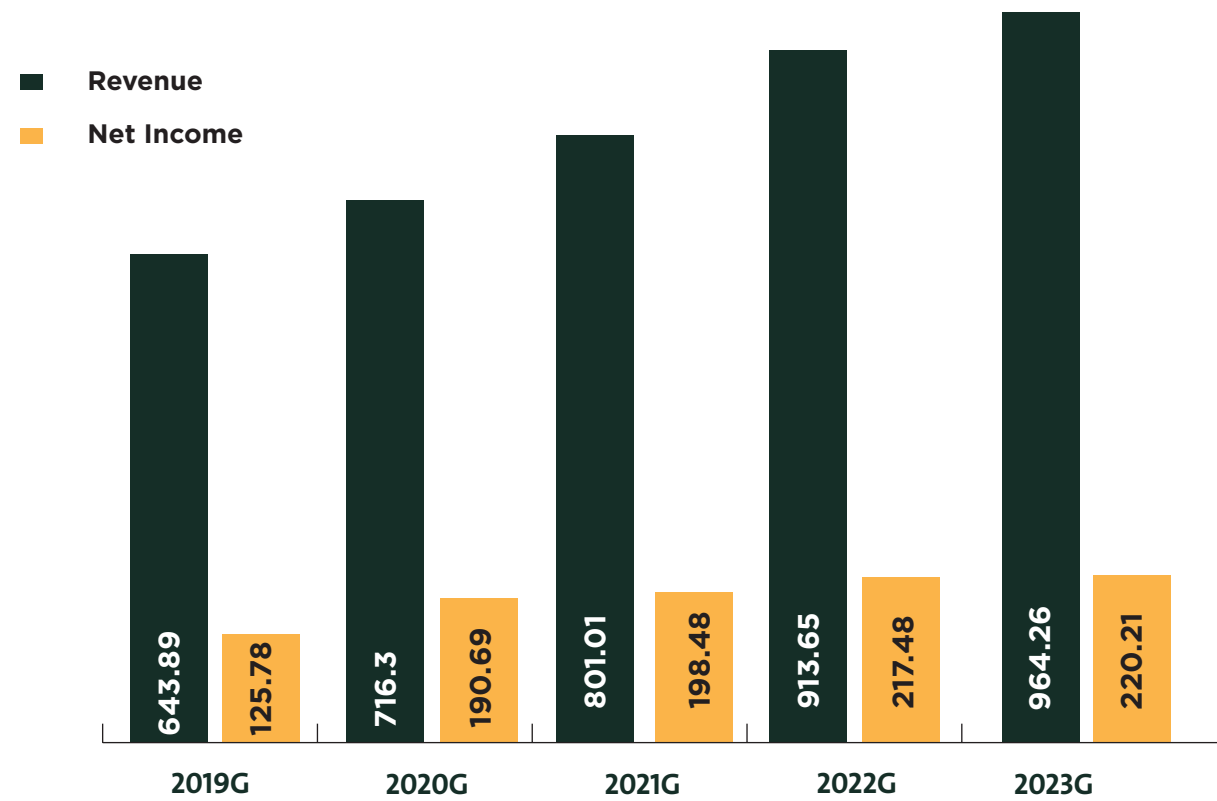
- Full compliance of all Company's facilities with legal standards, including SFDA and GFSA standards and internal standards. The Company further obtained a number of ISO international certifications in quality management systems.

- The number of safe man-hours in the Company and all its affiliated facilities amounted to 356 days during the year, with a decrease in the accidents and injuries numbers to 12, compared to 18, in the previous year.

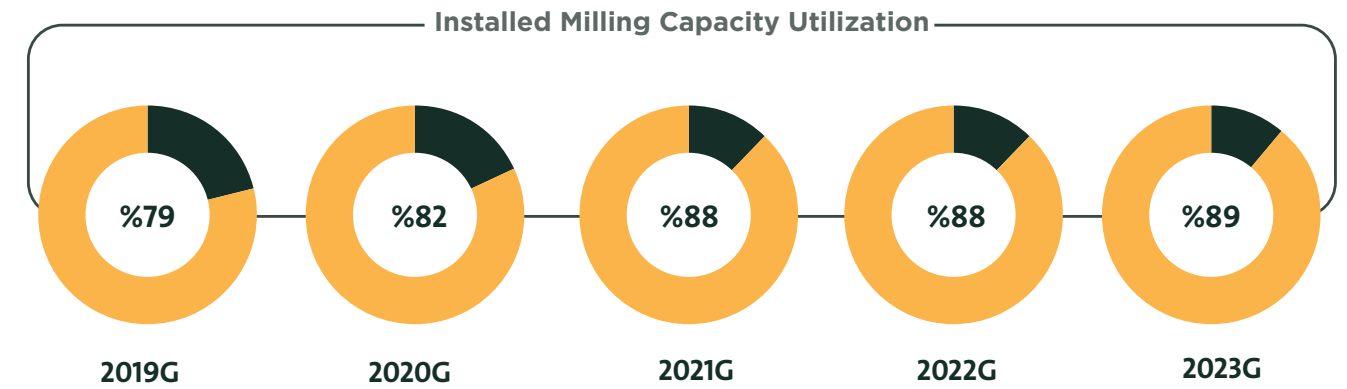
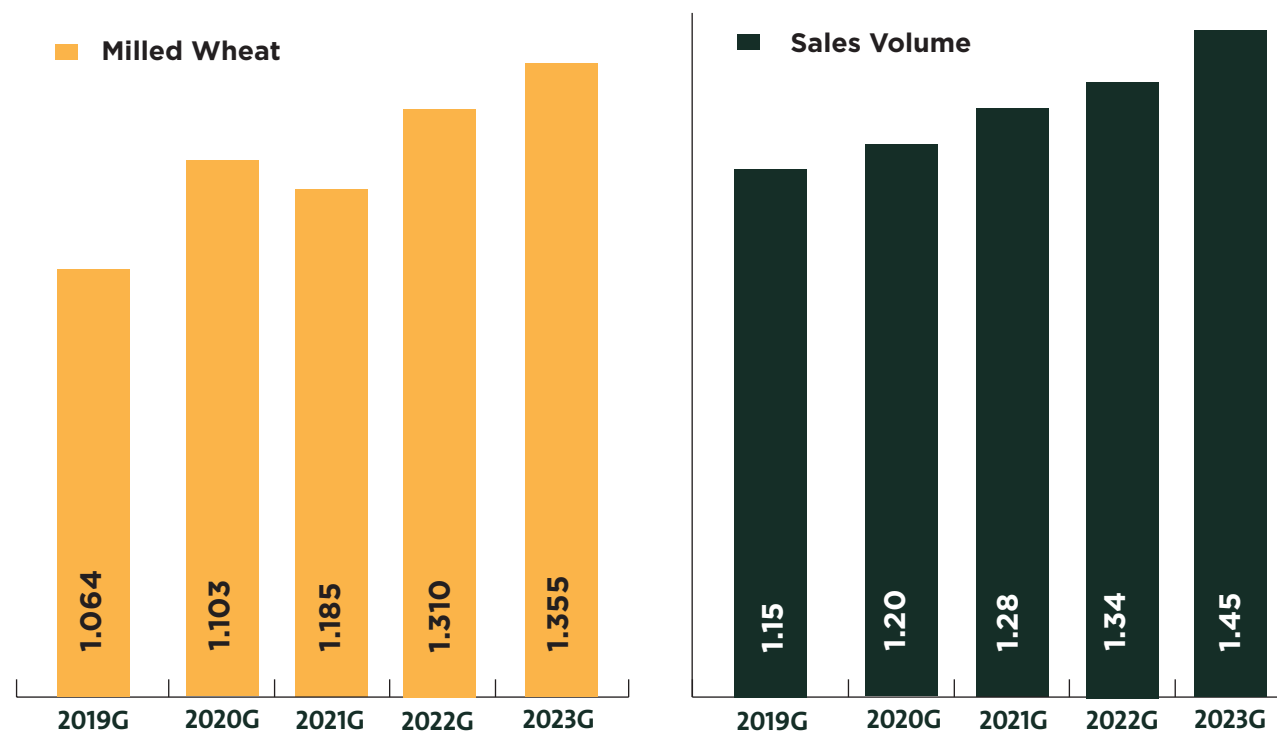
## Key Performance Indicators (KPIs)

The following Table sets forth the Company's key performance operating metrics, which the Management considers the key performance indicators (KPIs) for the last five financial years:

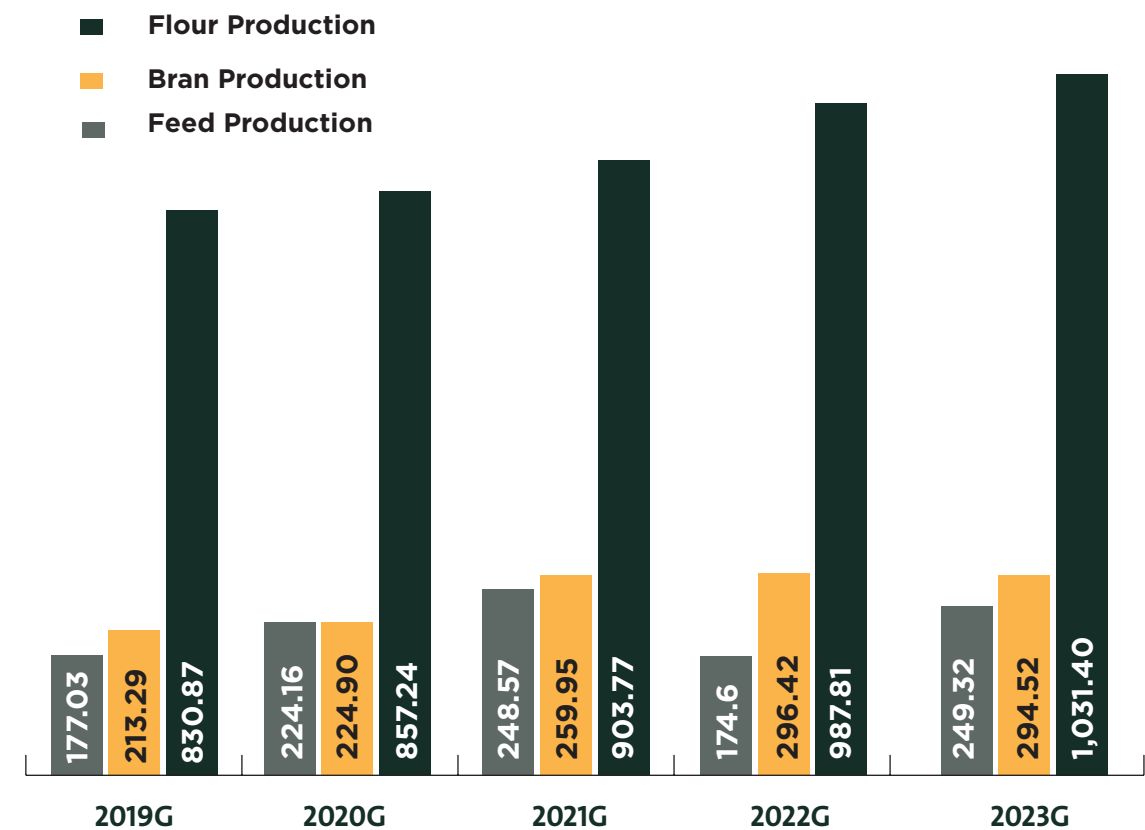
(All Amounts in SAR Million)



(All Quantities in Tons Million)



Production (000' tons)



(Source: First Milling Company)