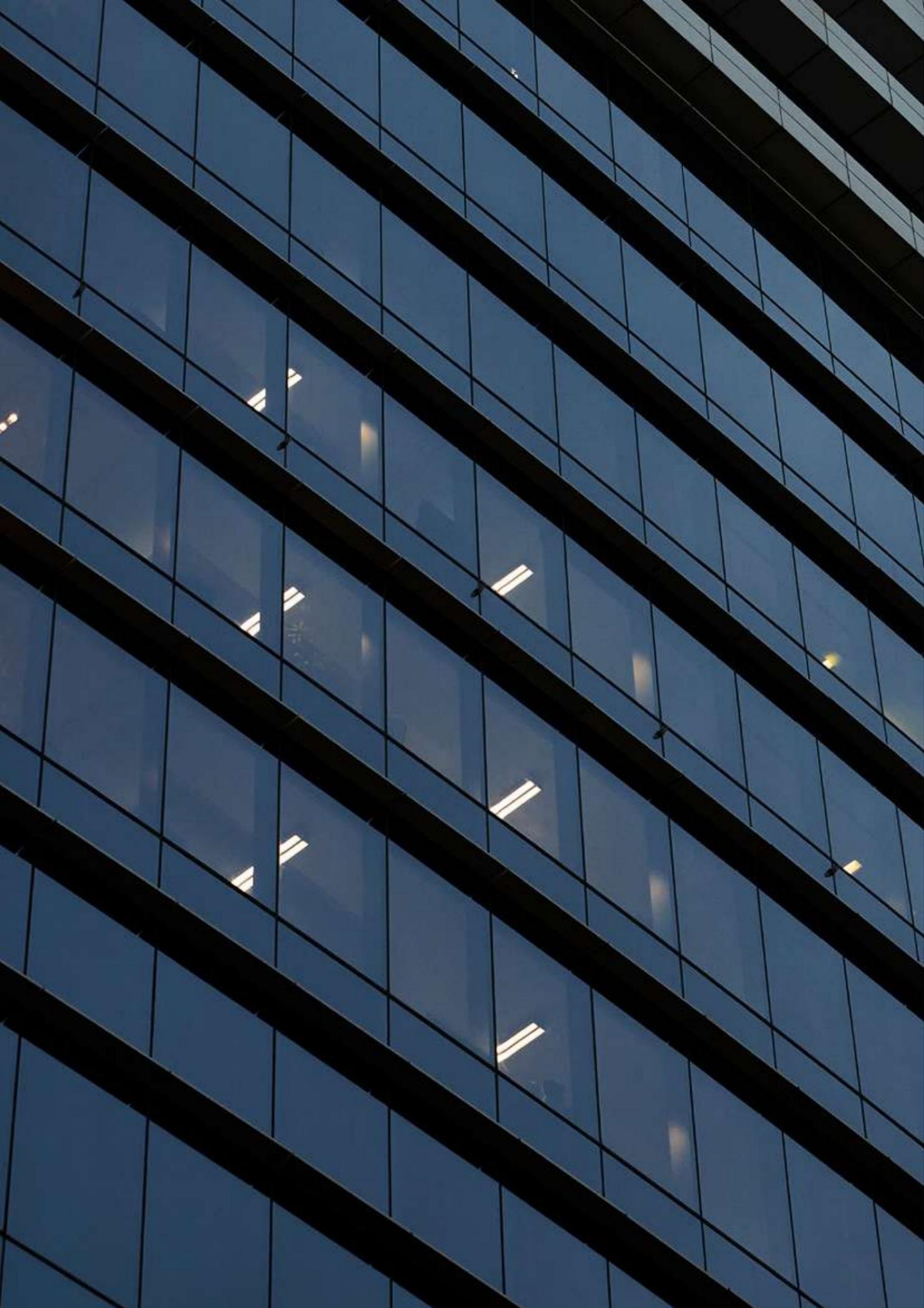


Turning Challenges into Opportunities

Annual
Report
2020





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Overview

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Total Assets Increase

In 2020, our total assets increased by 1.5% to SAR 27 billion.

↑1.5%

Forbes Top 100

Ranked 14th in Saudi Arabia, and 39th in Middle East in Forbes' list of 'Top 100 Companies in the Middle East 2020'

#14

Best Workplaces

Ranked 17th in this year's ranking of Saudi Arabia's Best Workplaces.

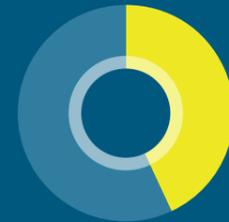
#17

Our Campaign Against COVID-19

We launched a national campaign to help reduce the impact of the virus on the people of the Kingdom

Our Food Investments

43% of Group Revenue

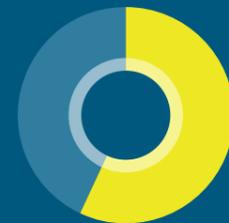


43%



Our Retail Investments

57% of Group Revenue



57%



Our Investment Proposition

With over 40 years track record of business growth, we offer a unique investment proposition and a diversified portfolio of popular consumer brands in the food and retail sectors.



Savola is a key contributor to the Kingdom's food security.

At a Glance

A Leader in Food and Retail

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



Major / Manufacturing Markets	Export Markets				
Saudi Arabia	Angola	Ethiopia	Libya	Oman	Spain
Egypt	Bahrain	France	Madagascar	Pakistan	Sudan
Algeria	Benin	Germany	Malawi	Palestine	Sweden
Sudan	Burundi	Ghana	Mali	Rwanda	Syria
Morocco	Cameron	Jordan	Mauritania	Senegal	Tanzania
UAE	Canada	Kazakhstan	Mauritius	Sierra Leone	Uganda
Others	Comoros	Kenya	Morocco	Somalia	United Kingdom
	Congo	Kuwait	Mozambique	South Africa	USA
	Djibouti	Lebanon	Netherlands	South Korea	Yemen
	Eritrea	Liberia	North Macedonia	South Sudan	Others



Group Revenue

43%
Food
Investments

57%
Retail
Investments



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

Investors across the Kingdom and around the world trust Savola for our strong performance, specialist market knowledge and commitment to sustainability impact through our standalone Savola World Foundation.

We operate the largest 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.

Our Food Investments

Our food vertical is made up of a portfolio of investments in large, branded categories across the MENA region. Savola Foods is a leader in basic branded consumer packaged goods, which are produced in more than 8 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 profits for our shareholders. We are 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, one of the region's leaders in frozen foods manufacturing and distribution.

Ownership of Savola Foods Company

100%



Ownership of Almarai

34.52%



Ownership of Al Kabeer

51%



Our Retail Investments

Our retail vertical is headed by Panda Retail, the largest modern grocery chain in Saudi Arabia with a total of 205 stores (including 4 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.

Ownership of Panda Retail

98.87%



Ownership of Herfy

49%



Strategic and Financial Highlights

Positive Performance and Profitability

Savola built on a year of resilience and recovery in 2019 to deliver a robust financial performance across our portfolio of leading food and retail companies in 2020. Despite the widespread social and economic restrictions of the COVID-19 pandemic across the Kingdom and our geographic footprint, Savola achieved revenue growth and a significant increase in profitability, driven by the return to profitability of Panda, enhanced quality of earnings for Savola Foods Company, higher profits in Al Kabeer and continued cost efficiency and optimization across our business.

Through the sound execution of our corporate strategy and dedication of our entire workforce during this historically challenging year, we succeeded in continuing the positive growth trends established in the previous year with regards to both the top and bottom lines.

Sales revenue for Savola rose 1.4%, from SAR 21.4 billion in 2019 to reach SAR 21.7 billion this year. This growth was the result of strong contributions mainly from our retail investments. 2020 witnessed Panda Retail's revenue increasing by 9%, Savola Foods Company's revenue decreasing by 6% and Al Kabeer Group's revenue increasing by 18.8%.

Savola's full-year net profit rose to SAR 910.8 million on higher gross profit of SAR 4.6 billion due to increased sales and margins, compared to last year's net profit of SAR 476 million and gross profit of SAR 4.5 billion. This is equivalent to earnings per share of SAR 1.71 compared to SAR 0.89 in 2019.

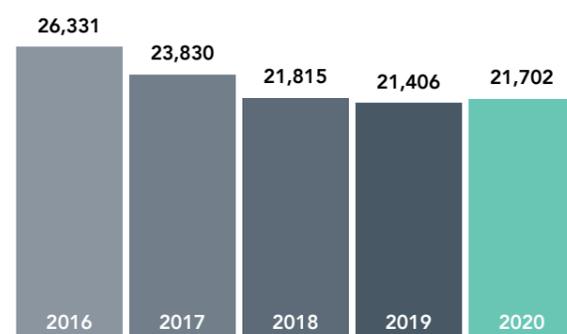
With positive revenue and profitability across most of our businesses, we are now in a solid position to invest capital into new categories within Food and Retail to complement our current portfolio. We have also established a venture capital program to actively explore acquisitions in disruptive companies and technologies to fuel future non-organic growth related to our core sectors.

In the year ahead, we will remain agile and focused, responding to evolving market dynamics while seeking to accelerate the positive momentum and stimulate further growth to create sustainable value for our shareholders.

Revenue
SAR million

21,702

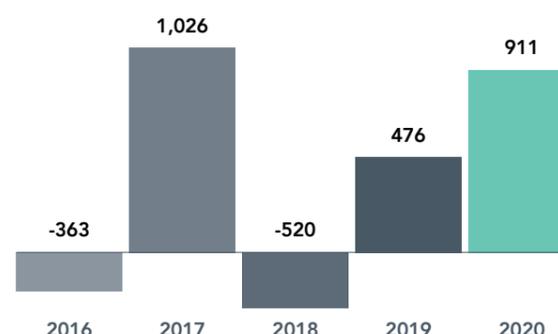
↗ 1.4%



Net Profit
SAR million

911

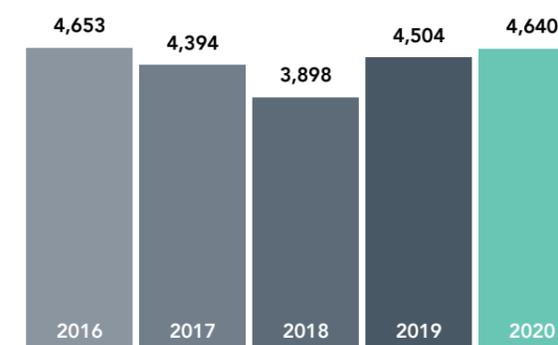
↗ 91.5%



Gross Profit
SAR million

4,640

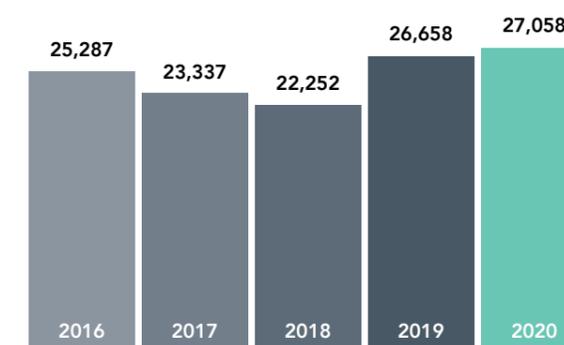
↗ 3%



Total Assets
SAR million

27,058

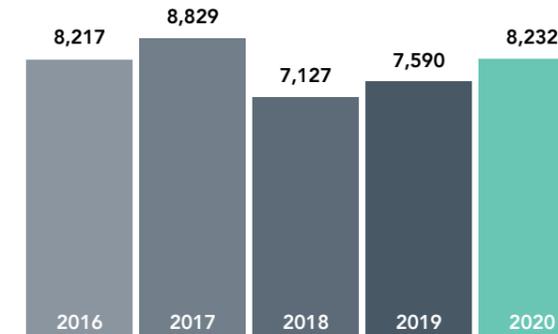
↗ 1.5%



Shareholders' Equity
SAR million

8,232

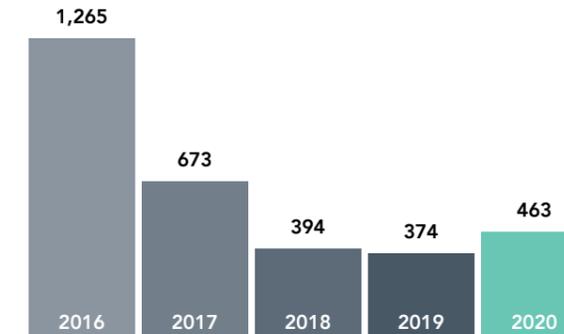
↗ 8.5%



Capital Expenditure
SAR million

463

↗ 24.1%



Strategic Milestones in 2020

2020 was a notable and eventful year for Savola. It was characterized by the achievement of a wide range of strategic, financial and operational milestones, whilst also acting decisively to safeguard our people from COVID-19 and support our diverse stakeholders across the Kingdom.



10 JANUARY
Launch of Savola World Foundation

Savola transformed our flagship CSR program Savola World, from a department into a standalone private foundation, called Savola World Foundation. The new non-profit organization will extend the Group's Sustainability and CSR programs, under the supervision of the Ministry of Human Resources and Social Development.



1 MARCH
'One Family' event raises awareness and support for productive families in the community

In line with the Kingdom's 2030 Vision and the Company's active social engagement strategy, Savola sponsored and supported Saudi productive families through a special community event at Savola Tower. The 3 day event held under the slogan 'One Family', brought together Savola employees with productive families from the community, offering them a great platform to sell their homemade products and interact directly with customers in a lively and positive environment.



7 APRIL
Savola among 'Best Workplaces in Saudi Arabia' for 2020

A testament to our commitment to creating a positive, diverse and engaging workplace for all our employees, Savola was ranked 17th in this year's ranking of Saudi Arabia's Best Workplaces, published by leading global workplace culture authority Great Place to Work® Middle East.



12 APRIL
Panda enters eCommerce space with PandaClick

PandaClick, a new ecommerce platform for grocery purchases and deliveries from Panda, was launched to provide customers across the Kingdom with a quick and convenient way to shop for their favorite brands with just a few clicks, at home or on the move.

19 APRIL
'Our commitment is our duty' campaign against COVID-19

As part of our multi-faceted pledge to protect and serve our community, Savola launched the widespread 'Our commitment is our duty' national campaign. The successful campaign engaged hundreds of thousands of individuals across a wide range of social platforms, to help reduce the impact of COVID-19 on the people of the Kingdom.



16 JUNE
Forbes names Savola in 'Top 100 Companies in Middle East 2020'

A leading business and financial publication, Forbes Middle East Magazine, ranked Savola 14th in Saudi Arabia and 39th in the Middle East based on market value, sales, assets and profits in its annual list of Top 100 companies in the region.

13 SEPTEMBER
Savola buys back SAR 16.5 million worth of shares

As part of the Company's efforts to attract and retain key talent and to motivate staff to strengthen their performance, Savola bought back 341,675 of its shares for more than SAR 16.5 million (USD 4.4 million). The transaction forms the first tranche of the Company's long-term incentive program (LTIP) for its employees. It has also reallocated shares to eligible employees, according to the program's approved policy and standards.

28 OCTOBER
New CEO appointed

Mr. Waleed Khalid Fatani was named Savola's new Chief Executive Officer, effective 1 January 2021, following the resignation of Eng. Anees Ahmed Moumina. Savola's Board of Directors extended its sincere thanks and appreciation to Eng. Anees Ahmed Moumina for his commitment, dedication and hard work exerted during his office term, which ended on 31 December 2020. The Board of Directors welcomes Mr. Waleed Khalid Fatani and wishes him good luck in his new role.

DECEMBER
Establishment of Savola Venture Capital Program

Savola launched a new investment program to co-invest in disruptive technologies in the food and retail technology spaces with best-in-class investment partners. It seeks smart acquisitions that serve this purpose to achieve inorganic growth in order to support its core business activities. As a part of this program, Savola aims to capitalize on rapidly changing consumer trends regionally and globally over the coming 3 to 5 years.

Safeguarding Savola and Our Stakeholders Against COVID-19



2020 was a year like no other. The COVID-19 pandemic had an immediate and transformational impact across our local and international markets, putting the physical and mental health, as well as the social and economic welfare, of our employees, customers, suppliers, partners and communities under pressure.

Savola responded with immediate, large-scale and well-coordinated action. We leveraged our resources and capabilities – our financial muscle, our government and corporate relationships, our central role in complex and dynamic food and retail supply chains, and our position at the heart of the many communities we serve – to protect and work for the health, security and best interests of our stakeholders.

For our employees	For our customers	For our suppliers	For our communities	For our shareholders
<ul style="list-style-type: none"> Remote work policies and support Diverse precautionary measures in HQ and offices, including regular health checks, temperature reading and sanitization of facilities Promoting increased health and safety awareness through mass communications and training 	<ul style="list-style-type: none"> Ensuring food security in the Kingdom by increasing stock of products in shops, ensuring food availability and price assurance Creating new channels to access products, such as PandaClick Transparent and frequent communications Full health and safety measures in shops 	<ul style="list-style-type: none"> Identification of critical elements of supply chain to ensure robustness Close monitor trends and restriction to enable agile adaptation as needed Frequent digital communication and collaboration with key suppliers to add inventory buffers as needed 	<ul style="list-style-type: none"> SAR 10 million in donations for COVID-related causes through initiatives by Panda and Savola World Various community awareness campaigns Ensuring social distancing for health and safety in Savola premises 	<ul style="list-style-type: none"> Held Annual General Meeting (AGM) virtually, enabling our shareholders to participate in the meeting through a mobile app Recommended to increase 2020 dividends significantly over 2019 Increased frequency of investor engagement through a range of virtual channels Participation in various investor conferences held by leading regional and international financial institutions

Turning Challenges into Opportunities

Savola was resilient in adapting to the challenging economic and operational landscape during 2020, leveraging our strengths to maintain our strategic focus and support and sustain our diverse stakeholder ecosystems throughout the year.

Health

We prioritized the physical health and mental wellbeing of our 24,000+ employees through a wide range of actions and investments, raising awareness and ensuring alignment with all government regulations and requirements, whilst empowering them to ensure that our Group and operating companies would remain operational and capable of fulfilling our promises to our customers, community and nation.



Digital transformation

We took immediate action to engage and support our customers, accelerating our digital transformation and automation, bolstering our logistics and distribution networks and launching Panda's new eCommerce platform.



Profit and growth

We did not stop investing in our turnaround or the strategy that will shape the future of our Group, delivering solid returns for our shareholders while launching a venture capital program for disruptive investments in food and retail to continue to enhance our portfolio and unlock avenues for future growth.



Community Responsibility

We doubled down on our position at the heart of our communities and our critical food security role across our markets, ensuring supply of goods during the darkest days of the pandemic while reinforcing our long-term commitment to sustainable social impact by establishing Savola World Foundation.



A strong organization

The strength of our strategy and pride of our people were fundamental to the Company's capacity to overcome obstacles and continue to create value for our diverse stakeholder community. Bolstered by robust risk management and corporate governance at every level of the organization, Savola capitalized on the opportunities that arose in this challenging environment whilst establishing a solid foundation for sustained growth and profitability in the years ahead.



A Unique Investment Proposition

A leading Saudi investment holding company with diverse investment portfolios of the largest assets and brands in the food production, marketing, distribution and retail sectors, providing our shareholders with exposure to favorable demographics and structural trends in the regions we operate in.

A REGIONAL LEADER IN FOOD AND RETAIL



SAR 22 billion

One of the largest food and retail players in the region with an annual turnover of over SAR 22 billion

Forbes Top 100

Ranked 14th in Saudi Arabia and 39th in the Middle East in *Forbes Middle East's* annual list of Top 100 companies in the region

#1 Staple food business

#1 basic food business in MENA, Savola has market leading positions and brands across consumer staples and value-added ranges, such as edible oils, sugar, pasta and frozen food

#1 Grocery retailer

#1 grocery retailer in Saudi Arabia, Panda has strong brand equity and over 28% market share in the attractive and under-penetrated modern retail space of the GCC's largest market

Largest shareholder

Largest shareholder in 2 leading Saudi consumer brands, Almarai and Herfy, as well as popular frozen food brand, Al Kabeer



CONSUMER UNDERSTANDING AND UNIQUE MENA FOOTPRINT



200+ stores

Dominant retail footprint with 200+ Panda and HyperPanda stores in 40+ cities across the Kingdom, with 100+ million annual transactions and the largest logistics network in Saudi Arabia

Serving 400+ million potential customers

Direct manufacturing and distribution strength in more than 8 countries, with 14 facilities serving a combined population of more than 400 million

Attractive exposure

Attractive exposure to large and growing population base with favorable demographics - more than 50% below the age of 35 years.

Extensive knowledge

Extensive consumer, market and brand knowledge, successfully leveraged to launch, grow and maintain market-leading positions and products (e.g. Afia, Al Osra, etc.)

Customer-centric

Continuous customer-centric innovation and product development based on deep consumer outreach to capitalize on strategic opportunities to launch and scale new businesses in the rapidly maturing and evolving consumer space in MENA and beyond

SUCCESSFUL TRACK RECORD OF DYNAMIC CAPITAL ALLOCATION



Unique investment model

Unique investment holding business model that allows for strategic investments and value creation in the MENA consumer food and retail space

Experienced leadership

Experienced leadership team with clear mandate to deploy and/or reallocate capital to enhance shareholder returns through investments in consumer segments with long-term growth potential

40+ years

40+ year track record of business growth, active capital reallocation and long-term investment horizon

Sustainable growth

Actively exploring multiple venues of investments in food and retail to help drive sustainable growth for the Group for years to come

Strengthening the Kingdom's Food Security

By converting the challenges of 2020 into opportunities, we have not only successfully navigated a complex environment but also charted a course toward continued growth and success.



As a market leader in food and retail, Savola has leveraged its considerable supply chain strength to support the government, the nation and its people by ensuring the supply of essential consumer goods throughout the global COVID-19 pandemic. True to our robust strategy, we have also succeeded in turning the challenges of the year into opportunities for growth and development, benefitting our investors with higher returns while also serving our many customers and communities more effectively.

In the face of the extensive disruption caused by the COVID-19 pandemic in 2020, we have safeguarded both our people and our profitability by proactively adapting to the current situation whilst also maintaining the essence of our robust and coherent strategy.

We have remained true to our commitments to the people, contributing to the Ministry of Health's efforts to combat the COVID-19 crisis and doing our part to ensure food security for the people and communities.

Our considerable presence in the food and retail spaces has empowered us to work closely with our full ecosystem of suppliers and partners to play a critical role in the continued supply of essential goods, despite the difficult conditions imposed by the pandemic.

By adapting our services to meet this new reality, as well as implementing new technological solutions and maintaining robust supply lines, we are well positioned to continue to safeguard the Kingdom's food security as the nation maintains its ongoing stand against the pandemic.

By converting the challenges of 2020 into opportunities, we have not only successfully navigated a complex environment but also charted a course toward continued growth and success.

Investing in Disruptive Technologies

In 2020, Savola created a new investment program aimed at capitalizing on global consumer trends by co-investing in new, disruptive technologies in food and retail. This includes a new framework designed to ensure investments remain focused on key objectives related to shareholder value and returns while also enhancing the technological capabilities of the Group's operating subsidiaries.

The ultimate goals of the program are to better understand trends among the younger generations who will drive our business going forward; tilt our existing portfolios in a proactive manner; and allow us to position Savola at the leading edge of technology and innovation through the development of selected partnerships and smart acquisitions.

We have remained true to our commitments to the people of the Kingdom, contributing to the Ministry of Health's efforts to combat the COVID-19 crisis and doing our part to ensure food security for the people and communities across Saudi Arabia.

A Leader in Corporate Governance

Savola remains at the forefront of our market in terms of corporate governance. This is exemplified by our commitment to enhancing corporate value by ensuring the Group fulfills its commitments to its shareholders, employees, communities and other stakeholders.

Our leadership in this field is enabled by our effective corporate governance framework, regular interactive communications with all stakeholders and the implementation of best practices. These efforts have received national recognition; Savola has been ranked among the top 10 non-financial sector companies traded on the Saudi Stock Exchange, Tadawul, in the Corporate Governance Index (CGI) issued by the Corporate Governance Center at Al Faisal University.

Launching a long-term employee incentive program

In order to attract and retain exceptional talent, we have repurchased shares worth more than SAR 16.5 million (USD 4.4 million) during 2020. They will be kept as treasury shares within the framework of the first tranche of our long-term incentive program (LTIP). We have also allocated them to eligible employees, according to the approved policy and standards of the program, which we expect will continue to achieve the desired goal over the coming years.

Enhancing our Social Responsibility

The central role of sustainability in our business, and our multiple initiatives to create a more socially and environmentally responsible company, testify to our commitments to building stronger, healthier communities and a cleaner natural environment.

In line with international developments in the field of corporate foundations, Savola formalized this mission by transforming its flagship CSR program, Savola World, into a standalone private foundation. The Savola World Foundation is a non-profit organization under the supervision of the Ministry of Human Resources and Social Development in Saudi Arabia; this status enables the Foundation to champion more effectively its sustainability and social development initiatives, including those which reflect the objectives of Saudi Arabia's Vision 2030.

Through the Foundation, we continue to deliver lasting change both for our people and for the wider communities among which we operate. As part of our COVID-19 response, we dedicated a total of SAR 10 million to initiatives during 2020, including through our support for the Kingdom's Health Endowment Fund. We also produced a series of awareness videos that went viral on a number of social media platforms, aimed at building collective public awareness with regard to measures to prevent the spread of the virus, and became one of the first organizations in Saudi Arabia to adopt the newly introduced Saudi National Sustainability Reporting Standards.

Our CSR activities also serve to increase our appeal among international investors. In line with the foreign direct investment goals outlined in Saudi Vision 2030, Savola was one of the Saudi companies added to the MSCI Emerging Markets Index in 2019.

Acknowledgements

On behalf of the Board of Directors, I would like to welcome our new CEO, Mr. Waleed Khalid Fatani, under whose fresh direction and leadership we aim to deliver great progress toward our strategic goals in the coming years. I would also like to thank our former CEO, Anees Moumina, for his leadership and dedication to our collective success.

I wish to convey the Board's appreciation to the Saudi government, our shareholders and our stakeholders for their continued support and trust in Savola. I would also like to thank our hard-working employees across our extensive footprint and our dedicated Executive Management in Saudi Arabia and abroad for delivering exceptional performance throughout 2020 and for playing a critical role in keeping us on track to realize our strategic goals in the face of the challenges presented by the pandemic.

As we look to 2021 and beyond, Savola will remain focused on securing increasing value for our people, communities, investors and other stakeholders; whilst also capturing the benefits of innovative technologies to power our growth and success.

Sulaiman A. Al Muhaidib
Chairman

Board of Directors and Member Classification

Mr. Sulaiman A. Al Muhaidib

Board Chairman
Non-Executive



Current positions: Chairman of the Board of Abdulkadir Al Muhaidib & Sons, and Board Member of Almarai, Rafal Real Estate, Al Muhaidib Holding, ACWA Power Vision Invest, and many other companies.

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

Qualifications: Second Class, Faculty of Medicine, King Saud University, Saudi Arabia

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 Al Issa

Board Vice-Chairman
Non-Executive



Current positions: CEO of Assila Investments, Chairman of Savola Foods Company, Managing Director of Almarai, and Board Member of several companies.

Previous positions: CFO of Assila Investments, CEO of Amias Holding, Investment Portfolio Manager at HSBC Saudi Arabia Limited, Financial & Marketing Analyst at SABIC America, and Financial Analyst at JP Morgan.

Qualifications: Master's degree of Business Administration, Rice University, USA

Bachelor's degree of Economics, University of Virginia, USA

Certified Financial Analyst (CFA)

Experience: Financial and administrative fields, portfolio management, studying and analyzing of listed companies. He also sits on a number of other Boards and Committees of listed and private companies.

Mr. Essam Abdulkadir Al Muhaidib

Board Member
Non-Executive



Current positions: Managing Director of Al Muhaidib & Sons, and Board Member of several companies.

Previous positions: A number of managerial positions, leadership roles and Board memberships in Al Muhaidib Group of Companies.

Qualifications: Bachelor's degree of Science in Statistics, King Saud University, Saudi Arabia

Experience: Managing a number of companies in the food and contracting fields. He also sits on a number of other Boards.

Mr. Mohammed Ibrahim Al Issa

Board Member
Non-Executive



Current positions: CFO of Assila Investments, and Board Member of Kinan International Real Estate Development.

Previous positions: Head of Balance Sheet Management and Investment at Saudi British Bank (SABB). He also served as a Member of the Board of Directors of Sukoon Real Estate Company and Al Aqeeq Real Estate Company.

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

Experience: Financial management, investments and financial markets.

Mr. Bader Hamad Al Rabiah

Board Member
Independent



Current positions: Vice-Chairman and CEO of Noor Al Salhiya Real Estate, Board and Audit Committee Member of Mezzan Bank, Member of the Board and Audit Committee and Chairman of the Risk Management Committee of Noor Financial Investment, Vice-Chairman and CEO of Al Manar Finance and Leasing Company, and Member of the Board and Executive Committee of Nakheel Agricultural Production Company.

Previous positions: Supervisor of Real Estate Financing at Kuwait Finance House, and Head of Real Estate Investment at Noor Financial Investment Company.

Qualifications: Bachelor's degree of Accounting, Kuwait University

Member of Kuwait Association of Accountants and Auditors

Member of Kuwait Economic Society

Experience: Business management, financial auditing, risk management and real estate investment.

Mr. Fahad Abdullah Al Kassim

Board Member
Independent



Current positions: Chairman of Amwal Financial, and Executive Board Member of Al Rajhi United Investment.

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

Qualifications: Bachelor's degree of Science in Management with a major in Accounting, King Saud University, Saudi Arabia.

Advanced Management and Leadership Program, Oxford University, UK

Experience: Financial, administrative and auditing consultancy, executive management in a health institution, executive management in retail and wholesale, and sits on other Boards and Committees.

Mr. Abdulaziz Khaled Al Ghufaily

Board Member
Non-Executive



Current positions: Retired – Public sector and Board Member of various of companies.

Previous positions: General Director of Local Shares Dept., Director of Hassana Investment, Direct Investments Dept. of General Organization for Social Insurance (GOSI).

Qualifications: Master's degree of Economics, Western Illinois University, USA

Bachelor's degree of Economics, King Saud University, Saudi Arabia

Experience: Social insurance, investment portfolios and shares. He also sits on a number of other Boards and Committees.

Dr. Adnan Abdulfattah Soufi

Board Member
Non-Executive



Current positions: Founder and Managing Partner of DAS Partners, Board Member of NCB Capital, Vice-Chairman of SISCO Group, and Chairman of the Advisory Committee of the General Authority for Awqaf.

Previous positions: Member of the Board of Commissioners of the Capital Market Authority (CMA) by Royal Decree appointment, Chairman of the Advisory Committee of the CMA Board, CEO of SEDCO Holding, Dean of the Faculty of Economics and Administration and Professor of Business Administration and International Finance at King Abdulaziz University (KAU), and Senior Associate Member of Oxford University's St. Antony's College.

Qualifications: Fulbright Scholar

Ph.D. in Business Administration and International Finance, George Washington University, USA

Experience: Executive strategist leader specialized in corporate governance, as well as business development, institutional investment and leading transformation.

Eng. Mutaz Qusai Alazawi

Board Member
Non-Executive



Current positions: Managing Director of his Group of Companies, Vice-Chairman of Riyadh Bank, Chairman of Qatrania Cement, and Board Member of Mobily, Arabian Cement, Herfy Foods, SICEP, ST&T, and Wusataa.

Previous positions: Running his group of companies, and Director at Merrill Lynch, KSA.

Qualifications: Bachelor's degree of Computer Engineering, King Saud University, Saudi Arabia

Experience: Investment, trade, financial markets, construction management, banking and mergers and acquisitions. He also sits on a number of other Boards and Committees.

Mr. Abdulrahman Mohammed Ramzi Addas

Board Member
Independent



Current positions: Chairman of Savola World Board of Trustees and Member of Savola Group Remuneration and Nomination Committee, Member of the Board, Executive Committee and Audit Committee of Alinma Bank, Chairman of Diyar Al Khayyal Real Estate Development, Chairman and Risk Management Committee Member of Tunisian Saudi Bank, Board Member of Al Rabie Saudi Food, Board Member and Chairman of the Investment Committee at Environment Fund, Member of Risk Committee at Saudi Ground Services, Member of the Risk and Compliance Committee of General Authority for Zakat and Tax, Member of the Investment and Loans Committees at Agriculture Development Fund.

Previous positions: Several senior executive positions at National Commercial Bank, and Managing Director for Real Estate Group in charge of Real Estate investments and Member of the Executive and Strategic Committees at SEDCO.

Qualifications: Master's degree of Business Administration from the University of Denver, USA with a major in Finance

Bachelor's degree in Business Administration, King Abdulaziz University, Saudi Arabia with First Degree Honors

Experience: Banking, risk management, strategic management and investment.

Mr. Rakan Abdulaziz Al Fadl

Board Member
Independent



Current positions: Founder and Director of London Realty Limited, Executive Director and Board Member at Al Fadl Group, Board Member, President and CEO of Sahara Building Contractors, Board Member and Executive Committee Member at Rabya, Board Member and Investment Committee Member at Al Fadl Investments, Board Member and Investment Committee Member at Al Fadl Real Estate, and Board Member and Investment Committee Member at Al Takamul Group.

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. He also sits on a number of other Boards and Committees.

Group CEO's Message

Safeguarding Our People, Profitability and the Kingdom's Food Security

Savola has not only stood firm in the face of this adversity, but succeeded in achieving remarkable results.



Savola has succeeded in transforming adversity into opportunity during this challenging year, delivering a variety of initiatives that have served to secure our continued growth and performance. Led by the insights of our experienced Board and astute Executive Management and powered by our dedicated colleagues, Savola made strong efforts to overcome the challenges presented by the pandemic and almost doubled its profitability for the year compared to the previous year. We have maintained our positive momentum from the previous year while launching a venture capital program to drive further sustainable growth and to augment our operating companies in 2021.

I am proud to have recently joined Savola as the Chief Executive Officer and I appreciate the opportunity to work alongside such an inspiring team to achieve further outstanding results for our shareholders in the years to come.

In what has been a highly challenging period for people and businesses all over the world as they have sought to contain the impacts of the global COVID-19 pandemic, Savola has not only stood firm in the face of this adversity but succeeded in achieving remarkable results.

Thanks to our resilience, both in terms of our operations and the outstanding commitment of our people, we have met the challenge head-on, adapting to the new reality through innovation, while maintaining the focus on our strategic goals. In this way, Savola has succeeded in creating opportunities in the midst of current challenges, capitalizing on e-commerce channels to serve its customers more effectively during the measures to contain the virus.

Given the potential implications of the pandemic for the nation, Savola was highly conscious of its role as a pillar of the Kingdom's food security. With the onset of the pandemic, a notable rise in volumes was evident as people began stockpiling essential items.

The Group therefore began coordinating closely with government agencies to ensure the integrity of the supply chain and the continued movement of goods to satisfy demand in the face of shortages.

Throughout the crisis, we have remained fully aware of our responsibilities to protect the health and wellbeing of our people and our customers across our entire operating footprint. With the onset of the pandemic, we immediately moved to ensure all our premises were made safe, in coordination and cooperation with the relevant authorities.

Those employees who were able to fulfil their roles remotely began working from home to reduce the risk of contracting or transmitting the virus, with high-risk individuals being prioritized. We also implemented state-of-the-art monitoring, powered by leading technologies, to preserve workplace and customer safety, sharing our experiences and best practices to benefit other companies and organizations to assist in limiting the spread of the virus.

Savola achieved revenue of SAR 21.7 billion in 2020, representing an increase of 1.4% over 2019.

SAR billion
21.7

Strong Performance and Increased Profitability

Savola achieved revenue of SAR 21.7 billion in 2020, representing an increase of 1.4% over 2019. Our gross profit for 2020 was SAR 4.64 billion – 3% higher than in 2019 – while EBITDA grew by 10.8% to reach SAR 2.78 billion.

Savola Foods Company (SFC) generated SAR 8.64 billion in revenue and achieved 3.1 million metric tons in sales volumes during the year. Meanwhile Panda Retail, which remains the largest modern retailer in Saudi Arabia, delivered SAR 11.6 billion in revenue.

Frozen foods player, Al Kabeer Group of Companies, in which Savola holds a 51% shareholding, posted revenue of SAR 737 million. For the year, Almarai – 34.52% of which is owned by Savola – generated revenue of SAR 15.36 billion, and Herfy, in which the Group maintains a 49% share, delivered revenue of SAR 1.07 billion.

Securing Growth and Development in 2020

Savola continues to be a leader in our home market of Saudi Arabia and plays a key role in many of our other markets. Given this strategic position in the food and retail sectors of the MENA region, *Forbes Middle East Magazine* ranked Savola 14th in the Kingdom and 39th in the region in its 'Top 100 companies in the Middle East for 2020'.

Our focus in 2020 remained concentrated on the goal of supporting and growing our operating companies in the food and retail spaces. Given the demands of the COVID-19 crisis, we concentrated our efforts on our new e-commerce platform, as well as on factory modernization and our disruptive food and retail technology investment programs.

Food Investments

Thanks to our efforts to optimize expenses, we have secured an increase in profit over 2019. In 2020, the higher value-added products in our portfolio allowed us to achieve higher margins and profitability. We have also secured more cost-effective practices among our operating companies in 2020, having established a program to identify and implement potential synergies across the Group.

In response to the COVID-19 crisis, SFC restructured production lines, whilst also making sure our supply chain was robust and open so factories could continue to work and meet demands. Our expense rationalization program also continued to achieve results, reducing costs and generating efficiencies.

We also worked closely with the team at Al Kabeer, achieving solid growth and performance, and capitalizing on a changing market dynamic driven by more at-home cooking by expanding our product range. Almarai, too, saw notable growth and a range of product launches, despite the prevailing conditions.

Group gross profit for 2020 was SAR 4.64 billion – 3% higher than in 2019 – while EBITDA grew by 10.8% to reach SAR 2.78 billion.

10.8%

Retail Investments

Despite the turmoil experienced throughout the year, 2020 saw the continued turnaround of our Panda retail business with a return to full-year profitability, which benefited positively from the COVID-19 impact.

Having quickly identified the changing needs of our customers and our market in response to the COVID-19 pandemic, we accelerated the launch of PandaClick, our new e-commerce platform for grocery purchases and deliveries from Panda.

2020 was a challenging year, in particular for Herfy, which saw lower sales compared to 2019 as a result of the direct and indirect effects. Nonetheless, the success of our 2 production facilities – meat and bread, helped to reduce the impact of the closure of dine-in restaurants and consumer preferences to eat/cook at home.

Our People, Culture and Values

Given the global threat posed by the pandemic, we placed significant emphasis on maintaining the health, safety and well-being of our employees in 2020. In particular, we focused on awareness and education; by ensuring clear messages were communicated to our people across the Group, we were able to both distribute preventative advice and maintain complete transparency regarding our response to the spread of COVID-19.

We recognize that our people are key to our success and worked throughout 2020 to develop and deploy a long-term incentive plan (LTIP) to provide additional methods of retaining key talent across Savola. The LTIP will be expanded in the coming years to cover an increasing number of roles.

In keeping with the goals of the nation and the Saudi Vision 2030, we are committed to Nationalization, with the proportion of Saudi employees in Savola reaching 37% of our total workforce in 2020, representing a 21% increase over 2019. We have also enhanced our succession planning for key positions across the organization during the year to ensure appropriate governance and contingencies with respect to the future of our business.

Delivering Continued Growth in 2021

We look forward to securing the continued growth of our core business in the coming year, capitalizing on the foundations laid in 2020, while also looking for potential new venues to ensure the sustainability of our growth trajectory.

To all of our employees, I thank you for your steadfast dedication and contributions to our success during this year. Likewise, to our supportive Board of Directors, experienced Executive Management team and all of our stakeholders, I am grateful for your resilience and ability to come together to transform a challenging year into one marked by opportunity and growth.

Waleed Khalid Fatani
Group Chief Executive Officer

Executive Management

Mr. Waleed Khalid Fatani



Current position: Group CEO
Previous positions: CEO of Saudi Fransi Capital, Group Treasurer of Abdul Lateef Jamil and Capital Markets and Investment Advisor to the President, General Manager of Deutsche Bank Saudi Arabia, and various roles with Banque Saudi Fransi including Head of Group Treasury and a Member of several Executive Committees.
Qualifications: Bachelor's degree of Science in Accounting, California State University, USA
Experience: Over 26 years of banking, financial and investment experience, and experience across a variety of business and financial services sectors.

Mr. Sameh M. Hassan



Current position: 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, and Board Member of a number of other companies.
Qualifications: Bachelor's degree in Economics, American University, Cairo, Egypt
Experience: Leadership, planning and management of foods and industrial multinational companies and other diverse sectors.

Dr. Bander T. Hamooh



Current position: CEO of Panda Retail Company
Previous positions: CEO of Al Nahdi Medical Company, and General Supervisor of Public Affairs at the Ministry of Health.
Qualifications: Bachelor's degree in Pharmaceutical Science, King Saud University, Saudi Arabia
Experience: Over 30 years of experience in retail, pharmaceutical and food industries in both private and public sectors. He also serves as a Board Member of a number of companies.

Eng. Anees Ahmed Moumina



Current positions: Former CEO, Savola Group (until 31 December 2020), Board Member of National Commercial Bank, Dr. Suliman Fakeeh Hospital Company, Herfy Company, Knowledge Economic City Company (KEC), Effat University and Savola World Foundation Board of Trustees.
Previous positions: CEO of Savola Group (until 31 December 2020), CEO of SEDCO Holding Group, General Manager and Senior Credit Officer of Samba Financial Group, and Proctor & Gamble, Vice-Chairman of Savola Foods Company, Vice-Chairman of Panda Retail Company, Vice-Chairman of United Sugar Company, Vice-Chairman of Afia International Company, Vice-Chairman of Variety Food Company (Al Kabeer), and Board Member of Almarai Company (all up to 31 December 2020).
Qualifications: Master of Science in Engineering Administration with Honors, The George Washington University, USA
 Bachelor of Science in Civil Engineering with Honors, The George Washington University, USA
Experience: Over 35 years of experience in the private sector and the financial services industry with experience across a variety of business sectors, including investments, retail, manufacturing and real estate.

Mr. Nouman Farrukh Muhammad Abdussalam



Current position: Former CFO, Savola Group (until 31 December 2020)
Previous positions: CFO of Savola Group (until 31 December 2020), CFO of Savola Foods Company, CFO of Attieh Group, CFO of Emaar The Economic City, Deputy Director Finance at Savola Group, Senior General Manager Finance and IT at Savola Foods, Finance Manager at Savola Bahrain, and Assistant Manager Cost and Budget of Pakistan-based cement manufacturer.
Qualifications: Professional qualifications in Cost and Management Accountancy and Taxation Management
 Associate of the Institute of Cost and Management Accountants
 Fellow of the Institute of Taxation Management
 Bachelor's degree of Finance, Karachi University, Pakistan
Experience: Over 20 years of experience in financial management, financing and accounting with Savola Group and its subsidiaries.

Mr. Wajid Usman Khan



Current position: 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, and 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 the Institute of Chartered Accountants of Pakistan
 Associate Member of the Institute of Chartered Accountants of England and Wales
Experience: Over 20 years of experience in financial management, corporate finance, strategy and digital transformation with Savola Group and its subsidiaries.

Mr. Elnour Ali Saad



Current position: Executive Director, Corporate Governance, Compliance, Legal Affairs, and Board Secretary
Previous positions: Various senior positions in Savola Group including Executive Director of Corporate Governance, Compliance and Legal Affairs, Director of Corporate Governance and Board Affairs for Savola and its subsidiaries including Food Sector and Retail Sector, and Senior Manager of Corporates, Board Affairs and Communication.
Qualifications: Master's degree in Law (LLM), University of Cumbria, UK
 Bachelor's degree and MBA, Sudan University of Science and Technology, Sudan
 Certified Corporate Governance, Board and Committees Secretary
Experience: Over 18 years of experience in corporate governance, compliance, corporates, legal, Board of Directors' and Committees' affairs, investor relations and shareholders' matters, and corporate communication. He also has practical experience in CMA regulation, companies' law, drafting reports, and managing shareholders' meetings, preparing legal memorandums and following up cases before judicial bodies.

Mr. Mohammad Nasr



Current position: Executive Director, Investment
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 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: Over 20 years of experience in investment and operational strategy leadership, deal origination, restructuring, M&A, managing investment portfolios and exit plans across several sectors.

Mr. Morhaf M. Alsamman



Current position: Executive Director, Human Resources and Corporate Services
Previous positions: Head of Human Resources and Head of Talent Acquisition for Savola Group, 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, DePaul University, USA
Experience: Over 13 years of experience in HR Management, mainly covering HR business partnership, staffing and recruitment, organization development, performance management, training and development, Saudization programs, and HR policies and procedures.

Internal Control, Audit, Risk, and Corporate Communications and Marketing Team:

Mr. Aly Assem Barakat



Current position: 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, University of Helwan (Major Accounting), Egypt
 Licensed Certified Public Accountant, USA
 Chartered Global Management Accountant Association of International and Professional Accountants
Experience: Over 25 years in the financial sector, internal and external audit, governance, risk management and compliance.

Mr. Yasser Hassan Dahlawi



Current position: Executive Director, Risk Management
Previous positions: Head of Regulatory Compliance, Enterprise Risk Management at The National Commercial Bank (NCB), and Senior Advisor at KPMG Saudi Arabia.
Qualifications: Master's degree of Science, Engineering and Technology Management, Portland State University, USA
 Bachelor's degree of Science, Industrial Engineering, King Fahad University of Petroleum and Minerals (KFUPM), Saudi Arabia
Experience: Around 10 years of experience in risk management, mainly covering enterprise risk management, risk reporting, Basel II/III, capital planning and allocation, and risk policies procedures.

Mr. Amr Hamzah Almadani



Current position: Director, Corporate Communication and Marketing
Previous positions: Various marketing roles including Head of Shopper Marketing in Panda Retail Company, and marketing positions in Emaar the Economic City and Fakhri Tourism Group.
Qualifications: Master's degree in International Business, Hull University, UK
 Bachelor's degree in Marketing, King Abdulaziz University, Saudi Arabia
Experience: Over 12 years of experience in marketing, brand management, media, digital media, communication, public relations and retail.

Our Strategy and Business Model

A Focused Model That Aims for Sustainable Growth

Savola is a strategic investment holding company with a thematic investment program focused on the food and retail sectors, with the aim of creating value by enabling and accelerating growth levers in the underlying portfolio to achieve scale and profitability.

OUR STRENGTHS

Strategic Focus

Savola focuses its operations on long-term consumer trend-driven lens, aiming to dynamically allocate capital to generate long-term value growth.

Strong Governance Framework

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

Infrastructure and Consumer Access

Through our holdings, we possess Saudi Arabia's largest distribution network, retail space and brand portfolio in the country's consumer space and touch millions of consumers across all of our markets.

OUR CHALLENGES

- Challenging macro-environment in operating countries, whereas a number of countries introduced economic reforms that may have a negative impact on the purchasing power of consumers
- Change in consumer behaviour, 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 Group's investment mandate, as well as other factors including the economic and business cycles and their impact on such assets

HOW WE ADD VALUE

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; and
- Selection of the right leaders and management teams to deliver on strategic and operational targets.

Setting Targets and Monitoring Performance

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

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 consumer 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 Corporate Values

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. Since the Group was founded in 1979, this is how we do business:

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 ensure that 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 it

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; Is the fulfillment of our responsibilities towards investors

Mujadahah: Personal control; Achieving the personal discipline necessary to fulfill our responsibilities

Birr: Caring Justice; Fulfillments to our responsibility toward our colleagues and the employees of the Company

Four Decades of Growth and Diversification

1970s

1979
Savola is established, with a paid-up capital of SAR 40 million and 50 employees.



1980s

1981
Savola's edible oil refinery in Jeddah, the first in Saudi Arabia, begins operations.

1982
Launch of Afia premium corn oil. By the late 1980s, Savola captures 70% of the Saudi edible oil market.



1990s

1991
Acquisition of a 40% shareholding 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 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.

2000s

2003
Savola Foods 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.

2010s

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



2013
Savola's first Sukuk issuance (SAR 1.5 billion).

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

2010s

2015
Savola Foods 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 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 a part of its capital re-allocation, whilst 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 second CSR program, 'Negaderha'.



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

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



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 SAR 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

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.



Food Investments

Our portfolio of food brands are industry champions and market leaders in the key economies they operate in.

Revenue Breakdown (SAR million)

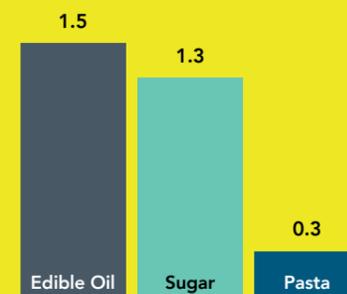


Savola Foods Company delivered a robust financial performance in 2020 with SAR 311 million in profits on SAR 8,644 million in net revenue.

SAR million
311



2020 Sales Volume by Business Line (in million MT)



Food Investments

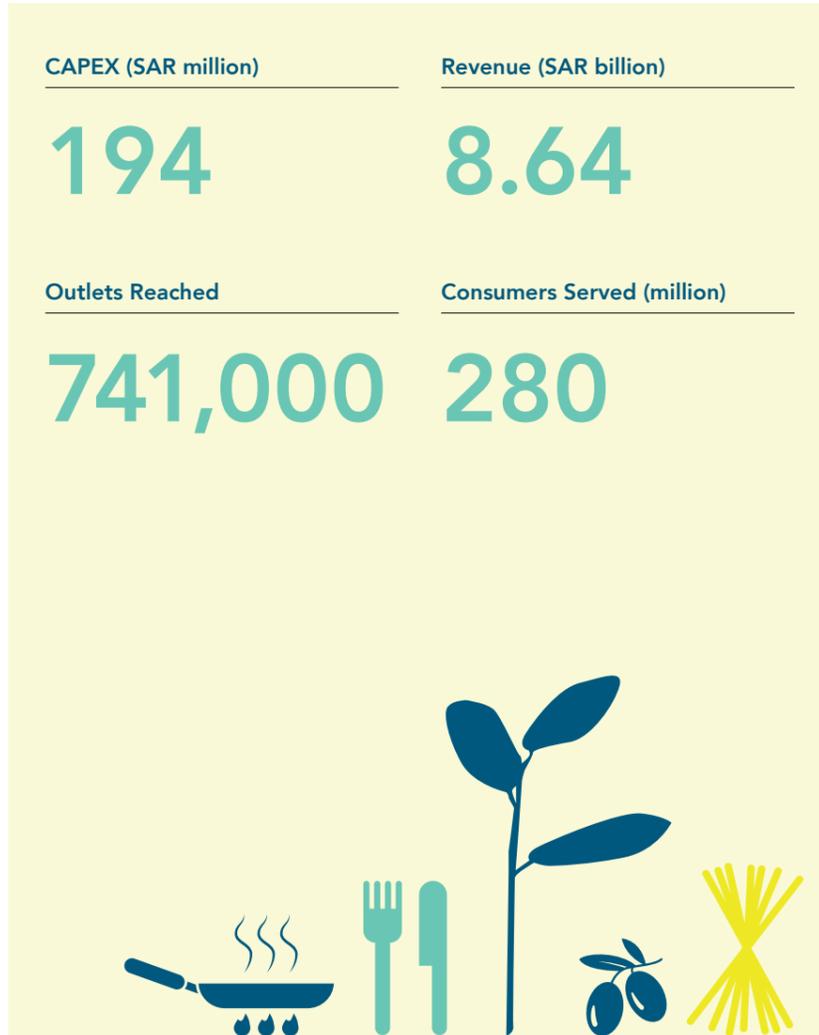
Savola Foods Company



Throughout 2020, Savola Foods Company (SFC) has remained steadfast and resilient in the face of the disruption caused by the pandemic. As a market leader in various segments in key economies throughout the MENA region, we solidified our role as a pillar of sustainability and endurance, ensuring a stable, reliable supply of essential items and products across our geographic footprint.

Savola Foods Company is a leading producer of staple products, including edible oils, vegetable ghee, sugar, pasta, seafood, specialized shortening and fats, and baked goods, creating branded products from facilities in 8 countries for more than 50 markets around the globe. Our brands are well-known throughout the region and beyond, earning their place as trusted products in households and supermarket shelves across the MENA region.

Overall, SFC successfully turned the challenges of 2020 into opportunities, achieving a robust financial performance. The business generated SAR 8.64 billion in net revenues and 3.1 million metric tons in gross sales volumes – including equity accounted joint ventures (JVs), while posting SAR 311 million in profits on improved quality of earnings through a focus on higher margin categories, and a strong performance in Saudi Arabia and Egypt. SFC therefore achieved a significant improvement in the quality of profitability compared to the previous year, despite the pandemic and the disruption caused by currency devaluations in certain foreign markets.



A Resilient Response

As a regional food industry champion, producing staple foods for homes throughout the Kingdom and beyond, our immediate priority in facing the COVID-19 crisis was to ensure food security and availability across our markets, while also assuring consumers of our high standards of quality and safety. We acted with purpose and speed to coordinate with all key stakeholders – from government and strategic partners to our people, customers and community – to build a shared understanding throughout this challenging period.

At end-2020, Savola Foods employed 6,549 people across its operations, of which 1,300 were based in Saudi Arabia, in addition to 4,186 indirect employees.

As one of our most valuable assets, we also sought to shield our employees from harm by implementing rigorous safety standards to allow them to continue operating, safe in the knowledge that their health and wellbeing were key priorities.

Despite the economic effects of the global health crisis, we remained committed to our role as a key national employer and engine of industrial development, supporting the national economy in facing the global shock initiated by the virus and delivering progress toward achieving the strategic objectives of Saudi Vision 2030.

By actively restructuring our production lines and providing additional support for imports and exports, whilst also making sure our supply chain was robust and fully operational, we strengthened our resilience and capacity to meet the significant demand.

As with companies and industries throughout the Saudi economy and around the world, the pandemic imposed a number of negative effects on our business. The success of our business-to-business (B2B) channel in 2020, for example, was undermined by a combination of factors, including the national lockdown and movement restrictions, which also impacted the hotel, restaurant and café (HORECA) industry. Furthermore, the limited travel and religious tourism in the Kingdom also undermined activity across these industries.

Conversely, however, our business-to-consumer (B2C) channel witnessed healthy growth during the course of the pandemic, and particularly in the first half of the year, owing to food stockpiling, and the sizeable increase of in-home dining preference due to health and movement restrictions.



Savola Foods Company



Delivering Healthy Performance

Throughout 2020, SFC continued to manufacture and distribute our brands to consumers across Saudi Arabia and around the world, defending our market share and focusing on creating value for our business and stakeholders.

Edible oils

A major product line for SFC, our edible oils business continued to thrive in 2020, continuing our strong market position in Saudi Arabia, Jordan, Sudan, Egypt, Lebanon, Algeria and Morocco.

Savola achieved a full-year value of SAR 5.7 billion in edible oil sales in 2020, from 1.5 million tons of production, of which 30,000 tons were exported, accounting for SAR 158 million. We account for 57.4% of the edible oils market in Saudi Arabia and 14.7% of the GCC market. Beyond the Gulf, Savola has an edible oils market share of 9% in Lebanon, 31% in Egypt, 26% in Sudan.

2020 saw the highly successful relaunch of Afia in Saudi Arabia, with a new bottle design and size, supported by a 360-degree marketing campaign.

We also launched Afia coconut oil in KSA, in response to global health trends and the evolving preference of consumers; expanded our olive oil range with the introduction of Zaytouni to the Saudi market to compete in the Value-For-Money (VFM) tier; and broadened our offering still further with the introduction of 4 flavor-infused Afia olive oils.

Sales

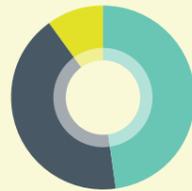
Value: SAR 8.64 billion

Sugar SAR 2.32 billion

Oil SAR 5.71 billion

Pasta SAR 0.54 billion

Volume: Total: 3.1 KMT



- 49% Edible Oil (1.5 KMT)
- 42% Sugar (1.3 KMT)
- 9% Pasta (0.3 KMT)

Exports

Value: SAR 1.46 billion

Sugar SAR 1,226 million

Oil SAR 158 million

Pasta SAR 80 million

Volume: Total: 873 KMT

Sugar 795 KMT

Oil 30 KMT

Pasta 48 KMT

Factories

14 fully fledged manufacturing facilities

KSA Edible oil, Sugar, Vegetable fats

Egypt Edible oil factory, Sugar and Pasta

Morocco Edible oil factory

Algeria Edible oil factory

Sudan Edible oil factory

Other countries Three edible oil factories and one bakery

Market Share in SFC Markets for Major Product Categories

Category	Total Market Value in SFC Markets (SAR million)	Total SFC Market Value in SFC Markets (SAR million)	SFC Value Share in SFC Markets
Edible Oil	9,512	1,979	20.8%
Ghee	677	247	36.5%
Pasta	648	261	40.3%
Sugar	451	337	74.7%

Sources:
1. Nielsen Retail Audit
2. Strategic Marketing Services of Savola Foods estimates and secondary sales data

We re-launched our Ganna brand of ghee in Egypt in 2020, introducing an upgraded flavor, accompanied by a digital and above-the-line marketing campaign for the brand and for our premium Rawaby vegetable ghee.

Sugar

An undisputed leader in Saudi Arabia's sugar industry, SFC accounts for over 70% of our home market, in addition to being the leading supplier in Jordan, with 40% of the sugar market.

In 2020, United Sugar Company achieved SAR 2.3 billion in sales from 1.3 million metric tons of refined sugar, including United Sugar Egypt Company which is equity accounted, of which 795,000 metric tons were exported, accounting for SAR 1.22 billion.

Our Al Osra brand is the leading sugar brand in the Kingdom, with the highest awareness and usage KPIs, which is a direct result of our dominant market presence and continuous brand-building activities.

Our specialty range of brown sugar continued to perform well during the year, supported by in-mall activations, marketing campaigns, and engaging content and recipes to increase in-home penetration and consumption.

We also expanded our convenience range to offer not only on-the-go solutions (i.e. sachets and cubes) but also our first ever icing sugar shaker, as a convenient baking solution at home, while also supporting our range through enhanced in-store visibility and marketing activities.

Pasta

The Savola Foods pasta business is largely focused on Egypt, where we are the biggest producer of pasta by market share, accounting for more than 40% of the branded packaged market in 2020. The Company's flagship El Maleka brand leads the packed pasta market in Egypt, contributing to SFC's SAR 537 million in annual sales.

To reinforce this leading position, Savola Foods has been concentrating on product-based marketing since 2019; this has had exceptional results, as seen in the excellent sales growth for our Italiano pasta brand. Savola Foods achieved sales volume of 284,000 metric tons of pasta in 2020, with exports accounting for 48,000 metric tons and over SAR 80 million.

The Company also re-launched El Maleka pasta brand in Egypt, using an improved product formula, a new distinctive packaging design, and a comprehensive marketing campaign.

An Innovative Response to Market Disruption

SFC responded to the crisis with agility and adaptation, amending our plans to mitigate the business implications of COVID-19. This included the design and roll out of structural changes in our organization and operating systems, such as a new marketing structure, functional delegation of authorities, roles and responsibilities, the new stage innovation gate process, and the roll out of SFC's objectives, goals, strategies and measures covering all functions.

SFC has one of the largest Consumer Understanding and R&D Centers in the region. The capabilities and expertise within this center ensure that we are always listening to our customers, understanding their evolving needs, and developing our products and initiatives to satisfy and delight them.



In 2020, we interviewed more than 50,000 consumers to learn their preferences, desires and requirements, as well as to gain insights and uncover trends in the rapidly changing marketplace. The knowledge and understanding gained through this process ultimately supports our innovation pipeline across 4 key areas: health and wellness; new taste preferences; convenience; and value for money solutions. This led to the launch of more than 10 innovative B2C products during the year – covering oils, ghee, pasta and bakery – and laid the foundation for further product innovation in the coming year.

2021 Outlook

Savola Foods maintains a rich and diverse innovation pipeline, with multiple launches of new initiatives across all product categories planned for 2021, providing functional differentiation that will set SFC apart within the region's food industries.

In the coming year, we will devote increasing focus to B2B growth as and when markets recover from the effects of the pandemic. We will also seek to maximize the opportunities provided by the recent launch of peanut butter spread in Sudan, DAKWA.

As we look to capitalize on this recovery, we will continue to turn challenges into opportunities, guided by our comprehensive '4 by 4' plan for 2020–2024, which sets out a strategic path for growth and value creation through its 4 pillars:

- Growing today's existing business through line extensions
- Investing in new trending categories
- Penetrating new categories in the region
- Capitalizing on increasing food service online spend to accommodate new trends and needs

Almarai

Savola is the largest shareholder in Almarai, the world's largest vertically-integrated dairy and a leading food producer and distributor in the Middle East. With a 34.52% holding in the company, Almarai represents a key strategic investment for Savola.



Almarai preserved its leading market share across multiple segments, including dairy, juice and poultry.



15.36

Revenue (SAR billion)



About Almarai

Established in 1977 and one of Saudi Arabia's leading brands, Almarai is trusted for its quality throughout the Kingdom, the GCC and beyond. As a key pillar of the MENA food market and a leader in major food categories such as dairy, bakery, poultry and juice for Saudi Arabian consumers, Almarai represents a highly strategic investment for Savola. Solidifying this prominent market position, Almarai remains at the forefront of innovation in the sector, introducing multiple new product offerings each year that cater to the evolving needs of the local population in Saudi Arabia.

Financial and Strategic Highlights in 2020

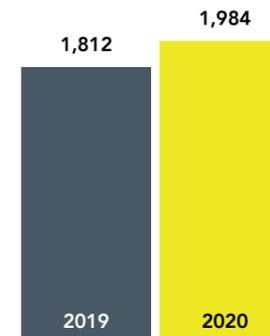
In 2020, Almarai continued to deliver its highly popular products throughout the Middle East, despite the significant uncertainty and operational complexity generated by the COVID-19 pandemic, driven by its commitment to provide 'quality that you can trust'.

By putting the safety of its customers and employees first, whilst also prioritizing the health and wellbeing of the communities it serves, Almarai was able to continue delivering essential products to nations across the region in a reliable and responsible way throughout 2020. Furthermore, the company maintained its commitments to shareholders by rewarding investors with a recommended increase in annual dividend.

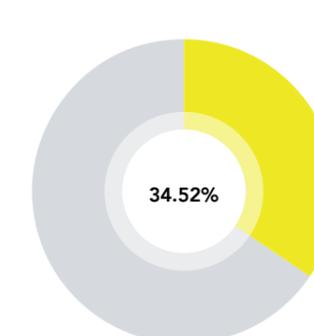
Almarai preserved its leading market share across multiple segments, including dairy, juice and poultry. Compared to 2019, revenues for food rose by 15%, long-life dairy by 18%, poultry by 8%, fresh dairy by 2% and fruit juice by 3%. Overall revenue for 2020 grew by 7% over 2019, while net income rose by 10% for the year.

Almarai's brand equity continued to build during the year, having been named Most Chosen Fast-Moving Consumer Goods (FMCG) Brand by Kantar, KSA Brand with the Most Loyal Customers by the YouGov Customer Loyalty Rankings, and among the Kingdom's most influential brands by IPSOS.

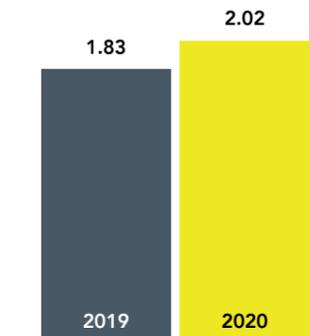
Net Income (SAR million)



Savola Shareholding



Earnings Per Share (SAR)



Al Kabeer Group of Companies

As one of the GCC's leading frozen food suppliers, Al Kabeer is a household name in the region, having served the people of the GCC since 1974. With a 51% stake in the business, Savola retains a key strategic foothold in the GCC's substantial and growing frozen foods market.



Al Kabeer plays a prominent role in delivering Savola's strategy, providing robust growth prospects and catering to a dynamic population.



737

Revenue (SAR million)



About Al Kabeer Group of Companies

Today, Al Kabeer manufactures and distributes a portfolio of more than 200 products for markets across the region, including frozen poultry, beef, seafood, snacks and ready-to-eat meals. The brand maintains 3 key manufacturing facilities, located in the UAE and Saudi Arabia, producing products for distribution via a network of 9 cold storage facilities and 11,000 outlets in the GCC.

Financial and Strategic Highlights in 2020

True to its well-established reputation, Al Kabeer has played a key role in supporting the region's food security during the course of the COVID-19 pandemic by providing a dependable supply of high-quality products to communities throughout the GCC.

Al Kabeer's business-to-business (B2B) sales were undermined by the national lockdowns across the region and the hiatus in religious tourism in the Kingdom, placing increased pressures on restaurants and catering companies.

However, our consumer business was positively impacted as customers chose to consume frozen foods at home in preference to dining out.

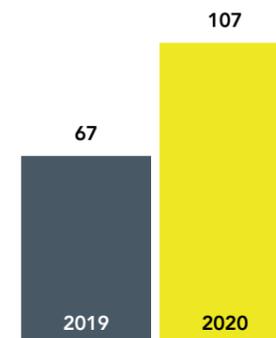
As consumer demand per capita for frozen foods grew dramatically during the pandemic, Al Kabeer quickly and efficiently rose to meet this supply challenge, ensuring sufficient production across its footprint. The growing preference for frozen food has also served to gain greater exposure for our products in new consumer segments – creating opportunities that will remain going forward.

Al Kabeer therefore performed well in 2020, despite the challenging environment. Top-line sales increased by over 18.87% compared to 2019, driven by strong growth, while Al Kabeer's market share in the relevant categories increased by 3% on a value basis. Profitability grew by more than 59%, with net margins improving from 11% in 2019 to 13% in 2020, as a result of the increased diversification of the product mix, improved material pricing, and the operating leverage.

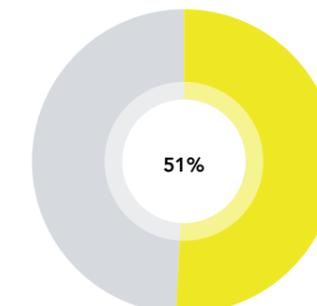
To preserve the health and wellbeing of its employees and customers during 2020, Al Kabeer implemented stricter safety and hygiene standards in all of its facilities and throughout its distribution network, whilst successfully navigating increasingly complex supply chain logistics owing to movement restrictions, maintaining our position as a dependable supplier for retail clients and local consumers alike.

As a key element in Savola Group's vision to increase the contribution of value-added categories to its food portfolio, Al Kabeer plays a prominent role in delivering Savola's strategy, providing robust growth prospects and catering to a dynamic population. Al Kabeer also supports the ongoing efforts to promote the growth of the local manufacturing sector in the Kingdom. In addition, it reinforces the trend to strengthen the cold distribution chain and ensure food security, particularly through ramping up its processing facility in King Abdullah Economic City. In the coming years, Al Kabeer plans to carry out additional complementary expansions for its manufacturing lines and cold storage facilities in the Kingdom.

Net Profit (SAR million)



Savola Shareholding



Retail Investments

Our resilient retail portfolio delivered an encouraging performance in 2020, establishing strong foundations for future growth.

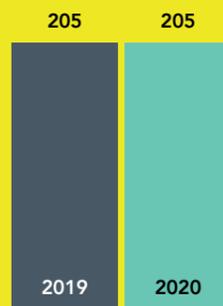


13%

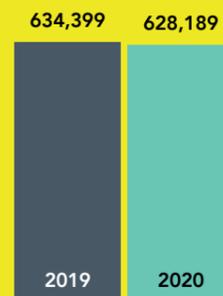
Panda expanded to 13% of the total grocery market in Saudi Arabia, and 28.6% of the hypermarket/supermarket segment in 2020.



Total Number of Panda Stores



Panda Selling Area (m²)



Total Number of Herfy Branches



Panda Retail



As one of the Middle East's largest grocery retailers, Panda Retail is a household name in the region, with a presence in more than 41 cities through 201 stores across Saudi Arabia, as well as 4 locations in Egypt. Panda maintained its market-leading position in 2020, supplying essential goods to its customers and contributing to the Kingdom's food security throughout the COVID-19 crisis.

Panda expedited its efforts in the online channel with the introduction of PandaClick.

In the face of market disruption in 2020, Panda Retail remained the leader of the grocery retail market in Saudi Arabia, ensuring a reliable supply of quality products for households and communities across the entire Kingdom throughout this unprecedented year.

Despite a challenging macroeconomic environment, Panda has achieved positive results in 2020. While its footprint remained largely unchanged, with 201 stores in 41 cities across the Kingdom and 4 locations in Egypt, Panda has cemented its market leadership to capture 13% of the entire grocery retail market in Saudi Arabia, as well as 28.6% of the Modern Trade (i.e. Hypermarket and Supermarket Channels).

Navigating the Highly Challenging Market Conditions

This year has been characterized by economic pressure on a range of customer segments in the Kingdom.

The COVID-19 pandemic has affected consumer spending negatively and increased cost of living pressure, which in turn impacted the purchasing power of individuals in the Kingdom. The increase in value-added tax (VAT) in July 2020 also contributed to a change in the spending habits of families throughout Saudi Arabia.

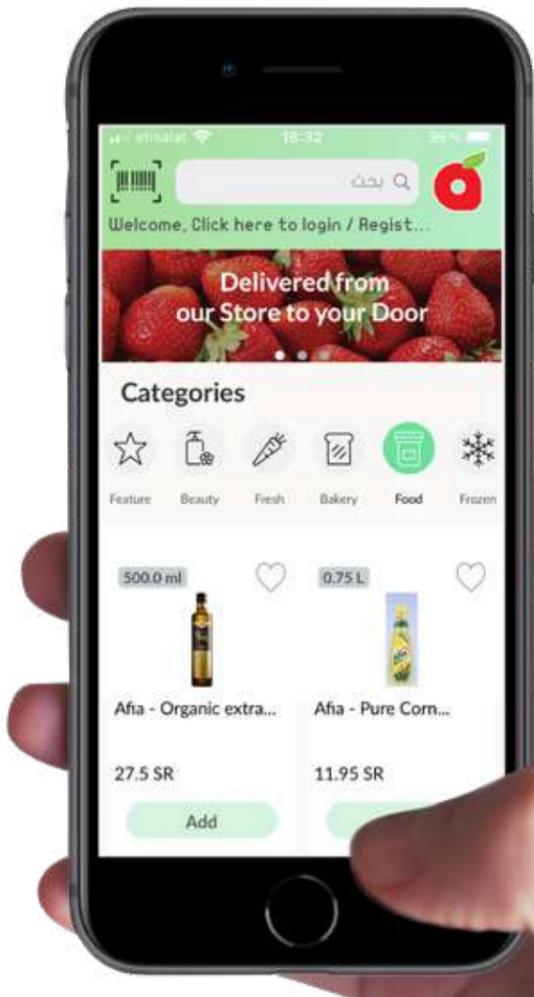
The expected contraction in the expatriate population, owing to the effects of COVID-19 on the economy, has also undermined Panda's customer base in 2020; a total of around one million expatriates are expected to have left the country in 2020.

Panda Growing Online Presence

Capitalizing on the shift towards e-commerce in 2020 because of the lockdowns and movement restrictions throughout the Kingdom, Panda expedited its efforts in the online channel with the introduction of PandaClick.

PandaClick immediately established a strong position in the online grocery shopping market – having been downloaded by hundreds of thousands of customers – and signaled the first step in the rollout of the new omnichannel strategy for Panda.

Panda's social media presence has also quickly developed and expanded throughout the year, and it now enjoys a growing pool of followers across major social media platforms. This has allowed Panda to precisely target its offers to specific clusters of relevant customers, leading the industry with its tailored communications methodology.

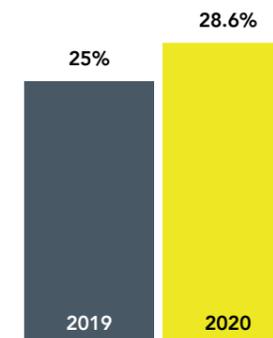


11.6

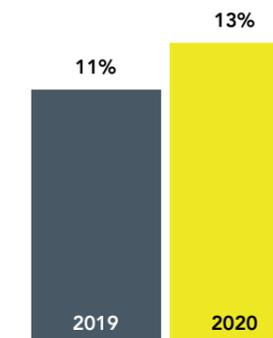
Revenue (SAR billion)



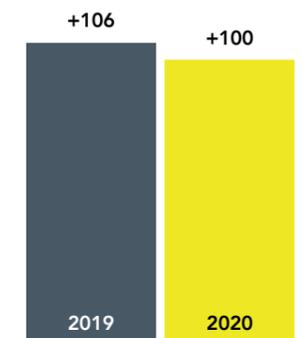
Market share of Modern Trade



Market Share of Total Grocery Retail



Customer Count (million)



Panda Retail



Panda revealed its new store design concept in November 2020 with the opening of the first of its new-look outlets.



Panda's Strategic Response

Panda ensured complete compliance with the precautionary safety measures issued by the Ministry of Health, as well as with international guidelines and universal standards adopted to stem the spread of the virus.

Whilst implementing multiple temperature checks for customers and employees across its operations and stores, Panda also initiated regular deep sanitization programs to ensure the safety of its outlets and optimized its store capacities to enable social distancing.

Moreover, Panda moved quickly to provide pre-packed Panda boxes containing essential items to the customers not willing to visit stores during the COVID-19 crisis.

At the height of the COVID-19 crisis in 2020, Panda was able to deliver on its commitments to customers by serving communities across the Kingdom through its national network of stores. Its extensive supply chain showed exceptional resilience, allowing for the timely delivery of products to its stores throughout 2020.

This included meeting the unique requirements of Ramadan and positioning Panda as a reliable partner of choice for customers unable to perform Umrah in 2020 by providing more than 11 million bottles of Zamzam water to its customers.

A Fresh Approach

Panda revealed its new store design concept in November 2020 with the opening of the first of its new-look outlets. Created with a strong focus on fresh food, the new concept is repositioning Panda as the store of choice when it comes to fresh categories, with a view to also creating a halo effect for the other categories.

By introducing modern display fixtures to its remodeled fresh department, Panda aims to create a harmonious shopping experience for its customers, complete with visually appealing displays and state-of-the-art lighting solutions. The new design features a fresh food area that has been increased to capture higher share of the total sales area, with specialist sections, and around 1,500 new Stock Keeping Units (SKUs). Since its introduction, fresh sales have shown healthy growth in the pilot store, driven by both customer count and basket size.

Complementing this new fresh concept design, Panda also improved the share of direct sourcing for its fresh products, working directly with growers, producers, and manufacturers to improve quality and create additional value for its customers. This approach is now enabling Panda to differentiate its offering and introduce competitive pricing.

A Resurgent, Customer-Centric Brand

Panda's turnaround – initiated at the end of 2017 – continues to deliver encouraging results.

The turnaround strategy has focused on establishing the foundations from which to deliver a differentiated customer-centric model. To this end, Panda has worked diligently to harmonize its product offering with its customers' needs and demands.

At the same time, Panda has also succeeded in improving fill rates and on-the-shelf availability levels, and has achieved the no. 1 rank among all retailers in the Kingdom in terms of its partnerships with suppliers according to an in-depth survey conducted by Advantage Analytics INISIGHTS.

Completing our Turnaround in 2021

Under the leadership of Panda's executive team, Panda aims to complete the full turnaround in 2021.

Specifically, Panda aims to secure a significant net improvement in its in-store customer experience by introducing an increasingly differentiated offering, backed by excellent customer service at all touchpoints.

To complement the in-store experience, Panda aspires to strengthen its omnichannel positioning further enabling it to be the grocery retailer of choice for its customers across all channels.

Panda also intends to achieve a shift in management culture towards a more agile and performance-driven organization.

Transformation Program

Through its business transformation strategy, Panda intends to emerge not only as a leading player in the Kingdom's grocery retail market, but also a leader in shaping the future of the industry.

145

Supermarkets

60

Hypermarkets



Herfy Food Services Company



With a 49% stake in Herfy, one of Saudi Arabia's most popular fast food brands, Savola is the largest shareholder in a key player of the nation's Quick Service Restaurant space.

Since Savola's initial investment in the company in 1998, Herfy has served as the Group's platform in the growing Quick Service Restaurant (QSR) space.

1.07

Revenue (SAR billion)



About Herfy

Herfy Food Services Company, established in 1981, is Saudi Arabia's leading fast food chain, with 388 branches serving communities across the Kingdom and an international franchise with a presence of 12 branches in Kuwait and Bangladesh.

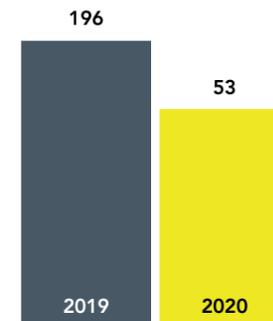
Herfy also operates a network of pastry shops and bakeries under the trademark "Doka", and is recognized as being among the country's first, fully-integrated food services companies, operating its own bakery, cake, rusk and meat processing facilities.

Financial and Strategic Highlights in 2020

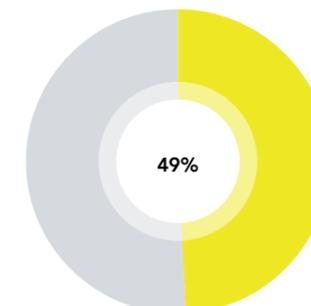
Since Savola's initial investment in the company in 1998, Herfy has served as the Group's platform in the growing Quick Service Restaurant (QSR) space. Faced with the immense disruption to the restaurant segment caused by the COVID-19 pandemic and the resultant lockdowns introduced to curb the spread of the virus, Herfy's story in 2020 was one of steadfast resilience.

Despite the closure of many stores as a result of the national curfews, and the limited operations thereafter owing to social distancing guidelines, Herfy succeeded in distributing dividends to shareholders and expanded the digital presence of the brand.

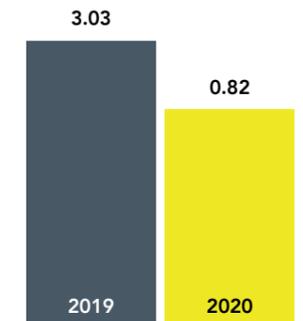
Net Profit (SAR million)



Savola Shareholding



Earnings Per Share (SAR)



Our People

We remain dedicated to delivering on our value proposition, which offers a healthy and positive working environment for all of our employees.



Our People

The Engine of Our Success

Savola is committed to attracting and nurturing exceptional talent across our family of more than 24,000 employees, including more than 18,000 based in Saudi Arabia.

We have succeeded in turning challenges into opportunities in 2020, despite the significant disruption experienced across the nation and the world, by protecting our people while pushing forward with the delivery of our resilient Group HR strategy, including an extensive program of training, professional development and advancement opportunities. By working together, we have achieved a great leap forward in terms of our ambition to become the undisputed employer of choice in the food and retail industries in the MENA region.

We value our people above all else. Faced with the threat posed by the COVID-19 pandemic, Savola immediately moved to prioritize the health and wellbeing of our employees across our operations, whilst maintaining our alignment with, and commitment to, our dynamic HR strategy throughout 2020.

We therefore remain dedicated to delivering on our value proposition, which offers a healthy and positive working environment for all of our employees, backed by a broad range of personal benefits and a series of programs that ensures personal welfare and professional development.

Across Savola, more than 3,000 new Saudi Nationals were hired during 2020.

3,000+

Responding to COVID-19

Savola's COVID-19 response placed our people at the heart of all our actions. We immediately moved to protect our employees by designing and implementing a precautionary plan built on information provided by the Ministry of Health and other reliable health authorities. This plan emphasized the urgency of a transition to remote-working and a broad information campaign to increase employee awareness concerning COVID-19.

In confronting the pandemic, Savola immediately formed a Crisis Committee to oversee its response and ensure full compliance at all our offices, sites and stores, in line with the guidelines released by the Kingdom's authorities. The main objective of the Crisis Committee was to take immediate action to achieve quick wins and develop new policies and procedures to counteract the adverse effects of the pandemic, while maintaining maximum flexibility and adaptability.

Isolation rooms were established within employee residential compounds and information campaigns were launched throughout the crisis to raise employee awareness regarding the virus and how best to protect themselves and their families.

All frontline employees were immediately issued with personal protective equipment and materials to reduce the threat of infection. These included masks, gloves and hand sanitizers, as well as special plexiglass barriers at checkout areas. All of these frontline workers received a special allowance in view of their exceptional efforts during the worst period of the pandemic. Meanwhile, those employees who were able to work remotely continued to fulfill their roles from home during this period.

As our employees returned to office working conditions, we took every precaution to ensure their health and safety. Signs were used to provide reminders of active precautionary measures and policies, temperature checks were established and special hygiene kits distributed to all employees, containing facemasks, sanitization items and gloves.

Organizational Culture

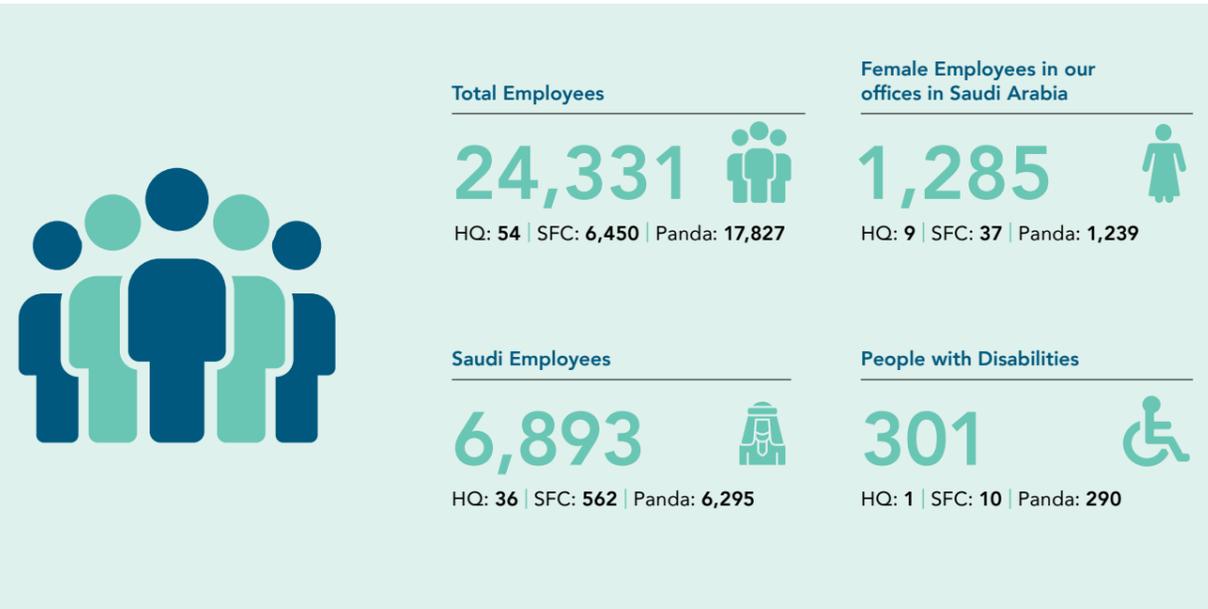


Vision

To be the employer of choice in the food and retail industry in the region

Mission

- Attract and sustain best available talent to meet current and future demands
- Adhere to nationalization and enhance employment brand
- Promote an engaged environment to support change and increase productivity
- Leverage technology, social media and systems to raise the level of HR services standards
- Develop highly skilled workforce that will learn, lead and respond to challenges
- Balance resourcing and cost management



Our People

Throughout this challenging period, all our employees were kept updated with regular internal awareness communications via live sessions, emails and posters, while precautionary measures including sanitization and physical distancing were rapidly implemented across the organization.

In view of the restrictions imposed as a consequence of the pandemic, Savola represented by Panda Retail, also conducted its first ever Virtual Career Fair in 2020 in collaboration with the Ministry of Human Resources and Social Development and the Human Resources Development Fund (HRDF), leveraging Savola's rapid technological advancement to provide an alternative channel for potential candidates to apply for employment opportunities in restricted circumstances.

Our resilience in facing the pandemic was partly a consequence of the strong corporate values we espouse as a Group – Righteousness (الإنصاف), Integrity (الأمانة), Persistence (المجاهدة) and Fulfillment (الإنجاز). Drawn from our rich Islamic heritage, these values were instrumental in keeping us focused on our strategic goals and day-to-day duties, both as individuals and as a Group, throughout the challenging events of 2020.



Savola's employee engagement and recognition activities in 2020 sought to maintain the high standards of our working environment and our reputation as an employer of choice.

Engaging our Employees

We believe that our exceptional people form the bedrock of our ongoing success as a company and are crucial to the long-term sustainable growth of Savola. Our aim is nothing short of being recognized as the undisputed employer of choice in the food and retail industry within the region. Guided by our Employee Value Proposition methodology and our core values, this aim drives the delivery of our employee engagement and investment in human capital.

Savola's employee engagement and recognition activities in 2020 sought to maintain the high standards of our working environment and our reputation as an employer of choice.

As an extension to our Tawer Employee Engagement Program, we participated for the first time in the Great Place To Work award, achieving a rank among the Top 20 companies in the Kingdom's private sector. The rank was based on a 2019 Culture Audit and Engagement Survey conducted by the Institute, which revealed a 78% level of engagement. Great Place to Work® is a global authority that focuses on recognizing outstanding high-trust, high-performing workplace cultures around the world.

By maintaining our exceptional employee value proposition throughout the crisis, we reaffirmed our position as a competitive employer of choice in the region's food and retail industry, with a rising retention rate that reached 91% in 2020, up from 89% in 2019.

With a view to further enriching our credentials in this regard, we launched a Long-Term Incentive Program in 2020 – **the Align Program**. This comprehensive raft of inducements aims to reward top executives for achieving the Group's strategic objectives, and to retain key talents in mission critical roles.

Our Long-Term Incentive Program (LTIP), the Align Program, is an innovative approach to retention that will be extended in the future to other areas. Savola purchased 341,675 shares at SAR 48.32 per share, for a total value of more than SAR 16.5 million (USD 4.4 million), to keep them as treasury shares under the first tranche of the LTIP.

Tawwon and Home Loans

Savola continued providing its employees with a range of unique benefits, such as an employee home loan scheme for Saudi employees, Takaful insurance to support families in the case of death or disability, and (Tawoon) fund to assist junior staff in dealing with financial emergencies. The Group also obtained discounted corporate employee rates with leading brands and corporates, including those in sectors such as healthcare, retail, cafes, restaurants, hotels, and many others through the introduction of a branded mobile application.

Nationalization

Savola remains wholeheartedly committed to nationalization and the objectives of Saudi Vision 2030 for greater inclusion of Saudi nationals across all of the Kingdom's economic activities. We maintained our Platinum Zone Nitaqat rating at our HQ in 2020, as did Savola Foods Company, while Panda continues to make significant improvements, achieving the Green Zone. At year-end, we reached a total of 6,893 Saudi citizens across HQ, SFC and Panda, accounting for 37% of our total workforce and an increase of 21% over 2019.

Diversity

At Savola, we consider our diversity to be one of our key strengths and a crucial element in our strong performance and corporate ethos. We are broadly recognized for our gender inclusive policies and female empowerment credentials with women accounting for 1,285, or 7%, of our workforce at end-2020.

Meanwhile, our Makeen program continued to grow and have a positive impact for Savola and the communities we serve. Since 2010, Makeen has focused on increasing the number of disabled people in private sector employment. During this year, it continued to offer multiple free training programs to government organizations, NGOs and private sector companies on good conduct in their interactions with disabled people.

Learning, Development and Succession Planning

Succession planning continued to be a key focal point for Savola, ensuring that proper plans and contingencies are in place for key positions across the organization. Savola identified functional development gaps for all key roles through several assessment platforms and channels.

We always look to promote and empower the talent across Savola. During 2020, we were able to internally source 2 employees from our operating companies during the year, including our new CFO. We also introduced new guidelines and processes to implement effective planning at the various levels within the Group to ensure smooth and efficient knowledge retention processes.

Despite the various challenges we faced in executing our learning and development plans for the year, we succeeded in delivering more than 60% of our planned training in 2020, prioritized according to the importance of the course and the ease of transferring the training to an online platform. For example, one element in our 2020 learning and development plan that was prioritized was a collaboration with INSEAD to develop high-potential future managers by enrolling them in the Developing Emerging Leaders Program.

Having successfully navigated the complexities of the emergency response to the COVID-19 pandemic, including the transition to online communication, working and training, both the management and employees of the Group have not only succeeded in executing their assigned projects and tasks, but also rapidly increased their personal and professional development curves as a result, as has been reflected in the annual results of the Group.

In Savola Foods Company, we delivered the second round of our Executive Leadership Program, "Iqtadaa," in 2020 in partnership with McKinsey & Company, with 30 participants at Director and Executive Director levels. In addition, professional development and capability building activities continued across all levels via virtual delivery methods throughout the year.

Safeguarding Savola's People and Practices in 2021 and Beyond

Building on our HR strategy to become the region's employer of choice in the food and retail industry, in 2021, Savola will continue to focus on 4 key strategic pillars that have been designed to provide our people with a uniquely rewarding culture and working experience.

Aside from keeping our employees safe amid the ongoing COVID-19 pandemic, as part of our **Wellness Program**, which promotes better physical and mental health outcomes, we plan to engage with various initiatives such as World No Tobacco Day, World Health Day, Breast Cancer Awareness and World Diabetes Day in 2021.

We will also pursue further **Employee Engagement** based on respect, trust, integrity and open communication with our people to motivate them to contribute to our collective success and mutual wellbeing.

Our **Work-life Balance** objectives remain central to our employee value proposition, and we will continue to adopt family-friendly policies such as flexible and remote working options, as well as events such as Kids Day, World Book Day and the International Day of Friendship.

Finally, Savola will deliver further initiatives as part of our **Culture Improvement Program** to accentuate the shared values, attitudes, standards and beliefs that our people embody through further team-building activities and synergies across the Group, including via our Sela employee social scheme, team iftars during Ramadan and Eid, and Saudi National Day celebrations.

Building on the foundations established in 2020, as a consequence of the rapid shift to remote working for suitable functions and roles, Savola will drive further automation, digitization and process reengineering in the coming year. New technologies and reporting tools will be implemented across all functions and units to maximize efficiency, streamline business processes and standardization, and increase productivity.

In 2021, Savola Foods Company will launch a highly innovative top talent recruitment and retention strategy to guide our activity in this area going forward.

SFC will also continue to develop and enhance the leadership skills of staff from management down, reflecting the latest global trends and educational approaches, whilst also developing our internal culture and working environment with the goal of becoming a 'regional benchmark' in our industry.

Panda's major goal for 2021 is to build upon the sense of enthusiasm, ownership and accountability among our people regarding the successful delivery of the Company's overarching strategy.

Throughout 2021, Panda will continue to further entrench in its employees a culture of excellence that spans every aspect of our business, complemented by improvements across the Company's performance management system. In doing so, the Company also aims to enhance Panda's ability to attract, grow and retain people of exceptional talent with core capabilities and competencies through the development of long-term Talent Acquisition and Development Strategies.



CSR and Sustainability

Our values, strategy and actions are all influenced by our commitment to sustainability and social responsibility, which permeate every aspect of our business.



Committed to Serving Our Community

Sustainability plays a central role in our business, our industry and the mindsets of our organization and its people. We therefore undertake a broad variety of initiatives to deliver a cleaner, greener company through our newly established flagship CSR body, the Savola World Foundation. These initiatives aim to deliver lasting change for our people, the Kingdom and the community we serve.

Our values, strategy and actions are all influenced by our commitment to sustainability and social responsibility, which permeate every aspect of our business. We are proud of the considerable progress we have made in this area to date, but recognize that in order to respond effectively to sustainability challenges we must continue to strengthen our engagement with stakeholders and apply new tools to enhance our sustainability goals.

As the extent and severity of the COVID-19 pandemic became clear, we immediately mobilized to assist the efforts of the Ministry of Health to combat the spread of COVID-19. Leveraging our leading position in the Kingdom's food and retail industry, as well as our network of partners and suppliers, Savola played a key role in preserving the food security of the people and community across the country in the face of the crisis, ensuring the continued supply of essential goods throughout.

We also ramped up our support for social programs during the year. Given the immense economic and social upheaval caused by the pandemic, we allocated SAR 10 million to assist communities across the nation, supporting the national Health Endowment Fund and engaging in our own relief initiatives.

These included distributing 20,000 food baskets to needy families in neighborhoods severely affected by the virus across the Kingdom of Saudi Arabia, in coordination with relevant governorates, and producing a series of viral awareness videos aimed at building collective public awareness via social media with regard to measures to prevent the spread of COVID-19.

A Steadfast Foundation for Further Action

Building on the considerable success of our Savola World platform – established in 2017 with the aim of promoting socially responsible behavioral change across the region – in late 2019 we transformed Savola World from a department into a standalone private foundation. In keeping with international best practices established among corporate bodies concerned with sustainability, the Savola World Foundation is now a private foundation under the supervision of the Ministry of Human Resources and Social Development.

This transformation enables the Foundation to champion more effectively the sustainability and social development objectives of Saudi Vision 2030 and the UN Sustainable Development Goals (SDGs). It also allows it to seek funding from, and form partnerships with, both government and

private sector entities, and broadens the scope of its engagement to include new sectors beyond food and retail.

The Foundation is primarily funded by Savola and is managed by a Board of Trustees that replaces Savola's CSR Committee. We have also already begun working alongside a variety of highly qualified, internationally acclaimed experts in order to maximize the impact of our programs and self-sustaining revenue streams, with a particular focus on social awareness campaigns, coaching and training.

Core areas of interest for the Foundation will be business assistance, youth skills development and waste reduction. We aim to provide technical and financial support to SMEs to optimize their businesses. The Foundation will also develop vocational and technical skills in young people to assist them in entering the Kingdom's labor market, and continue Savola's extensive engagement in encouraging businesses and individuals to rationalize consumption and reduce waste by introducing long-term behavior change to create a more sustainable society.

Savola World Foundation



OUR VISION

Savola World aspires to be a leading development foundation making a sustainable social impact.

OUR MISSION

Savola World is a community development foundation, focused on specialized areas, seeking to build strategic partnerships with different sectors and to deliver developmental programs and sustainable solutions corresponding to local community requirements.

Long-term Programs Portfolio

This is a vision of the foundation program portfolio. A program is an umbrella that combines different initiatives that share the same indented impact. The programs portfolio suggests a structure for the foundation programs.



Savola World Foundation Programs

Supporting Emerging Businesses to Achieve Growth in GDP

Developing Youth Skills

- Vocational and technical skills development program

Waste Reduction

- Consumer and supply chain waste reduction program
- Savola companies waste reduction program
- B2B sustainability awareness program

Others

- Makeen - people with disabilities (PWD) enablement program
- Ataa - volunteers engagement program

The Materiality Process

At Savola, we conducted a comprehensive materiality assessment to better understand the needs and expectations of our stakeholders, and to take into account a broader range of national, regional and global challenges, trends and approaches.

We engaged with both internal and external stakeholders to identify critical sustainability issues, and consulted international standards, frameworks and best practices to design and conduct the materiality assessment in accordance with the principles of the standards of the Global Reporting Initiative (GRI). This process included the following stages:

An important outcome of the assessment is the development of Savola Group's materiality matrix, which illustrates all the material issues and their prioritization. As well as demonstrating our commitment to sustainability, the matrix represents an invaluable tool for risk management and opportunity identification, which has revealed 30 material topics across our 5 strategic pillars: Employees, Community, Our sector, Environment and Business.

Identification

Identification of potential material topics

Prioritization

Assessment and ranking by internal and external stakeholders

Validation and Approval

Adherence to best practices, standards, frameworks, strategic direction

Validation of topics

Communication

Communication via the Sustainability Report

Meanwhile, our Makeen program – which works to broaden access to the workplace for people with disabilities (PwD) – will play a role across the full range of initiatives rolled out by the Foundation, as will our Negaderha waste prevention and our employee volunteering program.

Delivering on Saudi Vision 2030

Savola strategy in the field of sustainability, embodied by Savola World Foundation, shares mutual objectives with various local authorities and government bodies, including, most importantly, Saudi Vision 2030. Our efforts are therefore closely aligned with the long-term success of Saudi Arabia outlined in this blueprint for the future of the Kingdom based on 3 pillars:

- A vibrant society;
- A thriving economy; and
- An ambitious nation.

In line with this agenda, Savola’s growth strategy focuses on initiatives that directly benefit the Kingdom’s socio-economic development whilst building a prosperous nation and a more dynamic, robust economy.

We have strengthened our relationships with carefully selected partners and distinguished shareholders and investors, with the aim of ultimately satisfying the economic and social aspirations of Saudi Vision 2030. Meanwhile, we continue to contribute to Saudi society through our Makeen PwD program, Sela family program, Tawer employee engagement scheme, housing loans for Saudi employees, Takaful insurance provision and Tawoon Fund.

Alignment with International Goals and Standards

Our strategic commitments to sustainability and social responsibility, are informed by the objectives and best practices of international frameworks and global initiatives, including the Standards for

Sustainability Reporting developed by the Global Reporting Initiative (GRI); Standard & Poor’s Transparency and Disclosure Standards, and the 17 UN Sustainable Development Goals (SDGs).

Our strategy can be linked to 6 out of the 17 SDGs:

4 QUALITY EDUCATION
SDG 4: Ensure inclusive and quality education for all and promote lifelong learning

6 CLEAN WATER AND SANITATION
SDG 6: Ensure access to water and sanitation for all

7 AFFORDABLE AND CLEAN ENERGY
SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all

8 DECENT WORK AND ECONOMIC GROWTH
SDG 8: Promote inclusive and sustainable economic growth, employment and decent work for all

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
SDG 9: Build resilient infrastructure, promote sustainable industrialization and foster innovation

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
SDG 12: Ensure sustainable consumption and production patterns

Our Current Programs include the following:



Makeen

Our enduring commitment to empowering people with disabilities across the Kingdom is known throughout our industry. Savola is one of the founders of the Qaderoon Business Disability Network of employers and holds a Gold Category Mowaamah Certificate for the advancement of people with disabilities.

This commitment is embodied by our Makeen program, which is dedicated to increasing the number of disabled people in private sector employment. Since its inception in 2010, Makeen has recruited 1,221 employees with disabilities and offered multiple free training programs to government organizations, NGOs and private sector companies on good conduct in their interactions with disabled persons.

Makeen’s online portal, which brings together disabled job seekers and private sector employers, has facilitated the employment of many people with disabilities since its establishment in 2017, including 51 in 2020.

In responding to the COVID-19 pandemic, Makeen produced infographic videos about safety tips and measures during the pandemic specifically for persons with physical, hearing, visual and intellectual disabilities. We also participated in a virtual conference arranged by GBDN-ILO titled “Business Leadership in Disability Inclusive Responses to COVID-19”, and a virtual seminar on “presenteeism, psychological health and work performance during the pandemic”.

Other engagement activities during 2020 included participation in the global initiative “purple light up” by capturing and sharing Savola Group’s experience in recruiting persons with disabilities via the Makeen program. The resultant short film was broadcast worldwide during the International Day of Persons with Disabilities on 3 December 2020.

We also launched the Mowaamah Platform via the Savola intranet. The platform provides valuable resources for all the individuals interested in building their knowledge and practices on various disability-related issues including: etiquette and guidelines; policies and procedures; the concept of universal accessibility; web accessibility (W3C Standards); and services and support programs.

Also, accreditation was achieved from Technical and Vocational Training Corporation about the training content of the mentor and buddy program.

Makeen program also participated in the celebration of the International Day of Persons with Disabilities, which falls on 3 December every year through social media, and launched an infographic film on this occasion entitled “Not all disabilities are visible” to spread awareness in society about the different types of disabilities. It also participated in several virtual forums such as “Vision” and “Ibsar” forum with associations of persons with disabilities such as World Sight Day and White Cane Day to increase community awareness and relevant bodies on the rights of persons with disabilities and to praise their achievements and their social and economic role in society and in national development plans.

Additionally, Makeen participated in several workshops to promote digital accessibility for persons with disabilities, such as the virtual workshop titled “Concepts and Trends of Digital Accessibility” and the “Qualifying Applications on Smart Devices to be accessible for persons with Disabilities” workshop.

Makeen also took part in a workshop organized by the Prince Mishaal bin Majid bin Abdulaziz Center for Social and Humanitarian Research under the title “The Contribution of the Private Sector in Employment of Persons with Disabilities - Reality - Obstacles - Requirements for Success” and in a workshop organized by the General Presidency for the Affairs of the Grand Mosque and the Prophet’s Mosque under the title “The Total Accessibility Program in the Two Holy Mosques” in which Makeen made several proposals to facilitate access to the built environment, services and communication to empower persons with disabilities.

To enhance community awareness of various disability issues, Makeen program produced a set of infographic films in both Arabic and English developed with inclusive communication standards such as sign language and written text. It addressed a variety of issues including Introduction to the Makeen program, goals and services provided, the feasibility of employing persons with disabilities, the mentor and buddy program, the universal accessibility program and effective communication with people with mobility, hearing, visual and intellectual disabilities (autism).





Negaderha

The Negaderha program is our food waste management and reduction scheme that was developed to address this nationally important problem. Through this program, we currently target 2 main segments of society – households and the HORECA (hotels, restaurants and cafés) industry – among whom we raise awareness of the dangers of food waste.

In view of the food security implication of the COVID-19 crisis in 2020, Negaderha introduced a series of graphic videos about consumer and food safety through social media, covering the full consumption cycle, from shopping tips to food sanitizing, storage and cooking.

Negaderha also made progress towards planning and implementing its initiative for primary school children. The initiative tackles food waste on a household level and promotes knowledge and a culture of food waste reduction amongst children aged 6 to 10 years old. By introducing a superhero character that educates children by embracing adventures and delivering awareness messages tailored for children, our superhero will take children on exciting journeys on food waste reduction. The first episodes of this groundbreaking initiative will launch in 2021.

Ataa

Corporate volunteering in Savola took center stage in 2019. We are proud of our achievements in this field, including the launch of the Group’s volunteering program, building valuable partnerships and increasing the participation of our employees in volunteering activities. Our employees achieved 787 volunteer hours in the 3 months after introducing the program.

As we work to integrate volunteering into our corporate culture, Savola incorporated volunteering into our annual employee performance indicators. We also designed activities that will contribute to the personal and professional growth of our employees and aligned the volunteering program with the Saudi Vision 2030 goal of expanding the impact of the non-profit sector. Key activities included:

Volunteering Activities	Number of Volunteers	Partners	Impact and Beneficiaries
Distributing Ramadan food baskets to beneficiaries	10	Namaa Association	Families in need – 250 family members benefited
Packing and distribution of meals	37	Itaam Association (Saudi Food Bank)	Families in need – 150 family members benefited
Distributing Ramadan Charity Company products (example sugar and oil) to beneficiaries on an annual basis	12	29 charitable societies in various regions in the Kingdom	Families in need – 1,500 family members benefited
Visiting King Fahad Hospital	23	Namaa Association	100 patients benefited
Visiting Hisham Attar Center for Dialysis	15	Hisham Attar Center	50 kidney failure patients benefited
Visiting Neda Al Amal Rehabilitation Center	39	Neda Al Amal Rehab Center	100 mental disability patients benefited
Delivering educational workshops	7	Dallah Academy for Volunteering	200 people benefited (students, specialists and enthusiasts)

In 2020, all volunteering activities were suspended due to the pandemic.

CSR and Sustainability in 2021

We remain wholly committed to supporting the Kingdom in its efforts to stem the effects of the ongoing COVID-19 pandemic on the health, wellbeing and economic progress of the country. Therefore, Savola will continue to allocate funds and commit resources to supporting communities throughout the nation in 2021, providing assistance in any way we can to support the government and other authorities in their efforts going forward.

In particular, through our Makeen program, we will continue to support the specific needs of persons with disabilities in facing the ongoing threat from COVID-19, and assist organizations in implementing PwD-specific measures to protect their workers.

We will also deliver new initiatives under our Negaderha program to ensure the food security of the nation through further education to rationalize consumption and

reduce waste, particularly given the disruption to global supply chains caused by the pandemic.

Throughout 2021, Savola will continue to roll out the complete raft of functions of our new Savola World Foundation, including the selection of its new Board of Trustees and the activation of its full program of initiatives. As we do so, we will continue to support the Kingdom in meeting its Saudi Vision 2030.



Directors' Report

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Our commitment to comply effectively with the standards and principles of corporate governance, risk management and internal control systems, as well as international practices in these fields, is what sets us apart.



Directors' Report

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. The retail sector operates a chain of retail outlets. Savola also has significant investments in leading Saudi non-listed and listed companies such as Almarai Co. and Herfy Food Services Co. which operate in the food and retail sectors, and real estate development companies such as Knowledge Economic City, King Abdullah Economic City (Emaar), and Kinan International for Real Estate Development Co., as well as holdings in private equity funds.

Savola's subsidiaries, sister companies, investments, activities and country of incorporation:

No.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
1. Direct subsidiaries of the Company:							
a) Operating subsidiaries:							
1.	Savola Foods Co.	Kingdom of Saudi Arabia (KSA)	Foods	Holding Company that manages investment in foods sector in KSA and overseas	100%	SAR 2,200,000,000	220,000,000
2.	Panda Retail Co.	KSA	Retail	KSA and Egypt	98.87%	SAR 1,480,000,000	148,000,000
3.	Good Food Co. (GFC)	KSA	Holding Company	KSA and some GCC countries	100%	SAR 10,000,000	100,000
4.	Al Matoun International for Real Estate Investment Holding Co.	KSA	Real Estate	KSA	80%	SAR 100,000,000	100,000
5.	Herfy Food Services Co.	KSA	Restaurants and Manufacturing Bakery Products	KSA, Bangladesh and some GCC countries	49%	SAR 646,800,000	64,680,000
b) Holding and Dormant subsidiaries:							
6.	Adeem Arabia Company	KSA	Holding Company	KSA	100%	SAR 1,000,000	10,000
7.	Al Utur Arabian Co. for Commercial Investment	KSA	Holding Company	KSA	100%	SAR 1,000,000	10,000
8.	Madarek Investment Co.	Jordan	Holding Company	Jordan	100%	JOD 1,000,000	1,000,000
9.	United Complexes Development Co.	KSA	Dormant Company	KSA	100%	SAR 4,000,000	400
10.	Al Matana Holding Co.	KSA	Holding Company	KSA	100%	SAR 50,000	5,000
2. Savola Foods Company (SFC):							
a) Subsidiaries controlled through SFC: (% referred to SFC's direct and indirect ownership – SFC is 100% owned by Savola Group)							
11.	Afia International Co. (AIC)	KSA	Manufacturing of Edible Oils	KSA, Egypt, Iran, Turkey, Jordan	95.19%	SAR 500,000,000	50,000,000

No.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
12.	Savola Industrial Investment Co. (SIIC)	KSA	Holding Company	KSA	100%	SAR 205,907,000	205,907
13.	El Maleka for Food Industries Co.	Egypt	Manufacturing of Pasta	Egypt	100%	EGP 288,898,960	28,889,896
14.	Savola Foods Emerging Markets Co. (SFEM)	British Virgin Islands (BVI)	Holding Company	Offshore Company	95.43%	SAR 130,000,000	13,000,000
15.	Afia International Distribution and Marketing Co.	KSA	Trading and Distribution	KSA	100%	SAR 6,500,000	6,500
16.	Savola Foods for Sugar Co.	Cayman Islands	Dormant Company	Offshore Company	100%	USD 50,000	5,000
17.	Savola Foods International Ltd. (SFCI)	United Arab Emirates (UAE)	Holding Company	UAE	100%	AED 500,000	500
18.	International Foods Industries Co.	KSA	Manufacturing of Specialty Fats	KSA	100%	SAR 107,000,000	10,700,000
19.	Seafood International Two FZCO	UAE	Seafood Products Trading & Distribution	UAE	60%	AED 100,000	100
20.	Afia Foods Arabia Co.	KSA	Holding Company	KSA	100%	SAR 1,000,000	1,000
21.	Al Maoun International Holding Co. (Al Maoun)	KSA	Holding Company	KSA	100%	SAR 1,000,000	1,000
22.	Marasina International Real Estate Investment Co. (Marasina)	KSA	Holding Company	KSA	100%	SAR 200,000	200
23.	Commodities Sourcing Company for Trading	KSA	Trading Company	KSA	100%	SAR 5,000,000	500,000
b) Subsidiaries controlled through AIC: (% referred to AIC's direct and indirect ownership; AIC is 95.19% owned by SFC)							
24.	Savola Behshahr Co. (SBeC)	Iran	Holding Company	Iran	90%	IRR 740,000,000,000	740,000,000
25.	Malintra Holdings Ltd.	Luxembourg	Dormant Company	Offshore Company	100%	EUR 1,250,000	1,250
26.	Savola Foods Ltd. (SFL)	BVI	Holding Company	Offshore Company	100%	USD 52,000	52,000
27.	Afia International Co. – Jordan	Jordan	Dormant Company (under Liquidation)	Jordan and Levant	98.57%	JOD 8,000,000	8,000,000
28.	Inveszk Inc.	BVI	Dormant Company	Offshore Company	90%	USD 138,847	138,847
29.	Afia Trading International	BVI	Dormant Company	Offshore Company	100%	USD 500,000	500,000
30.	Savola Foods International	BVI	Dormant Company	Offshore Company	100%	USD 50,000	50,000

Directors' Report

Main Activities and Financial Disclosures continued

1) The Group's Main Activities continued

Savola's subsidiaries, sister companies, investments, activities and country of incorporation continued

No.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
31.	KUGU Gıda Yatım ve Ticaret A.Ş (KUGU)	Turkey	Holding Company	Turkey	100%	TRL 26,301,280	2,630,128
32.	Aseel Food – Holding Co.	Cayman Islands	Holding Company	Offshore Company	100%	USD 50,000	50,000
c) Subsidiaries controlled through SBeC: (% referred to SBeC's ownership; SBeC is 90% owned by AIC)							
33.	Behshahr Industrial Co.	Iran	Manufacturing of Edible Oils	Iran	79.9%	IRR 1,023,000,000,000	1,023,000,000
34.	Tolue Pakshe Aftab Co.	Iran	Trading and Distribution	Iran	100%	IRR 100,000,000,000	100,000,000
35.	Savola Behshahr Sugar Co.	Iran	Trading and Distribution	Iran	100%	IRR 100,000,000	100,000
36.	Notrika Golden Wheat Co.	Iran	Manufacturing of Food and Confectionery	Iran	90%	IRR 500,000,000,000	500,000,000
d) Subsidiaries controlled through SFL: (% referred to SFLs ownership; SFL is 100% owned by AIC)							
37.	Afia International Co. Egypt	Egypt	Manufacturing of Edible Oils	Egypt	99.95%	EGP 154,651,500	30,930,300
e) Subsidiaries controlled through KUGU: (% referred to KUGU's direct and indirect ownership; KUGU is 100% owned by AIC)							
38.	Savola Gıda Sanayi ve Ticaret Anonim Şirketi	Turkey	Manufacturing of Edible Oils	Turkey	100%	TRL 4,433,569	443,356,900
f) Subsidiaries controlled through SIIC: (% referred to SIIC's ownership; SIIC is 100% owned by SFC)							
39.	United Sugar Co. (USC)	KSA	Manufacturing of Sugar	KSA	74.48%	SAR 395,000,000	395,000
g) Subsidiaries controlled through USC: (% referred to USC's direct and indirect ownership; USC is 74.48% owned by SIIC)							
40.	Alexandria Sugar Co. – Egypt (ASCE)	Egypt	Manufacturing of Sugar	Egypt	68.01 % (71.66% including SFC %)	EGP 281,838,000	281,838
41.	Beet Sugar Industries	Cayman Islands	Dormant Company	Offshore Company	100%	USD 1,000	1,000
h) Subsidiaries controlled through ASCE: (% referred to ASCE ownership; ASCE is 73.14% owned by SFC directly and indirectly)							
42.	Alexandria United Co. for Land Reclamation	Egypt	Agro Cultivation	Egypt	100%	USD 22,500,000	225,000
i) Subsidiaries controlled through SFEM: (% referred to SFEM's direct and indirect ownership; SFEM is 95.4% owned by SFC)							
43.	Savola Morocco Co.	Morocco	Manufacturing of Edible Oils	Morocco	100%	MAD 46,000,000	460,000
44.	Savola Edible Oils (Sudan) Co.	Sudan	Manufacturing of Edible Oils	Sudan	100%	SDG 45,800,000	45,800,000
45.	Afia International Co. – Algeria	Algeria	Manufacturing of Edible Oils	Algeria	100%	DZD 3,028,071,000	3,028,071

No.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
j) Subsidiaries controlled through SFCI: (% referred to SFCI's ownership; SFCI is 100% owned by SFC)							
46.	Modern Behtaam Royan Kaveh Co.	Iran	Food and Confectionery	Iran	100%	IRR 1,000,000	1,000
47.	Middle East Technology Venture Ltd.	Cayman Islands	Holding Company	Offshore Company	100%	USD 50,000	50,000
k) Subsidiaries controlled through Al Maoun and Marasina: (% referred to Al Maoun and Marasina's ownership; both companies are 100% owned by SFC)							
48.	Alofog Trading DMCC	UAE	Trading and Distribution	UAE	100%	AED 2,000	50
3. Panda Retail Co. (Panda):							
a) Subsidiaries controlled through Panda: (% referred to Panda's direct and indirect ownership; Panda is 98.87% owned by Savola)							
49.	Giant Stores Trading Co.	KSA	Retail	KSA	100%	SAR 500,000	500
50.	Panda for Operations, Maintenance & Contracting Services Co.	KSA	Services and Maintenance	KSA	100%	SAR 500,000	500
51.	Panda International for Retail Trading	Egypt	Retail	Egypt	100%	EGP 50,000,000	50,000,000
52.	Panda Bakeries Co.	KSA	Dormant Company	KSA	100%	SAR 500,000	500
b) Subsidiaries controlled through Giant Stores Trading Co.: (% referred to Giant Stores Trading Co. Ownership; Giant Stores Trading Co. is 100% owned by Panda)							
53.	Lebanese Sweets and Bakeries Co.	KSA	Dormant Company	KSA	95% (99% including Savola direct %)	SAR 5,000,000	5,000
4. Al Kabeer Group Companies:							
a) Subsidiaries controlled through GFC: (% referred to GFC's direct and indirect ownership; GFC is 100% owned by Savola Group)							
54.	Variety Foods Factory Co.	KSA	Frozen Food Manufacturing	KSA	51%	SAR 5,000,000	5,000
55.	Al Helal for Import & Export Co.	Bahrain	Trading and Distribution	Bahrain	51%	BHD 20,000	200
56.	Al Kabeer Holding Co.	UAE	Holding Company	UAE	51%	USD 100	100
57.	Best Foodstuff Trading Co.	UAE	Trading and Distribution	UAE	51%	AED 3,000,000	3,000
58.	Sahar Enterprises Co.	UAE	Trading and Distribution	UAE	51%	AED 181,500,000	181,500
59.	Sahar Food Industries Co.	UAE	Frozen Food Manufacturing	UAE	51%	AED 300,000	300
60.	Al Ahsan Trading Co.	KSA	Trading and Distribution	KSA	51%	SAR 27,000,000	27,000

Directors' Report

Main Activities and Financial Disclosures continued

1) The Group's Main Activities continued

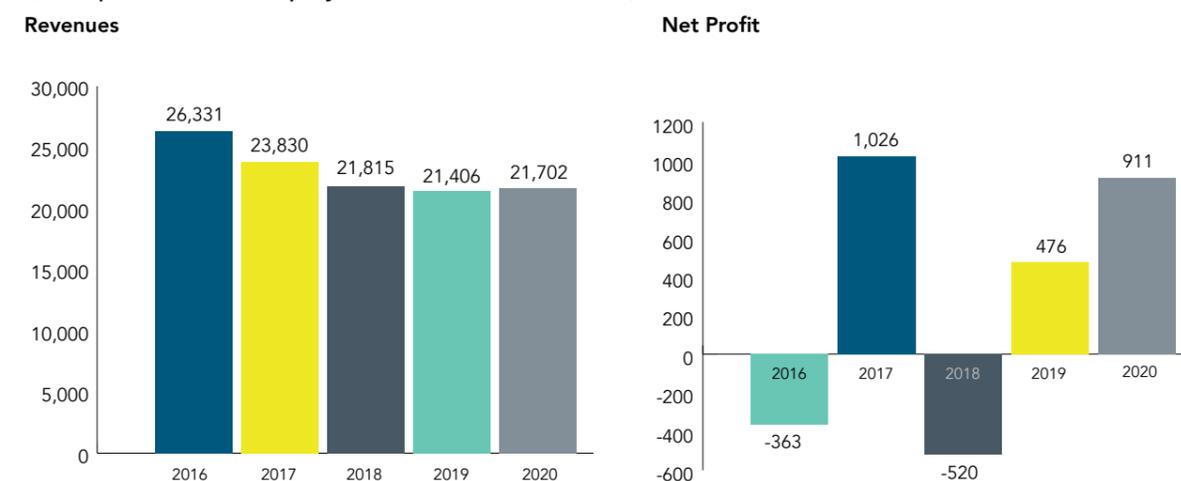
Savola's subsidiaries, sister companies, investments, activities and country of incorporation continued

No.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
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)							
61.	Al Sabah Foodstuff Enterprises Co.	UAE	Trading and Distribution	UAE	100%	AED 500,000	500
62.	Cascade Marine Foods Co.	UAE	Frozen Food Manufacturing	UAE	100%	AED 750,000	100
63.	Cascade Investments Limited	UAE	Investment Company	UAE	100%	USD 125,000	1,250
64.	Best Foods Co.	Oman	Food Distribution	Oman	100%	OMR 150,000	150,000
5. Investees: (investments in sister companies)							
65.	Almarai Co.	KSA	Fresh Food Products	KSA	34.52%	SAR 10,000,000,000	1,000,000,000
66.	Kinan International for Real Estate Development Co.	KSA	Real Estate Development	KSA	29.99%	SAR 1,694,000,000	169,400,000
67.	United Sugar Co. Egypt	Egypt	Manufacturing of Sugar	Egypt	33.82% (Savola effective ownership)	USD 156,000,000	15,600,000
68.	Al Seera City Co. for Real Estate Development	KSA	Real Estate Development	KSA	40%	SAR 20,000,000	200,000
69.	Knowledge Economic City Developers Co.	KSA	Real Estate	KSA	2.07%	SAR 830,000,000	83,000,000
70.	Intaj Capital Ltd.	Republic of Tunisia (Tunisia)	Fund Management	Tunisia	49%	USD 260,000,000	260,000
71.	United Edible Oils Holding Ltd.	Cayman Islands	Holding Company	Offshore Company	51%	USD 50,000	50,000,000
72.	Seafood International One FZCO	UAE	Seafood Products Trading & Distribution	UAE	40%	AED 100,000	100
73.	Seafood International Holding Co.	Cayman Islands	Holding Company	Offshore Company	50%	USD 10,000	10,000
6. Investments available for sale:							
Listed:							
74.	Knowledge Economic City	KSA	Real Estate Development	KSA	11.5%	SAR 3,393,000,000	339,300,000
75.	King Abdullah Economic City	KSA	Real Estate	KSA	0.87%	SAR 8,500,000,000	850,000,000
76.	Arab Phoenix Holdings Co.	Jordan	Real Estate Development	Jordan	5%	JOD 86,840,292	86,840,292
Unlisted:							
77.	Joussor Holding Co.	KSA	Investment Funds (under Liquidation)	KSA	14.81%	SAR 600,000,000	60,000,000
78.	Swicorp Co.	KSA	Investment Management	KSA	15%	SAR 500,000,000	50,000,000

2) Consolidated Performance of the Group

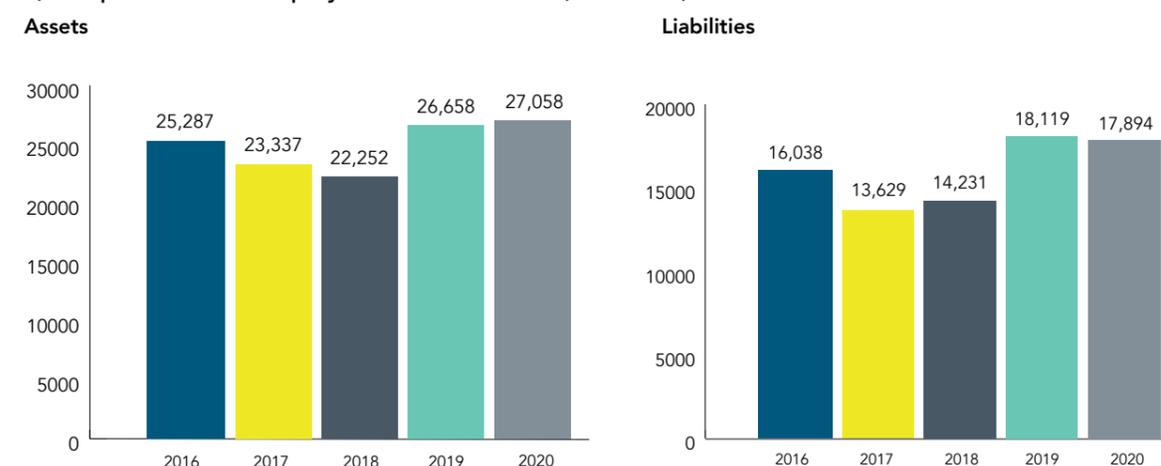
2-1) Summary of the Company's assets and liabilities and financial results for the last 5 years

a) Comparison of the Company's financial results (SAR million):



Item (SAR '000)	2020	2019	2018	2017	2016
Revenues	21,701,941	21,406,424	21,814,563	23,830,475	26,330,802
Cost of Revenues	(17,061,558)	(16,902,120)	(17,916,606)	(19,436,360)	(21,677,838)
Gross Profit	4,640,383	4,504,304	3,897,957	4,394,115	4,652,964
Net Profit (loss)	910,802	475,630	(520,380)	1,025,618	(363,287)

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



Directors' Report

Main Activities and Financial Disclosures continued

2) Consolidated Performance of the Group continued

b) Comparison of the Company's assets and liabilities (SAR million) continued

Item (SAR'000s)	2020	2019	2018	2017	2016*
Current assets	6,456,800	5,969,924	5,906,124	6,678,054	8,449,057
Non-current assets	20,601,584	20,687,787	16,346,327	16,659,276	16,838,339
Total assets	27,058,384	26,657,711	22,252,451	23,337,330	25,287,396
Current liabilities	8,183,856	8,863,915	8,426,642	8,642,368	10,406,259
Non-current liabilities	9,709,974	9,254,726	5,803,868	4,986,982	5,631,303
Total liabilities	17,893,830	18,118,641	14,230,510	13,629,350	16,037,562

* All 2016 related figures were reclassified according to IFRS

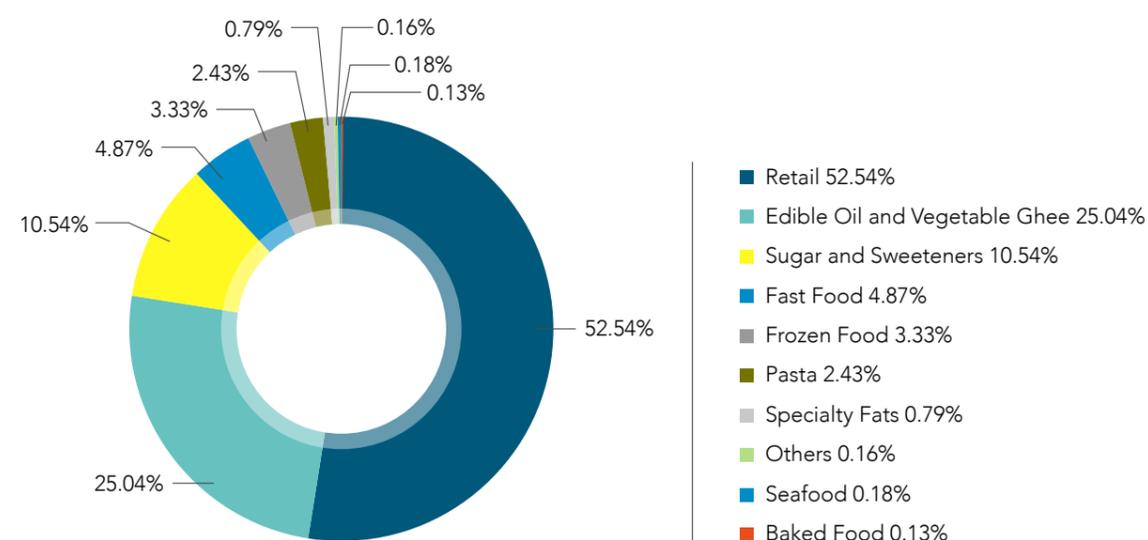
2-2) Geographical analysis of the Company's and its subsidiary revenues

Below is the Group's consolidated revenue for 2020 compared to the previous year business-wise (edible oils and vegetable ghee, sugar and sweeteners, pasta, seafood, frozen food, retail sector, fast food, and specialty fats), including geographical analysis based on availability of brands and products in countries:

Business line/country	Brands	2020 (SAR '000s)	2019 (SAR '000s)
Edible oil and vegetable ghee			
KSA, GCC and Yemen	Afia, Al Arabi, Olite, Shams, Sun Glow, Dalal, Nakeel	1,715,067	1,808,170
Egypt, Levant	Rawabi, Afia, Ganna, Slite, Helwa	1,219,898	948,169
Central Asia	Ladan, Aftab, Bahar, Afia	546,430	1,150,718
Sudan	Al Tayeb, Sabah, Shams	425,786	250,436
Morocco	Afia, Hala	370,283	350,196
Turkey	Yudum, Sirma, Afia	661,363	725,460
Algeria	Afia, Oleor	596,280	678,241
Total edible oil and vegetable ghee revenues		5,535,107	5,911,390
Sugar and sweeteners			
KSA, GCC and Yemen	Al Osra, Ziadah, Safaa, Nehar, Halla, Sweeva	2,050,980	2,199,348
Egypt	Al Osra	278,232	346,548
Total sugar and sweeteners revenues		2,329,212	2,545,896
Total pasta products – Egypt	El Maleka, Macaronto, Italiano	536,750	510,492
Total seafood products – GCC and Egypt	John West, Leeza	39,700	39,397
Total baked food products – Central Asia	Pech-Pech	28,986	38,382
Total specialty fats and margarine – KSA and Turkey	Culina, Margarina, Vala, Sava	173,804	163,656
Total foods revenues		8,643,559	9,209,213
Retail			
KSA	Hyper Panda, Panda Supermarket	11,499,711	10,560,734
Egypt	Panda Supermarket	113,588	99,032
Total retail revenues		11,613,299	10,659,766
Fast food			
Fast food and restaurants	Herfy, Doka	1,076,083	1,288,310
Total fast food and restaurants		1,076,083	1,288,310
Frozen food products			

Business line/country	Brands	2020 (SAR '000s)	2019 (SAR '000s)
KSA and GCC	Al Kabeer, Tayebat Al Emarat, Tabarruk	736,797	620,055
Total frozen food products		736,797	620,055
Others			
Real estate – KSA		36,077	43,599
Total other activities revenues		36,077	43,599
Gross revenues		22,105,815	21,820,943
Consolidated intercompany elimination		(403,874)	(414,519)
Total revenues		21,701,941	21,406,424

Breakdown of sector and main Group activity contributions to 2020 consolidated revenues



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

Income statement	2020 (SAR '000s)	2019 (SAR '000s)	Variance (+) or (-) (SAR '000s)	Variance %
Revenues	21,701,941	21,406,424	295,517	1.4%
Cost of revenues	(17,061,558)	(16,902,120)	(159,438)	0.9%
Gross profit	4,640,383	4,504,304	136,079	3%
Operational revenues – Other	704,148	639,357	64,791	10.1%
Operational expenses – Other	(3,683,707)	(3,834,704)	150,997	-3.9%
Operational profit	1,660,824	1,308,957	351,867	26.9%

Declaration: The Company did not announce any financial expectations during 2020

Directors' Report

Main Activities and Financial Disclosures continued

2) Consolidated Performance of the Group continued

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

The reasons for the change in net profit for 2020 compared to last year:

The increase in the net profit for the year 2020 compared to the net profit recorded last year is mainly attributed to the higher gross profits due to higher sales and margins; higher share of profits from associates; lower operating expenses; and lower net finance cost. The net profit for the year 2020 was achieved despite of the higher zakat and tax expense; and the decrease in the zakat and tax provision reversal relating to prior years' assessments of subsidiaries that was recorded in the prior year.

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.

In January 2013, the Group completed its initial offering by issuing Sukuk with a total value of SAR 1.5 billion with a tenure of 7 years. The Sukuk matured in January 2020 and accordingly has been classified as short-term loans and borrowings as at December 2019. In July 2019, the Group completed the offering of its new Sukuk, under the new program, with a total value of SAR 1 billion with a tenure of 7 years, which will mature in July 2026. The issuance included SAR 507 million of the previous Sukuk, which was redeemed and exchanged. Accordingly, the nominal value of the previous Sukuk decreased from SAR 1.5 billion to SAR 993 million. Certain loans arranged by overseas subsidiaries are subject to structure and policies adopted in those countries, which may differ from those in Saudi Arabia.

Finance charges for Group loans (short-term and long-term borrowings) from various commercial banks and financial institutions during 2020 (at prevailing market rates) reached SAR 279 million compared to SAR 429 million in the previous year. With regards 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.

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 of 31 December 2020 (SAR '000s):

No.	Borrowing company	Lender	Loan period	Date issued	Original amount	Amount paid in 2020	Balance Dec 2020	Balance Dec 2019
1.	Savola Group	National Commercial Bank	5 years	Oct-16	500,000	125,000	93,750	218,750
		Gulf International Bank	2.08 years	Dec-18	480,000	480,000	-	480,000
		Gulf International Bank	3 years	Dec-20	300,000	-	300,000	-
		Gulf International Bank	3 years	Dec-20	150,000	-	150,000	-
		Samba Financial Group	7 years	Dec-18	294,000	42,000	210,000	252,000
		Bank Al Jazira	7 years	Nov-18	300,000	50,000	250,000	300,000
		Bank Al Jazira*	7 years	Dec-19	500,000	-	500,000	350,000
		Bank Al Jazira	2 years	Dec-20	300,000	-	300,000	-
		Saudi British Bank	5 years	Sep-18	750,000	150,000	450,000	600,000
		Saudi British Bank	7 years	Feb-19	800,000	66,000	693,000	759,000
		Saudi Investment Bank	7 years	Jan-20	300,000	-	300,000	-
		Al Rajhi Bank	2 years	Dec-20	200,000	-	200,000	-
		Sukuk	7 years	Jan-13	1,500,000	993,000	-	993,000
Sukuk	7 years	Jul-19	1,000,000	-	1,000,000	1,000,000		
Savola Group						4,446,750	4,952,750	
2.	Panda	Saudi British Bank	5 years	Dec-15	300,000	75,000	-	75,000
		Saudi British Bank	6 years	Dec-16	400,000	160,000	-	160,000
Panda Retail Co.						-	235,000	

No.	Borrowing company	Lender	Loan period	Date issued	Original	Amount paid in 2020	Balance Dec 2020	Balance Dec 2019	
3.	Afia – KSA	Samba Financial Group	5 years	Dec-20	150,000	-	150,000	-	
		Afia – Egypt	Emirates NBD	5 years	Jan-16	11,386	9,470	-	9,470
		National Bank of Kuwait**	5 years	Jan-19	16,000	-	17,378	15,993	
Afia International Co.							167,378	25,463	
4.	El Maleka for Food Industries	National Bank of Kuwait	5.3 years	Dec-18	28,173	987	23,600	24,587	
Pasta							23,600	24,587	
5.	USC	Samba Financial Group	5 years	Dec-20	150,000	-	150,000	-	
		ASC Egypt	Commercial International Bank***	13 years	Mar-10	529,937	-	162,835	137,280
		Commercial International Bank****	5 years	Jan-19	18,969	-	-	20,782	
6.	AUCR	National Bank of Kuwait	4 years	Jan-18	27,473	3,479	11,507	14,986	
Savola Industrial Investment Co.							324,342	173,048	
7.	IFI	Saudi British Bank	4.75 years	Nov-15	170,000	31,875	-	31,875	
International Foods Industries Co.							-	31,875	
8.	Herfy	Al Rajhi Bank	4-6 years	2014-2017	499,996	46,003	47,687	93,690	
		Saudi Industrial Development Fund	6 years	2013-2016	42,903	13,988	3,642	17,630	
		Saudi British Bank	3 years	Jan-18	15,600	3,935	9,769	13,704	
		Saudi British Bank*****	3 years	Oct-19	70,000	-	-	70,280	
Herfy Food Services Company							61,098	195,304	
Total long-term loans							5,023,168	5,638,027	

* Approved facility is SAR 500 million, first drawdown was SAR 350 million in December 2019 and second drawdown was SAR 150 million in January 2020

** December 2020 loan value changed due to currency effect

*** December 2020 loan balance increased due to the addition of the other CIB loan (****) balance of SAR 20,728,000 and due to currency effect.

**** Loan was closed and December 2019 loan balance added to the other CIB loan (***).

***** December 2019 loan balance reclassified to short-term borrowing in 2020.

b) Short-term loans of the Group and its subsidiaries, and their payment status as of 31 December 2020 (SAR '000s):

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2020	Balance Dec 2019
1	Savola Group Co.	Samba Financial Group	1 month	Dec-20	120,000	
		First Abu Dhabi Bank	1 month	Dec-20	50,000	
Savola Group					170,000	-
2	Afia International Co.	Saudi British Bank	1 month	Dec-20	230,000	
		National Commercial Bank	1 month	Dec-20	265,000	
		Samba Financial Group	1 month	Dec-20	150,000	
3	Afia Intl. Co. – Egypt	Emirates NBD	1 year	Jan-20	27,110	
		National Bank of Kuwait	1 year	Jan-20	15,705	

Directors' Report

Main Activities and Financial Disclosures continued

2) Consolidated Performance of the Group continued

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

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2020	Balance Dec 2019
		Hongkong and Shanghai Banking Corp.	1 year	Jan-20	27,872	
		First Abu Dhabi Bank	1 year	Jan-20	23,137	
		National Bank of Egypt	1 year	Jan-20	21,081	
		Egyptian Saudi Finance Bank (El Baraka Bank)	1 year	Jan-20	13,900	
4	Behshahr Industrial Co.	Bank Mellat	3 months	Nov-20	9,941	
		Karafarin Bank	3 months	Nov-20	26,760	
		Bank Pasargad	3 months	Oct-20	7,433	
		Middle East Bank	3 months	Nov-20	19,327	
		Saman Bank	3 months	Nov-20	7,433	
		Pirouzan Exchange	1 year	Jun-20	17,819	
5	Savola Gida Sanayi ve Ticaret AS	Hongkong and Shanghai Banking Corp.	6 months	Nov-20	4,197	
		Hongkong and Shanghai Banking Corp.	1 year	Aug-20	10,820	
		Hongkong and Shanghai Banking Corp.	1 year	Aug-20	4,437	
		Hongkong and Shanghai Banking Corp.	6 months	Dec-20	5,459	
		Garanti Investment Credit	3 months	Aug-20	35,454	
		Ziraat Bank	6 months	Nov-20	25,543	
		European Bank for Reconstruction & Development	6 months	Sep-20	19,349	
		Hongkong and Shanghai Banking Corp.	6 months	Jul-20	3,379	
		Hongkong and Shanghai Banking Corp.	6 months	Jul-20	3,980	
		European Bank for Reconstruction & Development	6 months	Sep-20	45,750	
		Hongkong and Shanghai Banking Corp.	3 months	Jan-20	76	
		Yapi ve Kredi Bankasi	6 months	Sep-20	5,109	
		VakifBank	6 months	Jul-20	18,902	
		Hongkong and Shanghai Banking Corp.	6 months	Jul-20	5,106	
		Hongkong and Shanghai Banking Corp.	6 months	Sep-20	8,006	
		Hongkong and Shanghai Banking Corp.	6 months	Sep-20	9,376	
		Hongkong and Shanghai Banking Corp.	1 year	Nov-20	11,780	
	Afia International Co.				1,079,241	1,206,227
6	Afia International Distribution & Marketing Co.	Saudi British Bank	1 month	Dec-20	40,000	
	Afia International Distribution and Marketing Co.				40,000	-
7	Afia Intl. Co. – Algeria	Arab Bank	6 months	Dec-20	63,935	
		Fransabank El Djazair	6 months	Dec-20	34,717	
		Hongkong and Shanghai Banking Corp.	6 months	Nov-20	51,710	
8	Savola Morocco Co.	Credit du Maroc	6 months	Sep-20	23,888	

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2020	Balance Dec 2019
		Attijari Wafa Bank	3 months	Nov-20	15,240	
		Arab Bank	3 months	Dec-20	19,008	
		Arab Bank	3 months	Dec-20	12,962	
		Attijari Wafa Bank	3 months	Dec-20	3,956	
9	Savola Edible Oils (Sudan) Ltd.	Bank of Khartoum	9 months	Nov-20	1,376	
		Bank of Khartoum	9 months	Oct-20	1,783	
		Bank of Khartoum	9 months	Sep-20	1,432	
		Bank of Khartoum	9 months	Apr-20	594	
		Bank of Khartoum	9 months	May-20	291	
		Arab Sudanese Bank	9 months	Jun-20	218	
		Bank of Khartoum	9 months	May-20	664	
		National Bank of Egypt	9 months	Jun-20	290	
		National Bank of Egypt	9 months	Aug-20	415	
		National Bank of Egypt	9 months	Sep-20	274	
		National Bank of Egypt	9 months	Dec-20	223	
		Omdurman National Bank	9 months	Jun-20	354	
		Omdurman National Bank	9 months	Jul-20	719	
		Omdurman National Bank	9 months	Jul-20	596	
	Savola Foods Emerging Co.				234,645	297,004
10	El Maleka For food Industries Co.	Emirates NBD	18 months	Jan-20	3,294	
		National Bank of Kuwait	18 months	Jan-20	11,601	
		Export Development Bank of Egypt (EBE)	18 months	Jan-20	5	
	Pasta				14,900	49,386
11	United Sugar Co.	Saudi British Bank	1 month	Dec-20	40,000	
		National Commercial Bank	1 month	Dec-20	30,000	
12	Alexandria Sugar Co.	Commercial International Bank	1 month	Dec-20	21,348	
		Hongkong and Shanghai Banking Corp.	1 year	Jan-20	77,270	
13	Alexandria United Co. for Land Reclamation	National Bank of Kuwait	1 month	Dec-20	6,241	
		National Bank of Kuwait	1 year	Jan-20	11,855	
	Savola Industrial Investment Co.				186,714	306,051
14	Seafood International Two FZCO	Hongkong and Shanghai Banking Corp.	1 year	Jan-20	28,125	
	Seafood International Two FZCO				28,125	5,625
15	Sahar Enterprises LLC	Dubai Islamic Bank	3-4 months	Dec-20	575	
		National Bank of Fujairah	3-4 months	Dec-20	1,311	
		Habib Bank AG Zurich	3-4 months	Dec-20	10,551	
		First Abu Dhabi Bank	3-4 months	Dec-20	2,447	
		Standard Chartered Bank	3-4 months	Dec-20	8,064	
		Hongkong and Shanghai Banking Corp.	3-4 months	Dec-20	296	
	Good Food Co.				23,244	42,175
16	Herfy Food Services Co.	Saudi British Bank	8 months	Apr-20	30,000	

Main Activities and Financial Disclosures continued

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2020	Balance Dec 2019
		Saudi British Bank *	3 years	Oct-19	70,279	
Herfy Food Services Co.					100,279	-
Total short-term loans					1,877,148	1,906,468

* Reclassified from long-term loans

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

No.	Item (payments)	Paid	Due until the end of the financial period but not paid	Description	Reasons/Justifications
1.	Customs duties	130,612	7,060	-	According to the requirements of the laws and applicable regulations
2.	Zakat	91,038	23,458	-	
3.	Income tax and withholding tax	74,327	49,299	Income and withholding tax	
4.	GOSI (for KSA) and social insurance (for outside KSA)	129,725	12,838	Employees' GOSI and social insurance	
5.	Visas and passport office fees	47,889	664	Iqama renewal, exit and re-entry visas	
6.	Labor office fees	130,169	477	Work permits and Iqama renewal	
7.	Other duties and government levies	35,843	8,647	License fees and other fees	

3) Potential risks to Savola Group Operations

3-1) 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 in the possibility of the Group operations being exposed to geopolitical risks that result from its operations outside the Kingdom, as well as fluctuations in raw material prices, currencies, speculation and unfair price competition in the local and international markets where it operates. There are also economic and political risks in the countries where it operates and risks pertaining to new markets in the region, in line with the Group's geographic expansion strategy.

Further risks include: fluctuation in foreign currency, exchange rates against the Saudi Riyal or other currencies of the countries that the Group operates in and inflation in the economies of countries where the Group operates; risks related to entering into new investments; and risks that might be associated with the current economic conditions and political situation in countries where the Group operates or exports its products.

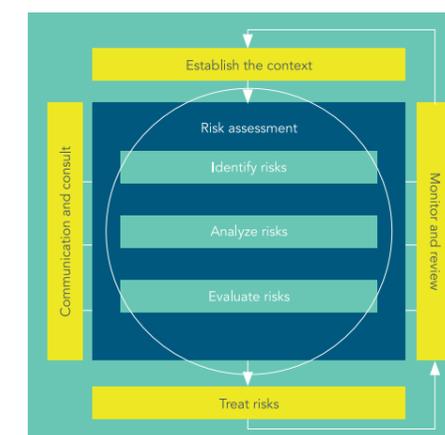
The Group faces other risks from its various investment shareholdings in different companies and funds, locally and internationally. The Group and its subsidiaries manage these risks through its Board of Directors, Audit Committee, Executive Management and various departments and task forces within the Group. The Group is focused on continuously developing and improving a sound risk management system across the Group. It has established a dedicated Risk Management department at holding level and its major subsidiary i.e. SFC and Panda.

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

b) Enterprise Risk Management framework

Savola has developed – in line with the market best practices – an integrated Enterprise Risk Management (ERM) framework to support the success of the business and achievement of 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 ERM framework outlines the series of activities that Savola will use in identifying, assessing and managing its risks. The framework ensures that 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:

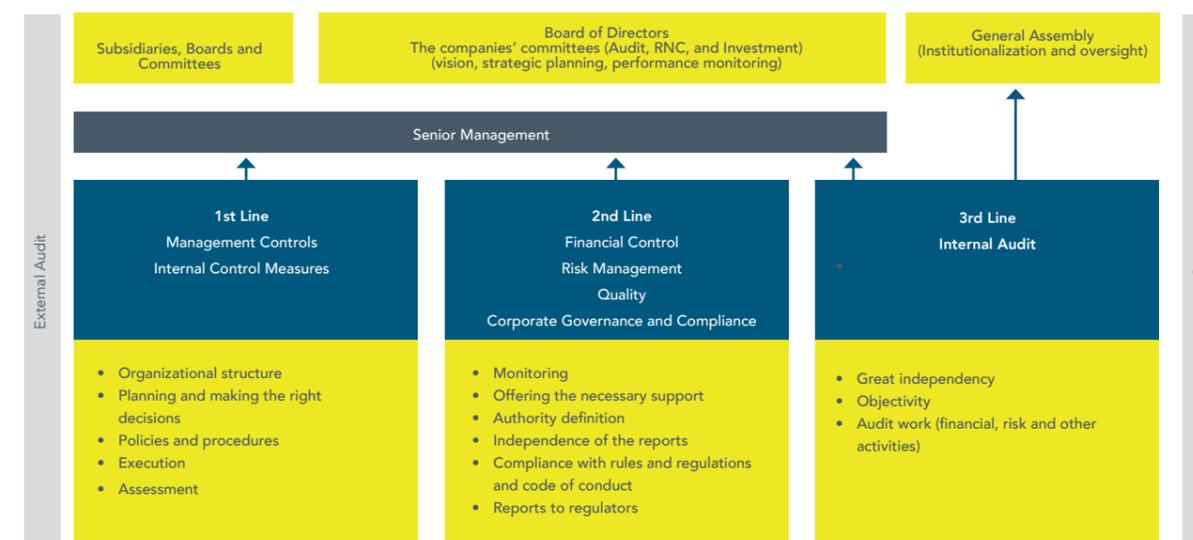
- Established a dedicated risk management function at the Group and its main subsidiaries. The function comprises a dedicated team leading the risk management activities at enterprise level, as well as assigned risk champions who implement risk management activities within respective business units/ functions.
- Developed a risk management framework and governance policy, approved by the Board of Directors.
- Launched WAEI risk guide program as part of promoting its risk management culture.
- 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
- Embarked on a risk assessment project for key operating units of its subsidiary, Savola Foods.
- Proactively identified emerging external risks and communicated them with the relative functions for assessment.
- A Governance, Risk and Compliance (GRC) system has been implemented to effectively enhance managing risk assessments and registers, management issues, key risk indicators, policy management, and internal audit at Savola Group and its main subsidiaries; Savola Foods and Panda, autonomously.

c) Channels to communicate, decline and enforce the risk culture

• Three lines of Defense

Savola operates a "Three Lines of Defense" model to ensure accountability across the Group for governance, monitoring, reporting and management of risks, and the control environment.

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



Main Activities and Financial Disclosures continued

3) Potential risks to Savola Group Operations continued**3-1) Savola Risk Management approach** continued

- **Promoting Risk Management Culture – WAEI**

In its continuing efforts to promote a risk management culture, enhance corporate excellence and bolster internal controls, Savola has launched WAEI, which is a:

- Modern method to share the knowledge of already identified and known business-related risks.
- Initiative to reflect, explore and identify those risks that Savola may not fully be aware of or understand today.
- Program that brings together people and expertise from across the Group to assess potential risks that Savola may face in the future.
- Opportunity to review how Savola is currently managing risks and to reflect on the best and most cost-efficient ways of managing risks on a sustainable basis.

d) COVID-19 and Risk Management role

The Risk Management department at the Group had an effective role during the pandemic and the risks arising from it. Several risk types had been proactively identified early on and were subjective to evaluation as per the enterprise risk management framework. As a result, a mitigation plan has been put in place with active monitoring by risk management to ensure its execution and effectiveness. In summary, risk management role mainly involved the following:

- Identification of risks related to the pandemic and sharing them with the respective departments for processing.
- Contributing to risk mitigation plans and responses along with following up on them.
- Contributing to forming crisis management committees and taskforces related to the pandemic while holding a membership to support and advise.
- Periodic and frequent reporting of the pandemic activities to the Board of Directors

3-2) 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 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.

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 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, trade and other receivables, investments, long term receivables, borrowings, lease liabilities, derivatives, accounts payable 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.

c) 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 other price risk.

c-1) 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.

c-2) 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 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 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.

d) 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.

e) 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.

f) 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.

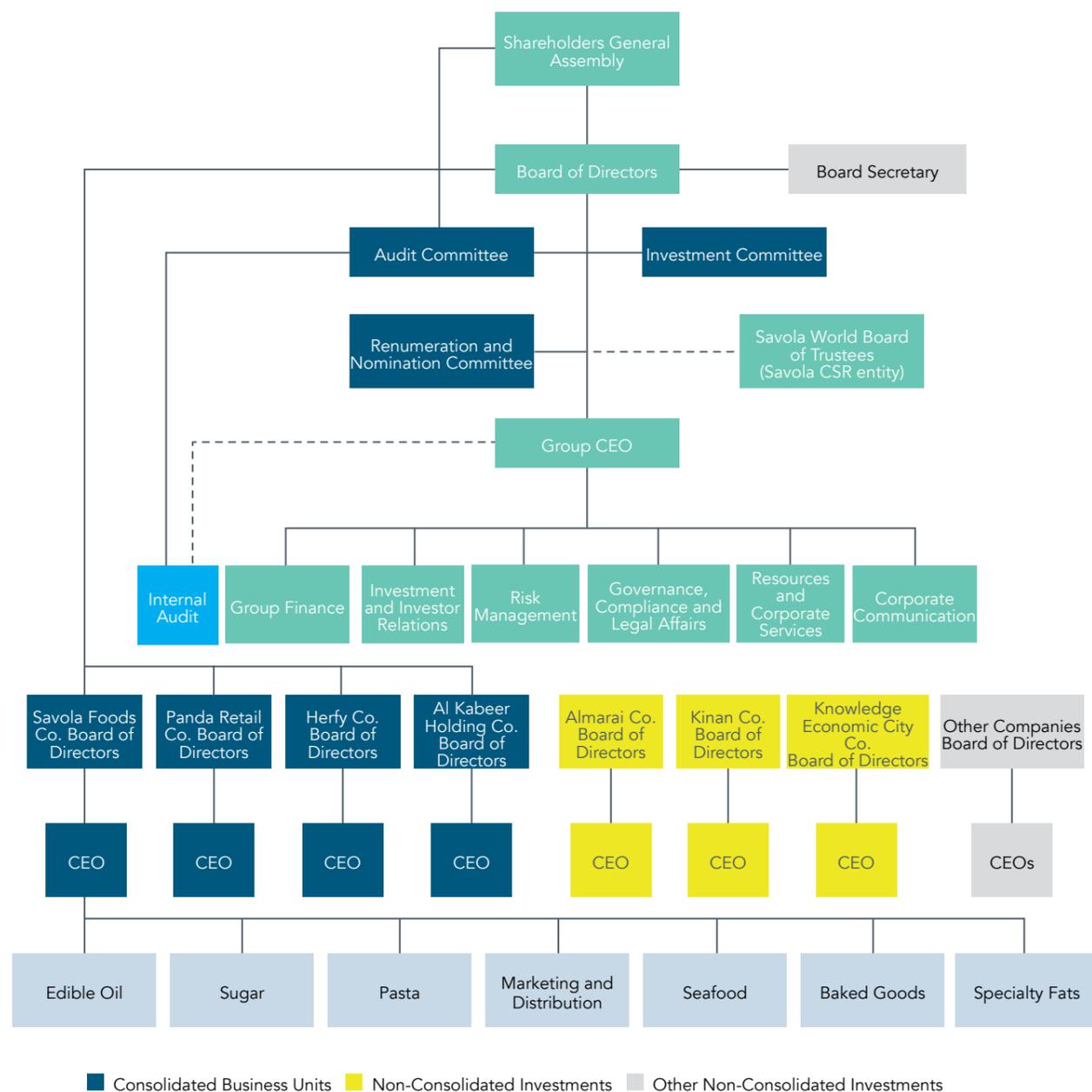
g) Fair value of assets and liabilities

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. For further details, the same item can be reviewed in the clarification notes accompanying the Company's financial statements for 2020.

Directors' Report

Corporate Governance Report and Major Relevant Disclosures

Organization structure:



a) Composition of the Board and members classification

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

The Board of Directors is the highest authoritative body responsible to shareholders for 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 disclose 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).

a-2) Composition of the Board and members classification:

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 8 May 2019 for the current term that started 1 July 2019 for the period of 3 years ending 30 June 2022. All the elected 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).

a-3) Names of the companies, whatever their legal forms are, inside and outside the Kingdom, which a Board member is a member of their current or previous board or 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 director or manager of its current board of directors	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 director or manager of its previous board of directors	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	Nationals 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
		Essam Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability	Al Oula Real Estate Development Co.	Inside	Unlisted
		Amwal Al Ajjal Holding Company	Inside	Limited Liability	Thabat Construction Co.	Inside	Limited Liability
		International Co. for Water and Energy Development (Acwa)	Inside	Limited Liability	Architectural Supplies Works Co.	Inside	Limited Liability
		Vision Invest Holding Co.	Inside	Limited Liability	International Timber Co.	Inside	Limited Liability
		Zat Al Sawary Co.	Inside	Limited Liability	Mayar Foods Co.	Inside	Limited Liability

Directors' Report

Corporate Governance Report and Major Relevant Disclosures continued

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

No.	Board member name	Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	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 director or manager of its previous board of directors	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
		Taj Al Awfia Co.	Inside	Limited Liability	Mayar Transport & Warehousing Co.	Inside	Limited Liability
		Tarabot Investment & Development	Inside	Limited Liability	Gulf Marasy for Marine Services Co.	Inside	Limited Liability
		Al Shamiyah Urban Development Co. Ltd.	Inside	Limited Liability	Citadel Trading & Contracting Co	Inside	Limited Liability
		Arabian Safenat for Construction 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 Almudaiheem & 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
2.	Mr. Bader Abdullah Al Issa	Savola Group	Inside	Listed	Knowledge Economic City Co.	Inside	Listed
		Banque Saudi Fransi	Inside	Listed	Kinan International Real Estate Development Co.	Inside	Unlisted
		Dur Hospitality	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	Assila Investments Co.	Inside	Unlisted

No.	Board member name	Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	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 director or manager of its previous board of directors	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
		Afia International Co.	Inside	Unlisted			
		United Sugar 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. Essam Abdulkadir Al Muhaidib	Savola Group	Inside	Listed	Emaar Middle East Co.	Inside	Limited Liability
		Herfy Food Services Co.	Inside	Listed	Zohoor Alreef Trading Co.	Inside	Unlisted
		Bawan Co.	Inside	Listed	Al Yamamah Steel Industries Co.	Inside	Unlisted
		Abdulkadir Al Muhaidib & Sons Co.	Inside	Unlisted	Thabat Construction Co. Limited	Inside	Limited Liability
		Shamia Real Estate Development Co.	Inside	Limited Liability	Middle East Paper Co. (MEPCO)	Inside	Listed
		Rafal Real Estate Co.	Inside	Unlisted	Emdad Human Resources & Manpower Supply Co.	Inside	Unlisted
		National Housing "Al wataniyah Al eskan" Co.	Inside	Unlisted	Al Salam Bank Bahrain	Outside	Listed
		Panda Retail Co.	Inside	Unlisted	Nesaj Real Estate Development Co.	Inside	Limited Liability
		Safenat Arabian Contracting Company	Inside	Limited Liability	Al Latifia Trading & Contracting Co.	Inside	Limited Liability
		Al Muhaidib Holding	Inside	Unlisted	Amwal Al Khaleej for Commercial Investment Co.	Inside	Limited Liability
		That Al Sawary Co.	Inside	Limited Liability	Albalad Al Amin Co.	Inside	Unlisted
		Romansiah Co. Limited	Inside	Unlisted	Rafal Real Estate Co.	Inside	Unlisted
		Tharwa City for Real Estate Co.	Inside	Unlisted	Al Oula for Real Estate Development Co.	Inside	Unlisted
		Vision Invest Holding Co.	Inside	Unlisted	International Timber Co.	Inside	Unlisted
		Nokhbat Alkwader Co.	Inside	Limited Liability	Bloom Invest Co.	Inside	Limited Liability
		Jadeer Investment Holding Co.	Inside	Limited Liability	Saudi Tabreed Co.	Inside	Limited Liability

Directors' Report

Corporate Governance Report and Major Relevant Disclosures continued

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

No.	Board member name	Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	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 director or manager of its previous board of directors	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
		Ekseer Alkhaleej Contracting Co.	Inside	Limited Liability	Sulaiman Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
		Buhairat Alkhobar Real Estate Development Co.	Inside	Limited Liability	Emad Abdulkadir Al Muhaidib Co.	Inside	Limited Liability
		Mayar Foods Co.	Inside	Limited Liability	Awatf Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
		Atheel Holding Co.	Inside	Limited Liability	Maryam Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
		Spring Water Factory Co. Ltd.	Inside	Limited Liability	Hayfa Abdulkadir Al Muhaidib Co.	Inside	Limited Liability
		Saudi Tharwa for Real Estate Investment & Development Co.	Inside	Limited Liability	Lolwah Sulaiman Almudaiheem & Partners	Inside	Limited Liability
		Atheel Arabia for Services Co. Limited	Inside	Limited Liability	Himmah Logistics Co.	Inside	Limited Liability
		Amwal Al Ajyal Holding Co.	Inside	Limited Liability	Muhail for Operation and Maintenance Co.	Inside	Limited Liability
		Qalaa Trading & Contracting Co.	Inside	Limited Liability	Tamader Abdulkadir Al Muhaidib Co.	Inside	Limited Liability
		Rivers Water Factory Co. Ltd.	Inside	Limited Liability	International Co. for Water and Energy Development (Acwa)	Inside	Unlisted
		Essam Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability	Al Jadeer Logistics Services	Inside	Limited Liability
		Nestle Water Factory Co. Ltd.	Inside	Limited Liability	Masdar Building Materials Co.	Inside	Unlisted
		Taj Al Awfia Co.	Inside	Limited Liability	Mayar Transport & Warehousing Co.	Inside	Limited Liability
		Naqiah Water Factory Limited	Inside	Limited Liability			
		Shaas for Water Services Co.	Inside	Unlisted			
		Tanmiat Al Ahlam for Construction	Inside	Unlisted			
		Al Manhal Water Services Factory	Inside	Limited Liability			
		Shaas for Water Services Co. Ltd.	Inside	Limited Liability			

No.	Board member name	Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	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 director or manager of its previous board of directors	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
4.	Mr. Abulaziz Khaled Al Ghufaily	Savola Group	Inside	Listed	Herfy Food Services Co.	Inside	Listed
		Alrajhi Bank	Inside	Listed	Tabuk Agriculture Development Co.	Inside	Listed
		Al Rajhi Capital	Inside	Unlisted	National Medical Care Co.	Inside	Listed
		Savola Foods Co.	Inside	Unlisted	The Industrialization & Energy Services Co.	Inside	Unlisted
					Riyadh Hotels & Entertainment Co.	Inside	Unlisted
					Saudi Industries Development Co.	Inside	Unlisted
					Panda Retail Co.	Inside	Unlisted
5.	Eng. Mutaz Qusai Alazawi	Savola Group	Inside	Listed	Merrill Lynch Kingdom of Saudi Arabia	Inside	Unlisted
		Herfy Food Services Co.	Inside	Listed			
		Arabian Cement Co.	Inside	Listed			
		Riyad Bank	Inside	Listed			
		Etihad Etisalat (Mobily)	Inside	Listed			
		Ready Mix Concrete & Construction Supplies Ltd.	Outside	Listed			
		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			
		Al Wusataa for Development	Inside	Limited Liability			

Directors' Report

Corporate Governance Report and Major Relevant Disclosures continued

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

No.	Board member name	Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	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 director or manager of its previous board of directors	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
6.	Mr. Fahad Abdullah Al Kassim	Savola Group	Inside	Listed	Albilad Bank	Inside	Listed
		Jarir Marketing Co.	Inside	Listed	Abdullatif Al Issa Holding Group	Inside	Unlisted
		Dur Hospitality	Inside	Listed	Naqel Co.	Inside	Unlisted
		Dallah Health	Inside	Listed	Al Rajhi Alpha Investment Holding Co.	Inside	Limited Liability
		Al Riyadh Development Co.	Inside	Listed	Raj Real Estate Co.	Inside	Limited Liability
		Fahad Bin Abdullah Al Kassim & Sons Trading & Investment Co.	Inside	Unlisted	National General Automotive Co.	Inside	Limited Liability
		Saudi Heritage Hospitality Co.	Inside	Unlisted	Saudi Post	Inside	Gov. Corporation
		Dr. Mohammed Rashid Al Fagih & Associates	Inside	Unlisted			
		Rakeen Najd International Co.	Inside	Unlisted			
		Al Rajhi United Investment Holding Co.	Inside	Unlisted			
		Alargan Projects Co.	Inside	Unlisted			
		Fincorp Investment Holding Co.	Outside	Unlisted			
		Mohammed Abdulaziz Al Habib & Sons Holding Co.	Inside	Unlisted			
		Baseqat Al Khaleej Co.	Inside	Limited Liability			
		Areez Commercial Investment Co. Ltd.	Inside	Limited Liability			
		Abdullah Ibrahim Al Subeaei Holding (AIMS)	Inside	Limited Liability			
		Al Kassim Fund for Investment and Commercial Development	Inside	Limited Liability			
		Amwal Financial Consultations	Inside	Limited Liability			
		Century 21 & Partner for Real Estate Appraisal Co.	Inside	Professional Co.			
		Fahad Abdullah Al Kassim Auditing Office	Inside	Professional entity			
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 director or manager of its current board of directors	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 director or manager of its previous board of directors	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
7.	Mr. Mohammed Ibrahim Al Issa	Savola Group	Inside	Listed	Sukoon Real Estate	Inside	Unlisted
		Kinan International for Real Estate Development Co.	Inside	Unlisted	Al Aqeeq Real Estate	Inside	Unlisted
		Assila Investments Co.	Inside	Unlisted			
8.	Mr. Abdulrahman Mohammed Ramzi Addas	Savola Group	Inside	Listed	Bank Albilad	Inside	Listed
		Alinma Bank	Inside	Listed	Al Soraie Industrial & Trading Co.	Inside	Listed
		Diyar Al Khayyal Real Estate Development Co.	Inside	Unlisted	Red Sea Markets Co. Ltd.	Inside	Limited Liability
		Tunisian Saudi Bank	Outside	Joint venture for the Saudi Ministry of Finance	Keppel Alnumu Co.	Inside	Limited Liability
		Al Rabie Saudi Foods Co. Ltd.	Inside	Limited Liability	Sedco Capital	Inside	Limited Liability
		Environment Fund	Inside	Gov. Entity	Abdulaziz Al Saghair Holding Co.	Inside	Limited Liability
		Savola World Foundation	Inside	Non-profit Organization	Quantum Investment Bank	Outside	Limited Liability
					International Co. for Water and Energy Development (ACWA)	Inside	Limited Liability
					Ahmed Mohammed Saleh Baeshen & Co.	Inside	Unlisted
					ARCOMA Co.	Inside	Limited Liability
9.	Mr. Rakan Abdulaziz Al Fadl	Savola Group	Inside	Listed			
		Alfadl Group	Inside	Limited Liability			
		Sahara Building Contractors Co.	Inside	Limited Liability			
		Rabya Co.	Inside	Limited Liability			
		Alfadl Investments Co.	Inside	Limited Liability			
		Alfadl Real Estate Co.	Inside	Limited Liability			
Al Takamul Group Co.	Inside	Holding Co.					

Directors' Report

Corporate Governance Report and Major Relevant Disclosures continued

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

No.	Board member name	Names of the companies in which the member of the Board of Directors is a director or manager of its current board of directors	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 director or manager of its previous board of directors	Inside the Kingdom/ outside the Kingdom	Legal entity (listed/ unlisted/ limited liability)
10.	Dr. Adnan Abdulfattah Soufi	Savola Group	Inside	Listed	Bupa Arabia Co.	Inside	Listed
		Fitaihi Group Co.	Inside	Listed	Arabian Cement Co.	Inside	Listed
		Alahli Capital Co.	Inside	Unlisted	SEDCO Holding Group	Inside	Unlisted
		Wadi Jeddah Co.	Inside	Unlisted	Awj Holding Co.	Inside	Limited Liability
		Panda Retail Co.	Inside	Unlisted			
		Saudi Company for Industrial Services	Inside	Listed			
11.	Mr. Bader Hamad Al Rabiah	Savola Group	Inside	Listed			
		Al Manar Financing and Leasing Co.	Outside	Listed			
		Noor Financial Investment Co.	Outside	Listed			
		Palms Agro Production Co.	Outside	Listed			
		Meezan Bank	Outside	Listed			
		Al Durra National Real Estate Co.	Outside	Unlisted			
Noor Al Salhiya Real Estate Co.	Outside	Unlisted					

a-4) Summary of Committee members' CVs:

Member name	Current positions	Previous positions	Qualifications	Experience
Remuneration and Nomination Committee members:				
1. Mr. Rakan Abdulaziz Al Fadl				
2. Mr. Bader Abdullah Al Issa				
3. Mr. Essam Abdulkadir Al Muhaidib				
4. Mr. Abdulrahman Mohammed Ramzi Addas				
5. Mr. Johan Brand	Managing Director/ Owner, Johan Brand Leadership Advisory DWC-LLC (2016-present)	Senior Partner and Consultant, Egon Zehnder (1995-2016); PepsiCo, Director PCI Management Institute (1993-1995)	MSc, Business Economics, Erasmus University Rotterdam, The Netherlands; MA, Business Law, and MA, Private Law, Erasmus University Rotterdam, The Netherlands; Certified Professional Director, Hawkamah/ Mudara Institute of Directors	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.

Member name	Current positions	Previous positions	Qualifications	Experience
Investment Committee members:				
1. Eng. Mutaz Qusai Alazawi				
2. Mr. Abdulaziz Khaled Al Ghufaily				
3. Mr. Fahad Abdullah Al Kassim				
4. Dr. Adnan Abdulfattah Soufi				
5. Mr. Mohammed Ibrahim Al Issa				
Their current and previous positions, qualifications and experience were mentioned earlier in this Report				

a-5) Board meetings attendance record:

In order to enhance its role and responsibilities, the Board held 5 meetings during the year, and due to the precautionary measures to limit the spread of Coronavirus (COVID-19), all meetings were held virtually after March 2020. The below schedule shows the attendance records for each meeting during 2020:

No.	Member	Meetings during 2020					No. of attendance
		29 Jan	29 April	16 Sep*	28 Oct	20 Dec	
1.	Mr. Sulaiman Abdulkadir Al Muhaidib	√	√	√	√	√	5 of 5
2.	Mr. Bader Abdullah Al Issa	√	√	√	√	√	5 of 5
3.	Mr. Essam Abdulkadir Al Muhaidib	√	√	√	√	√	5 of 5
4.	Mr. Abdulaziz Khaled Al Ghufaily	√	√	√	√	√	5 of 5
5.	Eng. Mutaz Qusai Alazawi	√	√	√	√	√	5 of 5
6.	Mr. Fahad Abdullah Al Kassim	√	√	√	√	√	5 of 5
7.	Mr. Mohammed Ibrahim Al Issa	√	√	√	√	√	5 of 5
8.	Mr. Abdulrahman Mohammed Ramzi Addas	√	√	√	√	√	5 of 5
9.	Mr. Rakan Abdulaziz Al Fadl	√	√	√	√	√	5 of 5
10.	Dr. Adnan Abdulfattah Soufi	√	√	√	√	√	5 of 5
11.	Mr. Bader Hamad Al Rabiah	√	√	√	√	√	5 of 5
-	Mr. Elnour Ali Saad (Board Secretary)	√	√	√	√	√	5 of 5

The last meeting of the General Assembly was held on 29 April 2020 and the attendance records above reflects the attendance of the Board members during the full year before and after the General Assembly.

* The financial results for Q2 2020 were approved by the BOD by circulation based on the Audit Committee recommendation at its meeting held on 12 August 2020.

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

One meeting of the Shareholders General Assembly was held virtually during the last fiscal year due to the precautionary measures to limit the spread of Coronavirus (COVID-19). The following is a list of the members of the Board of Directors present during the meeting:

No.	Board Member	Position	EGM No. 32 (29 April 2020)	No. of meetings attended
1.	Mr. Sulaiman Abdulkadir Al Muhaidib	Chairman	√	1 of 1
2.	Mr. Bader Abdullah Al Issa	Vice Chairman	√	1 of 1
3.	Mr. Abdulaziz Khaled Al Ghufaily	Member	√	1 of 1
4.	Mr. Essam Abdulkadir Al Muhaidib	Member	√	1 of 1

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

No.	Board Member	Position	EGM No. 32 (29 April 2020)	No. of meetings attended
5.	Mr. Fahad Abdullah Al Kassim	Member and Chairman of AC	√	1 of 1
6.	Eng. Mutaz Qusai Alazawi	Member and Chairman of IC	√	1 of 1
7.	Mr. Mohammed Ibrahim Al Issa	Member	√	1 of 1
8.	Mr. Abdulrahman Mohammed Ramzi Addas	Member	√	1 of 1
9.	Mr. Rakan Abdulaziz Al Fadl	Member and Chairman of RNC	√	1 of 1
10.	Dr. Adnan Abdulfattah Soufi	Member	√	1 of 1
11.	Mr. Bader Hamad Al Rabiah	Member	√	1 of 1

b) Board Committees:

b-1) Remuneration and Nomination Committee:

• Meetings and role of the Committee:

The Remuneration and Nomination Committee (RNC) consists of 5 members who are Independent and Non-Executive Board members and external experts with experience in the field of the Committee's mandates. The Committee held 3 meetings during 2020, and due to the precautionary measures to limit the spread of Coronavirus (COVID-19) all meetings held after March 2020 were held via video conference. 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 role, duties and main responsibilities:

The Committee shall assume responsibilities related to 3 areas, namely Remuneration, Nomination and Corporate Governance, and will update the Board regularly about its activities. The Committee's duties and responsibilities include:

a) With regards to Remuneration:

Prepare a clear remuneration policy for Board members, its Committees and the Executive Management and clarify the relationship between the paid remuneration and the adopted remuneration policy and highlight any material deviation from that policy. In addition, review the remuneration policy periodically and assess its effectiveness in achieving its objectives.

b) With regards to Nomination:

Recommend clear policies and standards for Board membership, Executive Management and Savola's representatives in its subsidiaries and associates, review the requirements suitable for membership of the Board and Executive Management annually and assess the performance of the Board in terms of strengths and weaknesses and recommend necessary solutions in the best interests of the Company. Ensure on an annual basis, the independence of independent directors and the absence of any conflicts of interest if a Board member also acts as a member of the board of another company.

c) With regards to Corporate Governance (CG):

Ensure that the Company is in compliance with CG regulation issued by CMA and the Company's CG Manual and policies, and review; update CG Manual and rules pursuant to statutory requirements and best practices; as well as review and develop a code 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, as well as all the competences stipulated in Article (94) of the CG regulation issued by CMA.

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

Statement of attendance for Committee meetings held during 2020:

No.	Member	Meetings during 2020			Total
		28 Jan	28 April	15 Sep	
1.	Mr. Rakan Abdulaziz Al Fadl (Chairman) (Independent Savola Board member)	√	√	√	3 of 3
2.	Mr. Essam Abdulkadir Al Muhaidib (Non-Executive Savola Board member)	√	√	√	3 of 3
3.	Mr. Bader Abdullah Al Issa (Non-Executive Savola Board member)	√	√	√	3 of 3
4.	Mr. Abdulrahman Mohammed Ramzi Addas (Independent Savola Board member)	√	√	√	3 of 3
5.	Mr. Johan Brand (Independent external member)	√	√	√	3 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 5 members, all of them are Non-Executive and Independent Board members. The Committee held 7 meetings during 2020 to enhance the role of the Board in following and implementing the strategic plans in relation to investment opportunities. Due to the precautionary measures to limit the spread of Coronavirus (COVID-19) all meetings held after March 2020 were held virtually. Below is a summary of the Committee's role, responsibilities, membership, and the number of meetings held during 2020:

• Summary of Committee role, duties and main responsibilities:

Review and recommend to the Board for its approval an overall capital allocation framework and implementation model for the Company's investment activities, which takes into account relevant factors such as return on invested capital targets and benchmarks, allocation guidelines and limits, risks limits and strategic objectives. 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 that are approved by the Board. In addition, to review the balance sheet impact of specific proposed transactions including funding requirements and the impact on the Company's liquidity and debt ratios as part of determining whether to recommend them to the Board for approval.

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

b) Board Committees continued

• Statement of attendance for Committee meetings held during 2020:

No.	Member	Meetings during 2020							Total
		28 Jan	11 March	28 April	28 June	31 Aug	15 Sept	9 Dec	
1.	Eng. Mutaz Qusai Alazawi (Chairman) (Non-Executive Savola Board member)	√	√	√	√	√	√	√	7 of 7
2.	Mr. Abdulaziz Khaled Al Ghufaily (Non-Executive Savola Board member)	√	√	√	√	√	√	√	7 of 7
3.	Mr. Fahad Abdullah Al-Kassim (Independent Savola Board member)	√	√	√	√	√	√	√	7 of 7
4.	Dr. Adnan Abdulfattah Soufi (Non-Executive Savola Board member)	√	√	√	√	√	√	√	7 of 7
5.	Mr. Mohammed Ibrahim Al Issa (Non-Executive Savola Board member)	√	√	√	√	√	√	√	7 of 7
-	Mr. Elnour Ali Saad (Committee Secretary)	√	√	√	√	√	√	√	7 of 7

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 propose solutions in the best interest of the Company. In line with this practice, and under the RNC supervision, Savola adapted the following methods in this regard:

- Savola engaged Governance Compass, an external and independent consulting firm which is a non-related party to the Group. Governance Compass is a qualified consulting firm specialized in Board and leadership effectiveness assessment. The assessment performed by Governance Compass covered the performance of the Board, Directors, Committees and their meetings throughout 2018. All recommendations resulted from this assessment were applied during 2019 and 2020.
- Governance Compass was also engaged in 2020 to conduct Board Meeting Effectiveness (BME) surveys to assess the effectiveness of the Board and Committees meetings members' participation and interaction in the discussions during the meetings to reach informed decisions that enhance the Company's performance and ability to achieve its objectives continued during 2020, and the continued assessment results were shared with the Board and an action plan has been developed to address the recommendations, which is being implemented.
- Savola conducted an in-house annual Board and Committees evaluation for the year 2020 under the RNC supervision, as per article (41) of the CG Regulations issued by CMA. The evaluation included detailed questionnaires to assess the effectiveness of the Board and Committees' performance during 2020 and to identify the strengths and weaknesses of the Board and Committees in light of their role and responsibilities. With 100% participation rate, the questionnaires' results were analyzed and recommendations were shared with the Board and Committees including the strengths and weaknesses and the relevant action plan. There was a plan to conduct a workshop during 2020, among its agenda to arrange for a special session to train Board members in light of the outcome of the evaluation process, but it was postponed due to the COVID-19 pandemic restrictions.
- The periodic evaluation of the effectiveness of the discussions and decision-making during the Board and Committees meetings (BME surveys) will continue for the year 2021.
- Savola plans to conduct a comprehensive evaluation of the Board and Committees' effectiveness by an external and independent third party during 2021.

d) Remuneration of the Board, Committee members and Executive Management

d-1) General standards for Remuneration:

The shareholders' AGM held on 2 November 2017 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 (61) of the CMA Corporate Governance Regulation.

The Remuneration and Nomination Committee (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. The variable part of the remuneration shall be linked to the long-term performance.
3. Remuneration shall be consistent with the strategy, objectives, the magnitude, nature and level of risks faced by Savola.
4. Benchmarking shall be used to take into consideration the remuneration practices of other companies. The disadvantages of such comparisons that might lead to unjustifiable increases in remuneration and compensation 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 experience of its Board members.
9. Be reasonably sufficient to attract and retain highly-qualified and experienced board members.
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.
12. If the Company developed a program to grant some of its shares to Board members, Executive Management and employees; whether it is a new issue or shares purchased by the Company, the RNC 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 2 or more of these benefits. In no event, shall the remuneration of a Board member exceed the limit stated in the Companies Law and CMA regulations. 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 the annual remuneration of the Board member shall be SAR 200,000 and an attendance fee of SAR 5,000 for the session, as well as the other expenses related to the Board activity.
- 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 Board shall determine and approve its Committee's remuneration – excluding the Audit Committee remuneration, attendance fees and other benefits based on the RNC recommendation.
- Committee member remuneration shall consist of an annual remuneration of SAR 100,000 and attendance fees of SAR 5,000 for the session, in line with the approved policy.
- Audit Committee members' remuneration shall be determined by the General Assembly based on the Board's recommendation as per the regulations, which was approved to be SAR 150,000 and attendance fees of SAR 5,000 for the session, in line with the approved policy.
- The remuneration policy of the Board and Committees shall be reviewed from time to time by the RNC, provided that any recommended changes are presented by the Board to the General Assembly in the next meeting for approval.

d) Remuneration of the Board, Committee members and Executive Management continued

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's remuneration which includes:

- Basic salary (to be paid on a monthly basis at the end of each Gregorian month).
- Allowances that include, but are not limited to, housing, transportation, children's education/school fees and phone allowances.
- Medical insurance benefits for all employees and Executive Management and eligible family members.
- Life insurance policy (including events of partial or permanent disability and natural or unnatural death).
- 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 it exists).
- Other benefits include, 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.
- 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.

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).

Corporate Governance Report and major relevant disclosures continued

d-4) Remuneration of the Board Members

Below are the details of Board members' remunerations (SAR):

No.	Member name	Title	Fixed remunerations				Variable remunerations					Aggregate Amount	Expenses allowance	
			Specific amount	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	Total	Percentage of the profits	Periodic remunerations			Short-term incentive plans
First: Independent Directors:														
1.	Mr. Bader Hamad Al Rabiiah	Member	200,000	25,000	30,000	-	-	-	-	-	-	-	-	6,030
2.	Mr. Fahad Abdullah Al Kassim	Member	200,000	25,000	65,000	-	-	-	-	-	-	-	-	5,435
3.	Mr. Abdulrahman Mohammed Ramzi Addas	Member	200,000	25,000	15,000	-	-	-	-	-	-	-	-	-
4.	Mr. Rakan Abdulaziz Al Fadl	Member	200,000	25,000	15,000	-	-	-	-	-	-	-	-	240,000
Second: Non-Executive Directors:														
5.	Mr. Sulaiman Abdulkadir Al Muhaidib (Not a member of any Committee)	Chairman	200,000	25,000	N/A	-	-	-	-	-	-	-	-	5,435
6.	Mr. Bader Abdullah Al Issa	V-Chairman	200,000	25,000	15,000	-	-	-	-	-	-	-	-	5,435
7.	Mr. Essam Abdulkadir Al Muhaidib	Member	200,000	25,000	15,000	-	-	-	-	-	-	-	-	6,536
8.	Mr. Abdulaziz Khaled Al Ghufaily	Member	200,000	25,000	35,000	-	-	-	-	-	-	-	-	5,435
9.	Dr. Adnan Abdulfattah Soufi	Member	200,000	25,000	35,000	-	-	-	-	-	-	-	-	260,000
10.	Eng. Mutaz Qusai Alazzawi	Member	200,000	25,000	35,000	-	-	-	-	-	-	-	-	16,740
11.	Mr. Mohammed Ibrahim Al Issa	Member	200,000	25,000	65,000	-	-	-	-	-	-	-	-	5,435
Total			2,200,000	275,000	325,000	-	-	-	-	-	-	-	-	2,800,000
														56,481

d-5) Remuneration of Committee members:

Below are the details of Committees members' remunerations (SAR):

No.	Committee / member name	Title	Fixed remuneration (excluding the allowance for attending Board meetings)	Attendance fees (5,000 per meeting)	Total	Expenses allowance
Audit Committee Members:						
1.	Mr. Fahad Abdullah Al Kassim (Independent, Savola Board member)	Chairman	150,000	30,000	180,000	Mentioned in the previous Board remuneration table
2.	Mr. Mohammed Ibrahim Al Issa (Non-Executive, Savola Board member)	Member	150,000	30,000	180,000	Mentioned in the previous Board remuneration table
3.	Mr. Bader Hamad Al Rabiah (Independent, Savola Board member)	Member	150,000	30,000	180,000	Mentioned in the previous Board remuneration table
4.	Dr. Abdul Raouf Suliman Banaja (Independent, external member)	Member	150,000	30,000	180,000	N/A
5.	Mr. Tareq Abdullah Al Garaawy (as of 6 October 2020)	Member	35,462	5,000	40,462	-
Ex-Committee Member:						
-	Dr. Ammr Khalid Kurdi (Independent, external member)	Member (resigned as of 1 May 2020)	50,000	15,000	65,000	2,435
Total			685,462	140,000	825,462	2,435
Remuneration and Nomination Committee Members:						
1.	Mr. Rakan Abdulaziz Al Fadl (Independent, Savola Board member)	Chairman	100,000	15,000	115,000	N/A
2.	Mr. Bader Abdullah Al Issa (Non-Executive, Savola Board member)	Member	100,000	15,000	115,000	Mentioned in the previous Board remuneration table
3.	Mr. Essam Abdulkadir Al Muhaidib (Non-Executive, Savola Board member)	Member	100,000	15,000	115,000	Mentioned in the previous Board remuneration table
4.	Mr. Abdulrahman Mohammed Ramzi Addas (Independent, Savola Board member)	Member	100,000	15,000	115,000	N/A
5.	Mr. Johan Brand (Independent, external member)	Member	100,000	15,000	115,000	3,000
Total			500,000	75,000	575,000	3,000
Investment Committee Members:						
1.	Eng. Mutaz Qusai Alazawi (Non-Executive, Savola Board member)	Chairman	100,000	35,000	135,000	Mentioned in the previous Board remuneration table
2.	Mr. Abdulaziz Khaled Al Ghufaily (Non-Executive, Savola Board member)	Member	100,000	35,000	135,000	Mentioned in the previous Board remuneration table
3.	Mr. Fahad Abdullah Al Kassim (Independent, Savola Board member)	Member	100,000	35,000	135,000	Mentioned in the previous Board remuneration table

No.	Committee / member name	Title	Fixed remuneration (excluding the allowance for attending Board meetings)	Attendance fees (5,000 per meeting)	Total	Expenses allowance
4.	Mr. Mohammed Ibrahim Al Issa (Non-Executive, Savola Board member)	Member	100,000	35,000	135,000	Mentioned in the previous Board remuneration table
5.	Dr. Adnan Abdulfattah Soufi (Non-Executive, Savola Board member)	Member	100,000	35,000	135,000	N/A
Total			500,000	175,000	675,000	-

d-6) Senior executives' compensation of Savola Group for 2020:

Compensation and benefits paid to 5 senior executives including the CEO and CFO of the Group during 2020 were:

No.	Description	Senior executives' (5 in total) compensation including the CEO and the CFO (SAR '000s)
Fixed Remuneration		
-	Salaries	13,699
-	Allowances (including housing, transportation, health insurance, education allowance, etc.)	4,794
-	In-kind benefits	480
Total of fixed remuneration		18,973
Variable Remuneration		
-	Periodic remuneration	-
-	Profits	-
-	Short-term incentive plans (including performance-related bonus for 2020)	9,880
-	Long-term incentive plans	-
-	The value of the Granted shares	319
Total of variable remuneration		10,199
-	End of service award	1,742
-	Total remuneration for Board executives, if any	70
Grand total		30,984

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 (b) of paragraph (4) of Article 93 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.

Directors' Report

Corporate Governance Report and Major Relevant Disclosures continued

e) Remuneration of the Board, Committee members and Executive Management continued

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.

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 whom the interest, contractual securities or rights issue belongs to	Beginning of the year		End of the year		Net change	Percentage of change
		Shares	Debt instruments	Shares	Debt instruments		
First: Board members:							
1.	Mr. Sulaiman Abdulkadir Al Muhaidib	1,000	-	1,000	-	-	0%
2.	Mr. Bader Abdullah Al Issa	1,025	-	1,025	-	-	0%
3.	Mr. Abdulaziz Khaled Al Ghufaily	1,000	-	1,000	-	-	0%
4.	Mr. Essam Abdulkadir Al Muhaidib	2,500	-	2,500	-	-	0%
5.	Eng. Mutaz Qusai Alazawi	1,000	-	1,000	-	-	0%
6.	Mr. Fahad Abdullah Al Kassim	2,000	-	2,000	-	-	0%
7.	Mr. Mohammed Ibrahim Al Issa	1,000	-	1,000	-	-	0%
8.	Mr. Abdulrahman Mohammed Ramzi Addas	1,000	-	1,000	-	-	0%
9.	Dr. Adnan Abdulfattah Soufi	1,000	-	1,000	-	-	0%
10.	Mr. Rakan Abdulaziz Al Fadl	225,660	-	142,060	-	(83,600)	(37.05%)
11.	Mr. Bader Hamad Al Rabiah	2,500	-	2,500	-	-	0%

Second: Board members' relatives: N/A

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

Board members and their relatives:							
No.	Names of members whom the interest, contractual securities or rights issue belongs to	Beginning of the year		End of the year		Net change	Percentage of change
		Shares	Debt instruments	Shares	Debt instruments		
First: Board members:							
1.	Mr. Waleed Khalid Fatani (Savola Group CEO as of 1 January 2021)	26	-	26	-	-	0%
2.	Mr. Sameh Hassan (Savola Foods Co. CEO)	-	-	-	-	-	0%
3.	Dr. Bander Talaat Hamooh (Panda Retail Co. CEO)	26	-	26	-	-	0%
4.	Mr. Wajid Usman Khan (Chief Financial Officer as of 1 January 2021)	-	-	-	-	-	0%
5.	Mr. Mohammed Nasr (Executive Director - Investment)	-	-	-	-	-	0%

Board members and their relatives:							
No.	Names of members whom the interest, contractual securities or rights issue belongs to	Beginning of the year		End of the year		Net change	Percentage of change
		Shares	Debt instruments	Shares	Debt instruments		
6.	Mr. Elnour Ali Saad (Executive Director Corporate Governance & Legal Affairs and Board Secretary)	-	-	-	-	-	0%
7.	Mr. Morhaf Mohammed Alsamman (Executive Director Human Resources & Corporate Services)	-	-	-	-	-	0%

Second: Senior Executive resigned during 2020

-	Eng. Anees Ahmed Moumina (Savola Group Ex-CEO, his resignation was announced on Tadawul on 28 October 2020, and it was effective as of 31 December 2020)	-	-	-	-	-	0%
-	Mr. Nouman Farrukh Muhammad Abdussalam (Ex-Group Chief Financial Officer, until 31 December 2020)	-	-	-	-	-	0%

Third: Senior executives' relatives: N/A

e-3) Description of any interest of Board members and their relatives in shares or debt instruments in Herfy Food Services Co. (a listed subsidiary of Savola Group):

Board members and their relatives:							
No.	Names of members whom the interest, contractual securities or rights issue belongs to	Beginning of the year		End of the year		Net change	Percentage of change
		Shares	Debt instruments	Shares	Debt instruments		
First: Board members:							
1.	Mr. Essam Abdulkadir Al Muhaidib	1,960	-	1,960	-	-	0%
2.	Eng. Mutaz Qusai Alazawi	1,400	-	1,400	-	-	0%
Second: Board members' relatives: N/A							
Third: Executive Management:							
1.	Eng. Anees Ahmed Moumina (Savola Group Ex-CEO until 31 December 2020)	64	-	64	-	-	0%

Fourth: Executive Managements' relatives: N/A

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

No.	Date	Announcement
1.	29 January 2020	The Board approve to buy back Savola shares to retain them as Treasury Shares under the Employees Long-Term Incentive Program (LTIP) and it was announced in Tadawul (Savola intention to purchase its shares)
2.	29 January 2020	Approve the interim financial results for the period ended on 31 December 2019 (12 months)
3.	29 January 2020	Recommend the distribution of cash dividend for the year 2019
4.	17 March 2020	Approve the Annual Financial Results for the period ended on 31 December 2019
5.	06 April 2020	Invite the Shareholders to attend the Extraordinary General Assembly Meeting No.32 (First meeting)
6.	23 April 2020	The commencement date of the Electronic Voting on the agenda of its Extraordinary General Assembly Meeting (No. 32) (First meeting)
7.	30 April 2020	The results of the Extraordinary General Assembly Meeting No. (32) (First meeting)
8.	30 April 2020	The resignation of Dr. Omar Kurdi (an Audit Committee member)
9.	30 April 2020	Approve the Interim Financial Results for the period ended on 31 March 2020 (3 months)
10.	16 August 2020	Approve the Interim Financial Results for the period ended on 30 June 2020 (6 months)
11.	14 September 2020	Savola Group announces the results of the buyback of its shares (First tranche)
12.	06 October 2020	The appointment of Mr. Tareq Abdullah Al Garaawy (an Audit Committee member)
13.	28 October 2020	Approve the Interim Financial Results for the period ended on 30 September 2020 (9 months)
14.	28 October 2020	Approve the resignation of the Group CEO and appoint a new Group CEO

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 2020, 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, in daily newspapers 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 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 2020:

No.	Detail	Value in SAR/Number of shares
1.	Company authorized capital	SAR 5,339,806,840
2.	Issued shares (all Company's shares are ordinary shares)*	533,980,684
3.	Floated issued shares (by Tadawul records)**	497,856,839
4.	Paid-up capital	SAR 5,339,806,840
5.	Nominal value per share	SAR 10
6.	Paid-up value per share	SAR 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.

** The total number of floated shares changes from time to time based on the trading movement of Savola Group shares on the Saudi Stock Exchange. Please note that the number of floated shares has been taken from Tadawul's records on 1 March 2021.

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 2021 which may be of interest to our valued shareholders and investors:

No.	Dates 2021	Key events for 2021
1.	27 January	Audit Committee meeting to recommend to the Board approval of the financial results for the fourth quarter of 2020
2.	27 January	Board of Directors' meeting regarding the financial results for the fourth quarter of 2020 which will be announced in the light of the Board's decision during the prescribed period
3.	Within one week after financial results announcement	Earning call for Institutional investors and Analysts regarding financial results for Q4, 2020.
4.	15 March	Audit Committee meeting regarding the audited financial results for 2020
5.	15-16 March	The annual financial results for 2020 will be approved by Board of Directors
6.	16-17 March	Date of publishing the Annual Financial Results of year 2020 on Tadawul and then Savola website
7.	17-31 March	Date of publishing the Savola Group Annual Report for 2020
8.	28 April	Audit Committee meeting to recommend to the Board approval of the financial results for the first quarter of 2021

g) Shareholders' rights and investor relations continued

9.	28 April	Board of Directors' meeting regarding the financial results for the first quarter of 2021 which will be announced in the light of the Board's decision during the prescribed period
10.	28 April	Hold the Annual General Meeting (AGM) which will be announced as per regulation (proposed date subject to the approval of the official authorities)
11.	Within one week after financial results announcement	Earning call for Institutional investors and Analysts regarding financial results for Q1, 2021.
12.	3 August	Audit Committee meeting to recommend to the Board approval of the financial results for the second quarter of 2021
13.	4-5 August	Date of publishing the financial results for the second quarter of 2021 on Tadawul once approved by the Board based on the recommendation of the Audit Committee
14.	Within one week after financial results announcement	Earning call for Institutional investors and Analysts regarding financial results for Q2, 2021.
15.	28 October	Audit Committee meeting to recommend to the Board approval of the financial results for the third quarter of 2021
16.	28 October	Board of Directors' meeting regarding the financial results for the third quarter of 2021 which will be announced in the light of the Board's decision during the prescribed period
17.	Within one week after financial results announcement	Earning call for Institutional investors and Analysts regarding financial results for Q3, 2021.
18.	2nd half of 2021	Conduct annual workshop for the Board of Directors to review the strategy for the Group and its subsidiaries.

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 (45) of the Company bylaws the Company's annual net profits shall be distributed as follows:

- 10% of the net profits shall be set aside to form a statutory reserve. However, the ordinary general assembly may discontinue such procedures when the reserve totals 30% of the paid-up capital.
- The ordinary general assembly may decide to allocate other reserves, in the amount that serves the Company's interests or ensures distribution of stable profits as much as possible to shareholders. The said assembly may, as well, deduct from the net profits such amounts as are required for the setting-up of or providing aid to social institutions for the Company's employees.
- The remaining profits shall be distributed to shareholders pursuant to a recommendation of the Board of Directors as required by the regulations in this regard, taking into account the provisions of Article (46) 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 maturity date and the distribution date. The entitlement of profits shall be to the shareholders who are registered in the shareholders' records at the end of the maturity 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) Dividends proposed for distribution for 2020 and their payment process:

In light of the above Dividends Distribution Policy, the Savola Group Board in its meeting on 27 January 2021, and in light of the achieved net profit amounted to SAR 910.8 million for the year 2020, recommended the distribution of SAR 400.49 million (i.e. SAR 0.75 per share) as cash dividends for the year 2020, which represents 7.5% of the Company's nominal share value. The maturity date for these cash dividends will be for all shareholders who are registered in Tadawul at the end of the second trading day following the day of the Annual General Assembly Meeting (AGM) which will be fixed after securing the formal approval from the relevant official authorities, and accordingly, the said AGM will ratify the above Board's recommendation. The dividends will be paid after the approval of the AGM and will be deposited in the shareholders' accounts as will be detailed in the announcement, which will be published on Tadawul at a later date.

• The following statement shows the proposed dividends to be distributed for 2020:

	Percentage of interim dividends distributed during the year	Proposed dividend ratios at the end of the year	Total recommended dividends (SAR)
Percentage	No interim dividends were distributed during the year 2020	(SAR 0.75 per share) which represents 7.5% of the nominal value of the share	SAR 400.49 million
Total			SAR 400.49 million

Shareholders' Information and Share Price Data:

As of 31 December 2020, Savola had 95,360 shareholders 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	69.75%	578	372,446,481
Individual Investors (including share certificates holders)	30.25%	94,782	161,534,203
Total	100%	95,360	533,980,684

b) Savola Investors according to their nationality:

Investor Nationality	Percentage of Ownership	Number of Investors	Number of Shares
Saudi Investors	89.14%	94,366	476,009,679
GCC Investors	1.09%	84	5,796,236
Foreign Investors	9.77%	910	52,174,769
Total	100%	95,360	533,980,684

c) Savola Investors according to their nature:

Investor Nature	Percentage of Ownership	Number of Investors
GOSI and other Governmental or semi-Governmental Investors	20.66%	12
Assila Investments Co.	11.24%	1
Abdulkadir Al Muhaidib & Sons Co.	8.23%	1
Mr. Abdullah M.A. Al Rabiah	8.22%	1
Al Muhaidib Holding Co.	6.36%	1
Saudi funds	6.58%	83
GCC funds	0.31%	19
Swap agreements	0.02%	5
Other Individual Investors (including share certificate holders)	22.03%	94,781
Other Corporate Investors	16.35%	456
Total	100%	95,360

Directors' Report

Corporate Governance Report and Major Relevant Disclosures continued

g) Shareholders' rights and investor relations continued

d) Savola Investors according to their the percentage of ownership:

Ownership Size	Percentage of Ownership	Number of Investors
More than 1 million shares	75.58%	50
From 500,000 to less than 1 million shares	4.05%	32
From 100,000 to less than 500,000 shares	8.89%	206
From 50,000 to less than 100,000 shares	2.89%	220
From 10,000 to less than 50,000 shares	3.95%	993
From 5,000 to less than 10,000 shares	1.16%	925
From 1,000 to less than 5,000 shares	1.89%	5,103
Less than 1,000 shares	1.59%	87,831
Total	100%	95,360

e) Savola Investors according to their ownership type:

Ownership Type	Percentage of Ownership	Number of Investors	Number of Shares
Investment Portfolios	99.02%	51,698	528,773,566
Shares Certificates	0.98%	43,662	5,207,118
Total	100%	95,360	533,980,684

f) Share price data (SAR)

Share price 1 January 2020	Share price 31 December 2020	Share price 3 years ago	52-week high	52-week low	Change from 2019-2020
34.95	42.50	42.15	54.00	29.00	21.6%

Shares performance summary at the end of each month (high, low, and closing) during the fiscal year 2020 (all information was obtained from the Company's page in the Saudi Stock Exchange – Tadawul's website):

Month	High	Low	Close
January	36.10	35.50	35.75
February	33.45	32.05	33.45
March	35.90	35.05	35.70
April	41.20	40.15	40.50
May	41.80	40.30	40.65
June	43.05	42.00	42.10
July	46.95	46.05	46.50
August	49.40	48.05	48.60
September	48.30	47.95	48.00
October	48.00	45.80	45.80
November	46.05	45.10	46.05
December	43.00	42.50	42.50

g-7) Major shareholders list:

Below are shareholders owning 5% or more of the total shares of the Group, and movements during 2020 (in SAR):

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 2020	Ownership at the beginning of 2020	Shares at the end of 2020	Percentage at the end of 2020	Shares change	Percentage change
1.	Assila Investments Co.	Saudi Company	60,000,000	11.24%	60,000,000	11.24%	-	0%
2.	Abdulkadir Al Muhaidib & Sons Co.	Saudi Company	43,966,110	8.23%	43,966,110	8.23%	-	0%
3.	Mr. Abdullah M.A. Al Rabiah	Saudi National	43,892,500	8.22%	43,892,500	8.22%	-	0%
4.	General Organization for Social Insurance (GOSI)	Saudi Government Institution	35,626,085	6.67%	35,626,085	6.67%	-	0%
5.	Al Muhaidib Holding Co.	Saudi Company	33,980,684	6.36%	33,980,684	6.36%	-	0%

Declaration: Regarding the declaration of movements in major shareholders' ownership in accordance with listing rules, the Group confirms that it has not received any written notification during 2020 from any of its major shareholders indicating any changes or movement in their ownership percentages. The disclosed information is based on the Saudi Stock Exchange (Tadawul) records on 31 December 2020.

g-8) Details of retained Treasury Shares:

Number of retained Treasury Shares	Value of the retained Treasury Shares	Date of retention	Purpose of keeping the shares as Treasury Shares
341,675	SAR 16,508,713	13 September 2020	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 3 years from the allocation date) according to each tranche starting date.

g-9) Number of Company's requests of shareholders records, dates and reasons thereof for 2020:

No.	Date of request	Reason
1.	29 April	To determine the eligibility for attending the Extraordinary General Assembly Meeting (No. 32)
2.	3 May	To determine the eligibility for dividends and its distribution
3.	2 January, 8 April, 1 July, 6 September and 31 December	(5 Reports) To review the changes in share ownership for investor relations purposes and to update the transparency screen which is being published on the Company's website
Total		7 Reports

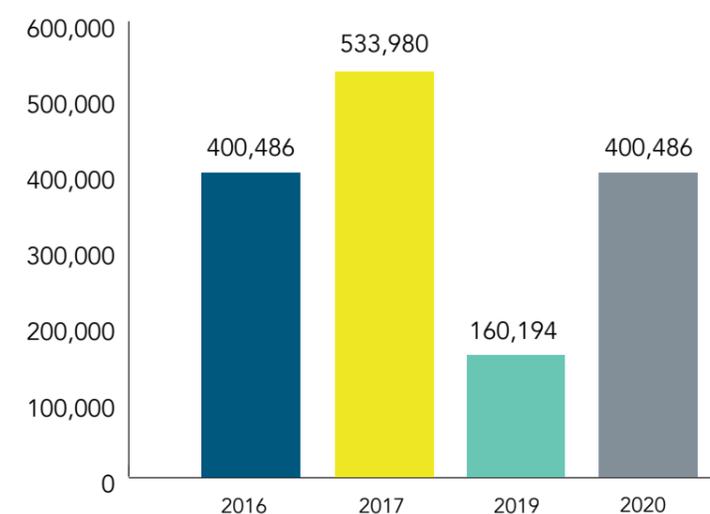
Corporate Action

No.	New Capital	Previous Capital	Issue Type	Date
1	5,339,806,840	5,000,000,000	Acquisition	04 November 2013
2	5,000,000,000	3,750,000,000	Bonus Shares	25 March 2008
3	3,750,000,000	3,000,000,000	Bonus Shares	11 October 2006
4	3,000,000,000	1,800,000,000	Bonus Shares	15 April 2006
5	1,800,000,000	1,500,000,000	Right Issue	16 November 2005

Dividends

Year	Dividends per share (SAR)	Total of Dividends distributed/ declared for the year (SAR '000s)	Net income (SAR'000s)	Percentage
2016	0.75	400,486	(363,287)	-
2017	1	533,980	1,025,618	52.06%
2018	-	-	(520,380)	-
2019	0.30	160,194	475,630	33.68%
2020	0.75	400,486	910,802	43.97%
2016-2020		1,495,146	1,528,383	97.8%

Total of Dividends distributed/declared for the year (SAR '000s)



h) Transactions with related parties that took place during 2020, these transactions will be renewed for the upcoming year in the upcoming AGM meeting as per laws and regulation in this regard:

Information relating to any business or contract to which the Company is a party and in which a Board member, a senior executive or any person related to any of them is or was of interest:

1) Transactions and contracts with a 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 2020	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
a. Savola and Al Muhaidib:					
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 SAR 636.78 million.					
1.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Mayar Foods Co.	SAR 105.88 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery,	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. Essam Abdulkadir Al Muhaidib who is the Managing Director of Abdulkadir Al Muhaidib & Sons Co. as well as a Board member of Savola. Business and commercial contracts between Abdulkadir Al Muhaidib & Sons Co. and its subsidiaries are executed with some of Savola subsidiaries in the Food and Retail Sectors. Also, Abdulkadir Al Muhaidib & Sons Co. owns 8.23% of Savola shares.
2.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Del Monte Saudi Arabia	SAR 131.64 million			
3.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Nestle Group and its subsidiaries.	SAR 345.21 million			
4.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Manhal Water Factory Co. Ltd.	SAR 5.83 million			
5.	Leasing spaces by Panda Retail Co. (a subsidiary of Savola) from Abdulkadir Al Muhaidib & Sons Co.	SAR 7.20 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)		
6.	Leasing spaces to sell its products along with trading foods products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Almhbj Alshamiyah Trading Co.	SAR 34.31 million			
7.	Leasing spaces to sell its products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Del Monte Saudi Arabia	SAR 555,000			
8.	Scrap sales by Panda Retail Co. (a subsidiary of Savola) to Waste Collection & Recycling Company	SAR 5.49 million			
9.	Leasing spaces to sell its products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Zohoor Alreef Co.	SAR 335,000			
10.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Al Jazirah Dates & Food Factory	SAR 32,000			
Total		SAR 636.78 million			

Corporate Governance Report and Major Relevant Disclosures continued

h) Transactions with related parties that took place during 2020, these transactions will be renewed for the upcoming year in the upcoming AGM meeting as per laws and regulation in this regard continued

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 2020	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. Savola and Almarai Co: 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 SAR 887.34 million.					
1.	Purchasing consumer foods goods by Panda Retail Co. (a subsidiary of Savola) from Almarai Co. and its subsidiaries	SAR 801.08 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	Almarai, a listed company in which Savola Group owns 34.52%. Three of Savola Directors are members of Almarai's Board (Mr. Sulaiman Abdulkadir Al Muhaidib, Mr. Bader Abdullah Al Issa as well as Eng. Anees Ahmed Moumina Group CEO until 31 December 2020).
2.	Selling sugar by United Sugar Company (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	SAR 39.19 million			
3.	Selling specialty fats products by International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Almarai Co.	SAR 38.18 million			
4.	Purchasing products by Afia International Distribution and Marketing Co. (a subsidiary of Savola Foods Co.) from Almarai Co.	SAR 8.89 million			
Total		SAR 887.34 million			

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 2020	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
c. Savola and Herfy Co: 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 SAR 51.34 million.					
1.	Leasing shops and retail purchases of food products by Panda Retail Co. (a subsidiary of Savola) to/from Herfy Food Services Co.	SAR 43.1 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)	Annually	Herfy Food Services Co., a listed company, in which Savola Group owns 49% (directly and indirectly); Savola has (3) representatives on Herfy's Board: Mr. Essam Abdulkadir Al Muhaidib, who is the Chairman of Herfy Board, and Eng. Mutaz Qusai Alazawi who are also Board members of Savola Group, as well as Eng. Anees Ahmed Moumina Group CEO until 31 December 2020.
2.	Selling edible oil products by Afia International (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	SAR 2.59 million			
3.	Selling sugar by United Sugar Co. (a subsidiary of Savola Food Co.) to Herfy Food Services Co.	SAR 2.26 million			
4.	The sale of specialty fats products by the International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	SAR 3.39 million			
Total		SAR 51.34 million			

4) Transactions and contracts with a direct or 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 2020	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.	SAR 33.33 million	In the ordinary course of business and general commercial terms worked without any preferential treatment including renewal, payment methods, maintenance, insurance, etc.	Annually	Kinan International for Real Estate Development Co., of which Savola owns 29.99%, and Savola has two members on Kinan's Board: Mr. Mohammed Ibrahim Al Issa a Savola Board member, and Eng. Anees Ahmed Moumina Group CEO until 31 December 2020.
2.	Leasing of shop by Panda Retail Co. (a subsidiary of Savola) from Dur Hospitality Co.	SAR 10.50 million			Dur Hospitality Co., where Mr. Badr Abdullah Al Issa is a Board member and he is also a Board member of Panda Retail Co. (a subsidiary of Savola)

i) A description of any transaction between the Company and any related party:

The following transactions mainly represent sale and purchase of products and leases of stores 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
1.	Certain shareholders of USC	Shareholder's of a subsidiary	Trade	During 2020	SAR 165.72 million
2.	Certain shareholders of AIC	Shareholder's of a subsidiary	Trade	During 2020	SAR 75.89 million
3.	Intaj – Savola Investments	Associate	Non-trade	During 2020	SAR 14.1 million
4.	Arabian Centers Company – Al Hokair	Shareholder of a subsidiary	Non-trade	During 2020	SAR 34.72 million
5.	Seafood International One FZCO – SFC	Associate	Trade	During 2020	SAR 17.20 million
			Non-trade	During 2020	SAR 2.73 million
6.	Khairat Al Sharq for General Trade and Manufacturing Foodstuff Company	Associate	Non-trade	During 2020	SAR 963,000
7.	United Sugar Co. Egypt – SFC	Associate	Trade	During 2020	SAR 26.09 million
			Non-trade	During 2020	SAR 34.71 million

j) What has/has not been implemented of the CG regulations, CG procedure and effectiveness, and initiatives:

j-1) Board Declaration according to CMA CG Regulations for 2020:

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 2020 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 2020 to audit the Group's financials and they were not replaced during the year.
4.	The External Auditors did not provide consultancy services to the Group during 2020 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.	There were no penalties or precautionary attachments imposed on the Company by the Capital Market Authority, or by any other supervisory, regulatory or judicial body.
8.	The Company has avoided taking any action that might hamper the use of shareholders' voting rights.
9.	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 5% of the equity share capital.
10.	The Chairman of the Board did not receive a written request to call for an unscheduled meeting from any 2 or more of the Board members during 2020.
11.	The Board of Directors did not waive any of the Company's debts during the year 2020.
12.	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 (e-3) regarding the ownership of some of them in Herfy Food Services Co.
13.	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.
14.	There are no debt instruments issued to Savola Group and its subsidiaries except as detailed in this Report in the loans section.
15.	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.
16.	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.
17.	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.
18.	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.
19.	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 his annual Board remuneration, attendance allowance, expenses allowance for the fiscal year 2020 of SAR 230,435 to support the Group's Employee Takaful Fund. A senior executive of the Group: (not applicable).

No.	Declaration/Confirmation
20.	There is no arrangement or agreement under which a shareholder of the issuer has waived any rights to dividends.
21.	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.
22.	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.
23.	The Company issued during January 2013 the first tranche of the Sukuk Program to a number of investors in an aggregate amount of SAR 1.5 billion and in July 2019, issued other Sukuk pursuant to a new Program in an aggregate amount of SAR 1 billion, some were issued for monetary consideration, and some exchanged with the previous Sukuk issued in 2013; while the remainder issued under the previous Program were redeemed on its original maturity date (due in January 2020).

j-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).

j-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 70 (optional)	Composition of the Risk Management Committee: "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."	The Board postponed the formation of a Risk Management Committee (RMC) until the infrastructure of the risk management department is completed, currently the risk management department was 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. In addition, the Company is using an external entity specialized in the Risk area. Also the Company is working on 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.

Corporate Governance Report and Major Relevant Disclosures continued

j) What has/has not been implemented of the CG regulations, CG procedure and effectiveness, and initiatives continued

No.	Article/ Clause No.	The Article/Clause	Reasons for not adopting optional items
2.	Article 71 (optional)	Competencies of the Risk Management Committee	The RMC has not been formed due to the above-mentioned reasons in No. (1).
3.	Article 72 (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. (1).
4.	Article 95 (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 (94) 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.
5.	Article 32, Item (b) (optional)	The Board Meetings: "The Board shall convene no less than four meetings per year, and no less than one meeting every three months."	The Board held 5 meetings during the year. However, the Board exceeded the "three months" period indicated in said article between two of its meetings, as no meetings were scheduled during that period based on the approved meeting calendar at the beginning of the Board office term.
6.	Article 87 (optional)	Social Responsibility: "The Ordinary General Assembly, based on the Board recommendation, shall establish a policy that guarantees a balance between its objectives and those of the community for purposes of developing the social and economic conditions of the community."	<p>Savola has a clear policy and strategy in the field of CSR, which has already been approved by its Board of Directors. The Group has been very keen to implement such a strategy for many years. Moreover, CSR activities and initiatives are being disclosed in the annual Directors' Report as well as on the Company's website.</p> <p>To ensure the sustainability of the CSR programs, Savola Group established the Savola World Foundation (a non-profit organization under the supervision of the Ministry of Human Resources and Social Development). The new foundation is currently fully funded by Savola Group. The Savola World Foundation is managed through a Board of Trustees in addition to the presence of a dedicated team to implement and oversee the CSR programs and initiatives. However, the CSR policy was revised, and the Board will present the said policy to the nearest Shareholders' General Assembly for approval.</p>

Savola Group Audit Committee Report

for the year ended 31 December 2020

Introduction

The Audit Committee of Savola Group was formed and its charter was adopted by a resolution issued from the General Assembly of shareholders according to the requirements of Articles (101) and (104) of the Companies Law. In line with article (104) of the Companies Law which states that, "The audit committee shall review the company's financial statements and the auditor's reports and notes and give its comments thereon, if any. Further, the audit committee must prepare a report including its opinion regarding appropriateness of the company's internal control system as well as the tasks it has carried out to the extent of its powers. The board of directors shall file sufficient copies of such reports at the company's head office at least twenty-one days before the scheduled meeting of the general assembly with a view to deliver a copy of such report to those shareholders who desire to obtain the same. The report shall be recited at the meeting of the assembly".

We are pleased to share with you Savola Group Audit Committee Report for the year 2020, prepared in line with the requirements of the Companies Law, the Regulations and Rules of the Capital Market Authority and the Committee's charter, and will be glad to answer any questions in this regard after reciting the summary of the report during the General Assembly Meeting.

1. Appointment

Savola Group Audit Committee was appointed at the Extraordinary General Assembly Meeting No. (31), held on Wednesday, 8 May 2019 corresponding to Ramadan 3, 1440H, in line with the Companies Law Article No (101), which approved the formation of the Audit Committee and the charter describing its functions, responsibilities and guidelines, as well as remuneration of selected members for the new office term, beginning from 1 July 2019 to 30 September 2022. The Audit Committee includes in its membership Mr. Fahad Abdullah Al Kassim (Independent Board member), Dr. Abdul Raouf Banaja (Independent External member), Dr. Ammr Khaled Kurdi (Independent External member), Mr. Mohammed Ibrahim Al Issa (Non-Executive Board member) and Mr. Bader Hamad Al Rabiah (Independent Board member). In addition, the Board appointed Mr. Tareq Abdullah Al Garaawy based on the Remuneration Nomination Committee recommendation (as an Independent External member) effective from 6 October 2020 until the end of the current office term of the Audit Committee, which ends on 30 September 2022. The appointment of Mr. Tareq Abdullah Al Garaawy comes in the vacant seat after the resignation of Dr. Ammr Kurdi from the Audit Committee on 1 May 2020 due to his business commitments. However, Mr. Tareq Al Garaawy's appointment is not final until presented to the nearest General Shareholders Assembly Meeting for approval as per the regulations.

2. Meetings

In line with its charter, the Audit Committee will convene periodically based on Chairman invitation, at least 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 6 meetings during 2020 and the quorum for each meeting was reached. (All Audit Committee meetings held after the Pandemic spread in March 2020 were through video conference due to the precautionary measures to limit the spread of COVID-19).

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
Audit Committee members:					
1.	Mr. Fahad Abdullah Al Kassim				
2.	Mr. Mohammed Ibrahim Al Issa	Current and previous positions, qualifications and experience were mentioned earlier in the Director's Report.			
3.	Mr. Bader Hamad Al Rabia				

Directors' Report
Savola Group Audit Committee Report continued
for the year ended 31 December 2020

No	Member name	Current positions	Previous positions	Qualifications	Experience
4.	Dr. Abdul Rauf Suliman Banaja	Holds number of memberships on boards and committees such as Audit Committee member in Herfy and other Joint Stock Companies.	Advisor to the Deputy Governor, the Saudi Arabian Monetary Agency (SAMA) Economic Advisor, Ministry of Finance	PhD in Economics, University of California, Santa Barbara, United States, 1981	Assumed several positions in a number of local and regional banks.
5.	Mr. Tareq Abdullah Al Garaawy	He is currently a member of several joint stock companies' Audit Committees.	Worked in several companies like Idfa Management & Financial Consultants, and Tatweer Buildings Company.	- Bachelor's degree in Accountancy from King Saud University in 1996. - Master's degree in Accountancy from George Washington University, United States in 2002. - A Certified Management Accountant, and a member of the Institute of Management Accountants (USA) as well as a member of Institute of Internal Auditors.	Has more than 22 years' practical experience in financial, accountancy, compliance and consultancy gained from working with several banks such as, Saudi Investment Bank, Saudi British Bank and Bank Albilad.

Ex-member of Savola Group Audit Committee until May 1, 2020:

-	Dr. Ammr Khaled Kurdi	CEO of Business Services at Saudi Industrial Investment Co. (Dusar)	<ul style="list-style-type: none"> Chief Financial Officer at Saudi Arabian Amiantit Company. Chief Audit Executive at King Fahd University of Petroleum & Minerals. 	<ul style="list-style-type: none"> Bachelor's degree in Accounting from King Fahad University of Petroleum and Minerals in 2001. Master's degree in Accounting from the University of Arizona, United States, 2004. Ph.D. in Accounting, University of North Texas, United States, 2010. Certified Management Accountant (CMA), and member of Global Board of Directors of the Institute of Management Accountants, United States. 	Has extensive experience in a number of areas, including accounting, auditing, financial management, corporate governance, and risk management. In addition, he is an Audit Committee member for several Joint Stock Companies.
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5. Audit Committee attendance:

The Audit Committee members' attendance for the meetings of the Audit Committee held during the year 2020 is listed below.

Sr.	Name	29 Jan	16 Mar	29 Apr	24 Jun	12 Aug	28 Oct	Total
1	Mr.Fahad Abdullah Al Kassim (Chairman) (Independent, Savola Board member)	√	√	√	√	√	√	6 of 6
2	Mr. Mohammed Ibrahim Al Issa (Non-Executive, Savola Board member)	√	√	√	√	√	√	6 of 6
3	Mr. Bader Hamad Al Rabia (Independent, Savola Board member)	√	√	√	√	√	√	6 of 6
4	Dr. Abdul Raouf Suliman Banaja (Independent, external member)	√	√	√	√	√	√	6 of 6
5	Mr. Tareq Abdullah Al Garaawy* (Independent, external member)			N/A			√	1 of 1
-	Mr. Aly Asim Barakat (Committee Secretary)	√	√	√	√	√	√	6 of 6
Ex-member of Savola Group Audit Committee until 1 May 2020:								
-	Dr. Ammr Khaled Kurdi (Independent, external member)	√	√	√		N/A		3 of 3

Note: * Mr. Tareq Abdullah Al Garaawy was appointed by the Group Board as a member of the Audit Committee of the Savola Group (as an Independent external member) effective from 6 October 2020 until the end of the current office term of the Audit Committee, which ends on 30 September 2022. The appointment of Mr. Al Garaawy comes in the vacant seat after the resignation of Dr. Ammr Kurdi from the Audit Committee as of 1 May 2020 due to his business commitments.

6. Audit Committee remuneration for 2020 (SAR):

Sr.	Name	Title	Fixed Remuneration (Except for the allowance for attending meetings)	Allowance for attending meetings	Total	Other expenses
1	Mr. Fahad Abdullah Al Kassim (Independent, Savola Board member)	Chairman	150,000	30,000	180,000	Mentioned in the Board remuneration table
2	Mr. Mohammed Ibrahim Al Issa (Non-Executive, Savola Board member)	Member	150,000	30,000	180,000	
3	Mr. Bader Hamad Al Rabia (Independent, Savola Board member)	Member	150,000	30,000	180,000	
4	Dr. Abdul Raouf Suliman Banaja (Independent, external member)	Member	150,000	30,000	180,000	
5	Mr. Tareq Abdullah Al Garaawy (Independent, external member)	Member (as of 6 October 2020)	35,462	5,000	40,462	
Ex-member of Savola Group Audit Committee until 1 May 2020:						
-	Dr. Ammr Khaled Kurdi (Independent, external member)	Ex- Member until May 2020	50,000	15,000	65,000	2,435
Total			685,462	140,000	825,462	2,435

Directors' Report

Savola Group Audit Committee Report continued

for the year ended 31 December 2020

7. Summary of Audit Committee duties, responsibilities and achievements executed in 2020

a. Financial reporting

- Review 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 charter, plan 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 implementation process 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 management letter together with management responses or comments to the audit findings.
- Ensure that 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.

d. Related party transactions

- Review the results of External Auditors limited review of Savola related party transactions for 2020 included in the related party transactions report prepared by the Chairman of 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 that related party transactions are properly disclosed in the Board of Directors report and audited financial statements.

e. Impact of COVID-19

The spread of novel coronavirus (COVID-19) was confirmed in early 2020 which was characterized by the World Health Organization (WHO) as a pandemic causing disruptions to businesses and economic activities in the geographies where the Group operates. In response to that, the Audit Committee is closely monitoring any material impact on the continuity of business activities and operations relating to any potential risks associated with interruptions to production facilities, supply of material, availability of inventory, and safety of employees to ensure the Group's management of an effective and timely response, as well as ensure adherence to the precautionary measures imposed by the respective authorities. Further, the Audit Committee reviewed the outcome of COVID-19 which had a limited impact on the Group's results for the year ended 31 December 2020.

f. Savola Integrity Hotline

Oversee the Savola Group whistleblowing reporting facility "Integrity Hotline" which captures and records matters raised by any stakeholders, including the Executive Management team, senior managers and employees (permanent, temporary and part-time), shareholders, trainers, clients, individuals, agency staff, consultants, suppliers and vendors.

8. Internal control mechanisms 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 2020 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 approved by the Audit Committee at the Group and its subsidiaries to evaluate 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 with the objective of testing the effectiveness and efficiency of internal control procedures design and operation. 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 maintaining effective 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 2020.

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 mentioned above.

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.

Conclusion:

This report was prepared by the Audit Committee during the year 2020 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. The meeting will be held during the first half of 2021 (according to the dates approved by the regulatory authorities). The Committee is glad to answer all inquiries and questions of the shareholders - as stated in this report - during the General Assembly meeting of shareholders, and ALLAH is the guardian of success.

The Savola Group

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