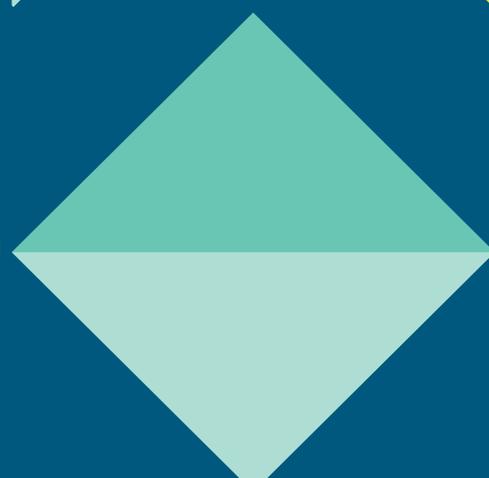
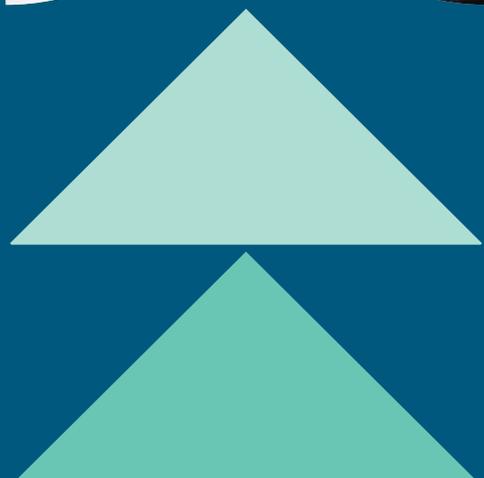
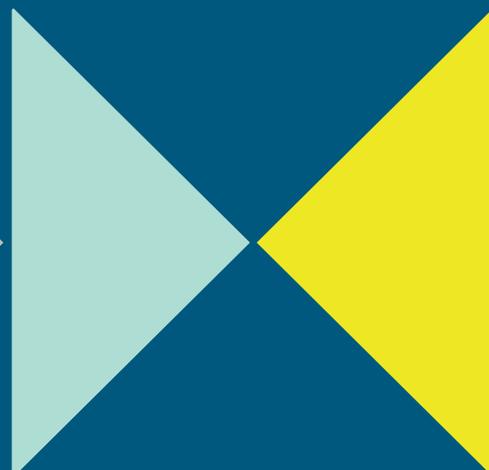


Delivering Value,  
Maximizing Possibilities.



Annual Report 2024



We maintained strategic focus during another challenging year, investing in our business, people and operational capabilities to lay the foundation for accelerating growth.





Net Profit

ﷲ 9,974m



Revenue

ﷲ 23,987m



Employee satisfaction rate

86%

# Contents

04	Theme of the Year
06	2024 at a Glance
08	Awards
<b>01</b>	<b>Overview</b>
12	About Savola
14	Year in Review
18	Our Journey
20	Saudi Vision 2030
24	Stakeholder Engagement
28	Investment Case
30	Shareholder Information
<b>02</b>	<b>Value-Driven Transactions</b>
34	Driving Shareholder Value through Strategic Transactions
<b>03</b>	<b>Strategic Review</b>
38	Chairman's Statement
40	CEO's Message
42	Strategy and Business model
44	CFO's Review
	<b>Food Investments</b>
48	Portfolio Overview
50	Savola Foods Company
54	Almarai
56	Al Kabeer Group
	<b>Retail Investments</b>
62	Portfolio Overview
64	Panda Retail Company
68	Herfy Food Services
70	<b>Risk Management</b>
<b>04</b>	<b>Sustainability Review</b>
78	Our People
86	Corporate Social Responsibility
<b>05</b>	<b>Governance</b>
96	Summary of CVs for Chairman and Board members and their classification
100	Summary of Executive Management CVs
104	Main Activities and Financial Disclosures
117	Compliance Report and Related Disclosures
138	Shareholders' Rights and Investor Relations
151	Audit Committee Report
<b>06</b>	<b>Financial Statements</b>
158	Independent Auditor's Report on Consolidated Financial Statements
163	Consolidated Statement of Financial Position
164	Consolidated Statement of Profit or Loss and Other Comprehensive Income
166	Consolidated Statement of Changes in Equity
168	Consolidated Statement of Cash Flows
169	Notes to the Consolidated Financial Statements

## Theme of the Year

# Delivering Value. Maximizing Possibilities.

Savola redefined its future in 2024, executing bold, strategic moves that strengthened its financial position, streamlined its portfolio, and sharpened its focus on food and retail. The successful distribution of Almarai shares and a ₪ 6 billion rights issue reinforced its commitment to maximizing shareholder value while reinvesting in high-growth categories. By exiting non-core markets and optimizing capital, Savola positioned itself to explore possibilities, expand potential and ensure sustainable, long-term success.

With a leaner, more agile structure, the company accelerated innovation, operational efficiencies, and market expansion. From strengthening core businesses to driving sustainability and digital transformation, Savola continued to evolve, ensuring it remains a leader in an increasingly dynamic industry. Investments in infrastructure, talent, and cutting-edge technology supported its commitment to delivering superior products and services while reinforcing its role in shaping the future of food and retail.

Looking ahead, Savola remains focused on unlocking new opportunities, scaling high-value businesses, and driving resilience across its portfolio. With a forward-thinking approach and a disciplined growth strategy, it is poised to create lasting impact, ensuring continued success for its shareholders, employees, and communities.



## 2024 at a Glance

# Unlocked New Opportunities, Paving the Way for a Future of Endless Potential

## Financial Highlights\*

### Net Profit (millions)

₺ 9,974m



### Total Assets (millions)

₺ 21,394m



### Revenue (millions)

₺ 23,987m



### Shareholders' Equity (millions)

₺ 4,620m



### Gross Profit (millions)

₺ 4,957m



### Capital Expenditure (millions)

₺ 774m



\* Certain comparative amounts have been reclassified to conform to the current year's presentation and accounting requirements.

## Operational Highlights



### Distribution of Savola's Entire 34.52% stake in Almarai

The distribution of Savola's entire 34.52% stake in Almarai unlocked significant value for shareholders and further strengthened the company's financial position.



### Panda's Expansion and Growth

Panda continued its growth trajectory with 16 new store openings, expanding its network to over 200 locations nationwide.



### Savola Foods Company's Triple A Strategy

Building on a solid foundation, Savola Foods unveiled its 2025 strategy, transitioning from the ABCD model to the Triple A framework: Accelerate, Acquire, and Advance.



### Savola redeemed the ₪ 1 billion sukuk issued in 2019

This redemption (buyback) is poised to enhance Savola's balance sheet and provide greater financial flexibility for future growth.



### Savola's 86% employee satisfaction rate

The results of the Tawer survey highlighted that our employees are supported in maintaining a balance between their professional and personal lives.

## Sustainability Highlights



The Group participated in the **"Sustainability Champions Program"** by the Ministry of Economy and Planning which is an initiative that aligns with the Kingdom's comprehensive approach to addressing environmental challenges and accelerating the transition to a green economy.



Savola Foods Company shifted from using over **500,000 kilograms per year** from traditional plastics to biodegradable alternatives in its oil packaging, significantly reducing plastic waste.



Savola formed a **partnership with Ita'am initiative for the "Hajj Without Waste" program**, which focuses on reducing food waste and promoting eco-friendly practices among pilgrims, supporting Saudi Arabia's environmental and sustainable waste management goals during key religious events.



Savola Foods Company launched a **Flue Gas Desulfurization (FGD) plant** at its oil facility in Saudi Arabia, reinforcing its commitment to environmental responsibility while meeting rigorous air quality standards.

# Awards



## Great Place to Work (KSA)

Certified and recognized for the fifth time among the top 20 companies in KSA



## Sustainability Leaders Award

Recognized by Forbes Middle East for excellence in sustainability



## Acknowledged for Excellence in Corporate Governance

Recognized among the highest-ranking companies in corporate governance on Tadawul



## Innovative Achievement in Human Resources Award

Awarded by the Middle East and North Africa Stevie® Awards



## Mowaamah Certification

Recognized for workplace inclusivity



## GCC Happiness at Workplace Award

Awarded for excellence in creating a motivating work environment that contributes to employees' well-being and happiness



## 100 Best Workplaces in Asia 2024

Recognized by Great Place to Work, which reflects the company's excellence in building a distinguished work environment across the continent.



## Best Employee Engagement Program and Workplace Culture Initiative (Saudi Arabia 2024)

Awarded by International Business Magazine



## Corporate Social Responsibility (CSR) Award (Silver Tier)

Awarded by the Ministry of Human Resources and Social Development



## Sustainability Champions Program Recognition

Selected as a champion in the Saudi Ministry of Economy and Planning's Sustainability Champions Program

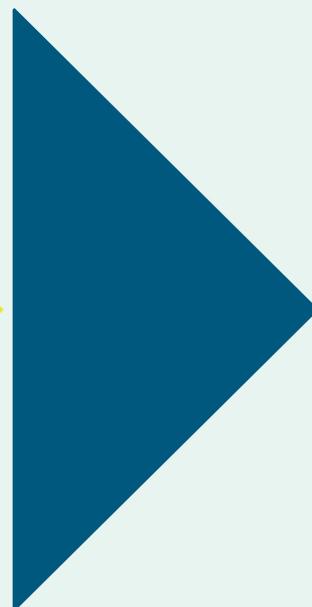
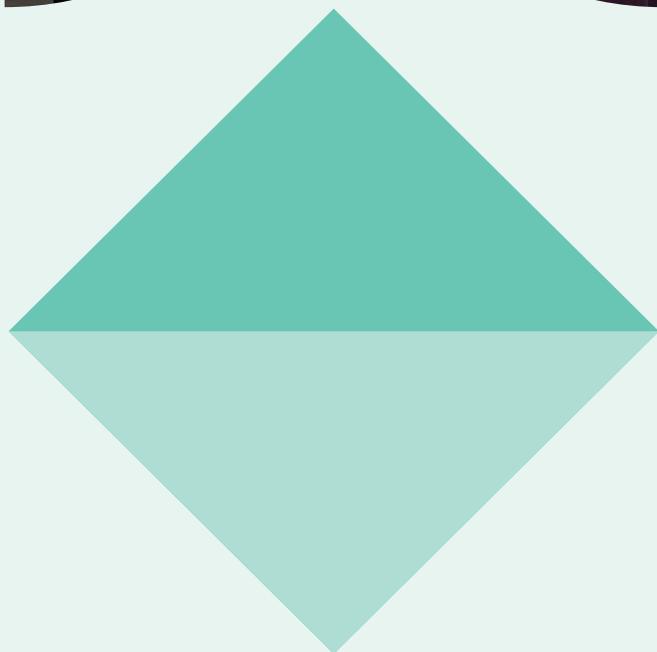


# Overview

## 01

---

12	About Savola
14	Year in Review
18	Our Journey
20	Saudi Vision 2030
24	Stakeholder Engagement
28	Investment Case
30	Shareholder Information



## About Savola

# A Leader in Food and Retail

Savola is one of the leading strategic investment holding companies in the MENAT (Middle East, North Africa and Turkey) region, with a portfolio of leading brands in the food and retail sectors.

Since 1979, Savola has built a reputation for creating “Value Built on Values” through its diverse and expanding portfolio of investments in leading food and retail companies.

Investors across the Kingdom and across the world trust Savola for its strong performance, specialist market knowledge and commitment to sustainability through its stand-alone Savola World Foundation.

We operate a leading grocery store chain in Saudi Arabia and produce much-loved, everyday household products, including edible oil, sugar, pasta, bakery products and frozen foods, for our valued customers in over 50 countries worldwide.



### Major / Manufacturing Markets

Saudi Arabia  
Egypt  
Algeria

Turkey  
UAE

**1** Saudi Arabia  
Panda Stores: 203  
Herfy Stores: 382

**2** Egypt  
Panda Stores: 6

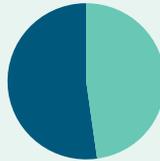
### Export Markets

Angola	Germany	Madagascar	Sierre Leone
Azerbaijan	Ghana	Maldives	South Africa
Bahrain	Greece	Malta	South Korea
Bangladesh	Guinea	Mauritius	Spain
Bulgaria	Hong Kong	Mexico	Sri Lanka
Burundi	India	Mongolia	Sudan
Canada	Indonesia	Mozambique	Sweden
Chile	Iraq	Nigeria	Tanzania
China	Italy	Oman	Togo
Cyprus	Ivory Coast	Pakistan	Uganda
Denmark	Japan	Palestine	UK
Djibouti	Jordan	Panama	USA
Dominican Republic	Kenya	Peru	West Bank
Ethiopia	Kuwait	Qatar	Zimbabwe
France	Lebanon	Rwanda	
Georgia	Libya	Seychelles	

## Revenue

Our Food Investments  
**52%**

Our Retail Investments  
**48%**



### Savola Ownership



Savola Foods  
100%



Al Kabeer  
51%



Panda Retail  
100%



Herfy  
49%

#### Food Investments Portfolio

Our food vertical is made up of a portfolio of investments in large, branded categories across the MENAT region. Savola Foods Company is a leader in basic branded consumer packaged goods, which are produced in more than five countries and exported to over 50 markets. We are proud to say that many of our products are market leaders in their respective categories. Through our commitment to strategic growth, we continue to innovate in our markets, build on our range of established products and diversify into higher-value items.

Our long-term strategic investments in the food sector also generate sustainable value for our shareholders. Until December 12, 2024, we were the largest shareholder (34.52%) in the leading regional food manufacturer and distributor, Almarai Company, and own a 51% majority stake in Al Kabeer Group of Companies, a leader in the region's frozen foods manufacturing and distribution sector.

#### Retail Investments Portfolio

Our retail vertical is headed by Panda Retail Company, a modern grocery chain in Saudi Arabia with a total of 209 stores (including 6 stores in Egypt), serving more than 100 million customers annually. Panda boasts a proud history, a leading market share and formidable geographic reach.

Our long-term strategic investment in the retail sector consists of a 49% shareholding in Herfy Food Services Company. As such, we remain the largest shareholder in Herfy, one of the leading restaurant, industrial bakery and meat processing businesses in Saudi Arabia.



## Year in Review

Savola Group maintained its continuous growth in earnings and demonstrated resilience while its strategic initiatives, operational efficiencies, and market adaptability played a crucial role in navigating complexities while capitalizing on emerging opportunities.

### FEBRUARY

**Savola Group announces its Board of Directors' recommendation to distribute its entire stake in Almarai to Savola's eligible shareholders and launches rights issue**

Savola Group announced the distribution of its entire 34.52% stake in Almarai to eligible shareholders following a ₪ 6 billion rights issue.



### APRIL

**Savola Group submits ₪ 6 billion capital increase through rights issue file to CMA**

Savola Group submitted its application to the Capital Market Authority (CMA) for a capital increase from ₪ 5.34 billion to ₪ 11.34 billion, through a ₪ 6 billion rights issue.

### MAY

**Savola joins the Sustainability Champions at the World Economic Forum**

Savola Group signed a MoU and joined the Sustainability Champions alongside 19 leading companies in Saudi Arabia during the World Economic Forum. This initiative highlights Savola's commitment to advancing sustainable practices and contributing to environmental and social progress, in line with Saudi Vision 2030.



### JUNE

**Savola World Foundation partners with Eta'am for "Hajj Without Waste" initiative**

The partnership with Eta'am focuses on reducing food waste during the Hajj pilgrimage 1445H, emphasizing resource conservation and reinforcing the company's commitment to sustainability and social impact.

## JULY

### Savola ranks among the Top 100 Companies in the Middle East by Forbes Middle East

Savola Group was ranked among the Top 100 Companies in the Middle East by Forbes, recognizing its strong financial performance, innovative business strategies, and significant contributions to the regional economy and food industry.



## AUGUST

### Savola Group's EGM approves the Board of Directors' recommendation to increase the capital through rights issue

Savola Group announced that the EGM has approved the Board of Directors' recommendation to increase its capital through rights issue

### Savola Group sets the rights issue trading and newly issued shares subscription period

Savola Group announced the period of its rights issue trading and subscription to the new issued shares.



## SEPTEMBER

### Savola Group raises ₪ 6 billion (USD 1.6 billion) in rights issue

The company offered 600 million shares to raise ₪ 6 billion, (USD 1.6 billion). Shareholders subscribed to 564.9 million shares, and the rump offering bid reached 814.2%.

### Savola was recognized among the 'Sustainability Leaders 2024' by Forbes Middle East.

Waleed Khalid Fatani, CEO of Savola Group, was recognized by Forbes as one of the top sustainability leaders, showcasing Savola Group's commitment to sustainable business practices.

**OCTOBER**

**Savola receives CSR award (silver tier) by Ministry of Human Resources and Social Development**

This recognition highlights Savola's commitment to corporate social responsibility and the positive impact it has made in the community.

**Savola is recognized among 100 Best Workplaces in Asia 2024 by Great Place to Work**

This recognition highlights Savola's commitment to fostering an inclusive, engaging, and high-performing work environment.



**DECEMBER**

**Savola Group announces the redemption (buyback) and cancellation of the entire Sukuk issued in 2019**

Savola Group announced the redemption (buyback) and cancellation of ₹ 1 billion (USD 266.7 million) Sukuk that were issued in 2019 to optimize its financial structure.

**Savola is acknowledged for excellence in Corporate Governance**

Savola Group was selected for the 4th consecutive year to be one of the highest-ranking companies in Corporate Governance among non-financial companies listed on Tadawul according to the Alfaisal Corporate Governance Index (Alfaisal CGI) assessment for Fiscal Year 2024.

**NOVEMBER**

**Savola Group Wins Corporate Happiness Award for Excellent Work Environment**

This prestigious honor highlights the company's outstanding commitment to building a positive and supportive workplace culture.





"Visit our website for more details on our rights issue and distribution."

## DECEMBER

### Savola Group attains the Mowaamah certificate from the Ministry of Human Resources and Social Development

Savola Group received the Mowammah certificate for their excellence in fostering a comprehensive, compatible and supportive work environment for employees with disabilities, embedding diversity in their culture and vision.



### The Board of Directors' recommendation to reduce the capital and distribute the entire Almarai shares to Savola's eligible shareholders, and the EGM's approval of these recommendations.



Savola Group has announced that its Board of Directors has recommended capital reduction from ₪ 11.34 billion to ₪ 3 billion and the distribution of its entire Almarai stake to Savola's eligible shareholders (the Significant Transaction). These recommendations have been approved by the Extraordinary General Meeting (EGM), after completing the all the regulatory requirements in this respect.

## DECEMBER

### Edaa implements capital reduction on Savola

The Securities Depository Center Co. (Edaa) applied the reduction in the number of Savola Group shares to the portfolios of eligible shareholders, following the EGM approval of the Capital Reduction and the significant transaction.



### Deposit of Almarai shares into shareholders' portfolios

Savola Group announces the deposit of Almarai shares to eligible shareholders' portfolios as compensation for the cancellation of shares resulting from the capital reduction and the significant transaction.



### Savola Group sells Iran business

Savola Group announces the signing of a binding Sale and Purchase Agreement by its subsidiary Savola Foods Company for the sale of its entire businesses in Islamic Republic of Iran for an amount equivalent to ₪ 705 million (USD 188 million).

## Our Journey

# Empowering Growth and Expanding Reach

**1979**

Savola is **established**, with a paid-up capital of ₪ 40 million and 50 employees.

**1981**

Savola's **edible oil refinery** in Jeddah, the first in Kingdom of Saudi Arabia, begins operations.

**1982**

Launch of **Afia premium corn oil**. By the late 1980s, Savola captures 70% of the Saudi edible oil market.

**1991**

Acquisition of a 40% stake in **Almarai**.

**1992**

Savola becomes a publicly listed company on the **Saudi Stock Exchange** (Tadawul). Savola Bahrain and Savola Egypt commence edible oil operations.

**1993**

Joint venture with Tate & Lyle to establish **United Sugar Company**, Saudi Arabia's first sugar refinery.

**1995**

**Afia International Egypt** is formed through the merger of Savola Egypt and SIME Derby Egypt. Savola Foods Company establishes an edible oil factory in Egypt.

**1998**

Savola enters the **retail sector**, following its merger with Azizia Panda. Savola gains a 70% stake in Herfy through the Panda merger.

**2003**

Savola Foods Company establishes **edible oil** businesses in Morocco and Sudan.

**2004**

Panda launches the **Hyper Panda** format.

**2005**

Savola establishes **Kinan Real Estate**, subsequently divesting 70% through private placement.

**2006**

Savola invests in **King Abdullah Economic City** (KAEC) and Knowledge Economic City as a founding shareholder.

**2008**

Panda acquires **Giant Stores** and opens its first central distribution center in Riyadh.

**2009**

Panda acquires **Géant Stores** operations and expands its network to 152 locations.

**1998**  
Savola gains a **70%** stake in Herfy through the Panda merger.

**2010**

Savola launches its first **CSR program**, Makeen, to train and empower people with disabilities. Herfy is listed on the Saudi Stock Exchange (Tadawul) with Savola retaining 49% of its shares.

**2011**

Standard & Poor's, Hawkamah and the International Finance Corporation rank Savola **2nd among top-listed companies** in the Arab world for governance and transparency.

Savola Foods Company enters the **pasta market** by acquiring El Maleka Company and El Farasha Company in Egypt.

**2013**

Savola's **first Sukuk issuance** (₪ 1.5 billion). Savola acquires Al Muhaidib's shares in Panda (18.6%) and Savola Foods Company (10%) in exchange for the issue of 33.9 million new Savola shares through a capital increase to ₪ 5.34 billion.

**2015**

Savola Foods Company enters the **seafood business** with global seafood leader, Thai Union, to launch the famous John West brand in 12 markets across the MENA region. Savola Foods Company launches Afia Distribution Company in Saudi Arabia.

**2016**

Savola unveils a new **brand identity**, symbolizing its evolution to a strategic investment holding company. Savola receives the Sa'afa Award from the Integrity and Transparency Foundation.

**2017**

Savola sells a 2% stake in **Almarai**, as part of its capital re-allocation, while remaining the largest shareholder with a 34.52% stake.

Savola **ranks top 10** for transparency in corporate governance, environment and social practices in MENA by S&P and Dow Jones indices and Hawkamah.

Savola launches its **2nd CSR program**, Negaderha.

Savola Foods Company commissions a new factory in Jeddah to manufacture specialty fats for the **B2B market**.

Savola Foods Company establishes a **joint venture in Iraq** with Aves to create Bonus Food Company L.L.C., which is engaged in the refining and packaging of edible oils and vegetable ghee.

**2023**  
Savola acquired the minority stake in Panda Retail Company to become 100% owned by Savola.

### 2018

Savola acquires a majority stake (51%) in **Al Kabeer**, one of the region's leading frozen foods companies

### 2019

Savola issues the **2nd tranche of Sukuk**, pursuant to a new program in an aggregate amount of **₹ 1 billion**.

Savola among the 31 companies added to **MSCI (Morgan Stanley Capital International)**, as part Tadawul's inclusion into the MSCI Emerging Markets Index.

Standard & Poor's, Hawkamah and the International Finance Corporation rank Savola **4th among top-listed companies** in the Arab world for governance and transparency



### 2020

Savola named among **Top 20 Great Places To Work®** in the Kingdom of Saudi Arabia.

Savola ranked **top 10 among all non-financial sector** companies traded on Tadawul in the Corporate Governance Index (CGI) by Al Faisal University's Corporate Governance Center.

Savola was among the **Top 100 companies** in the Middle East for 2020, according to Forbes Middle East, ranked 14th in the Kingdom of Saudi Arabia and 39th in the Middle East.

### 2021

Savola joined The Valuable 500 global initiative in 2021, which aims to enhance the inclusion of persons with disabilities through the business sector as a major driver of social change.

Savola Foods Company acquired 100% of Bayara for USD 260 million (₹ 1 billion), in line with its ABCD growth strategy focused on expansion into high growth, value-added food categories with propositions directed towards the younger population.

### 2022

Savola agrees to **sell its shares** in Knowledge Economic City and Knowledge Economic City Developers Company Limited to Taiba Investment Company for **₹ 459 million**.

Savola Foods Company begins expansion into the **bakery category** in Egypt by acquisition of bakery assets, in line with its ABCD growth strategy.

### 2023

Savola Foods Company exited its operations in **Morocco and Iraq**.

Savola Foods Company launched **Bayara World stores**, which are Bayara's retail stores in the United Arab Emirates, and strengthened the range of nuts, spices and legumes in the Kingdom of Saudi Arabia under Afia

**Al Kabeer rebranded** its identity with a new distinguished appealing look and feel.

Savola acquired the **minority stake in Panda Retail** Company to become 100% owned by Savola.

### 2024

Savola distributed its **entire 34.52% stake in Almarai** to its eligible shareholders, and to enable Savola to execute this transaction the company issued a **₹ 6 billion** rights issue to strengthen its financial position followed by a capital reduction to **₹ 3 billion**.

Savola Group **redeemed all the Sukuk issued in 2019**, which amounted to **₹ 1 billion** providing greater financial flexibility, supporting the company's future growth initiatives.

Savola Foods Company **exits business in Iran** for **₹ 705m**, aligning with its prudent strategy to exit non-core markets and focus on growth-oriented investments in its food platform.



## Saudi Vision 2030

As an organization with long-term objectives and an increasing ability to achieve our targets, we are committed to Saudi Vision 2030 in every aspect of our business. In terms of our nationalization program, we support the Vision 2030 goal of decreasing unemployment rates and are proud to be a leading force for Saudization in our sector.



### Vision 2030 Pillars



#### A Vibrant Society

Vision 2030 is creating a vibrant society in which all citizens can thrive and pursue their passions. A strong social infrastructure is underpinned by a society that values cultural traditions, national pride, and modern amenities all while embodying the spirit of modern Islam and providing effective social services.



#### A Thriving Economy

Vision 2030 creates a thriving economy where everyone has the opportunity to succeed. By providing a supportive business environment for businesses of all sizes and investing in education to prepare for the jobs of the future, Saudi Arabia is creating an exciting and prosperous future for all.



#### An Ambitious Nation

Vision 2030 creates an ambitious nation committed to efficiency and accountability at all levels, including building a government that is effective, transparent, accountable, empowering, and high-performing.





Our drive to match the Kingdom's vision of technology is key to our future strategies. We have promoted digitization and automation throughout the organization, from internal processes to production and retail, and will continue to forge ahead in line with the government's targets.

## Saudi Vision 2030 continued

We have closely aligned Savola Group's efforts with the long-term success of the Kingdom of Saudi Arabia. As Saudi Arabia's blueprint for the future, Saudi Vision 2030 is based on 3 pillars:

### 2024 Achievements

#### A Vibrant Society



##### ▶ Won CSR Award

Recognized by the Ministry of Human Resources and Social Development for contributions to social responsibility.

##### ▶ Attained the "Mowaamah" Certification

Recognized for efforts in creating an inclusive, supportive work environment for employees with disabilities.

##### ▶ Provided Financial Support through "Taawoon" Fund

Assisted 31 beneficiaries of its employees in times of need.

##### ▶ Renewed life insurance for employees

Ensured life insurance in addition to financial security and well-being for employees' families in case of death or disability.

##### ▶ Launched the "TumooH" Program

Supporting onboarding and on-the-job training to enhance service excellence among frontline Retail Colleagues.

##### ▶ Strengthened Food Security in Saudi Arabia

Promoting food security in Saudi Arabia by producing high quality products through its existing operations in the food and retail sector and by adopting effective food preservation strategies and initiatives.

##### ▶ Encouraged Female Empowerment

Hiring Female Store Managers; Supporting gender diversity and workforce inclusion.



#### A Thriving Economy

##### ▶ Recognized among 100 Best Workplaces in Asia 2024

Highlighting Savola's commitment to building a great workplace culture that supports economic growth through talent retention and satisfaction.

##### ▶ Achieved Excellent Work Environment by Corporate Happiness Award GCC

Showcasing the group's emphasis on employee well-being and productivity.

##### ▶ Established New Stores and Strategic Partnerships

Panda supports Vision 2030's goals of diversifying the economy and modernizing retail.

##### ▶ Partnership with Ocado

Strengthening the e-commerce platform to lead in the digital retail sector.

##### ▶ Partnership with Extra

A partnership has been established with Extra Electronics to develop the business by launching more than 45 Extra sections in Panda stores by 2024.

##### ▶ Launched LTIP (Long-Term Incentive Program)

Introduced to retain key talent in mission-critical roles by rewarding top executives for achieving the Group's strategic objectives by granting them company's shares based on certain criteria and conditions.

##### ▶ Invested in workforce development

Savola partnered with institutions such as INSEAD, CIPD, Leoron, and other prestigious institutions to enhance employee skills.



- ▶ **Elevated Saudization to Platinum Category**  
Successfully advanced Savola Group's Saudization rate from High Green to Platinum, reflecting a commitment to social development and job creation for Saudi nationals.
- ▶ **Completed Panda retail excellence program (PREP)**  
All Store Managers and Assistants completed 'PREP' training to enhance employee skills and drive performance.
- ▶ **Expanded the "Yumnak" Program**  
Savola World's Business Development Program, aiming to support small and medium business
- ▶ **Implemented Individual Development Plans (IDPs)**  
Successfully executed IDPs for defined talent pools, resulting in a 65% promotion rate and an 84% retention rate.

**65%**  
promotion rate

**84%**  
retention rate



## An Ambitious Nation

- ▶ **Joined the Sustainability Champions Program**  
Savola demonstrated leadership in sustainability by joining the Sustainability Champions Program launched by the Ministry of Economy, aligning with both national and global best practices.
- ▶ **Recognized for Excellence in Corporate Governance Reporting**  
Reflecting the group's dedication to transparency and accountability in business operations.
- ▶ **Received the 'Innovative Achievement in Human Resources' Award**  
Distinguished for Innovation and Excellence in Human Resources at the MENA Stevie® Awards
- ▶ **Attained the Sustainability Leaders Award by Forbes**  
Awarded for excellence in sustainable practices, reflecting a strong commitment to environmental and social responsibility.
- ▶ **Secured Multiple Wins at the International Business Magazine Awards**  
Acknowledged by International Business Magazine for excellence in employee engagement and workplace culture initiative.



## Stakeholder Engagement

# Creating Value Through Strategic Partnerships and Insightful Collaboration

As one of the Middle East, North Africa and Turkey (MENAT) region’s strategic investors in the food and retail sector, we account to a wide range of stakeholders. These include the Group’s subsidiaries, workers, suppliers, local community, partners, consumers, customers, investors, shareholders and the government. Each has specific interests and expectations from Savola Group.

	 <b>Investors and Shareholders</b>	 <b>Suppliers</b>	 <b>Operating Companies</b>
Stakeholders	To achieve long-term, profitable growth, we collaborate closely with investors and shareholders within a framework of responsible and ethical business practices	Investing in long-term relationships with our suppliers and forming strategic supplier alliances guaranteeing value generation at every level of our extended value chain	To focus on synergies while simplifying decision-making and resource allocation, and to strengthen our position as the leading investment holding firm
Key Concerns	<ul style="list-style-type: none"> <li>• Positive return on investment</li> <li>• Reputation management</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent bidding process.</li> <li>• Smooth invoicing and payment processes</li> </ul>	<ul style="list-style-type: none"> <li>• Board of Directors.</li> <li>• Subsidiaries, Boards and Committees</li> <li>• Regular meetings for strategic and operational direction</li> </ul>
Engagement Type	<ul style="list-style-type: none"> <li>• Participate in shareholders’ General Assembly and Extraordinary General Assembly Meetings</li> <li>• Investor relation programs for investors</li> <li>• Financial results</li> <li>• Financial and non-financial reports on Tadawul website and in the published media</li> <li>• Department for shareholders’ affairs</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening relationships with business partners</li> <li>• Integrated social and environmental considerations into the supplier selection process</li> <li>• Adherence to the Code of Conduct and ethical values</li> <li>• Support local suppliers in the Kingdom of Saudi Arabia</li> </ul>	<ul style="list-style-type: none"> <li>• Clear CSR guidelines from HQ.</li> <li>• CSR champions assigned across all functions</li> <li>• Clear goals, direction and strategy</li> <li>• Support and tools for improving performance</li> </ul>

**Cooperating and supporting other social institutions to design educational, health and social programs.**

## Engaging with our Stakeholders

At Savola, we try to add value to the communities in which we live and work. Consequently, we respect our stakeholders' feedback and participate in regular dialogue to ensure that their requirements and expectations are met. Cultivating and maintaining a two-way dialogue is crucial for mutual understanding and strategic decision-making thus stakeholder engagement provides critical insights that contribute to the development and implementation of our sustainability plan.



### Employees

To work consistently to foster a work culture that encourages open communication, camaraderie and great performance for our valued workers

- Job security
- Fair compensation and benefits
- Opportunities to develop.
- Ethical conduct

- Program for training and employing people with disabilities
- Initiatives to measure employee engagement, enhance the work environment and bring employees and their families together
- Programs for women empowerment and employment
- Employee assistance.
- Health benefits and seminars.
- Volunteering opportunities



### Community

To collaborate with community members, non-profit organizations, charity institutions, workers, suppliers, and other stakeholders on innovative projects and long-standing programs that have a positive impact and improve community wellness

- Engagement and involvement in decision making
- Investment in local communities
- Supporting local enterprises

- The "Leave the Change for Them" charity initiative allows Panda customers to donate the small change from their purchases to charities across the Kingdom of Saudi Arabia
- Makeen program to train and employ people with disabilities
- Cooperating and supporting other social institutions to design educational, health and social programs
- Internship opportunities for undergraduates
- Board of Trustees of Savola World



### Consumers and Customers

To prioritize understanding and addressing the requirements of customers while also exceeding their expectations. By putting them at the centre of our operations and supplying excellent items through trusted brands, we can support our customers' lifestyle choices

- Fair prices
- Ethical business conduct.
- Creating value for society's 5 different economic segments by providing value for money products and services, and world-class quality experiences

- Business development process
- Market and satisfaction surveys
- Customer care departments.
- Traditional media channels, social media and online portals
- Website

# Stakeholder Engagement continued

	 <b>Board of Directors</b>	 <b>NGOs</b>	 <b>Partners</b>
Stakeholders	To take the lead in sustainability and consistently uphold the Group's principles	To help meet unfulfilled social needs among the most disadvantaged elements of society.	To develop solid ties with recognized partners, with whom we may collaborate to produce good value.
Key Concerns	<ul style="list-style-type: none"> <li>• Positive return on investment</li> <li>• Reputation management</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting local causes</li> </ul>	<ul style="list-style-type: none"> <li>• Fair dealings</li> <li>• Openness and transparency</li> <li>• Creating value through mutually beneficial dealings</li> </ul>
Engagement Type	<ul style="list-style-type: none"> <li>• Board of Directors meetings</li> <li>• Shareholders General Assembly</li> <li>• Board Committees</li> <li>• Engagement with Executives</li> <li>• Financial and non-financial reports</li> <li>• Setting the company's strategic direction and plans</li> <li>• Approving policies and procedures including Corporate Governance Code</li> </ul>	<ul style="list-style-type: none"> <li>• Funds and financial support.</li> <li>• Partnerships to contribute to social and economic development</li> <li>• Volunteering activities</li> <li>• Social and environmental initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in innovative sustainability initiatives</li> <li>• Develop new programs and solutions</li> <li>• Utilize strengths to make a positive impact</li> <li>• Collaboration agreements (MoUs)</li> </ul>

**Supporting  
Saudi Vision 2030  
and SDGs**



## Government and Regulators

To comply with national and international rules and regulations; to work in a responsible manner that contributes to the progress of the country and business performance, allowing us to benefit the community while also contributing to a healthy environment

- Compliance with laws and regulations
- Local employment opportunities
- Support Saudi Vision 2030 and SDGs

- Strong management and governance systems
- Respond to government requests and participate in government programs
- Collaborate with government stakeholders to advance common citizenship goals
- Publish quarterly financial results
- Support government efforts and enhance national food security



Cultivating and maintaining a two-way dialogue is crucial for mutual understanding and strategic decision-making

# A Unique Investment Proposition



1

## Dominance in Food and Retail

- **Regional leadership:** One of the region's most prominent food and retail investment holding groups.
- **Market pioneers:** The #1 player in MENAT for staples like edible oils, sugar, pasta, nuts, spices, snacks and frozen foods. Panda, Savola's flagship grocery retailer, boasts a 21% share in Saudi Arabia's growing modern retail market.
- **Industry recognition:** Consistently ranked among Forbes Middle East's Top 100 companies, highlighting Savola's operational excellence and robust market presence.



2

## Strategic Presence and Regional Adaptability

- **Extensive retail network:** Operating 209 stores across Saudi Arabia and Egypt, supported by a logistics network handling over 111.5 million annual transactions.
- **Expansive market reach:** Manufacturing and distributing across 5 countries with 14 production facilities, serving over 400 million consumers.
- **Expanding food portfolio:** Exploring opportunities in new high growth food opportunities primarily in the GCC and Egypt to enhance growth potential.
- **Regional adaptability:** Tailoring products, brands and operations to meet the unique cultural and economic needs of diverse markets.
- **Consumer-centric innovation approach:** Leveraging deep consumer insight to introduce and scale innovative food products, solutions and ingredients to our consumer and B2B clients.
- **Adaptable product portfolio:** Proactively evolving to meet the demands of MENAT's dynamic consumer landscape.
- **Customer focus:** A relentless commitment to delivering value through innovation and product development.

Savola actively manages a portfolio of leading food brands underpinned by leading manufacturing and retail operations. By aligning its investments with favorable demographics and structural growth trends in the MENA region, Savola consistently delivers value to its shareholders and strengthens its strategic position in the regions it serves.



3

### Dynamic Capital Allocation and Leadership Excellence

- **Proven investment model:** A flexible holding company structure enabling strategic investments in high-growth food and retail sectors.
- **Experienced management:** A visionary leadership team guarantees optimal capital deployment to increase shareholder returns.
- **Future-focused investments:** Dedicated to exploring opportunities in food and retail to secure sustainable growth for the Group.



4

### Commitment to ESG Principles

- **ESG strategy:** Showcasing our commitment to ensure the sustainability integration into in-house and portfolio operations through the development of a stand-alone environment, social and governance (ESG) strategy.
- **Driving environmental stewardship and innovation:** Implementing measures to lead and promote efforts aimed at responsibly managing environmental activities and applying innovative solutions to mitigate environmental challenges.
- **Fostering community wellness and employee welfare:** Actively promoting and supporting initiatives that improve the health, wellness and overall quality of life for the community, customers and employees.
- **Advancing ethical governance and stakeholder trust:** Proactively strengthening ethical governance and investment practices within Savola, with the aim of enhancing trust and confidence among stakeholders.



# Shareholder Information

## Share Information

Listing date:

**1 December 1991**

ISIN:

**SA0007879162**

Market cap as of 31 December 2024:

**₹ 11,205 million**

Exchange:

**Tadawul Exchange**

Number of shares issued:

**300,000,000**

Foreign ownership limit:

**Maximum Limit: 49%**

**Actual: 7.83%**

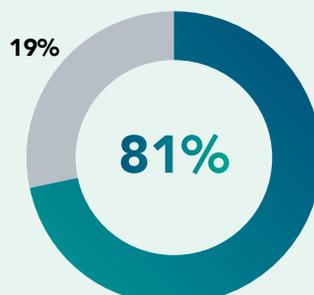
Symbol:

**2050**

Closing price as of 31 December 2024:

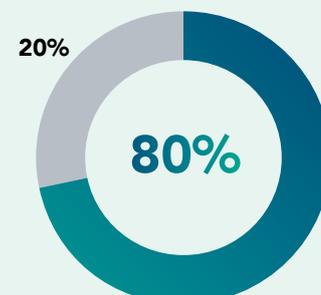
**36.70**

## Shareholding by Geography



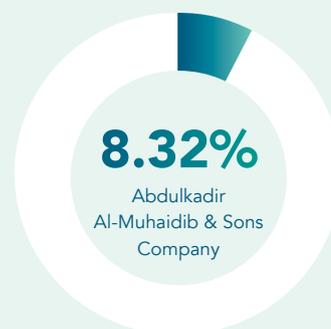
- Saudi
- Non-Saudi

## Shareholding by Type

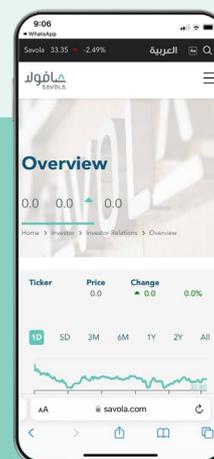


- Corporate Investors
- Individual Investors

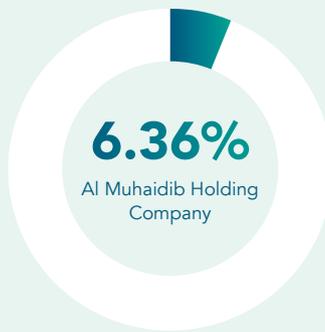
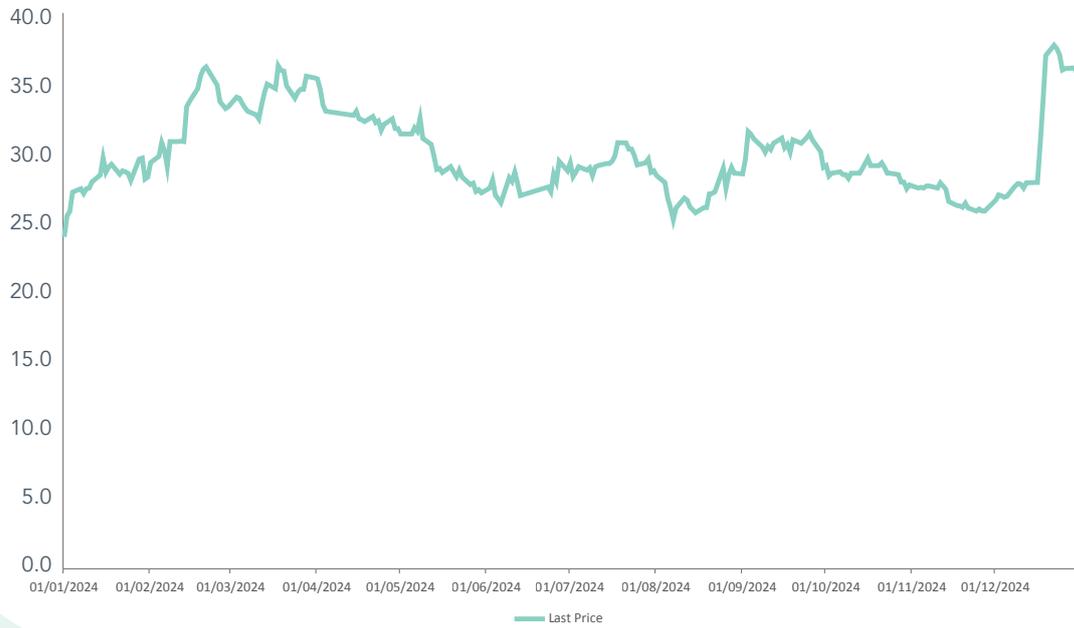
## Major Shareholders



## Investor Relations



### Share Price Performance

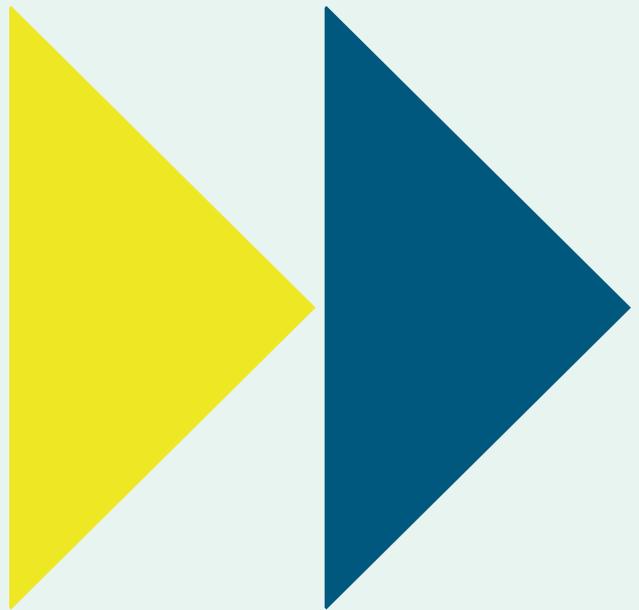
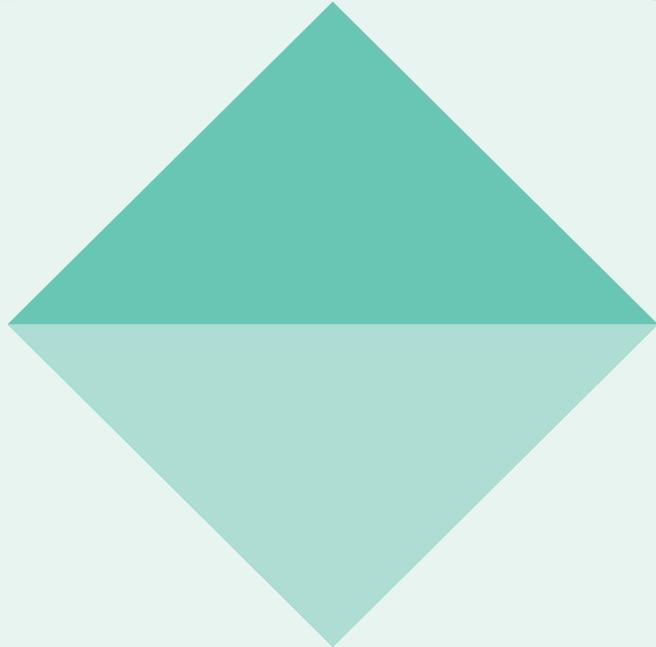


# Value-Driven Transactions

## 02

---

34 Driving Shareholder Value through  
Strategic Transactions



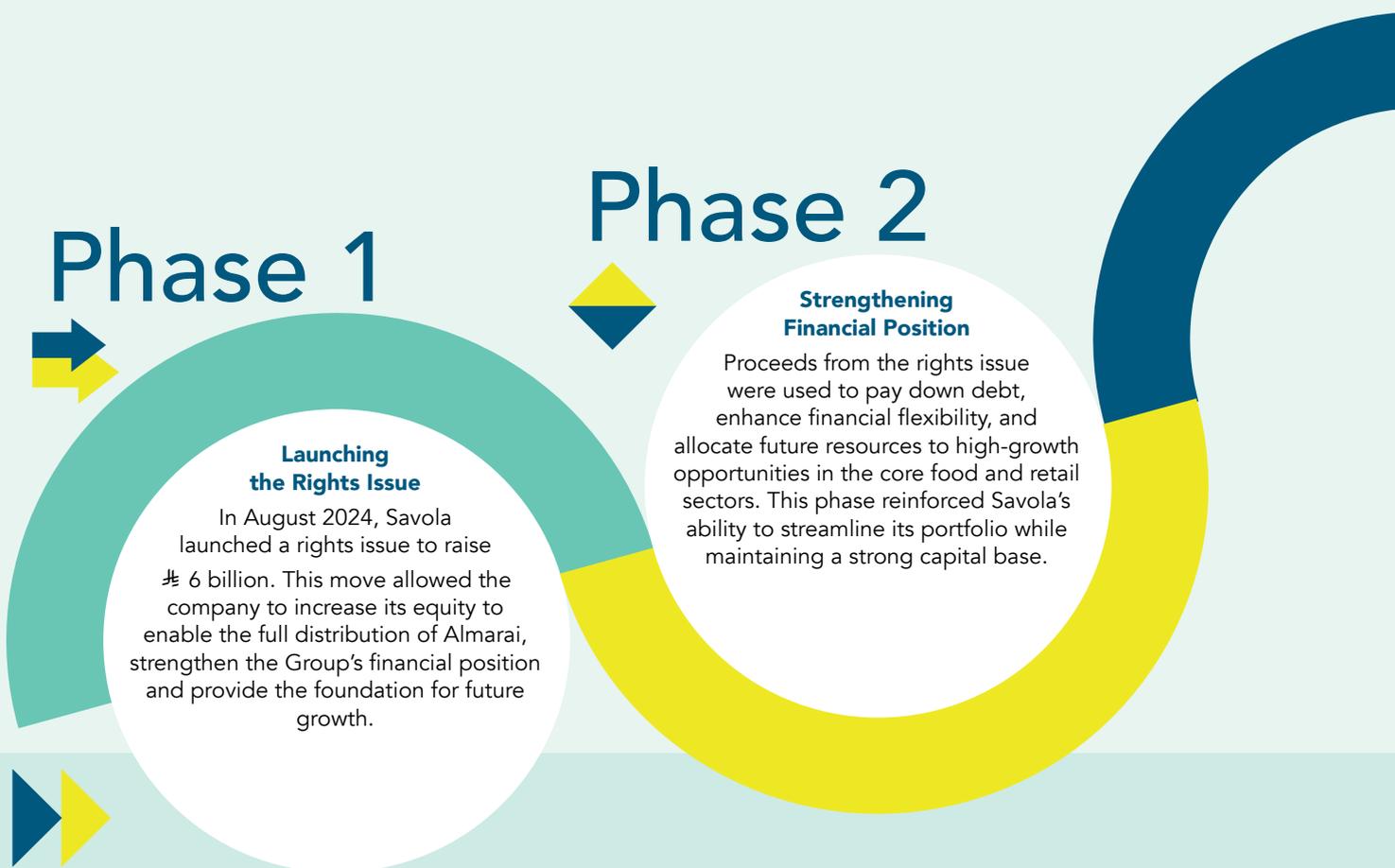
## Driving Shareholder Value Through Strategic Transactions

# Savola's Landmark Almarai Transaction

Savola's divestment of its Almarai shares marks a bold and transformative milestone, representing one of the largest transactions of its kind in Saudi Arabia in recent years. This strategic decision was driven by a clear objective: to unlock value for shareholders, optimize Savola's capital structure, and accelerate growth across its operating companies.

### The Transaction Summary

In February 2024, Savola announced its intention to distribute its 100% stake in Al Marai to its shareholders through a series of interconnected transactions with the purpose of optimizing shareholder value.



This landmark transaction demonstrates Savola's ability to deliver transformative value to its shareholders while achieving financial and operational optimization. Post-transaction, Savola's shareholder equity has been streamlined to  $\text{SAR}$  3 billion, reflecting a leaner and more focused capital structure.

By distributing its entire Almarai stake, Savola empowered its shareholders with direct exposure to one of the region's most valuable food companies, enabling them to benefit from Almarai's growth potential and dividends. At the same time, Savola is now positioned to channel its resources toward driving growth and innovation across its core food and retail businesses, ensuring a sustainable and resilient future.



By distributing Almarai shares directly to shareholders, Savola enhances shareholder engagement with direct exposure to the growth potential of both companies while strengthening its financial position to drive investments in its core food and retail businesses. This pivotal step underscores Savola's commitment to driving sustainable growth, empowering its operating companies to capitalize on emerging opportunities, and delivering long-term value in an increasing dynamic market.

## Phase 3 & 4

### Distributing Almarai Shares and Optimizing Capital Structure

In December 2024, Savola embarked on the final two transactions; launched its capital reduction and execution of Almarai share distribution simultaneously.

The transaction enabled the distribution of ₪ 21.1 billion worth of Almarai shares, representing Savola's entire 34.52% stake in Almarai, to eligible shareholders in lieu of capital reduction amounting to ₪ 8.3 billion and dividend in kind amounting to ₪ 12.8 billion. This transaction marked a critical milestone and recognized a significant gain in excess of ₪ 11 billion, by adjusting for the difference between the book value and the market value of Savola shares in Almarai, optimized the Group's capital structure and set the stage for enhanced shareholder returns.

## Optimized results

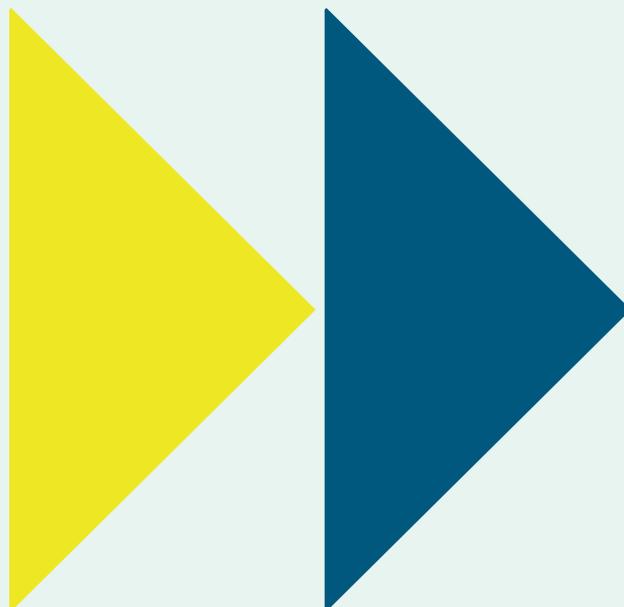
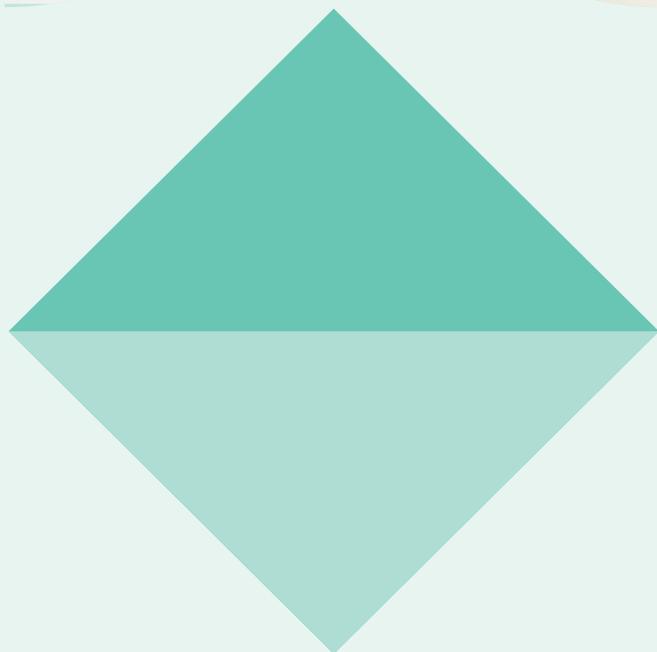
- ₪ 21.1 billion worth of Almarai shares
- ₪ 12.8 billion dividend in-kind
- ₪ 8.3 billion capital reduction
- Market-to-book value gain exceeding ₪ 11 billion realized

# Strategic Review

## 03

---

38	Chairman's Statement
40	CEO's Message
42	Strategy and Business model
44	CFO's Review
	<b>Food Investments</b>
48	Portfolio Overview
50	Savola Foods Company
54	Almarai
56	Al Kabeer Group
	<b>Retail Investments</b>
62	Portfolio Overview
64	Panda Retail Company
68	Herfy Food Services
70	Risk Management



## Chairman's Statement

# Delivering Value. Maximizing Possibilities.

2024 was a year of transformation for Savola, defined by financial strength, strategic growth, and a deepened commitment to Saudi Vision 2030. We expanded our core businesses, advanced sustainability, and reinforced governance to drive long-term value. With strong momentum, we remain focused on innovation, expansion, and optimization, ensuring continued impact for our shareholders, employees, and communities.

With a sharpened focus on food and retail, we remain committed to driving growth, strengthening operational efficiencies, and exploring future opportunities that maximize value for each standalone business.



Sulaiman A. K. Al-Muhaidib  
Savola Group Board Chairman



## Strengthening Financial Agility and Driving Growth

2024 was a historic milestone for Savola, as we executed bold strategic moves that reinforced our financial strength and long-term commitment to shareholder value. The distribution of our entire stake in Almarai was a first-of-its-kind transaction in the Saudi capital market, allowing our shareholders to directly benefit from Almarai's continued growth. This was preceded by a successful rights issue that strengthened our financial position, enabling debt reduction, capital optimization, and reinvestment in core businesses.

These strategic transactions align with our strategy to optimize our portfolio and drive sustained value. With a sharpened focus on food and retail, we remain committed to driving growth, strengthening operational efficiencies, and exploring future opportunities that maximize value for each standalone business. Our commitment remains clear—empowering shareholders, strengthening market leadership, and ensuring long-term success.

### Supporting the Kingdom's vision and food security

As one of the largest players in food and retail, we remain focused on securing our supply chains across both food processing and retail operations, ensuring minimal disruption despite ongoing geopolitical challenges in the Red Sea and global logistics disruptions at key ports. To enhance resilience, we continue to prioritize local sourcing, reinforcing sustainability and long-term supply stability.

Aligned with Saudi Vision 2030, we continue expanding our presence in the Kingdom. In food, we are strengthening local manufacturing with a new factory for nuts, spices, snacking, and pulses, while our frozen food segment grows with a seafood production line to meet rising demand. Our retail business is also expanding with new store openings and further growth planned. As part of our commitment to workforce development, we are implementing targeted training programs for young Saudis, equipping them with essential skills through structured corporate training initiatives.

These strategic investments reflect our commitment to expanding our core portfolio in Saudi Arabia, ensuring long-term growth while supporting the Kingdom's economic diversification and employment objectives.

### An Employer of Choice

Savola is committed to employee well-being, growth, and potential, recognizing that its success comes from a dedicated workforce. Collaboration and commitment drive the Group forward, fostering a strong, interconnected workspace.

I take great pride in our dedication to fostering an inclusive and supportive workplace, ensuring accessibility, equal opportunities, and professional development for all employees. A key highlight in 2024 was strengthening our platform for open communication, keeping employees informed, and reinforcing their sense of belonging within the Savola community.

Our CSR initiatives focus on the communities we serve and the environment we live in, with the Savola World Foundation leading efforts in social responsibility, sustainability, business growth, food waste reduction, youth empowerment, and disability inclusion, reinforcing our role as a proactive corporate citizen.

### Robust Corporate Governance

Savola Group upholds the highest governance and regulatory standards, ensuring our position among the leading listed companies in the Kingdom and region for corporate governance excellence. Our Board of Directors sets the Group's strategic direction, oversees execution, upholds ethical culture, and protects stakeholder rights. The Savola Corporate Governance Code, established in 2004, drives our decision-making, institutionalization, and fairness and we manage risk through a robust framework incorporating best-practice ERM techniques and ISO 31000.

### Positioned for Further Value Creation

Building on the momentum of a transformational 2024, we will further strengthen our food platform, expanding into high-growth adjacent categories with strong economic potential and long-term scalability. Our focus will remain on enhancing operational efficiencies, deepening market penetration, and capturing new opportunities that reinforce our leadership in the food sector.

In retail, we will continue expanding our physical footprint, ensuring a stronger presence in key markets while accelerating the rollout of our enhanced e-grocery platform and integrating advanced technology to improve efficiency and customer experience. We remain committed to portfolio optimization, continuously identifying opportunities to enhance shareholder value and business performance.

On behalf of the Board, I extend my deepest appreciation to the Saudi leadership and government for their unwavering support to the private sector, to our shareholders and stakeholders for their trust, and to our executive management and employees, whose dedication drives our success. With a forward-looking vision, we will advance our strategic objectives, harness new opportunities, and remain steadfast in our commitment to delivering value and maximizing possibilities for all those we serve.

God remains the source of our success and guidance.



Total Assets

ﷲ 21,394m



Shareholders' Equity

ﷲ 4,620m

## Group CEO's Message

# A Defining Year of Transformation and Focus

This year will be remembered for Savola Group's transformation into a more agile and focused organization, positioned for long-term value creation in food and retail. By optimizing our portfolio, strengthening our capital structure, and reinforcing our governance framework, we have bolstered our position as a leading food and retail powerhouse in the Kingdom and beyond, and laid the foundation for strong and sustainable growth ahead. As we move forward, we will continue to expand, innovate, and maximize shareholder value, ensuring that we seize new opportunities and remain at the forefront of our industry.

By optimizing our portfolio, strengthening our capital structure, and reinforcing our governance framework, we have bolstered our position as a leading food and retail powerhouse in the Kingdom and beyond, and laid the foundation for strong and sustainable growth ahead.



Waleed Khalid Fatani  
Group Chief Executive Officer



A cornerstone of our transformation during 2024 was the successful \$6 Billion rights issue to enable the strategic distribution of Almarai's shares to our shareholders along with the capital reduction, reinforcing our commitment to optimizing shareholder value and focusing on businesses where we can directly drive and influence sustainable growth. This move aligned with our commitment to reinvest in high-value food segments, particularly in added-value categories that support our long-term strategy. In parallel, having initiated this process in 2023, we continued to restructure our food portfolio, executing exits from periphery markets, allowing us to channel resources and capital into core markets with stronger growth potential.

This strategic evolution positions Savola as a food company with a clear operational focus and vision. By strengthening our capital structure, reducing debt, and aligning equity with future growth objectives, we have created a solid financial foundation for continued investment in our operating companies and strategic initiatives. The Almarai transaction represents more than a financial milestone – it marks a key step in our journey toward becoming a leaner, more agile organization centered on food operations and long-term value creation.

### Solid Performance Amid Market Challenges

Savola delivered a solid performance in 2024, posting year-on-year growth while outperforming the market and key competitors. Our retail business, Panda, continued to gain strength and momentum, focused on sustainable expansion and operational improvements. With 16 new store openings and continued investments in customer experience (CX) programs, Panda reinforced its market presence while driving efficiency and growth. Panda's strategic initiatives, including a partnership with a leading global e-grocery enablement provider, support its ambition to expand beyond its existing network, positioning it for long-term success.

Our food business, SFC, continued its portfolio optimization strategy and scaling up its recent acquisitions into higher margin categories. It successfully navigated a complex operating environment, by effectively managing supply chain disruptions, demonstrating agility and strengthening its market share and leadership in core markets and key categories.

At Al Kabeer, a strengthened management team, provided strong leadership to drive growth and brand evolution ensuring that the business remains well-managed and positioned for stability and expansion. Overall, Savola remained focused on building a more agile, efficient, and high-performing portfolio in 2024, executing a disciplined strategy to enhance resilience and unlock long-term value. By optimizing SFC, expanding Panda, and driving strategic growth in Al Kabeer, we reinforced our commitment to financial discipline, operational efficiency, and sustainable growth.

### Nurturing a Thriving Workplace Culture

At Savola, our businesses share a commitment to high standards, ethics, and corporate goals, fostering collective success and a strong sense of belonging. We prioritize our people, cultivating a workplace built on trust, integrity, and responsibility. Through our People Pillars Program, we promote a supportive, healthy environment that values work-life balance and shared principles.

In 2024, Savola was certified as a 'Great Place to Work' for the fifth consecutive year, reaffirming our dedication to attracting, supporting, and retaining top talent across the Middle East.

### Sustainability at the Core

As a leader in Saudi Arabia's food and retail industry, Savola Group is committed to driving progress and shaping sustainability in alignment with the Kingdom's national transformation program and Vision 2030.

Through our CSR & Sustainability foundation, Savola World, we strengthen our impact with dedicated committees focused on government relations, corporate social responsibility, and environmental stewardship while implementing high-impact CSR initiatives across the region.

Panda and Savola Foods Company prioritize sustainability through recycling, waste reduction, and energy efficiency, reducing landfill waste and adopting eco-friendly practices. Across MENAT, we actively integrate renewable energy, cut emissions, and minimize resource consumption. Through initiatives like the Negaderha Food Waste Program, we continue to set new benchmarks in sustainable food production and retail.

For the fourth year, we ranked among Tadawul's top non-financial companies on the Alfaisal Corporate Governance Index, reflecting our commitment to transparency and ethics. In 2024, Forbes named us a 'Sustainability Leader,' and the Corporate Happiness Award GCC recognized our workplace excellence, reaffirming our dedication to responsible leadership, sustainability, and employee well-being.

### Focus on Growth and Value Creation

As we enter 2025, Savola will build on its strong foundation with a leaner, more agile structure and a sharp focus on efficiency. Our priorities include driving operational improvements, expanding into high-value categories, and delivering on long-term strategic objectives.

With a refined capital structure, reduced debt, and optimized equity, we are well-positioned for growth and sustainable success. Our streamlined holding structure ensures strategic resource allocation, maximizing value across our portfolio and enabling us to navigate opportunities, adapt to market shifts, and create lasting impact. I extend my deepest gratitude to our Board of Directors for their guidance, our executive leadership team for their unwavering commitment, and all our employees for their dedication and perseverance. To our shareholders, we are grateful for your trust and belief in our vision. Together, we will continue driving resilience, innovation, and growth, shaping a brighter future for all our stakeholders.

God remains the source of our success and guidance.

## Strategy and Business Model

# A Focused Model that aims for Sustainable Growth



### Our Strengths

#### Strategic Focus

Savola focuses its investments through long-term consumer trend-driven lens with a particular emphasis on the food and retail sectors. The company strategically allocates capital to capitalize on evolving market dynamics, consumer preferences and emerging trends, aiming to generate sustained value growth in these key industries.

#### Strong Governance Framework

A robust governance and transparency framework, prioritized throughout Savola's history and values, building shareholder trust.

#### Infrastructure and Consumer Access

Through our holdings, Savola touches millions of consumers across the MENA region through its multi-country operations, strong consumer brand portfolio and our retail network in Saudi Arabia.



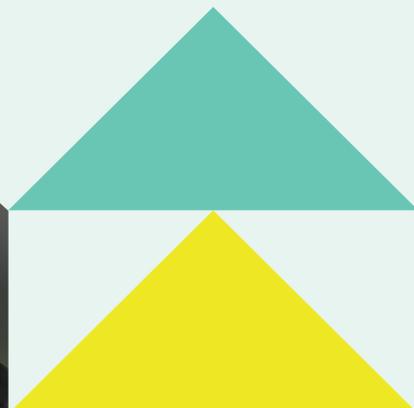
### Our Challenges

**Challenging macro-environment** whereas a number of countries introduced economic reforms that may have a negative impact on the purchasing power of consumers and overall global cost inflation.

**Change in consumer behavior** where consumer preferences and tastes may change in a more pronounced manner that may impact current products and business models.

**Limited number of transactable assets** from the perspective of an investment holding whose key directive is to allocate capital.

**High relative valuation of food assets**, in view of scarcity of sizeable assets that fit strategically with Savola's investment mandate, as well as other factors, including the economic and business cycles and their impact on such assets.



Savola touches millions of consumers across the MENA region through its multi-country operations, strong consumer brand portfolio and our retail network in Saudi Arabia.



## How We Add Value



## Our Corporate Values

### Leadership and Governance

Savola's focus as a strategic shareholder is to implement best practices across its portfolio to ensure:

- Alignment of incentives among stakeholders
- Selection of the right leaders and management teams to deliver on strategic and operational targets

### Setting Targets and Monitoring Performance

Savola has the tools required for effective performance management across its portfolio. This includes both short-term and long-term strategic, operational and financial KPIs, with periodic reviews and a proactive approach that prioritizes the long-term best interest of the business and shareholder value.

### Capital Allocation

Savola aims to maximize return on investment by deploying or redeploying capital to enhance shareholder returns and create additional value by gaining access to segments with long-term potential within the food and retail space. The primary objective is to generate sustainable excess returns over the cost of capital.

### Long-Term Strategic Planning

Savola believes that in addition to managing our capital and operating companies for performance and long-term sustainability at the subsidiary level, our role is to look at our markets, our holdings and our operations with a view to realize our ambition of maximizing our share of consumer spend across our markets profitably over the long-term horizon.

Our values underpin everything we do, they are a blueprint for concrete actions we take as individuals, as a team and as a company, every day.

### Personal Values

**Tawado:** Confident humility: Having the confidence to perform our responsibilities while having the humility to minimize our ego

**It'qan:** Relentless pursuit of perfection: The ability, willingness, desire and intention to do our best to make sure work is completed to the best standards

**Azm:** Fierce resolve: Apply what we learn to improve ourselves

**Iq'tida:** Apprenticeship: To seek out, interact with and learn from those who are more knowledgeable than us

### Group Values

**Ihsan Al-Dhan:** Trusting: Trusting others' intentions without doubting them

**Mu'azarah:** Caring: Provide support to our colleagues to help enable their success

**Qabool:** Acceptance: Endure the views of others by going beyond tolerance or acceptance

**Iq'bal:** Approaching: Improve what we do by using what we have learned from the interaction with others

### Corporate Values

**Taqwa:** Conscientiousness: Fulfillment of our responsibility toward external parties

**Amanah:** Honesty: Fulfillment of our responsibilities toward investors

**Mujahadah:** Personal control: Achieving the personal discipline necessary to fulfill our responsibilities

**Birr:** Caring justice: Fulfillment of our responsibility toward our colleagues and the employees of the company

## Group CFO's Review

# Delivering Value. Maximizing Possibilities.

2024 marked the culmination of a transformative journey for Savola Group, as we executed a strategic realignment to enhance capital efficiency, focus on core growth markets, and unlock long-term value. The successful distribution of our entire 34.52% stake in Almarai to shareholders, coupled with a ₪ 6 billion rights issue, has optimized our balance sheet and created financial agility for future investments. Additionally, the divestment of our Iran operations reflects our commitment to portfolio discipline and market focus.

The successful distribution of our entire 34.52% stake in Almarai to shareholders, coupled with a ₪ 6 billion rights issue, has optimized our balance sheet and created financial agility for future investments.



Wajid Usman Khan  
Group Chief Financial Officer





Net Income  
 ₪ 9,974m



Net Debt  
 ₪ 621m

This year, we also took one-off non-cash impairment charges, reorganization costs and recycling of Currency Translation Losses related to portfolio streamlining and business optimization, ensuring a leaner, more focused organization. These measures, while impacting short-term results, are necessary to reposition Savola for sustained profitability and long-term shareholder value.

Despite macroeconomic challenges, Savola achieved a robust financial performance, maintaining stable profitability, and demonstrating ongoing margin expansion within our core businesses. The Retail segment embarked on its journey towards growth and profitability driven by CXR and expansion of store network, while our Food business maintained its leadership despite external pressures. We remain disciplined in cost management, capital allocation, and risk mitigation to sustain performance.

Our core markets, Arabia and Egypt, remained the foundation of our business, contributing over 94% of total revenue in 2024. The Group's Sugar segment saw renewed momentum, with volumes expanding by 6% and revenue increasing by 1%. Panda demonstrated a successful turnaround in 2023 and 2024, highlighting momentum shifts towards growth. This achievement was marked by robust EBITDA growth of 23%, building on the solid performance

of the previous year. The expansion of the store footprint, with 22 openings in Saudi Arabia during 2024 and 2023, played a crucial role. Additionally, the ongoing benefits of the multi-year Customer Experience Revival (CXR) program have bolstered operations and customer engagement, leading to a rise in net income to ₪ 154 million from last year's ₪ 47 million.

The new value-added food categories and verticals – Frozen, Nuts, Spices and Pulses – sustained their growth trajectory, with revenue growing by 12% to ₪ 1.4 billion and gross profit expanding by 14% to ₪ 463 million. This steady progress reflects the impact of ongoing investments in brand positioning, targeted marketing, and product innovation across these food verticals.

Looking ahead, we are strategically positioned to capture new growth opportunities, drive operational efficiencies, and enhance shareholder returns. Our financial and operational resilience will support our vision of creating sustainable value in an evolving market landscape.



# Food Investments

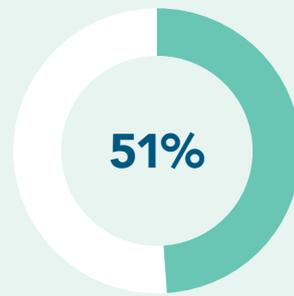
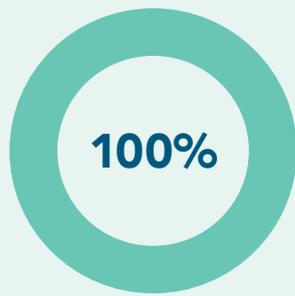
- ▼ Savola Foods Company
- ▼ Almarai
- ▼ Al Kabeer Group



## Food Investments

# Portfolio Overview

Savola Group’s food investments portfolio demonstrated a resilient performance in 2024. Savola Foods Company delivered strong, widespread growth across Arabia and Egypt. The distribution of Almarai entire shares added substantial value for shareholders, while Al Kabeer saw significant gains, fueled by solid performance in its key markets of Saudi Arabia and the UAE.



Major/  
Manufacturing  
markets

Export Markets

Saudi Arabia  
Egypt  
Algeria  
Turkey  
UAE

Angola  
Azerbaijan  
Bahrain  
Bangladesh  
Bulgaria  
Burundi  
Canada  
Chile  
China  
Cyprus  
Denmark  
Djibouti  
Dominican Republic

Ethiopia  
France  
Georgia  
Germany  
Ghana  
Greece  
Guinea  
Hong Kong  
India  
Indonesia  
Iraq  
Italy  
Ivory Coast

Japan  
Jordan  
Kenya  
Kuwait  
Lebanon  
Libya  
Madagascar  
Maldives  
Malta  
Mauritius  
Mexico  
Mongolia  
Mozambique

Nigeria  
Oman  
Pakistan  
Palestine  
Panama  
Peru  
Qatar  
Rwanda  
Seychelles  
Sierra Leone  
South Africa  
South Korea  
Spain

Sri Lanka  
Sudan  
Sweden  
Tanzania  
Togo  
Uganda  
UK  
USA  
West Bank  
Zimbabwe



## Food Investments

# Savola Foods Company

**Building momentum. Shaping the future of food.**

SFC has successfully navigated a transformative five-year journey, reinforcing its core business, expanding into high-growth categories, and optimizing its market presence. With a strong foundation in place, it is now accelerating growth, embracing innovation, and driving operational excellence. As the company enters its next strategic cycle, it remains focused on resilience, agility, and long-term value creation, positioning it to lead the future of food.





Revenue

₹ 11.9b



Successfully delivered on most of its objectives from its five-year strategy

SFC reported a net revenue of ₹ 11.9 billion for 2024, slightly down from ₹ 12.4 billion in the previous year, primarily due to lower commodity prices, and the divestment of Savola Morocco Company. Encouragingly, volume growth in the Sugar Arabia segment and the Nuts, Spices, and Pulses segment helped mitigate these challenges, contributing to resilient overall performance. SFC proactively refreshed its transformation strategy, focusing on organic growth, efficiency enhancements, and strengthened operational capabilities, effectively positioning the company for sustainable long-term growth.

SFC recorded a net loss of ₹ 1.65 billion for 2024, compared to a net profit of ₹ 452 million in the prior year. The loss was primarily driven by one-off items, including ₹ 1.1 billion related to the divestment of businesses in Iran and ₹ 0.3 billion from discontinued operations in Sudan. Additionally, the results were impacted by a net impairment charge of ₹ 310.8 million, a ₹ 97.2 million loss from the derecognition of the associate investment in United Sugar Company, Egypt, along with a corresponding put option charge of ₹ 79 million. Further impacts included a ₹ 67 million charge related to deferred tax liabilities following the enactment of UAE corporate tax, a ₹ 29 million charge related to startup asset under Munchbox brand, and other exceptional items.

#### Strategic Focus for Stronger Foundations

2024 marked the completion of SFC's five-year strategy, initiated in 2019, a period defined by bold moves to strengthen its business and expand into new growth areas. This year, the company thoroughly assessed its strategic progress, evaluating key projects, goals, and milestones.

The outcome was clear – it successfully delivered on most of its original objectives and laid the foundation for the next phase of its growth journey. As it finalized and launched its new strategic cycle, set to guide SFC through 2028, it ensured that deployment would begin in 2025 with a clear, focused roadmap.

The company's first strategic cycle was shaped by two core priorities: reinforcing its core business and diversifying into high-potential segments. Under the ABCD framework, it made transformational moves that positioned SFC for sustained growth:

- **Anchor:** It strengthened its core brands by deepening consumer loyalty, enhancing brand equity, drove innovation in its core products and offerings, and ensuring continued relevance in evolving markets.
- **Bet:** It explored strategic opportunities through acquisitions, including a significant investment in a food wellness and snacks company in the UAE, expanding its presence in high-growth categories.
- **Conquer:** It executed a bold entry into major new categories, most notably through its acquisition of Bayara in the UAE three years ago. Since then, it has successfully scaled up Bayara into Saudi Arabia, where it witnessed an increase of its revenue in the market.
- **Disrupt:** It reshaped its B2B segment through Savola Professional. With a complete relaunch of its professional range, the division is now a major driver of its next strategic cycle.

## Food Investments

# Savola Foods Company continued

Another key focus over the past three years, particularly in 2023 and 2024, was optimizing SFC's geographic portfolio to enhance shareholder value. Through an in-depth financial and commercial review of all its markets, it identified operations that were not delivering sufficient returns. As a result, it made the strategic decision to exit Iraq, Morocco, Iran and abandon its operation in Sudan, allowing SFC to sharpen its focus and resources on its core markets, with priority on Saudi Arabia, the GCC, and Egypt.

With a strong foundation in place, SFC now enters its next strategic cycle with a sharper focus, a more agile structure, and a clear vision for accelerating growth, innovation, and value creation.

### Resilient Performance in a Challenging Landscape

After four years of strong growth, 2024 brought significant macroeconomic challenges, including currency devaluations and soaring inflation in non-GCC markets, which weakened consumer purchasing power. In Saudi Arabia, an influx of competitively priced imports intensified pricing pressures, requiring a strategic response to protect market position. Despite these headwinds, SFC remained committed to enhancing long-term brand equity, investing in key initiatives such as the region's first biodegradable edible oil bottle and fortified cooking oils with added minerals to support consumer health. These innovations reinforced brand trust and differentiation in an increasingly competitive market.

The primary challenge was not market share but the broader shift of consumers from premium to lower-priced segments. While

premium categories shrank overall, SFC successfully defended – and in some cases grew – its share within them. To sharpen its strategic focus, it finalized a Sale and Purchase Agreement at the end of 2024 to divest its operations in Iran, additionally stopping and abandoning its operations in Sudan, following earlier exits from Morocco and Iraq in 2023. This realignment allows the company to reallocate resources to high-growth segments. While 2024 was commercially mixed, SFC adapted swiftly and remains well-positioned to capitalize on future growth opportunities.

### Progress and Innovation Across Our Verticals

Sustainability and innovation were at the core of SFC's edible oils business, highlighted by the launch of the region's first biodegradable bottle and the introduction of fortified oils enriched with essential vitamins and minerals. This groundbreaking packaging design gained global recognition, earning a nomination for the SIAL Innovation Award 2024 in Paris.

In its sugar segment, SFC expanded into the growing natural sweeteners market, launching Sweet & Fit, a revolutionary fitness sugar that delivers the same sweetness with 50% fewer calories. This was complemented by a refreshed packaging design aimed at enhancing brand appeal and consumer engagement.

SFC's pasta business in Egypt delivered an exceptional performance, following the successful reintroduction of both soft and hard bite pasta under its market leading Al Malika brand. This strategic move resulted in strong volume and financial growth, reinforcing its leadership in the category.

The nuts, spices, and pulses (NSP) business experienced significant expansion, with Bayara driving strong growth outside Saudi Arabia and the introduction of snack bars and a value-for-money range under Shams receiving a highly positive consumer response. In Saudi Arabia, the business considerably increased in size, with Afia emerging as a trusted household brand and strengthening its market position across all channels, including modern trade. Bayara successfully scaled its shop-in-shop and boutique model, opening six new boutiques in the UAE and setting the stage for further growth across the GCC.

Consumer trust in Afia continues to grow, fueled by exceptional product quality and expansion across nuts, pulses, spices, dried fruits, and dates. As the company innovates and expands, it remains committed to delivering high-quality products that meet evolving consumer needs while reinforcing its leadership in this dynamic segment.

### Driving Sustainability Through ESG Initiatives

Sustainability remains at the core of SFC's operations as it continues to embed ESG principles across its business, creating long-term value while addressing critical environmental challenges. A key milestone in its shift toward renewable energy was the installation of photovoltaic solar panels at its Bayara facilities in the UAE, supporting clean energy adoption. It also made significant progress in reducing plastic waste, transitioning over 500,000 kilograms annually from conventional plastics to biodegradable alternatives in its oil packaging. Internally, a zero-paper policy eliminated over one million paper sheets each year, reinforcing the company's commitment to resource

conservation.

Beyond operational sustainability, SFC partnered with the United Nations' Food and Agriculture Organization (FAO) to launch a R&D competition aimed at identifying sustainable alternatives to traditional edible oils. SFC commissioned a Flue Gas Desulfurization (FGD) plant at its Saudi Arabia oil facility, ensuring adherence to stringent air quality regulations. These initiatives solidify SFC's leadership in sustainability, aligning with global standards and driving long-term ESG impact.

### Creating a Positive Impact in Our Communities

SFC remains committed to making a meaningful impact in the communities where it operates, fostering connections with younger generations, supporting education, and driving social initiatives that create lasting change.

In Saudi Arabia, its Afia and Osra brands partnered with schools ahead of Ramadan to teach students the importance of giving back, preparing Ramadan boxes filled with essential food supplies for families in need.

In Egypt, the company collaborated with ESLSCA University, sponsoring educational forums and establishing internship programs that provide students and Savola employees with hands-on business exposure and professional development opportunities.

In Algeria, the company strengthened community ties by providing back-to-school supplies, leading school wall painting activities, and hosting university students at its facilities for real-world business

exposure.

Through Savola World, a Non-profit Organization established by Savola Group to underpin its CSR efforts,, SFC supports a range of high-impact initiatives, such as Negardeha to minimize food waste, Makeen to empower young entrepreneurs, and Ataa to encourage volunteerism in local communities.

By investing in education, community engagement, and social responsibility, SFC continues to create opportunities for the next generation, reinforcing its role as a responsible corporate leader committed to long-term value creation.

### SFC in 2025 and Beyond

Building on a strong foundation, SFC will enter its next strategic cycle in 2025, shifting from the ABCD model to the Triple A framework: Accelerate, Acquire, and Advance. This evolution will drive profitable and sustainable growth, enhance our market position, and solidify our long-term value creation strategy.

- **Accelerate:** It will expand its core business portfolio by enhancing its Go-to-Market strategy, increasing investment in innovation, and expanding brand-building efforts. It will broaden its B2C product assortment, entering adjacent categories while expanding its B2B segment to serve foodservice, industrial, and non-food categories. Growth in value-added products will remain a key priority, with a focus on the NSP and related segments to capture rising consumer demand.
- **Acquire:** It will pursue strategic acquisitions and partnerships to strengthen competitiveness and

increase shareholder value.

Mergers, acquisitions, and joint ventures will be leveraged to expand into new categories. Vertical integration will also play a pivotal and tactical role in reinforcing its core business to enhance supply chain resilience and cost efficiency.

- **Advance:** It will elevate its business model to world-class standards by accelerating digital transformation, modernizing technology, and leveraging AI and analytics for smarter decision-making. Operational efficiencies will be redefined to optimize performance, while also remaining committed to best-in-class ESG practices, risk management, organizational culture, and talent development to create a future-ready workforce.

Looking ahead to 2028, SFC's strategic priorities will remain focused on strengthening its core businesses, expanding its B2B and B2C operations, and driving diversification. With a sharper organizational focus and enhanced financial strength – boosted by portfolio optimization, divestments, – it will be well-positioned to explore high-impact mergers and acquisitions, ensuring long-term, sustainable success in a rapidly evolving market.

## Food Investments

# Almarai

In 2024, Almarai continued setting the benchmark for excellence and innovation across its diverse product portfolio. With record revenue growth in 2024 and robust operational performance, Almarai's success underscores its commitment to meeting evolving consumer needs, delivering sustained value to shareholders.





Unlocking value for Savola shareholders through notable revenue growth and exposure to Almarai's rising potential.



"Visit our website for more details on our rights issue and distribution."

### About Almarai

Almarai Company is the Middle East's largest food and beverage manufacturer and distributor, distinguished by its comprehensive market approach. Since its foundation in 1977, consumers have come to recognize Almarai's brand as a hallmark of excellence, with a robust presence in dairy, juices, bakery, poultry and other food categories. Almarai continues to lead sector innovation, strategically introducing new product offerings that address evolving consumer needs and nutritional requirements.

### Financial Highlights

Almarai maintained its strong growth trajectory in 2024, achieving significant profit expansion driven by solid performance across its core categories in Saudi Arabia, GCC region, Egypt and Jordan. The company's flagship dairy and poultry businesses were key contributors to this success, delivering notable revenue growth and continued sustained long-term value to its shareholders.

### Distribution of Savola's Entire Shareholding in Almarai

In February 2024, Savola announced its intention to proceed with the distribution of its entire 34.52% shareholding in Almarai to eligible Savola shareholders to provide direct benefit and access to Almarai's robust performance.

By December 2024, Savola shareholders approved the Board's recommendation to distribute the company's entire 34.52% stake in Almarai as an in-kind dividend to eligible shareholders (the Significant Transaction). This move aims to unlock value for Savola shareholders, providing them direct exposure to Almarai's growth potential and future dividend capacity.

**Read more about Savola's interrelated transactions that enabled the distribution of Almarai to its shareholders on Page 34**

### Net Profit

₹ 2.313b

2022	1.760
2023	2.049
2024	2.313

## Food Investments

# Al Kabeer Group

Driven by a jump in volume growth and better pricing strategies, Al Kabeer's revenue rose by 6% in 2024. The year also witnessed a range of new product innovations and promotional initiatives, including strengthening the brand refresh, and new packaging, and product launches





Revenue

6%



Robust and efficient distribution network

**+30 cold stores**  
**11 distribution centers**

Savola Shareholding



### About Al Kabeer Group

Established in 1974, Al Kabeer Group is a leading manufacturer and distributor of frozen and processed foods in the Middle East. With key markets in Saudi Arabia and the UAE along with presence in rest of the GCC countries, it has cemented its position as a trusted name in the region's frozen food industry.

The company offers a diverse portfolio of over 300 SKUs and product formats under its flagship brand, "Al Kabeer." Its operations are supported by three manufacturing facilities—two in the UAE and one in Saudi Arabia—ensuring consistent product quality, supply and localization.

Al Kabeer has built a robust and efficient distribution network, leveraging over 30 cold stores, 11 distribution centers, and a fleet of more than 450 transportation vehicles to serve its markets seamlessly.

In 2018, Savola Group acquired a 51% stake in Al Kabeer as part of its strategic diversification into frozen foods and value-added product categories, further strengthening Al Kabeer's growth trajectory and market leadership.

### Financial Highlights

In 2024, Al Kabeer achieved a 6% increase in revenue, driven by volume growth, and better pricing across key categories. The core markets of Saudi Arabia and the UAE significantly contributed to this performance, alongside growth in the modern trade and HORECA (hotel, restaurant, and catering) channels. However, net income declined by 6%, primarily due to higher operating costs and the newly introduced corporate tax in the UAE.

### Strategic and Operational Highlights

Al Kabeer prioritized innovation and new product development to meet evolving consumer tastes and preferences, successfully launching products such as Chicken Zing Strips in Sriracha and Buffalo flavors, Zing Shrimps, Zing Prawns, and Kiri Cheese Samosas. These introductions underscored the company's commitment to staying ahead of market trends and delivering high-quality offerings tailored to various demographics and occasions. As part of its efforts toward becoming the market leader in its categories across the Gulf Cooperation Council region (GCC), Al Kabeer continued to make substantial investments in innovation, focusing on product quality, flavor, convenience, and presentation.

#### Revenue

**₹ 760m**

2022	670
2023	714
2024	760

#### Gross Profit

**₹ 265m**

2022	211
2023	252
2024	265

#### Net Income

**₹ 66m**

2022	62
2023	70
2024	66

## Food Investments

### Al Kabeer Group continued

The e-commerce channel is growing rapidly and contributing to Al Kabeer's sales, demonstrating the company's adaptability to changing consumer purchasing behaviors and the rise of the digital economy.

To address the growing demand in the B2B and HORECA segments, Al Kabeer significantly strengthened its "Al Kabeer Professional" division. This strategic initiative expanded the company's footprint in the foodservice industry, aligning with market trends.

#### Looking Ahead

Al Kabeer is poised to strengthen its foundation for sustained growth by focusing on key strategic areas, including supply chain optimization, distribution enhancements, focusing on innovation and local flavors and tastes, marketing initiatives, talent development, and fostering a dynamic working environment and culture.

The frozen food segment will continue to be a vital pillar within Savola Group's food portfolio, serving as a catalyst for future expansion through value-added product innovations.

2025 promises both challenges and opportunities. Al Kabeer remains steadfast to stay ahead of the competition and changing consumer preferences with its commitment to product quality and innovations. With several exciting product launches planned for 2025, the company aims to accelerate growth and solidify its leadership in the frozen food category.

Consumer engagement will remain central to Al Kabeer's strategy, underpinning efforts to strengthen its new brand identity and deepen its connection with audiences. By aligning innovation with consumer needs and market trends, Al Kabeer is well-positioned to seize opportunities and navigate complexities moving forward.



Al Kabeer continued to make substantial investments in innovation, focusing on product quality, flavor, convenience, and presentation.



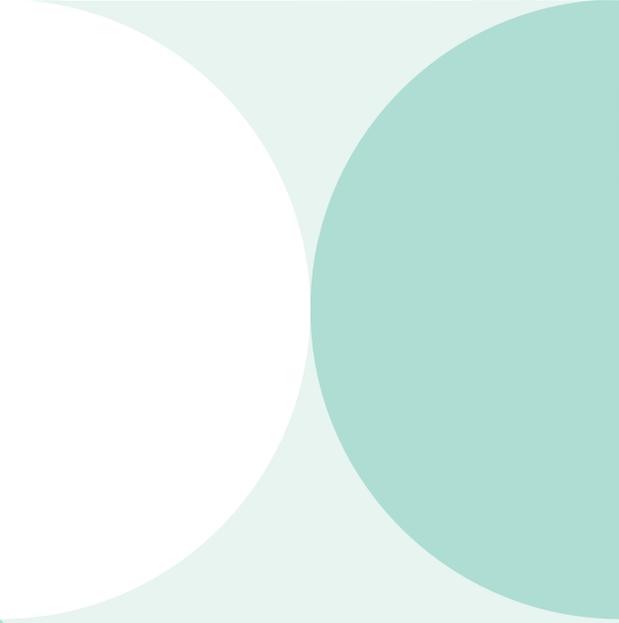
In 2024, Al Kabeer achieved a 6% increase in revenue, driven by volume growth, and better pricing across key categories





# Retail Investments

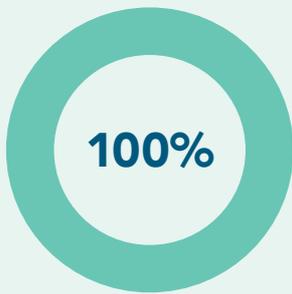
- ▼ Panda Retail Company
- ▼ Herfy Food Services



## Retail Investments

# Portfolio Overview

Panda Retail Company maintained its growth trajectory, driven by improved CXR store performance and cost optimization. Whereas for Herfy company, the key highlight of the year was the onboarding of a new management team, bringing regional and global Quick Service Restaurant (QSR) industry experience to Herfy. The management team is building capabilities and working to address key challenges for the business for the company.



**209**

Panda Stores

Saudi Arabia

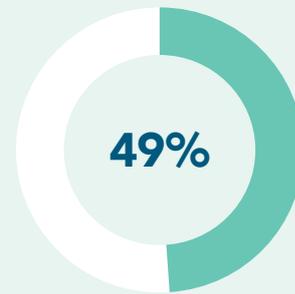
Egypt

**203**

Panda Stores

**6**

Panda Stores



**402**

Herfy Stores

Saudi Arabia

Kuwait

**382**

Herfy Stores

**7**

Herfy Stores

Nigeria

Bangladesh

**3**

Herfy Stores

**10**

Herfy Stores





## Retail Investments

# Panda Retail Company

Driving Innovation. Delivering Growth.

Panda Retail sustained its strong momentum in 2024, delivering exceptional profitability and nearly tripling net profit while reinforcing market leadership in an increasingly competitive landscape. Through strategic expansions, digital innovation, customer experience excellence and a strong commitment to sustainability, the company continued to create value and drive growth.





Total Sales

₹ 10.6b



Panda's value growth rate

3.4%

In 2024, Panda's net profit increased to ₹ 154 million from ₹ 47 million in 2023, driven by total sales of ₹ 10.6 billion, representing a market share of 21.1%. This growth was underpinned by its continued investments in the Customer Experience Renovation (CXR) program, new store openings and roll-out of digital transformation programs. The positive net profit margins are a result of further optimization of its operating expenses, which strengthened its bottom line.

To expand its base, Panda opened 16 new stores in Saudi Arabia and Egypt, bringing its network to over 209 locations. These openings were supported by strategic partnerships with real estate developers, focusing on customer segmentation and high-potential catchment areas.

It also made strides in operational efficiency by implementing cost optimization initiatives that streamlined processes, improved resource allocation and enhanced its organizational agility. At the same time, it continued to prioritize its workforce, developing strategies to attract and retain top talent. With a skilled and motivated team, it is well positioned to sustain growth momentum and deliver long-term value.

### Maintaining Market Leadership amid Intense Competition

The FMCG market experienced modest growth of 2.6% over the past year, with Panda outpacing the sector at a robust 3.4% growth rate. This performance significantly outshone other hyper/supermarkets, which grew by just 0.53%.

While the hyper/supermarket network expanded by 10.5%, competitors pursued aggressive mass expansion, achieving a 20% network growth over the past three years. In contrast, Panda strategically optimized its network by focusing on store closures and revamps, prioritizing efficiency over sheer scale. Despite the intensified competition, Panda retained its leadership position and delivered year-over-year sales growth, maintaining its market share leadership in the hyper/supermarket segment.

Panda's like-for-like performance highlights its operational strength, with a 5.4% growth in sales value for the year, while competitors saw a decline of 0.9%, underscoring Panda's ability to navigate a competitive landscape, driving sustainable growth and strengthening its market position.

### Net Revenue

₹ 10.6b

2022	10.1
2023	10.3
2024	10.6

### Gross Profit

₹ 2.7b

2022	2.4
2023	2.5
2024	2.7

### Net Income

₹ 154m

-158.2	2022
	2023
	47
	2024
	154

## Retail Investments

# Panda Retail Company continued

### Driving Progress toward Savola's Vision and Saudi Vision 2030

Panda aligns closely with Savola's vision and the ambitious goals of Saudi Vision 2030 through a range of transformative initiatives focused on sustainable growth, economic diversification and national development. It remains committed to sustainable growth, expanding its store network and product offerings, reinforcing Savola's focus on long-term performance and social responsibility. This positions Panda as a key contributor to the Kingdom's evolving retail landscape.

By opening new stores and forming strategic partnerships, Panda actively supports economic diversification and modernize retail experiences across Saudi Arabia. Its efforts also bolster local SMEs, complementing Vision 2030's objectives of fostering a dynamic and diversified economy. Its expansion contributes significantly to job creation, generating employment opportunities for Saudi nationals and directly supporting the Kingdom's national employment goals outlined in Vision 2030.

Through digital transformation, Panda continues to boost operational efficiency and enhance customer engagement. This aligns with the national agenda to create a thriving digitization of the economy. It prioritized health and wellness by growing its fresh food offerings, aligning with Savola's strategy to promote healthier lifestyles and Vision 2030's initiative to improve the quality of life for all citizens.

### Shaping the Future through Digital Transformation

Over the past year, Panda has transformed its IT infrastructure and strengthened digital capabilities for sustained growth. By leveraging cutting-edge technologies, it is optimizing operations, improving customer experiences and innovation. Through advanced AI-driven tools, it is improving data analytics and decision-making, with a focus on pricing, promotions and category management.

Several key initiatives are already live and delivering impact. Panda's application for forecasting demand, powered by machine learning (ML) and AI, has grown fresh product demand forecasting accuracy by 10-15 points compared to traditional methods, helping the company better manage stock levels and reduce waste. Additionally, another application that was launched in late December, introduced ML-driven enhancements to promotional planning.

Moreover, Panda's retail price optimization tool, leverages ML to analyze regional trends and deliver more competitive pricing strategies. Advanced AI analytics, through in-memory analytics, are enhancing category performance analysis, providing actionable insight to refine decision-making and product offerings.

Panda's partnership with Extra, a leading Saudi electronics retailer, and the brand name Clix, has expanded to 45 locations across the network to expand the company's electronics offering, introducing a dedicated

private label of entry-price-category products with excellent quality. This allows the positioning of Clix as a competitive destination for quality electronics at affordable prices.

In addition, Panda's collaboration with Ocado brought in global expertise and solutions in e-grocery delivery services, complementing its core retail grocery offerings. This partnership will provide Panda's customers with a better omnichannel experience, allowing them to shop either in-store or from the comfort of their homes. Furthermore, the company's efforts to integrate POS and customer relationship management (CRM) systems will provide personalized offers and strengthen customer engagement.

### Championing Operational Excellence

Panda's operational advances have redefined its approach to retail, creating a robust and adaptable framework for growth. The company's Net Promoter Score (NPS) increased to 80, leading the market and reflecting the positive sentiment generated by its efforts. Footfall rose significantly, as it enriched the in-store experience, optimized the promotional mix and sourced the right product range to meet diverse customer needs.

Panda also developed its product availability and stock levels by centralizing distribution centers, upgrading routes and logistics, increasing fleet utilization and reducing stock loss. In e-commerce, it improved full-order fulfillment rates to 97% and expanded its online fulfillment hubs to more than 20 locations, servicing both the Panda app and third-party platforms.

It also introduced additional services, including click-and-collect, valet trolley and other niche options, at select locations to enhance convenience for its customers.

### Driving Sustainability and Empowering our People

Panda reaffirmed its commitment to environmental responsibility with the publication of its first ESG Sustainability Report, aligning with Saudi Vision 2030 and showcasing progress toward a more sustainable future.

Panda's people remain central to its success; 2024 marked the introduction of several initiatives to expand employee development and engagement. The Panda Retail Excellence Program (PREP) was completed by all store managers and assistant store managers, equipping them with advanced skills to drive performance and operational excellence. The Tumoo program provided onboarding and on-the-job training for frontline retail colleagues, ensuring high-quality service delivery. Additionally, Panda implemented a succession plan, supported by an assessment center to identify and develop future leaders, resulting in the promotion of a number of employees, which strengthened its leadership pipeline.

These efforts to enhance employee well-being and professional growth earned Panda the Best Place to Work award, reinforcing its commitment to fostering an inclusive, high-performance workplace. Through continued investment in sustainability and people, Panda is building a resilient and responsible organization, well positioned for long-term success.

### Paving the Way for Growth in 2025

Panda enters 2025 with a clear and strategic vision, focused on driving growth, innovation and delivering exceptional customer experiences. To strengthen its market presence, it will execute its calculated expansion plans to its store network by opening new locations, with a strategic focus on main cities like Riyadh, which align with customer demographics growth and preferences.

Simultaneously, investments in technology and infrastructure, and strategic partnerships will scale up Panda's e-commerce platform, improve fresh product offerings in the store and enable new monetization opportunities from data and media.

Panda's CXR program will continue to modernize stores to make sure of a seamless and enjoyable shopping experience for every customer. Panda will also revamp its loyalty program to introduce a new value proposition

designed to retain and entertain existing and new customers.

To support these efforts, Panda will focus on talent development by implementing leadership training and employee engagement programs to attract, develop and retain top talent. These initiatives will foster a high-performance culture and ensure it has a motivated and capable team championing its success.

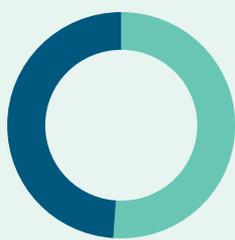
By executing on these priorities, Panda is poised to meet the evolving needs of its customers and solidify its position as a leader in the retail landscape for years to come.

## Retail Investments

# Herfy Food Services

Established in 1981, Herfy Food Services Company is Saudi Arabia's leading fast-food chain, operating 382 branches across the Kingdom and extending its footprint internationally with franchises in Kuwait, Bangladesh, and Nigeria.





49%

Savola



Net Revenue

ﷲ 1.12b

In addition to its fast-food operations, Herfy operates pastry shops across various regions in Saudi Arabia. As a diversified and integrated enterprise, the company generates value through its bakery, cake, rusk, and meat processing operations, ensuring high-quality offerings across its product lines and reinforcing its position as a trusted name in the region's food industry.

**Financial Highlights**

Herfy had a challenging financial year in 2024, with a significant decline in its performance driven primarily by higher costs of goods sold and a notable increase in selling, marketing, general, and administrative expenses. These challenges were compounded by an increase in Zakat expense, as a result of Zakat settlements relating to previous years, further aggravating the Company's losses.

Herfy's revenue fell by 4% to ﷲ 1.12 billion (2023: ﷲ 1.17 billion) with gross profit showing a 24% decrease at ﷲ 217 million (2023: ﷲ 284 million), while net loss reached ﷲ (-116.5) million (2023: ﷲ 8.39 million).

**Strategic and Operational Highlights**

A key highlight of the year was the onboarding of a new management team, bringing regional and global Quick Service Restaurant ('QSR') industry experience to Herfy. The management team is building capabilities and working to address key challenges for the business, including intensifying competition, the growing influence of food aggregators, and adverse global macroeconomic factors. These pressures contributed to higher input costs and ongoing supply chain disruptions, further impacting performance.

**Net Income (loss)**

ﷲ -116.52m

3.55	2022
8.39	2023
-116.52	2024

**Net Revenue**

ﷲ 1.12b

1.24	2022
1.17	2023
1.12	2024

**Gross Profit**

ﷲ 217m

307	2022
284	2023
217	2024

## Risk Management

# Savola Risk Management Approach

### a. Risk management overview

The Group, like any other economic entity, may be affected by risks through the nature of its commercial activities in basic food commodities, retail and other investments. These risks may be summarized as follows:

- Operational, financial, strategic, regulatory and compliance risks
- The possibility of the Group operations being exposed to geopolitical risks that result from its operations outside the Kingdom
- Risk of commodities and raw materials price volatility in the local and international markets where it operates

- Risk of geographic expansion and competition pertaining to new markets in the region
- Fluctuations in foreign currency exchange rates, particularly against the Saudi Riyal or other currencies in the countries in which the Group operates
- Inflation in the economies of countries where the Group operates.
- Risks related to new investments
- Any emerging risks the Group may be exposed to during its operations

The Group and its subsidiaries manage these risks through the Board of Directors, the Audit Committee, Executive management and various departments and task forces within the Group. This encompasses a dedicated Risk Management department at the holding level and across its major subsidiaries, including Savola Foods Company and Panda.

Savola seeks to protect its stakeholders, reputation and the value of its assets, and is committed to consistently developing its risk management culture by way of its risk governance framework and continual team development.



## b. Enterprise risk management framework

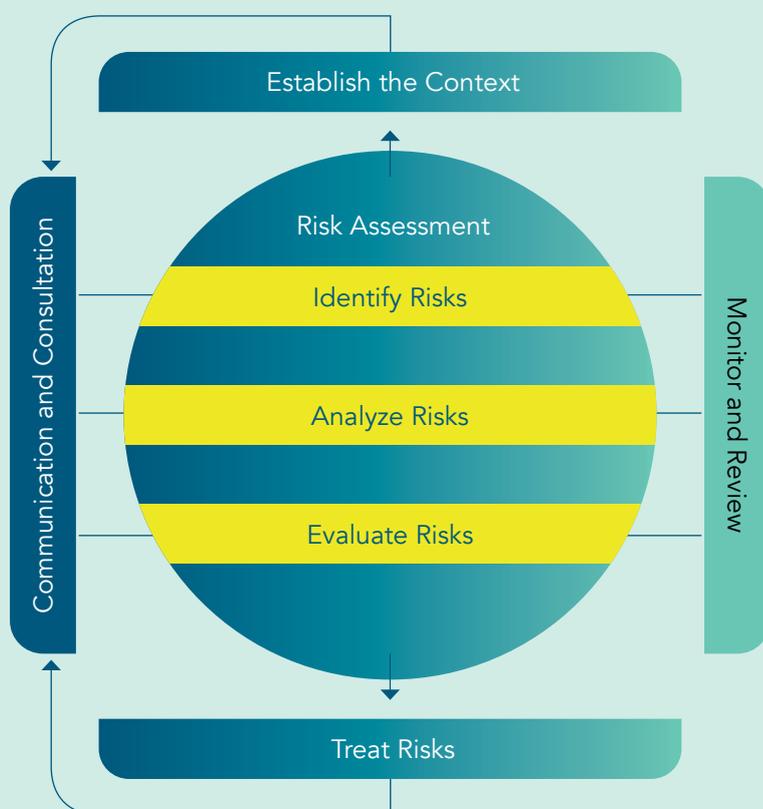
In line with the market best practices Savola has an integrated enterprise risk management (ERM) framework to support the success of the business and achieve its strategic goals through a collaborative risk management environment that proactively identifies, monitors and mitigates risks. The framework has been developed in line with current leading ERM practices and ISO 31000.

In developing the ERM framework, the focus was to design a process that addresses Savola's business needs while remaining simple and

pragmatic. Savola's ERM framework outlines the series of activities Savola uses in identifying, assessing and managing its risks. The framework ensures risk is being managed through a common set of processes at Savola, which enable the flow of risk information to the person with the authority and responsibility for making decisions pertaining to the activity associated with the risk. By establishing a common language and set of tools, Savola's risk management process can be replicated at any level within the Group.

In line with the continuous efforts to strengthen risk management culture and capabilities, Savola has:

- Established a dedicated risk management function at the Group and its main subsidiaries. The function comprises a dedicated team leading the risk management activities at enterprise level, as well as assigned risk champions who implement risk management activities within respective business functions.
- Set a risk management framework and governance policy, approved by the Board of Directors.
- Conducted multiple risk awareness sessions across the Group and its subsidiaries.
- Conducted a risk assessment for various key functions at the Group and its main subsidiaries.
- Proactively identified emerging external risks and communicated them with the relative functions for assessment.
- Implemented a governance, risk and compliance (GRC) system to enhance managing risk assessments, registers, management issues, key risk indicators, policy management and internal audit at Savola and its main subsidiaries; Savola Foods Company and Panda, autonomously.
- Developed a risk appetite framework.
- Set the Group's risk appetite statement, approved by the Board of Directors.
- Developed key risk indicators (KRI).
- Established an Executive Risk Management Committee (ERMC) at the holding level, that aims to:
  - Assess and challenge risk decisions
  - Monitor and provide insight to the risk management process
  - Provide recommendations to the board



# Risk Management continued

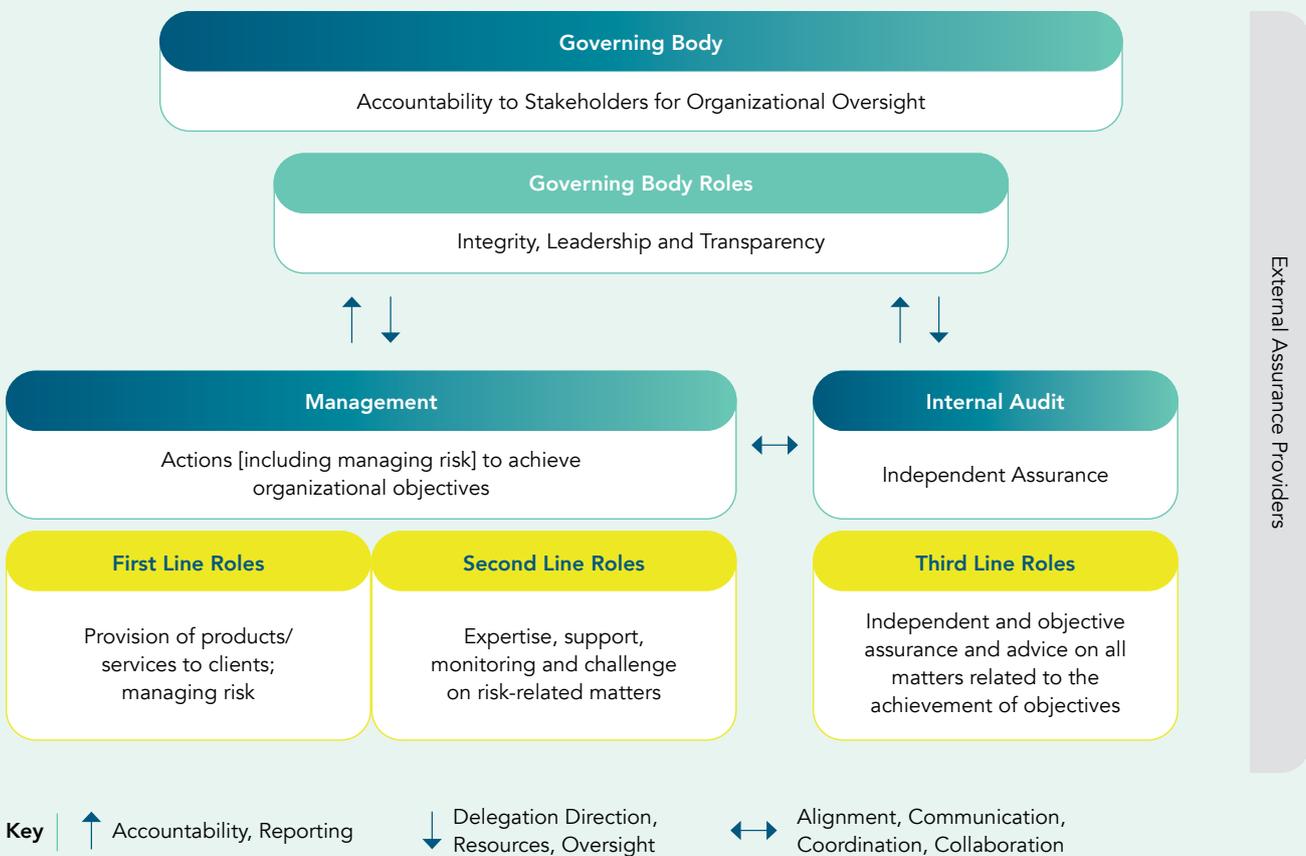
## c. Channels to communicate and enforce the risk culture

- Three Lines Model

Savola operates a Three Lines Model to guarantee accountability across the Group for governance, monitoring, reporting and management of risks, and the control environment.

Each of the Three Lines plays a distinct role within Savola's wider governance framework. The Board, management and internal auditors are the primary stakeholders served by the Three Lines Model, and they are the parties best positioned to help in ensuring the Three Lines Model is reflected in Savola's risk management and internal control processes.

### Three Lines of Defense



# Financial Instruments and Risk Management

## a. Financial risk management

The Group's activities expose it to a variety of financial risks:

- Market risk (including currency risk, fair value and cash flow interest rate risks and price risk)
- Credit risk
- Liquidity risk

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

## b. Risk management framework

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The most important types of risk are market risk, credit risk and liquidity risk.

The Board of Directors is ultimately responsible for establishing and overseeing the Group's risk management framework. The Executive management team takes charge of developing and monitoring the Group's risk management policies. This team meets regularly and reports any updates or compliance issues to the Board of Directors.

Risk management systems are reviewed regularly by the executive team to reflect changes in market conditions and the Group's activities. The Group, through its training programs, management standards, and procedures aims to develop a disciplined and constructive control environment in which all employees understand of their responsibilities and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Financial instruments carried on the consolidated statement of financial position include cash and cash equivalents, term deposits, trade and other receivables, investments measured at fair value, loans and borrowings, lease liabilities, derivatives, trade payables and accrued, and other current liabilities. The particular recognition methods adapted are disclosed in the individual policy statements associated with each item.

Financial assets and liabilities are offset and net amounts are reported in the financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

## c. Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

### Interest rate risk

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial positions and cash flows.

The Group's interest rate risks arise mainly from its borrowings and short-term deposits, which are at floating rate of interest and are subject to re-pricing on a regular basis and for which the management closely monitors the changes in interest rates.

## Currency risk

Currency risk is the risk the value of a financial instrument will fluctuate owing to changes in foreign exchange rates for its transactions principally in Saudi Riyals, US Dollars, Iranian Riyals, Egyptian Pounds, United Arab Emirates Dirhams, Sudanese Pounds and Turkish Lira.

The Group operates internationally and is exposed to foreign exchange risk. The Group's investments are in these foreign subsidiaries and associates, whose net assets are exposed to currency translation risk. Currently, such exposures are largely related to exchange rate movements between foreign currencies against Iranian Riyals, Egyptian Pounds, Sudanese Pounds and Turkish Lira. Such fluctuations are recorded as a separate component of equity 'Foreign Currency Translation Reserve' in the accompanying consolidated financial statements. The Group's management monitors such fluctuations and manages its effect on the consolidated financial statements accordingly.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group. In addition, interest on borrowings is denominated in the currency of the borrowings. This provides an economic hedge without derivatives being entered into; therefore, hedge accounting is not applied in these circumstances. The Group's investments in foreign subsidiaries are not hedged.

## Risk Management continued

### Price risk

The risk that the value of a financial instrument may vary owing to changes in market prices, whether driven by factors specific to the individual instrument or its issuer, or by factors influencing all instruments traded in the market. The Group faces equity securities price risk because it holds investments in certain listed equities classified as FVOCI investments on the statement of financial position. The Group's management monitors the proportion of equity securities in its investment portfolio relative to market indices. These investments are managed individually, with all buy-and-sell decisions requiring approval from the Investment Committee. Additionally, United Sugar Company uses derivative financial instruments, such as commodity futures contracts, to hedge against raw material price risk in the sugar business.

Furthermore, as disclosed in Note 12 of the Group's audited financial statements for the year ended 31 December 2024, the put option is periodically valued based on Black Scholes' model using certain assumptions including the sugar prices; the fluctuations of which affects the valuations. Details of the Group's investment portfolio, exposed to price risk at the reporting date, are disclosed in Note 9 to the Group's audited financial statements. As at 31 December 2024, the company's overall exposure to price risk is limited to the fair value of those positions.

### d. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has no significant concentration on credit risk. To reduce exposure to credit risk, the Group has an approval process whereby credit limits are applied to its customers. By grouping customers, the management also regularly monitors the credit exposure towards the customers whereby the customers are grouped according to their credit characteristics, payment history, whether they are an individual or a legal entity, whether they are a wholesale/retail or manufacturers, their geographic location, existence of any financial/economic difficulties including the default risk associated with the industry and country in which they operate and accordingly records impairment loss against those balances considered doubtful of recovery. Outstanding customer receivables are regularly monitored. In order to cater the credit risk from debtors, the Group has also entered into insurance arrangements in certain geographies.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics: geographic region, age of customer relationship and type of product purchased.

Loss rates are based on historical credit loss experience and are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

### i) Other receivables

Impairment on other receivables has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures having low credit risk.

### ii) Cash and cash equivalents

Impairment on cash and cash equivalents and term deposits has been measured on a lifetime expected loss basis and reflects the short maturities of the exposures. The Group considers its cash and cash equivalents and term deposits have low credit risk based on the external credit ratings of the counterparties.

Cash and cash equivalents, term deposits and derivative financial instruments include balances, which are held with banks with sound credit ratings ranging from (AA-) to (B).

### e. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis so that sufficient funds are available through committed credit facilities to meet any future commitments.

The Group's approach to managing liquidity is to, as far as possible, make sure it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressful conditions, without incurring unacceptable losses or risking damage to the Group's reputation. On 31 December 2024, the Group has a net current liability position. For this purpose, the Group has maintained credit lines with various commercial banks in order to meet its liquidity requirements. As at December 31, 2024, the Group has unused bank financing facilities amounting to 5.3 billion (December 31, 2023: 6.0 billion) to manage the short term and the long term liquidity requirements.

#### f. Fair value of assets and liabilities

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, the Group uses valuation techniques that maximize the use of

relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

For further details, the same item can be reviewed in the clarification notes accompanying the Group's consolidated financial statements for 2024.

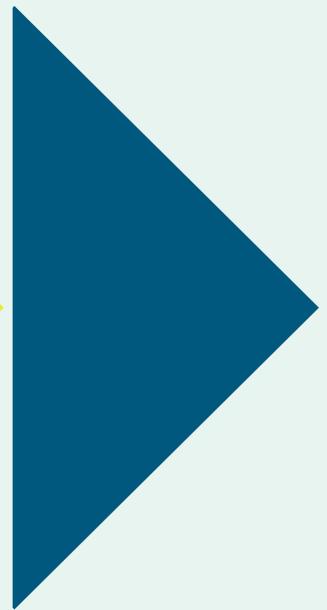
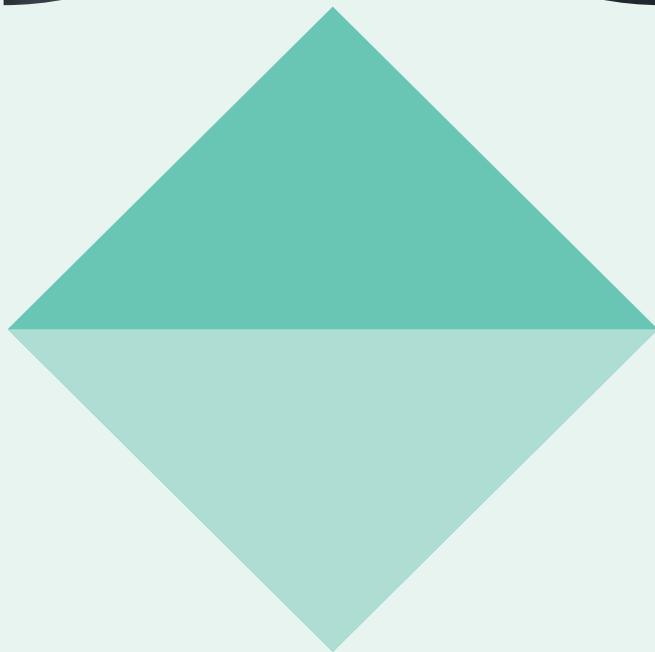


# Sustainability Review

04

---

78 Our People  
86 Corporate Social Responsibility



# Our People

At Savola Group, our people are the driving force behind our growth, innovation, and operational excellence. With a diverse workforce representing over 40 nationalities, we foster a culture of inclusivity, respect, and continuous learning. In 2024, we remained committed to enhancing employee well-being, professional development, and engagement—reinforcing our position as an employer of choice in the Kingdom of Saudi Arabia and beyond.

Our commitment to national talent development continues to grow, with a strong focus on Saudization and increasing opportunities for women in the workforce. We also advanced diversity, inclusion, and workplace accessibility, earning recognition for our commitment to employees with disabilities.

Our People Pillars Program further supported our workforce through key initiatives in employee engagement, workplace wellness, work-life balance, and cultural improvements. Additionally, our strategic succession planning and training programs, in collaboration with leading global institutions, have strengthened our internal talent pipeline, ensuring career progression opportunities for all employees.

As we move forward, we remain dedicated to nurturing talent, fostering an inclusive work environment, and supporting career growth, ensuring that our people continue to thrive and drive Savola’s long-term success.

In 2024 our people reinforced their strength and skills to steer us on a steady course of expansion, diversification, and operational excellence.



Savola recognizes its responsibility to foster employee wellbeing, personal growth, and potential realization. The company's success is intrinsically tied to the dedication and efforts of its workforce. Savola's success is a testament to the dedication and contributions of every team member, whose commitment drives the group forward, creating an interdependent community where individuals work collaboratively for the benefit of the entire Savola Group.

To enhance the work experience, Savola ensures an environment of respect, inclusivity, loyalty, and career advancement opportunities. Employees are considered essential to operations and valued as individuals, solidifying Savola's position as an employer of choice and a business of integrity

### Our Unique Culture

With a workforce of 15,299 in Saudi Arabia, representing over 40

nationalities, Savola benefits from a diverse and dynamic talent pool. Savola possesses a wide range of knowledge and expertise to deliver exceptional customer service. The company values the unique skills each employee brings to the organization.

### Our Values and Competencies

We are an ambitious, progressive investment holding company, and understand that to deliver our vision and achieve our objectives we need an empowered, motivated, and highly skilled workforce. Our strong corporate values shape the organization's culture and ensure the people who are part of the extended Savola family share the same set of values we have drawn from our rich Islamic heritage, embedded in us all since the Group was founded in 1979.

### Values

**Ihsan Al-Dhan:** Trusting – Trust others' intentions without doubting them

**Mu'azarah:** Caring – Provide support to our colleagues to enable their success

**Qabool:** Acceptance – Endure the views of others by going beyond tolerance or acceptance

**Iq'bal:** Approaching – Improve what we do by using what we have learned from interactions with others

We remain wholly committed to providing a working environment in which our people can thrive and excel through defined competencies. Our belief in supporting potential and driving capability is core to our philosophy of learning and self-advancement, providing professional development and personal growth. As one of the Kingdom's leading employers, throughout 2024 we remained dedicated to delivering the employee value proposition through People Pillars objectives from the Human Resources strategy.

### Our Core Competencies



#### Strategic Mindset

Seeing ahead to future possibilities and translating them into breakthrough strategies



#### Business Insight

Applying knowledge of business and the marketplace to advance the organization's goals



#### Manage Change & Innovation

Creating new and agile ways for the organization to be successful



#### Build Effective Teams

Building strong-identity teams that apply their diverse skills and perspectives to achieve common goals



#### Ensure Accountability

Holding self and others accountable to meet commitments



#### Organizational Savvy

Maneuvering comfortably through complex situations, and people-related organizational dynamics

## Our People continued

# Our People Pillars Program

Our People Pillars Program strengthens our reputation as a fair and ethical employer, reinforces our commitment to nationalization, and fosters an engaged workforce environment. By supporting productivity and embracing change, we aim to attract, retain, and motivate top talent in our industry, further embodying our mantra of 'Value Built on Values.'

It is essential to nurture potential, create opportunities, and drive the professional growth of our employees. We have consistently demonstrated that motivation, belief in others, and positive reinforcement are the most

powerful enablers of success. Moreover, by encouraging creativity and innovation, we are shaping a new generation of business leaders and strategists.

Our employee value proposition is centered around the four key elements of our People Pillars program. The program is designed to align our people initiatives with the goal of cultivating a uniquely rewarding culture and working experience while achieving our strategic objectives by attracting, retaining, and motivating the best talent in the market.

Additionally, the program focuses on developing a highly skilled workforce, strengthening our position as the employer of choice, complying with nationalization directives in our home market, and fostering a dynamic work environment that promotes productivity and embraces change.

In 2024, we remained committed to our People Pillars objectives, offering multiple channels for employee feedback—both formal and informal—to assess and monitor engagement levels and thoroughly analyze the results.



### Employee Engagement Pillar

Savola Group actively measures, benchmarks, and enhances employee engagement through its Tawer Employee Engagement Survey, conducted by the Great Place to Work Institute. This initiative has enabled us to identify areas for improvement, introduce targeted initiatives, and increase engagement levels from 78% in 2019 to 85% in 2024 — closely aligning with the KSA average of 90%. This progress reflects our commitment to continuous improvement and the ongoing enhancement of employee engagement, which plays a key role in driving organizational growth and success. We value employees' voices, with their feedback gathered voluntarily through periodic focus group meetings, ensuring their insights are at the heart of our efforts.

In 2024, Savola Group was certified as a 'Great Place to Work' for the fifth successive year. Notably, it was also certified for the first time in the Asia Region. The global awarding body focuses on recognizing outstanding high-trust, high-performing workplace cultures under the Employer of Choice category in the Middle East Region. As a crucial element in creating not only a working environment, but a sense of community, we continued to boost employee engagement with the Company's latest updates through Town Hall Meetings with the Group CEO. This straightforward yet impactful interaction brings together all members of our workforce, enhancing their sense of inclusion and involvement.



#### Tawer Survey Responses:

90%

of employees said they would strongly recommend Savola to friends and family as a great place to work.



86%

of employees agreed that Savola provides a psychologically and emotionally healthy work environment.



86%

of employees felt encouraged to maintain a healthy work-life balance.



87%

of employees expressed pride in the ways Savola contributes to the community.



## Our People continued

### Workplace Wellness Pillar

Savola made employee health a top priority across all levels aligning with our commitment to provide the best medical care to our employees. We signed an agreement with AlNahdi Clinic to continue providing exceptional medical support, including consultations, prescriptions, and weekly health check-ups at our HQ during office hours.

Additionally, we have renewed our collaboration with Bupa Medical Insurance, ensuring continued access to high-quality healthcare services and comprehensive coverage for our employees and their families.

Committed to providing our employees with quality healthcare coverage, we also operate health lounges staffed by specialized medical teams, offering primary healthcare assessments and seasonal influenza vaccinations. Prioritizing employee well-being remains at the core of our efforts to adopt a safe and supportive work environment. Additionally, Savola provided life insurance for employees to ensure financial support for their families in case of death or disability.

### Work-Life Balance Pillar

Our Tawer survey revealed that 86% of our employees feel encouraged to maintain a healthy work-life balance. We also achieved a 90% satisfaction rate regarding employees' enthusiasm to recommend the company as a great place to work. This year, we

further enhanced our offerings by continuing our partnership with local coffee shops, supporting Saudi startups while providing special discounts for Savola employees.

To enhance our work environment, especially for colleagues who are parents, we proudly continue to maintain our in-house daycare. Alongside the daycare, our female lounge remains an integral part of our commitment to creating a more attractive and supportive workplace for all.

With a renewed focus on family-friendly policies, we continue to foster a sense of connection and care by recognizing special personal events and distributing Eid and Ramadan gifts, strengthening our bond with employees.

### Cultural Improvements Pillar

We are deeply committed to being an equal and inclusive employer, meticulously ensuring compliance with both ethical and practical standards that define our role as a champion of employee rights. Our approach transcends traditional workplace boundaries, embracing diversity across gender, nationality, race, and physical capabilities.

We take immense pride in our "Mowaamah" Certificate, which represents our unwavering commitment to establishing the highest standards and practices for creating an inclusive work environment specifically designed to support employees with disabilities.

This recognition is not merely a badge, but a testament to our genuine organizational values.

As a concrete demonstration of our commitment, we have proactively facilitated targeted adjustments and modifications tailored to meet the unique and specific needs of our individual employees. Our efforts to enhance social interaction and networking have yielded remarkable results, reaffirming Savola Group as an enjoyable workplace. We've achieved this by creating opportunities for Group and OpCos employees to connect during international celebrations like Saudi National Day, and by organizing comprehensive family-oriented events such as school-year commencement activities featuring engaging competitions and attractive special offers.

We consistently provide employee recognition initiatives that acknowledge individual efforts and achievements, successfully attaining an 87% satisfaction rate of employees feeling recognized. Our approach includes special acknowledgments and rewards for employees who have demonstrated exceptional dedication to Savola Group's mission and values.

## An Employer of Choice in Our Sector

As we seek to preserve our position as one of the Kingdom's top employers of choice, we must continue to develop and assure our workers' job satisfaction.

Savola Group marked its 45th anniversary with a special offsite Annual Day event, celebrating its employees' dedication and achievements. The occasion fostered engagement by bringing together employees and their families in a memorable and appreciative gathering.

### Engagement Score

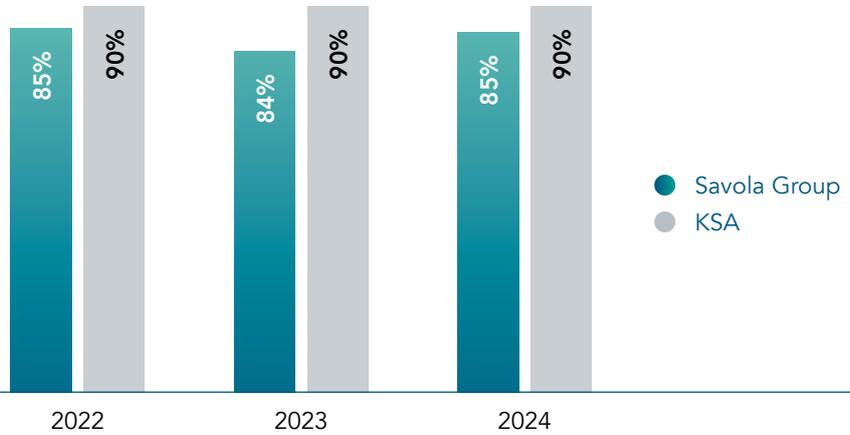
Through monitoring opinions and collecting feedback, our annual Tawer survey gauges employee engagement and provides a platform for our employees to share their perspectives with Savola's HR and senior management. In 2024, Savola Group scored 85% employee engagement with a 99% participant rate. This outstanding result confirms that we are achieving our goals of engagement and approval from the people who matter to us most and will ultimately drive our success and growth.

### Employee Benefits

We deeply understand that maintaining our workforce's quality, retaining exceptional talent, and attracting new professionals requires a comprehensive and thoughtful approach to employee benefits. Our strategy goes beyond standard compensation, focusing on creating a holistic rewards ecosystem that recognizes and appreciates our people's unique contributions and potential.



Savola Group scored 85% employee engagement with a 99% participant rate



### Supporting our People in Adverse Circumstances

Savola recognizes that employee support extends far beyond standard incentives and rewards, particularly during personal challenges and difficult moments. We understand that personal tragedies can have profound and devastating effects on individuals and their families. To mitigate these challenges, we offer life insurance to employees designed to provide practical aid in the event of death or disability, ensuring their families are supported during their most vulnerable times.

Our commitment to employee welfare is further demonstrated through the Taawoon Fund, a specialized financial support mechanism targeting junior staff experiencing financial hardships. Additionally, we provide a dedicated home loan scheme specifically tailored to support our Saudi employees, helping them achieve important personal milestones and financial stability. Savola's contribution fund, Taawoon Fund, is uniquely financed through voluntary monthly contributions from headquarters employees, complemented by an

annual contribution from the Board Chairman. In 2024, Savola successfully managed and supported 31 beneficiaries through the Taawoon Fund raised ₪ 382,410 of financial assistance.

### Training and Development

Since its founding 46 years ago, Savola Group has been deeply committed to investing in employee growth and supporting its long-term success through comprehensive training and development programs. By focusing on targeted initiatives and skill-building efforts, the company ensures its workforce is prepared to meet both current and future challenges. Succession planning is a key priority, with critical role development gaps being identified and addressed. The Group also emphasizes diversity and female empowerment, with 33% of successors in key roles being women, reflecting its commitment to inclusivity and gender equality in leadership.

To further these goals, Savola has introduced Individual Development Plans (IDPs) for its talent pool, yielding notable results, such as a 65%

promotion rate and an 84% retention rate. This initiative, in collaboration with PwC Academy, has been highly successful in nurturing internal talent and providing clear career progression opportunities. The annual Learning Needs Analysis is integral in identifying development gaps and planning for future growth, ensuring that key learning objectives are achieved. Additionally, Savola partners with prestigious institutions like INSEAD, CIPD, Leoron, The Financial Academy, Meirc, and the Hawkamah Institute to enhance both the technical and interpersonal skills of its employees, equipping them for the evolving demands of the business landscape.

### Performance and Career Development

At Savola, performance and career development are key components of the company's approach to employee growth. All Headquarters employees, including the Group CEO participated in performance and development reviews, ensuring a thorough and personalized career development process.

Through ongoing partnerships with prestigious institutions, Savola has enabled employees to earn certifications in their respective fields, achieving key learning objectives. The focus on enhancing both technical and interpersonal skills plays a crucial role in supporting employee growth and advancing their careers, aligning personal development with the company's strategic goals.

Savola continues to implement a periodic Compensation and Benefits Benchmark to enhance market competitiveness and attract top talent. Additionally, the Long-Term Incentive Plan (LTIP) remains in place to retain key talent in mission-critical roles and reward top executives for driving the Group's strategic objectives.

### **Strategic Succession Planning**

As a forward-thinking and ambitious organization, Savola remains committed to its long-term objectives, with succession planning being a core component of our future strategy. In the upcoming year, Savola Group will continue to prioritize employee growth and engagement through strategic initiatives aimed at enhancing career development, well-being, and workplace culture. Key initiatives include expanding targeted training programs to strengthen technical and leadership skills, advancing succession planning with a focus on diversity and female empowerment, and further improving employee well-being through enhanced health and wellness programs.

Our contingency plans ensure that top talent is prepared to seamlessly transition into leadership roles. To support this evolution, our intensive assessment center has developed tailored Individual Development Plans (IDPs), ensuring a continuous pipeline of world-class visionaries and future leaders. As a result, our IDPs have successfully identified four out of five exceptional individuals with the unique qualities needed to assume senior leadership positions.

### **Promoting Diversity and Inclusion**

At Savola, we have long embraced a culture of equality and inclusion, proudly positioning ourselves as an industry leader in diversity. Our practice of hiring candidates based on their skills and merits, regardless of gender, age, race, color, or religion, has helped foster a workforce grounded in respect, trust, and acceptance. Supported by our strong HR and governance frameworks, we ensure equal opportunities in every aspect of our business.

In line with our commitment to supporting and empowering women in the workforce, we have strengthened our efforts to increase female representation across Savola. Additionally, as part of our strategy to attract and retain female talent, we have created a female-only lounge to offer an exclusive, comfortable, and inviting space that reflects our support for Saudi Vision 2030 and the UN Sustainable Development Goals.

In 2024, the CSR and Environment Committees, comprised from the executive team at the Group and subsidiaries team, continued aligning their initiatives with Saudi Vision 2030 and the United Nations Sustainable Development Goals, reinforcing their focus on social responsibility, sustainability, and environmental impact.

### **Saudization**

As part of our ongoing commitment to the Saudi workforce, we are proud to announce that Savola Group successfully elevated its Saudization rate category from High Green to Platinum. This achievement highlights the wealth of local talent that supports Savola's position as an industry leader.

### **2025 Outlook**

Looking ahead, Savola Group remains dedicated to fostering employee engagement, professional development, and continuous workplace enhancement. Key initiatives include Recognition Programs to celebrate employee achievements, the implementation of a best fit operating model to optimize workforce efficiency, and comprehensive people strategies aimed at further strengthening our learning and development culture. Through these efforts, Savola continues to uphold its reputation as an employer of choice, ensuring that our people remain at the core of our ongoing success.

# Corporate Social Responsibility

Savola is committed to creating broad and lasting value for our stakeholders, throughout the Kingdom and round the world. To achieve this ambition, our sustainability strategy provides a clear roadmap for success, to be implemented across a wide range of areas, largely through the Savola World Foundation.

## Savola World Foundation

A game changer for corporate sustainability practice across the MENA region, the Savola World concept was created in 2017 to create value for Savola's stakeholders by promoting socially and environmentally responsible practices.

At the end of 2019, in alignment with international best practices in corporate foundations, Savola formalized the importance of sustainability and corporate social responsibility (CSR) by transforming At the end of 2019, in alignment with international best practices in corporate foundations, Savola formalized the importance of

sustainability and corporate social responsibility (CSR) by transforming Savola World from a department into a stand-alone non-profit foundation. This groundbreaking entity was established as a non-profit organization currently operates under the supervision of the National Center for Non-Profit Sector, and it has previously worked under the supervision of the Ministry of Human Resources and Social Development, since its establishment until the December 2022.

Funded by Savola and managed by a Board of Trustees, Savola World Foundation continues to grow and

diversify to maximize its impact. In close collaboration with a network of highly qualified experts, the foundation focuses on social awareness campaigns, coaching and consultancy and proposing solutions to social issues, provides training, and manages events.

Savola allocates an annual budget to fund and support the foundation. It will also seek funding to form partnerships with government and private sector entities to champion environmental, social and governance (ESG) objectives of Savola and the Kingdom, in line with the goals of Saudi Vision 2030.



### Key Activities and Achievements in 2024

#### 1) Participation in the CSR Global Forum and the CSR Award:

In October 2024, Savola World participated in the CSR Global Forum, which took place in Riyadh, under the Patronage of the Custodian of the Two Holy Mosques King Salman Bin Abdulaziz Al Saud. Savola World's Executive Director, took part in a panel discussion held on the second day of the forum, titled 'CSR in the Boardroom: Integrating Sustainability into Board Activities and Key Strategic and Ethical Considerations'. Dr. Bander shared his insight during the panel discussion, focused on the important role CSR is increasingly playing in the boardroom and in impacting business strategy. CSR in the boardroom involves embedding sustainability into the core activities and decision-making processes of a company's board of directors.

This integration is crucial for fostering long-term business success, enhancing stakeholder trust and addressing environmental and social challenges. More importantly, there are high expectations from consumers and customers to see a socially committed business with a clear mandate integrated into their core business. In essence, the discussion outlined the definition of CSR and the trends shaping that space.

As part of Savola's ongoing commitment to sustainability and maximizing impact through its CSR practices, the Group was honored with the CSR Award 2024 from the Ministry of Human Resources and Social Development. This recognition reflects the Group's dedication to creating a positive impact on both society and the environment.

#### 2) Sustainability Champions Program by the Ministry of Economy and Planning:

Savola signed the Sustainability Pledge as one of the (19) leading companies in sustainability in the Kingdom of Saudi Arabia and was selected as a champion in the Ministry of Economy and Planning's Sustainability Champions program.

This initiative aligns with the Kingdom's comprehensive approach to addressing environmental challenges and accelerating the transition to a green economy, in line with Saudi Vision 2030. Therefore, as a designated champion, Savola will contribute to supporting other companies in enhancing their sustainability practices, underscoring its leadership in integrating sustainability across its operations.

### Savola World: Focus Areas and Long-term Programs Portfolio

■ Pillar ■ Initiative

Environmental Sustainability	Human Empowerment	Business Development
<div style="display: flex; justify-content: space-between; align-items: center;">  <span>Negaderha</span> </div> <ul style="list-style-type: none"> <li>• Household Engagement</li> <li>• HORECA Engagement</li> <li>• Qadoor Initiative</li> </ul>	<div style="display: flex; justify-content: space-between; align-items: center;">  <span>Makeen</span> </div> <ul style="list-style-type: none"> <li>• Mentor and Buddy Initiative</li> <li>• Mowaamah Certificate</li> </ul> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 20px;">  <span>Ata'a</span> </div> <ul style="list-style-type: none"> <li>• Employee General Volunteering</li> <li>• Pro-Bono Volunteering</li> </ul>	<div style="display: flex; justify-content: space-between; align-items: center;">  <span>Yumnak</span> </div> <ul style="list-style-type: none"> <li>• Savola World Foundation's CSR Portfolio</li> </ul>

## Environmental Sustainability Pillar



**SAVOLA**  
WORLD

Negaderha

### Negaderha Program

#### 1) Negaderha all-year community awareness campaigns in 2024:

In 2024, the Negaderha program continued to deliver its impactful community awareness campaigns. Since the initiative aims to improve food consumption behavior among targeted groups, the campaigns were designed with intensive messages, practical tools and ideas suitable for various food-related seasons. These seasons included the holy month of Ramadan, Eid al-Adha, summer, back-to-school and social gatherings.

The Back to School campaign, following the virtual Negaderha campaign, organized a workshop/ masterclass at a Hyper Panda store in Jeddah in September 2024. This focused on strategic planning for school meals, emphasizing three main pillars: food portion planning, proper food storage, and preparing nutritious meals for children from leftovers. A chef and influencer, hosted the workshop, sharing comprehensive and practical solutions for preparing nutritious school meals for children while focusing on reducing food waste. The workshop was highly successful; over 200 enthusiastic participants engaged with the unique presentation and important topics covered.

The initiatives featured a variety of creative content and assets, including over 85 deliverables such as carousels, influencer collaborations, videos, key visuals, interactive stories, microsites, competitions and educational booklets.

Throughout the year, the Negaderha program successfully organized and executed its community awareness campaigns with several partners: Panda Retail Company, Grace Preservation, the United Nations Environment Program (UNEP), Recipe of Change and Tanmiah Food Company. These partners provided financial and logistical support, enhancing the value, reach and social impact of all schemes.

In 2024, the campaigns had collectively reached 5.9 million people across the Kingdom.

#### 2) Completion of Negaderha HORECA Food Waste and Loss study:

Negaderha aims to expand its efforts and initiatives to include the HORECA sector in KSA, as part of its ambitious plan to achieve a deeper and more widespread social impact at a national level. To achieve this, Negaderha conducted a national study to

establish the initial direction for the most effective social interventions to reduce food loss and waste in the HORECA sector. Five key stakeholder categories were involved in this study and valuable feedback and enriching discussions were gathered from experts through surveys, technical workshops and phone calls to collect the necessary information and data to support its objectives. The study provided valuable insight, a comprehensive outlook and key findings, making it the first of its kind in the industry in Saudi Arabia. This initiative will soon be translated into impactful national projects, in collaboration with the General Food Security Authority (GFSA).

#### 3) Hajj Without Waste 1445 H Initiative in association with Ita'am:

The Savola World Foundation, through the Negaderha program, has signed a strategic partnership agreement with the Saudi Food Bank Ita'am for the Hajj Without Waste initiative in its third season for the year 1445H/2024. The partnership aimed to promote a positive image among the pilgrims by spreading the culture of food preservation, ensuring the conservation of food resources, and raising awareness within the Islamic

### Performance summary of all campaigns implemented in 2024

Planned Target	Actual Achieved	Achievement (%)
Targeted reach - 4 million	<b>5.9 million</b>	<b>148%</b>
Targeted visits - 34 thousand	<b>49.6 thousand</b>	<b>146%</b>
Targeted booklet downloads - 17 thousand	<b>41 thousand</b>	<b>241%</b>
Targeted impressions - 5 million	<b>7.9 million</b>	<b>158%</b>

community during the Hajj season. This initiative aligns with Saudi Arabia's Vision 2030, which aims to enhance the Kingdom's long-standing role in welcoming pilgrims. The primary strategic goal is to increase the capacity to host more than 30 million pilgrims and Umrah performers, and to develop suitable strategies and initiatives to ensure a sustainable and safe Hajj for the pilgrims.

In its third season, the Hajj Without Waste initiative collaborated with Hajj and Umrah companies and catering services to prepare fresh meals and food items, including meat, fish, vegetables, fruits, dates, bakery

baskets and canned food. Through the initiative, 1,418,101 food units were preserved, with an estimated financial value of ₪ 15,638,543. The food aid and meals were distributed to social security beneficiaries, charitable organizations and residential complexes in need of support in the Makkah region.

#### **4) Inclusion of Negaderha program on the FAO website:**

The Food and Agriculture Organization of the United Nations (FAO) has included the Negaderha program on its official website as one of the most effective projects in food waste management in the Near East and North Africa (NENA) region. The

FAO launched the Food Loss and Waste Reduction (FLW) website in January 2024, which serves as a regional technical platform for measuring food loss and waste, sharing experiences, raising awareness and engaging with a wide range of stakeholders interested in the sustainability of the agri-food system, strategies and actions to reduce FLW in the NENA region. To view the website and the most impactful projects in the region, you can visit the link below.



<https://www.fao.org/platform-food-loss-waste/regions/neareast/en>



## Human Empowerment Pillar



**SAVOLA**  
WORLD

Makeen

### Makeen Program

#### 1) Training, empowerment and awareness

Raising the efforts of the Makeen Program to empower persons with disabilities continued diligently to provide appropriate and healthy work environments for employees with disabilities.

In this regard, Makeen presented 30 specialized workshops, titled the Mentor and Buddy system. These deal with people with disabilities, total accessibility, evacuation principles for people with disabilities, and other topics for many agencies and companies in the private, public and non-profit sectors; in 2024, the number of beneficiaries reached 765 people.

#### 2) Development of the Mentor and Buddy program into an e-learning system

To increase social impact and facilitate access to the largest possible number of beneficiaries, the Mentor and Buddy program has been developed to provide a comprehensive interactive learning experience and offers diverse paths to meet the needs of various roles. The program provides specialized training courses through an e-learning platform, covering aspects of integrating people with disabilities into the workplace, including the basics of inclusion, reasonable accommodations, human resources practices and guidelines for mentors and buddies.

#### 3) Savola signs MoU with Wasm Multiple Sclerosis Society

In a step towards a more inclusive society and, as part of its commitment to CSR, Savola, represented by the Group CEO, signed a memorandum of understanding (MoU) with the Wasm Multiple Sclerosis Society, represented by Executive Director, in November 2024, in Jeddah.

The MoU aims to launch innovative initiatives and programs to improve the quality of life for individuals with multiple sclerosis and their families. Specific objectives include:

- Raising awareness about multiple sclerosis among patients, their families and the general public to promote understanding and acceptance
- Delivering high-quality services and tailored programs to support individuals with multiple sclerosis
- Advocating for inclusive employment by encouraging public and private sector companies to hire individuals with multiple sclerosis and other disabilities
- Ensuring workplace support for individuals with multiple sclerosis, enabling them to perform their jobs effectively and with ease

#### 4) Savola World Foundation's participation in the 11th Global Business and Disability Network Conference (GBDN)

In reaffirmation of its firm commitment to supporting and empowering people with disabilities, the Savola World Foundation, represented by the Makeen program, participated in the 11th Global Business and Disability Network (GBDN) Conference, 'From Margin to Mainstream: Disability in Business, which was held in November 2024 in Geneva, Switzerland. The conference provided a platform for exchanging experiences and best practices in the field of integrating people with disabilities into the workplace and showcased the latest global and local initiatives. The Makeen program contributed to enriching the discussions and highlighting its distinguished experience in this field.

#### 5) Savola achieves Mowaamah Certification

Savola has achieved a significant milestone by obtaining Mowaamah certification, reaffirming its commitment to providing a supportive and enabling work environment for people with disabilities. Supported by the Makeen program, the Group has successfully implemented best practices in the field of disability inclusion, contributing to fostering a culture of inclusivity and diversity in the workplace. The Mowaamah certification granted to Savola by the Ministry of Human Resources and

Social Development is official recognition of its outstanding efforts in creating a comprehensive and supportive work environment for people with disabilities and confirms the Group's commitment to providing equal opportunities for all and applying best practices in the field of disability inclusion.

### 6) Celebrating the International Day of Persons with Disabilities

As part of the celebration of the International Day of Persons with Disabilities, the Makeen program conducted a workshop on December 2023, at the Irtiqa Forum organized by the Irtiqa Association for People with Disabilities. The workshop highlighted the best practices followed by Savola to integrate and empower people with disabilities in the labor market.

### 7) Participation in the Purple Saturday initiative

Savola's group of companies have affirmed their role as a key partner in empowering people with disabilities through their participation for the fourth year in the Purple Saturday initiative. Launched by the Authority of Care of People with Disabilities, in 2021, this initiative encourages the private sector to offer products and services that meet the needs of people with disabilities, aligning with the Kingdom's Vision 2030 aimed at improving the quality of life for people with disabilities in all aspects of life.

### 8) Makeen program's participation in developing Mowaamah certification standards

The Savola World Foundation, represented by the Makeen program, participated in a workshop to develop Mowaamah certification standards at the headquarters of the Qaderoon Network for Business and Disability in March 2024. The aim was to make the criteria suitable for various sectors and entities and align with international requirements, as well as to build indicators and evidence, and develop policies and procedures for the program with the goal of enhancing the level of service provision.

### 9) Collaboration with Saudi Aramco

In an effort to encourage initiatives supporting the employment of people with disabilities, a collaboration was established with the Human Resources department and the Inclusion and Integration department at Saudi Aramco in March 2024. The goal was to obtain job candidates with disabilities from the Makeen program in the fields of engineering, supply chain, information technology, graphic design and business administration. Resumes and proof of disability were sent for candidates to attend personal interviews and complete the recruitment process.

**SAVOLA**  
WORLD

Ata'a



### Ata'a Volunteering Program

The Ata'a program achieved significant milestones in fostering a culture of volunteering within Savola companies during the year. The initiative successfully developed and diversified volunteer programs, set ambitious goals and activated strong partnerships with universities, non-profit organizations and the private sector.

As a result of these efforts and since its launch, 184 employees participated in 411 volunteer hours, positively impacting the lives of 19,145 individuals in the community.

Volunteer hours:

**411**

Number of beneficiaries:

**19,145**

Number of volunteers:

**184**

### Ata'a program participation in the Alemni 3 volunteering initiative

In line with its objectives to promote volunteerism, Savola World Foundation, represented by the Ata'a program, participated in the Alemni 3 initiative organized by the Faisal Charitable Society for Women. The Ata'a program made valuable contributions to the interactive sessions held over three days in June 2024. During these sessions, several young men and women, as well as volunteer teams, were trained on a variety of volunteer skills.

## Business Development Pillar



### Yumnak Program

This year witnessed the conclusion of the second edition of the Yumnak program, which aims to develop businesses for small and medium enterprises in the food and retail sector. The competitive advantage of the Yumnak program lies in its focus on developing existing companies and raising their sales or obtaining investment, by providing guidance and mentoring to companies.

This second edition achieved great success, as more than 100 small and medium companies from various cities of the Kingdom applied for the program. After the competition among the qualified companies, only 10 companies were filtered and selected for the final stages of the program.

A collaboration event was organized with the aim of enhancing cooperation and innovation for qualified small and medium-sized companies and opening partnership opportunities for them with major companies in the food and retail sector in the Kingdom.

The Yumnak program achieved remarkable success, with participating companies securing investment rounds and funding totaling 31,928,967 through the signing of 17 strategic agreements.

The number of mentors and lecturers in the program reached 30 experts and speakers, and more than 38 workshops and 20 lectures were presented on topics such as financial and tax planning, e-marketing and financial modeling for small and medium-sized companies.

### Yumnak program's participation in external events

#### 1) Social Development Bank's Show Delni

The Yumnak program participated in the Show Delni event, hosted by the Social Development Bank in July 2024. Under the patronage of His Royal Highness Prince Saud bin Mishal bin Abdulaziz, Deputy Governor of the Makkah region, this event aimed to foster entrepreneurship and empower budding entrepreneurs by offering specialized consultations.

Yumnak's presence at the event provided a platform to increase the program's visibility and attract potential participants. Through its booth, valuable data was gathered from interested individuals looking to enroll in future batches, thereby ensuring the program's sustainability and expanding its reach.

The event brought together 200 consultants across 15 specialized fields, offering over 4,000 direct and specialized consultations to help entrepreneurs overcome challenges during the startup or operational phases.

#### 2) StartSmart 2024

In October 2024, Savola World Foundation solidified its commitment to social investment by forming a strategic partnership with Bab Rizq Jameel through the StartSmart 2024 competition on its 8th addition. The competition aims to promote social investment by encouraging innovative solutions and ideas within three key tracks: startups track, social enterprises track, and environmental track.

Savola World Foundation stood out in this partnership by serving as the awards presenter for the environmental track, highlighting its dedication to fostering innovation and advancing sustainable development goals. The competition focused on allocating the environment track to ideas with an environmental impact to participate in the competition.

Savola World also participated in the StartSmart 2024 forum through a Yumnak program booth, aimed at introducing the program and provided visitors with comprehensive information about the objectives and requirements, in addition to opening registration for the Yumnak's upcoming cohort. This participation offered visitors a valuable opportunity to learn more about the program and join its next intake.

#### 3) Biban Forum 2024

The 10th edition of the Biban Forum 2024, presented by Monsha'at, was a major event in the entrepreneurship sector. This global initiative aims to empower entrepreneurs in Saudi Arabia, both locally and internationally. The forum focused on various sectors including social entrepreneurship, environment, health, sports, culture, tourism and entertainment.

Bringing together over 250 local and international speakers, 1,350 exhibitors, and a distinguished audience of royalty, entrepreneurs, investors and policymakers, Biban 2024 served as a pivotal platform for boosting the SME sector. The forum offered entrepreneurs the opportunity to explore investment opportunities in Saudi Arabia, with over 150 enablers providing services such as financing, procedures and logistics. Additionally, more than 25,000 consulting, advisory and training sessions were held.

Held in November 2024, the goal of the forum is to inspire young people to enter the world of entrepreneurship, create a dynamic environment for building a local and global entrepreneurial network, and foster connections between investors and entrepreneurs to support innovative ideas. This aligns with Saudi Arabia's Vision 2030, which seeks to enhance the contribution of SMEs to the GDP.

Savola World Foundation's Yumnak program had a dedicated booth at the forum under the startup pavilion. Graduates from the first and second batches were able to showcase their projects, seek partnerships and investments, and expand their professional networks. This provided invaluable support to graduates in achieving their goals.

#### 4) Days of the College of Business Administration, University of Business and Technology

The University of Business and Technology in Jeddah, represented by the College of Business Administration, hosted the Days of the College of Business Administration event in November 2024. Under the patronage of the Chairman of the Board of Trustees, and the President of the University, the event brought together officials, stakeholders and entrepreneurship experts.

The event focused on bridging the gap between the academic and business worlds, with a core theme of Innovation, Technology and Sustainability. The program included interactive workshops led by over 40 experts, in collaboration with public and private sector partners, as well as non-profit organizations.

The purpose of this event is to support and empower students, graduates and innovative business professionals who seek to achieve success in the job market through pioneering steps in innovation, technology and sustainability.

Savola World Foundation participated in the event as a bronze sponsor through the Yumnak program. The foundation set up a dedicated booth to introduce the program to visitors and collect data from interested individuals for future enrollments.

**SAVOLA**  
WORLD



### Launch of Savola World Foundation's Social Responsibility Portfolio to Support Entrepreneurs and Startups

The Savola World Foundation signed an MOU with the Social Development Bank in May 2024, becoming the first non-profit organization to join the bank's social responsibility portfolio. This partnership aims to establish a sustainable funding program for entrepreneurs and startups in the food sector, with an initial allocation of ₪ 5 million.

The MOU outlines the management of these funds to support innovative ideas from entrepreneurs and startups in the food industry, thereby accelerating economic growth. This initiative is expected to play a pivotal role in the sustainability of the food sector in Saudi Arabia and creating a long-lasting developmental impact on both citizens and emerging entrepreneurial companies in the sector.

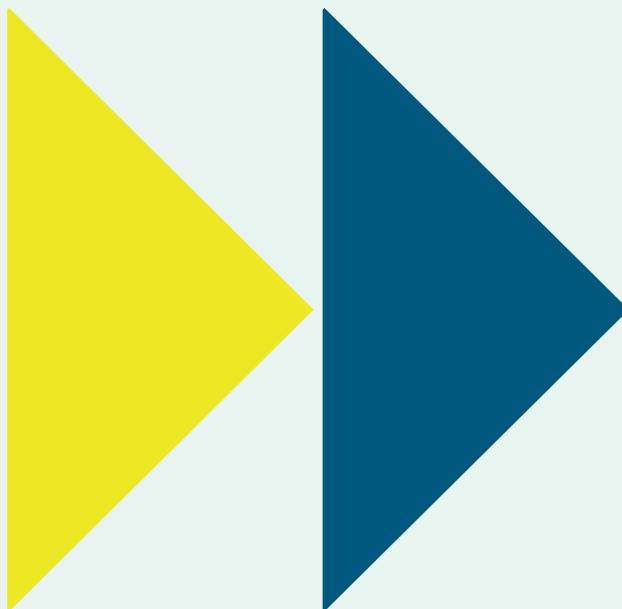
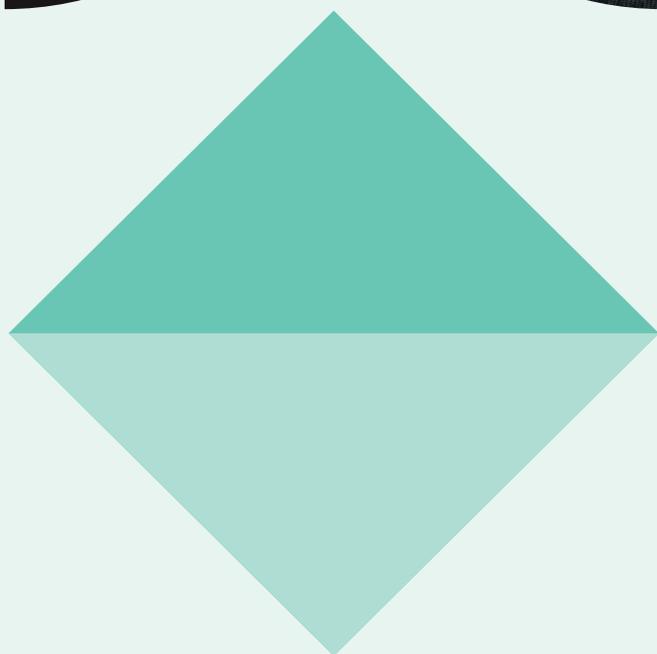
The partnership will facilitate access to financing for startups in the food sector across all regions of Saudi Arabia, enhancing the capabilities of beneficiaries through training and development programs and ultimately, contributing to job creation and boosting the GDP.

# Governance

## 05

---

- 96 Summary of CVs for Chairman and Board members and their classification
- 100 Summary of Executive Management CVs
- 104 Main Activities and Financial Disclosures
- 117 Compliance Report and Related Disclosures
- 138 Shareholders' Rights and Investor Relations
- 151 Audit Committee Report



## Summary of CVs for Chairman and Board members and their classification



**Mr. Sulaiman Abdulkadir Al Muhaidib**  
Board Chairman  
Non-Executive Member

**Current positions:** Chairman of the Board, Abdulkadir Al Muhaidib & Sons Co., Rafal Real Estate Co., Al Muhaidib Holding Co., Board member of many companies, among them are Almarai Co. Vision Invest and others

**Previous positions:** Chairman of the Board, Middle East Paper Co. (MEPCO), Chairman of the Board Al Oula for Real Estate Development Co., Thabat Construction Co., Amwal AlKhaleej Commercial Investment Co.

**Qualifications:** Second Class, Faculty of Medicines, King Saud University, KSA

**Experience:** Business, industrial and banking management, as well as investment management and real estate development and contracting. He also sits on a number of other Boards and committees



**Mr. Bader Abdullah Alissa**  
Board Vice-Chairman  
Non-Executive Member

**Current positions:** CEO of Assila Investments, Chairman of Savola Foods Co., Chairman of the Board of Taiba Investments Co., and Board member of several companies

**Previous positions:** Managing Director of Almarai, CFO of Assila Investments, CEO of Amias Holding, Investment Portfolio Manager at HSBC Saudi Arabia Limited, Financial and Marketing Analyst at SABIC Americas, and Financial Analyst at JP Morgan

**Qualifications:** Master's degree in Business Administration – Rice University, USA

Bachelor's Degree in Economics – University of Virginia, USA

Certified Financial Analyst (CFA)

**Experience:** Financial and administrative fields, portfolio management, studying and analyzing of listed companies. Sits on a number of other Boards and committees of listed and private companies



**Mr. Isam Majid Al Muhaidib**  
Non-Executive Board Member

**Current positions:** Senior Vice President of Industrial and Infrastructure Investments at Al Muhaidib Group

**Previous positions:** General Manager at Dar Al Marefa, General Manager at Giant Store, CEO at Giant Store

**Qualifications:** Bachelor and Master Specialization in Industrial Engineering, Texas University, USA

**Experience:** Experience in managing several companies in the retail, food and contracting field. He also sits on several other Boards



**Eng. Mutaz Qusai AlAzzawi**  
Non-Executive Board Member

**Current positions:** Managing Director of his Group of Companies, Chairman of Herfy Co., Chairman of Arabian Cement Co., Vice Chairman of Riyadh Bank, Chairman of Qatrana Cement, and member of the Board of Directors of Mobily, SICEP Co., and ST&T Company

**Previous positions:** Running his group of companies, Director of Merrill Lynch, KSA and other companies

**Qualifications:** Bachelor's degree in Computer Engineering, King Saud University, KSA

**Experience:** Investment, trade, financial markets, construction management, banking and M&A. Sits on a number of other Boards and committees



**Mr. Fahad Abdullah Al Kassim**  
Non-Executive Board Member

**Current positions:** Businessman, Chairman of Osool Integrated Property Co. and Liwan for Real Estate Development Co.; and Board Member of several listed, unlisted and family-owned companies.

Partner in Century 21 & Partner for Real Estate Appraisal Co. and Fahad Abdullah Al Kassim & Partners Chartered Accountants & Consultants.

**Previous positions:** CEO of Amwal Financial Consultants, General Manager of Othaim Trading Group, Managing Partner at KPMG International, and Executive Director at Dallah Hospital

**Qualifications:** Bachelor of Science degree in Management (Accounting major) – King Saud University, KSA. Management and Leadership Program – Oxford University, UK

**Experience:** Financial, administrative, real estate, auditing consultancy, executive management in a health institution, and retail and wholesale, and sits on other Boards and committees



**Mr. Ahmed Waza Al Qahtani**  
Non-Executive Board Member

**Current positions:** Hassana Investment Co. – Chief Investment Officer, Regional Markets

**Previous positions:** NCB Capital – Equity Research Analyst, HSBC Saudi Arabia – Senior Portfolio Manager

**Qualifications:** Bachelor's degree in Finance, King Fahad University of Petroleum and Minerals – KSA

**Experience:** Public financial markets, private equity, real estate, infrastructure, strategy development, financial and organizational restructuring

## Summary of CVs for Chairman and Board members and their classification (continued)



**Mr. Ahmad Abdulrahman Al Humaidan**  
Non-Executive Board Member

**Current positions:** Hassana Investment Company – Head of Regional Public Equity

**Previous positions:** HSBC Saudi Arabia – Equity Research Analyst, Hassana Investment Company – Portfolio Manager, Public Investment Fund – Portfolio Manager

**Qualifications:** Bachelor's degree in Finance, King Fahad University of Petroleum and Minerals – KSA. Certified Financial Analyst (CFA)

**Experience:** Equity portfolio management and business analysis in addition to Board memberships in listed and non-listed firms



**Mr. Rakan Abdulaziz Al Fadl**  
Independent Board Member

**Current positions:** Founder and Director of London Realty Limited, Executive Director and Board Member at Alfadl Group, Chairman of Awtad Real Estate Investment Company Limited, Chairman and CEO of Sahara Building Contractors, Board member and Investment Committee member at Alfadl Investments, and Board member and Investment Committee member at Alfadl Real Estate

**Previous positions:** Running his group of companies

**Qualifications:** Bachelor's degree in Finance and Economics – Babson College, USA

**Experience:** Several managerial and leadership positions and Board memberships in Al Fadl Group of Companies. Sits on a number of other Boards and committees



**Mr. Mohammed Ibrahim Alissa**  
Independent Board Member

**Current positions:** CFO of Assila Investments, and Board member of BlackRock Saudi Arabia and International Medical Center (IMC)

**Previous positions:** Head of Balance Sheet Management and Investment at Saudi British Bank (SABB), and member of the Board of Directors at Sukoon Real Estate Company, Al Aqeeq Real Estate Company, and Kinan International Real Estate Development

**Qualifications:** Bachelor's degree in Commerce, Finance – Sauder School of Business, University of British Columbia, Canada

**Experience:** Financial management, investments and financial markets



**Mr. Waled Abdullah Ghreri**  
Independent Board Member

**Current positions:** Board member (National Energy Services Company), Executive Committee member (National Energy Services Company), CEO (National Energy Services Company), Advisory Committee member (SABIC – Home of Innovation)

**Previous positions:** Deputy Director for Energy Services Company sector development (Saudi Energy Efficiency Program), Head of Public Equities (Saudi Aramco), Senior Financial Analyst (Saudi Aramco)

**Qualifications:** MBA (ESADE Business School) Spain, Bachelor's degree in Finance (Virginia Tech) USA

**Experience:** Business management, development of strategic plans, financial analysis, organizational change management, operational excellence, in addition to membership in several committees



**Mr. Bader Hamad Al Rabiah**  
Independent Board Member

**Current positions:** Chairman of Board of Al-Durra National Real Estate Co., Vice Chairman of Board and CEO of Noor Al-Salhiya Real Estate, Vice Chairman and Chairman of Audit Committee of Amar Finance and Leasing Co., Vice Chairman of Board and member of Executive Committee of Injazzat Real Estate Development Co., member of the Board and the Risk Management Committee of Mezzan Bank, Vice Chairman and Chairman of Audit Committee and member of the Risk Management Committee of Noor Financial Investment, and member of the Board at Dimah Capital Investment Company for providing large electronic money services, and member of the Board and Chairman of Audit Committee at Palms Agro Production Company, MIDCHEM in KSA, International Hotels Group in Jordan, and General Manager at Ikarus Real Estate in the UAE, Noor International Co. for buying and selling shares and bonds (Kuwait), Al Merqab Co. for buying and selling shares and bonds (Kuwait).

**Previous positions:** Supervisor of Real Estate Financing in Kuwait Finance House, Head of Real Estate Investment at Noor Financial Investment Company, Vice Chairman of Board and CEO of Al Manar Financing and Leasing Co.

**Qualifications:** Bachelor's degree in Accounting, Kuwait University, Kuwait

**Experience:** He has wide experience in business management, financial auditing, risk management and real estate investment. Also served as a member of Kuwait Association of Accountants and Auditors and Kuwait Economic Society

## Summary of Executive Management CVs



Mr. Waleed Khalid Fatani

**Current positions:** Savola Group CEO

**Previous positions:** CEO of Saudi Fransi Capital, and he worked as the Group Treasurer of Abdul Lateef Jamil and Capital Markets and Investment Advisor. He was also the General Manager of Deutsche Bank KSA. Additionally, he started his career with Banque Saudi Fransi in 1994, where he was the Head of Group Treasury and a member of several executive committees in charge of developing and following up the implementation of the Group's treasury strategy

**Qualifications:** Bachelor's degree of Science in Accounting from California State University, USA

**Experience:** He has over 30 years of banking, financial and investments experience, and his career has given him wide experience across a variety of business sectors and the financial services sector listed and non-listed firms



Mr. Sameh M. Hassan

**Current positions:** CEO of Savola Foods Company

**Previous positions:** Chief Portfolio Officer of Al Faisaliah Group, CEO of Saudi Tadawi Healthcare, Chief Operating Officer of Basamh Trading and Industries Group, preceded by several international positions in Procter & Gamble, in addition to being a Board member of a number of other companies

**Qualifications:** Bachelor's degree in Economics – American University, Egypt

**Experience:** Leadership, planning and management of foods and industrial multinational companies and other diverse sectors



Dr. Bander Talaat Hamooh

**Current positions:** CEO of Panda Retail Company

**Previous positions:** Director General at the Saudi Ministry of Health, Chief Executive Officer of Nahdi Medical Company, Scientific Office Manager of Merck & Co., and VP General Manager at GlaxoSmithKline

**Qualifications:** Bachelor's degree in Pharmaceutical Science – King Saud University, KSA

**Experience:** He has over 30 years of experience in numerous retails, pharmaceuticals, healthcare and FMCG leadership roles. In addition, he serves as a Board member for multiple public listed/semi-government and joint stock limited companies



Mr. Wajid Usman Khan

**Current positions:** Group Chief Financial Officer

**Previous positions:** CFO and Head of IT of Savola Foods Company, various other senior positions in Savola Group, including Executive Director Group Finance and Treasury, Executive Director Corporate Finance, Finance Director and Assistant General Manager Finance, Assurance, and Business Advisory at PricewaterhouseCoopers (PwC) in Saudi Arabia and Pakistan

**Qualifications:** Master's degree in Commerce – HEC, Pakistan  
Professional qualifications in Chartered Accountancy Fellow Member of Institute of Chartered Accountants of Pakistan Associate Member of Institute of Chartered Accountants of England and Wales, UK

**Experience:** Over 20 years of experience in financial management, corporate finance, strategy and digital transformation with Savola Group and its subsidiaries Member of Audit Committee in Panda Retail Company, Al Kabeer Group and Kinan International for Real Estate Development



Mr. Mohammad J. Nasr

**Current positions:** Group Chief Investment Officer

**Previous positions:** Various leadership positions in investment strategy and transactions across MENA, Europe and Asia in private equity, mergers and acquisitions, and consulting with leading global and regional companies such as Accenture, Credit Suisse, Gulf Capital and Al Mal Capital (an investments subsidiary of Dubai Investments PJSC)

**Qualifications:** Master's degree in Business Administration – London Business School, UK

Bachelor's degree in Industrial and Manufacturing Systems Engineering – Lehigh University, USA

**Experience:** Experience in investment and operational strategy leadership, deal origination, restructuring, M&A, managing investment portfolios and exit plans across several sectors

## Summary of Executive Management CVs (continued)



Mr. Elnour Ali Saad

**Current positions:** Group Chief Corporate Governance, Compliance, Legal Affairs Officer, and Board Secretary

**Previous positions:** Various senior positions in Savola Group including Executive Director of Corporate Governance, Compliance and Legal Affairs of the Group, Director of Corporate Governance and Board Affairs for Savola and its subsidiaries including the Food and Retail sectors, and Senior Manager of Corporates, Board Affairs and Corporate Communications

**Qualifications:** Master's degree in law (LLM) – University of Cumbria, UK

Bachelor and Master's degree in Business Administration (MBA) – Sudan University of Science and Technology (SUST), Sudan

Certificates in Corporate Governance, Compliance, Board and Committee Secretary from reputable regional institutions and certified trainer

**Experience:** He has vast and diversified experience in corporate governance, compliance, legal affairs, Board of Directors' affairs, project management, team leadership, investor relations, and shareholders' matters and corporate communications. Significant experience in providing corporate governance and legal consultations in CMA laws and regulations, companies' law, managing shareholders' meetings, preparing legal due diligence (LDD), annual reports and prospectuses for listed companies, as well as legal memorandums, reviewing contracts and agreements to define and mitigate risks, as well as following up

cases before judicial bodies through litigation, arbitration or amicable settlements



Mr. Morhaf Mohammed Alsamman

**Current positions:** Group Chief Human Resources Officer

**Previous positions:** Human Resources Executive Director and Head of Talent Acquisition for SavolaGroup, and various positions in local and multinational companies, including Emaar Economic City, NCB and Cristal Global

**Qualifications:** Certified Professional in Human Resources – Internationalism (PHRi) from the HR Certification Institute Master's degree in Business Information Technology from DePaul University in Chicago, USA Bachelor's degree in Management Information System from UBT, KSA

**Experience:** Over 15 years of experience in the field of HR management, mainly covering HR business partnerships, staffing and recruitment, organization development, performance management, training and development, Saudization programs and HR policies and procedures. Also, a member of Herfy's and Al Kabeer Group's Remuneration and Nomination Committee Group's Remuneration and Nomination Committee

## Internal Audit, Risk and CSR Team



Mr. Aly Assem Barakat

**Current positions:** Group Chief Audit Officer

**Previous positions:** Senior Manager at Abu Dhabi Accountability Authority, Manager at KPMG, and Manager at Ernst & Young (EY)

**Qualifications:** Bachelor's degree in Commerce (Accounting major English Section) – University of Helwan, Egypt  
Licensed Certified Public Accountant, USA Member of American Institute of Certified Public Accountants and Chartered Global Management Accountant Association

**Experience:** Over 30 years' experience in the financial sector field, internal controls, internal and external assurance, quality assurance, governance, enterprise risk management and compliance



Dr. Bandar S. Arab

**Current positions:** Executive Director, Savola World Foundation (a non-profit organization)

**Previous positions:** Executive Director of Initiatives and Partnerships in the Emirate of Makkah Al-Mukarramah and the Executive Director of the first Jeddah Season festival, Executive Director of Economic and Development Affairs, Executive Director of the Jeddah Center for Endowments and Social Responsibility, and Executive Director of the Small and Medium Enterprises Center at Jeddah Chamber of Commerce, Assistant CEO – Senior Director of Social Programs Al-Ahly Bank, Director of Business development at Prince Sultan Charitable Foundation, and GM Disabled Children Association Jeddah

**Qualifications:** DBA and MBA – Arab Academy for Science and Technology in Alexandria

Bachelor's degree in Political Science from King Abdulaziz University

**Experience:** 25 years of experience in the charitable, non-profit, private and government sectors, participated in several work teams in establishing departments, programs and events, governing and implementing them. An expert in strategic planning, managed and led many workshops for the government and non-profit sectors as an independent consultant to draw strategies, solve problems and measure work performance

# Main Activities and Financial Disclosures

## 1) The Group's Main Activities

The Group has a broad portfolio of activities. In the foods sector, this is mainly the production, marketing and distribution of edible oils, vegetable ghee, sugar, pasta, baked goods, specialty fats, seafood and frozen food, and manufacturer and distributor of branded healthy snacks, cooking ingredients and pulses. The retail sector operates a chain of retail outlets. Savola also has significant investments in leading Saudi non-listed and listed companies such as Herfy Food Services Co., and Al Kabeer Group, which operate in the food and beverages sector, and real estate development companies such as King Abdullah Economic City (Emaar) and Kinan International for Real Estate Development Co., as well as holdings in private equity funds.

During the year 2024, Savola Group distributed its entire stake in Almarai Company to Savola's eligible shareholders as disclosed on the Tadawul website, in addition to selling its entire businesses in the Islamic Republic of Iran, which was also announced on the Tadawul website.

Savola's subsidiaries, sister companies, investments, activities and country of incorporation as at 31 December 2024 are as follows.

No.	Company name	Country of incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
<b>1) Direct subsidiaries of the company</b>							
a) Operating subsidiaries							
1.	Savola Foods Co.	KSA	Foods	Holding company that manages investment in foods sector in KSA and overseas	100%	ﷲ 3,200,000,000	320,000,000
2.	Panda Retail Co. (Panda)	KSA	Retail	KSA and Egypt	100%	ﷲ 1,020,000,000	102,000,000
3.	Good Food Co. (GFC)	KSA	Holding company	KSA and some GCC countries	100%	ﷲ 531,600,000	53,160,000
4.	Al Matoun International for Real Estate Investment Holding Co.	KSA	Real estate	KSA	80%	ﷲ 100,000,000	100,000
5.	Herfy Food Services Co.	KSA	Restaurants and manufacturing bakery products	KSA, Bangladesh, Nigeria and some GCC countries	49%	ﷲ 646,800,000	64,680,000
b) Holding and dormant subsidiaries							
6.	Adeem Arabia Company	KSA	Holding company	KSA	100%	ﷲ 7,200,000	72,000
7.	Al Utur Arabian Co. for Commercial Investment	KSA	Holding company	KSA	100%	ﷲ 1,000,000	10,000
8.	Al Matana Holding Co.	KSA	Holding company	KSA	100%	ﷲ 92,326,900	9,232,690
9.	Madarek Investment Co.	Jordan	Holding company	Jordan	100%	JOD 1,000,000	1,000,000
10.	United Properties Development Co.	KSA	Dormant company	KSA	100%	ﷲ 4,000,000	400
<b>2) Al Matana Holding Company</b>							
a. Subsidiaries controlled through Al Matana Holding Company (% referred to Al Matana Holding Company direct and indirect ownership – Al Matana Holding Company is 100% owned by Savola Group)							
11.	SGC Ventures Limited	Cayman Islands	Holding company	Offshore company	100%	USD 50,000	50,000
12.	SGC Marketplace Venture	Cayman Islands	Holding company	Offshore company	100%	USD 50,000	50,000
13.	SGC Agric-tech Ventures	Cayman Islands	Holding company	Offshore company	100%	USD 50,000	50,000

No.	Company name	Country of incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
<b>3) Savola Foods Company (SFC)</b>							
<b>a. Subsidiaries controlled through SFC (% referred to SFC's direct and indirect ownership – SFC is 100% owned by Savola Group)</b>							
14.	Afia International Co. (AIC)	KSA	Manufacturing of edible oils	KSA, Egypt, Turkey, Jordan	95.19%	₺ 500,000,000	50,000,000
15.	Savola Industrial Investment Co. (SIIC)	KSA	Holding company	KSA	100%	₺ 205,907,000	205,907
16.	El Maleka for Food Industries Co.	Egypt	Manufacturing of pasta	Egypt	100%	EGP 288,898,960	28,889,896
17.	International Foods Industries Co.	KSA	Manufacturing of specialty fats	KSA	100%	₺ 107,000,000	10,700,000
18.	Snacking and Ingredients Food Holding Company Limited ("SIFCO")	UAE	Holding company	UAE	100%	USD 10,000	1,000
19.	Commodities Sourcing Company for Trading	KSA	Trading company	KSA	100%	₺ 5,000,000	500,000
20.	Seafood International Two FZCO	UAE	Seafood products trading and distribution	UAE	100%	AED 100,000	10
21.	Savola for Sustainable Industrial Development Co.	KSA	Renewable energy	KSA	100%	₺ 5,000,000	50,000
22.	Savola Foods Emerging Markets Co. (SFEM)	British Virgin Islands (BVI)	Holding company	Offshore company	95.43%	₺ 130,000,000	13,000,000
23.	Savola Foods for Sugar Co.	Cayman Islands	Holding company	Offshore company	95% (100% with Savola's direct ownership)	USD 50,000	5,000
24.	Savola Foods Company International Limited (SFCI)*	United Arab Emirates (UAE)	Holding company	UAE	100%	AED 500,000	500
25.	Seafood International Holding Co.	Cayman Islands	Holding company	Offshore company	100%	USD 10,000	10,000
26.	Al Maoun International Holding Co. (Al Maoun)	KSA	Holding company	KSA	100%	₺ 1,000,000	1,000
27.	Marasina International Real Estate Investment Co. (Marasina)	KSA	Holding company	KSA	100%	₺ 200,000	200
28.	Afia Foods Arabia Co.	KSA	Dormant company	KSA	100%	₺ 1,000,000	1,000
<b>b. Subsidiaries controlled through AIC (% referred to AIC's direct and indirect ownership; AIC is 95.19% owned by SFC)</b>							
29.	Kuğu Gıda Yatırım Ve Ticaret Anonim Şirketi (KUGU)	Turkey	Holding company	Turkey	100%	TRL 26,301,280	2,630,128
30.	Savola Foods Ltd. (SFL)	BVI	Holding company	Offshore company	100%	USD 52,000	52,000
31.	Inveskz Inc.	BVI	Holding company	Offshore company	90%	USD 138,847	138,847
32.	Aseel Food – Holding Co.	Cayman Islands	Holding company	Offshore company	100%	USD 50,000	50,000
33.	Afia International Co. – Jordan	Jordan	Dormant company (under liquidation)	Jordan and Levant	98.57%	JOD 8,000,000	8,000,000
34.	Afia Trading International	BVI	Dormant company	Offshore company	100%	USD 500,000	500,000
35.	Savola Foods International	BVI	Dormant company	Offshore company	100%	USD 50,000	50,000
<b>c. Subsidiaries controlled through SFL (% referred to SFL's ownership; SFL is 100% owned by AIC)</b>							
36.	Afia International Co. Egypt	Egypt	Manufacturing of edible oils	Egypt	99.95%	EGP 154,651,500	30,930,300
<b>d. Subsidiaries controlled through Afia International Co. Egypt (% referred to Afia International Co. Egypt ownership; Afia International Co. Egypt is 99.95% owned by SFL)</b>							
37.	Savola For Export and Import	Egypt	Trading and distribution	Egypt	49%	EGP 5,000,000	10,000
<b>e. Subsidiaries controlled through KUGU (% referred to KUGU's direct and indirect ownership; KUGU is 100% owned by AIC)</b>							
38.	Savola Gıda Sanayi ve Ticaret Anonim Şirketi	Turkey	Manufacturing of edible oils	Turkey	100%	TRL 4,433,569	443,356,900

## Main Activities and Financial Disclosures (continued)

No.	Company name	Country of incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
<b>f. Subsidiaries controlled through SIIC (% referred to SIIC's ownership; SIIC is 100% owned by SFC)</b>							
39.	United Sugar Co. (USC)	KSA	Manufacturing of sugar	KSA	74.48%	﷼ 395,000,000	39,500,000
<b>g. Subsidiaries controlled through USC (% referred to USC's direct and indirect ownership; USC is 74.48% owned by SIIC)</b>							
40.	United Sugar Co. – Egypt (USCE)	Egypt	Manufacturing of sugar	Egypt	39.73% (43.14% with Savola's direct ownership)	USD 138,851,128	17,733,222
41.	Alexandria Sugar Co. – Egypt (ASCE)	Egypt	Manufacturing of sugar	Egypt	62.13 % (70.86% including SFC %) and 73.41 with SGC ownership)	EGP 1,358,388,000	1,358,388
42.	Beet Sugar Industries	Cayman Islands	Dormant company	Offshore company	100%	USD 1,000	1,000
<b>h. Subsidiaries controlled through ASCE (% referred to ASCE ownership; ASCE is 71.66% owned by SGC directly and indirectly)</b>							
43.	Alexandria United Co. for Land Reclamation	Egypt	Agro cultivation	Egypt	100%	USD 22,500,000	225,000
<b>i. Subsidiaries controlled through SFEM (% referred to SFEM's direct and indirect ownership; SFEM is 95.4% owned by SFC)</b>							
44.	Afia International Co. – Algeria	Algeria	Manufacturing of edible oils	Algeria	100%	DZD 3,028,071,000	3,028,071
45.	Savola Edible Oils (Sudan) Co.	Sudan	Manufacturing of edible oils	Sudan	100%	SDG 45,800,000	45,800,000
<b>j. Subsidiaries controlled through Al Maoun and Marasina (% referred to Al Maoun and Marasina's ownership; both companies are 100% owned by SFC)</b>							
46.	Alofog Trading DMCC	UAE	Trading and distribution	UAE	100%	AED 2,000	50
<b>k. Subsidiaries controlled through SIFCO (% referred to SIFCO's ownership; SIFCO is 100% owned by SFC)</b>							
47.	Bayara Holding Limited	Cayman Islands	Holding company	Offshore company	100%	USD 137,500	13,750,000
48.	Bayara FZE	UAE	Holding company	UAE	100%	AED 5,000,000	5
49.	Savola Snacks	Egypt	Manufacturing of snacks	Egypt	100%	EGP 50,000,000	50,000
<b>l. Subsidiaries controlled through Bayara Holding Limited (% referred to Bayara Holding Limited ownership; Bayara Holding Limited is 100% owned by SIFCO)</b>							
50.	Kandoo Worldwide Limited	BVI	Managing trademark	Offshore company	100%	USD 50,000	50,000
<b>m. Subsidiaries controlled through Bayara FZE (% referred to Bayara FZE ownership; Bayara FZE is 100% owned by SIFCO)</b>							
51.	GYMA Food Industries	UAE	Processing spices, nuts and pulses	UAE	100%	AED 300,000	300
52.	Bayara Saudi Arabia Limited Group	KSA	Processing spices, nuts and pulses	KSA	100%	﷼ 3,000,000	3,000
53.	GYMA Trading LLC	UAE	Trading of spices, nuts and pulses	UAE	100%	AED 300,000	300
<b>n. Subsidiaries controlled through Seafood International Two FZCO (% referred to Seafood International Two FZCO ownership; Seafood International Two FZCO is 100% owned by SFC)</b>							
54.	Seafood International One FZCO	UAE	Seafood products trading and distribution	UAE	80%(100% with SFC ownership)	AED 100,000	100
<b>4) Panda Retail Co. (Panda)</b>							
<b>a. Subsidiaries controlled through Panda (% referred to Panda's direct and indirect ownership; Panda is 100% owned by Savola)</b>							
55.	Giant Stores Trading Ltd.	KSA	Retail	KSA	100%	﷼ 50,000,000	50,000
56.	Panda for Operations, Maintenance and Contracting Services Co.	KSA	Services and maintenance	KSA	100%	﷼ 500,000	500
57.	Panda International for Retail Trading	Egypt	Retail	Egypt	100%	EGP 50,000,000	50,000,000

No.	Company name	Country of incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
58.	Atabet Al Bab Communications and Information Technology LLC	KSA	Dormant company	KSA	100%	₹ 200,000	200,000
59.	Panda Bakeries Co.	KSA	Dormant company	KSA	100%	₹ 500,000	500
<b>b. Subsidiaries controlled through Giant Stores Trading Co. (% referred to Giant Stores Trading Co. Ownership; Giant Stores Trading Co. is 100% owned by Panda)</b>							
60.	Lebanese Sweets and Bakeries Ltd.	KSA	Dormant company	KSA	(99% with Savola Group direct ownership)	₹ 5,000,000	5,000
<b>5) Al Kabeer Group Companies</b>							
<b>a. Subsidiaries controlled through GFC (% referred to GFC's direct and indirect ownership; GFC is 100% owned by Savola Group)</b>							
61.	Variety Foods Factory Co.	KSA	Frozen food manufacturing	KSA	51%	₹ 5,000,000	5,000
62.	Al Ahsan Trading Co.	KSA	Trading and distribution	KSA	51%	₹ 27,000,000	27,000
63.	Al Helal for Import and Export Co.	Bahrain	Trading and distribution	Bahrain	51%	BHD 20,000	200
64.	Al Kabeer Holding Co.	UAE	Holding company	UAE	51%	USD 100	100
<b>b. Subsidiaries controlled through Al Kabeer Holding Co. (% referred to Al Kabeer Holding direct and indirect ownership; Al Kabeer Holding is 51% owned by GFC)</b>							
65.	Sahar Enterprises Co.	UAE	Trading and distribution	UAE	100%	AED 181,500,000	181,500
66.	Sahar Food Industries Co.	UAE	Frozen food manufacturing	UAE	100%	AED 300,000	300
67.	Best Foodstuff Trading Co.	UAE	Trading and distribution	UAE	100%	AED 3,000,000	3,000
68.	Cascade Investments Limited	UAE	Investment company	UAE	100%	USD 125,000	1,250
69.	Cascade Marine Foods Co.	UAE	Frozen food manufacturing	UAE	100%	AED 750,000	100
70.	Al Sabah Foodstuff Enterprises Co.	UAE	Trading and distribution	UAE	100%	AED 500,000	500
71.	Best Foods Co.	Oman	Food distribution	Oman	100%	OMR 150,000	150,000
<b>6) Investees (investments in sister companies)</b>							
72.	Kinan International for Real Estate Development Co.	KSA	Real estate development	KSA	29.99%	₹ 1,200,000,000	120,000,000
73.	Intaj Capital Ltd.	Republic of Tunisia (Tunisia)	Fund management	Tunisia	49%	USD 207,200,000	260,000
<b>7) Investments available for sale**</b>							
<b>Listed</b>							
74.	Emaar The Economic City	KSA	Real estate	KSA	0.87%	₹ 5,232,599,090	523,259,909
75.	Arab Phoenix Holdings Co.	Jordan	Real estate development	Jordan	5%	JOD 86,840,292	86,840,292
<b>Unlisted</b>							
76.	Joussor Holding Co.	KSA	Investment funds (under liquidation)	KSA	14.81%	₹ 600,000,000	60,000,000
77.	Swicorp Co.	KSA	Investment management	KSA	15%	₹ 500,000,000	50,000,000

\* The Company was sold in 2024 as part of Iran Operations Sale

\*\* As of 31 December 2024, certain shares of Almarai Company had been retained in connection with commitments pertaining to regulatory obligations and employee benefits.

# Main Activities and Financial Disclosures (continued)

## 2) Performance of the Group

### 2-1) Summary of the company's assets and liabilities and financial results for the last five years\*

#### a) Comparison of the company's financial results (₺ million)

Revenues		Net Profit	
2020	21,702	2020	911
2021	24,669	2021	222
2022	28,055	2022	743
2023	24,150	2023	899
2024	23,987	2024	9,974

Item (₺'000s)	2024**	2023**	2022	2021	2020
<b>Revenues</b>	<b>23,986,655</b>	<b>24,149,521</b>	<b>28,054,703</b>	<b>24,669,163</b>	<b>21,701,941</b>
Cost of revenues	(19,029,636)	(19,103,682)	(23,180,622)	(20,190,449)	(17,061,558)
Gross profit	4,957,019	5,045,839	4,874,081	4,478,714	4,640,383
<b>Net profit (loss)</b>	<b>9,974,266</b>	<b>899,185</b>	<b>742,752</b>	<b>221,879</b>	<b>910,802</b>

\*\*In line with International Financial Reporting Standards (IFRS), reported revenues exclude the results of divested businesses in Iran and discontinued operations in Sudan.

#### b) Comparison of the Company's assets and liabilities (₺ million):

Assets		Liabilities	
2020	27,058	2020	17,894
2021	28,546	2021	19,454
2022	29,565	2022	20,248
2023	29,937	2023	20,403
2024	21,394	2024	15,815

Item (₺'000s)	2024	2023	2022	2021	2020
Current assets	10,785,725	9,569,419	9,453,964	7,941,295	6,464,347
Non-current assets	10,608,517	20,367,719	20,110,684	20,604,624	20,594,037
<b>Total assets</b>	<b>21,394,242</b>	<b>29,937,138</b>	<b>29,564,648</b>	<b>28,545,919</b>	<b>27,058,384</b>
Current liabilities	11,590,016	11,553,268	11,644,462	9,458,120	8,183,856
Non-current liabilities	4,225,163	8,849,350	8,603,493	9,995,986	9,709,974
<b>Total liabilities</b>	<b>15,815,179</b>	<b>20,402,618</b>	<b>20,247,955</b>	<b>19,454,106</b>	<b>17,893,830</b>

\* Certain comparative amounts have been reclassified to conform to the current year's presentation and accounting requirements.

## 2-2) Geographical analysis of the company's and its subsidiary revenues

Below is the Group's consolidated revenue for 2024 compared to the previous year business-wise (edible oils and vegetable ghee, sugar and sweeteners, pasta, seafood, frozen food, retail sector, fast food, specialty fats and healthy snacks (raw and roasted nuts, dates, seeds, dried fruits and confectionery) and cooking ingredients (herbs, spices and pulses), including geographical analysis based on availability of brands and products in countries.

Business line/country	Brands	2024**** (S'000s)	2023**** (S'000s)
<b>Edible oil and vegetable ghee</b>			
KSA and GCC	Afia, Al Arabi, Olite, Shams, Halah, Dalal, Nakeel, Leeza, Nisreen, Zahrati, Sunvita, Baytuati, Zaitoni, Tah	2,544,412	2,917,101
Egypt and Levant	Rawabi, Afia, Ganna, Slite, Helwa, Hanadi, Shams Eldahabia, Bent El Balad, Tah, Ganna Mix	2,663,060	2,869,882
Central Asia*	Ladan, Aftab, Bahar Almas, Afia	961,167	2,274,478
Sudan**	Al Tayeb, Sabah, Shams, Zaki	61,953	148,900
Morocco***	Afia, Hala	0	118,373
Turkey	Yudum, Sirma, Afia, Yudum Egemden, Cielo, Brillo	819,307	777,266
Algeria	Afia, Oleor, Afia Olive Oil	641,500	615,898
<b>Total edible oil and vegetable ghee revenues</b>		<b>7,691,399</b>	<b>9,721,898</b>
<b>Sugar and sweeteners</b>			
KSA and GCC	Al Osra, Ziadah, Safaa, Nehar, Hala Sweeva, Sweet & Fit, Saudi Sugar	3,159,967	2,957,707
Egypt	Al Osra	483,579	644,683
<b>Total sugar and sweeteners revenues</b>		<b>3,643,546</b>	<b>3,602,390</b>
Total pasta products – Egypt	El Maleka, Macaronto, Italiano	528,399	548,632
Total seafood products – KSA, GCC, Egypt, Central Asia*, and Algeria	Sahel, Ladan Gold, Afia, Leeza	165,961	158,070
Total baked food products – Central Asia*	Pech-Pech, Happy	156,750	97,382
Total specialty fats and margarine – KSA, Turkey and Egypt	Fonta, Culina, Savola Professional, AlTahi, Margarina, Vala, Sava, Tah	472,021	412,384
Healthy snacks and spices – KSA and GCC	Bayara, Afia, Bayara world (retail stores), Shams, Munch box	623,184	524,576
Revenues from Discontinued Operations		(1,337,514)	(2,668,796)
<b>Total foods revenues</b>		<b>11,943,746</b>	<b>12,396,536</b>
<b>Retail</b>			
KSA	Hyper Panda, Panda Supermarket	10,455,352	10,168,903
Egypt	Panda Supermarket	169,301	162,474
<b>Total retail revenues</b>		<b>10,624,653</b>	<b>10,331,377</b>
<b>Fast food</b>			
Fast food and restaurants – KSA	Herfy, Doka	1,124,769	1,173,696
<b>Total fast food and restaurants</b>		<b>1,124,769</b>	<b>1,173,696</b>
<b>Frozen food products</b>			
KSA and GCC	Al Kabeer, Tayebat Al Emarat, Tabarruk	760,241	714,072
<b>Total frozen food products Others</b>		<b>760,241</b>	<b>714,072</b>
Real estate – KSA		28,330	29,557
Total other activities revenues		28,330	29,557
Gross revenues		24,481,739	24,645,238
Consolidated intercompany elimination		(495,083)	(495,717)
<b>Total revenues including discontinued operations</b>		<b>25,324,169</b>	<b>26,818,317</b>
<b>Total revenues</b>		<b>23,986,655</b>	<b>24,149,521</b>

\* The entire Center Asia businesses were sold on 31 December 2024

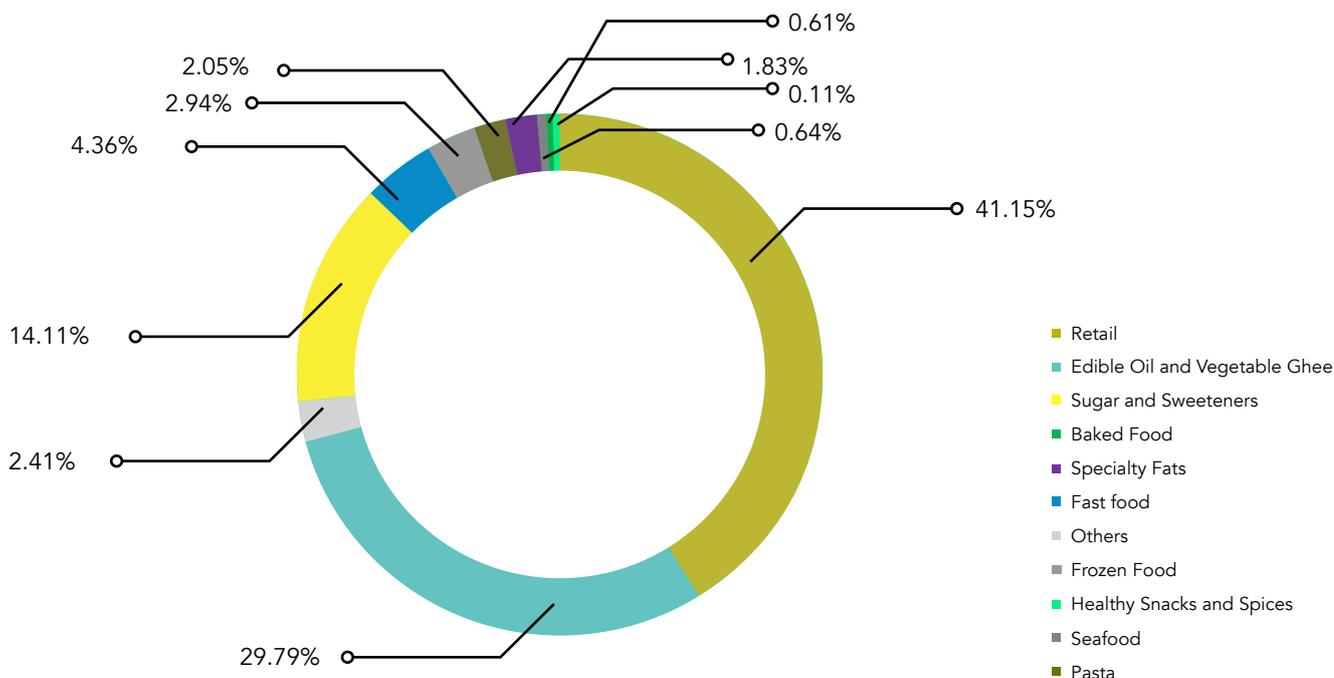
\*\* The operations in Republic of Sudan were abandoned as of December 2024 owing to the ongoing conflict

\*\*\* In 2023, Savola sold its entire businesses in Morocco

\*\*\*\*In line with International Financial Reporting Standards (IFRS), reported revenues exclude the results of divested businesses in Iran and discontinued operations in Sudan

## Main Activities and Financial Disclosures (continued)

Breakdown of sector and main Group activity contributions to 2024 consolidated revenues\*



\* Consolidated Gross Revenue before intercompany elimination and discontinued operations.

### 2-3) Statement of any material differences in the operational results compared to the preceding year's results

Income statement	2024 (₹'000s)	2023 (₹'000s)	Variance (+) or (-) (₹'000s)	Variance %
Revenues	23,986,655	24,149,521	(162,866)	-0.7%
Cost of revenues	(19,029,636)	(19,103,682)	74,046	-0.4%
Gross profit	4,957,019	5,045,839	(88,820)	-1.8%
Operational revenues – other	808,635	718,813	89,822	12.5%
Operational expenses – other	(4,310,974)	(3,702,726)	(608,248)	16.4%
Operational profit	1,454,680	2,061,926	(607,246)	-29.5%

Declaration: The company did not announce any financial expectations during 2024.

#### The reasons for the change in net profit for 2024 compared to last year

The Group recorded net profit for the year ended 31 December 2024 amounting to ₹ 10 billion versus net profit of ₹ 899 million in the prior year. The increase in net profit is mainly attributed to the following:

- Distribution of Savola Group Company's entire 34.52% stake in Almarai Company (Almarai) to eligible shareholders, resulting in a net gain of ₹ 11.3 billion.
- Retail segment's improved performance, with net profit rising from ₹ 47 million in 2023 to ₹ 154 million in 2024, mainly as a result of the favorable impact of the CXR program and an expanded store footprint.
- One-off recorded in the Food Processing segment in Q3 2024, related to a custom duty refund from the regulatory authority in Saudi Arabia, with a net impact of ₹ 19.4 million.
- Higher share of profits from associates.

The increase in net profit is despite the following:

- Decrease in net profit of the Food Processing segment by ₪ 2.1 billion. The Food Processing segment was impacted by:
  - One-off loss related to divestment of businesses in Iran amounting to ₪ 1.5 billion, comprising of ₪ 0.3 billion recorded to retained earnings, and remaining net impact of discontinued operation amounting to ₪ 1.1 billion adjusted for ₪ 98 million operating profit after tax.
  - One-off loss related to discontinued operations in Sudan amounting to ₪ 0.3 billion.
  - One-off related to impact on derecognition of associate investment in United Sugar Company, Egypt amounting to ₪ 139 million, of which ₪ 97.2 million was recorded in the Food Processing segment.
  - Net impairment charge of ₪ 310.8 million in 2024, compared to a net impairment reversal of ₪ 65.5 million in 2023 for certain non-current assets.
  - Foreign exchange losses of ₪ 109 million owing to the devaluation of the Egyptian Pound during Q1 2024 and a ₪ 29 million charge related to a startup asset under Munchbox brand.
  - Absence of one-off gains recorded in 2023 that comprise: (i) capital gain amounting to ₪ 18.5 million on the disposal of investment in Savola Morocco Company, and (ii) refund of custom duty from regulatory authority in KSA having a net impact of ₪ 23.3 million.
- Decline in the Food Services segment's (Herfy) performance, moving from a net profit of ₪ 8 million in 2023 to a net loss of ₪ 117 million in 2024.
- Net impairment charge of ₪ 79.6 million in 2024 for certain non-current assets, primarily in the Retail and Frozen Food segments, compared to a net impairment reversal of ₪ 46.4 million in 2023, for certain non-current assets mainly in the Retail segment.
- Higher operating expenses.
- Higher net finance costs owing to higher financial charges in overseas market in Food Processing, including a ₪ 20 million premium incurred to buy back and cancel the company's entire ₪ 1 billion Sukuk facility.
- Higher zakat and income tax expense due to higher net profit.

#### 2-4) Details of long and short-term loans and payment status

Savola has a long-standing policy to adopt Shariah-compliant financial transactions whenever possible. Accordingly, all Group loans and deposits within Saudi Arabia are Shariah-compliant, as well as some arranged by overseas subsidiaries.

As part of the Group's efforts to optimize the capital structure and reduce financial liabilities and financing costs, Savola Group in Q4 2024 redeemed the entire Sukuk issued on 09 July 2019, amounting to ₪ 1 billion and maturing on 09 July 2026, by repurchasing and canceling them, according to the terms and conditions of these Sukuk. As for some loans outside the Kingdom, they are subject to the structure and policies followed in those countries, which may differ from what is prevailing and applied in the Kingdom.

The total financing expenditure from continuing operations on loans and other debts during the year 2024 from commercial banks and financial institutions (short and long-term) according to the prevailing market rates amounted to ₪ 662 million compared to ₪ 601 million for the previous year. The Group has repaid a large part of its debts during the year 2024 using the proceeds of the rights issue of ₪ 6 billion, as disclosed in this regard.

With regard to loan guarantees granted by the Group to its subsidiaries (see table below), the Group usually signs promissory notes as a guarantee to its own loans and a corporate guarantee for some of its subsidiaries' loans, according to the requirements of the lending banks or financial institutions.

## Main Activities and Financial Disclosures (continued)

Details of long-term and short-term loans of the Group and its subsidiaries obtained in the normal course of business are as follows.

### a) Long-term loans of the Group and its subsidiaries, and their payment status as at 31 December 2024 (€'000s)

No.	Borrowing company	Lender	Loan period	Date issued	Original amount	Amount paid in 2024	Balance Dec 2024	Balance Dec 2023
1.	<b>Savola Group Co.</b>	Bank Al Jazira	7 years	Nov 2018	300,000	100,000	-	100,000
		Bank Al Jazira	7 years	Dec 2019	500,000	500,000	-	500,000
		Bank Al Jazira	7 years	Dec 2021	75,000	75,000	-	75,000
		Bank Al Jazira	7 years	Feb 2022	200,000	200,000	-	200,000
		Saudi Awwal Bank	7 years	Feb 2019	800,000	297,000	-	297,000
		Saudi Awwal Bank	7 years	Feb 2022	100,000	100,000	-	100,000
		Al Rajhi Bank	7 years	Dec 2021	125,000	125,000	-	125,000
		Saudi Fransi Bank	7 years	Dec 2021	200,000	200,000	-	200,000
		Saudi Fransi Bank	7 years	Feb 2022	300,000	300,000	-	300,000
		Riyad Bank	5 years	Feb 2022	150,000	130,000	-	130,000
		Saudi National Bank	5 years	Sep 2023	1,000,000	1,000,000	-	1,000,000
		Sukuk	7 years	Jul 2019	1,000,000	1,000,000	-	1,000,000
		<b>SAVOLA GROUP</b>					-	<b>4,027,000</b>
2.	AFIA International Co.	Saudi Industrial Development Fund	2 years	Jan 2024	150,000	37,500	112,500	-
	Afia Intl. Co. – Egypt*	National Bank of Kuwait	5 years	Jan 2019	16,000	1,329	-	1,329
		<b>AFIA INTERNATIONAL CO.</b>					<b>112,500</b>	<b>1,329</b>
3.	Savola Foods Co.	Al Rajhi Bank	7 years	Dec 2021	175,000	40,000	-	40,000
		Bank Al Jazira	7 years	Dec 2021	300,000	300,000	-	300,000
		Saudi Fransi Bank	7 years	Nov 2021	300,000	300,000	-	300,000
		Saudi Awwal Bank	7 years	Dec 2021	200,000	200,000	-	200,000
		<b>SAVOLA FOODS CO.</b>					-	<b>840,000</b>
4.	El Maleka for Food Industries Co.*	National Bank of Kuwait	5.3 years	Dec-18	28,173	1,098	-	2,394
		<b>EL MALEKA FOR FOOD INDUSTRIES CO.</b>					-	<b>2,394</b>
5.	Alexandria Sugar Co.*	Commercial International Bank	13 years	Mar 2010	529,937	11,709	-	11,863
	United Sugar Co.	Saudi Industrial Development Fund	2 years	Dec 2023	150,000	37,500	112,500	150,000
		<b>SAVOLA INDUSTRIAL INVESTMENT CO.</b>					<b>112,500</b>	<b>161,863</b>
6.	Savola Snacks*	National Bank of Kuwait	7 years	May 2022	84,444	1,793	33,880	55,062
		<b>SAVOLA SNACKS</b>					<b>33,880</b>	<b>55,062</b>
		<b>TOTAL LONG-TERM LOANS</b>					<b>258,880</b>	<b>5,087,648</b>

\*December 2024 loan value changed owing to currency effect

**b) Short-term loans of the Group and its subsidiaries, and their payment status as at 31 December 2024**  
(€'000s)

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2024	Balance Dec 2023
1.	Savola Group Co. <b>SAVOLA GROUP</b>				-	<b>880,000</b>
2.	Panda Retail Co. <b>PANDA RETAIL COMPANY</b>				-	<b>100,000</b>
3.	Afia International Co.	Saudi Awwal Bank	1 month	Dec 2024	260,000	
		Arab National Bank	1 month	Dec 2024	260,000	
		Arab National Bank	1 month	Dec 2024	190,000	
		Arab National Bank	1 month	Dec 2024	180,000	
		Al Rajhi Bank	1 month	Dec 2024	120,000	
		Al Rajhi Bank	1 month	Dec 2024	80,000	
		Qatar National Bank	1 month	Dec 2024	70,000	
4.	Afia International Co. - Egypt	Hongkong and Shanghai Banking Corp.	6 months	Dec 2024	61,473	
		First Abu Dhabi Bank	6 months	Dec 2024	184,457	
		Commercial International Bank	6 months	Dec 2024	25,435	
		National Bank of Kuwait	6 months	Dec 2024	132,853	
		Qatar National Bank	6 months	Dec 2024	29,279	
		European Bank for Reconstruction and Development	12 months	Dec 2024	75,087	
		Emirates NBD	2 months	Dec 2024	31,787	
		National Bank of Egypt	3 months	Dec 2024	8,682	
		Mashreq Bank	3 months	Dec 2024	26,091	
		FABMISR	3 months	Dec 2024	7,705	
		Attijariwafa Bank	2 months	Dec 2024	14,324	
5.	Savola Gida Sanayi Ve Ticaret AS	Hongkong and Shanghai Banking Corp.	9 months	Apr 2024	8,250	
		Hongkong and Shanghai Banking Corp.	8 months	May 2024	3,750	
		Hongkong and Shanghai Banking Corp.	8 months	May 2024	7,398	
		Hongkong and Shanghai Banking Corp.	8 months	May 2024	102	
		Hongkong and Shanghai Banking Corp.	8 months	May 2024	3,750	
		Hongkong and Shanghai Banking Corp.	6 months	Jul 2024	1,973	
		Hongkong and Shanghai Banking Corp.	6 months	Jul 2024	8,517	
		Hongkong and Shanghai Banking Corp.	6 months	Sep 2024	7,452	
		Hongkong and Shanghai Banking Corp.	6 months	Sep 2024	11,014	
		Hongkong and Shanghai Banking Corp.	12 months	May 2024	5,625	
		European Bank for Reconstruction and Development	8 months	Jul 2024	56,580	
		QNB Finansbank	12 months	Aug 2024	13,840	
		QNB Finansbank	12 months	Sep 2024	2,875	
		QNB Factoring	3 months	Dec 2024	15,970	
		Ziraat Bankasi	12 months	Jun 2024	2,662	
		Ziraat Bankasi	12 months	Sep 2024	2,662	
		Turkiye Finans	4 months	Nov 2024	12,776	

## Main Activities and Financial Disclosures (continued)

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2024	Balance Dec 2023
		Turkiye Finans	3 months	Nov 2024	10,646	
		Turkiye Finans	3 months	Dec 2024	31,939	
		Turkiye Finans	12 months	May 2024	10,500	
		ISBANK	12 months	May 2024	11,250	
	<b>AFIA INTERNATIONAL CO.</b>				<b>1,986,704</b>	<b>1,658,477</b>
6.	Savola Foods Co.	Saudi Awwal Bank	1 month	Dec 2024	350,000	
		Saudi Awwal Bank	1 month	Dec 2024	90,000	
		Al Rajhi Bank	1 month	Dec 2024	100,000	
		Al Rajhi Bank	1 month	Dec 2024	100,000	
	<b>SAVOLA FOODS CO.</b>				<b>640,000</b>	<b>530,000</b>
7.	Savola Edible Oil Ltd. - Sudan	United Capital Bank	8 months	Nov 2024	1,335	
		Bank of Khartoum	8 months	Oct 2024	249	
		Bank of Khartoum	8 months	Nov 2024	1,742	
		Bank of Khartoum	8 months	Jan 2024	2,770	
		Bank of Khartoum	8 months	Sep 2024	18	
		United Capital Bank	8 months	Sep 2024	6	
		Alkhaleej Bank	12 months	Jan 2024	3,424	
		Omdurman National Bank	12 months	Mar 2024	295	
		Qatar National Bank	12 months	Mar 2024	993	
		Bank Of Khartoum	12 months	Dec 2024	960	
		Bank Of Khartoum	12 months	Dec 2024	991	
		United Capital Bank	12 months	Oct 2024	979	
		United Capital Bank	12 months	Oct 2024	707	
		United Capital Bank	12 months	Dec 2024	615	
		Arab Sudanese Bank	12 months	Dec 2024	191	
8.	Afia International Co. - Algeria	Societe Generale Algerie	6 months	Nov 2024	67,811	
		Arab Bank	6 months	Nov 2024	20,660	
		Hongkong and Shanghai Banking Corp.	6 months	Dec 2024	36,683	
	<b>SAVOLA FOODS EMERGING CO.</b>				<b>140,429</b>	<b>91,873</b>
9.	El Maleka For food Industries Co.	Emirates NBD	6 months	Sep 2024	6,097	
		National Bank of Kuwait	6 months	Sep 2024	43,267	
		EBE Bank	6 months	Sep 2024	7,992	
		Qatar National Bank	6 months	Sep 2024	9,928	
		Commercial International Bank	6 months	Sep 2024	13,672	
	<b>EL MALEKA FOR FOOD INDUSTRIES CO.</b>				<b>80,956</b>	<b>79,556</b>
10.	United Sugar Co. - Egypt	Commercial International Bank	10 months	Nov 2024	130,872	
11.	Alexandria Sugar Co.	Commercial International Bank	5 months	Dec 2024	1,869	
		Attijariwafa Bank	1 month	Dec 2024	10,173	
	<b>SAVOLA INDUSTRIAL INVESTMENT CO.</b>				<b>142,914</b>	<b>56,468</b>
12.	Seafood International Two FZCO	Arab Banking Corporation	6 months	Dec 2024	2,284	
		Arab Banking Corporation	5 months	Aug 2024	7,033	
		Arab Banking Corporation	5 months	Aug 2024	2,005	
		Arab Banking Corporation	6 months	Nov 2024	4,224	
		Arab Banking Corporation	6 months	Nov 2024	10,512	
		Arab Banking Corporation	6 months	Nov 2024	11,274	
		Arab Banking Corporation	6 months	Jul 2024	18,750	
	<b>SEAFOOD INTERNATIONAL TWO FZCO</b>				<b>56,082</b>	<b>77,945</b>

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2024	Balance Dec 2023
13.	GYMA Food Industries LLC	First Abu Dhabi Bank	4 months	Oct 2024	494	
		First Abu Dhabi Bank	4 months	Nov 2024	11,982	
		First Abu Dhabi Bank	4 months	Dec 2024	12,275	
<b>SNACKING AND INGREDIENTS FOOD HOLDING CO.</b>					<b>24,751</b>	<b>-</b>
14.	Sahar Enterprises LLC	National Bank of Fujairah	3-4 months	Dec 2024	8,391	
		Habib Bank AG Zurich	3-4 months	Dec 2024	10,644	
		First Abu Dhabi Bank	3-4 months	Dec 2024	22,608	
		Hongkong and Shanghai Banking Corp.	3-4 months	Dec 2024	4,312	
<b>GOOD FOOD CO.</b>					<b>45,955</b>	<b>10,583</b>
15.	HERFY FOOD SERVICES CO.					
	<b>Herfy Food Services Co.</b>				<b>-</b>	<b>15,155</b>
<b>TOTAL SHORT-TERM BORROWING</b>					<b>3,117,791</b>	<b>3,500,056</b>

## 2-5) Summary of payments made and due to the government (in ₪'000s)

No.	Item (payments)	Paid during 2024	Due until the end of the financial period but not paid	Description	Reasons/Justifications
1.	Customs duties	445,829	72	-	
2.	Zakat	95,807	77,184	-	
3.	Income tax and withholding tax	93,749	63,810	Income and withholding tax	
4.	GOSI (for KSA) and social insurance (for outside KSA)	160,183	14,882	Employees' GOSI and social insurance	According to the requirements of the laws and applicable regulations
5.	Visas and passport office fees	61,197	331	Iqama renewal, exit and re-entry visas	
6.	Labor office fees	98,596	3,572	Work permits and Iqama renewal	
7.	Other duties and government levies	52,584	13,207	License fees and other fees	

## Main Activities and Financial Disclosures (continued)

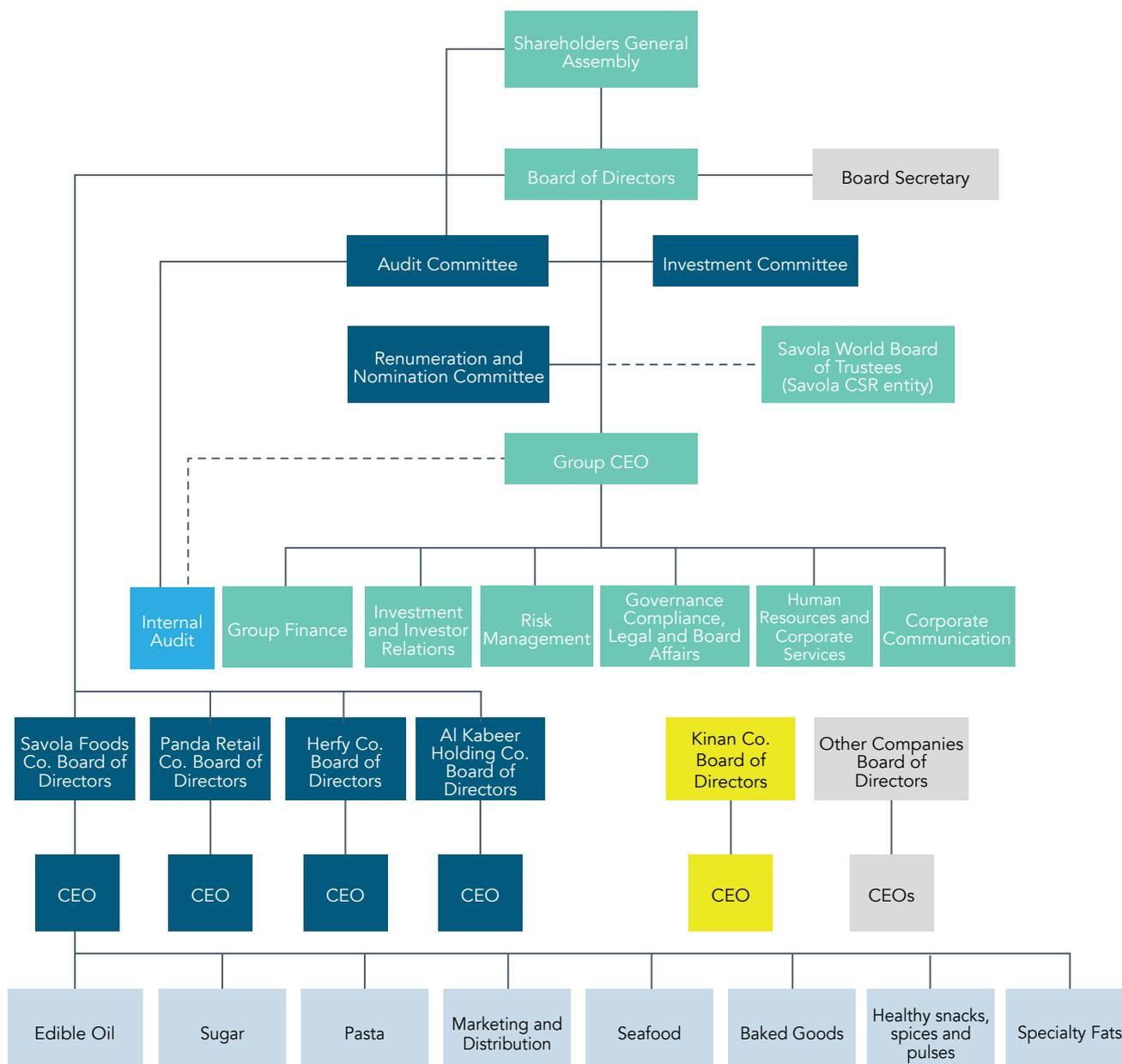
### 2-6) Penalties and sanctions

A statement of any penalty, sanction, precautionary measure or precautionary restriction imposed on the company by the Authority or by any supervisory, regulatory or judicial authority, indicating the reasons for the violation, the imposing authority and ways to solve and avoid its occurrence in the future.

No.	Penalty, sanction, precautionary measure or precautionary restriction	Reasons for the violation	Imposing authority	Ways of solving and future measurement
1.	Savola received a violation notice from the CMA related to the company's failure to fully and clearly disclose its announcement published on the CMA (Tadawul) website in accordance with Article 78(a) of the Rules on the Offer of Securities and Continuing Obligations and paragraph (e) from the general instructions of the Instructions for Companies' Announcements on 07/02/2024G, related to the Group's announcement of the recommendation of its Board of Directors to increase its capital through the offering of rights shares and the distribution of its entire stake in Almarai to Savola's eligible shareholders, in addition to its failure to disclose all material developments separately.	The company considered that the announcement included four main interrelated elements (rights issue, debt repayment, capital reduction and distribution of Savola's entire stake in Almarai to shareholders), and that it is necessary to mention the four elements referred to in the same announcement in order not to mislead the public. In addition, an announcement with such interconnectedness does not have a specific form in the announcement templates, so the most appropriate form was used, considering the capital increase through the rights issue is the first element on which the rest of the elements will follow.	Capital Market Authority (CMA)	On 12 February 2024, the Group published an amendment announcement on Tadawul website justifying the interconnectedness of the mentioned elements.
2.	ﷲ 5,000 Fine	Placing obstacles at the emergency exits of the Savola Tower located in Jeddah, Ashati District.	General Directorate of Civil Defense	Obstacles at the emergency exits were removed.
3.	ﷲ 5,000 Fine	The inefficiency of the dry firefighting network on the southern side of the Savola Tower located in Jeddah, Ashati District.	General Directorate of Civil Defense	An objection to the violation was filed and the Civil Defense license application was resubmitted. The required license was issued after completing the necessary procedure.

# Compliance Report and Related Disclosures

## Organization Structure



The company's organizational structure consists of the Board of Directors and the Board committees - the Audit Committee, the Remuneration and Nominations Committee and the Investment Committee - in addition to the Savola World Foundation Board of Trustees (which specializes in the field of social responsibility). The Board of Directors is responsible for the direction, supervision and general control of the company and the Executive Management team, in addition to the rest of the duties and responsibilities of the Board stipulated in the company's bylaws, governance code and relevant laws and regulations.

## **a) Composition of the Board, key roles and memberships in other companies**

### **a-1) Summary of the role and responsibilities of the Board of Directors**

The Board of Directors is the highest authoritative body responsible for shareholders managing the company in accordance with its bylaws, laws and relevant regulations. The main roles of the Board of Directors include setting overall corporate strategies, plans, policies and main objectives of the company, establishing and reviewing internal control measures, corporate governance, ensuring proper mechanisms to manage risks and ensuring the effectiveness of internal controls across the Group. The Board approves financial budgets, statements, and monitors the performance of the Group and Executive Management's performance. The Board protects the interests of its shareholders and other relevant parties including approving policies that ensure the application, supervision and execution of the laws and regulations, and commits to disclosing any key information related to the company and its performance that may assist shareholders in evaluating its assets and liabilities. The detailed role of the Board, which has been articulated in the Bylaws and Corporate Governance Manual, is available on the company's website ([www.savola.com](http://www.savola.com)).

### **a-2) Composition of the Board**

The company's bylaws have set the number of members of the Board of Directors to be 11 members, which is in line with the Companies' Law and Corporate Governance Regulations issued by the CMA. Accordingly, the Board was elected by the AGM held on 16 May 2022 for the term that started on 1 July 2022 for a period of three years ending on 30 June 2025. All the Board members are either Non-Executive or Independent (to review the qualifications, experience of the members and their classification please refer to the beginning of this Report). Since the term of the current Board of Directors will end on 30 June 2025, the nomination for the Board of Directors for the new term was opened on 09 February 2025, as announced on Tadawul website, where the new term will start on 01 July 2025, for four calendar years, and the nomination was closed on 11 March 2025. The new Board of Directors for the new term will be elected by the Ordinary General Assembly of the company during its upcoming meeting (the date of the Ordinary General Assembly will be announced in accordance with regulations) following obtaining the approval of the competent authorities in this regard. It should be noted that the Board's cycle will be four calendar years for the first time in light of the amendment of the company's Articles of Association in this regard and in line with the Saudi Companies Law.

### **a-3) Names of the companies, whatever their legal forms are, inside and outside the Kingdom, in which a Board member is a member of their current or previous Board or a manager in:**

The below statement/schedule includes the names of the companies, whatever their legal forms are, inside and outside the Kingdom, in which a Board member is a member or manager of their current or previous board.

No.	Board member name	Names of the companies in which the member of the Board of Directors is a current director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)	Names of the companies in which the member of the Board of Directors was a previous director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)	
1.	Mr. Sulaiman Abdulkadir Al Muhaidib	Savola Group	Inside	Listed	Saudi British Bank	Inside	Listed	
		Almarai Co.	Inside	Listed	National Industrialization Co.	Inside	Listed	
		Abdulkadir Al Muhaidib & Sons Co.	Inside	Unlisted	Middle East Paper Co.	Inside	Listed	
		Rafal Real Estate Development Co.	Inside	Unlisted	Joussour Holding Co.	Inside	Unlisted	
		Al Muhaidib Holding Co.	Inside	Limited liability	United Mining Industries Co.	Inside	Unlisted	
		Amwal Al Ajjal Holding Company	Inside	Limited liability	Al Oula Real Estate Development Co.	Inside	Unlisted	
		Vision Invest Holding Co.	Inside	Limited liability	Thabat Construction Co.	Inside	Limited liability	
		That Al Sawary Co.	Inside	Limited liability	Architectural Supplies Works Co.	Inside	Limited liability	
		Taj Al Awfia Co.	Inside	Limited liability	International Timber Co.	Inside	Limited liability	
		Salwan Tourism Real Estate Development Company	Inside	Unlisted	Mayar Foods Co.	Inside	Limited liability	
						Mayar Transport & Warehousing Co.	Inside	Limited liability
						Gulf Marasy for Marine Services Co.	Inside	Limited liability
						Citadel Trading & Contracting Co	Inside	Limited liability
						Al Muhaidib for Development Co.	Inside	Limited liability
						Al Muhaidib Land Transport	Inside	Limited liability
						Sulaiman Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited liability
						Emad Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited liability
						Awatef Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited liability
						Maryam Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited liability
						Tamader Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited liability
						Haifa Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited liability
						Loloah Sulaiman Al mudaiheem & Partner Co.	Inside	Limited liability
						Muhail for Operation and Maintenance Co.	Inside	Limited liability
				United Feed Manufacturing Co.	Inside	Limited liability		
				Amwal Al Khaleej for Commercial Investment Co.	Inside	Limited liability with GCC capital		
				Essam Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited liability		
				Al Shamiyah Urban Development Co. Ltd.	Inside	Limited liability		
				Arabian Safenat for Construction Co.	Inside	Limited liability		
				International Co. for Water and Energy Development (ACWA)	Inside	Limited liability		

No.	Board member name	Names of the companies in which the member of the Board of Directors is a current director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)	Names of the companies in which the member of the Board of Directors was a previous director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
2.	Mr. Bader Abdullah Alissa	Savola Group	Inside	Listed	Knowledge Economic City Co.	Inside	Listed
		Banque Saudi Fransi	Inside	Listed	Kinan International Real Estate Development Co.	Inside	Unlisted
		Taiba Investments Co.	Inside	Listed	Al Aqeeq Real Estate Development Co.	Inside	Unlisted
		Almarai Co.	Inside	Listed	Sukoon International	Inside	Unlisted
		Savola Foods Co.	Inside	Unlisted	Savola Packaging Systems Co.	Inside	Unlisted
		Panda Retail Co.	Inside	Unlisted	Dur Hospitality Co.	Inside	Listed
		Afia International Co.	Inside	Unlisted	Saudi Fransi Capital	Inside	Limited liability
		United Sugar Co.	Inside	Unlisted			
		Assila Investments Co.	Inside	Unlisted			
		Afia International Co. Egypt	Outside	Unlisted			
		United Sugar Co. Egypt	Outside	Unlisted			
		Alexandria Sugar Co. Egypt	Outside	Unlisted			
		El Maleka for Food Industries Co.	Outside	Unlisted			
Savola Gida	Outside	Unlisted					
3.	Mr. Ahmad Abdulrahman Al Humaidan	Savola Group	Inside	Listed	Maarif Education Co.	Inside	Limited liability
		Savola Foods Company	Inside	Unlisted	International Diol Co.	Inside	Limited liability
					National Medical Care Co.	Inside	Listed
4.	Mr. Ahmed Waza Al Qahtani	Savola Group	Inside	Listed	Arab National Bank	Inside	Listed
		Panda Retail Company	Inside	Closed joint	Jabal Omar Development Co.	Inside	Listed
		National Medical Care	Inside	Listed	Jawda Integrated Real Estate	Inside	Limited liability
		Saudi Medical Care Group	Inside	Limited liability	Osool Integrated Real Estate	Inside	Limited liability
		Maarif Holding (Ex-GEMS Education KSA)	Inside	Limited liability	Raza Company	Inside	Limited liability
		Maarif Education Company	Inside	Closed joint			
		GOSI Investment Ventures Company	Inside	Limited liability			
		The First Successful Investment Company	Inside	Limited liability			
		The Second Successful Investment Company	Inside	Limited liability			
The Third Successful Investment Company	Inside	Limited liability					

No.	Board member name	Names of the companies in which the member of the Board of Directors is a current director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)	Names of the companies in which the member of the Board of Directors was a previous director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
5.	Eng. Mutaz Qusai AlAzzawi	Savola Group	Inside	Listed	Merrill Lynch Kingdom of Saudi Arabia	Inside	Unlisted
		Herfy Food Services Co.	Inside	Listed	Al Farasha for Food Industries	Outside	Unlisted
		Arabian Cement Co.	Inside	Listed	Kusai AlAzzawi & Sons Co.	Inside	Limited liability
		Riyad Bank	Inside	Listed	Ready Mix Concrete & Construction Supplies Ltd.	Outside	Listed
		Ethiad Etisalat (Mobily)	Inside	Listed	Alwusataa for Development	Inside	Limited liability
		Savola Foods Co.	Inside	Unlisted			
		United Sugar Co.	Inside	Unlisted			
		Afia International Co.	Inside	Unlisted			
		United Sugar Co. Egypt	Outside	Unlisted			
		Alexandria Sugar Co. Egypt	Outside	Unlisted			
		El Maleka for Food Industries Co.	Outside	Unlisted			
		Qatrana Cement Co.	Outside	Unlisted			
		Afia International Co. Egypt	Outside	Unlisted			
		Saudi Industrial Construction & Engineering Projects Ltd.	Inside	Limited liability			
Saudi Technology and Trade Co.	Inside	Limited liability					

No.	Board member name	Names of the companies in which the member of the Board of Directors is a current director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)	Names of the companies in which the member of the Board of Directors was a previous director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
6.	Mr. Fahad Abdullah Al Kassim	Savola Group	Inside	Listed	Abdullatif Al Issa Holding Group	Inside	Unlisted
		Jarir Marketing Co.	Inside	Listed	National General Automotive Co.	Inside	Limited liability
		Dallah Health	Inside	Listed	Naqel Co.	Inside	Unlisted
		Al Riyadh Development Co.	Inside	Listed	Saudi Post	Inside	Gov. corporation
		Taiba Investments Co.	Inside	Listed	Albilad Bank	Inside	Listed
		Dr. Mohammed Rashid Al Fagih & Associates	Inside	Unlisted	Al Rajhi Alpha Investment Holding Co.	Inside	Limited liability
		Al Rajhi united real-estate	Inside	Unlisted	Raj Real Estate Co.	Inside	Limited liability
		Abdullah Ibrahim Al Subeaei Holding (AIMS)	Inside	Unlisted	Saudi Heritage Hospitality Co.	Inside	Unlisted
		Alargan Projects Co.	Inside	Unlisted	Amwal Financial Consultations	Inside	Limited liability
		Mohammed Abdulaziz Al Habib & Sons Holding Co.	Inside	Unlisted	Fincorp Investment Holding Co.	Outside	Unlisted
		Jarir Investments Co.	Inside	Unlisted	Dur Hospitality Co.	Inside	Listed
		Artal Capital Co.	Inside	Unlisted	Al Rajhi United Investment Holding Co.	Inside	Unlisted
		Liwan for Real Estate Development Co.	Inside	Unlisted	Sulaiman Alrajhi for Property Investment Co.	Inside	Limited liability
		Panda Retail Company	Inside	Unlisted			
		Savola World Foundation	Inside	Non-profit organization			
		Areez Commercial Investment Co. Ltd.	Inside	Limited liability			
		Bseqat Al Khaleej Co.	Inside	Limited liability			
		Fahad Abdullah Al Kassim & Partners Chartered Accountants & Consultants	Inside	Professional Co.			
		Century 21 & Partner for Real Estate Appraisal Co.	Inside	Professional Co.			
		Jarir for Commercial Development Co.	Inside	Limited Liability			
Osool Integrated Property Co.	Inside	Limited Liability					
7.	Mr. Mohammed Ibrahim Alissa	Savola Group	Inside	Listed	Sukoon Real Estate	Inside	Unlisted
		BlackRock Saudi Arabia	Inside	Unlisted	Al Aqeeq Real Estate	Inside	Unlisted
		International Medical Center (IMC)	Inside	Unlisted	Kinan International for Real Estate Development Co.	Inside	Unlisted
		STC Bank	Inside	Unlisted	Assila Investments Co.	Inside	Unlisted
8.	Mr. Waled Abdullah Ghreri	Savola Group	Inside	Listed			
		National Energy Services Company	Inside	Unlisted		N/A	
		Savola World Foundation	Inside	Non-profit organization			

No.	Board member name	Names of the companies in which the member of the Board of Directors is a current director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)	Names of the companies in which the member of the Board of Directors was a previous director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
9.	Mr. Rakan Abdulaziz Al Fadl	Savola Group	Inside	Listed	Al Takamul Group Co.	Inside	Holding Co.
		Alfadl Group	Inside	Limited liability	Rabya Co.	Inside	Limited liability
		Sahara Building Contractors Co.	Inside	Limited liability			
		Alfadl Investments Co.	Inside	Limited liability			
		Alfadl Real Estate Co.	Inside	Limited liability			
		Awtad Real Estate Investment Company Limited	Inside	Limited liability			
10.	Mr. Isam Majid Al Muhaidib	Savola Group	Inside	Listed	Al-Latifia Trading and Contracting	Inside	Limited liability
		Panda Retail Company	Inside	Unlisted			
		Mayar Foods Company	Inside	Limited liability			
		Global Wood Company	Inside	Limited liability			
		Precast Concrete Products Construction Plant	Inside	Limited liability			
		Abdulkadir Almuheidib and Sons Company	Inside	Unlisted			
		Saudi Paper Import & Export Company Limited (SIMPEX)	Inside	Limited liability			
		Thabat Construction Company	Inside	Limited liability			
		United Transformers Electric Company	Inside	Unlisted			
		Emdad Human Resources	Inside	Unlisted			
		United Company for Electrical Stations and Switchgear Technology	Inside	Unlisted			
		Bawan Engineering Industries Company	Inside	Limited liability			
		In-vision Arabia for Industry	Inside	Limited liability			
		Bina Industrial Investment Holding Company	Inside	Limited liability			
		Maarif Education Company	Inside	Unlisted			
		Dhahran Chemical Industries & Marketing Company (Synthomer)	Inside	Unlisted			
		Tawasul Al-Tarabat Investment Company	Inside	Limited liability			
Masdar Building Materials	Inside	Unlisted					
Herfy Food Services Company	Inside	Listed					
Zohoor Alreef	Inside	Unlisted					

No.	Board member name	Names of the companies in which the member of the Board of Directors is a current director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)	Names of the companies in which the member of the Board of Directors was a previous director or manager	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
11.	Mr. Bader Hamad Al Rabiah	Savola Group	Inside	Listed	Al Manar Financing and Leasing Co.	Outside	Listed
		Noor Financial Investment Co.	Outside	Listed	Osoul Investment Co.	Outside	Listed
		Palms Agro Production Co.	Outside	Listed	Qatar Finance House.	Outside	Unlisted
		Meezan Bank	Outside	Listed	Kuwait Indian Holding Co	Outside	Unlisted
		Al Durra National Real Estate Co.	Outside	Unlisted			
		Noor Al Salhiya Real Estate Co.	Outside	Unlisted			
		Ikarus Real Estate Co. (WLL)	Outside	Limited liability			
		International Hotels Group Co.	Outside	Unlisted			
		Middle East Petrochemical Co.	Inside	Unlisted			
		Amar Finance & Leasing Co	Outside	Listed			
		Injazzat Real Estate Development Co	Outside	Listed			
		Dimah Kuwait Company for Providing Large Electronic Money Services	Outside	Unlisted			
		Noor International Company for Buying and Selling Shares and Bonds	Outside	Limited liability			
		Al Merqab Company for Buying and Selling Shares and Bonds	Outside	Limited liability			

## a-4) Summary of Committee members' CVs\*

No	Member name	Current positions	Previous positions	Qualifications	Experience
<b>Remuneration and Nomination Committee members</b>					
1.	Mr. Rakan Abdulaziz Al Fadl (Committee Chairman)				
2.	Mr. Bader Abdullah Alissa	Their current and previous positions, qualifications and experience were mentioned earlier in this Report.			
3.	Mr. Ahmed Waza Al Qahtani				
4.	Mr. Bader Hamed Al Rabiah				
5.	Mr. Johan Brand	<ul style="list-style-type: none"> <li>Managing Director/ Owner, Johan Brand Leadership Advisory DWC-LLC (2016-present)</li> <li>Board member of Cenomi Centers and Nesma United Industries</li> <li>Member of the Nomination and Remuneration committees with Ma'aden, Cenomi Centers, Nesma Company and Ghobash Trading and Investments</li> </ul>	<ul style="list-style-type: none"> <li>Senior Partner and Consultant, Egon Zehnder (1995-2016)</li> <li>PepsiCo, Director PCI Management Institute (1993-1995) and Marketing Director (1991-1993)</li> <li>Procter &amp; Gamble, Brand Management (1986-1991)</li> </ul>	<ul style="list-style-type: none"> <li>MSc, Business Economics, Erasmus University Rotterdam, The Netherlands;</li> <li>LL.M. Corporate Law and LL.M. Private Law, Erasmus University Rotterdam, The Netherlands;</li> <li>Certified Professional Director, Hawkamah/ Mudara Institute of Directors</li> </ul>	<ul style="list-style-type: none"> <li>Has wide and independent experience as a leadership professional, and his focus is on making boards and C-level leadership more effective. Advisor to Chairmen, family heads and CEOs.</li> </ul>
<b>Investment Committee members</b>					
1.	Eng. Mutaz Qusai AlAzzawi (Committee Chairman)				
2.	Mr. Ahmad Abdulrahman Al Humaidan	Their current and previous positions, qualifications and experience were mentioned earlier in this Report in (a-4)			
3.	Mr. Mohammed Ibrahim Alissa				
4.	Mr. Isam Majid Al Muhaidib				
5.	Mr. Waled Abdullah Ghreri				

\* For the Audit Committee (AC) members' CVs, you can refer to the AC report included at the end of this report

#### a-5) Board meetings attendance record

In order to enhance its role and responsibilities, the Board held six meetings during the year. The below schedule shows the attendance records for each meeting during 2024.

No.	Member	Meetings during 2024						No. of attendance
		06 February	07 May	17 September	05 November	15 December	16 December	
1.	Mr. Sulaiman Abdulkadir Al Muhaidib	✓	✓	✓	✓	✓	✓	6 of 6
2.	Mr. Bader Abdullah Alissa	✓	✓	✓	✓	✓	✓	6 of 6
3.	Eng. Mutaz Qusai AlAzzawi	✓	✓	✓	✓	✓	✓	6 of 6
4.	Mr. Fahad Abdullah Al Kassim	✓	✓	✓	✓	✓	✓	6 of 6
5.	Mr. Mohammed Ibrahim Alissa	✓	✓	✓	✓	✓	✓	6 of 6
6.	Mr. Rakan Abdulaziz Al Fadl	✓	✓	✓	✓	✗	✓	5 of 6
7.	Mr. Bader Hamad Al Rabiah	✓	✓	✓	✓	✓	✓	6 of 6
8.	Mr. Ahmad Abdulrahman Al Humaidan	✓	✓	✓	✓	✓	✓	6 of 6
9.	Mr. Ahmed Waza Al Qahtani	✓	✓	✓	✓	✓	✓	6 of 6
10.	Mr. Isam Majid Al Muhaidib	✓	✓	✓	✓	✓	✓	6 of 6
11.	Mr. Waled Abdullah Ghreri	✓	✓	✓	✓	✓	✓	6 of 6
-	Mr. Elnour Ali Saad (Board Secretary)	✓	✓	✓	✓	✓	✓	6 of 6

#### a-6) Board members attendance record for the General Assembly meeting

One General Shareholders Assembly Meeting and two Shareholders Extraordinary General Assembly meetings were held during the last fiscal year. The following is a list of the members of the Board of Directors present during the meetings.

No.	Board member	Position	Ordinary	Extraordinary	Extraordinary	No. of meetings attended
			General Assembly Meeting No. 43 (07 May 2024)	General Assembly Meeting No. 35 (25 Aug 2024)	General Assembly Meeting No. 36 (12 Dec 2024)	
1.	Mr. Sulaiman Abdulkadir Al Muhaidib	Board Chairman	✓	✓	✓	3 of 3
2.	Mr. Bader Abdullah Alissa	Board Vice Chairman	✓	✓	✓	3 of 3
3.	Eng. Mutaz Qusai AlAzzawi	Member and Chairman of IC	✓	✓	✓	3 of 3
4.	Mr. Fahad Abdullah Al Kassim	Member and Chairman of AC	✓	✓	✓	3 of 3
5.	Mr. Rakan Abdulaziz Al Fadl	Member and Chairman of RNC	✓	✓	✓	3 of 3
6.	Mr. Mohammed Ibrahim Alissa	Member	✓	✓	✓	3 of 3
7.	Mr. Bader Hamad Al Rabiah	Member	✓	✓	✓	3 of 3
8.	Mr. Ahmad Abdulrahman Al Humaidan	Member	✓	✓	✓	3 of 3
9.	Mr. Ahmed Waza Al Qahtani	Member	✓	✓	✓	3 of 3
10.	Mr. Isam Majid Al Muhaidib	Member	✓	✓	✓	3 of 3
11.	Mr. Waled Abdullah Ghreri	Member	✓	✓	✓	3 of 3

## b) Board committees

### b-1) Remuneration and Nomination Committee

- **Meetings and role of the committee**

The Remuneration and Nomination Committee (RNC) consists of five members who are Independent and Non-Executive Board members and an external expert with experience in the field of the committee's mandates. The committee held three meetings during 2024. During its meetings, the RNC followed up its responsibilities in the field of remuneration, nominations and corporate governance. A summary of the main responsibilities of the committee, statement of its membership and attendance during the year are as follows.

- **Summary of committee roles, duties and main responsibilities**

The committee shall assume responsibilities related to three areas: Remuneration, Nomination and Corporate Governance, and will regularly update the Board about its activities. The committee's duties and responsibilities include:

#### a) With regard to Remuneration:

- Prepare a clear remuneration policy for board members, its committees and the Executive Management that enhances management team motivation and helps in retaining employees. This policy shall be recommended by the committee to the Board, and submitted to the GA for approval, provided that such policy follows standards that are linked to performance, be disclosed and implementation of such policy shall be ensured.
- Clarify the relation between the paid remunerations and the adopted remuneration policy and highlight any material deviation from that policy.
- Review periodically the remuneration policy and assess its effectiveness in achieving its objectives.
- Provide recommendations to the Board in respect of the remunerations of its members, committee members and senior executives, in accordance with approved policy. Any proposed changes will be presented for approval to the Board of Directors and the General Assembly of Shareholders.
- Review the CEO's remuneration, including long and short-term incentives, set the CEO KPIs, and recommend to the Board in this regard.

#### b) With regard to Nomination:

- Recommend clear policies and standards for Board membership, Executive Management and Savola's representatives in subsidiaries and associates.
- Provide recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, considering that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty.
- The annual review of the requirements suitable for membership of the Board and Executive Management and the preparation of a description of the required capabilities and qualifications for such membership.
- Allocate the time that a Board member should reserve for the activities of the Board.
- Review the structure of the Board, committees and Executive Management and provide recommendations regarding recommended changes.
- Provide job descriptions for executive, non-executive, independent directors and senior Executive Management.
- Set procedures to be followed if the position of a member of the Board or a senior executive becomes vacant.
- Assess performance of the Board in terms of strengths and weaknesses and recommend necessary solutions in the best interests of the company through:
  - Propose the necessary mechanisms to annually assess the performance of the Board, its members and committees and the Executive Management using key performance indicators linked to the extent to which the strategic objectives of the company have been achieved, the quality of the risk management and the efficiency of the internal control systems, among others, provided that weaknesses and strengths shall be identified and a solution shall be proposed for the same in the best interests of the company.
  - Help the Board in its responsibility toward carrying out the necessary arrangements to obtain an assessment of its performance from a competent third party every three years.

- Review the composition of each committee of the Board and recommend any changes to the Board for its approval. The committee can recommend additional appointing new committee members to the Board to fill vacancies as needed.
- Ensure on an annual basis the independence of independent directors and ensure the absence of any conflicts of interest if a Board member also acts as a member of the board of another company.
- Study and review the CEO's recommendations concerning the appointment and termination of the Executive Management team.
- Study and review succession plans for the company in general and for the Board, CEO and Executive Management in particular.
- Provide an appropriate level of training and introduce new Board and committee members, and Executive Management about the company businesses, activity, strategy, objectives and financial and operational aspects of the company and achievements to enable them to perform their role effectively and efficiently, as well as inform them of the obligations of the Board members and their duties, responsibilities, rights and the duties and competencies of the company committees.
- Develop the necessary mechanisms for Board members and the Executive Management to continuously enroll in training programs and courses in order to develop their skills and knowledge in the fields related to the activities of the company.

#### c) With regard to Corporate Governance (CG):

- Verify that the company is in compliance with CG regulation issued by CMA and the company's CG manual and policies.
- Review and update CG manual and rules pursuant to statutory requirements and best practices.
- Review and develop codes of professional conduct representing the company's values and other internal policies and procedures in order to fulfill the company's requirements and comply with best practices.
- Regularly inform the Board members of the developments in corporate governance and best practices.
- Oversee any matters relating to the implementation of governance and provide the Board with its reports and recommendations annually at least.

#### Other responsibilities:

- Assisting the Board in establishing and reviewing the Group's organization structure and operating model, which organizes the relationship between the parent company and its subsidiaries.
- Overseeing the implementation of the grievance policy and ensuring its effectiveness.

For more details about the role and responsibilities of the committee, please refer to the Committee Charter on Savola's website ([www.savola.com](http://www.savola.com)).

- **Statement of attendance for Remuneration and Nomination Committee meetings held during 2024**

No.	Member	Meetings during 2024			Total
		05 February	18 August	08 December	
1.	Mr. Rakan Abdulaziz Al Fadl (Chairman) (Independent Savola Board member)	✓	✓	✓	3 of 3
2.	Mr. Bader Abdullah Alissa (Non-Executive Savola Board member)	✓	✓	✓	3 of 3
3.	Mr. Johan Brand (Independent external member)	✓	✓	✓	3 of 3
4.	Mr. Ahmed Waza Al Qahtani (Non-Executive Savola Board member)	✓	✓	✓	3 of 3
5.	Mr. Bader Hamed Al Rabiah (Independent Savola Board member)	✓	✓	✗	2 of 3
–	Mr. Morhaf Mohammed Alsamman (Committee Secretary)	✓	✓	✓	3 of 3

## b–2) Investment Committee

- **Meetings and role of the committee**

The Investment Committee consists of five members, all of them are Non-Executive and Independent Board members. The committee held six meetings during 2024 to enhance the role of the Board in following and implementing the strategic plans in relation to investment opportunities. Below is a summary of the committee's roles, responsibilities, membership and the number of meetings held during 2024.

- **Summary of committee roles, duties and main responsibilities**

The committee's duties and responsibilities include the following:

- Review and recommend to the Board for its approval an overall capital allocation framework and implementation model for the company's investment activities, which take into account relevant factors such as return on invested capital targets and benchmarks, allocation guidelines and limits, risks limits and strategic objectives.
- Review, on a periodic basis, of company performance against the criteria set forth in the framework and implementation model as a holding investment company.
- Review and recommend to the Board for its approval investment opportunities, acquisitions, joint ventures or divestitures all in accordance with the company's existing delegation of authority matrices approved by the Board.
- Review the balance sheet impact of specific proposed transactions including funding requirements and impact on the company's liquidity and debt ratios as part of determining whether to recommend them to the Board for approval.
- Review of progress of post-merger integration of acquired businesses during the initial three month post-closing to ensure successful integration of such businesses into the company and adherence to post-acquisition 100-day plans.
- The committee shall perform such other duties consistent with the committee's purpose or those assigned to it by the Board.

For more details about the role and responsibilities of the committee, please refer to the Committee Charter on Savola's website ([www.savola.com](http://www.savola.com)).

- **Statement of attendance for Investment Committee meetings held during 2024**

No.	Member	Meetings during 2024					Total	
		11 March	15 April	06 May	11 June	07 July		03 November
1.	Eng. Mutaz Qusai AlAzzawi (Chairman) (Non-Executive Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
2.	Mr. Mohammed Ibrahim Alissa (Independent Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
3.	Mr. Ahmed Abdulrahman Al Humeidan (Non-Executive Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
4.	Mr. Isam Majid Al Muhaidib (Non-Executive Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
5.	Mr. Waled Abdullah Ghreri (Independent Savola Group member)	✓	✓	✓	✓	✓	✓	6 of 6
-	Mr. Elnour Ali Saad (Committee Secretary)	✓	✓	✓	✓	✓	✓	6 of 6

### c) Assessment of the Board of Directors, committees, and members' performance

Savola has been conducting Board effectiveness reviews since 2009, aiming to identify the strengths and weaknesses of the Board and committees, with a view to proposing solutions in the best interest of the company. In this regard:

An in-house assessment was conducted, during the first quarter of 2024 for the Board and its Committees for the previous year, under the supervision of the RNC and in direct coordination with the Board Chairman and members, were communicated to the relevant members. The assessment process was initiated after presenting its mechanisms to the Board. The survey and evaluation covered all aspects of the roles and responsibilities of the Board and Committees in accordance with the Group's internal regulations and bylaws. It also assessed the effectiveness of Board and Committee meetings, members' participation, and their engagement in discussions to facilitate informed decision-making that enhances the Company's performance and ability to achieve its objectives. This process helped identify strengths and areas requiring improvement. Based on the analysis of the results, mechanisms were proposed and implemented to address areas needing further enhancement. As the current Board cycle concludes on June 30, 2025, a formal evaluation of the Board will take place one year after the election of the new Board.

As part of the Group's ongoing efforts, the Board of Directors held a two-day workshop on December 15 and 16, 2024, covering several key topics. The most prominent discussions focused on the Group's strategic direction, maximizing shareholder value, asset evaluation, and capital allocation and reallocation. The Board was also updated on regional and global best practices in these areas. Consistent with the Group's practice, such workshops are held annually.

### d) Remuneration of the Board, committee members and Executive Management

The Group is conducting a comprehensive review of the Board of Directors' remuneration policy, which has remained unchanged for several years. This review considers recent developments in laws and regulations, market best practices, peer benchmarking and relevant performance factors. Any proposed amendments will be presented to the General Assembly of Shareholders for approval at the next available meeting. These amendments will be based on the recommendation of the Board of Directors, following a thorough assessment and recommendation by the RNC. The following provides a summary of the current remuneration policy for the Board of Directors, committees and Executive Management.

### d-1) General standards for remuneration

The shareholders' EGM held on 10 May 2023 approved the remuneration policy of the Board of Directors, committees and Executive Management. This policy regulates the remuneration of the Board of Directors, committees and the Executive Management of Savola Group to meet the provisions of paragraph (1) of Article (58) of the CG Regulations issued by the Capital Market Authority (CMA) Board, pursuant to Decision No. 8-16-2017, dated 13 February 2017 and amended pursuant to Decision. No. 8-5-2023, dated 18 January 2023.

The RNC responsibilities include recommending to the Board the remuneration of the Board, its committees and the Executive Management in accordance with the approved criteria, as follows:

1. Be proportionate to Savola's activities and the required skills for its management.
2. Provide remuneration with the aim of encouraging the Board members and Executive Management to achieve the long-term success and development of the company, and the variable part of the remuneration shall be linked to the long-term performance.
3. Remuneration shall be consistent with the strategy, objectives, magnitude, nature and level of risks faced by the company.
4. Benchmarking shall be used to take into consideration the remuneration practices of other companies. The disadvantages of such comparisons in leading to unjustifiable increases in remuneration and compensations shall be avoided.
5. Shall be prepared in coordination with the RNC with respect to new appointments.
6. Remuneration shall be based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance.
7. Be fair and proportionate to the Board or committee members' activities carried out and responsibilities borne by the Board or committee members, in addition to the objectives set out by the Board to be achieved during the financial year.
8. Take into consideration the sector in which Savola operates, its size and the experience of its Board members.
9. Be reasonably sufficient to attract and retain highly qualified and experienced Board members without exaggeration.
10. The remuneration of different Board members may vary depending on the Board member's experience, expertise, duties he/she undertakes, and independence and number of Board meetings he/she attended in addition to other considerations.
11. The remuneration shall be suspended if it has been determined that such remuneration was based on inaccurate information provided by a member of the Board or the Executive Management to prevent the exploitation of employment status to receive undeserved remunerations.
12. If the company developed a program to grant some of its shares to Board members, Executive Management and employees, whether a new issue or shares purchased by the company, the RNC Committee shall supervise this program in light of the company's bylaws and the relevant CMA laws and regulations.

### d-2) Summary of the remuneration policy of the Board and committees

- The remuneration of Savola Board members may consist of a specified sum, an attendance fee, allowance, other in-kind benefits, a certain percentage of the net profits or a combination of two or more of these benefits. The remuneration of the various Board members may vary in light of the policy recommended by the RNC and approved by the GA. The policy stipulated that remuneration shall consist of an annual remuneration of a lump sum amount, and attendance fees of ﷲ 5,000 for the session, and an additional ﷲ 3,000 allowance (transportation and travel per diem) for members who are based outside Jeddah, as well as the other expenses related to the Board activity.
- The remunerations of different Board members may vary depending on the Board members' experience, expertise, duties he/she undertakes, independence and number of Board meetings he/she attended in addition to other considerations, and in light of this policy. The Annual Directors' report to the GA shall include a comprehensive statement of all the amounts received by each Board member during the fiscal year including remunerations, allowances, expenses and other benefits, as well as all the amounts received by the members in their capacity as employees or executives, or in consideration of such technical, administrative, or advisory services (if any). Such a report should also include a statement of the number of the Board meetings held and the number of meetings attended by each member.

Where the remuneration represents a certain percentage of Savola's profits, the following guidelines shall be taken into consideration:

- The remuneration of independent Board members shall not be a percentage of the profits that are realized by Savola, nor shall it be based directly or indirectly on Savola's profitability.
- The said percentage shall be determined based on a recommendation from the RNC, in case the company achieved profits provided that the matter is presented to the GA for its approval and the matter is compliant with the company bylaws and relevant regulations.
- If the General Assembly decides to terminate the membership of any Board member who fails to attend three consecutive Board meetings or five non-consecutive Board meetings during his membership without a legitimate excuse accepted by the Board, then such Board member shall not be entitled to any remuneration for the period starting from the last Board meeting he/she attended, and he/she shall pay back any remuneration he/she received for that period.
- RNC and IC Committee members' remuneration shall consist of an annual remuneration of a lump sum and attendance fees of ₺ 5,000 for the session, in line with the approved policy.
- Audit Committee members' remuneration shall be a lump sum and attendance fees of ₺ 5,000 for the session, in line with the committee charter and remuneration policy approved by the shareholders' General Assembly.
- The remuneration policy of the Board and committees shall be reviewed from time to time by the RNC, provided any recommended changes are presented by the Board to the General Assembly in the next meeting for approval.

### **d-3) Summary of the remuneration policy of the Executive Management**

The RNC shall review and approve the salary scale and the incentive scheme for all employees and Executive Management, on a regular basis, based on the management recommendations and the Executive Management remuneration includes:

- Basic salary (to be paid on a monthly basis at the end of each Gregorian month).
- Allowances that include for example (and no limited to) housing, transportation, children education/school fees and phone allowances.
- Medical insurance benefits for all employees and Executive Management and their families.
- Life insurance policy (including events of partial or permanent disability, and death at workplace).
- Annual bonus based on KPIs/SMART associated with individual annual appraisal evaluation.
- Short-term incentive plans linked with extraordinary/exceptional performance and long-term incentive plans such as stock option programs (whenever exists).
- Other benefits included, but are not limited to, annual leave, annual air tickets, executive airport services and end-of-service benefits according to labor law and HR policies adopted by the company.
- Executive Management team's compensation plans, programs and general guidelines shall be approved by the RNC Committee.
- The CEO implements the remuneration policy for all employees and Executive Management in light of the plans, programs and general guidelines approved by the RNC Committee.

For more details about the remuneration policy for the Board, committees and the Executive Management of Savola Group, please refer to the policies on Savola's website ([www.savola.com](http://www.savola.com)).

#### d-4) Remuneration of the Board members

Below are the details of Board members' remunerations for the year 2024 (AED)\*.

No.	Member name	Title	Specific amount	Fixed remunerations					Total	Variable remunerations					End-of-service award	Aggregate amount	Expenses allowance
				Allowance for attending Board meetings	Total allowance for attending committee meetings	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the Chairman, Managing Director or Secretary, if a member		Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	The value of the granted shares			
<b>First: Independent Directors</b>																	
1.	Mr. Bader Hamad Al Rabiah	Member	400,000	30,000	40,000	-	-	-	470,000	-	-	-	-	-	-	470,000	21,900
2.	Mr. Rakan Abdulaziz Al Fadl	Member	400,000	25,000	15,000	-	-	-	440,000	-	-	-	-	-	-	440,000	12,600
3.	Mr. Waled Abdullah Ghreiri	Member	400,000	30,000	30,000	-	-	-	460,000	-	-	-	-	-	-	460,000	10,800
4.	Mr. Mohammed Ibrahim Alissa	Member	400,000	30,000	60,000	-	-	-	490,000	-	-	-	-	-	-	490,000	12,600
<b>Second: Non-Executive Directors</b>																	
5.	Mr. Sulaiman Abdulkadir Al Muhaidib** (not a member of any committee)	Chairman	600,000	30,000	N/A	-	-	-	630,000	-	-	-	-	-	-	630,000	12,600
6.	Mr. Bader Abdullah Alissa	Vice Chairman	400,000	30,000	15,000	-	-	-	445,000	-	-	-	-	-	-	445,000	12,600
7.	Mr. Fahad Abdullah Al Kassim	Member	400,000	30,000	30,000	-	-	-	460,000	-	-	-	-	-	-	460,000	15,900
8.	Eng. Mutaz Qusai AlAzzawi	Member	400,000	30,000	30,000	-	-	-	460,000	-	-	-	-	-	-	460,000	14,589
9.	Mr. Isam Majid Al Muhaidib	Member	400,000	30,000	30,000	-	-	-	460,000	-	-	-	-	-	-	460,000	18,000
10.	Mr. Ahmad Abdulrahman Al Humaidan	Member	400,000	30,000	30,000	-	-	-	460,000	-	-	-	-	-	-	460,000	0
11.	Mr. Ahmad Waza Al Qahtani	Member	400,000	30,000	15,000	-	-	-	445,000	-	-	-	-	-	-	445,000	0
<b>Total</b>			<b>4,600,000</b>	<b>325,000</b>	<b>295,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,220,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,220,000</b>	<b>131,589</b>

\*Note: The proposed annual remuneration for the Board of Directors for the fiscal year 2024 (lump sum) is AED 600,000 for the Chairman and AED 400,000 for each Board member. Payment will be contingent subject to approval by the General Assembly of Shareholders, in conjunction with the proposed amendments to the Board and committee remuneration policy. The Board of Directors' recommendation, based on the assessment and the recommendation of the (RNC), will be presented for approval at the next shareholders' meeting.

\*\* Mr. Sulaiman Abdulkadir Al Muhaidib, Chairman of the Board of Directors, has donated AED 200,000 from his annual remuneration for the fiscal year 2024 to the Savola Employee Taawoon Fund. He makes this donation annually.

#### d-5) Remuneration of committee members

Below are the details of committee members' remunerations for the year 2024 (₹).

No.	Committee/member name	Title	Fixed remuneration (excluding the allowance for attending Board meetings)	Attendance fees (5,000 per meeting)	Total	Expenses allowance
<b>Audit Committee members</b>						
1.	Mr. Fahad Abdullah Al Kassim (Non-Executive, Savola Board member)	Chairman	200,000	30,000	230,000	Mentioned in the previous Board remuneration table
2.	Mr. Mohammed Ibrahim Alissa (Independent, Savola Board member)	Member	200,000	30,000	230,000	Mentioned in the previous Board remuneration table
3.	Mr. Bader Hamad Al Rabiah (Independent, Savola Board member)	Member	200,000	30,000	230,000	Mentioned in the previous Board remuneration table
4.	Mr. Tareq Abdullah Al-Garaawy (Independent, External member)	Member	200,000	30,000	230,000	0
5.	Dr. Jassim Shaheen Al Rumaihi (Independent, External member)	Member	200,000	30,000	230,000	0
<b>Total</b>			<b>1,000,000</b>	<b>150,000</b>	<b>1,150,000</b>	<b>0</b>
<b>Remuneration and Nomination Committee members</b>						
1.	Mr. Rakan Abdulaziz Al Fadl (Independent, Savola Board member)	Chairman	150,000	15,000	165,000	Mentioned in the previous Board remuneration table
2.	Mr. Bader Abdullah Alissa (Non-Executive, Savola Board member)	Member	150,000	15,000	165,000	Mentioned in the previous Board remuneration table
3.	Mr. Ahmed Waza Al Qahtani (Non-Executive, Savola Board member)	Member	150,000	15,000	165,000	Mentioned in the previous Board remuneration table
4.	Mr. Bader Hamad Al Rabiah (Independent, Savola Board member)	Member	150,000	10,000	160,000	Mentioned in the previous Board remuneration table
5.	Mr. Johan Brand (Independent, External member)	Member	150,000	15,000	165,000	N/A
<b>Total</b>			<b>750,000</b>	<b>70,000</b>	<b>820,000</b>	<b>-</b>
<b>Investment Committee members</b>						
1.	Eng. Mutaz Qusai AlAzzawi (Non-Executive, Savola Board member)	Chairman	150,000	30,000	180,000	Mentioned in the previous Board remuneration table
2.	Mr. Ahmed Abdulrahman Al Humaidan (Non-Executive Board member)	Member	150,000	30,000	180,000	Mentioned in the previous Board remuneration table
3.	Mr. Isam M. Al Muhaidib (Non-Executive Board member)	Member	150,000	30,000	180,000	Mentioned in the previous Board remuneration table
4.	Mr. Mohammed Ibrahim Alissa (Independent, Savola Board member)	Member	150,000	30,000	180,000	Mentioned in the previous Board remuneration table
5.	Mr. Waled Abdullah Ghreri (Independent Board member)	Member	150,000	30,000	180,000	Mentioned in the previous Board remuneration table
<b>Total</b>			<b>750,000</b>	<b>150,000</b>	<b>900,000</b>	<b>-</b>

Note: The proposed annual remuneration for the committees for the fiscal year 2024 (lump sum) is ₺ 200,000 for the Chairman and each of the members of the Audit Committee, and ₺ 150,000 for the Chairman and each of the members of the Remuneration and Nomination Committee and the Investment Committee. Payment balance will be contingent as per policy upon approval by the General Assembly of Shareholders, in conjunction with the proposed amendments to the Board and committee remuneration policy. The Board of Directors' recommendation, based on the assessment and the recommendation of the (RNC), will be presented for approval at the next shareholders' meeting.

#### d-6) Senior executives' compensation of Savola Group for 2024

Compensation and benefits paid to five senior executives, including the CEO and CFO of the Group during 2024 were as follows.

No.	Description	Senior executives' (five) compensation, including the CEO and the CFO (₺'000s) (rounded)
<b>Fixed remuneration</b>		
-	Salaries	12,312
-	Allowances (including housing, transportation, health insurance, education allowance, etc.)	4,309
-	In-kind benefits	619
<b>Total of fixed remuneration</b>		<b>17,242</b>
-	Periodic remuneration	60
-	Profits	-
-	Short-term incentive plans (including performance-related bonus for 2024)	22,390
-	Long-term incentive plans	-
-	The value of the granted shares	46,937
<b>Total of variable remuneration</b>		<b>69,387</b>
-	End-of-service award	1,179
-	Total remuneration for Board executives, if any	-
<b>Grand total</b>		<b>87,809</b>

**Clarification:** The Group has complied with the disclosure of the components of the senior executives' remuneration on aggregate in line with the requirements of subparagraph (a) of paragraph (4) of (Article 90) of the Corporate Governance Regulations issued by CMA; but to protect the interests of the company, its shareholders and employees, and to avoid any damage that may occur as a result of disclosing the detailed senior executives' remuneration by position, the company did not disclose the details as per Appendix (1) of the CG Regulations.

#### d-7) The relation between the paid remuneration and the adopted remuneration policy

Based on the remuneration policy of the Board of Directors and its committees and Executive Management, mentioned earlier in this Report, and in light of the remuneration paid for the Board, its committees and the Executive Management and what is proposed for the Board, it shows Savola conforming with the approved policy without any material deviation from it, taking into account the proposed amendments to be presented to the General Assembly of Shareholders for the year 2024, which will be disbursed after its approval by the Assembly.

## e) Description of any interest of the Board Members, senior executives and their relatives

### e-1) Description of any interest of the Board members and their relatives in shares or debt instruments of the company

Board members and their relatives:							
No.	Names of members to whom the interest, contractual securities or rights issue belongs	Beginning of the year		End of the year		Net change	Percentage of change
		Shares	Debt instruments	Shares	Debt instruments		
<b>First: Board members</b>							
1.	Mr. Sulaiman Abdulkadir Al Muhaidib	1,000	0	264	0	(736)	(73.60)%
2.	Mr. Bader Abdullah Alissa	1,025	0	575	0	(450)	(43.90)%
3.	Mr. Ahmed Waza Al Qahtani	0	0	0	0	0	0%
4.	Mr. Ahmad Abdulrahman Al Humaidan	0	0	0	0	0	0%
5.	Eng. Mutaz Qusai AlAzzawi	1,000	0	561	0	(439)	(43.90)%
6.	Mr. Fahad Abdullah Al Kassim	2,000	0	1,123	0	(877)	(43.80)%
7.	Mr. Mohammed Ibrahim Alissa	1,000	0	561	0	(439)	(43.90)%
8.	Mr. Issam Majed Al Muhaidib	24,029	0	13,499	0	(10,530)	(43.80)%
9.	Mr. Waled Abdullah Ghreri	675	0	379	0	(296)	(43.80)%
10.	Mr. Rakan Abdulaziz Al Fadl	142,060	0	79,810	0	(62,250)	(43.80)%
11.	Mr. Bader Hamad Al Rabiah	2,500	0	1,404	0	(1,096)	(43.80)%
<b>Second: Board members' relatives: N/A</b>							

### e-2) Description of any interest of the senior executives and their relatives in shares or debt instruments of the company

Senior executives and their relatives							
No.	Names of executives to whom the interest, contractual securities or rights issue belongs	Beginning of the year		End of the year		Net change	Percentage of change
		Shares	Debt instruments	Shares	Debt instruments		
<b>First: Senior Executives</b>							
1.	Mr. Waleed Khalid Fatani (Savola Group CEO)	4,826	-	38,022	-	33,196	687%
2.	Mr. Sameh Hassan (Savola Foods Co. CEO)	24,836	-	30,221	-	5,385	21.68%
3.	Dr. Bander Talaat Hamooh (Panda Retail Co. CEO)	26	-	25,959	-	25,933	99,742%
4.	Mr. Wajid Usman Khan (Chief Financial Officer)	7,537	-	13,490	-	5,953	78.98%
5.	Mr. Mohammed Nasr (Chief Investment Officer)	0	-	5,688	-	5,688	100%
6.	Mr. Elnour Ali Saad (Chief Corporate Governance and Legal Affairs Officer and Board Secretary)	20,600	-	15,476	-	(5,124)	(24.87) %
7.	Mr. Morhaf Mohammed Alsamman (Chief Human Resources and Corporate Services Director)	4,483	-	5,607	-	1,124	25.07%
<b>Second: Senior executives' relatives: N/A</b>							

### e-3) Description of any interest of Board members and their relatives in shares or debt instruments in Herfy Food Services Company (a listed subsidiary of Savola Group) as at 31 December 2024

No.	Names of executives to whom the interest, contractual securities or rights issue belongs	Beginning of the year		End of the year		Net change	Percentage of change
		Shares	Debt instruments	Shares	Debt instruments		
<b>First: Board members</b>							
1.	Eng. Mutaz Qusai AlAzzawi	1,400	0	1,400	0	0	0%
2.	Mr. Isam Majed Al Muhaidib	1	0	1	0	0	0%
<b>Second: Board members' relatives: N/A</b>							
<b>Third: Executive Management and their relatives</b>							
1.	Mr. Waleed Khalid Fatani	0	0	1,000	0	1,000	100%

## f) The major Board resolutions and important events during the year, some of which were announced through Tadawul or published on the company website

No.	Date	Resolutions/Announcement subject
1.	07 February 2024	Savola Group announced its Board's recommendation to increase capital by rights issue and to distribute its entire 34.52% stake in Almarai to Savola's shareholders.
2.	07 February 2024	Savola Group announced its interim financial results for the period ended on 31 December 2023 (12 months).
3.	07 February 2024	Savola Group announced the Board of Directors' decision not to distribute dividends for the year 2023.
4.	12 February 2024	Savola Group announced an addendum announcement regarding its Board's recommendation to increase capital by rights issue and to distribute its entire 34.52% stake in Almarai to Savola's shareholders.
5.	14 March 2024	Savola Group announced the appointment of a financial advisor to manage the subscription to rights issue.
6.	25 March 2024	Savola Group announced its annual financial results for the year ended 31 December 2023.
7.	17 April 2024	Savola Group invited its shareholders to attend the Ordinary General Assembly Meeting No. 43 (first meeting) via modern technology means.
8.	28 April 2024	Savola Group announced the submission of an application file to increase its capital by offering rights issue to the Capital Market Authority.
9.	02 May 2024	Savola Group announced to its shareholders the commencement date of the electronic voting on the agenda Items of its Ordinary General Assembly Meeting (AGM) No. 43 (first meeting).
10.	07 May 2024	Savola Group announced its interim financial results for the period ended 31 March 2024 (three months).
11.	08 May 2024	Savola Group announced the results of the Ordinary General Assembly Meeting No. 43 (first meeting).
12.	01 August 2024	Savola Group announced updates on the application file to the Capital Market Authority for the increase of the company's capital by offering rights issue.
13.	04 August 2024	Savola Group invited its shareholders to attend the Extraordinary General Assembly Meeting No. 35, which includes capital increase via modern technology means (first meeting).
14.	06 August 2024	Savola Group announced the publication of the Rights Issue Prospectus.
15.	06 August 2024	Savola Group announced its interim financial results for the period ended 30 June 2024 (six months).
16.	14 August 2024	Savola Group announced that a substantial shareholder is intending to transfer its shares in the Group to his affiliated company.
17.	14 August 2024	Savola Group announced to its valued shareholders who hold paper share certificates to deposit their shares in their investment portfolio.
18.	20 August 2024	The Savola Group announced to its shareholders the commencement date of the electronic voting on the agenda of its Extraordinary General Assembly Meeting (EGM) No. 35, which includes capital increase (first meeting).
19.	26 August 2024	The Savola Group announced the results of the Extraordinary General Assembly Meeting (EGM) No.35, which includes capital increase (first meeting).
20.	27 August 2024	Savola Group announced the determining of the period of rights issue trading and subscription in the new shares.
21.	29 August 2024	The Savola Group announced the starting period of the rights issue trading and the new shares subscription (reminder).
22.	05 September 2024	The Savola Group announced the last day for rights issue trading and new shares subscription (reminder).
23.	11 September 2024	Savola Group announced the results of the rights issues trading and new share subscription, as well as the details of the rump offering.
24.	18 September 2024	Savola Group announced the results of the rump offering and the final allocation of the rights issue shares.
25.	26 September 2024	Savola Group announced Board's recommendation to reduce the company's share capital.
26.	26 September 2024	Savola Group announced the start of the creditors' objection period in relation to Savola Group's capital reduction.
27.	26 September 2024	Savola Group announced its Board of Directors' recommendation to distribute its entire 34.52% stake in Almarai to Savola's eligible shareholders.
28.	02 October 2024	Savola Group announced the submission of the capital reduction application file to the Capital Market Authority.
29.	07 October 2024	Savola Group announced the distribution of the compensation to those holders of rights issue who have not exercised their right to subscribe to the new shares.
30.	27 October 2024	Savola Group announced its interim financial results for the period ended 30 September 2024 (nine months).
31.	28 October 2024	Savola Group announced updates on the company's capital reduction file at CMA.
32.	28 October 2024	Savola Group announced an addendum announcement from Savola Group regarding the continuation of the creditors' objection period in relation to the company's capital reduction.

No.	Date	Resolutions/Announcement subject
33.	12 November 2024	Savola Group invited its shareholders to attend the Extraordinary General Assembly Meeting No.36, which includes company capital reduction via modern technology means (first meeting).
34.	12 November 2024	Savola Group announced the availability of additional communication materials related to the capital reduction process and the distribution of its entire stake in Almarai Company to Savola eligible shareholders.
35.	05 December 2024	Savola Group announced to its shareholders the commencement date of the electronic voting on the agenda of its Extraordinary General Assembly Meeting (EGM) No. 36, which includes capital reduction (first meeting).
36.	08 December 2024	The Savola Group announces its intention to buy-back part of the Sukuk issued on 09 July 2019 and its intention to cancel them.
37.	11 December 2024	The Savola Group announced the end of the creditors' objection period with no objections received.
38.	15 December 2024	The Savola Group announced the results of the Extraordinary General Assembly Meeting (EGM) No. 36, which includes capital reduction (first meeting).
39.	19 December 2024	The Savola Group announced the deposit of Almarai Company shares to Savola's eligible shareholders.
40.	22 December 2024	The Savola Group announced its intention to buy-back part of the Sukuk issued on 09 July 2019 and its intention to cancel them.
41.	24 December 2024	The Savola Group announces its intention to buy-back the entire Sukuk issued on 9/7/2019 and its intention to cancel them.
42.	31 December 2024	The Savola Group announced the deposit of the amounts received from the sale of shares fractions resulted from its capital reduction into the eligible shareholders' accounts.
43.	01 January 2025	Savola Group announced the signing of a binding sale and purchase agreement by its subsidiary Savola Foods Company for the sale of its entire businesses in Islamic Republic of Iran for an amount equivalent to ₪ 705 million.
44.	09 January 2025	The Savola Group announced the deposit of the amounts received from the sale of Almarai share fractions arising from the in-kind distribution of its entire stake in Almarai to the eligible shareholders' accounts.
45.	09 February 2025	The Savola Group announced the opening of the nomination period for membership of the Board of Directors upcoming office term.
46.	12 March 2025	Savola Group announced its annual financial results for the year ended 31 December 2024.
47.	12 March 2025	The Savola Group announces the Board of Directors' decision not to distribute cash dividends for the year 2024.

## g) Shareholders' rights and investor relations

Illustrating Savola's commitment to enhancing its relationship with shareholders, investors and all stakeholders, and because of the Group's strong beliefs in the importance of corporate governance to protect shareholders' rights and maintain effective internal controls through the activation of the Board and its committees' roles, and commitment to the principles of disclosure and transparency, during 2024, the Group continued to implement and comply with the Corporate Governance Regulations of Saudi Arabia's Capital Market Authority and other relevant regulations. In addition to the performance and financial results previously outlined, Savola discloses information that is of interest to its shareholders and investor community in line with relevant regulations and best international practices adopted by the Group in corporate governance and transparency. These are:

### g-1) Shareholder rights and mechanisms of communication

Due to the Group's belief, interest, and care in the rights of its shareholders, and in light of applicable regulations, these rights form part of Savola's bylaws and Corporate Governance Manual, which can be viewed on Savola's website.

### g-2) Enable shareholders and investors to access information

Savola publishes financial statements, announcements and key decisions on the Saudi Stock Exchange (Tadawul) website and in the annual Directors' Report. A dedicated department manages and deals with shareholder affairs and responds to their enquiries.

### g-3) Procedures for informing the Board members of the shareholders' suggestions and notes on the company and its performance

Keeping the Board members informed of the shareholders' proposals and comments on the company and its performance through the following procedures:

1. Presenting the shareholders' proposals and comments (if any) to the Board members at the nearest meeting or any other effective means of communication to achieve the purpose on an ongoing basis.
2. Organizing continuous meetings with investors (investor relation programs) and briefing the Board on the substantive proposals they make.
3. The Board members are attending the General Assembly meetings where shareholders raise their suggestions to the Board during the meeting and the Board responds to these suggestions during the meeting.

In addition, the Chairman of the Board discusses the shareholders' suggestions (if any) and the performance without the presence of any of the executives (whenever deemed necessary).

### g-4) Savola Group equity profile as of 31 December 2024

No.	Detail	Value in ₺/Number of shares
1.	Company authorized capital	₺ 3,000,000,000
2.	Issued shares (all company's shares are ordinary shares) *	300,000,000 shares
3.	Floated issued shares (by Tadawul records as of 16 March 2025)	293,599,140 shares
4.	Paid-up capital	₺ 3,000,000,000
5.	Nominal value per share	₺ 10
6.	Paid-up value per share	₺ 10

Declaration:

\* The Group does not have preferred shares or shares with special priority rights of voting, issued to either shareholders, Board of Directors or employees. All shares of the Group are ordinary shares of equal nominal value and rank equally in voting rights and other rights as specified by regulations.

### g-5) Dates of key events for shareholders and investors

In accordance with international best practice in corporate governance, Savola shares the dates of key anticipated events during 2025 which may be of interest to our valued shareholders and investors.

No.	Dates 2025	Key events for 2025
1.	04 February	Audit Committee meeting to review company performance updates.
2.	04 February	Board of Directors' meeting regarding company performance updates.
3.	09 February	Announce the opening of the nomination process for (30) days for the new Board office term (July 2025-June 2029) based on RNC recommendation to the Board.
4.	10 March	Audit Committee meeting regarding the audited financial results for 2024.
5.	11 March	The annual financial results for 2024 was approved by Board of Directors.
6.	12 March	Date of publishing the annual financial results of year 2024 on Tadawul and then Savola website.
7.	Within one week after financial results announcement	Earning call for Institutional investors and analysts regarding financial results for 2024.
8.	27-31 March	Date of publishing the Savola Group Annual Report for 2024.
9.	06 May	Audit Committee meeting to recommend to the Board approval of the financial results for the first quarter of 2025.
10.	06 May	Board of Directors' meeting regarding the financial results for the first quarter of 2025, which will be announced in the light of the Board's decision during the prescribed period.
11.	06 May	Hold the Annual General Meeting (AGM) which will be announced as per regulation (proposed date subject to the approval of the official authorities). The AGM will elect the new Board for four years' office term.
12.	Within one week after financial results announcement	Earning call for institutional investors and analysts regarding financial results for Q1, 2025.

No.	Dates 2025	Key events for 2025
13.	30 June	The end of the Board office term that started on 01 July 2022 and ended on 30 June 2025.
14.	01 July	The start of the new Board office term for four years for the period starting 1 July 2025 and ends on 30 June 2029.
15.	Within the first half of July	Appointing of the Savola Group Chairman, Vice-chairman, company's representatives, and formation of the committees.
16.	Within the first week of August	Audit Committee meeting to recommend to the Board approval of the financial results for the second quarter of 2024.
17.	Within the first half of August	Date of publishing the financial results for the second quarter of 2025 on Tadawul once approved by the Board based on the recommendation of the Audit Committee.
18.	Within one week after financial results announcement	Earning call for institutional investors and analysts regarding financial results for Q2, 2025.
19.	Within first week of November	Audit Committee meeting to recommend to the Board approval of the financial results for the third quarter of 2025.
20.	Within first week of November	Board of Directors' meeting regarding the financial results for the third quarter of 2025, which will be announced in the light of the Board's decision during the prescribed period.
21.	Within one week after financial results announcement	Earning call for Institutional investors and analysts regarding financial results for Q3, 2025.
22.	Within second half of 2025	Conduct annual workshop for the Board of Directors to review the strategy for the Group and its subsidiaries.
23.	Within the second quarter of 2025	Date of publishing the Savola Group Sustainability/ ESG Report for 2024

Note: Savola would like to point out that the above dates are approximate and may change according to notifications received from official authorities. Although Savola is determined to carry out these events on the planned dates, we assume no obligation from failure to do so.

## g-6) The Dividends Distribution Policy

### a) The policy:

As per Article (40) of the company bylaws the company's annual net profits shall be distributed as follows.

The General Assembly shall determine the percentage of the net profit to be distributed to the shareholders after deducting the reserves, if any, pursuant to the recommendation of the Board of Directors as required by the regulations in this regard and the company's Bylaws.

Article (41) of the bylaws which states that:

- Shareholder shall be entitled to his share of dividends as per the general assembly resolution issued in this regard in the recommendation of the Board of Directors. The resolution shall specify the eligibility date and the distribution date. The entitlement of dividend shall be to the shareholders who are registered in the shareholders' records at the end of the eligibility date.
- The company may, under its bylaws, distribute interim dividends (quarterly or bi-annual) to its shareholders after fulfilling the statutory requirements.
- In light of the dividends policy and the Group's bylaws, the Group used to distribute cash dividends in the range of 50% to 60% of the net profit achieved during each financial year based on the Board of Directors' recommendations.

### b) The Board's decision not to distribute cash dividends for 2024

In light of the distribution of ₪ 21.1 billion worth of Almarai shares, representing Savola's entire 34.52% shareholding in Almarai, to Savola's eligible shareholders in lieu of capital reduction of ₪ 8.3 billion and distribution of dividend in kind of ₪ 12.8 billion, which was deposited into the shareholders' accounts during December 2024; accordingly, Savola Board decided on 11 March 2025 not to distribute cash dividends for the year 2024 as per the company announcement in Tadawul dated 12 March 2025.

Additionally, no interim dividends were distributed during the year 2024.

### Shareholder information and share price data

The shareholders' details, historical prices and volume traded data are adjusted to account for all corporate actions and reflecting the increase of the company's share capital from five billion three hundred thirty-nine million eight hundred six thousand eight hundred forty (5,339,806,840) ₪ divided into five hundred thirty-three million nine hundred eighty thousand six hundred eighty-four (533,980,684) ordinary shares to eleven billion three hundred thirty-nine million eight hundred six thousand eight hundred forty (11,339,806,840) ₪ divided into one billion one hundred thirty-three million nine hundred eighty thousand six hundred eighty-four (1,133,980,684) ordinary shares through a rights issue approved by the EGM on 25 August 2024 and the reduction of the company's share capital from eleven billion three hundred thirty-nine million eight hundred six thousand eight hundred forty (11,339,806,840) ₪ divided into one billion one hundred thirty-three million nine hundred eighty thousand six hundred eighty-four (1,133,980,684) ordinary shares, to three billion (3,000,000,000) ₪, divided into three hundred million (300,000,000) ordinary shares. This reduction was achieved by canceling eight hundred thirty-three million nine hundred eighty thousand six hundred eighty-four (833,980,684) ordinary shares from the company's issued shares, with a nominal value of ten (10) ₪ per share approved by the EGM on 12 December 2024.

As at 31 December 2024, Savola had 93,933 shareholders compared to 97,518 shareholders by the end of last year as per Tadawul records, the following tables provide an overview of Savola's ownership structure including criteria and types.

### a) Savola Investors according to nature of investor

Investor nature	Percentage of ownership	Number of investors	Number of shares
Corporate investors	79.81	571	239,432,764
Individual investors (including share certificate holders)	20.19	93,362	60,567,236
<b>Total</b>	<b>100%</b>	<b>93,933</b>	<b>300,000,000</b>

### b) Savola investors according to their nationality

Investor nationality	Percentage of ownership	Number of investors	Number of shares
Saudi investors	81.00	92,153	243,013,554
Non-Saudi investors	19.00	1,780	56,986,446
<b>Total</b>	<b>100%</b>	<b>93,933</b>	<b>300,000,000</b>

### c) Savola investors according to their nature

Investor nature	Percentage of ownership	Number of investors	Number of shares
Individual investors (including share certificate holders)	20.19	93,362	60,567,236
Companies	54.45	130	163,335,127
QFI – Fund	6.36	286	19,083,578
Mutual- Funds	10.83	68	32,494,085
Government	5.82	10	17,452,716
QFI – Company	2.04	59	6,116,554
QFI – Government and related entities	0.0043	1	12,877
Endowments	0.05	13	158,837
Government – Funds	0.11	4	343,459
Swap agreements	0.0004	5	1,246
Foreign individual investors	0.0003	7	974
Charity	0.14	5	413,311
<b>Total</b>	<b>100%</b>	<b>93,933</b>	<b>300,000,000</b>

#### d) Savola investors according to the percentage of ownership

Ownership size	Percentage of ownership	Number of investors	Number of shares
More than 1 million shares	71.22	36	213,656,417
From 500,000 to less than 1 million shares	4.61	19	13,818,532
From 100,000 to less than 500,000 shares	11.19	153	33,577,826
From 50,000 to less than 100,000 shares	3.19	142	9,562,166
From 10,000 to less than 50,000 shares	4.88	676	14,632,620
From 5,000 to less than 10,000 shares	1.25	543	3,762,270
From 1,000 to less than 5,000 shares	1.75	2,467	5,255,251
Less than 1,000 shares	1.91	89,897	5,734,918
<b>Total</b>	<b>100%</b>	<b>93.933</b>	<b>300,000,000</b>

#### e) Savola investors according to their ownership type

Ownership type	Percentage of ownership	Number of investors	Number of shares
Investment portfolios	99.59	52,983	298,770,843
Shares certificates	0.41	40,950	1,229,157
<b>Total</b>	<b>100%</b>	<b>93.933</b>	<b>300,000,000</b>

#### f) Share price data\* (ﷲ)

Share price 1 January 2024	Share price 31 December 2024	Share price 3 years ago	52-week high	52-week low	Change from 2023-2024
23.94	36.70	20.07	37.70	23.94	153.3%

\*Note: The share prices during 2024 are adjusted to account for all corporate actions and reflecting the increase and the decrease of the company's share capital during the year.

Share performance summary at the end of each month (high, low, and closing) during the fiscal year 2024 (all information was obtained from the company's page in the Saudi Stock Exchange – Tadawul's website)\*.

Month	High	Low	Close
January	29.09	27.77	28.24
February	34.05	32.98	33.30
March	35.50	34.43	35.37
April	32.04	31.32	31.73
May	27.52	27.02	27.11
June	29.37	28.64	28.68
July	28.77	28.02	28.68
August	29.14	28.07	28.49
September	29.99	28.66	28.92
October	27.91	27.42	27.64
November	26.40	25.80	25.97
December	37.20	35.40	36.70

\*Note: The share prices during 2024 are adjusted to account for all corporate actions and reflecting the increase and the decrease of the company's share capital during the year.

### g-7) Major shareholders list

Below are shareholders owning 5% or more of the total shares of the Group, and movements during 2024 (in ₪).

Description of any interest in a class of voting shares held by persons (other than the company's directors, senior executives and their relatives) who have notified the company of their holdings, together with any change to such interests during the last fiscal year								
No.	Name	Nationality	Shares at the beginning of 2024	Ownership at the beginning of 2024	Shares at the end of 2024	Percentage at the end of 2024	Shares change	Percentage change
1.	Assila Investments Co.	Saudi Company	60,000,000	11.24%	33,709,081	11.24%	(26,290,919)	0%
2.	Abdulkadir Al Muhaidib & Sons Co.	Saudi Company	43,966,110	8.23%	24,965,504	8.23%	(19,000,606)	0.09%
3.	Mohammed Abdullah Al Rabiah & Partners Company*	Kuwaiti Company	43,892,500	8.22%	24,659,599	8.22%	(19,232,901)	0%
4.	Al Muhaidib Holding Co.	Saudi Company	33,980,684	6.36%	19,090,959	6.36%	(14,889,725)	0%

Declaration: Regarding the declaration of movements in major shareholders' ownership in accordance with listing rules, the Group announced on 14 August 2024 in Tadawul Website that it has received on 13 August 2024, a letter from the Proxy of the deceased Abdulla Mohammed AlRabea's heirs, with ownership of (43,892,500) shares representing 8.22% of the company's share capital, expressing that the heirs intend to transfer all the deceased's shares in the Group to the investment portfolio owned by the entity named "Mohammed Abdulla AlRabea & Partners Limited Co.", without conducting any special transaction in this respect. Knowing that the company is wholly owned by Abdulla Mohammed AlRabea's heirs; accordingly, the shares has been transferred to the company, and the new ownership in the Group's substantial shareholders' list was reflected on Tadawul website.

### g-8) Details of retained Treasury Shares and their purposes for 2024

Date of retention	Number of retained Treasury Shares	Value of the retained Treasury Shares (at the time of buy-back)	Purpose of keeping the shares as Treasury Shares
13 September 2020	341,675	₪ 16,508,713	To retain the shares as Treasury Shares under the Employees LTIP, which aims to attract and retain outstanding talent and to motivate them to further strengthen their performance to achieve Savola Group objectives. The shares will be transferred to the eligible employees as per the program conditions and policy approved by the Board after the vesting period elapses (i.e. after three years from the allocation date) according to each tranche starting date.
9 September 2021	349,076	₪ 13,924,773	
10 February 2022	637,955	₪ 21,427,933.60	
29 May 2023	2,182,858	₪ 79,999.99	
Total shares bought for the program	3,511,564	-	
Total shares transferred to beneficiaries according to the program policy	886,436 Savola shares 680,571 Almarai shares	-	
Total shares following participating in the right issue and the capital increase	6,302,684 Savola shares	-	
Total shares following the capital reduction and excluding shares fractions	1,667,405 Savola shares	-	
Total shares following the capital reduction and the in-kind distribution of Almarai shares and (excluding fractional shares)	1,918,728 Almarai shares	-	

The number of treasury shares reflects the changes that took place during the year on the capital, as the capital was increased through rights issue and then reduced as previously mentioned, and the reduction of the capital and the distribution in kind of the Group's entire stake in Almarai to its eligible shareholders resulted in an in-kind entitlement to treasury shares of Almarai shares as indicated above, which will be distributed to eligible employees upon the tranche date in accordance with the program policy and criteria in this regard, as it represents a right associated with these shares.

## g-9) Number of company requests of shareholders records, dates and reasons thereof for 2024

No.	Date of request 2024	Reason
1.	31 March, 30 June, 30 September, 31 December	(4 Reports) Company procedures
2.	7 May, 25 August, 12 December	(3 Reports) regarding the General Assembly
3.	07 November, 16 December	(2 Reports) To satisfy procedural requirements regarding the distribution of Almarai shares, the increase and reduction of capital.
<b>Total</b>		<b>8 Reports</b>

## Corporate action

No.	New capital	Previous capital	Issue type	Date
1	3,000,000,000	11,339,806,840	Cancellation of shares	12 December 2024
2	11,339,806,840	5,339,806,840	Rights issue	25 August 2024
3	5,339,806,840	5,000,000,000	Acquisition	04 November 2013
4	5,000,000,000	3,750,000,000	Bonus shares	25 March 2008
5	3,750,000,000	3,000,000,000	Bonus shares	11 October 2006
6	3,000,000,000	1,800,000,000	Bonus shares	15 April 2006
7	1,800,000,000	1,500,000,000	Rights issue	16 November 2005

## Dividends

Year	Dividends per share (ﷲ)	Total of dividends distributed/ for the year (ﷲ'000s)	Net income (ﷲ'000s)	Percentage
2019	0.30	160,194	475,630	33.68%
2020	0.75	400,486	910,802	43.97%
2021	0.20	106,796	221,879	48.13%
2022	0.66	352.427	742,752	47.45%
2023	0	0	899,185	0%
2024*	0	0	9,974,266	0%

\*Note: In light of the distribution of ﷲ 21.1 billion worth of Almarai shares, representing Savola's entire 34.52% shareholding in Almarai, to Savola's eligible shareholders in lieu of capital reduction of ﷲ 8.3 billion and distribution of dividend in kind of ﷲ 12.8 billion, which was deposited into the shareholders' accounts during December 2024; accordingly, Savola Board decided on 11 March 2025 not to distribute cash dividends for the year 2024 as per the company announcement in Tadawul dated 12 March 2025.

## h) Summary of related party transactions for 2024 in which some of the Board members have a direct or indirect interest Introduction

During 2024, the Savola Group carried out a number of transactions with related parties in the ordinary course of business. In this respect, the Group follows the same conditions and principles, with no preference in dealing with such type of transactions with third parties. These transactions include the transactions and contracts in which some of the Board members have an interest (whether directly or indirectly) and such transactions require AGM ratification, in accordance with article (71) of the Companies Law, item (14) of article (28) and item (2) of article (12) of the Corporate Governance Regulations issued by the Capital Market Authority. Below is a summary of these transactions.

### h-1) Transactions and contracts with direct or indirect interest between the company and Abdulkadir Al Muhaidib & Sons Co. and Al Muhaidib Group and their subsidiaries or any person related to any of them

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2024	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
<b>a. Savola and Al Muhaidib</b>					
Business or contract in which Abdulkadir Al Muhaidib & Sons Co. and its subsidiaries or any person related to any of them has direct or indirect interest. The total amount of the transactions is ₪ 576.03 million.					
1.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Mayar Foods Co.	₪ 193.44 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.)	Annually	Mr. Sulaiman Abdulkadir Al Muhaidib, who is the chairman of Abdulkadir Al Muhaidib & Sons Co. Group as well as the Chairman of Savola, in addition to Mr. Isam Majed Almuheidib who is a Board member in Savola Group and in the Executive Management of Al Muhaidib Group.
2.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Del Monte Saudi Arabia	₪ 13 thousand			
3.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Nestle Group and its subsidiaries.	₪ 350.92 million			
4.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Manhal Water Factory Co. Ltd.	₪ 8.44 million			
5.	Leasing spaces to sell its products along with trading foods products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Almehbaj Alshamiyah Trading Co.	₪ 20.73 million			
6.	Scrap sales by Panda Retail Co. (a subsidiary of Savola) to Waste Collection & Recycling Company	₪ 2.38 million			
7.	Leasing spaces to sell its products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Zohoor Alreef Co.	₪ 103 thousand			
<b>Total</b>		<b>₪ 576.03 million</b>			

### h-2) Transactions and contracts with a direct or indirect interest between the company and Almarai Co.

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2024	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
<b>b. Savola and Almarai Co</b>					
Business or contract in which Almarai Co. and its subsidiaries, or any person related to any of them, has a direct or indirect interest. The total amount of the transactions is ₪ 990.48 million.					
1.	Purchasing consumer foods goods by Panda Retail Co. (a subsidiary of Savola) from Almarai Co. and its subsidiaries	₪ 868.48 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.)	Annually	Both Mr. Sulaiman Abdulkadir Al Muhaidib and Mr. Bader Abdullah Alissa are Board members in Almarai as well as Savola Group. In addition to Mr. Walid Fatani Group CEO who is a member of Almarai Board.
2.	Selling sugar by United Sugar Company (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	₪ 47.55 million			
3.	Selling specialty fats products by International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	₪ 74.44 million			
4.	Selling Legumes by Bayara Saudi Arabia Limited (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	₪ 14 thousand			
<b>Total</b>		<b>₪ 990.48 million</b>			

### h-3) Transactions and contracts with a direct or indirect interest between the company and Herfy Food Services Co.

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2024	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
<b>c. Savola and Herfy Co</b>					
Business or contract in which Herfy Food Services Co. and its subsidiaries or any person related to any of them has direct or indirect interest. The total amount of the transactions is ₪ 50.09 million.					
1.	Leasing shops and retail purchases of food products by Panda Retail Co. (a subsidiary of Savola) to/from Herfy Food Services Co.	₪ 25.28 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)	Annually	Eng. Mutaz Qusai AlAzzawi, who is the Chairman of Herfy Board, and Herfy Board member Mr. Isam Majed Almuhaideb are both Board members in Savola Group. Also Mr. Waleed Fatani Group CEO who is a Board member in Herfy.
2.	Selling edible oil products by Afia International (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	₪ 16.08 million			
3.	Selling sugar by United Sugar Co.(a subsidiary of Savola Food Co.) to Herfy Food Services Co.	₪ 3.36 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.)		
4.	The sale of specialty fats products by the International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	₪ 5.05 million			
5.	Selling Spices by Bayara Saudi Arabia Limited (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	₪ 322 thousand			
<b>Total</b>		<b>₪ 50.09 million</b>			

### h-4) Transactions and contracts with indirect interest between the company and other companies

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2024	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
1.	Leasing of shop by Panda Retail Co. (a subsidiary of Savola) from Dur Hospitality Co. (a subsidiary of Taiba Investments Co.)	₪ 12 million	In the ordinary course of business and general commercial terms worked without any preferential treatment including renewal, payment methods, maintenance, insurance, etc.	Annually	Mr. Bader Abdullah Alissa is a Board member and Mr. Fahad Abdullah Al Kassim are both Board members in Taiba Investments Co. (owner of Dur Hospitality Co.),Savola Group and Panda Retail Co.
2.	Leasing of ATM locations by Banque Saudi Fransi from Panda Retail (a Savola Group company).	₪ 216.5 thousand	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)	Annually	Mr. Bader Abdullah Alissa is a Board member in Banque Saudi Fransi and Vice Chairman of Savola Group.

### i) A description of any transaction between the company and any related party

The following transactions mainly represent (margin call/payments on behalf) in the normal course of business with associates and other entities related to subsidiaries. The terms of such transactions are mutually agreed between the parties, with the same conditions and with no preference over third parties.

No.	Related party	Relationship	Transaction	Duration	Value/Amount
2.	United Sugar Co. Egypt – SFC	Associate*	Margin call/payments on behalf	During 2024	₭ 41.35 million

\*Converted to subsidiary as of 31 December 2024.

### j) Related party transactions which require disclosure according to the regulatory requirements

#### 1) Transactions and contracts taking place during 2024 in which a member of the Executive Management has a direct or indirect interest in it.

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2024	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
1.	Leasing of shops by Panda Retail Co. (a subsidiary of Savola) from Kinan International for Real Estate Development Co.	₭ 18.83 million	In the ordinary course of business and general commercial terms worked without any preferential treatment including renewal, payment methods, maintenance, insurance, etc.	Annually	Group CEO Mr. Waleed Fatani is a Board member in Kinan.

### k) Competing businesses with the company or any of its activities engaged in during 2024

#### k-1) Competing business with the company or any of its activities that any member of the Board was engaging in such competing businesses.

No.	Board member engaging in or was engaging in competing businesses	Nature and conditions of competing business
1.	Mr. Sulaiman Abdulkadir Al Muhaidib* (Non-executive Board member)	The competing businesses, directly and indirectly, relate to the ownership and management of Al-Mehbaj Company (one of Abdulkadir Al-Muhaidib & Sons Companies), which is a company that specializes in food retail, specifically nuts, coffee, grains, spices, dried fruits and dehydrated vegetables. The mentioned activities are considered a competitor to Bayara Company Holding Ltd., one of the subsidiaries of Savola Foods Company (one of the wholly owned subsidiaries of Savola Group), a company engaged in the manufacture and distribution of healthy snacks (raw and roasted nuts, dates, seeds, dried fruits, sweets) and cooking spices (herbs, spices and pulses).
2.	Mr. Isam Majed Al Muhaidib (Non-executive Board member)	

\* Note: It is worth noting that the approval of the Extraordinary General Assembly was obtained in its meeting held on 10 May 2023 regarding the participation in the above-mentioned competing business.

## I) What has/has not been implemented of the CG regulations, CG procedure and effectiveness, and initiatives

### I-1) Board declaration according to CMA CG Regulations for 2024

As per the CG regulations requirement for the company to make a declaration regarding non-applicable or non-existing matters, the Board undertakes the following.

No.	Declaration/Confirmation
1.	The external auditors' report for the year 2024 does not contain any reservations on the relevant annual financial statements. The Board is committed to provide the CMA with any additional information as may be required in the event of auditors expressing any reservations on the annual financial statements.
2.	The company's books and records comply with the accounting standards issued by SOCPA.
3.	There was no recommendation by the Board of Directors to replace the external auditors (KPMG), appointed for the fiscal year of 2024 to audit the Group's financials as per AGM approval and they were not replaced during the year.
4.	The external auditors did not provide consultancy services to the Group during 2024 and did not receive any fees in this regard.
5.	The Board of Directors did not receive any request from the external auditor to convene a General Assembly.
6.	The company has not granted any cash loans whatsoever to any of its Board members or rendered guarantees with respect to any loan entered into by a Board member with third parties.
7.	The company has avoided taking any action that might hamper the use of shareholders' voting rights.
8.	The company did not receive any request to convene a General Assembly or a request to add one or more items to the agenda upon its preparation from a number of shareholders whose shareholdings represent at least 10% of the equity share capital.
9.	The Chairman of the Board did not receive a written request to call for an unscheduled meeting from any Board members during 2024.
10.	The Board of Directors did not waive any of the company's debts during the year 2024.
11.	There is no interest, contractual documents and subscription rights that belong to the members of the Board of Directors and their relatives in the shares or debt instruments of the subsidiaries except as mentioned in this Report in (h-3) regarding the ownership of some of them in Herfy Food Services Co.
12.	There is no interest, contractual documents and subscription rights of senior executives and their relatives in the shares or debt instruments of subsidiaries. Note: The company has disclosed the conflict of interest for Board members and senior executives and their relatives.
13.	There are no debt instruments issued to Savola Group and its subsidiaries except as detailed in this Report in the loans section.
14.	There is no class and number of any convertible debt instruments, contractual securities, preemptive right or similar rights issued or granted by the company during the fiscal year except for the rights issued in 2024, totaling ₪ 6 billion, as disclosed on the Tadawul website in this regard.
15.	There are no conversion or subscription rights under any convertible debt instruments, contractually based securities, warrants or similar rights issued or granted by the company.
16.	During the fourth quarter of 2024, the Sukuk issued on 09 July 2019 amounting to ₪ 1 (one) billion and maturing on 09 July 2026 were fully redeemed by repurchasing and canceling these purchased Sukuk from the market. Otherwise, there is no redemption, purchase or cancellation by the company of any redeemable debt instruments and the value of such securities outstanding, whether listed securities purchased by the company and those purchased by its affiliates.
17.	There are no interests in any class of voting shares for anyone (except to the Board members and senior executives and their relatives) who have notified the company with these interests, and any changes in these rights during the last fiscal year.
18.	A description of waiving any salary or compensation by an arrangement or agreement with: A Director: (applicable): Mr. Sulaiman Abdulkadir Al Muhaidib (the Chairman of the Board of Directors), has donated ₪ 200,000 of his annual Board remuneration to support the Group's Employee Takaful Fund. A senior executive of the Group: (not applicable).
19.	There is no arrangement or agreement under which a shareholder of the issuer has waived any rights to dividends.
20.	The Board confirms that: A) The company's accounting records were properly prepared. B) Savola Group's internal control systems and procedures were properly developed and effectively executed. C) There are no doubts about the Group's ability to continue its business activities.
21.	There was no recommendation by the Audit Committee that conflicted with the Board of Directors' decisions. The Board did not reject any recommendations regarding the appointment of the company's external auditor, its dismissal, the determination of its fees, the performance evaluation or the appointment of the internal auditor during the year.

## I-2) Procedure set by the Group to monitor the effectiveness of Savola's CG Code

- The Group has a Corporate Governance (CG) Manual which was developed and approved for the first time in 2004 and has been updated in line with the CG regulations issued by the CMA and international best practice in CG and transparency. The company has reviewed and updated its CG framework and policies during 2017-2019 following the issuance of the Corporate Governance Regulations in February 2017 and the amendment issued in 2018, and all updates were approved by the competent administrative bodies, whether the Board of Directors or the General Assembly (where applicable).
- The CG Committee role was added to the RNC's responsibilities and duties, and the committee charter was amended accordingly and was approved by the General Assembly. Also, the Board of Directors and the Executive Management monitor the corporate governance requirements. In addition, the Compliance Officer has a support team at Group-level to monitor CG code implementation and compliance, ensure proper implementation of the Board's resolution regarding CG and submit regular reports to the Board. The Group Board and CEO supervise the overall implementation and development of the governance code in general.
- The Group appoints from time to time CG expert firms in order to enhance its CG practices to meet regional and international best practices in this field.
- The Group shares its CG experience with local, regional and international rating agencies and institutions with the objective to identify its strengths and weaknesses and accordingly develop a plan for improvement.
- The Group has disclosed its CG framework and all policies in this respect on its website ([www.savola.com](http://www.savola.com)).

# Audit Committee Report

## I-3) What provisions have/have not been implemented of the Corporate Governance Regulations, with justifications

The company applies all the provisions of the Corporate Governance Regulations issued by the CMA, except for the following optional items:

No.	Article/ Clause No.	The Article/Clause	Reasons for not adopting optional items
1.	Article 51 (c) (Optional)	Audit Committee Formation: "The chairman of the audit committee shall be an Independent Director"	The current Chairman of the Audit Committee, Mr. Fahad Abdullah Al Kassim, was an independent member up to June 2022 ; however, his classification was changed to a Non-Executive Director as of 01 July 2022 per Article 19 of CMA Corporate Governance Regulations as he has completed nine years since he joined the Board membership. Mr. Fahad Al Kassim has vast experience in the field of finance, accounting, and auditing. In addition, he has served the longest out of all the Audit Committee members in the committee membership.
2.	Article 67 (optional)	Composition of the Risk Management Committee (RMC): "The company's Board shall, by resolution therefrom, form a committee to be named the (Risk Management Committee). The Chairman and 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."	There is a Risk Management Committee from Executives at Group level, and its charter was developed and approved, Also, the Committee has assumed its duties in supervising the risk management team. Moreover, there is a risk management department established under the leadership of a specialized Risk Management Officer and the Risk Management policy was approved by the Board. The Risk Management Officer is currently working with the departments, on Group and subsidiaries level, to enhance the role of the current risk department further and carry out the Risk Management role, activities, and procedures. Also, the company is implementing a governance, risk and compliance system across Savola Group to effectively enhance the participation of the Board and the Executive Management team in the risk management process to ensure a unified vision of the risks faced by the Group and its subsidiaries. The RMC will be formed by the Board after completion of the infrastructure of risk management department and whenever it deems necessary.
3.	Article 68 (optional)	Competencies of the Risk Management Committee	The RMC has not been formed due to the above-mentioned reasons in No. (2).
4.	Article 69 (optional)	Meetings of the Risk Management Committee: "The Risk Management Committee shall convene periodically at least once every 6 months and as may be necessary."	The RMC has not been formed due to the above-mentioned reasons in No. (2).
5.	Article 92 (optional)	Formation of a Corporate Governance Committee: "If the Board forms a Corporate Governance Committee, it shall assign to it the competences stipulated in Article (91) of these Regulations. Such committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually."	There is no standalone committee for corporate governance, however, to ensure and monitor the implementation of CG requirements, the CG role was added to the RNC responsibilities and duties, and the committee charter was amended and approved by the AGM. Also, the CG requirements are overseen and monitored by the Board of Directors and the top Executive Management, in addition, there is a CG and Compliance Department with qualified team members at the Group-level to monitor CG code implementation and compliance, ensure proper implementation of the Board's resolutions issued regarding CG and submit regular reports to the Board. In addition, the Board and CEO supervise the overall implementation and development of the governance code.

## Savola Group Audit Committee Report for the year ended 31 December 2024.

### Introduction

The Audit Committee of Savola Group was formed, and its charter was adopted by a resolution issued by the general assembly of shareholders in light of the regularity requirements. The Group amended the Audit Committee Charter, which was subsequently approved by the general assembly of shareholders at their meeting held on 10 May 2023. The amendment was in line with paragraph (H) of article (51) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to resolution no. 8-16-2017 dated 16/5/1438H corresponding to 13/2/2017G, amended by resolution of the Board of the Capital Market Authority resolution no. 8-5-2023 dated 25/6/1444H corresponding to 18/1/2023G.

We are pleased to share with you Savola Group Audit Committee Report for the year 2024, prepared in line with the requirements of the Companies Law, the Regulations and Rules of the Capital Market Authority and the committee's charter.

### 1. Appointment

Savola Group Audit Committee was appointed at the General Assembly Meeting No. (41), held on Monday, 16 May 2022, corresponding to 15 Shawwal 1443H in which the formation of the Audit Committee were approved for the new office term for three years, beginning from 1 October 2022 to 30 September 2025. The appointment includes Mr. Fahad Abdullah Al Kassim (as a non-executive Board member), Mr. Tareq Abdullah Al-Garaawy (Independent member), Mr. Mohammed Ibrahim Al Issa (Independent Board member), Mr. Bader Hamad Al Rabiah (Independent Board member) and Dr. Jassim Shaheen Al Rumaihi (Independent member). Following the amended corporate governance regulations, the amended committee membership rules and regulations approved by the General Assembly of Shareholders at its meeting on 10 May 2023, apply to the committee members.

### 2. Meetings

In line with its charter, the Audit Committee will convene periodically based on chairman invitation, at least four (4) times per year, and as may be necessary, and majority attendance of members constitute a quorum whether in person or by proxy. The Committee held six (6) meetings during 2024 and the quorum for each meeting was reached.

### 3. Savola Group Operating Model

The organizational structure "Operating model" adopted by the Group as a strategic investment holding company reflects the independence of the operational aspects of the Group's subsidiaries.

Conversely, all interaction between the Group's Audit Committee on one hand and its subsidiaries' Audit Committees on the other hand are governed by the Group's representation membership at the Audit Committees of the subsidiaries.

#### 4. Audit Committee members' qualifications

The schedule below describes current and previous positions, qualifications and experience of the Audit Committee members as follows.

No	Member name	Current positions	Previous positions	Qualifications	Experience
1.	Mr. Fahad Abdullah Al Kassim (Committee Chairman)				
2.	Mr. Mohammed Ibrahim Al Issa				
3.	Mr. Bader Hamad Al Rabia				
Current and previous positions, qualifications and experience were mentioned earlier in the Director's Report.					
4.	Mr. Tareq Abdullah Al-Garaawy	He is currently an audit committee member of Savola Foods Company and other several joint stock companies.	Worked in several companies like Idfa Management and Financial Consultants, and Tatweer Buildings Company (TBC).	<ul style="list-style-type: none"> <li>Bachelor's Degree in Accountancy from King Saud University, KSA in 1996.</li> <li>Master's degree in Accountancy from George Washington University, USA in 2002.</li> <li>A Certified Management Accountant, and a member of the Institute of Management Accountants (USA) as well as a member of Institute of Internal Auditors.</li> </ul>	Has more than 24 years' practical experience in financial, accountancy, compliance and consultancy gained from working with several banks such as, Saudi Investment Bank, Saudi Arabia British Bank and Bank Al-Bilad.
5.	Dr. Jassim Shaheen Al Rumaihi	Retired professor, financial consultant, and dedicated administrative officer	Regional Manager at Arab Open University Eastern Province Branch – KSA, CEO and Head of Organizational Development and Admin Affairs at Razan Holding for Knowledge Co. CEO at Saudi United Contractors Co. Head of Finance and Management at Faisal Al Qahtani & Sons Trading & Contracting Co. VP for organization Development – Alshalwai Contacting Company, Head of the Accounting and Management Information Systems Department at King Fahd University of Petroleum and Minerals.	Ph.D in Accounting from University of Dundee, UK Master's degree in accounting from the University of Missouri, USA Bachelor's Degree in Accounting from King Saud University, KSA	Has more than 30 years of academic and practical experience, currently working as a dedicated business consultant in the financial and administration fields, and member of several Boards and remuneration and nomination committees of other companies.

## 5. Audit Committee attendance

The members of the Audit Committee attendance for the meetings of the Audit Committee held during the year 2024 are listed below.

Sr.	Name	Meetings during 2024						Total
		06 Feb	24 Mar	07 May	09 Jun	06 Aug	27 Oct	
1.	<b>Mr. Fahad Abdullah Al Kassim</b> (Chairman) (Non-executive, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
2.	<b>Mr. Mohammed Ibrahim Al Issa</b> (Independent, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
3.	<b>Mr. Bader Hamad Al Rabia</b> (Independent, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
4.	<b>Mr. Tareq Abdullah Al-Garaawy</b> (Independent, External member)	✓	✓	✓	✓	✓	✓	6 of 6
5.	<b>Dr. Jassim Shaheen Al Rumaihi</b> (Independent, External member)	✓	✓	✓	✓	✓	✓	6 of 6
-	<b>Mr. Aly Asim Barakat</b> (Committee Secretary)	✓	✓	✓	✓	✓	✓	6 of 6

## 6. Audit Committee remuneration for 2024

The annual remuneration for the Audit Committee membership consists of a lump sum, and an attendance allowance of ₪ 5,000 per meeting in accordance with the committee's charter and the remuneration policy approved by the Shareholders General Assembly, the details of which have been disclosed in the company's committees' remuneration section previously mentioned in this report.

## 7. Summary of Audit Committee duties, responsibilities and achievements executed in 2024

### a- Financial reporting

- Analyze and recommend to the Group's Board of Directors the approval of the preliminary quarterly results and year-end consolidated financial statements focusing particularly on the reliability of the information disclosed therein, changes in accounting policy, significant and unusual events, reasonableness of accounting estimates for significant issues, as well as compliance with accounting standards and other legal requirements.

### b- Internal audit

- Review and approve the Group's internal audit department plan, scope of activities, methodologies and outputs and ensure whether the function has the necessary authority and resources to carry out its work while maintaining its independence.
- Review and assess Savola Group internal audit reports and monitor the tracking and follow-up of procedures implementation determining whether or not appropriate actions are taken in respect of the internal audit recommendations therein.

### **c- External audit**

- Review the external auditors service delivery plan, scope of work, the results of the financial audits, the relevant audit reports and verifying the independence of the external auditor as well as not providing any work that are beyond its scope of work.
- Ensure appropriate assistance was given by the Group's executive management team to the external auditors and that no difficulties were encountered during the course of the audit, including any restrictions on the scope of activities or access to required information.
- Providing recommendations to the board to nominate external auditors and determine their remunerations, after verifying their independence and reviewing the scope of their work and the contract terms.

### **d- Related party transactions**

- Review the results of external auditors limited review of Savola related party transactions for 2024 included in the related party transactions report prepared by the Board of Directors in relation to the related party transactions executed by the company during the year and provide any recommendation to the Board based on the results, if any.
- Ensure related party transactions are properly disclosed in the Board of Directors report and audited financial statements.
- Review the contracts and proposed related party transactions (if applicable), and provide its recommendations to the Board.

### **e- Savola Integrity Hotline**

Oversee the Group's wide whistleblowing reporting facility "Integrity Hotline" which captures and records matters raised by any stakeholders, including the Executive Management team, senior managers, employees (permanent, temporary and part-time), shareholders, trainers, clients, individuals, agency staff, consultants, suppliers and vendors.

### **f- Review of internal control producers and its results at the Group**

The Executive Management of the Group and its subsidiaries certifies on an annual basis their responsibility for establishing and maintaining internal control procedures designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws and regulations. The reasonable assurance provided by the signed internal control certifications is supported by the results of a questionnaire completed by all heads of functions across the Group and subsidiaries designed in line with the Internal Control/Integrated Framework published by Committee of Sponsoring Organization (COSO) of the Treadway Commission. The signed internal control certificates for 2024 were handed over and filed with the Group's legal counsel.

The Internal Audit department at the Group and its subsidiaries execute the annual audit plan, which is approved by the Audit Committee at the Group and its subsidiaries, and submit periodic reports evaluating of the existing condition of internal control procedures focusing on the assessment of the control environment, organization's structure, risks, policies and procedures, segregation of duties and information systems. A random sample of activities within the planned audit area is selected to test the effectiveness and efficiency of the design and operation of internal control procedures. All internal control recommendations resulting from the execution of annual audit plans are communicated to concerned management parties and followed up by internal audit departments at the Group and its subsidiaries to support continuous improvement of the effectiveness of internal control procedures.

The Group's external auditors conducted their audit in accordance with international auditing standards adopted in Saudi Arabia, which require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. This resulted in providing an unqualified opinion on the Group's consolidated financial statements for the year ended on 31 December 2024, based on 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).

Based on the results of the above-mentioned procedures, the Group's Audit Committee believes that reasonable assurance was provided regarding the effectiveness of internal control procedures.

However, we emphasize that due to the geographical spread of the Group's operations locally and regionally we cannot conclude exclusively on the comprehensiveness of the internal control procedures, as these procedures in substance, rely on selecting random samples as above mentioned.

Accordingly, the Audit Committees at the Group and its subsidiaries efforts are focused continuously to develop and improve the effectiveness and efficiency of the internal control procedures review mechanism in place across the Group and its subsidiaries.

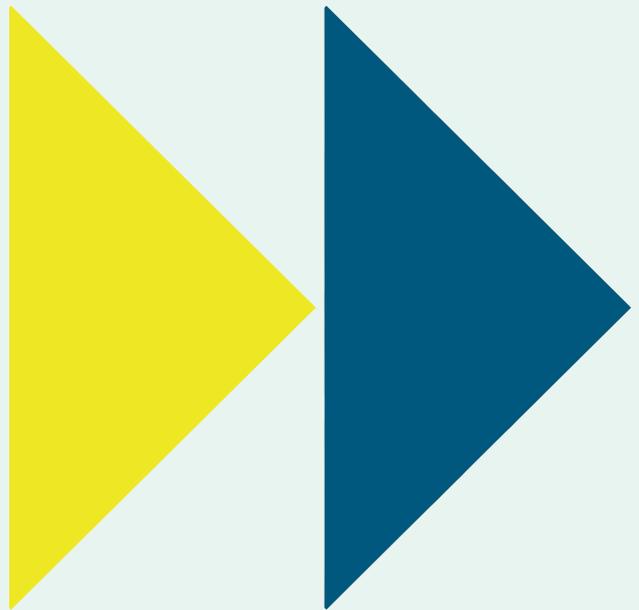
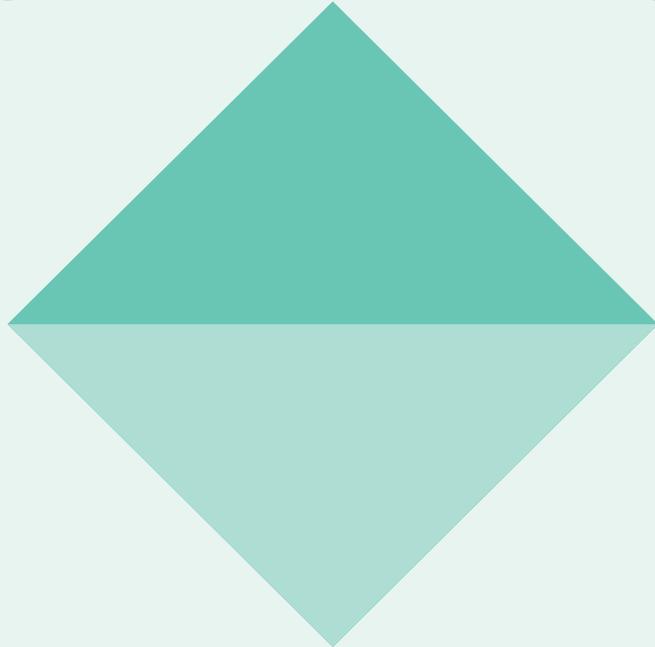
The Audit Committee report was prepared by the Audit Committee for the year 2024 in line with the regulatory requirements and the charter of the Committee and will be submitted to the general assembly when the Board of Directors issue its invitation.

# Financial Statements

## 06

---

158	Independent Auditor's Report on Consolidated Financial Statements
163	Consolidated Statement of Financial Position
164	Consolidated Statement of Profit or Loss and Other Comprehensive Income
166	Consolidated Statement of Changes in Equity
168	Consolidated Statement of Cash Flows
169	Notes to the Consolidated Financial Statements



# Independent Auditor's Report

To the Shareholders of Savola Group Company

## Opinion

We have audited the consolidated financial statements of Savola Group Company ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Impairment testing of non-financial assets

Refer Note 2(b)(iv) for critical accounting estimates and judgements related to impairment of non-financial assets, refer Note 3(b)(ii) for the accounting policy relating to goodwill, Note 3(f) for accounting policy relating to property, plant and equipment, Note 3(g) for the accounting policy relating to intangible assets, Note 3(k)(ii) for the accounting policy relating to impairment of non-financial assets, Note 3(t) for accounting policy relating to right-of-use assets, Note 4 for the property, plant and equipment disclosure, Note 5 for the right-of-use assets disclosure, Note 6 for the intangible assets and goodwill disclosure and Note 40 for the impairment loss / (reversal) disclosure.

**Key audit matter**

As at December 31, 2024, the carrying value of intangible assets and goodwill amounted to SR 1,399 million, the carrying value of property, plant and equipment and right-of-use (RoU) assets amounted to SR 5,438 million and SR 3,058 million respectively. Impairment charge, net recognised on the non-financial assets during the year ended December 31, 2024 amounted to SR 390 million.

Intangible assets with indefinite useful life and Goodwill are subject to a mandatory annual impairment test and the intangible assets with definite useful life, property, plant and equipment and right-of-use assets are subject to impairment testing where there are internal or external indicators of impairment. The Group reviews the carrying amounts of these non-financial assets to determine whether their carrying values exceed the recoverable amounts, which is the higher of value in use or the fair value less costs to sell. For the purpose of the Group's impairment assessment, the Group has used the value in use model, to determine the recoverable amount, under which the future cash flows relating to each Cash Generating Unit (CGU) were discounted and compared to their respective carrying amounts. The Group value in use model for the CGUs includes significant judgements and assumptions relating to Cash flow projections, growth and discount rates.

There is uncertainty in estimating the recoverable amount of non-financial assets which principally arises from the inputs used in both forecasting and discounting future cash flows. A combination of the significance of the asset balances and the inherent uncertainty in the assumptions supporting the valuations of non-financial assets, means that an assessment of their carrying value is one of the key judgmental areas.

We considered impairment of non-financial assets that includes intangible assets and goodwill, property, plant and equipment and right of use assets as a key audit matter due to the significant judgment and key assumptions involved in the impairment assessment process.

**How the matter was addressed in our audit**

We performed the following audit procedures in relation to non-financial assets impairment:

- Obtained an understanding of the Group's process and the methodology used for identifying the impairment indicators and performing the impairment assessment of non-financial assets;
- Tested the accuracy and relevance of the input data used by the Group on sample basis in the impairment assessment model by reference to supporting evidence and considered the reasonableness of the management approved budgets by comparing the Group's historical results and performance against these budgets;
- Involved our internal specialists for assessing the reasonableness of value in use calculations and the key underlying assumptions, including cash flow projections, growth and discount rates;
- Performed sensitivity analysis, over the key assumptions, such as growth rates and discount rates to evaluate the impact on the currently estimated headroom for the respective CGUs; and
- Assessed the adequacy of the disclosures in these consolidated financial statements, including disclosures of key assumptions and judgments.

## Valuation of Inventories

Refer Note 2(b)(ii) for critical accounting estimates and judgements related to provision for net-realizable value (NRV) write down of inventory, refer Note 3(j) for the accounting policy on inventories and Note 10 for the inventories disclosure.

Key audit matter	How the matter was addressed in our audit
<p>As at December 31, 2024, the Group's net inventories balance was SR 4,171 million net of provision for NRV write down of SR 112 million.</p> <p>Inventories are stated at the lower of cost and NRV and an allowance is made by the Group, where necessary, for NRV adjustment. The Group determines the level of NRV adjustment of inventories by considering their nature, ageing profile, expiry dates and sales expectations using historic trends and other qualitative factors.</p> <p>The Group also deals in commodity hedging contracts for its raw sugar inventory. The Group accounts for these contracts using the mark-to-market method and assesses the valuation and hedge effectiveness at each reporting period by obtaining broker statements and exchange-quoted price.</p> <p>We consider this as a key audit matter due to the significant judgments and key assumptions applied by the Group in determining the level of inventories write down required based on NRV assessment. Further, the commodity hedging involves the use of complex hedging mechanisms, across multiple hedging strategies and price volatility.</p>	<p>We performed the following audit procedures in relation to valuation of inventories:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process around the recognition, subsequent measurement and the valuation of inventories;</li> <li>• Evaluated the appropriateness of the Group's policy for provisioning for inventories' NRV write down by performing retrospective testing;</li> <li>• Attended physical count of inventories at selected locations on sample basis to identify expired or lost items;</li> <li>• Tested the net realisable value of finished goods inventories and evaluated the assumptions used by the Group to check whether inventories are valued at the lower of cost and net realisable value;</li> <li>• Engaged our internal specialist to assess the hedging relationship, monitoring hedge effectiveness and appropriateness of methods for mark-to-market values of derivatives at the reporting date;</li> <li>• Assessed the adequacy of the disclosures in these consolidated financial statements, including disclosures of key assumptions and judgments.</li> </ul>

## Restructuring of share capital and distribution of equity-accounted investee to the shareholders

Refer Note 2(b)(vii) for critical accounting estimates and judgements related to distribution of non-cash assets to owners as in-kind dividend, Note 3(r) for the accounting policy relating to dividends, refer Note 3(u) for the accounting policy on share capital, Note 8.3 for distribution of equity-accounted investee's disclosure and Note 15 for the share capital and dividend declaration's disclosure.

Key audit matter	How the matter was addressed in our audit
<p>During the year, the Company restructured its share capital wherein the share capital was initially increased from SR 5,339 million to SR 11,339 million through issuance of 600 million right shares at par value of SR 10 each. Afterwards, on December 12, 2024, the Company reduced its share capital from SR 11,339 million to SR 3,000 million and distributed its entire shareholding in Almarai Company (equity-accounted investee) to its shareholders. The fair value and the carrying value of the investment in Almarai Company on the distribution date was SR 21,093 million and SR 9,083 million respectively. The derecognition of the investment in Almarai Company upon this distribution led to recognition of a gain of SR 11,555 million which has been recognized in the consolidated statement of profit or loss and other comprehensive income.</p> <p>The Group recognized changes to the share capital and distribution to shareholders when approval from the general assembly had been obtained and all other regulatory requirements had been met. The Group derecognized its investment in equity-accounted investee when it no longer had significant influence over the investee.</p> <p>We consider this as a key audit matter due to the effect of these significant unusual transactions on the consolidated financial statements and our audit thereof and complexity of the judgments in relation to recognition, measurement and presentation in the consolidated financial statements.</p>	<p>We performed the following audit procedures in relation to these transactions:</p> <ul style="list-style-type: none"> <li>• assessed the appropriateness of the accounting treatment of the restructuring of share capital, distribution of the investment in Almarai Company to the shareholders and related impact on the consolidated financial statements;</li> <li>• inspected the minutes of the meeting of Board of Directors and extraordinary general assembly. Further, we also inspected the necessary regulatory documents to verify the authorization of these transactions;</li> <li>• recalculated the gain recognized on distribution of the investment in Almarai Company and checked the fair value used as of the date of distribution based on the quoted market prices;</li> <li>• Traced the proceeds from the right issue of shares with the related supporting documents; and</li> <li>• Assessed the adequacy of the consolidated financial statements' disclosures, including disclosures of key judgements.</li> </ul>

## 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as 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 controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group 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 Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

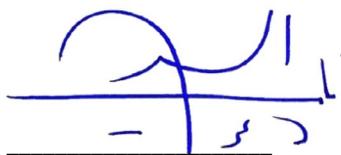
Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 Savola Group Company ("the Company") and its subsidiaries ("the Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 consolidated 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**



Nasser Ahmed Al Shutairy  
License No. 454



Jeddah, March 13, 2025  
Corresponding to Ramadan 13, 1446H

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2024	2023
<b>ASSETS</b>			
Property, plant and equipment	4	5,438,447	6,046,276
Right-of-use assets	5	3,058,060	3,040,384
Intangible assets and goodwill	6	1,399,693	1,678,552
Investment property	7	151,796	153,629
Equity-accounted investees	8	409,097	9,309,103
Investments at fair value through other comprehensive income	9	108,271	98,068
Deferred tax asset	25	25,308	25,641
Other non-current assets		17,845	16,066
<b>Non-current assets</b>		<b>10,608,517</b>	<b>20,367,719</b>
Inventories	10	4,171,221	4,251,886
Trade receivables	11	1,956,952	1,752,950
Prepayments and other receivables	12	1,637,689	1,590,124
Investments at fair value through other comprehensive income	9	121,608	--
Investments at fair value through profit or loss	9	115,986	22,871
Term deposits	13	546,941	738,395
Cash and cash equivalents	13	2,235,328	1,213,193
<b>Current assets</b>		<b>10,785,725</b>	<b>9,569,419</b>
<b>TOTAL ASSETS</b>		<b>21,394,242</b>	<b>29,937,138</b>
<b>EQUITY</b>			
Share capital	15	3,000,000	5,339,807
Share premium		342,974	342,974
Shares held under employees' share based payment plan		(37,459)	(120,774)
Statutory reserve	16	--	1,774,085
General reserve		4,000	4,000
Other reserves	17	(67,894)	(456,513)
Effect of transactions with non-controlling interests without change in control		(39,772)	(275,117)
Foreign currency translation reserve		(1,388,896)	(2,354,758)
Retained earnings		2,807,377	4,143,441
<b>Equity attributable to owners of the Company</b>		<b>4,620,330</b>	<b>8,397,145</b>
Non-controlling interests		958,733	1,137,375
<b>TOTAL EQUITY</b>		<b>5,579,063</b>	<b>9,534,520</b>
<b>LIABILITIES</b>			
Loans and borrowings	20	29,435	4,699,990
Lease liabilities	22	3,166,786	3,092,951
Employee benefits	23	754,969	842,718
Provision against asset restoration	24	157,409	153,541
Deferred tax liability	25	116,564	60,150
<b>Non-current liabilities</b>		<b>4,225,163</b>	<b>8,849,350</b>
Loans and borrowings	20	3,374,142	3,944,497
Lease liabilities	22	426,311	429,578
Trade payables	26	3,679,328	3,507,964
Put liability	12	343,328	--
Derivative	12	--	274,255
Accrued and other liabilities	27	3,117,558	2,863,664
Contract liabilities	28	139,401	171,171
Accrued income tax	29	106,080	285,847
Accrued zakat	29	403,868	76,292
<b>Current liabilities</b>		<b>11,590,016</b>	<b>11,553,268</b>
<b>TOTAL LIABILITIES</b>		<b>15,815,179</b>	<b>20,402,618</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,394,242</b>	<b>29,937,138</b>

The notes from 1 to 46 form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As at December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2024	2023
<b>Continuing Operations</b>			
Revenues	34	23,986,655	24,149,521
Cost of revenues	35	(19,029,636)	(19,103,682)
<b>Gross profit</b>		<b>4,957,019</b>	<b>5,045,839</b>
Share of results in investment in equity-accounted investees, net of zakat and tax	8.1	808,635	718,813
Selling and distribution expenses	36	(2,991,905)	(2,931,087)
Administrative expenses	37	(938,698)	(869,798)
Impairment (charge) / reversal, net	40	(390,409)	130,190
Net impairment reversal / (loss) on financial assets	11	456	(24,096)
Other operating income / (expense)	38	9,582	(7,935)
<b>Results from operating activities</b>		<b>1,454,680</b>	<b>2,061,926</b>
Finance income		132,548	98,446
Finance cost		(1,139,071)	(966,038)
<b>Net finance cost</b>	41	<b>(1,006,523)</b>	<b>(867,592)</b>
Gain on distribution of investment in equity accounted investee	8	11,554,662	--
Loss on derecognition of investment in equity accounted investee	14	(139,001)	--
Gain on sale of assets and liabilities classified as held for sale		--	18,677
<b>Profit before zakat and income tax</b>		<b>11,863,818</b>	<b>1,213,011</b>
Income tax expense	29	(216,466)	(123,235)
Zakat expense	29	(350,010)	(38,467)
Profit for the year from continuing operations		11,297,342	1,051,309
(Loss) / profit from discontinued operations	21	(1,381,990)	19,167
<b>Profit for the year</b>		<b>9,915,352</b>	<b>1,070,476</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of the defined benefit liability	23	62,891	43,935
Investments at fair value through other comprehensive income – net change in fair value	9	1,911	(6,360)
Equity accounted investees - share of other comprehensive income	8	(19,806)	(29,572)
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Release of foreign currency translation differences on disposal of subsidiaries	21	1,563,014	--
Equity accounted investees – share of foreign currency translation differences reclassified to profit or loss		(11,907)	--
Release of reserve – equity accounted investee		3,200	--
Foreign operations – foreign currency translation differences		(613,642)	(341,815)
Investment in equity accounted investees - share of other comprehensive income	8	(89,086)	39,268
Equity accounted investees - share of other comprehensive loss reclassified to profit or loss	17	367,101	--
Cash flow hedges – effective portion of changes in fair value		23,872	(20,003)
<b>Other comprehensive income / (loss) for the year – net of tax</b>		<b>1,287,548</b>	<b>(314,547)</b>
<b>Total comprehensive income for the year</b>		<b>11,202,900</b>	<b>755,929</b>

The notes from 1 to 46 form an integral part of these consolidated financial statements.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

As at December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2024	2023
<b>Profit / (loss) attributable to:</b>			
Owners of the Company		9,974,266	899,185
Non-controlling interests		(58,914)	171,291
<b>Profit for the year</b>		<b>9,915,352</b>	<b>1,070,476</b>
<b>Profit / (loss) attributable to owners of the Company from:</b>			
Continuing operations		11,301,864	911,356
Discontinued operations		(1,327,598)	(12,171)
		<b>9,974,266</b>	<b>899,185</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners of the Company		11,271,637	645,543
Non-controlling interests		(68,737)	110,386
<b>Total comprehensive income for the year</b>		<b>11,202,900</b>	<b>755,929</b>
<b>Total comprehensive income / (loss) attributable to owners of the Company:</b>			
Continuing operations		11,255,948	840,798
Discontinued operations		15,689	(195,255)
		<b>11,271,637</b>	<b>645,543</b>
<b>Earnings per share attributable to the Owners of the Company from continuing operations (in ﷻ) (*Restated):</b>			
Basic	31	12.02	1.00*
Diluted	31	12.00	1.00*
<b>Earnings per share attributable to the Owners of the Company (in ﷻ) (*Restated):</b>			
Basic	31	10.61	0.99*
Diluted	31	10.59	0.99*

The notes from 1 to 46 form an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Equity attributable to the Owners of the Company			
	Share capital	Share premium	Shares held under employees' share based payment plan	Statutory reserve
<b>Balance at January 1, 2023</b>	5,339,807	342,974	(51,862)	1,774,085
<b>Total comprehensive income / (loss) for the year</b>				
Profit for the year	--	--	--	--
Other comprehensive income / (loss)	--	--	--	--
Transaction with non-controlling interest without change in control (Note 1)	--	--	--	--
Charge for equity-settled employees' share based payment plan (Note 18)	--	--	--	--
Purchase of shares held under employees' share based payment plan (Note 18)	--	--	(80,000)	--
Dividends (Note 15)	--	--	--	--
Dividend on Treasury Shares	--	--	--	--
Settlement of treasury Shares	--	--	11,088	--
<b>Balance at December 31, 2023</b>	5,339,807	342,974	(120,774)	1,774,085

	Equity attributable to the Owners of the Company			
	Share capital	Share premium	Shares held under employees' share based payment plan	Statutory reserve
<b>Balance at January 1, 2024</b>	5,339,807	342,974	(120,774)	1,774,085
<b>Total comprehensive income / (loss)</b>				
Profit / (loss) for the year	--	--	--	--
Other comprehensive income / (loss)	--	--	--	--
Charge for equity-settled employees' share based payment plan (Note 18)	--	--	--	--
Issue of new shares via right issue (Note 15)	6,000,000	--	(33,348)	--
Transaction cost related to right issue, capital reduction and distribution (Note 15)	--	--	--	--
Capital Reduction (Note 15)	(8,339,807)	--	104,138	--
Impact of Capital reduction on share-based payment reserves (Note 18)	--	--	--	--
Transfer on derecognition of equity accounted investees (Note 8)	--	--	--	--
Transfer on disposal of subsidiary (Note 21)	--	--	--	--
Dividends distribution in-kind (Note 8)	--	--	--	--
Derecognition of non-controlling interest (Note 21)	--	--	--	--
Settlement of Treasury shares	--	--	12,525	--
Acquisition of subsidiary (Note 14)	--	--	--	--
Transfer from statutory reserve to retained earnings (Note 16)	--	--	--	(1,774,085)
<b>Balance at December 31, 2024</b>	3,000,000	342,974	(37,459)	--

The notes from 1 to 46 form an integral part of these consolidated financial statements.

## Equity attributable to the Owners of the Company

General reserve	Other reserves	Effect of transactions with non-controlling interests without change in control	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
4,000	(452,731)	(187,979)	(2,066,346)	3,552,764	8,254,712	1,061,981	9,316,693
--	--	--	--	899,185	899,185	171,291	1,070,476
--	(8,965)	--	(288,412)	43,735	(253,642)	(60,905)	(314,547)
--	(8,965)	--	(288,412)	942,920	645,543	110,386	755,929
--	--	(87,138)	--	--	(87,138)	27,138	(60,000)
--	5,183	--	--	--	5,183	(6)	5,177
--	--	--	--	--	(80,000)	--	(80,000)
--	--	--	--	(352,427)	(352,427)	(62,124)	(414,551)
--	--	--	--	184	184	--	184
--	--	--	--	--	11,088	--	11,088
4,000	(456,513)	(275,117)	(2,354,758)	4,143,441	8,397,145	1,137,375	9,534,520

## Equity attributable to the Owners of the Company

General reserve	Other reserves	Effect of transactions with non-controlling interests without change in control	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
4,000	(456,513)	(275,117)	(2,354,758)	4,143,441	8,397,145	1,137,375	9,534,520
--	--	--	--	9,974,266	9,974,266	(58,914)	9,915,352
--	277,759	--	965,862	53,750	1,297,371	(9,823)	1,287,548
--	277,759	--	965,862	10,028,016	11,271,637	(68,737)	11,202,900
--	36,304	--	--	--	36,304	52	36,356
--	--	--	--	--	5,966,652	--	5,966,652
--	--	--	--	(47,691)	(47,691)	--	(47,691)
--	--	--	--	--	(8,235,669)	--	(8,235,669)
--	(17,882)	--	--	6,495	(11,387)	--	(11,387)
--	104,963	--	--	(104,963)	--	--	--
--	--	238,979	--	(238,979)	--	--	--
--	--	--	--	(12,753,027)	(12,753,027)	(53,016)	(12,806,043)
--	--	--	--	--	--	(89,933)	(89,933)
--	(12,525)	--	--	--	--	--	--
--	--	(3,634)	--	--	(3,634)	32,992	29,358
--	--	--	--	1,774,085	--	--	--
4,000	(67,894)	(39,772)	(1,388,896)	2,807,377	4,620,330	958,733	5,579,063

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2024	2023
<b>Cash flows from operating activities</b>			
Profit for the year		9,915,352	1,070,476
<b>Adjustments for:</b>			
Depreciation and amortisation		1,154,964	1,123,106
Net finance cost	21 & 41	1,030,227	1,051,142
Share of results in investment in equity-accounted investees, net of zakat and tax	8	(808,635)	(718,813)
Share based payment expense	18	36,356	5,177
Impairment charge / (reversal), net	40	390,409	(111,932)
Loss / (gain) on sale of property, plant and equipment and write-off of software		895	(17,769)
Gain on sale of assets and liabilities classified as held for sale		--	(18,677)
Gain on distribution of equity accounted investee	8	(11,554,662)	--
Loss on derecognition of equity accounted investee	14	139,001	--
Loss on derecognition of subsidiaries	21	1,422,268	--
Loss on FVTPL investments		18,496	20,577
Net impairment loss on financial assets	11	1,987	48,566
Provision for employee benefits	23	111,776	139,177
Zakat expense	29	350,010	38,467
Income tax expense	25 & 29	252,604	190,042
		2,461,048	2,819,539
<b>Changes in:</b>			
Inventories		(330,979)	87,208
Trade receivables		(672,982)	(287,666)
Prepayments and other receivables		(201,103)	66,808
Trade payables		532,126	(175,117)
Accrued and other liabilities		582,577	133,845
<b>Cash generated from operating activities</b>		2,370,687	2,644,617
Finance cost paid on loans and borrowings	20	(768,056)	(744,770)
Finance cost paid on lease liabilities	22	(178,404)	(201,182)
Zakat and income tax paid	29	(202,347)	(76,931)
Employee benefits paid	23	(81,987)	(82,370)
<b>Net cash generated from operating activities</b>		1,139,893	1,539,364
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	4	(733,345)	(890,472)
Acquisition of intangible assets	6	(41,034)	(19,756)
Acquisition of investment property	7	--	(5,214)
Proceeds from sale of property, plant and equipment		136,304	34,129
Additions in investment in associate	8	(59,965)	--
Acquisition of subsidiary	14	173,065	--
Finance income from bank deposits		132,548	138,044
Cash outflow due to derecognition of subsidiary	21	(452,165)	--
Proceeds from disposal of subsidiary	21	231,413	--
Net proceeds from sale of assets and liabilities classified as held for sale		--	41,403
Dividends received from equity accounted investments	8	368,540	366,746
Net change in term deposits with maturity of more than three months		(191,454)	(181,104)
<b>Net cash used in investing activities</b>		(436,093)	(516,224)
<b>Cash flows from financing activities</b>			
Net change in short term loans and borrowings		136,566	130,514
Proceed from long-term loans and borrowings	20	976,535	1,154,309
Repayments of long-term loans and borrowings	20	(5,782,930)	(582,076)
Right issue proceeds	15	6,000,000	--
Transaction cost related to right issue, capital reduction and distribution		(47,691)	--
Payment against put option	12	(64,842)	--
Payment of lease liabilities – Principal	22	(482,171)	(477,618)
Transaction with non-controlling interest without change in control	1	--	(60,000)
Dividends paid to the owners of the Company		(2,533)	(384,987)
Dividends paid to non-controlling interests		(53,016)	(62,124)
Purchase of shares held under employees' share based payment plan	18	(33,348)	(80,000)
<b>Net cash generated from / (used) in financing activities</b>		646,570	(361,982)
<b>Net change in cash and cash equivalents</b>		1,350,370	661,158
Effect of movement in exchange rates on cash and cash equivalents		(334,865)	(129,458)
Cash and cash equivalents at beginning of the year		1,132,459	600,759
<b>Cash and cash equivalents at December 31</b>	13	2,147,964	1,132,459
<b>Supplemental schedule of non-cash financial information:</b>			
Other reserves		(79,909)	(16,167)
Foreign currency translation reserve		(613,642)	(341,815)
Actuarial reserve	23	62,891	43,935
Addition to right-of-use assets	5	580,888	375,705
Addition to lease liabilities	22	586,824	366,652

The notes from 1 to 46 form an integral part of these consolidated financial statements.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

## 1. GENERAL INFORMATION

Savola Group Company is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030019708 issued in Jeddah on Rajab 21, 1399H (corresponding to June 16, 1979). The Company was formed under the Regulations for Companies in the Kingdom of Saudi Arabia per Royal Decree No. M/21 dated Rabi Al Awal 29, 1398H (March 9, 1978).

The Company's registered office is located at the following address:

**Savola Tower,  
The Headquarter Business Park,  
Prince Faisal Bin Fahad Street,  
Jeddah 23511-7333, Kingdom of Saudi Arabia.**

These accompanying consolidated financial statements comprise the financial statements of Savola Group Company (the "Company" (or) the "Parent Company") and its local and foreign subsidiaries (collectively referred as the "Group"), involved in the manufacturing and sale of vegetable oils and to set up related industries, retail outlets, dairy products, fast foods, exports and imports, commercial contracting, trade agencies, development of agricultural products and real estate related investment activities.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to June 30, 2022) (hereinafter referred as the "New Law") came into force on 26/06/1444H (corresponding to January 19, 2023) as well as the amended implementing regulations that were issued by the Capital Market Authority (CMA) based on the New Law. In this regard, the Company after assessing the impact of the New Law, convened an Extraordinary General Assembly meeting on 20/02/1444H (corresponding to May 10, 2023), which has approved the amendment of certain provisions of the Company's By-laws to ensure compliance with the requirements of the new Companies' Law and the amended CMA implementing regulations. Legal formalities associated with the Company's amended By-laws were completed during the second quarter of 2023.

At December 31, 2024, the Company had investments in the following subsidiaries (collectively referred to as the "Group"):

### (I) Direct subsidiaries of the Company

#### i) Operating subsidiaries

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Savola Foods Company ("SFC")	Saudi Arabia	Holding company	100	100
Panda Retail Company ("Panda") (Note 1 (III))	Saudi Arabia	Retail	100	100
Good Food Company ("GFC")	Saudi Arabia	Holding company	100	100
Al Matoun International for Real Estate Investment Holding Company	Saudi Arabia	Real Estate	80	80
Herfy Food Services Company ("Herfy")	Saudi Arabia	Restaurant & manufacturing bakery products	49	49

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

The Group considers that it controls Herfy even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of Herfy with a 49% equity interest. The remaining 51% of the equity shares in Herfy are widely held by many other shareholders. The Group has the right and power to direct the relevant activities of Herfy as it has the significant majority of equity interests and there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

**ii) Holding and Dormant subsidiaries**

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Adeem Arabia Company (Adeem)	Saudi Arabia	Holding company	100	100
Al Utur Arabian Company for Commercial Investment	Saudi Arabia	Holding company	100	100
Al Matana Holding Company	Saudi Arabia	Holding company	100	100
Madarek Investment Company	Jordan	Holding company	100	100
United Properties Development Company	Saudi Arabia	Dormant company	100	100
Subsidiaries controlled through Al Matana Holding Company:				
SGC Ventures Limited	Cayman Islands	Holding company	100	100
SGC Marketplace Venture	Cayman Islands	Holding company	100	100
SGC Agritech Ventures	Cayman Islands	Holding company	100	100

**(II) Savola Foods Company**

The Parent Company has a 100% (December 31, 2023: 100%) ownership interest in Savola Foods Company ("SFC"), which was incorporated as a closed Saudi joint stock company pursuant to Ministerial Resolution No. 236/G dated Dhul Qadah 21, 1435H (September 16, 2014). Prior to its conversion to a closed joint stock company, SFC was operating as a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 4030180782 issued in Jeddah on Rajab 5, 1429H (July 8, 2008).

The principal objective of SFC is to deal in wholesale and retail trading of food items. SFC through its direct and indirect subsidiaries is engaged in the manufacturing, processing, marketing and distribution of products including edible oil, pasta, sugar, spices, nuts, pulses, seafood, confectionery, and agro cultivation, in the local and overseas market.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Subsidiaries controlled through Savola Foods Company:

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Afia International Company ("AIC")	Saudi Arabia	Manufacturing of edible oils	95.19	95.19
Savola Industrial Investment Company ("SIIC")	Saudi Arabia	Holding company	100	100
El Maleka for Food Industries Company	Egypt	Manufacturing of pasta	100	100
International Foods Industries Company ("IFI")	Saudi Arabia	Manufacturing of specialty fats	100	100
Snacking and Ingredients Food Holding Company Limited ("SIFCO")	UAE	Holding Company	100	100
Commodities Sourcing Company for Trading	Saudi Arabia	Trading Company	100	100
Seafood International Two FZCO	UAE	Seafood products trading and distribution	100	100
Savola Industrial Sustainable Development Company	Saudi Arabia	Renewable energy	100	100
Savola Foods Emerging Markets Company Limited	British Virgin Islands (BVI)	Holding company	95.43	95.43
Savola Foods for Sugar Company	Cayman Islands	Dormant company	95	95
Savola Foods Company International Limited	United Arab Emirates (UAE)	Holding company	--	100
Seafood International Holdco	Cayman Islands	Holding company	100	100
Al Maoun International Holding Company	Saudi Arabia	Holding company	100	100
Marasina International Real Estate Investment Limited	Saudi Arabia	Holding company	100	100
Afia Arabia for Foods	Saudi Arabia	Holding company	100	100
<b>SIFCO</b>				
Bayara Holding Limited	Cayman Islands	Holding company	100	100
Bayara FZE Limited	UAE	Holding Company	100	100
Savola Snacks	Egypt	Manufacturing of snacks	99	99

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**a) Subsidiaries controlled through Afia International Company:**

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Savola Behshahr Company ("SBeC") (Note 21)	Iran	Holding company	--	90
KUGU Gida Yatam Ve Ticaret A.S ("KUGU")	Turkey	Holding company	100	100
Savola Foods Limited ("SFL")	BVI	Holding company	100	100
Inveskz Inc.	BVI	Dormant company	90	90
Aseel Food – Hold Co.	Cayman Islands	Holding company	100	100
Malintra Holdings (Liquidated)	Luxembourg	Dormant company	--	100
Afia International Company – Jordan (under liquidation)	Jordan	Dormant company	98.57	98.57
Afia Trading International	BVI	Dormant company	100	100
Savola Foods International	BVI	Dormant company	100	100
<b>SBeC (Note 21)</b>				
Behshahr Industrial Company (BIC)	Iran	Manufacturing of edible oils	--	79.9
Tolue Pakshe Aftab Company	Iran	Trading and distribution	--	100
Savola Behshahr Sugar Company	Iran	Trading and distribution	--	100
Notrika Golden Wheat Company	Iran	Manufacturing of Food and confectionery	--	90
<b>Behshahr Industrial Company</b>				
Mahsoolat Daryae Ta'm Afarin Saba Company (Sahel) (Note 21)	Iran	Seafood products trading and distribution	--	100
<b>SFL</b>				
Afia International Company, Egypt ("AICE")	Egypt	Manufacturing of edible oils	99.95	99.95
<b>AICE</b>				
Savola For Export and Import	Egypt	Trading and distribution	49	49
<b>KUGU</b>				
Savola Gida Sanayi Ve Ticaret Anonim Şirketi	Turkey	Manufacturing of edible oils	100	100

**b) Subsidiaries controlled through Savola Industrial Investment Company:**

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
United Sugar Company ("USC")	Saudi Arabia	Manufacturing of sugar	74.48	74.48
<b>USC</b>				
United Sugar Company (Note 14)	Egypt	Manufacturing of sugar	39.73	--
Alexandria Sugar Company, Egypt ("ASCE")*	Egypt	Manufacturing of sugar	62.13	62.13
Beet Sugar Industries	Cayman Islands	Dormant company	100	100
<b>ASCE</b>				
Alexandria United Company for Land Reclamation	Egypt	Agro cultivation	100	100

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### c) Subsidiaries controlled through Savola Foods Emerging Markets Company Limited:

Afia International Company – Algeria	Algeria	Manufacturing of edible oils	100	100
Savola Edible Oils (Sudan) Limited (Note 21)	Sudan	Manufacturing of edible oils	100	100

### d) Subsidiaries controlled through Savola Foods Company International Limited:

Modern Behtaam Royan Kaveh Company (Note 21)	Iran	Food and confectionery	--	100
Middle East Technology Ventures Limited (Note 21)	Cayman Islands	Holding Company	--	100

### e) Subsidiaries controlled through Al Maoun and Marasina

Alofog Trading DMMC	UAE	Trading and distribution	100	100
---------------------	-----	--------------------------	-----	-----

### f) Subsidiaries controlled through Seafood International Two FZCO

Seafood International One FZCO	UAE	Seafood products distribution	80	80
--------------------------------	-----	-------------------------------	----	----

\* The Group's effective ownership interest in ASCE is 73.4% (December 31, 2023: 71.66%).

### g) Subsidiaries controlled through Bayara Holding Limited

Subsidiary name	Country of incorporation	Principal business activity	Direct ownership interest (%)	
			December 31, 2024	December 31, 2023
Kamali Investment Limited (Liquidated)*	UAE	Holding Company	--	100
Kandoo Worldwide Limited	BVI	Managing trademarks	100	100

### h) Subsidiaries controlled through Bayara FZE

GYMA Food Industries LLC	UAE	Processing of spices, nuts and pulses	100	100
Bayara Saudi Arabia Limited Group	Saudi Arabia	Processing of spices, nuts and pulses	100	100
GYMA Trading LLC	UAE	Trading of spices, nuts and pulses	100	100
Profood Holdings Limited (liquidated)*	UAE	Dormant company	--	100

\* During the year ended December 31, 2024, the Group completed the liquidation of Kamali Investment Limited and Profood Holding Limited. The liquidation process was finalized during the year ended December 31, 2024.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**(III) Panda Retail Company**

The Parent Company has a 100% (December 31, 2023: 100%) ownership interest in Panda Retail Company ("Panda"), which was incorporated as a closed Saudi joint stock company pursuant to Ministerial Resolution No. 235/G dated Rajab 22, 1431H (July 3, 2010). Prior to its conversion to a closed joint stock company, Panda was operating as a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 1010137417 issued in Riyadh on Rabi-ul-Awal 1, 1416H (July 28, 1995).

Panda together with its subsidiaries is principally engaged in wholesale and retail trading in food supplies and consumable materials. Panda Group operates through its network of hypermarkets and supermarkets.

During 2023, the Group entered into a share purchase agreement with Saudi Geant Company Limited ("the Seller") to acquire the Seller's minority interest of 1.13% in Panda Retail Company in exchange for consideration amounting to ₪ 60 million, resulting in increase in Group's ownership interest in Panda to 100%. The transaction was classified as an acquisition without change in control and the resulting adjustment amounting to ₪ 87.1 million was recorded in equity under "Effect of transactions with non-controlling interests without change in control".

Thereafter, on December 19, 2023, the shareholders of Panda resolved in the Extraordinary General Assembly Meeting, to decrease the share capital of the Panda by ₪ 695 million to absorb its accumulated losses followed by capital injection of ₪ 800 million by the shareholders. The legal formalities in this regard were completed on December 27, 2023.

Subsidiaries controlled through Panda:

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Giant Stores Trading Company (Giant)	Saudi Arabia	Retail	100	100
Panda for Operations, Maintenance and Contracting Services	Saudi Arabia	Services and maintenance	100	100
Panda International for Retail Trading	Egypt	Retail	100	100
Atabet Al Bab Communications and Information Technology LLC	Saudi Arabia	E-commerce	100	100
Panda Bakeries Company	Saudi Arabia	Dormant company	100	100
<b>Giant</b>				
Lebanese Sweets and Bakeries	Saudi Arabia	Dormant company	95	95

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### (IV) Good Food Company

The Parent Company has a 100% (December 31, 2023: 100%) ownership interest in Good Food Company (“GFC”), which was incorporated as a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 4030603674 issued in Jeddah on Rabi-ul-Thani 21, 1439H (January 8, 2018).

GFC through its direct and indirect subsidiaries is principally engaged in the processing, wholesale, retail and distribution of frozen food and seafood in the local and overseas markets.

Subsidiaries controlled through GFC (collectively referred to as “Al Kabeer Group of companies”):

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Variety Food Factory Company	Saudi Arabia	Manufacturing of frozen food	51	51
Al Ahsan Trading Company	Saudi Arabia	Trading and distribution	51	51
Al Helal Imports and Exports Company	Bahrain	Trading and distribution	51	51
Al Kabeer Holding Limited	UAE	Holding Company	51	51
Subsidiaries controlled through Al Kabeer Holding Limited				
Sahar Enterprises Company	UAE	Trading and distribution	100	100
Sahar Food Industry Company	UAE	Manufacturing of frozen food	100	100
Best Foodstuff Trading Company	UAE	Trading and distribution	100	100
Cascade Investments Limited (CIL)	UAE	Investment company	100	100
Cascade Marine Foods Company	UAE	Manufacturing frozen food	100	100
Al Sabah Foodstuff Enterprises Company	UAE	Trading and distribution	100	100
Best Foods Company	Oman	Trading and distribution	100	100

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

## 2. BASIS OF PREPARATION

### a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA ("IFRS").

#### i) Accounting convention / Basis of Measurement

These consolidated financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except for investments classified as fair value through other comprehensive income ("FVOCI"), investments classified as fair value through profit or loss ("FVTPL"), firm commitments and inventory under fair value hedging relationship, derivative financial instruments and employee benefits which are recognised at the present value of future obligation using the Projected Unit Credit Method.

Certain comparative amounts have been reclassified to conform to the current year's presentation and accounting requirements. The significant reclassifications pertain to:

- impact of discontinued operations (Note 21)
- payable to shareholders from non-current to current liabilities (Note 27.3)
- contract liabilities reclassified from Accrued and other liabilities (Note 28)
- accrued zakat and income-tax from Accrued and other liabilities (Note 29)

#### ii) Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (ﷲ) which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

### b) Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements, is included in the following notes:

- Note 3(b)(i) - whether the Group exercises control over an investee
- Note 3(b)(iii) - classification of equity accounted investees
- Note 3(c)(iv) - application of hedge accounting
- Note 3(i) - determining the fair value less cost to sell of the assets classified as held for sale
- Note 3(t) - lease classification
- Note 3(r) - distribution of non-cash assets as dividends to owners

Information about assumptions and estimation uncertainties that have the most significant effect on the amounts recognized in the consolidated financial statements, are described below:

#### i) Impairment of financial assets

The implementation of business model approach under IFRS 9 require judgement to ensure that financial assets of the Group are classified into the appropriate category. Deciding whether the classified categories will require assessment of contractual provisions that do or may change the timing or amount of the contractual cash flows. Objective evidence may

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

exist in circumstances in which a counterparty has been placed in bankruptcy or has failed on the repayments of principal and interest. In other circumstances, the Group uses judgment in order to determine whether a financial asset may be impaired using Expected Credit Loss ("ECL") model. The Group uses judgement in order to determine whether an impairment can be reversed, an assumption in doing so might be an improvement in the debtor's credit rating or receipt of payments due. In addition, Group also make judgments in deciding whether the measurement of expected credit loss reflect reasonable and supportable information that is available without undue cost or effort that include historical, current and forecast information.

### ii) Provision for net-realizable value (NRV) write down of inventory

The Group determines its provision for NRV write down based upon historical experience, expected inventory turnover, inventory aging and current condition, and current and future expectations with respect to sales. Assumptions underlying the provision for NRV write down include future sales trends, and the expected inventory requirements and inventory composition necessary to support these future sales and offerings. The estimate of the Group's provision for NRV write down could materially change from period to period due to changes in product offerings of those products.

### iii) Useful lives of property, plant and equipment, investment properties and intangible assets

The management determines the estimated useful lives of property, plant and equipment, investment property and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation and amortisation charges are adjusted where management believes the useful lives differ from previous estimates.

### iv) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment and when circumstances indicate that the carrying value may be impaired.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss is recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### v) Employee benefits – defined benefit obligation

Certain actuarial assumptions have been adopted as disclosed in Note 23 to these financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect gains and losses in those years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### vi) Going concern

The Group's management has made an assessment of its ability to continue as a going concern for the foreseeable future and is satisfied that it has the resources to discharge its liabilities including the mandatory repayment of loans and borrowings. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

Management believes that the repayment of the liabilities will be met out of operating and investing cash flows. Further, the Group has unused bank financing facilities to manage the short term and the long-term liquidity requirements, as disclosed in Note 42.

Based on these factors, the financial statements continue to be prepared on the going concern basis.

### vii) Distribution of non-cash assets to owners as in-kind dividend

During the year, the Group distributed in-kind dividends to its shareholders. These distributions have been accounted for as per the guidance of IFRIC 17 "Distributions of Non-cash Assets to Owners". IFRIC 17 requires that non-cash asset distributions be measured at the fair value of assets distributed. The recognition and measurement of in-kind distributions involve significant judgment, particularly in the determination of fair value. The Group management has made judgements with regard to the determination of the fair value, and the effective date on which the Group has ceased to have control over the non-cash assets distributed.

### viii) Other assumptions

Information about other assumptions and estimation uncertainties is included in the following notes:

- i. Note 3(c) & 42 - measurement of fair values
- ii. Note 3(j) - allowance for inventory losses
- iii. Note 3(k) - impairment in financial and non-financial assets
- iv. Note 3(l) - provision against assets restoration
- v. Note 3(m) - measurement of defined benefit obligations

## 3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

### a) Share based payments arrangements

#### Equity-settled share-based payment

The grant-date fair value of equity-settled share-based payment plan granted to employees is recognised as an expense on a straight-line basis in the statement of profit or loss, with a corresponding increase in equity as 'Other reserves', over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

#### Cash-settled share-based payment

The fair value of the amount payable to employees in respect of cash-settled share-based payment arrangement is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the award. Any changes in the liability are recognised in profit or loss.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### b) Business combinations

Business combinations (except for entities under common control) are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instrument issued and liabilities incurred or assumed at the date of exchange, and includes costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition. The excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is classified as goodwill. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

#### Acquisitions from entities under common control

Business combinations including entities or businesses under common control are measured and accounted for using book value. The assets and liabilities acquired are recognized at the carrying amounts as transferred from the controlling company's books of accounts. The components of equity of the acquired entities are added to the same components within the Group equity and any gain/loss arising is recognized directly in equity.

#### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are consolidated in the financial statements from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-Group balances, transactions, income and expenses resulting from intra-Group transactions, are eliminated in full. Also, any unrealized gains and losses arising from intra-group transactions are eliminated on consolidation. Subsidiaries used same accounting policies and financial reporting periods.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Changes in a Group's ownership interest in a subsidiary that does not result in a change in control, is accounted as equity transaction and the carrying amounts of the non-controlling interests is adjusted against the fair value of the consideration paid and any difference is recognized directly in equity under "Effect of transactions with non- controlling interest without change in control".

#### (ii) Goodwill

Goodwill represents the difference between the cost of businesses acquired and the Group'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 loss on goodwill is not reversed.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss incurred.

### (iii) Interests in equity-accounted investees

The Group's interests in equity accounted investees comprise of interests in associates and joint ventures.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method (equity-accounted investees). They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other Comprehensive Income ("OCI") of equity-accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the investment carrying amount is reduced to nil and recognition of further losses is continued when the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the underlying assets / liabilities to the extent of the Group's interest in the investee.

Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising on equity accounted investees are recognized in the profit or loss.

### (iv) Non-controlling interests

Non-controlling interest represents the interest in subsidiary companies, not held by the Group which are measured at their proportionate share in the subsidiary's identifiable net assets. Transactions with non-controlling interest parties are treated as transactions with parties external to the Group.

Changes in Group's interest in a subsidiary as a result of transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, i.e. as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid / received and the relevant share acquired / disposed of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal / acquisition of non-controlling interests are also recorded in equity.

## c) Financial instruments

### (i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant finance component) or finance liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without significant financing component is initially measured at the transaction price.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### (ii) Classification and subsequent measurement

#### Financial assets – initial measurement

On initial measurement, a financial asset is classified as measured at: amortised cost, FVOCI – debt instrument; FVOCI – equity instrument or fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to initial measurement unless the Group changes the business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

### Financial assets – Subsequent measurement and gains and losses

The following accounting policies apply to the subsequent measurement of financial assets:

**Financial assets at FVTPL** - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

**Financial assets at amortised cost** - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment loss, if any.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss as well.

### Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### (iii) Derecognition

#### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

#### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### (iv) Derivatives

#### Derivative financial instruments and hedge accounting

The Group holds financial instruments to hedge its commodity price related exposures. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range as per risk management policy. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

#### Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in OCI and accumulated in equity. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of profit or loss.

Amounts accumulated in equity are reclassified to gain or loss in the periods when the hedged item affects gain or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of commodity value is recognized in the consolidated statement of profit or loss within 'Cost of revenues'.

However, when the forecast transaction that is hedged, results in the recognition of a non-financial asset (for example, inventory), the amounts accumulated in equity are transferred from the equity and included in the initial measurement of the cost. The accumulated amounts are ultimately recognized in cost of revenues for inventory.

When a hedging instrument expires, is terminated, is sold or is exercised, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. When the hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the equity remains in equity and is recognized when the forecast transaction is ultimately recognized in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of profit or loss within "Finance income or Finance cost".

#### Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging commodity (raw sugar) value risk. The gain or loss relating to the effective portion of the hedging transaction is recognized in the profit or loss within "cost of revenue". The gain or loss relating to the ineffective portion is recognized in the profit or loss within "Finance income or Finance cost". Changes in the fair value of the hedge futures are recognized in the consolidated statement of profit or loss within 'Cost of revenues'.

#### Other derivatives

When a derivative financial instrument is not designated in a qualifying hedge relationship, all changes in its fair value are recognized immediately in the consolidated statement of profit or loss within "Finance income or Finance cost".

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### (v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### (vi) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term highly liquid investments with original maturities of three month or less and excludes bank overdrafts which are available to the Group without any restrictions that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

### d) Segment reporting

An operating segment is a component:

- i. engaged in business activities from which it may earn revenue and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components;
- ii. the results of its operations are continuously analysed by chief operating decision maker in order to make decisions related to resource allocation and performance assessment; and
- iii. for which financial information is discretely available.

Segment results that are reported to the chief operating decision maker and include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. For further details of reportable operating segments of Group please refer to Note 33.

### e) Foreign currency translations

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates prevailing at the dates of the respective transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of equity instruments classified as FVOCI, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

#### (ii) Foreign operations

The assets and liabilities of foreign operations, with the exception of economies under hyperinflation, including goodwill and fair value adjustments arising on acquisition, are translated at exchange rates at the reporting date. The income and expenses of foreign operations are translated to ₪ at exchange rates at average exchange rates.

Foreign currency differences arising on foreign operations are recognized in other comprehensive income and accumulated in the "Foreign currency translation reserve", except to the extent that the translation difference is allocated to non-controlling interest.

Dividends received from foreign associate are translated at the exchange rate in effect at the transaction date and related currency translation differences are realized in the consolidated statement of profit or loss and other comprehensive income.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

When a foreign operation is disposed of, the relevant amount in the Foreign Currency Translation Reserve ("CTR") is transferred to profit or loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to profit or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the foreign currency translation differences.

### (iii) Hyperinflationary economies

When the economy of a country in which the Group operates is deemed hyperinflationary and the functional currency of a Group entity is the local currency of that hyperinflationary economy, the financial statements of such Group entities are adjusted so that they are stated in terms of the measuring unit currency at the end of the reporting period. This involves restatement of income and expenses to reflect changes in the general price index from the start of the reporting period and, restatement of non-monetary items in the consolidated statement of financial position, such as property, plant and equipment and inventories, to reflect current purchasing power as at the year-end using a general price index from the date when they were first recognized. The gain or loss on the net monetary position is included in finance costs or income for the year. Comparative amounts are not adjusted. When the economy of a country, in which the Group operates, is no more deemed a hyperinflationary economy, the Group ceases application of hyperinflationary economies accounting at the end of the reporting period that is immediately prior to the period in which hyperinflation ceases. The amounts in the Group's consolidated financial statements as at that date are considered as the carrying amounts for the subsequent consolidated financial statements of the Group. For the purpose of consolidation of foreign components operating in hyperinflation economies; items of statements of financial position and profit or loss are translated at the closing rate.

### f) Property, plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss. Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized, on net basis, in statement of profit or loss and other comprehensive income.

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents cost of an asset, or other amount substituted for cost, less its residual value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of individual items of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives of assets for current and comparative year is as follow:

	Years
Buildings	12.5 - 50
Leasehold improvements	3 - 33
Plant and equipment	3 - 30
Furniture and office equipment	3 - 16
Vehicles	4 - 10

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if required. For impairment assessment of property, plant and equipment, please refer to policy on impairment of non-financial assets note 3(k)(ii).

**g) Intangible assets**

Intangible assets, other than goodwill and brand, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss.

The estimated useful lives of assets for current and comparative year is as follow:

	Years
Software	3 - 10
Customer List	15 - 18
Distribution Network	15

Brand is initially measured at cost. Based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Group and is therefore considered to have an indefinite useful life.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since it most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Intangible assets acquired by the Group that have indefinite useful lives are measured at cost less accumulated impairment loss. The useful life of such assets is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. These are reviewed for impairment annually and whenever there is an indication that the intangible asset may be impaired.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured at cost less accumulated depreciation and accumulated impairment loss. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost subsequently.

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of individual items of investment property. The estimated useful lives of investment properties for current and comparative year is as follows:

	Years
Buildings	15-50

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if required. For impairment assessment of investment property, please refer to policy on impairment of non-financial assets Note 3(k)(ii).

### i) Assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or investment property, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in the profit or loss.

Once classified as held-for-sale, intangible assets, investment property and property and equipment are no longer amortised or depreciated, and any investment in associate is no longer equity accounted.

### j) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. In case of retail business, cost of inventory is net of rebates and commercial income which is based on the contractual terms specified in the agreements with suppliers.

Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories. Further, inventory may also include gain and losses transferred from marked to market of firm commitment due to fair value hedge accounting and fair valuation impact of inventory price risk being hedged under fair value hedge.

Net realizable value comprises estimated selling price in the ordinary course of business, less any additional production costs for completion and appropriate selling and distribution costs. Provision is made, where necessary, for obsolete and defective stocks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### k) Impairment

#### i. Financial assets

##### Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

For trade receivables and other financial assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The loss allowance is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For bank balances in which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, the ECL is measured at 12-month ECLs

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

##### Presentation of allowance for ECL in the statement of financial position

Allowances for expected credit loss against financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### ii. Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (the "cash-generating unit, or CGU"). Impairment exists when the carrying value of an asset or CGU exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using applicable discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Impairment loss is recognized in profit or loss. Impairment loss recognized in respect of CGUs is allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

### l) Provisions

A provision is recognized if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefit, will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows using applicable rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Group records provision for decommissioning costs of manufacturing facility and restoration of leasehold improvements. Such costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a rate that reflects the current market assessments of the time value of money and risks specific to the related liability. The unwinding of the discount is expensed as incurred and recognized in the profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

### m) Employees' end of service benefits

#### Defined benefit plan

The Group's obligation under employees' end of service benefit plan is accounted for as an unfunded defined benefit plan and is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. Measurements of the defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income. The Group determines the net interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in personnel expenses in profit or loss.

#### Short-term employee benefits

Short-term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### n) Shares held under employees' share based payment plan

Own equity instruments that are reacquired, for discharging obligations under Employees Long Term Incentive Program ("Plan"), are recognised at cost and presented as a deduction from equity and are adjusted for any transaction costs, dividends and gains or losses on sale of such shares. No gain or loss is recognised in the Consolidated Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Equity.

### o) Revenues recognition

Revenue is measured based on the consideration, to which the Group expects to be entitled to, specified in a contract with a customer and is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

#### Revenue from sale of goods

Revenue from sale of goods is recognised in the statement of profit or loss when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

#### Variable consideration

Variable consideration amounts are estimated at either their expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not reverse.

#### Significant financing component

The Group evaluates significant financing component, if the period between customer payment and the transfer of goods/ services (both for advance payments or payments in arrears) is more than one year. The Group adjusts the committed amount of consideration for the time value of money using an appropriate interest rate reflecting the credit risk.

#### Rental income

The Group leases out various shops situated within its supermarkets and hypermarkets under operating lease agreements. Rental income is recognized on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

### p) Zakat and taxes

The Company and its subsidiaries are subject to zakat and income tax in accordance with the regulations of The Zakat, Tax and Customs Authority ("ZATCA") (previously known as General Authority of Zakat and Income Tax). Company's zakat and its share in zakat of subsidiaries are charged to the consolidated statement of profit or loss and other comprehensive income. Zakat and income tax attributable to other Saudi and foreign shareholders of the consolidated subsidiaries are charged to non-controlling interest in the accompanying consolidated statement of financial position. Additional zakat and income tax liability, if any, related to prior years' assessments arising from ZATCA are accounted for in the period in which the assessments are finalized. The Company and its Saudi Arabian subsidiaries withhold taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with ZATCA regulations. Foreign subsidiaries are subject to zakat and income taxes in their respective countries of domicile. Such zakat and income taxes are charged to consolidated statement of profit or loss under zakat and income tax expense.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Deferred tax is provided for, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted in the respective countries at the reporting date. Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Current and deferred tax assets and liabilities are offset only if certain criteria are met.

### q) Finance income and finance cost

Finance income includes gains on the derivative instruments that are recognized in consolidated statement of profit or loss and other comprehensive income. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in consolidated statement of profit or loss and other comprehensive income on the date that the Group's right to receive payment is established.

Finance costs comprise of financial charges on borrowings including sukuks and unwinding of the discount on provisions and losses on derivative instruments that are recognized in consolidated statement of profit or loss and other comprehensive income. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in consolidated statement of profit or loss and other comprehensive income using the effective interest method.

Foreign currency gains and losses are reported on a net basis within finance cost.

### r) Dividends

Final dividends are recorded in the financial statements in the period in which they are approved by shareholders of the Group.

Interim dividends are recorded as liability in the period in which they are approved by the Board of Directors.

Dividends include distribution of non-cash assets to owners as in-kind dividend distribution and be recognised when the dividend is appropriately authorised (recommended by the Board of Directors and recognized on the date approved by the shareholders) and is no longer at the discretion of the entity. The amount of in-kind dividend distribution is measured at the fair value of the assets to be distributed. The effect of the distribution is recorded in the consolidated statement of changes in equity.

### s) Expenses

Selling and distribution expenses and administrative expenses include direct and indirect costs not specifically part of cost of revenue. Selling and distribution expenses are those arising from the Group's efforts underlying the selling and distribution functions. All other expenses are classified as administrative expenses. Allocation of common expense between cost of revenues and selling and distribution and administrative expenses, when required, are made on consistent basis.

### t) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value (USD 5,000 or less). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**u) Share capital**

Ordinary share capital is recorded at the par value of the shares. Share capital movements relating to rights issue of shares for ordinary share capital and the reduction of share capital is also recognized at the par value of the shares. Incremental costs directly attributable to the issuance of ordinary shares or cancellation/reduction of share capital are recognized as a deduction from equity and presented in the consolidated statement of changes in equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve.

**4. PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and office equipment	Vehicles	Construction work in progress (CWIP)	Total
<b>Cost</b>								
Balance at January 1, 2023	1,335,854	2,859,672	1,573,777	3,103,790	2,455,636	474,064	407,651	12,210,444
Additions	9,153	31,944	105	31,588	36,502	14,773	766,407	890,472
Disposals / write-off / reversals	(13,824)	(14,867)	(46,968)	(14,066)	(130,903)	(17,741)	(766)	(239,135)
Transfer from CWIP	65	50,526	229,983	222,829	379,148	9,668	(892,219)	--
Hyperinflation adjustment	(3,426)	(1,639)	(967)	(111,330)	(2,380)	(606)	(3,671)	(124,019)
Effect of movement in exchange rate	(2,981)	(36,690)	(1,754)	(139,079)	(15,552)	(5,108)	(24,363)	(225,527)
Transfer (to) / from investment properties (Note 7)	(2,665)	(9,671)	--	152	45	--	--	(12,139)
Balance at December 31, 2023	1,322,176	2,879,275	1,754,176	3,093,884	2,722,496	475,050	253,039	12,500,096
<b>Balance at January 1, 2024</b>	<b>1,322,176</b>	<b>2,879,275</b>	<b>1,754,176</b>	<b>3,093,884</b>	<b>2,722,496</b>	<b>475,050</b>	<b>253,039</b>	<b>12,500,096</b>
Additions	239	2,630	109	22,647	21,419	6,516	679,785	733,345
Acquisition of subsidiary (Note 14)	--	--	--	--	--	--	2,226	2,226
Disposals / write-off / reversals	(130,013)	(13,628)	(472)	(17,894)	(97,121)	(17,875)	(278)	(277,281)
Transfer from CWIP	--	26,623	170,326	1,535	225,479	4,424	(428,387)	--
Hyperinflation adjustment	310	12,273	(8,820)	(123,170)	93	15	109	(119,190)
Disposal of subsidiaries (Note 21)	(59,769)	(36,489)	(102)	(344,306)	(13,945)	(5,712)	(44,915)	(505,238)
Effect of movement in exchange rate	(5,477)	(68,867)	(5,753)	(220,331)	(15,958)	(11,601)	(26,161)	(354,148)
Transfer to Intangible assets	--	--	--	--	--	--	(2,008)	(2,008)
Transfer (to) / from investment properties (Note 7)	--	(2,938)	--	--	--	--	--	(2,938)
<b>Balance at December 31, 2024</b>	<b>1,127,466</b>	<b>2,798,879</b>	<b>1,909,464</b>	<b>2,412,365</b>	<b>2,842,463</b>	<b>450,817</b>	<b>433,410</b>	<b>11,974,864</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Land	Buildings	Leasehold improvements	Plant and equipment	Furniture and office equipment	Vehicles	Construction work in progress (CWIP)	Total
<b>Accumulated depreciation / impairment loss</b>								
Balance at January 1, 2023	(117,532)	(1,224,849)	(1,052,814)	(1,510,436)	(2,066,012)	(399,883)	--	(6,371,526)
Depreciation for the year	--	(108,366)	(92,430)	(197,643)	(170,916)	(19,183)	--	(588,538)
Disposals / write-off / reversals	--	13,183	37,976	13,362	123,317	17,539	--	205,377
Impairment reversal / (loss) (Note 40)	37,291	2,686	1,400	149,149	(2,077)	(246)	(4,596)	183,607
Effect of movement in exchange rate	--	14,044	1,299	92,002	8,969	946	--	117,260
Balance at December 31, 2023	(80,241)	(1,303,302)	(1,104,569)	(1,453,566)	(2,106,719)	(400,827)	(4,596)	(6,453,820)
Balance at January 1, 2024	<b>(80,241)</b>	<b>(1,303,302)</b>	<b>(1,104,569)</b>	<b>(1,453,566)</b>	<b>(2,106,719)</b>	<b>(400,827)</b>	<b>(4,596)</b>	<b>(6,453,820)</b>
Disposal of subsidiaries (Note 21)	--	31,665	6,644	310,072	12,649	3,221	--	364,251
Depreciation for the year	--	(108,482)	(97,017)	(187,490)	(200,430)	(17,240)	--	(610,659)
Disposals / write-off / reversals	--	12,056	135	16,594	94,089	17,058	--	139,932
Impairment reversal / (loss) (Note 40)	42,352	(11,425)	(19,396)	(119,695)	(2,582)	21	(7,223)	(117,948)
Effect of movement in exchange rate	--	24,880	3,271	97,662	7,435	8,579	--	141,827
<b>Balance at December 31, 2024</b>	<b>(37,889)</b>	<b>(1,354,608)</b>	<b>(1,210,932)</b>	<b>(1,336,423)</b>	<b>(2,195,558)</b>	<b>(389,188)</b>	<b>(11,819)</b>	<b>(6,536,417)</b>
December 31, 2023	<b>1,241,935</b>	<b>1,575,973</b>	<b>649,607</b>	<b>1,640,318</b>	<b>615,777</b>	<b>74,223</b>	<b>248,443</b>	<b>6,046,276</b>
<b>December 31, 2024</b>	<b>1,089,577</b>	<b>1,444,271</b>	<b>698,532</b>	<b>1,075,942</b>	<b>646,905</b>	<b>61,629</b>	<b>421,591</b>	<b>5,438,447</b>

a) Construction work in progress relates to the construction and upgrade of supermarkets and hyper markets as well as the upgrade and enhancement of the production and logistic facilities in certain subsidiaries. Also refer Note 20.3.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**5. RIGHT-OF-USE ASSETS**

The movement of right-of-use assets is as follows:

	Land	Buildings	Plant and equipment	Vehicles	Total
<b>Cost</b>					
Balance as at January 1, 2023	912,987	4,289,429	7,112	104,311	5,313,839
Addition during the year	48,990	310,738	--	15,977	375,705
Leases termination / modification	(27,683)	(119,050)	--	(5,424)	(152,157)
Effect of movement in exchange rate	(1,585)	(5,426)	--	(4,540)	(11,551)
Balance at December 31, 2023	932,709	4,475,691	7,112	110,324	5,525,836
Balance as at January 1, 2024	<b>932,709</b>	<b>4,475,691</b>	<b>7,112</b>	<b>110,324</b>	<b>5,525,836</b>
Addition during the year	<b>29,235</b>	<b>493,705</b>	<b>82</b>	<b>57,866</b>	<b>580,888</b>
Acquisition of subsidiary (Note 14)	<b>18,102</b>	--	--	--	<b>18,102</b>
Leases termination / modification	<b>(30,226)</b>	<b>(272,699)</b>	--	<b>(46,717)</b>	<b>(349,642)</b>
Disposal of subsidiaries (Note 21)	--	<b>(2,187)</b>	<b>(82)</b>	<b>(136)</b>	<b>(2,405)</b>
Effect of movement in exchange rate	<b>(7,254)</b>	<b>(10,053)</b>	--	<b>462</b>	<b>(16,845)</b>
<b>Balance at December 31, 2024</b>	<b>942,566</b>	<b>4,684,457</b>	<b>7,112</b>	<b>121,799</b>	<b>5,755,934</b>
<b>Accumulated depreciation and impairment</b>					
Balance at January 1, 2023	(255,064)	(1,767,525)	(1,344)	(72,937)	(2,096,870)
Depreciation for the year	(71,681)	(396,023)	(474)	(21,583)	(489,761)
Leases termination / modification	24,739	63,509	--	4,037	92,285
Impairment reversal / (loss) (Note 40)	4,061	369	--	--	4,430
Effect of movement in exchange rate	987	130	--	3,347	4,464
Balance at December 31, 2023	(296,958)	(2,099,540)	(1,818)	(87,136)	(2,485,452)
Balance at January 1, 2024	<b>(296,958)</b>	<b>(2,099,540)</b>	<b>(1,818)</b>	<b>(87,136)</b>	<b>(2,485,452)</b>
Depreciation for the year	<b>(79,849)</b>	<b>(400,118)</b>	<b>(592)</b>	<b>(17,266)</b>	<b>(497,825)</b>
Leases termination / modification	<b>24,232</b>	<b>227,141</b>	--	<b>43,691</b>	<b>295,064</b>
Disposal of subsidiaries (Note 21)	--	<b>1,250</b>	<b>118</b>	<b>277</b>	<b>1,645</b>
Impairment reversal / (loss) (Note 40)	<b>(5,623)</b>	<b>(12,573)</b>	--	--	<b>(18,196)</b>
Effect of movement in exchange rate	<b>1,995</b>	<b>4,495</b>	--	<b>400</b>	<b>6,890</b>
Balance at December 31, 2024	<b>(356,203)</b>	<b>(2,279,345)</b>	<b>(2,292)</b>	<b>(60,034)</b>	<b>(2,697,874)</b>
<b>Carrying amounts</b>					
December 31, 2023	635,751	2,376,151	5,294	23,188	3,040,384
<b>December 31, 2024</b>	<b>586,363</b>	<b>2,405,112</b>	<b>4,820</b>	<b>61,765</b>	<b>3,058,060</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**6. INTANGIBLE ASSETS AND GOODWILL**

6.1 The movement of intangible assets and goodwill is as follows:

	Goodwill	Brands with indefinite useful life	Software	Customer list	Distribution network	Total
<b>Cost</b>						
Balance as at January 1, 2023	998,899	480,271	421,467	170,111	8,480	2,079,228
Additions	--	--	19,756	--	--	19,756
Disposals / write-off	--	--	(106,386)	--	--	(106,386)
Effect of movement in exchange rate	(15,992)	--	(2,240)	--	--	(18,232)
Balance at December 31, 2023	982,907	480,271	332,597	170,111	8,480	1,974,366
Balance as at January 1, 2024	<b>982,907</b>	<b>480,271</b>	<b>332,597</b>	<b>170,111</b>	<b>8,480</b>	<b>1,974,366</b>
Additions	--	<b>1,673</b>	<b>39,361</b>	--	--	<b>41,034</b>
Transfer from PPE	--	--	<b>2,008</b>	--	--	<b>2,008</b>
Disposals / write-off	--	--	<b>(4,214)</b>	--	--	<b>(4,214)</b>
Disposal of subsidiaries (Note 21)	--	--	<b>(2,090)</b>	--	--	<b>(2,090)</b>
Effect of movement in exchange rate	<b>(27,131)</b>	--	<b>90</b>	--	--	<b>(27,041)</b>
Balance at December 31, 2024	<b>955,776</b>	<b>481,944</b>	<b>367,752</b>	<b>170,111</b>	<b>8,480</b>	<b>1,984,063</b>
<b>Accumulated Amortisation</b>						
Balance at January 1, 2023	(25,873)	--	(237,195)	(17,704)	(1,017)	(281,789)
Amortisation for the year	--	--	(24,771)	(13,275)	(678)	(38,724)
Disposals / write-off	--	--	97,347	--	--	97,347
Impairment (loss) / reversal during the year (Note 40)	(75,000)	--	533	--	--	(74,467)
Effect of movement in exchange rate	--	--	1,819	--	--	1,819
Balance at December 31, 2023	(100,873)	--	(162,267)	(30,979)	(1,695)	(295,814)
Balance at January 1, 2024	<b>(100,873)</b>	--	<b>(162,267)</b>	<b>(30,979)</b>	<b>(1,695)</b>	<b>(295,814)</b>
Amortisation for the year	--	--	<b>(27,036)</b>	<b>(13,996)</b>	<b>(678)</b>	<b>(41,710)</b>
Disposal of subsidiaries (Note 21)	--	--	<b>1,836</b>	--	--	<b>1,836</b>
Disposals / write-off	--	--	<b>3,863</b>	--	--	<b>3,863</b>
Impairment (loss) / reversal during the year (Note 40)	<b>(157,745)</b>	<b>(75,871)</b>	<b>(658)</b>	<b>(19,991)</b>	--	<b>(254,265)</b>
Effect of movement in exchange rate	--	--	<b>1,720</b>	--	--	<b>1,720</b>
Balance at December 31, 2024	<b>(258,618)</b>	<b>(75,871)</b>	<b>(182,542)</b>	<b>(64,966)</b>	<b>(2,373)</b>	<b>(584,370)</b>
<b>Carrying amounts</b>						
December 31, 2023	882,034	480,271	170,330	139,132	6,785	1,678,552
<b>December 31, 2024</b>	<b>697,158</b>	<b>406,073</b>	<b>185,210</b>	<b>105,145</b>	<b>6,107</b>	<b>1,399,693</b>

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

6.2 The carrying values of goodwill, after foreign currency translation adjustments, comprises the following:

	December 31, 2024	December 31, 2023
Bayara Holding Limited (Note 40)	323,270	455,721
Savola Industrial Investment Company	145,664	145,664
Giant Stores Trading Company	95,209	95,209
Afia International Company	84,016	84,016
El Maleka for Food Industries Company (Note 40)	--	35,095
Herfy Foods Services Company	25,330	25,330
Afia International Company, Egypt	8,757	14,374
United Sugar Company	14,912	14,912
KUGU Gida Yatam Ve Ticaret A.S (Note 40)	--	5,147
Seafood International HoldCo (Note 21)	--	3,341
Notrika Golden Wheat Company (Note 21)	--	1,750
Behshahr Industrial Company (Note 21)	--	1,475
	<b>697,158</b>	<b>882,034</b>

The Group has reviewed the carrying amounts of goodwill to determine whether the carrying values exceed the recoverable amounts. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a non-financial asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows based on management's approved 5-year plan, discounted to their present value using the growth rates, applicable discount rates and a terminal value percentages. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below:

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

### a) Discount rates

Discount rates reflect management estimates of the rate of return required for each business. The management has used the Weighted Average Cost of Capital (WACC) to determine the cost of capital rate. The cost of equity has been computed using the Capital Asset Pricing Model.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

The following discount rates have been used which are based on the WACC of respective CGUs:

	Discount Rate %		Terminal growth rate %	
	2024	2023	2024	2023
Savola Industrial Investment Company	12.1	13.5	2.0	2.1
Afia International Company	12.1	13.5	2.0	2.1
El Maleka for Food Industries Company	23.5	23.4	5.0	8.1
KUGU Gida Yatum Ve Ticaret A.S.	23.0	22.1	3.5	3.2
Afia International Company Egypt	23.2	24.3	2.0	8.1
Bayara Holding Limited	12.5 - 14.5	12.2	2.1	2.1
Giant Stores Trading Company	11.8	12.5	2.0	2.0

**b) Key commercial assumptions**

The valuation is based on the key commercial assumptions that revenue forecast and contribution margins in the products of the CGUs would be achieved.

As at December 31, 2024, there was headroom available aggregating to ₪ 2,924 million (2023: ₪ 3,079 million) between the recoverable amount and the carrying value of above CGUs after incorporating the impact of impairment charge for the year as disclosed in Note 40.

The following table shows the key mutually exclusive assumptions that would reduce the estimated recoverable values to the carrying amounts:

	Discount rate %	Average EBITDA growth rate %
Savola Industrial Investment Company	13.1	(3.7)
Afia International Company	28.4	(9.9)
Afia International Company Egypt	78.2	(32.3)
Giant Stores Trading Company	44.2	1.5

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**7. INVESTMENT PROPERTY**

	2024	2023
<b>Cost</b>		
Balance at beginning of year	196,448	176,740
Additions	--	3,051
Transfer from Property, plant and equipment (Note 4)	2,938	12,139
Finance cost capitalized during the year	--	4,518
Balance at end of year	199,386	196,448
<b>Accumulated depreciation and impairment</b>		
Balance at beginning of year	(42,819)	(38,741)
Depreciation during the year	(4,771)	(4,078)
<b>Balance at end of year</b>	(47,590)	(42,819)
<b>Carrying amounts</b>	151,796	153,629

**7.1** As at December 31, 2024, the investment property includes a property from the Food Services segment having a fair value of ₪ 255 million (December 31, 2023: ₪ 247 million). The fair values have been determined by an external independent property valuer using future discounted cashflows approach which is third level of fair value based on the inputs to the valuation technique used. The valuer is certified by TAQEEM (Saudi Authority for Accredited Valuers) and has recent experience in location and the category of property being valued. The independent valuer provides the fair value of the Group's investment property at each annual cycle.

**7.2** All investment properties have been kept for the purpose of earning rental income.

**8. EQUITY-ACCOUNTED INVESTEEES**

The details of the Group's investment in equity-accounted investees are as follows:

Name	Relationship	Principal business sector	Country of incorporation	Ownership interest (%)		December 31,	
				2024	2023	2024	2023
Almarai Company ("Almarai") (Note 8.3)	Associate	Fresh food products	Saudi Arabia	--	34.52	--	8,770,990
Kinan International for Real Estate Development Company ("Kinan")	Associate	Real Estate	Saudi Arabia	29.9	29.9	409,097	396,592
United Sugar Company, Egypt ("USCE") (Note 14)	Associate	Sugar Manufacturing	Egypt	--	33.82	--	128,475
Intaj Capital Limited ("Intaj")	Associate	Fund management	Republic of Tunisia	49	49	--	13,046
						409,097	9,309,103

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

8.1 Movement in the investment in equity-accounted investees is as follows:

	2024	2023
Balance at beginning of year	9,309,103	8,942,646
Share in net income, net of zakat and tax	808,635	718,813
Additions	59,965	--
Share in reserves	(108,892)	9,696
Dividends	(368,540)	(366,746)
Distribution of equity accounted investee as dividend in-kind	(9,083,819)	--
Impairment loss	--	(1,638)
Step acquisition (change of status from associate to subsidiary) (Note 14)	(200,836)	--
Other adjustments	(6,519)	6,332
Balance at end of year	409,097	9,309,103

8.2 The following table summarizes the financial information of significant equity-accounted investees:

	Almarai*		Kinan		USCE**	
	2024	2023	2024	2023	2024	2023
<b>Percentage ownership interest</b>	--	34.52	29.9	29.9	--	33.82
Non-current assets	--	24,738,944	1,522,010	1,204,837	--	313,683
Current assets	--	11,455,071	1,735,584	1,891,683	--	912,058
Non-current liabilities	--	10,198,501	509,252	589,800	--	13,144
Current liabilities	--	8,186,689	552,669	396,109	--	780,858
Net assets attributable to shareholders (100%)	--	17,797,719	1,922,999	1,883,097	--	431,739
<b>Group's share of net assets</b>	--	6,143,773	574,977	563,046	--	146,014
<b>Carrying amount of interest in associates</b>	--	8,770,990	409,097	396,592	--	128,475
Revenue	20,979,512	19,575,585	560,937	542,334	1,893,849	1,664,421
Profit / (loss) from attributable to shareholders (100%)	2,313,100	2,049,123	116,221	207,982	(9,584)	(99,999)
Other comprehensive income / (loss) attributable to shareholders (100%)	(410,193)	(249,137)	1,780	(2,780)	24,918	(32,741)
Total comprehensive income attributable to shareholders	1,902,907	1,799,986	117,902	205,202	15,334	(132,740)
<b>Group's share of profit and total comprehensive income*</b>	658,047	728,717	35,253	61,356	7,009	(56,870)
<b>Dividends received by the Group</b>	345,218	345,218	23,322	21,528	--	--

\*Represents company's share till December 12, 2024 (refer note 8.3)

\*\* As of December 31, 2024 USCE has been reclassified as subsidiary (refer note 14)

8.3 On September 26, 2024 (corresponding to 23 Rabi Alawal 1446H), the Board of Directors of the Company recommended a capital reduction by 8.3 billion, decreasing the Company's share capital from 11.3 billion to 3 billion. As part of this restructuring, the Board proposed an in-kind distribution of the Company's entire stake in Almarai Company to eligible shareholders.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

On December 12, 2024, determined to be the settlement date, (corresponding to 1 Jumada Al-Awwal 1446H), the Extraordinary General Assembly (EGM) approved the capital reduction through the cancellation of 833,980,684 ordinary shares at par value. This represents a reduction ratio of 0.7354 shares for every 1 share held. The capital reduction was carried out against the distribution of shares of equity accounted investee (Almarai Company). The fair value of the investment in Almarai Company on the settlement date amounted to ₪ 21.1 billion.

The EGM on the same day as a separate agenda item, further approved the distribution of Savola Group's remaining entire stake in Almarai to its eligible shareholders as an in-kind dividend. On December 12, 2024, the Company declared a non-cash dividend, transferring all shares held in its associate, Almarai, to its shareholders. The dividend was measured at the fair value of the investment in Almarai at the distribution date, amounting to ₪ 12.75 billion.

The difference between the fair value of the distributed shares and their carrying amount net of transaction costs and the release of other reserves has been recognized in the statement of profit or loss and other comprehensive income, resulting in a gain of ₪ 11.55 billion.

The Company has derecognized its investment in Almarai as it no longer has significant influence over the entity. As of the reporting date, the Company has completed all regulatory requirements associated with the capital reduction and distribution except for certain shares held under fiduciary capacity due to pending legal formalities (to be read in conjunction with Note 15). No further obligations or liabilities related to Almarai remain as of the reporting date.

### 8.4 Commitments and contingent liabilities in respect of equity accounted investees:

At December 31, 2024, the equity accounted investee had outstanding letters of guarantees and capital commitments for its ongoing projects amounting to ₪ 3.9 million (2023: ₪ 0.7 million) and ₪ 51 million (2023: ₪ 119.5 million), respectively.

During the year, the title deed of an investment property of the equity-accounted investee amounting to ₪ 402.8 million was suspended. Management of the investee company has filed an application for review with the competent authorities, which is still under consideration. Based on legal opinion, management of the investee company is confident in maintaining beneficial rights to the land. Accordingly, the potential outcome is not expected to have a material impact on the consolidated financial statements of the Group.

## 9. INVESTMENTS

Investments comprise the following:	Note	December 31, 2024	December 31, 2023
<b>Non – current Investments</b>			
Investments carried at FVOCI	9.1	108,271	98,068
<b>Current Investments</b>			
Investments carried at FVOCI	9.1	121,608	--
Investments carried at FVTPL	9.3 & 9.4	115,986	22,871
		<b>237,594</b>	<b>22,871</b>

### 9.1 Investments held at fair value through other comprehensive income:

	December 31, 2024	December 31, 2023
Quoted investments (Note 9.3)	188,233	57,780
Unquoted investments	41,646	40,288
	<b>229,879</b>	<b>98,068</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

9.2 Movement in the FVOCI investments is as follows:

	2024	2023
Balance at beginning of year	98,068	104,428
Additions during the year (Note 9.4)	129,900	--
Fair value reserves adjustment (Note 17)	1,911	(6,360)
Balance at end of year	229,879	98,068

9.3 The Group has applied an appropriate market participant discount factor in valuing one of its quoted investment due to the security-specific restrictions on disposal. Accordingly, the investment has been classified as level 2 securities.

9.4 Investment in FVOCI and FVTPL includes investment in Almarai recorded as a result of capital reduction and distribution. The shares carried at FVTPL are related to the Company's employee share scheme plan, while the shares classified under FVOCI pertain to withholding tax shares withheld upon distribution to the company's foreign shareholders. The corresponding liability as of December 31, 2024 is recorded under "Accrued and other liabilities" and has been settled subsequent to the year end.

**10. INVENTORIES**

	December 31, 2024	December 31, 2023
Finished products	2,532,031	2,211,445
Raw and packing materials	927,821	1,253,901
Work in process	85,573	74,726
Spare parts and supplies	281,140	278,184
Goods in transit	456,947	540,966
	4,283,512	4,359,222
Less: Impairment provision	(112,291)	(107,336)
	4,171,221	4,251,886

The movement of impairment provision is as follows:

	December 31, 2024	December 31, 2023
Balance at beginning of year	107,336	195,673
Charge / (reversal) for the year	40,510	(46,528)
Acquisition of subsidiary (Note 14)	8,490	--
Disposal of subsidiaries (Note 21)	(15,410)	(3,042)
Write off	(24,190)	(13,660)
Effect of movement in exchange rate	(4,445)	(25,107)
Balance at end of year	112,291	107,336

Inventories have been reduced by ₪ 132.8 million (December 31, 2023: ₪ 161.5 million) as a result of the write-down to net realizable value. Also refer Note 20.4.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Raw materials include raw sugar having cost of ₪ 232.1 million (December 31, 2023: ₪ 200.2 million) which are held under a fair value hedge relationship. As at December 31, 2024, the fair value of these raw sugar amounts to ₪ 239.7 million (December 31, 2023: ₪ 156.4 million).

**11. TRADE RECEIVABLES**

	December 31, 2024	December 31, 2023
Trade receivables	2,116,034	1,924,403
Due from related parties (Note 32)	--	16,246
Less: Allowance for expected credit losses	(159,082)	(187,699)
	<b>1,956,952</b>	1,752,950

Following is the movement of allowance for expected credit losses:

	2024	2023
Balance at beginning of year	187,699	166,072
Impairment loss for the year – net	1,987	48,566
Acquisition of subsidiary (Note 14)	347	--
Disposal of subsidiaries (Note 21)	(11,975)	--
Write off	(9,333)	--
Effect of movement in exchange rate	(9,643)	(26,939)
Balance at end of year	<b>159,082</b>	187,699

	2024	2023
Allowance for expected credit losses	1,987	48,566
Charge related to discontinued operations (Note 21)	(2,443)	(24,470)
(Reversal) / charge related to continuing operations	(456)	24,096

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**12. PREPAYMENTS AND OTHER RECEIVABLES**

	Note	December 31, 2024	December 31, 2023
<b>Measured at cost</b>			
Advances to vendors		277,772	374,779
Prepaid expenses		278,096	241,580
Receivable from government authorities	12.1	270,607	167,881
Due from related parties	32	3,198	90,751
Non-trade receivable	12.2	24,721	43,909
Prepaid rent		19,247	22,265
Refundable deposits		10,944	15,895
Sales proceeds receivables	21	473,587	--
Others		82,971	160,934
<b>Measured at fair value</b>			
Positive fair value of derivatives	12.3	144,377	411,177
<b>Measured at amortised cost</b>			
Employee loans and advances		52,169	60,953
		<b>1,637,689</b>	<b>1,590,124</b>

**12.1** Receivable from government authorities mainly includes claims of certain subsidiaries on account of subsidies, value added and other taxes.

**12.2** This represents non-trade related balances with shareholder of a subsidiary.

**12.3** Derivatives:

	December 31, 2024	December 31, 2023
<b>Derivatives – current assets (classified under Prepayments and other receivables)</b>		
Future exchange commodity contracts (Note 'a')	78,011	299,786
Firm commitments	66,366	111,391
	<b>144,377</b>	<b>411,177</b>
<b>Derivatives – current liabilities (classified under Accrued and other liabilities)</b>		
Future exchange commodity contracts (Note 'a')	137,080	246,536
Firm commitments	14,491	73,655
	<b>151,571</b>	<b>320,191</b>
<b>Derivatives</b>		
Put option (Note 'd')	--	274,255

In the ordinary course of business, the Group utilizes the following derivative financial instruments for both hedging and other purposes:

**(a) Future exchange contracts**

Future exchange contracts are the contractual agreements to either buy or sell a specified commodity at a specified price and date in the future. Futures are transacted in standardized amounts on regulated exchanges. These future contracts are held for both hedging and trading purposes.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### (b) Commodity future exchange contracts held for hedging purposes:

Risk management strategy of the Group:

The Group imports its raw sugar from overseas markets. Once the raw sugar is purchased and imported, it is then refined into white sugar and sold to end consumers. The purchases of the raw sugar are usually linked to the price of New York 11 Future Contracts ("NY11") while the price for the sale of white sugar is mainly linked to the London 5 Future contracts ("L5") with a few exceptions. The difference between NY11 and L5 price is referred to as "White Premium" which is essentially the processing cost of converting Raw sugar into white sugar and is one of the main components of the refining cost.

The Group's risk management strategy is to hedge the price risk which arises from the following commodity-based exposures:

- Changes in the price of raw sugar purchases (firm commitments) that are based on NY11 future contracts which arises from the fluctuation in raw sugar prices, associated with the firm commitments for purchases;
- Changes in the value of sugar inventory that is held on the reporting date denominated in NY 11; and
- Changes in the White sugar premium i.e. the difference between the NY11 and L5 future prices

Exposure to price risks impacts the profitability and financial position of the Group due to movement in the NY 11 rates and the variations between NY 11 and L5 prices. These exposures are managed through the use of derivative financial instruments comprising mainly of futures contracts.

The Group has adopted a comprehensive system for the measurement and management of risk (note 42 – credit risk, market risk and liquidity risk). The Group's risk management is predominantly controlled by SFC's Commodity Risk Control ("CRC") team under the policies approved by the board of directors. Group CRC team identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as commodity risk management and the use of derivative financial instruments. Management considers the counter party risk to be immaterial.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in gains/losses arising on the changes in the fair value of commodity contracts or inventory being offset against the gains/losses on the derivative contracts in the profit or loss. All of the Group's derivatives are entered into with the global commodity exchanges. Derivative activities are mainly carried out under the Group's CRC function.

For the hedges of firm commitments and inventory held, the group enters into hedge relationships where the critical terms of the hedging instrument (commodity futures contracts) match exactly with the terms of the hedged item such as payment dates, maturities and notional amount. The group hedge 100% of the notional value. The group therefore performs a qualitative assessment of effectiveness through matching the critical terms of the hedging instrument and hedged item. As all critical terms matched during the year, Group determines that there is an economic relationship. Group monitors on a regular basis if changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument.

The Group determines hedge effectiveness at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group considers potential sources of ineffectiveness to arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty.

The Group's hedging activities include 1) Fair value hedges for firm commitments and sugar inventory and 2) Cash flow hedges for the changes in white sugar premium.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**1) Fair value hedges:**

The Group uses future contracts to hedge its exposure to changes in the price of raw sugar purchases (firm commitments) and inventory held as part of the risk management process involves managing the Group's exposure to fluctuations in inventory prices to reduce its exposure to inventory risks to acceptable levels as determined by the Board of Directors.

The Board of Directors has established levels of inventory risk by setting limits on counterparty and commodity derivative position exposures. Positions are monitored on a daily basis and hedging strategies are used to ensure that positions are maintained within the established limits. The group's risk management policy is to hedge 100% of the exposure to price risk. Hence, for the year ended 31 December 2024, 100% of the price risk associated with firm commitments and sugar inventory held were hedged.

No hedge ineffectiveness was noted in relation to the fair value hedges for 2024 and 2023.

Effects of fair value hedge accounting on the financial position and performance:

	2024	2023
<b>Commodity futures contracts</b>		
Carrying amount (current and non-current)	(53,217)	6,077
Hedge ratio	1:1	1:1
Changes in the fair value of outstanding hedging instruments since 1 January	(59,294)	(12,019)
Changes in the value of hedged item used to determine hedge effectiveness	65,654	12,019

**2) Cash flow hedges:**

The Group uses future contracts to hedge its exposure to changes in the white sugar premium ('hedged items') i.e. the difference between the NY11 and L5 future prices. Under the Group's hedging policy, the critical terms of the futures contracts must align with the hedged items. The Group's risk management policy is to hedge 100% of the exposure to price risk. Hence, for the year ended 31 December 2024, 100% of the price risk associated with the white premium was hedged.

No hedge ineffectiveness was noted in relation to the cash flow hedges for 2024 and 2023.

Effects of cash flow hedge accounting on the financial position and performance:

	2024	2023
<b>Commodity futures contracts</b>		
Carrying amount (current and non-current)	(5,613)	(28,874)
Hedge ratio	1:1	1:1
Changes in the fair value of outstanding hedging instruments since 1 January	23,261	(26,964)
Changes in the value of hedged item used to determine hedge effectiveness	(23,261)	26,964
Weighted average hedged rate for the year	102.65	133.66

The table below shows the positive and negative fair values of derivative financial instruments, number of lots, together with the notional amounts analysed by the term to maturity. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor to market risk.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Movements in the other reserve of cash flow hedges:

	2024	2023
Balance at beginning of year	(20,409)	(5,667)
Gain on changes in fair value recognized directly in equity, net	17,780	(14,742)
<b>Balance at end of year</b>	<b>(2,629)</b>	<b>(20,409)</b>

Reasonably possible changes at the reporting date to one of the relevant assumptions, holding other assumptions constant, would have affected the valuation of derivative financial instruments by the amounts shown below.

	Positive fair value	Negative fair value	Number of lots (Quantity)	Net fair value	Within 3 months	3-12 months	1-5 years
<b>December 31, 2024</b>							
<b>Held as fair value hedge</b>							
Commodity futures	52,193	(105,410)	19,098	(53,217)	(44,968)	(8,238)	(11)
Firm Commitment	66,366	(14,492)	16,134	51,874	43,625	8,238	11
<b>Held as cash flow hedge</b>							
Commodity futures	17,128	(22,741)	3,256	(5,613)	(4,086)	(1,393)	(134)
<b>Held as others</b>							
Commodity futures	8,690	(8,929)	3,338	(238)	(6,776)	6,538	--
<b>December 31, 2023</b>							
<b>Held as fair value hedge</b>							
Commodity futures	117,563	(111,486)	15,443	6,077	43,125	(35,511)	(1,536)
Firm Commitment	111,391	(73,655)	13,634	37,736	689	35,511	1,536
<b>Held as cash flow hedge</b>							
Commodity futures	47,040	(75,914)	4,018	(28,874)	(24,858)	(4,016)	--
<b>Held as others</b>							
Commodity futures	135,183	(59,137)	15,700	76,046	40,341	35,705	--
Put Option	274,225	--	--	274,225	--	274,225	--

All of the Group's Commodity derivatives are entered into with the global commodity exchanges.

### (c) Commodity future exchange contracts held for trading purposes:

These future contracts are only used for economic hedging purposes and not as speculative investments. However, where these derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.

### (d) Options

Options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, to either buy or sell at a fixed future date or at any time during a specified period, a specified amount of a currency, commodity or financial instrument at a pre-determined price.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

During March 2016, the Group and other shareholders of USCE signed a Shareholders' Agreement to increase the paid-up share capital of USCE in the form of participation by a new shareholder, European Bank for Reconstruction and Development ("EBRD").

The agreement also contained Put option, which entitles EBRD to sell USCE shares to the former shareholders at the agreed price during the period stipulated in the agreement.

On May 23, 2024, the Company signed an accession, amendment and confirmation agreement (AACA) between Savola Group Company and certain other shareholders (Relevant shareholders) where the parties to the AACA commercially agreed for:

- i. sale of 2,675,484 shares of USCE (out of the total 7,982,616 shares of USCE held by EBRD) for USD 20.95 million to the Relevant Shareholders and settlement of put option liability for a consideration of USD 22.65 million. During the current year, USD 22.65 million was paid by Relevant Shareholders against the put option liability. Accordingly, the Group paid ₪ 64.8 million against the put option liability; and
- ii. a new put option on the remaining 5,307,132 USCE shares held by EBRD for an agreed price to be exercised between August 1, 2025, and August 31, 2025.

At the reporting date, the put option has been assessed from the perspective of Group's acquisition of USCE (note 14). As such, in lieu of the pricing mechanism of the aforementioned option, the corresponding derivative liability as at the date of acquisition amounting to ₪ 315.9 million was derecognized and a put liability at the present value of the total outflows required to settle the option amounting to ₪ 343.3 million has been recognized at the reporting date and presented as Put liability in the consolidated statement of financial position. Moreover, the proportionate share of corresponding Non-Controlling shareholder (NCI) in the net assets of USCE has not been recognized under the NCI balance as of December 31, 2024.

During the year, the put options has been re-measured at fair value using "Black Scholes" model and changes therein have been recognised under finance cost amounting to ₪ 106.6 million (2023: ₪ 88 million).

**13. CASH AND CASH EQUIVALENTS**

	December 31, 2024	December 31, 2023
Cash in hand	20,632	43,795
Cash at bank- current account	948,448	743,688
<b>Cash and bank balances</b>	<b>969,080</b>	<b>787,483</b>
Deposits with maturity less than three months	1,266,248	425,710
<b>Cash and cash equivalents presented in statement of financial position</b>	<b>2,235,328</b>	<b>1,213,193</b>
Bank overdrafts	(87,364)	(80,734)
<b>Cash and cash equivalents for cash flow purposes</b>	<b>2,147,964</b>	<b>1,132,459</b>
Term deposits (Note 13.1)	546,941	738,395

**13.1** Term deposits are deposits with commercial banks, with an original maturity of more than three months and yield commission income at prevailing market rates. The management expects to realize these deposits within 12 months from the reporting date.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### 14. ACQUISITION OF SUBSIDIARY VIA STEP ACQUISITION

On December 31, 2024, the Group amended the shareholder agreement related to United Sugar Company Egypt (USCE) enabling it to control the relevant activities of USCE in accordance with IFRS 10 – Consolidated Financial Statements. During the reporting period, the Group also increased its shareholding in USCE to 53.28% (effective 43.14%) for a consideration of ₪ 59.9 million to European Bank for Development and Reconstruction (EBRD).

This transaction has been accounted for as a business combination achieved in stages under IFRS 3 – Business Combinations, resulting in the following accounting impacts:

The Group remeasured its previously held equity interest in USCE at fair value as of the acquisition date, with resulting loss on derecognition of associate amounting to SAR 139.0 million recognized in the consolidated statement of profit or loss.

The identifiable assets and liabilities of USCE have been recognized at their fair values as of the acquisition date with no goodwill or bargain purchase gain recognized.

Following this transaction, USCE is fully consolidated in the Group's financial statements from December 31, 2024. Comparative figures for prior periods reflect the investment in USCE as an associate, accounted for using the equity method under IAS 28 – Investment in Associates and Joint Ventures.

**14.1** The carrying amounts of assets and liabilities as at the date of acquisition were as follows:

	2024
Trade receivables	45,866
Inventories	256,751
Property plant and equipment	2,226
Cash and cash equivalents	173,065
Prepayments and other receivables	137,250
Other assets	47,984
<b>Total assets</b>	<b>663,142</b>
Trade payables	(115,589)
Loans and borrowings	(130,716)
Employee benefits	(2,339)
Accruals and other payables	(130,439)
Due to related parties	(145,249)
Other liabilities	(39,100)
<b>Total liabilities</b>	<b>(563,432)</b>
Net Assets	99,710
Share of net assets	53,128
Non-controlling interests	46,583
Effective non-controlling interests at Group level	56,698
Put liability on non-controlling interests	(23,706)
	32,992
Fair value of net assets acquired	53,128
Derecognition of equity accounted investee *	(200,836)
Release of other reserves	8,707
Loss on derecognition of equity accounted investee	(139,001)

\*\* During the year, the Group had acquired additional equity stake in its investment in USCE which resulted in an increase to the overall carrying value by ₪ 59.9 million.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### 15. SHARE CAPITAL AND DIVIDEND DECLARATION

As of December 31, 2024, the Group's share capital amounts to ₪ 3 billion, consisting of 300 million fully paid shares with a nominal value of ₪ 10 each (December 31, 2023: ₪ 5.3 billion, consisting of 533.981 million fully paid shares with a nominal value of ₪ 10 each).

During 2024, the Group's Board had recommended to increase the Group's share capital by ₪ 6 billion, from ₪ 5.3 billion to ₪ 11.3 billion, through a right issue of shares. An application for the increase was approved by the CMA on July 31, 2024 (corresponding to 25 Muharram 1446H). The Extraordinary General Assembly (EGM) approved the right issue of shares on August 25, 2024 (corresponding to 21 Safar 1446H), to increase the Group's share capital. Consequently, all relevant regulatory formalities have been completed during the year. The Group incurred incremental transaction costs amounting to ₪ 38.5 million in relation to the right issue of shares and is included in "Retained earnings" as of December 31, 2024.

On September 26, 2024 (corresponding to 23 Rabi Alawal 1446H) the 's Board recommended to reduce the Group's share capital by ₪ 8.3 billion, from ₪ 11.3 billion to ₪ 3 billion and distribute the Group's entire stake in Almarai Company as an in-kind distribution. On December 12, 2024 (corresponding to 23 Rabi Alawal 1446H) the Extraordinary General Assembly (EGM) approved the Capital reduction of the Group through cancelling (833,980,684) ordinary shares with a reduction ratio of approximately 0.7354 shares for each 1 share against the distribution of a number of Almarai Company ("Almarai") shares, to Savola's eligible shareholders, having fair value equivalent to the par value of the Group's cancelled shares. The EGM also approved to distribute Savola Group's entire stake in Almarai to Savola's eligible Shareholders partially in lieu of reduction in share capital and remaining as in-kind distribution. Consequently, all relevant regulatory formalities have been completed during the year. The Group incurred incremental transaction costs amounting to ₪ 9.2 million in relation to the capital reduction and distribution of shares and is included in "Retained earnings" as of December 31, 2024.

As of December 31, 2024, the Company is holding Almarai shares on behalf of certificate shareholders in a fiduciary capacity. The legal formalities of the transfer of these shares is in progress.

On May 10, 2023, the Group's shareholders in their Extraordinary General Assembly Meeting approved dividends to the Shareholders for the year ended December 31, 2022 with a total amount of ₪ 352.4 million at ₪ 0.66 per share.

### 16. STATUTORY RESERVE

In accordance with the Company's amended By-laws (refer Note 1), it is not required to set aside a statutory reserve. Nevertheless, the Ordinary General Assembly may, when determining dividends from the net profit, decide to allocate reserves in the amount that serves the Company's interests or ensure distribution of stable profits as much as possible to the shareholders. The statutory reserve appearing in the financial statements as of December 31, 2023, was required as per the old Companies' Law. On May 7, 2024 (corresponding to 28 Shawwal 1445H), in accordance with the Company's amended By-laws, the General Assembly of the Group's shareholders resolved to transfer the previous statutory reserve, amounting to ₪ 1.8 billion to retained earnings.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**17. OTHER RESERVES**

	Share based payment reserves	Financial assets at FVOCI	Cash flow hedge reserves	Share of equity accounted investees other reserves	Total
<b>December 31, 2024</b>					
Balance at beginning of year	22,800	(88,106)	(20,409)	(370,798)	(456,513)
Share in changes in other reserve of equity accounted investees	--	--	--	(109,033)	(109,033)
Fair value adjustment from FVOCI investments (Note 9.2)	--	1,911	--	--	1,911
Fair value adjustment from derivative financial instruments relating to the effective portion of cash flow hedge (Note 12.3)	--	--	17,780	--	17,780
Charge for equity-settled employees' share based payment plan (Note 18)	36,304	--	--	--	36,304
Settlement of share-based payment reserve (Note 18)	(12,525)	--	--	--	(12,525)
Share in other reserve of associate reclassified to profit and loss (Note 8.1)	--	--	--	367,101	367,101
Impact of Capital reduction of share-base payment reserve (Note 18)	(17,882)	--	--	--	(17,882)
Share in other reserve of associate reclassified to retained earnings (Note 8.1)	--	--	--	104,963	104,963
Balance at end of year	28,697	(86,195)	(2,629)	(7,767)	(67,894)

	Share based payment reserves	Financial assets at FVOCI	Cash flow hedge reserves	Share of equity accounted investees other reserves	Total
<b>December 31, 2023</b>					
Balance at beginning of year	17,617	(81,746)	(5,667)	(382,935)	(452,731)
Share in changes in other reserve of equity accounted investees	--	--	--	12,137	12,137
Fair value adjustment from FVOCI investments (Note 9.2)	--	(6,360)	--	--	(6,360)
Fair value adjustment from derivative financial instruments relating to the effective portion of cash flow hedge	--	--	(14,742)	--	(14,742)
Charge for equity-settled employees' share based payment plan	5,183	--	--	--	5,183
Balance at end of year	22,800	(88,106)	(20,409)	(370,798)	(456,513)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**18. SHARE BASED PAYMENT PLAN**

On April 29, 2020, the shareholders of the Company approved the Employees Long Term Incentive Program ("Plan") for the benefit of certain eligible senior executives of the Group (the "Participants"). The Plan entitles the Participants a conditional right to receive a number of restricted share units (each unit equal to the value of one share of the Company at the Grant date), following the satisfaction of service condition.

Significant features of the Plans are as follows:

Grant date / employees entitled	Total number of shares granted			Service / vesting period	Fair value per share on grant date
	Key Management Personnel	Other Senior Employees			
August 20, 2024	64,919	403,717		3 years	ﷲ 43.0
September 10, 2023	170,586	529,590		3 years	ﷲ 34.8
September 10, 2022	182,017	463,532		3 years	ﷲ 31.2
September 10, 2021	135,185	268,462		3 years	ﷲ 39.25

Fair value per share on grant date is the closing price per share on Tadawul as at the grant date.

During the year, the Group carried out capital restructuring (refer to Note 15), which included a rights issue and a capital reduction through the distribution of Almarai shares. Under the granted plans, employees are entitled to all corporate actions affecting the Company's share capital. As a result of the rights issue, the allocated shares increased by 1,613,727 with the company to claim an exercise price of ﷲ 10 per share from employees. Meanwhile, the capital reduction led to a decrease of 2,337,416 allocated shares, resulting in the grant of 967,551 Almarai shares. The liability for settling Almarai shares is recorded under "Accrued and Other Liabilities." In relation to the above transaction, certain key executives have also been granted/awarded additional shares under employee share share-based payment plan, that have been vested during the year.

The number of shares under share base payment plans after rights issue, capital reduction and distribution are as follows:

Grant date / employees entitled	Total number of shares allocated	Rights issue shares	Shares		Almarai Shares to be vested
			cancelled due to Capital reduction	Remaining Savola shares to be vested	
August 20, 2024	468,637	470,982	(682,067)	257,552	282,335
September 10, 2023	700,176	640,674	(924,851)	415,999	382,833
September 10, 2022	645,549	502,071	(730,498)	417,122	302,383

The total expense recognised for employees' services received during the period ended December 31, 2024, under the Plan amounted to ﷲ 36.3 million (December 31, 2023: ﷲ 5.2 million) and is included in 'salaries and employee related expenses' with a corresponding increase in the consolidated statement of changes in equity under the 'Other reserves'.

During the year ended December 31, 2024, the plan granted on September 10, 2021 has been vested resulting in vesting of 365,699 shares, while 37,948 shares were forfeited due to non-completion of service condition.

Further, during the year ended December 31, 2024, the Group subscribed to 3,334,810 shares amounting to ﷲ 33.35 million in connection with Company's Rights Issue (Refer note 15). This includes rights shares subscribed on behalf of and funded by certain subsidiaries that are held by the Company until vesting.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

During the period ended December 31, 2023, the Group purchased 2,182,858 treasury shares amounting to ﷻ 80 million in connection with the Plan.

As at December 31, 2024, the number of shares to be vested are 840,816, after forfeiture of 249,857 shares due to the non-completion of service condition of certain employees.

### 19. NON-CONTROLLING INTERESTS

The following table summarizes the information relating to each of the Group's subsidiaries that has significant / material Non-Controlling Interests ("NCI"), before any intra group eliminations:

December 31, 2024	SFC	Herfy	GFC
Non-current assets	2,574,840	1,430,732	523,177
Current assets	6,642,730	286,888	561,353
Non-current liabilities	658,913	531,419	126,797
Current liabilities	6,488,884	261,211	196,795
<b>Net assets (100%)</b>	<b>2,069,773</b>	<b>924,991</b>	<b>760,938</b>
<b>Carrying amount of NCI</b>	<b>211,781</b>	<b>473,259</b>	<b>255,757</b>
Revenue	11,943,745	1,124,769	760,241
Net profit	(1,682,994)	(116,524)	(33,046)
Other Comprehensive Income ("OCI")	976,621	8,038	6,216
<b>Total comprehensive income (100%)</b>	<b>(706,371)</b>	<b>(108,486)</b>	<b>(26,830)</b>
Profit allocated to NCI	(32,036)	(59,547)	32,253
Total comprehensive (loss) / income allocated to NCI	(66,869)	4,099	35,299
Cash flow from operating activities	38,125	135,407	31,553
Cash flow from investing activities	(275,293)	(15,665)	(77,649)
Cash flow from financing activities	814,806	(125,229)	29,342
Dividends paid to NCI	(53,016)	--	--

December 31, 2023	SFC	Herfy	GFC
<b>Non-current assets</b>	3,427,706	1,555,109	548,368
Current assets	6,803,977	351,562	529,873
Non-current liabilities	1,544,659	614,048	121,692
Current liabilities	6,335,405	259,147	690,381
<b>Net assets (100%)</b>	<b>2,351,619</b>	<b>1,033,476</b>	<b>266,169</b>
<b>Carrying amount of NCI</b>	<b>351,394</b>	<b>527,314</b>	<b>220,459</b>
Revenue	12,396,536	1,173,696	714,072
Net profit	580,618	8,386	58,150
Other Comprehensive (loss) / income ("OCI")	(364,371)	878	(1,168)
<b>Total comprehensive income (100%)</b>	<b>216,247</b>	<b>9,264</b>	<b>56,982</b>
Profit allocated to NCI	129,008	4,277	34,260
<b>Total comprehensive income allocated to NCI</b>	<b>68,257</b>	<b>4,725</b>	<b>33,688</b>
Cash flow from operating activities	1,230,673	190,465	88,195
Cash flow from investing activities	(259,886)	(46,019)	(28,860)
Cash flow from financing activities	(289,049)	(149,634)	(22,920)
Dividends paid to NCI	(38,281)	(16,493)	(7,350)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**20. LOANS AND BORROWINGS**

The following information reflects the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost:

	December 31, 2024	December 31, 2023
<b>Non-current liabilities</b>		
Unsecured bond issues (Sukuk) (Note 20.1)	--	1,000,000
Unsecured bank loans	<b>29,435</b>	3,699,990
	<b>29,435</b>	4,699,990
<b>Current liabilities</b>		
Current portion of secured bank loans	--	11,862
Current portion of unsecured bank loans	<b>229,445</b>	375,796
Secured bank loans	--	43,103
Unsecured bank loans	<b>3,030,427</b>	3,376,219
Bank overdrafts	<b>87,364</b>	80,734
	<b>3,347,236</b>	3,887,714
Accrued Financial Charges (Note 20.5)	<b>26,906</b>	56,783
	<b>3,374,142</b>	<b>3,944,497</b>
	<b>3,403,577</b>	8,644,487

Geographical analysis of loans and borrowings is as follows:

Location	Long term loans		Short term Loan		Total loans and borrowings	
	2024	2023	2024	2023	2024	2023
Saudi Arabia	<b>258,880</b>	5,017,000	<b>1,806,452</b>	2,641,566	<b>2,065,332</b>	7,658,566
Egypt	--	15,586	<b>828,550</b>	316,119	<b>828,550</b>	331,705
Algeria	--	--	<b>125,182</b>	55,280	<b>125,182</b>	55,280
Turkey	--	--	<b>237,660</b>	175,465	<b>237,660</b>	175,465
Iran	--	--	--	242,602	--	242,602
UAE	--	55,062	<b>131,577</b>	89,172	<b>131,577</b>	144,234
Sudan	--	--	<b>15,276</b>	36,635	<b>15,276</b>	36,635
	<b>258,880</b>	5,087,648	<b>3,144,697</b>	3,556,839	<b>3,403,577</b>	8,644,487

Changes in liabilities arising from financing activities:

	January 1, 2024	Additions	Repayments	Other changes	Effect of movement in exchange rate	December 31, 2024
Long term borrowings	<b>5,087,648</b>	<b>976,535</b>	<b>(5,782,930)</b>	--	<b>(22,373)</b>	<b>258,880</b>
Lease liabilities	<b>3,522,529</b>	<b>586,824</b>	<b>(660,575)</b>	<b>163,960</b>	<b>(19,641)</b>	<b>3,593,097</b>
Total liabilities from financing activities	<b>8,610,177</b>	<b>1,563,359</b>	<b>(6,443,505)</b>	<b>163,960</b>	<b>(42,014)</b>	<b>3,851,977</b>

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	January 1, 2023	Additions	Repayments	Other changes	Effect of movement in exchange rate	December 31, 2023
Long term borrowings	4,512,177	1,154,309	(582,076)	--	3,238	5,087,648
Lease liabilities	3,722,720	366,652	(678,800)	121,802	(9,845)	3,522,529
Total liabilities from financing activities	8,234,897	1,520,961	(1,260,876)	121,802	(6,607)	8,610,177

**20.1** On July 9, 2019, the Group completed the offering of Sukuk, under the new program, with a total value of ﷲ 1 billion with a tenor of 7 years and carrying an expected variable return to the Sukuk-holders of 6 months SIBOR plus 1.60% payable semi-annually. The Sukuk will mature on July 9, 2026. The issuance included ﷲ 507 million of the previous Sukuk, that have been redeemed and exchanged to new program.

During the year 2024, the Company settled unsecured bank loans amounting to ﷲ 5.9 billion using proceeds from the rights issue.

Further during the year 2024, the Company completed the buy-back of its entire ﷲ 1 billion Sukuk issued on July 9, 2019 and maturing on July 9, 2026 ("Sukuk") in accordance with the relevant terms and conditions.

**20.2** These represent borrowings obtained from commercial banks and other financial institutions by the Parent Company and its subsidiaries. These borrowings are in ﷲ, Egyptian Pounds, US Dollars, Algerian Dinar, Turkish Lira and United Arab Emirates Dirhams. Certain of these borrowings are secured by a charge on the property, plant and equipment of certain overseas subsidiaries. Certain loan agreements include covenants which, amongst other things, require certain financial ratios to be maintained. Some of the borrowings of subsidiaries are secured by corporate guarantees of the Parent Company. As at December 31, 2024, loans and borrowings include sharia-compliant financing facilities amounting to ﷲ 2.1 billion (December 31, 2023: ﷲ 8.2 billion).

**20.3** Property, plant and equipment amounting to Nil (December 31, 2023: ﷲ 128.3 million) of certain overseas subsidiaries of the Group are pledged as collateral with commercial banks.

**20.4** Inventories amounting to Nil (December 31, 2023: ﷲ 24.4 million) of certain overseas subsidiaries of the Group are pledged as collateral with commercial banks.

**20.5** Movement of Accrued Finance Cost

	December 31, 2024	December 31, 2023
Balance at beginning of year	56,783	86,252
Finance cost paid during the year	(768,056)	(744,770)
Effect of movement in exchange rate	(16,267)	(14,238)
Acquisition of subsidiary (Note 14)	3,694	--
Charge for the year (Note 41)	750,752	729,539
Balance at end of year	26,906	56,783
<b>Reconciliation for finance cost on borrowings</b>	<b>2024</b>	<b>2023</b>
Finance charges on borrowings	750,752	729,539
Discontinued operations	(88,673)	(128,127)
Continuing operations	662,079	601,412

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**21. DISCONTINUED OPERATION**

	2024	2023
Iran (Note 21.1)	(1,121,572)	87,656
Sudan (Note 21.4)	(260,418)	(68,489)
Total	(1,381,990)	19,167

**21.1** During the year ended December 31, 2024, the Group decided to sell its investment in Central Asian subsidiaries. In this respect, the Company entered into a non-cancellable Sell Purchase Agreement (SPA) and Handover Agreement on December 31, 2024, being the effective date of completion of the sale to an independent third party following the internal reorganization. As per the signed SPA, the Company had received ₪ 231.4 million out of the total consideration of ₪ 705 million as at December 31, 2024.

The financial performance of the subsidiaries disposed off (until the date of disposal) are included in the consolidated statement of profit or loss as part of discontinued operations.

**21.2** Financial performance and cashflow information.

	2024	2023
Revenue	1,275,562	2,519,894
Cost of revenues	(985,989)	(2,112,673)
Selling and distribution expenses	(69,876)	(60,662)
Administrative expenses	(63,358)	(77,903)
Net monetary loss	(5,391)	(15,428)
Impairment loss on financial assets	(3,282)	(7,209)
Finance income	89,732	39,614
Finance Cost	(103,186)	(131,188)
Profit before income tax	134,212	154,445
Current income tax	(35,700)	(67,532)
Deferred income tax	(438)	743
Profit after income tax of discontinued operations	98,074	87,656
Loss on sale of subsidiary after income tax (Note 21.3)	(1,219,646)	--
	(1,121,572)	87,656
Exchange differences on translation of discontinued operations	(203,063)	(126,827)
Other comprehensive income from discontinued operations	(203,063)	(126,827)
Net cash inflow from operating activities	156,472	453,817
Net cash (outflow) / inflow from investing activities	(92,115)	26,411
Net cash outflow from financing activities	(159,830)	(392,138)
Net cash (used in) / generated from discontinued operations	(95,473)	88,090

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

<b>*Breakup of property plant and equipment depreciation:</b>	<b>2024</b>	<b>2023</b>
Cost of revenues	23,256	34,749
Selling and distribution expenses	46	49
Administrative expenses	19,247	18,950
	<b>42,549</b>	<b>53,748</b>

### 21.3 Details of the sale of the subsidiary

	<b>2024</b>
Sales proceeds	705,000
Less:	
Banking charges	(17,541)
Other transaction costs	(38,490)
Net estimated cash to be received on sale of subsidiary	648,969
Carrying amount of net assets sold	(504,614)
Gain on disposal before zakat and reclassification of foreign currency translation reserve	144,355
Reclassification of foreign currency translation reserve	(1,360,392)
Zakat expense @ 2.5% on gain on sale of subsidiary	(3,609)
Loss on disposal after zakat	(1,219,646)

The cash and cash equivalents as at the date of sales were as follows:

	<b>2024</b>
Cash and cash equivalents	452,165
<b>Total sales proceeds</b>	<b>705,000</b>
Proceeds received as of December 31, 2024	(231,413)
Sales proceeds receivables (Note 12)	473,587

The carrying amounts of assets and liabilities summarized by each major category as at the date of sale were as follows:

	<b>2024</b>
Trade receivables	126,778
Inventories	263,327
Property, plant and equipment	127,701
Other assets	699,591
<b>Total assets</b>	<b>1,217,397</b>
Trade payables	(51,138)
Loans and borrowings	(292,351)
Employee benefits	(27,955)
Other liabilities	(230,083)
<b>Total liabilities</b>	<b>(601,527)</b>
Net Assets	615,870

This transaction resulted in derecognition of non-controlling interest amounting to ₪ 89.9 million. Subsequent to year end, the Group has received ₪ 695.5 million in total, out of the total sales proceeds.

**21.4** During the year ended December 31, 2023, an armed conflict began in the republic of Sudan resulting in suspension of the operations.

During the current year, the Board of Directors of SFC passed a resolution on December 31, 2024, to abandon the operations of its subsidiary (Savola Sudan) due to ongoing civil war and management significantly reduced the work force. In this respect, all non-current assets of Savola Sudan have been written down to Nil carrying value and the CTR has been recycled to profit and loss amounting to ₪ 202.6 million. Moreover, Savola Sudan has been classified as

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

discontinued operations in these consolidated financial statements.

Financial performance and cashflow information.

	2024	2023
Revenue	61,953	148,900
Cost of revenues	(61,089)	(158,617)
Selling and distribution expenses	(1,367)	3,778
Administrative expenses	(34,890)	(16,065)
Net monetary loss	(12,992)	(4,297)
Finance cost	(10,250)	(6,651)
Impairment loss	--	(18,258)
Impairment loss on financial assets	839	(17,261)
Loss before income tax	(57,796)	(68,471)
Income tax expense	--	(18)
Loss after income tax	(57,796)	(68,489)
Reclassification of foreign currency translation reserve	(202,622)	--
Loss on abandonment of subsidiary after income tax	(260,418)	(68,489)
Exchange differences on translation of discontinued operations	29,876	(57,537)
Other comprehensive income from discontinued operations	29,876	(57,537)
Net cash outflow from operating activities	79,794	103,501
Net cash inflow from investing activities	--	--
Net cash outflow from financing activities	(74,449)	(120,056)
Net change in cash from discontinued operations	5,345	(16,555)
<b>Breakup of depreciation:</b>		
Cost of revenues	1,957	2,721
Selling and distribution expenses	--	54
Administrative expenses	1,631	1,993
	<b>3,588</b>	<b>4,768</b>

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### 21.5 Earnings per share attributable to owners of the Company from discontinued operations:

	Amount in ﷻ	
Basic	(1.41)	(0.01)
Diluted	(1.41)	(0.01)

## 22. LEASE LIABILITIES

	2024	2023
Balance at beginning of year	3,522,529	3,722,720
Acquisition of subsidiary (Note 14)	30,361	--
Addition during the year	586,824	366,652
Disposal of subsidiaries (Note 21)	(1,005)	--
Lease terminated / modified during the year	(66,578)	(75,641)
Interest expense for the year (Note 41)	201,182	197,443
Finance cost paid on lease liabilities	(178,404)	(201,182)
Payment during the year– Principal	(482,171)	(477,618)
Effect of movement in exchange rate	(19,641)	(9,845)
Balance at end of year	3,593,097	3,522,529

### 22.1 Lease liabilities have been presented in the consolidated statement of financial position as follows:

	2024	2023
Lease liabilities – non-current portion	3,166,786	3,092,951
Lease liabilities – current portion	426,311	429,578
	3,593,097	3,522,529

### 22.2 Amount recognized in profit and loss statement

	2024	2023
Interest expense	198,182	197,443
Expense relating to short-term leases	113,041	134,546

### 22.3 The total cash outflow for leases in 2024 was ﷻ 717.5 million (2023: ﷻ 773.5 million).

Reconciliation for interest expense on lease liabilities	2024	2023
Interest expense on lease liabilities	201,182	197,443
Discontinued operations (Note 24)	(372)	(317)
Continuing operations	200,810	197,126

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**23. EMPLOYEE BENEFITS****General Description of the plan**

The Group operates an approved unfunded employees' end of service benefits scheme / plan for its permanent employees as required by the Saudi Arabian Labour law and in accordance with the local statutory requirements of the foreign subsidiaries.

The amount recognized in the consolidated statement of financial position is determined as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	754,969	842,718

An independent actuarial exercise has been conducted as at December 31, 2024 and December 31, 2023 to ensure the adequacy of provision for employees' end of service benefits in accordance with the rules stated under the Labour Laws of respective jurisdictions by using the Projected Unit Credit Method as required under International Accounting Standards 19: Employee Benefits.

**Movement in net defined benefit liability**

Net defined benefit liability comprises only of defined benefit plans.

The movement in the defined benefit obligation during the year is as follows:

	2024	2023
Balance at beginning of year	842,718	844,487
Acquisition of subsidiary (Note 14)	2,339	--
Disposal of subsidiaries (Note 21)	(27,955)	--
<b>Included in profit or loss</b>		
Current service cost	70,391	100,080
Interest cost	41,385	39,097
	111,776	139,177
<b>Included in other comprehensive income</b>		
<b>Re-measurement gain:</b>		
Actuarial (gain) / loss arising from:		
Demographic assumptions	(6,214)	(8,067)
Financial assumptions	(36,360)	(15,865)
Experience adjustment	(20,317)	(20,003)
Actuarial gain	(62,891)	(43,935)
Effect of movement in exchange rates	(29,031)	(14,641)
Benefits paid	(81,987)	(82,370)
<b>Balance at end of year</b>	<b>754,969</b>	<b>842,718</b>

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### Actuarial assumptions

The following were the significant actuarial assumptions at the reporting date:

	December 31, 2024	December 31, 2023
Discount rate	4.9% - 40%	4.10% - 19.75%
Future salary growth / Expected rate of salary increase	1.8% - 49%	4.56% - 40%
Mortality rate	0.10% - 0.37%	0.10% - 0.38%
Employee turnover / withdrawal rates	4.7% - 13.79%	5.80% - 13.79%
Retirement age	60 years	60 years

The weighted average duration of the defined benefit obligation ranges between 2.1 to 11 years.

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	December 31, 2024		December 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(51,576)	59,175	(58,742)	67,430
Future salary growth (1% movement)	60,865	(53,918)	69,187	(61,498)
Withdrawal rates (10% movement)	(4,771)	5,175	(5,339)	5,799
Future mortality (1 year movement)	523	(729)	53	(215)

The analysis does not take account of the full distribution of cash flows expected under the plan, and only provides an approximation of the sensitivity of the assumptions considered.

## 24. PROVISION AGAINST ASSET RESTORATION

Movement in provision against site restoration is as follows:

	2024	2023
Balance at beginning of the year	153,541	150,903
Unwinding of discount	4,516	3,229
Payments made during the year	(648)	(591)
Balance at end of the year	157,409	153,541

**24.1** A provision against site restoration is recognised in respect of the Group's contractual obligation to restore the leasehold properties, retail outlets, etc.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**25. DEFERRED TAX**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
Property, plant and equipment	--	--	(34,883)	(52,866)	(34,883)	(52,866)
Provisions / other receivables	16,407	20,209	(13,246)	(10,264)	3,161	9,945
Other items	11,858	9,933	(44,927)	(22,545)	(33,069)	(12,612)
Tax losses carry-forward	18,143	21,024	--	--	18,143	21,024
Intangible assets and goodwill	--	--	(44,608)	--	(44,608)	--
Tax asset / (liabilities)	46,408	51,166	(137,664)	(85,675)	(91,256)	(34,509)
Impact of off-setting	(21,100)	(25,525)	21,100	25,525	--	--
Net tax asset / (liabilities)	25,308	25,641	(116,564)	(60,150)	(91,256)	(34,509)

The movement in deferred tax liability-net, recognised in profit and loss and Other Comprehensive Income – Foreign Currency Translation differences ("OCI – CTR"), is as follows:

	January 1, 2024	Recognised in profit of loss	Recognised in OCI – CTR	Other Adjustments	Disposal of subsidiaries (Note 21)	Acquisition of Subsidiary (Note 14)	December 31, 2024
Property, plant and equipment	(52,866)	1,710	16,191	--	82	--	(34,883)
Provisions / other receivables	9,945	(1,022)	(5,040)	--	(722)	--	3,161
Other items	(12,612)	(33,127)	(1,622)	18,338	27	(4,073)	(33,069)
Tax carry-forwards	21,024	2,033	(4,656)	--	(258)	--	18,143
Intangible assets and goodwill	--	(44,608)	--	--	--	--	(44,608)
	(34,509)	(75,014)	4,873	18,338	(871)	(4,073)	(91,256)

	January 1, 2023	Recognised in profit of loss	Recognised in OCI – CTR	Other Adjustments	December 31, 2023
Property, plant and equipment	(61,915)	(1,019)	10,068	--	(52,866)
Provisions	(15,727)	26,999	(1,327)	--	9,945
Other items	(17,180)	4,857	(289)	--	(12,612)
Tax carry-forwards	17,123	8,739	(4,838)	--	21,024
	(77,699)	39,576	3,614	--	(34,509)

Reconciliation for deferred tax charge / (income):

	December 31, 2024	December 31, 2023
Deferred charge tax charge / (income)	75,014	(39,576)
Discontinued operations	(438)	743
Continuing operations	74,576	(38,833)

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**26. TRADE PAYABLES**

	Note	December 31, 2024	December 31, 2023
Third parties		<b>3,535,425</b>	3,312,657
Related parties	32	<b>143,903</b>	195,307
		<b>3,679,328</b>	3,507,964

**27. ACCRUED AND OTHER LIABILITIES**

	Note	December 31, 2024	December 31, 2023
<b>Measured at Cost</b>			
Accrued expenses		<b>880,968</b>	946,239
Marketing related accruals		<b>500,247</b>	403,662
Employee related accrual		<b>446,260</b>	393,671
Payable to government authorities	27.1	<b>248,074</b>	95,024
Accrued utilities, freight and other charges		<b>130,000</b>	111,353
Payable to contractors		<b>71,885</b>	71,292
Accrued rent	27.2	<b>20,354</b>	13,810
Payable to shareholders	27.3	<b>318,624</b>	229,023
Provision against financial guarantee	27.4	<b>18,650</b>	18,650
Other liabilities		<b>330,925</b>	260,749
<b>Measured at Fair Value</b>			
Negative fair value of derivatives	12.3	<b>151,571</b>	320,191
		<b>3,117,558</b>	2,863,664

**27.1** Payable to government authorities represents estimated payments to be made to government authorities related to custom duties, value added tax, subsidies and price adjustments on edible oil purchases.

**27.2** This includes additional accrued rent resulting from the lease cancellation of retail outlets.

**27.3** Unclaimed dividends represent dividend declared by the Company in prior years and share fractions, which resulted from split of shares in prior years. Such amounts have not yet been claimed by the respective shareholders. In the opinion of management, the unclaimed dividend represents the amount which can be claimed during the next year.

During the year, the Group's management reassessed the Company's position with regards to the accounting treatment and the available rights to defer settlement of the long-term payables amounting to ₪ 224.1 million as at December 31, 2023. Accordingly, the long-term payables have been reclassified as a current liability in the consolidated statement of financial position. The reclassification has no impact on the total assets, total liabilities, net income and retained earnings. The prior year statement of financial position as at December 31, 2023 was changed in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Further, management has assessed that the impact of this change was not material to the statement of financial position as at January 1, 2023 and hence, this was not presented.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**27.4** Savola Group Company issued a corporate guarantee in favour of Saudi Industrial Development Fund ("SIDF") along with certain other entities (together referred to as the "SIDF Guarantors") for the loan facility availed by Eastern Industrial Company ("EICO", "Joussour Holding Company's subsidiary"). In 2018, the Company has received a notice from SIDF to settle its share of the guarantee due to default in repayment by EICO of SIDF loan, triggered from the adverse financial performance. Accordingly, the Company recorded a provision amounting to ₪ 100.7 million. As at December 31, 2024 the outstanding balance amounts to ₪ 18.7 million.

**28. CONTRACT LIABILITIES**

	December 31, 2024	December 31, 2023
Contract liability- Sale of Goods	124,761	161,376
Contract liability- Unearned rent	14,640	9,795
<b>Total contract liabilities</b>	<b>139,401</b>	<b>171,171</b>

Revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	December 31, 2024	December 31, 2023
<b>Revenue recognised that was included in the contract liability balance at the beginning of the period</b>		
Sale of Goods	161,376	109,659
Unearned rent	9,795	9,084
	<b>171,171</b>	<b>118,743</b>

**29. ZAKAT AND INCOME TAXES**

Zakat and taxes included in the consolidated statement of profit or loss comprises of the following:

	December 31, 2024	December 31, 2023
Foreign income-tax charge	141,890	162,068
Zakat	350,010	38,467
	<b>491,900</b>	<b>200,535</b>
Deferred foreign income-tax charge / (reversal) (Note 25)	74,576	(38,833)
	<b>566,476</b>	<b>161,702</b>

The movement in the accrued income-tax is as follows:

	December 31, 2024	December 31, 2023
Balance at beginning of year	285,847	157,427
Charge for the year	177,590	229,618
Acquisition of subsidiary (Note 14)	1,228	--
Disposal of subsidiaries (Note 21)	(75,400)	--
Effect of movement in exchange rate	(103,272)	(48,926)
Payments during the year	(179,913)	(52,272)
<b>Balance at end of year</b>	<b>106,080</b>	<b>285,847</b>

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

The movement in the accrued zakat is as follows:

	December 31, 2024	December 31, 2023
Balance at beginning of year	76,292	62,484
Charge for the year	350,010	38,467
Payments during the year	(22,434)	(24,659)
<b>Balance at end of year</b>	<b>403,868</b>	<b>76,292</b>

Reconciliation for zakat and income-tax charge:

	December 31, 2024	December 31, 2023
Zakat and current income tax charge	527,600	268,085
Charge related to discontinued operations (Note 21)	(35,700)	(67,550)
Charge related to continuing operations	491,900	200,535

### (a) Zakat status

The Company has received final zakat certificates from the Zakat, Tax and Customs Authority ("ZATCA") for all periods until 2012. Moreover, the years from 2013 to 2018 were also finalized based on the disclosure initiative. The Group settled additional liability of ₪ 5.4 million as per the amended returns. During the year 2020, the ZATCA issued a revised claim, for the previously finalized years from 2014 to 2018 claiming additional zakat difference of ₪ 59.5 million. The management had escalated the Company's objection against the said claim to the level of General Secretariat of Tax Committees (GSTC). The GSTC issued the official decision showing a reduction of Zakat difference to ₪ 29.6 million. The management had transferred the case to the Appeal Committee, that supported the preliminary decision. The Company has filed a petition against the appeal decision and believes that the settlement of the claim is not probable.

ZATCA issued an assessment for the years 2019 and 2020 and claimed additional zakat differences of ₪ 5 million. The Company settled the Zakat differences.

The Company filed the zakat returns for the years 2021 to 2023 and obtained the Zakat certificates. ZATCA did not finalize the review of the Company's accounts for the said years to date.

Certain subsidiaries have also received final or provisional zakat certificates until the year 2023. Accordingly, payment plans have been pursued as per the agreement with ZATCA and liabilities have been adjusted against the final settlement amounts. Also, the Group has pending appeals against additional claims and assessments of certain subsidiaries with total Zakat differences of ₪ 33.2 million (December 31, 2023: ₪ 33.5 million).

### (b) Income tax status

The Group's foreign subsidiaries are obliged to pay income tax as per applicable tax laws of their countries of incorporation. Tax paying foreign subsidiaries determine their liabilities based on applicable corporate rates to the adjusted taxable income for the year. Certain foreign subsidiaries are also obliged to pay quarterly advance tax determined on prior year tax liability bases.

Certain foreign subsidiaries have received final tax assessments for certain years and provisional tax assessments for other years. They have also received queries from departments of income tax after their assessment or inspections for open years, for which replies have been filed.

The Group management believes that there are no significant amounts under protest with departments of income tax in any foreign operation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**30. CONTINGENCIES AND COMMITMENTS**

	December 31, 2024	December 31, 2023
	<b>Amounts in millions of ﷲ</b>	
Letters of credits	21	19
Bank guarantees	78	186
Commitments to buy raw sugar	577	704
Commitments to sell refined sugar	1,563	1,314
Capital commitments	384	209
	<b>Quantity in Metric tonnes</b>	
Commitments to buy raw sugar	321,566	326,689
Commitments to sell refined sugar	598,420	457,874

**30.1** Also see Note 20 with respect to guarantees given for certain loans and Note 29 with respect to Zakat contingencies.

**30.2** The Group has various leases (short-term leases) for its offices, warehouses, retail outlets and production facilities. Future rental commitments under these operating leases amounting to ﷲ 99.5 million (December 31, 2023: ﷲ 92.7 million).

**31. EARNINGS PER SHARE**

Basic earnings per share for the year ended December 31, 2024 and December 31, 2023 have been computed by dividing the net profit attributable to shareholders of the Parent Company for such periods by the weighted average number of shares outstanding amounting to 940.287 million (December 31, 2023: 906.870 million) during such periods.

Diluted earnings per share for the year ended December 31, 2024 and December 31, 2023, have been computed by dividing the profit attributable to shareholders of the Parent Company for such periods by the weighted average number of shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, amounting to 941.578 million (December 31, 2023: 907.403 million).

Weighted average number of ordinary shares for the purpose of computing earnings per share are as follows:

	December 31, 2024	December 31, 2023 (Restated)
<b>For Basic EPS calculation</b>		
Weighted average number of ordinary shares	945,892,713	911,168,539
Effect of treasury shares (note 18)	(5,605,425)	(4,298,289)
Weighted average number of ordinary shares outstanding	940,287,288	906,870,250
<b>For Diluted EPS calculation</b>		
Weighted average number of ordinary shares outstanding (for basic EPS)	940,287,288	906,870,250
Effect of shares under employee share-based payment plan (note 18)	1,290,379	532,894
Weighted average number of ordinary shares outstanding	941,577,667	907,403,144

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### 32. RELATED PARTIES

Related parties include the Company's significant shareholders, associates and key management personnel of the Group. Terms and conditions of these transactions are approved by the Group's management.

#### Key management personnel compensation

Compensation to the Group's key management personnel includes short term employee benefits amounting to ₪ 39.7 million (December 31, 2023: ₪ 39.2 million), post-employment benefits amounting to ₪ 1.2 million (December 31, 2023: ₪ 1.1 million) and Share-based payments and other related incentives expense amounting to ₪ 46.9 million (December 31, 2023: ₪ 4.0 million).

Board of Directors' remuneration for the year ended December 31, 2024 amounting to ₪ 2.2 million (December 31, 2023: ₪ 2.2 million) has been calculated in accordance with the Company's By-laws and is charged to the consolidated statement of profit or loss and other comprehensive income. Attendance allowances and other expenses to the directors and members of various board committees amounting to ₪ 3.1 million (December 31, 2023: ₪ 3.1 million) are charged to expenses and included under administrative expenses.

#### Other related party transactions

A number of companies transacted with the Group during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on arm's length basis.

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within agreed credit period from the date of transaction. None of the balances are secured. No expense has been recognised in the current or prior period for impairment in respect of amounts owed by related parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

The aggregate value of related parties' transactions and outstanding balances including those related to key management personnel, common directorship and entities over which they have control or significant influence are as follows:

Name	Relationship	Nature of transactions	Amount of transactions		Closing balance	
			2024	2023	December 31, 2024	December 31, 2023
<b>Due from related parties – Trade receivables</b>						
Almarai (till December 12, 2024)	Associate	Sales	<b>58,351</b>	69,647	--	7,362
Almarai* (From January 1 to December 31)	Common Directorship	Sales	<b>61,958</b>	69,647	--	--
Western Bakeries Company Limited (till December 12, 2024)	Subsidiary of associate	Sales	<b>57,587</b>	84,689	--	8,884
Western Bakeries Company Limited* (From January 1 to December 31)	Common Directorship	Sales	<b>60,038</b>	84,689	--	--
					--	16,246

Name	Relationship	Nature of transactions	Amount of transactions		Closing balance	
			2024	2023	December 31, 2024	December 31, 2023
<b>Due from related parties – Trade receivables</b>						
USCE**	Associate	Margin Call / payments on behalf	<b>41,353</b>	45,957	--	85,942
		Others (compensation)	--	(42,438)	--	--
Khairat AlSharq for General Trade and Manufacturing Foodstuff Company (KASCO)	Subsidiary of associate	Payments on behalf	--	7,219	--	--
		Loan written off	--	20,834	--	--
Al Mehbaj Al Shamiyah Trading Company*	Common Directorship	Commission income	<b>7,885</b>	7,180	<b>2,379</b>	3,788
Waste Collection & Recycling Company*	Common Directorship	Scrap Sales	<b>2,380</b>	2,561	<b>216</b>	444
Zohoor Alreef*	Common Directorship	Rental Income	<b>103</b>	166	<b>603</b>	577
					<b>3,198</b>	90,751

\*\*Converted to subsidiary as at December 31, 2024

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Name	Relationship	Nature of transactions	Amount of transactions		Closing balance	
			2024	2023	December 31, 2024	December 31, 2023
<b>Due from related parties – Trade receivables</b>						
Almarai (till December 12, 2024)	Associate	Purchases	<b>840,229</b>	797,939	--	122,964
Almarai* (From January 1 to December 31)	Common Directorship	Purchases	<b>871,806</b>	797,939	--	--
Nestle Group*	Common Directorship	Purchases	<b>350,919</b>	253,666	<b>73,299</b>	30,172
Del Monte Saudi Arabia Limited*	Common Directorship	Purchases	<b>13</b>	8,117	<b>1,989</b>	2,003
Al Manhal Water Factory Company Limited*	Common Directorship	Purchases	<b>8,444</b>	7,610	<b>1,166</b>	1,400
Al Jazirah Dates & Food Factory*	Common Directorship	Purchases	--	--	<b>49</b>	49
Al Mehbjaj Al Shamiyah Trading Company*	Common Directorship	Purchases	<b>12,848</b>	9,591	<b>725</b>	1,791
					<b>143,903</b>	195,307
<b>Due to related parties – Accrued and other liabilities</b>						
USCE**	Associate	Loans / Advances	--	147,879	--	--
		Margin Call / payments	--	--	--	--
Kinan	Associate	Rental and lease payments	<b>18,922</b>	24,842	--	--
Dur Hospitality Company*	Common Directorship	Lease payments	<b>12,000</b>	6,000	--	--
Abdul Kader Al Muhaidib & Sons Co*	Shareholder	Lease payments	--	15,480	--	--
					--	--

\*The above tables includes certain balances amounting to ﷲ 3.2 million (December 31, 2023: ﷲ 4.8 million) for due from related parties and ﷲ 143.9 million (December 31, 2023: ﷲ 72.3 million) for due to related parties pertaining to entities having common directorships or common key management personnel in accordance with local laws and regulations.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### 33. OPERATING SEGMENTS

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer (Chief Operating Decision Maker) reviews internal management reports on at least quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

**Food Processing** - includes manufacturing, sale and distribution of Edible oils, Sugar, Pasta, Spices, Nuts, Pulses and other food products.

**Retail** - includes hyper markets, supermarkets and convenience stores operations.

**Food Services** - includes food products and fast food restaurants' chain operated by Herfy;

**Frozen Food** - includes manufacturing, wholesale and retail distribution of frozen food products operated by Good Food Company

**Investments** - includes real estate activities, investments in equity-accounted investees and other investments.

The segments which do not meet any of the quantitative thresholds for determining reportable segments, are classified as "Others / Eliminations", which mainly include the eliminations.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Performance is measured based on segment profit net of income tax and zakat, as included in the internal management reports. Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis. Information regarding the results of each reportable segment is included below:

December 31, 2024	Reportable Segments					Investments	Others / Eliminations	Total
	Food Processing	Retail	Food Services	Frozen Food				
External revenues	11,546,798	10,619,890	1,101,814	718,153	--	--	23,986,655	
Inter segment revenue	396,947	4,763	22,955	42,088	28,330	(495,083)	--	
Segment Revenue (Note 33.1)	11,943,745	10,624,653	1,124,769	760,241	28,330	(495,083)	23,986,655	
Cost of revenues	(10,147,951)	(7,927,019)	(907,524)	(504,042)	(10,683)	467,583	(19,029,636)	
Share of results of equity- accounted investees, net of zakat and tax	3,175	--	--	--	805,460	--	808,635	
Finance cost – net	(528,216)	(149,736)	(35,131)	(6,660)	(286,780)	--	(1,006,523)	
Depreciation and amortisation	(192,959)	(685,625)	(176,098)	(33,019)	(19,547)	--	(1,107,248)	
Others	(970,807)	(1,724,905)	(122,856)	(173,695)	(415,030)	27,500	(3,379,793)	
Impairment reversal / (loss), net (Note 8 & 40)	(310,806)	16,806	316	(75,871)	(20,854)	--	(390,409)	
Gain on distribution of equity accounted investee (Note 8)	--	--	--	--	11,554,662	--	11,554,662	
Loss on derecognition of equity accounted investee (Note 14)	(97,185)	--	--	--	(41,816)	--	(139,001)	
Profit / (loss) from continuing operations	(301,004)	154,174	(116,524)	(33,046)	11,593,742	--	11,297,342	
Loss from discontinued operation	(1,381,990)	--	--	--	--	--	(1,381,990)	
Segment net profit / (loss) before non-controlling interests	(1,682,994)	154,174	(116,524)	(33,046)	11,593,742	--	9,915,352	
Segment net profit / (loss)	(1,650,958)	154,174	(116,524)	(33,046)	11,593,742	26,878	9,974,266	
Investment in equity-accounted Investees	--	--	--	--	409,097	--	409,097	
Segment assets	9,217,570	7,723,961	1,717,620	1,084,530	6,130,519	(4,479,958)	21,394,242	
Segment liabilities	7,147,797	6,425,314	792,630	323,592	1,261,782	(135,936)	15,815,179	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

December 31, 2023	Reportable Segments						Others / Eliminations	Total
	Food Processing	Retail	Food Services	Frozen Food	Investments			
External revenues	12,000,168	10,326,447	1,148,043	674,863	--	--	24,149,521	
Inter segment revenue	396,368	4,930	25,653	39,209	29,557	(495,717)	--	
Segment Revenue (Note 33.1)	12,396,536	10,331,377	1,173,696	714,072	29,557	(495,717)	24,149,521	
Cost of revenues	(10,437,757)	(7,773,626)	(889,283)	(463,592)	(20,501)	481,077	(19,103,682)	
Share of results of equity- accounted investees, net of zakat and tax	(38,119)	--	--	--	756,932	--	718,813	
Impairment reversal / (loss), net (Note 8 & 40)	83,779	46,828	--	--	(417)	--	130,190	
Finance cost – net	(348,283)	(192,088)	(31,795)	(4,548)	(290,878)	--	(867,592)	
Depreciation and amortisation	(199,220)	(637,536)	(174,663)	(23,544)	(29,627)	--	(1,064,590)	
Others	(895,485)	(1,728,293)	(69,569)	(164,238)	(68,406)	14,640	(2,911,351)	
Profit from continuing operations	561,451	46,662	8,386	58,150	376,660	--	1,051,309	
Profit from discontinued operation	19,167	--	--	--	--	--	19,167	
Segment net profit before non-controlling interests	580,618	46,662	8,386	58,150	376,660	--	1,070,476	
Segment net profit / (loss)	451,610	46,662	8,386	58,150	376,660	(42,283)	899,185	
Investment in equity-accounted Investees	93,177	--	--	--	9,215,926	--	9,309,103	
Segment assets	10,231,683	6,995,161	1,906,672	1,078,240	14,466,734	(4,741,352)	29,937,138	
Segment liabilities	7,880,064	5,878,793	873,194	812,072	5,788,191	(829,696)	20,402,618	

**33.1** The Revenue of the Group is contributed by Arabia (which represents GCC and Levant), Egypt and other geographical locations amounting to ₪ 18.7 billion, ₪ 3.8 billion and ₪ 1.4 billion respectively (2023: ₪ 18.3 billion, ₪ 4.2 billion and ₪ 1.6 billion).

**33.2** The Non-current assets excluding deferred tax asset and financial assets of the Group is contributed by Arabia (which represents GCC and Levant), Egypt and other geographical locations amounting to ₪ 9.9 billion, ₪ 0.4 billion and ₪ 0.2 billion respectively (2023: ₪ 19.0 billion, ₪ 0.7 billion and ₪ 0.5 billion).

**34. REVENUE**

The Group generates revenue primarily from the sale of goods. Other sources of revenue include rental income.

2024	Reportable Segments						Others / Eliminations	Total
	Food Processing	Retail	Food services	Frozen Food	Investments			
Products transferred at a point in time	11,943,745	10,596,184	1,098,099	760,241	--	(495,083)	23,903,186	
Products and services transferred over time	--	28,469	26,670	--	28,330	--	83,469	
Total revenue	11,943,745	10,624,653	1,124,769	760,241	28,330	(495,083)	23,986,655	

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

2023	Reportable Segments					Others / Eliminations	Total
	Food Processing	Retail	Food services	Frozen Food	Investments		
Products transferred at a point in time	12,396,536	10,291,501	1,147,740	714,072	--	(495,717)	24,054,132
Products and services transferred over time	--	39,876	25,956	--	29,557	--	95,389
Total revenue	12,396,536	10,331,377	1,173,696	714,072	29,557	(495,717)	24,149,521

### 35. COST OF REVENUES

	2024	2023
Inventories consumed / sold*	17,119,084	17,403,354
Salaries and employee related expenses	757,209	724,381
Overheads	525,017	397,067
Depreciation and amortisation	401,628	381,901
Freight & handling	226,698	196,979
	19,029,636	19,103,682

\* Inventories consumed / sold are net of rebates, commercial and promotional income from retail business.

### 36. SELLING AND DISTRIBUTION EXPENSES

	2024	2023
Salaries and employee related expenses*	1,428,264	1,433,666
Depreciation and amortisation	606,967	612,145
Advertisement	317,062	286,411
Utilities	213,114	186,886
Commission	158,186	102,213
Rent	75,552	107,080
Maintenance	63,340	82,483
Insurance	23,050	26,678
Communication	8,579	9,806
Others	97,791	83,719
	2,991,905	2,931,087

\*Salaries and wages include depreciation amounting to 36.6 million of the employee accommodation and is considered as part of the salaries and employees related expenses.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**37. ADMINISTRATIVE EXPENSES**

	2024	2023
Salaries and employee related expenses	561,285	508,550
Depreciation and amortisation	62,170	69,034
Professional fees	55,286	53,759
IT related cost	46,631	45,779
Withholding tax expense	31,726	22,587
Training, subscriptions and conferences	30,132	38,955
Insurance	24,332	21,109
Utilities, telephone and communication cost	22,171	17,106
Traveling	10,613	9,041
Repairs and maintenance	8,677	9,615
Rent	3,616	3,991
Others	82,059	70,272
	<b>938,698</b>	<b>869,798</b>

**38. OTHER OPERATING INCOME/ (EXPENSE)**

	2024	2023
Scrap Sales	18,917	21,238
Gain / (loss) on re-measurement of other commodity futures	10,659	(56,755)
Net monetary gain / (loss) on hyperinflation	8,566	(8,845)
(Loss) / gain on disposal of PPE	(1,045)	17,521
(Loss) / gain on FVTPL investment	(18,496)	1,436
Other (expense) / income	(9,019)	17,470
	<b>9,582</b>	<b>(7,935)</b>

**39. HYPERINFLATIONARY ACCOUNTING**

The Group closely monitors the economic conditions for its foreign operations including qualitative consideration prescribed in IAS 29 – Financial Reporting in Hyperinflationary Economies. The Group uses available official statistics or other reliable information sources to estimate the impact of hyperinflation.

Accordingly, during the year ended December 31, 2024 and 2023 the Group's foreign operations in Iran (Note 21), Sudan (Note 21) and Turkey were subject to hyperinflation and reported amounts of the local operations have been adjusted in accordance with IAS 29. The official statistics published for Iran, Sudan and Turkey have been used to estimate the hyperinflation accounting impact recorded during the year ended December 31, 2024 and 2023.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

The main effects on the Group's consolidated financial statements due to hyperinflationary accounting (which includes both indexing up and using of closing exchange rate) are as follows:

	Iran	Sudan	Turkey	Total
<b>Year ended December 31, 2024</b>				
Revenue increased / (decreased) by	(687,359)	(11,131)	91,642	(606,848)
Profit for the year increased / (decreased) by	(51,714)	(15,438)	121	(67,031)
Net monetary (loss) /gain	(5,391)	(12,992)	8,566	(9,817)
<b>Total non-current assets increased / (decreased) by</b>	<b>(121,213)</b>	<b>(39,101)</b>	<b>8,478</b>	<b>(151,836)</b>
Currency translation differences impacted by	(84,962)	(24,482)	8,084	(101,360)
<b>Year ended December 31, 2023</b>				
Revenue increased / (decreased) by	78,904	(107,540)	37,610	8,974
Profit for the year increased / (decreased) by	(34,346)	8,888	(13,203)	(38,661)
Net monetary (loss)/gain	(15,428)	(4,297)	(8,845)	(28,570)
Total non-current assets increased / (decreased) by	(97,802)	(33,254)	10,141	(120,915)
Currency translation differences impacted by	(63,849)	(49,584)	19,598	(93,835)

The conversion factors used for the CPI adjustment for the year ended are given below:

	December 31, 2024	December 31, 2023
Conversion factor for Iran	1.3180	1.3931
Conversion factor for Sudan	1.0815	1.0921
Conversion factor for Turkey	1.4438	1.6477

On March 6, 2024, the Central Bank of Egypt announced the devaluation of Egyptian Pound (EGP) leading to a significant drop in exchange rates and hike in interest rates. Given the prior cumulative 3-year inflation rates and with the current devaluation in March 2024, a review of the hyperinflationary accounting for EGP in accordance with IAS 29, may be triggered. The Group is monitoring the possible impacts of the hyperinflationary accounting on its operations in Egypt.

#### 40. IMPAIRMENT (LOSS) / REVERSAL

Impairment loss has been allocated as follows:

	December 31, 2024	December 31, 2023
Property, plant and equipment	(117,948)	183,607
Right-of-use assets	(18,196)	4,430
Intangible assets and goodwill	(254,265)	(74,467)
Equity-accounted investees	--	(1,638)
	<b>(390,409)</b>	111,932
Discontinued operations	--	18,258
Continuing operations	<b>(390,409)</b>	130,190

The Group reviews the carrying amounts of its non-financial assets including goodwill to determine whether their carrying values exceed the recoverable amounts. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

The recoverable amount of a non-financial asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is established based on the estimated future cash flows on the basis of budget after excluding impact of future renovation, using growth rates, terminal value percentages and discounting to their present value using pre-tax discount rates as mentioned below.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

**Following are the details of the impairment assessment carried out in retail segment;**

Key assumptions used for determination of value in use except for freehold land:

Cash flow projections were prepared using budgeted earnings before interest, zakat, depreciation and amortisation (EBITDA) taking into account past experience, and following factors:

- i. Estimated revenue and EBITDA growth for future five years based on expected sales volume and price growth for these years.
- ii. Estimated improvement in gross margins and EBITDA as a result of improvement plans currently being carried out by the Group.

These cash flows were discounted using a post-tax discount rate which was estimated using industry average weighted-average cost of capital and cost of debt, with a target debt to equity ratio of 61.7% (December 31, 2023: 56.3%) at a post Zakat cost of debt of 5.6% (December 31, 2023: 6.3%).

**a) Impairment reversal on recoverable amount of non-current assets excluding freehold land:**

During the year, the Group has recognised an impairment loss of ₪ 11.2 million (December 31, 2023: impairment reversal of ₪ 4.4 million) against right-of-use assets; impairment loss of ₪ 9.1 million (December 31, 2023: impairment reversal of ₪ 2.5 million) against items of property, plant and equipment; and, impairment loss of ₪ 0.7 million (December 31, 2023: impairment reversal of ₪ 0.5 million) against intangible assets, due to changes in economic environment affecting footfall and basket size in retail segment.

The recoverable amount is based on "value-in-use" method and was determined at the level of cash generating unit ("CGU") as identified by management and consists of the net operating assets of each store. In determining value in use for the CGUs, the cash flows (determined using approved business plan and budget) were discounted at a rate of 12.1% to 13.3% (December 31, 2023: 12.8% to 14.1%) on a post-Zakat basis and were projected up to the year 2029. Fair value less costs to sell was used as the basis to determine recoverable amount for two owned stores.

The key assumptions used for determination of recoverable amounts are as follows:

	2024	2023
Budgeted gross margin	<b>25.3% to 26.5%</b>	25.5% to 26.3%
Revenue growth rate	<b>2.0% to 4.3%</b>	3.0% to 4.4%
Operating expenses as percentage of sale	<b>17.5% to 19.0%</b>	17.0% to 17.9%
Budgeted EBITDA margins	<b>7.5% to 7.8%</b>	8.4% to 8.5%
Discount rate	<b>12.1% to 13.3%</b>	12.8% to 14.1%
Terminal growth value	<b>2.0%</b>	2.0%

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

The recoverable amount of the CGU's estimated based on value in use exceeded their carrying amount by approximately ₪ 4,974 million (December 31, 2023: ₪ 4,186 million) on a gross basis. Management has identified that a reasonably possible change in the following three key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the three individual assumptions that need to be applied individually for the estimated recoverable amount to be equal to the carrying amount.

	Assumption required for carrying amount to equal recoverable amount	
	2024	2023
Revenue growth	(11.4%)	(7.2%)
EBITDA margin	4.2%	4.4%
Discount rate	38.5%	33.9%

### b) Impairment reversal on recoverable amount of freehold land parcels:

The Group recognized an impairment reversal of ₪ 37.8 million (2023: ₪ 39.4 million) on freehold lands, due to favorable changes in market dynamics.

The recoverable amount is estimated by three independent experts and is based on "comparable" method (VIU or FVLCS) and was determined at the level of individual assets as identified by management i.e. the CGU. In determining market value, properties with similar characteristics in the same market area that have recently been sold were selected. Once those properties were found, they were compared to the properties in question and an adjustment in value was made for comparative deficiencies and advantages.

### c) Impairment loss on goodwill:

During the year, no impairment loss / reversal was recognised in the goodwill of Giant. The key assumptions used for determination of recoverable amounts are as follows:

	2024	2023
Revenue growth rate	0.5% to 2.0%	3.2% to 3.0%
Budgeted Gross margins	26.8% to 28.2%	26.0% to 26.9%
Operating expenses as percentage of sales	18.3% to 18.4%	17.3% to 18.0%
EBITDA margins	8.5% to 9.8%	8.7% to 8.8%
Discount rate	11.8%	12.5%
Terminal growth value	2.0%	2.0%

The calculation of value in use is most sensitive to the assumptions on revenue growth rate, EBITDA margins, and discount rate used to extrapolate cash flows beyond the budget period of 5 years.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately ₪ 643.3 million (December 31, 2023: ₪ 501.2 million).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**Following are the details of the impairment assessment carried out in Foods Processing:**

a) Impairment loss on goodwill:

**Bayara FZE Limited:**

During the year ended December 31, 2024, an impairment loss amounting to ₪ 132.5 million (2023: ₪ 75.0 million) has been recognised, on the goodwill of Bayara Holding Company, based on determination of recoverable value, where the fair value was estimated using discounted cashflows model. The significant assumptions used are as follows:

	2024	2023
Budgeted EBITDA margins	12% to 13%	10.2% to 15.9%
Discount rate	12% to 14.5%	13.3% to 14.5%
Terminal growth value	2.1%	2.1%

Furthermore, during the year, an impairment loss amounting to ₪ 19.9 million (December 31, 2023: Nil) has been recognised on the customer relationship on account of a key customer.

**El Maleka for Food Industries Company:**

During the year ended December 31, 2024, an impairment loss amounting to ₪ 21.4 million (December 31, 2023: Nil) has been recognised, on the goodwill of El Maleka for Food Industries Company, based on determination of recoverable value, where the fair value was estimated using discounted cashflows model. The significant assumptions used are as follows:

	2024
Budgeted EBITDA margins	7.56%
Discount rate	24.5%
Terminal growth value	5%

b) Impairment reversal on recoverable amount of non-current assets excluding freehold land:

Impairment loss / reversal recognised during the year ended December 31, 2024:

**International Foods Industries Company Limited ("IFI"):**

During the year ended December 31, 2024, an impairment loss amounting to ₪ 103.9 million (December 31, 2023: Nil) has been recognised, on the property, plant and equipment of IFI, based on determination of recoverable value, where the fair value was estimated using discounted cashflows model. The significant assumptions used are as follows:

	2024
Budgeted EBITDA margins	6.04%
Discount rate	12%
Terminal growth value	2.8%

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### Savola Snacks:

During the year ended December 31, 2024, an impairment loss amounting to ₪ 29.2 million (December 31, 2023: Nil) has been recognised, on the property, plant and equipment of Savola Snacks, based on determination of recoverable value, where the fair value was estimated using discounted cashflows model. The significant assumptions used are as follows:

	2024
Budgeted EBITDA margins	9.87%
Discount rate	27%
Terminal growth value	4x FY 2030 EBITDA

Impairment loss / reversal recognised during the year ended December 31, 2023:

In 2016, an impairment loss amounting to ₪ 160 million (CGU: business operation) was recorded against the property, plant and equipment of a subsidiary in food processing segment. During recent years, the results of the subsidiary have shown consistent considerable improvement. Based on determination of recoverable amount, where the value in use was estimated using income approach, a reversal of impairment amounting to ₪ 160 million was recorded during the year ended December 31, 2023.

The key assumptions used for determination of recoverable amounts, using discounted cashflows model (over a period of 5 years), are as follows:

	2023
Budgeted EBITDA margins	25.4%
Discount rate	24% to 25%
Terminal growth value	5.1%

Furthermore, the onset of an armed conflict in the Republic of Sudan during 2023 led to identification of certain impairment indicators for the Group's subsidiary located in this territory. Accordingly, the recoverability of this entity's assets (CGU: business operation) was assessed based on the value in use method. The recoverable amount was estimated using the income approach derived from financial forecasts under different scenarios. Estimates utilized in the projected cash flows included growth rates, pre-tax discount rates and terminal value percentages and resulted in an impairment loss amounting to ₪ 18.3 million and was recorded during the year ended December 31, 2023.

The significant assumptions used are as follows:

	2023
Budgeted EBITDA margins	10.1%
Discount rate	77.5%
Terminal growth value	4.9%
Discount rate used for terminal year	62.5%

The calculation of value in use is most sensitive to the assumptions on revenue growth rate and operating expenses as percentage of revenue and long-term growth rate used to extrapolate cash flows beyond the budgeted period.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**Following are the details of the impairment assessment carried out in Frozen Food:**

a) Impairment loss on Brands with indefinite useful life:

During the year ended December 31, 2024, an impairment loss amounting to ₪ 75.9 million (December 31, 2023: Nil) has been recognised, on the Brands with indefinite useful life of Frozen Food segment, using Royalty method, based on the hypothetical royalties that would be saved by owning the asset rather than licensing it from a third party. The significant assumptions used are as follows:

	2024
Average revenue growth	5.1%
Discount rate	11%
Royalty Savings	4.47%

**Following are the details of the impairment assessment carried out in Investments segment:**

During the year, the Group has recognised an impairment loss of ₪ 13.6 million (December 31, 2023: Nil) against items of property, plant and equipment and impairment loss of ₪ 6.9 million (December 31, 2023: Nil) against items of right-of-use assets.

Key assumptions used for determination of value in use except for freehold land:

Cash flow projections were prepared using forecasted rental revenues and related expenses taking into account past experience, and following factors:

- i. Estimated rental income and projected growth of rental income
- ii. Estimated operating expenses and projected growth of operating expenses
- iii. Contractual rent expense till the end of contract for lease of land

These cash flows were discounted using a pre-tax discount rate which was estimated using following factors:

- Return on treasury bonds
- Inflation rate
- Market risk premium
- Specific property risk

In determining value in use for the CGUs, the cash flows were discounted using pre-zakat discount rate and were projected till year 2029. The key assumptions used for determination of value in use are as follows:

	2024
Rental income growth rates	2%
Operating expenses growth rate	1%
Discount rate	10%-10.3%
Terminal growth value	2% to 2.3%

Fair value less costs to sell was used as the basis to determine recoverable amount for all CGUs except for one CGU where Value in use was used to determine the recoverable amount.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### 41. NET FINANCE COST

	2024	2023
Commission income on bank deposits	132,548	98,446
<b>Finance income</b>	<b>132,548</b>	<b>98,446</b>
Financial charges on borrowings (Note 20.5)	662,079	601,412
Interest expense on lease liabilities (Note 22.3)	200,810	197,126
Bank commission	25,675	22,027
Foreign exchange loss, net	139,414	54,237
Negative fair value of options	106,575	88,007
Unwinding of discount on site restoration	4,516	3,229
<b>Finance cost</b>	<b>1,139,071</b>	<b>966,038</b>
<b>Net finance cost recognized in profit or loss</b>	<b>1,006,523</b>	<b>867,592</b>

### 42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risks and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

#### Risk management framework

Risk management is carried out by senior management under policies approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The most important types of risk are market risk, credit risk and liquidity risk. The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Financial instruments carried on the consolidated statement of financial position include cash and cash equivalents, term deposits, trade and other receivables, investments measured at fair value, loans and borrowings, lease liabilities, derivatives, trade payables and accrued and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial asset and liability is offset and net amounts reported in the financial statements, when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and liability simultaneously.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

**Interest rate risk**

Interest rate risks are the exposures to various risks associated with the effect of fluctuations in the prevailing interest rates on the Group's financial positions and cash flows.

The Group's interest rate risks arise mainly from its borrowings and short-term deposits, which are at floating rate of interest and are subject to re-pricing on a regular basis and for which the management closely monitors the changes in interest rates.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	December 31, 2024	December 31, 2023
<b>Fixed rate instruments</b>		
Financial assets	1,560,673	798,028
Financial liabilities	1,697,974	1,494,701
<b>Variable rate instruments</b>		
Financial assets	232,090	356,076
Financial liabilities	1,705,603	7,149,790

The fair value of fixed rate financial liabilities amounted to ₪ 1,591 million (2023: ₪ 1,448 million).

**Sensitivity analysis for variable rate instruments**

Change in 100 basis points in interest rates, with all other variables held constant, would have increased or decreased the equity and profit before zakat and income tax for the year by ₪ 16.9 million (2023: ₪ 67.2 million).

**Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates for its transactions principally in ₪, US Dollars, Iranian Riyals, Egyptian Pounds, United Arab Emirates Dirhams, Sudanese Pounds and Turkish Lira. The Group operates internationally and is exposed to foreign exchange risk. The Group's investments in foreign subsidiaries and associates, whose net assets are exposed to currency translation risk. Currently, such exposures are mainly related to exchange rate movements between foreign currencies against Iranian Riyals, Egyptian Pounds, Sudanese Pounds and Turkish Lira. Such fluctuations are recorded as a separate component of equity "Foreign Currency Translation Reserve" in the accompanying consolidated financial statements. The Group's management monitors such fluctuations and manages its effect on the consolidated financial statements accordingly.

Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group. In addition, interest on borrowings is denominated in the currency of the borrowings. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Following is the significant gross financial position exposure (in thousands) classified into separate foreign currencies:

	December 31, 2024					United Arab Emirates Dirhams
	US Dollars	Iranian Riyals	Egyptian Pounds	Sudanese Pounds	Turkish Lira	
Trade receivables	42,489	--	3,589,006	--	1,098,864	226,733
Other receivables	13,693	--	1,636,418	130,223	411,701	31,268
Cash and bank balances	78,149	--	7,430,942	4,487,471	42,795	38,586
	134,331	--	12,656,366	4,617,694	1,553,360	296,587
Trade payables	31,082	--	1,078,324	217,911	338,783	84,026
Other payables	49,622	--	4,862,373	6,446,482	212,740	65,537
Loans and borrowings	52,642	--	10,236,009	10,122,599	1,627,609	70,577
	133,346	--	16,176,706	16,786,992	2,179,132	220,140
Net exposure	985	--	(3,520,340)	(12,169,298)	(625,772)	76,447

	December 31, 2023					United Arab Emirates Dirhams
	US Dollars	Iranian Riyals	Egyptian Pounds	Sudanese Pounds	Turkish Lira	
Trade receivables	37,634	37,395,757,656	1,586,968	4,435,710	615,203	40,709
Other receivables	69	568,723,572	903,766	11,021,188	220,588	12,798
Cash and bank balances	39,456	43,390,900,376	4,344,086	372,767	24,275	47,107
	77,159	81,355,381,604	6,834,820	15,829,665	860,066	100,614
Trade payables	175,204	42,150,926,506	1,400,549	3,263,018	232,232	21,040
Other payables	35	16,600,890,073	1,845,655	9,855,402	126,192	29,907
Loans and borrowings	71,254	20,800,166,503	601,980	11,765,012	984,114	10,348
	246,493	79,551,983,082	3,848,184	24,883,432	1,342,538	61,295
Net exposure	(169,334)	1,803,398,522	2,986,636	(9,053,767)	(482,472)	39,319

Significant exchange rates applied during the year were as follows:

Foreign currency per Saudi Riyal	Average rate		Spot rate	
	For the year ended December 31,		As at December 31,	
	2024	2023	2024	2023
US Dollars	0.27	0.27	0.27	0.27
Iranian Riyals	120,634	90,508	167,285	104,125
Egyptian Pounds	12.16	7.43	13.56	8.26
Sudanese Pounds	542.86	230.29	662.67	306.67
Turkish Lira	8.80	6.41	9.39	7.84
United Arab Emirates Dirhams	0.98	0.98	0.98	0.98

The Group's investments in foreign subsidiaries are not hedged.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**Sensitivity analysis**

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase equity and profit before zakat and income tax for the year by ₪ 3.6 million (2023: ₪ 3.0 million).

31 December 2024	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
US Dollars (1% movement)	(240)	240	--	--
Egyptian Pounds (1% movement)	2,572	(2,577)	4,346	(4,346)
Sudanese Pounds (1% movement)	184	(184)	1,930	(1,930)
Turkish Lira (1% movement)	666	(666)	(30)	30
United Arab Emirates Dirhams (1% movement)	(691)	691	--	--

31 December 2023	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
US Dollars (1% movement)	6,206	(6,206)	--	--
Iranian Riyals (1% movement)	(1,260)	12,260	1,268	(1,268)
Egyptian Pounds (1% movement)	(3,666)	3,661	1,135	(1,135)
Sudanese Pounds (1% movement)	295	(295)	549	(549)
Turkish Lira (1% movement)	616	(616)	(55)	55
United Arab Emirates Dirhams (1% movement)	(1,102)	1,102	--	--

**Price risk**

The risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The Group is exposed to equity securities price risk since the Group holds investment in certain listed equities which are classified on the statement of financial position as FVOCI investments. The management of the Group monitors the proportion of equity securities in its investment portfolio based on market indices. Such investments are managed on an individual basis and all buy and sell decisions are approved by the Investment Committee. In addition, United Sugar Company uses derivative financial instruments (Commodity future contracts) to hedge its price risk of raw material in the Sugar business.

Further, as disclosed in Note 12, the put option are periodically valued based on Black Scholes' model using certain assumptions including the sugar prices; the fluctuations of which affects the valuations.

Details of the Group's investment portfolio exposed to price risk, at the reporting date are disclosed in Note 9 to these consolidated financial statements. As at December 31, 2024, the Company's overall exposure to price risk is limited to the fair value of those positions.

**Sensitivity analysis**

The net assets of the Group will increase / (decrease) by ₪ 3.5 million (2023: ₪ 1.2 million) if the prices of equity securities vary due to increase / decrease in fair values by 1% with all other factors held constant.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has no significant concentration of credit risk. To reduce exposure to credit risk, the Group has an approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers whereby the customers are grouped according to their credit characteristics, payment history, whether they are an individual or a legal entity, whether they are a wholesale/retail or manufacturers, their geographic location, existence of any financial/economic difficulties including the default risk associated with the industry and country in which they operate and accordingly records impairment loss against those balances considered doubtful of recovery. Outstanding customer receivables are regularly monitored. In order to cater the credit risk from debtors, the Group has also entered into insurance arrangements in certain geographies.

The Group's maximum exposure to credit risk at the reporting date is as follows:

	December 31, 2024	December 31, 2023
<b>Financial assets</b>		
Trade receivables	2,116,034	1,940,649
Other receivables	791,967	783,619
Derivatives	144,377	411,177
Bank balances (Cash and cash equivalents and term deposits)	2,761,637	1,907,793
	<b>5,814,015</b>	<b>5,043,238</b>

Trade receivables are carried net of allowance for Expected Credit Losses amounting to ₪ 159.1 million (December 31, 2023: ₪ 187.7 million).

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk for receivables as at December 31:

	December 31, 2024		
	Weighted average loss rate	Gross carrying amounts	Loss amount
Current (not past due)	0.58%	1,559,393	9,034
1–30 days past due	0.85%	267,156	2,269
31–60 days past due	3.24%	61,752	2,001
61–90 days past due	11.81%	20,081	2,372
More than 90 days past due	69.06%	207,652	143,406
Total		2,116,034	159,028

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	December 31, 2023		
	Weighted average loss rate	Gross carrying amounts	Loss amount
Current (not past due)	0.44%	1,410,026	6,240
1–30 days past due	1.23%	192,563	2,363
31–60 days past due	2.89%	60,191	1,742
61–90 days past due	7.89%	26,856	2,118
More than 90 days past due	69.81%	251,013	175,236
Total		1,940,649	187,699

Loss rates are based on historical credit loss experience and are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

**Other receivables**

Impairment on other receivables has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures having low credit risk.

**Cash and cash equivalents**

Impairment on cash and cash equivalents and term deposits has been measured on a life-time expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents and term deposits have low credit risk based on the external credit ratings of the counterparties.

Cash and cash equivalents, term deposits and derivative financial instruments include balances which are held with banks with sound credit ratings ranging from AA- to B.

**Concentration Risk**

The sector wise analysis of receivables is given below:

	December 31, 2024	December 31, 2023
Wholesale / Retail	1,331,115	1,036,582
Manufacturing	356,978	484,203
Exports	243,308	197,880
Others	184,633	221,984
	2,116,034	1,940,649
Less: Allowance for Expected Credit Losses	(159,082)	(187,699)
	1,956,952	1,752,950

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

The maximum exposure to credit risk for receivable by geographic region is as follows:

	December 31, 2024	December 31, 2023
Saudi Arabia	1,354,755	1,185,589
Turkey	135,692	103,065
Egypt	302,145	237,708
Iran	--	204,837
UAE	279,057	147,189
Other Regions	44,385	62,261
	2,116,034	1,940,649
Less: Allowance for Expected Credit Losses	(159,082)	(187,699)
	1,956,952	1,752,950

### Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available through committed credit facilities to meet any future commitments.

The Group's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. At December 31, 2024, the Group has a net current liability position. For this purpose, the Group has maintained credit lines with various commercial banks in order to meet its liquidity requirements. As at December 31, 2024, the Group has unused bank financing facilities amounting to  $\text{S} 5.3$  billion (December 31, 2023:  $\text{S} 6.0$  billion) to manage the short term and the long term liquidity requirements.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

December 31, 2024	Carrying Amount	Contractual cash flows				
		Less than 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Loans and borrowings	3,403,577	1,390,782	2,099,514	36,115	2,753	--
Lease liabilities	3,593,097	292,976	340,259	1,254,499	867,438	1,842,293
Trade payables	3,679,328	3,679,328	--	--	--	--
Put liability	343,328	--	343,328	--	--	--
Accrued and other liabilities	2,869,484	2,869,484	--	--	--	--
	13,888,814	8,232,570	2,783,101	1,290,614	870,191	1,842,293
<b>Derivative financial liabilities</b>						
Derivative contracts used for hedging	105,410	95,918	9,481	11	--	--
Other derivative contracts not for hedging	8,929	8,825	104	--	--	--
Firm commitments	14,492	14,355	136	--	--	--
Held as cashflow hedge	22,741	22,216	391	134	--	--
	151,572	141,314	10,112	145	--	--

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

December 31, 2023	Carrying Amount	Contractual cash flows				
		Less than 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Loans and borrowings	8,644,487	3,584,849	447,847	2,643,883	2,299,070	--
Lease liabilities	3,522,529	284,160	314,722	1,095,677	763,350	1,934,901
Trade payables	3,507,964	3,507,964	--	--	--	--
Accrued and other liabilities	2,768,640	2,768,640	--	--	--	--
	18,443,620	10,145,613	762,569	3,739,560	3,062,420	1,934,901
<b>Derivative financial liabilities</b>						
Derivative contracts used for hedging	111,486	86,439	23,511	1,536	--	--
Other derivative contracts not for hedging	59,137	58,108	1,029	--	--	--
Firm commitments	73,655	73,039	616	--	--	--
Held as cashflow hedge	75,914	61,451	14,463	--	--	--
Derivative	274,255	--	274,255	--	--	--
	594,447	279,037	313,874	1,536	--	--

**Fair value of assets and liabilities**

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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. The quoted market price incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

As the Group's financial instruments are compiled under the historical cost convention, except for FVOCI investments, FVTPL investments, inventory and firm commitments under fair value relationships, and derivative financial instruments which are carried at fair values, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

The following table shows the carrying amount and fair values of the financial assets and financial liabilities, including their levels and fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

December 31, 2024	Carrying amount				Fair Value				Total
	Mandatorily at FVTPL -others	Designated at fair value	Hedging instruments	FVOCI	Level 1	Level 2	Level 3		
<b>Financial assets measured at fair value</b>									
Investment at fair value through profit or loss (Note 9)	115,986	--	--	--	111,612	--	4,374	115,986	
Future exchange contracts used for hedging	--	--	144,377	--	--	144,377	--	144,377	
Investment at fair value through other comprehensive income (Note 9)	--	--	--	229,879	129,590	58,643	41,646	229,879	
	115,986	--	144,377	229,879	241,202	203,020	46,020	490,242	
<b>Financial liabilities measured at fair value</b>									
Future exchange contracts used for hedging	--	--	151,571	--	--	151,571	--	151,571	
Put liability	--	343,328	--	--	--	--	343,328	343,328	
	--	343,328	151,571	--	--	151,571	343,328	494,899	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

December 31, 2023	Carrying amount				Fair Value			
	Mandatorily at FVTPL -others	Designated at fair value	Hedging instruments	FVOCI	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Investment at fair value through profit or loss (Note 9)	22,871	--	--	--	--	--	22,871	22,871
Future exchange contracts used for hedging	--	--	411,177	--	--	411,177	--	411,177
Investment at fair value through other comprehensive income (Note 9)	--	--	--	98,068	4,522	53,258	40,288	98,068
	22,871	--	411,177	98,068	4,522	464,435	63,159	532,116
<b>Financial liabilities measured at fair value</b>								
Future exchange contracts used for hedging	--	--	320,191	--	--	320,191	--	320,191
Derivative	--	274,255	--	--	--	--	274,255	274,255
	--	274,255	320,191	--	--	320,191	274,255	594,446

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

**Level 3 recurring fair values (reconciliation of Level 3 fair values)**

The net change in the level 3 recurring fair value financial assets and financial liabilities is ₪ 17.1 million (December 31, 2023: ₪ 27.8 million) and ₪ 69.1 million (December 31, 2023: ₪ 88.0 million) respectively.

**Valuation technique and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair value, as well as significant unobservable input used.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

### Financial instruments measured at fair value

Type	Valuation technique	Unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Equity securities	Market comparison technique. PE multiple, Price to Book value.	Price Earnings Multiples, Discount factor, Price to Book value and Price to Tangible Book Value.	Not applicable
Future and physical forward contracts	Broker quotes	Not applicable	Not applicable
Put option	Black Scholes Model	Strike price Volatility of Sugar index Spot price (fair value)	Increase in fair value will decrease the value of Put Option. Increase in volatility index will increase the value of Put options.

The fair value of future contracts and physical contracts that are not traded in an active market (e.g. over-the-counter derivatives) are determined using valuation techniques that maximise the use of observable market data which is received via broker quotes and rely as little as possible on entity-specific estimates.

### 43. CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a leverage ratio, which is calculated as total liabilities (as shown in the statement of financial position) less Cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserves.

The leverage ratio is as follows:

	December 31, 2024	December 31, 2023
<b>Total liabilities</b>	<b>15,815,179</b>	20,402,618
Less: Cash and cash equivalents	(2,235,328)	(1,213,193)
Adjusted net debt	<b>13,579,851</b>	19,189,425
<b>Total equity</b>	<b>5,579,063</b>	9,534,520
Hedging reserve (Note 12)	2,629	20,409
Adjusted equity	<b>5,581,692</b>	9,554,929
Adjusted net debt to adjusted equity ratio	<b>2.43</b>	2.01

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

**44. AMENDMENTS TO STANDARDS AND STANDARDS ISSUED AND NOT YET EFFECTIVE****a) Standards, interpretations, and amendments issued**

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning on or after January 1, 2024 and that are available for early adoption in annual periods beginning on January 1, 2024.

Standards, amendments, interpretations	Description	Effective date
Amendments to IAS 1 Presentation of Financial Statements	Non-current Liabilities with covenants and classification of Liabilities as Current or Non-current	01 January 2024
Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leaseback	01 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	01 January 2024

**b) Standards, interpretations, and amendments issued but not yet effective**

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025 or after, but do not have a material impact on the consolidated financial statements of the Group.

Standards, amendments, interpretations	Description	Effective from periods beginning on or after the following date
Amendments to IAS 21	Lack of exchangeability – Amendments to IAS 21	01 January 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/ effective date deferred indefinitely
New standard " IFRS 18"	IFRS 18, 'Presentation and Disclosure in Financial Statements'	01 January 2027
New standard " IFRS 19"	IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	01 January 2027
Amendments to IFRS 9 and IFRS 7	Classification and measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7	01 January 2026

The standards, interpretations, and amendments with an effective date of January 1, 2024, does not have any material impact on the Group's consolidated financial statements, whereas, for other above-mentioned standards, interpretations, and amendments, the Group is currently assessing the implications on the Group's financial statements on adoption.

**45. SUBSEQUENT EVENT**

Except as disclosed under Note 9.4 and 21.3 there are no subsequent events that require disclosure in or adjustments to the consolidated financial statements.

**46. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue by the Company's Board of Directors on March 11, 2025, corresponding to Ramadan 11, 1446H.





Savola Tower  
Ashati District, Jeddah,  
Prince Faisal Bin Fahd Road,  
Savola Group  
2444 Taha Khusaifan-Ashati  
Unit No. 15  
Jeddah 23511-7333  
Tel: +966-12-268-7755

