

UNLOCKING SUSTAINABLE VALUE

Annual Report
2022



Our strategic strengths and business versatility have enabled us to once again not only endure but also succeed in another year of uncertainty and instability.



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SAVOLA GROUP IS A LEADING
SAUDI STRATEGIC INVESTMENT
HOLDING COMPANY WITH
DIVERSE INVESTMENT
PORTFOLIOS OF THE LARGEST
ASSETS AND BRANDS IN THE
FOOD AND RETAIL SECTORS.

1 OVERVIEW

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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.

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

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

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



MAJOR/MANUFACTURING MARKETS

Saudi Arabia
Egypt
Algeria
Sudan
UAE
Others

EXPORT MARKETS

Angola	Eritrea	Kenya	Mauritius	Senegal	Syria
Bahrain	Ethiopia	Kuwait	Morocco	Somalia	Tanzania
Burundi	France	Lebanon	Mozambique	South Africa	Uganda
Cameroon	Germany	Libya	Netherlands	South Korea	United Kingdom
Canada	Ghana	Madagascar	Oman	South Sudan	USA
Comoros	Japan	Malawi	Pakistan	Spain	Uzbekistan
DRC	Jordan	Mali	Palestine	Sudan	Yemen
Djibouti	Kazakhstan	Mauritania	Rwanda	Sweden	Others

1 Saudi Arabia Panda Stores: 182 Herfy Stores: 387	2 Egypt Panda Stores: 5	3 Kuwait Herfy Stores: 8	4 Bangladesh Herfy Stores: 6
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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 6 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 investments in the food sector also generate profits for our shareholders. Savola Group holds the largest stake (34.52%) in Almarai Company, the leading regional food manufacturer and distributor, as well as a majority stake (51%) in Al Kabeer Group of Companies, a leading regional frozen foods manufacturing and distribution company.

FOOD INVESTMENTS
60%

OUR RETAIL INVESTMENTS



Our retail vertical is headed by Panda Retail, a modern grocery chain in Saudi Arabia with a total of 187 stores (including 5 stores in Egypt), serving more than 90 million customers annually. Panda boasts a proud history, a leading market share and formidable geographic reach.

Our long-term 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.

RETAIL INVESTMENTS
40%

REVENUE CONTRIBUTION

سافولا
Savola Foods Company
100%

المراعي
Almarai
34.52%

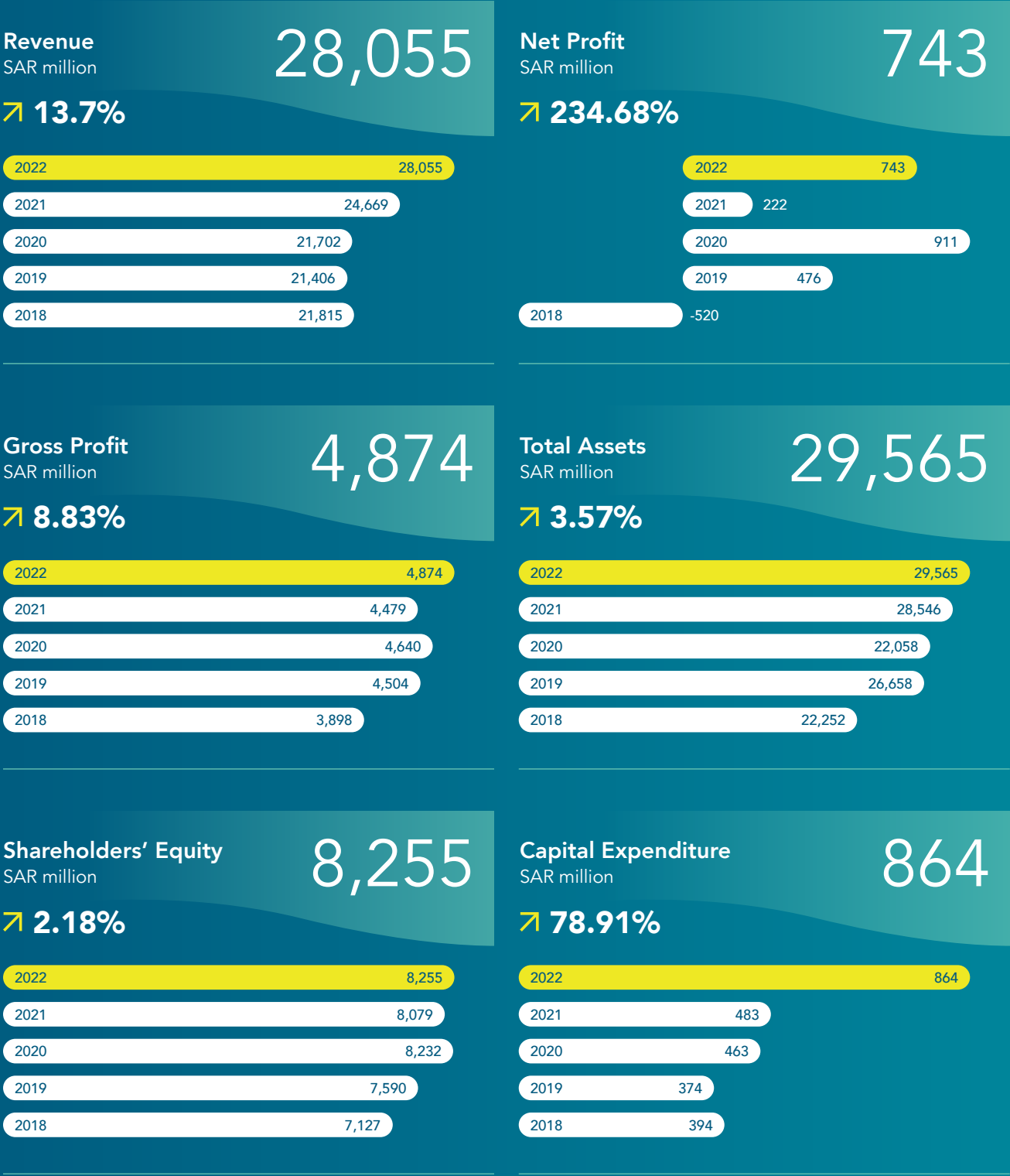
الكبير
Al Kabeer
51%

بندو
Panda
99.87%

HERFY
Herfy
49%

SAVOLA OWNERSHIP

FINANCIAL HIGHLIGHTS



GROWTH AND DIVERSIFICATION

Following years of dedication, Savola has grown to become the leading strategic investment group in our region, generating profits for our shareholders and investors.

1979 – 2005

1979

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

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.

1991

40% IN ALMARAI

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

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.

2003

Savola Foods establishes edible oil businesses in Morocco and Sudan.



2004

HYPER PANDA

Panda launches the Hyper Panda format.

2005

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

2006 – 2016

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.

2010

MAKEEN

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 second among top-listed companies in the Arab world for governance and transparency.

EL MALEKA

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).

SAR 5.34 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.

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 – 2021

2017

Savola sells a 2% stake in Almarai, as 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

AL KABEER

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

2019

Savola issues the second 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 of Tadawul's inclusion into the MSCI Emerging Markets Index.

TOP-LISTED

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



2020

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

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

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

2021

VALUABLE 500

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



100% OF BAYARA

Savola Foods acquired 100% of Bayara for USD 260 million, in line with its ABCD growth strategy focused on expansion into high growth, value-added food categories with propositions directed towards the younger population. Bayara is a leading company specialized in nuts, spices, dried fruits, and snacks, and is based in the UAE with over 3 decades of success and a wide distribution network across the Middle East and Africa.

2022



KNOWLEDGE ECONOMIC CITY

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

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

UNLOCKING VALUE TO STRENGTHEN THE CORE

- Savola Group signed an MoU with Malaysia to enhance palm oil exports

- Savola Group was recognized as a "Great Place to Work"



- The Group was among the "Top 100 Companies in The Region" by Forbes
- Savola World Foundation signed an MoU to form a partnership with the National Transformation Program (NTP)



- The UNDP in Egypt signed an MoU with Savola Foods Company aiming to advance Egypt's Vision 2030 and achieve the Sustainable Development Goals (SDGs) in the areas of climate change adaptation and food security

- Savola Group signed an SPA to sell its entire stake of 11.5% in Knowledge Economic City to Taiba Investment Company at a value of SAR 459 million

- The Group completed the process of divestment of Savola's stake in Knowledge Economic City for SAR 459 million, in line with the Group's strategy to exit non-core investments
- Recognized by the Chartered Institute of Personnel and Development as an Employer of Choice



JANUARY

JUNE

AUGUST

DECEMBER

MAY

JULY

SEPTEMBER

NOVEMBER

- Through Savola World Foundation's Ataa Program, Savola Group achieved more than 100 voluntary hours, with over 520 beneficiaries Kingdom-wide
- The Group shareholders elected the Board of Directors for the new office term that began on 1 July 2022 for a 3-year period
- SAR 106.8 million was distributed to the Savola Group shareholders for the year 2021



- Savola World Foundation launched the Yumnak program, which focuses on business development



- Savola Group AGM approved the KEC divestment to Taiba Investment Company



- Savola Group achieved Golden status for the Mowaamah Certificate, which demonstrates its commitment to supporting people with disabilities

UNLOCKING SUSTAINABLE VALUE

Savola's strength and resilience came to the fore once again in 2022, during a year that will be remembered for strategic progress and solid financial performance in the face of significant challenges to our businesses across our operations and markets.

Through strategic focus and timely transactions, our experienced leadership team succeeded in navigating rising costs and supply chain disruptions, resulting in a range of significant forward strides in strengthening our core, exiting non-core investments, and unlocking sustainable value for our business, shareholders and all our stakeholders.

By continuing to play a key role in food security and aligning our progress with the ambitions of Vision 2030, our diverse and dedicated team lived by our values and built momentum for the greater good of our Group and the Kingdom. We took steps to strengthen our environmental, social and governance propositions to position Savola for unlocking sustainable value going forward.

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 28 billion

One of the largest food and retail players in the region with an annual turnover of over SAR 28 billion

Forbes Top 100

Recognized among 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

Leading grocery retailer

Leading grocery retailer in Saudi Arabia, Panda has strong brand equity and over 25.8% 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

187 stores

Dominant retail footprint with 187 Panda and HyperPanda stores across the Kingdom, with 90+ million annual transactions and the largest logistics network in Saudi Arabia

Serving 400+ million potential customers

Direct manufacturing and distribution strength in more than 6 countries, with 14 production 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 a 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



WITH A FOCUS ON DRIVING OUR
CORE BUSINESS, THE GROUP
CONTINUED TO BROADEN ITS
PORTFOLIO, REINFORCE ITS
PRESENCE IN CURRENT MARKETS
AND EXTEND ITS REACH AND
APPEAL IN NEW TERRITORIES.

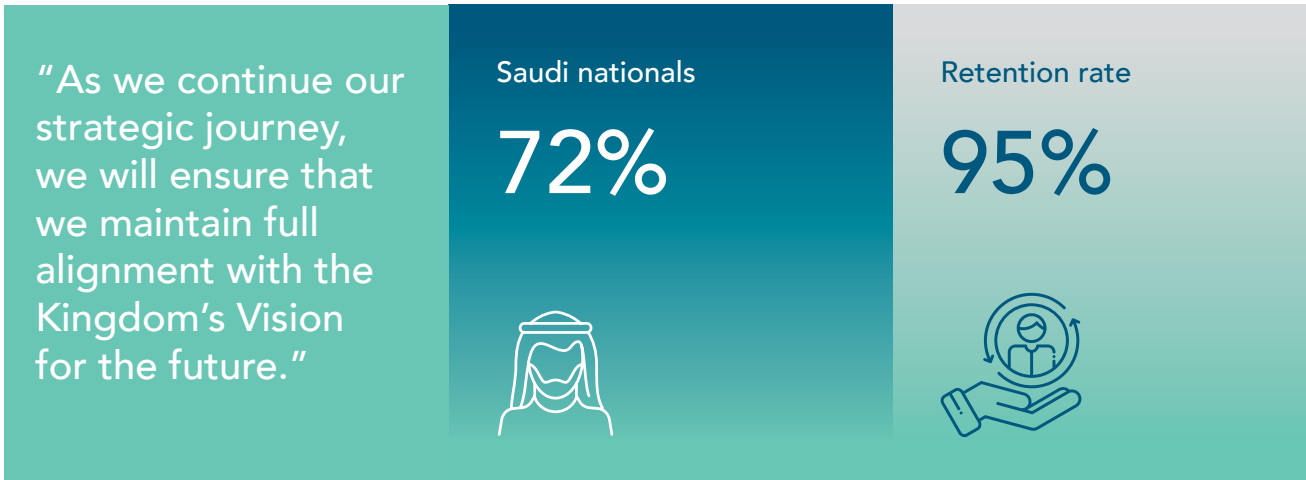
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BUILDING STRENGTH. CREATING VALUE.



Throughout more than 4 decades, Savola has built a rich history of setting new benchmarks, entering new markets and driving extraordinary growth. From our beginnings in 1979, we have both capitalized on our business opportunities and stood fast in the face of adversity, qualities which have earned us the trust of our shareholders, our customers, our employees, and all our other stakeholders.

Our strategic strengths and business versatility have enabled us to once again not only endure but also succeed in another year of uncertainty and instability. The relationships we have garnered since our early years have helped us to steer a straight course to our business goals and commitments to our customers.

Savola's philosophy of success through judicious investment and an inclusive culture has continued to reward us both commercially and individually.

It has been a year of bold strategies and decisive action for Savola, with Panda Retail Company (Panda) reinventing its appeal, Savola Foods Company (SFC) acquiring new businesses and the Group releasing

non-core assets. Our operating companies have delivered excellent results and our customers have appreciated the changes we have made, including the upgraded shop style that resulted from the Panda Customer Experience Revival (CXR) program, welcoming new products and new categories alongside the brands they have always trusted.

We identified areas where our presence would have the greatest impact and understood the potential future returns. We have a mature, sustainable strategy that assures our long-term success and secures our ongoing position as the leader in the sectors we operate in.

Our Commitment to Vision 2030
As the overriding consideration in our operations, Savola is driven by the concept and consequences of Vision 2030. From our efforts to succeed economically and environmentally to our duties as educators and employers, we are passionate in our contribution to the Kingdom's Vision.

Through our dedication to support national employment, we continue to have Saudization as a priority, as we now have a workforce which consists of

72% Saudis, and we continue to recruit and upskill local employees. In line with Vision 2030, we have also nurtured a culture of volunteering, with members of every company contributing to help through their knowledge and skills.

As we continue our strategic journey, we will ensure that we maintain full alignment with the Kingdom's Vision for the future.

A Leading Employer in the Food and Retail Sectors
As a responsible employer and a believer in equality, respect and trust, we work with people on their merits, regardless of gender, ethnicity, nationality or disability, to ensure the diversity and inclusivity that is critical to Savola Group's sustainable story.

We encourage women to apply for positions at Savola at all levels and are proud of our recruitment rate of female staff. We aim to accommodate all of our team members. In 2022, we were once again awarded the Mowaamah Certificate – Gold Standard; a testament to our best practices for disability inclusion.

"We have a mature, sustainable strategy that assures our long-term success and secures our ongoing position as the leader in the sectors we operate in."

Sulaiman A. Al Muhaidib
Chairman of Savola Group



We have a duty of care towards our employees to support them to progress in their professional as well as personal lives. In 2022, we achieved a retention rate of 95% where 9 out of 10 employees described Savola as a fair employer from recruitment to support and promotion. Last year, we instigated several initiatives in accordance with our principles of recognition, reward and engagement, including SFC's "Culture Matters in Restoring Greatness" and a program of nourishment towards the organization, ourselves and our teams.

Corporate Governance
Savola Group maintains the highest standards when it comes to governance and regulatory requirements. Through these focused efforts, we remain among the top listed companies in the Kingdom and region when it comes to corporate governance.

During 2022, the previous Board of Directors' term came to an end and shareholders elected members for the new term effective as of July 2022, with all committees also restructured accordingly. I would therefore like to seize this opportunity to thank the

outgoing Board of Directors for all their efforts and to wish our new Board of Directors all the success in meeting their responsibilities towards our shareholders and various stakeholders.

A Pillar of Strength in our Communities
Savola Group is a passionate advocate of community welfare and the protection of our environment. We have an unconditional commitment to sustainability and society and contribute to both as part of our responsibility to the nation.

Our CSR initiatives and programs revolve around the communities in which we serve and the environment in which we live. We act on the conservation of natural resources and energy and have sustainability at the heart of every operation. Our vision for a cleaner and more just future is encapsulated by the Savola World Foundation, the CSR non-profit organization which guides and leads all aspects of Savola food waste management, youth development, business assistance, and the empowerment of people with disability.

Acknowledgements
On behalf of the Board, I would like to express our gratitude to the Saudi Government for its guidance and our shareholders and stakeholders for their continued support during 2022. Savola has navigated a complex year with several global challenges across several markets and sectors.

A thank you also goes to our executive management for their expert ability to act and react in such volatile economic times. I am, as always, indebted to our outstanding employees across the Group, whose dedication, loyalty, and ceaseless efforts have made Savola what it is today and the continued success it will be tomorrow.

As we look ahead to 2023, we are committed to our cause and can be confident that we will deliver even greater value to all of our stakeholders at Savola.

UNLOCKING SUSTAINABLE VALUE

Savola Group revenues in 2022 reached

SAR 28b

14% ↗

Savola Group navigated hurdles largely through deliberate capital allocation, astute strategizing, operational agility, and long-established supplier and distributor relationships.

Once again, Savola showed admirable resilience as the world faced an uncertain year, delivering significant strategic achievements and solid overall financial results. Equally as important for our long-term interests, our investments are enabling the Group to unlock the value of our existing assets and bolster business growth for the future.

During a turbulent year, many of the region's food and retail organizations faced strong headwinds, with rapidly rising inflation, increased interest rates and global economic volatility brought about by conflicts that affected the supply of goods.

Savola Group navigated hurdles largely through deliberate capital allocation, astute strategizing, operational agility, and long-established supplier and distributor relationships.

Solid Performance and Results
With a focus on driving our core business, the Group continued to broaden its portfolio, reinforce its presence in existing markets and extend its reach and appeal in new territories.

Savola Group's revenues for 2022 reached SAR 28 billion, representing an impressive 14% increase over 2021 and a

gross profit of SAR 4.87 billion compared to SAR 4.48 billion the previous year. The Group recorded EBTIDA of SAR 2.7 billion with a margin of 9.5%, while net income reached SAR 743 million compared to SAR 222 million last year, largely due to the performance of the Foods Processing segment and share of profit from associates.

As expected, the Retail segment reported a decline in its financial performance, largely due to partial store closures and renovation works as Panda continues its CXR program.

Accelerating Strategic Progress
As we continue our strategy, our primary goals in 2022 were to reinvest in our core businesses, monetize our assets and commit to sustainable profits for the longer term.

To unlock value, Savola Group Company completed the disposal of its investment in Knowledge Economic City which generated cash proceeds amounting to SAR 459 million and realized an overall gain amounting to SAR 81 million. Similarly, SFC is in the final process of divesting 100% of its shares in its Moroccan unit, which is scheduled for completion in 2023.

By exiting non-core sectors, we are able to build, expand and refocus our fundamental operations, while creating growth opportunities both domestically and internationally. One example of this is the SFC's purchase of bakery assets this year in Egypt, one of the biggest snacking markets in the region, which established the strategic direction for accelerated expansion into new categories and products.

SFC's acquisition of Bayara has also proven to add strategic value and support performance. With a distribution network spanning Saudi Arabia, the UAE and more than thirty other countries across the region, the company is beginning to take full advantage of its networks and expand into value-added categories directed towards a younger demographic.

Finally, SFC's innovations in 2022 included the launch of 25 new B2C product developments, including oils, ghee and bakery goods across our key markets and 11 new B2B products, under the 'Savola Professional' umbrella.

"In the year ahead, we will continue to unlock value of our holdings and strengthen our key brands, while seeking opportunities to enhance our market position and share. Growth in core segments will continue to be our key strategic focus, as we identify prime opportunities to grow Savola Group's ecosystem and enhance shareholder value."

Waleed Khalid Fatani
Group Chief Executive Officer



As we double down on our core business philosophy, Panda's CXR program continues to remodel the appeal of its supermarkets and hypermarkets, creating an entirely new shopping experience for its customers at the 45 stores that have been renovated so far.

Savola Group's investment in Almarai paid dividends in 2022, with yet another solid performance from the Middle East's leading food manufacturer and distributor. As for Al Kabeer, we are focusing on transforming and increasing its presence in Saudi Arabia, maintaining its position as one of the leading frozen foods distributors in the Kingdom.

Promoting a Strong People Culture
While each of our companies and investments may have very different areas of expertise and sector leadership, we are dedicated to ensuring we all perform to the same standards, ethics and corporate goals. This approach is vital to achieving collective success and creating a culture of contribution and belonging.

We are committed to the people who work with us and the pivotal role they play in our success. In return, we ensure that we operate in an environment of trust, respect, integrity and responsibility. We abide by our People Pillars Program which guarantees a caring, healthy and safe place to work with a work-life balance and a program of shared values.

In 2022, we were certified and recognized for the third year in a row by the Great Place to Work Institution, the global authority on workplace culture, that provides a high-profile program recognizing outstanding, reliable and high-performing work environments worldwide. We were also named as Employer of Choice in the MENA region by the Chartered Institute of Personnel and Development for our outstanding achievements in people management, talent development and rewarding culture.

Looking Forward
In the year ahead, we will continue to unlock value of our holdings and strengthen our key brands, while seeking opportunities to enhance our market position and share. Growth in core segments will continue to be our key strategic focus, as we identify prime opportunities to grow Savola Group's ecosystem and enhance shareholder value.

We look forward to an exciting and exceptional year ahead, building on SFC's strong performance this year, and fast-tracking Panda's transformation with rollout of the new look and feel across its range of supermarkets and hypermarkets to revolutionize the way its customers shop.

Acknowledgements
I would like to thank our customers for their continued trust and belief in Savola's ability to deliver on our promises and create sustainable value. We remain committed to providing the best products, the best customer experience and the best value for all our stakeholders.

I would also like to express my sincere gratitude to our Chairman and Board for their guidance and support, and to our Executive team for their expertise and acumen in navigating a tumultuous market.

As always, I am thankful to our employees across the Group for their loyalty, dedication and unwavering commitment to our success.

FOCUSING ON OUR CORE BUSINESSES

Consolidated EBITDA
reached

SAR 2.7b

6.9% ↗

Consolidated EBITDA increased by 6.9% to SAR 2.7 billion during 2022 (2021: SAR 2.5 billion). This was driven by robust performance in the Foods Processing segment.

During 2022, Savola Group's continued focus on our core businesses delivered an increase of 14% in consolidated revenue to SAR 28 billion (2021: SAR 24.7 billion), with contributions from key markets (GCC & Egypt) remaining strong at 80% (2021: 83%).

The Group's Food Processing segment led expansion of top line and bottom line (net income amounting to SAR 405 million; highest since 2017), by focusing on growth in B2B volumes, expansion into new categories and the implementation of effective pricing strategies.

As part of the transformation strategy of the Retail segment, the Group continued investing in the Customer Experience Revival (CXR) program and accelerated cost-cutting initiatives. Initial customer response from the renovated stores under Wave 1 of the CXR program (45 stores) was quite promising. The Group's target is to renovate 75 stores by the first half of 2023.

Consolidated EBITDA increased by 6.9% to SAR 2.7 billion during 2022 (2021: SAR 2.5 billion). This was driven by robust performance in the Foods Processing segment.

The Group's net debt reduced to SAR 6.7 billion as of December 31, 2022 (2021: SAR 7.1 billion) by optimization of working capital (despite inflationary cost pressures) and a continued focus on exiting from non-core assets. During 2022, the Group successfully disposed its investment in KEC, which generated an overall gain and free cash flow amounting to SAR 81 million and SAR 459 million, respectively.

In line with the Group's policy to distribute cash dividends, the Board of Directors approved cash dividends to the shareholders amounting to SAR 352.42 million (i.e. SAR 0.66 per share) for the year 2022.

Looking forward, we will continue to invest in our core businesses to create sustainable value for our shareholders. We remain wary of the business challenges imposed by currency devaluations in emerging markets and rising financing costs. To mitigate these risks, we have implemented pricing and financial risk management strategies, fit for growth initiatives and economic hedge arrangements.

Net debt in 2022
reduced to

SAR 6.7b

5.3% ↘



The Group's net debt reduced to SAR 6.7 billion as of December 31 2022 (2021: SAR 7.1 billion) by optimization of working capital (despite inflationary cost pressures) and a continued focus on exiting from non-core assets.


"Looking forward, we will continue to invest in our core businesses to create sustainable value for our shareholders."

Wajid Usman Khan
Group Chief Financial Officer



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.

<div>Our Strengths</div> 	<div>Our Challenges</div> 	<div>How We Add Value</div> 	<div>Our Corporate Values</div> 
<p>Strategic Focus Savola focuses its operations on a long-term consumer trend-driven lens, aiming to dynamically allocate capital to generate long-term value growth.</p> <p>Strong Governance Framework A robust governance and transparency framework, prioritized throughout Savola's history, building shareholder trust.</p> <p>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.</p>	<p>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.</p> <p>Change in consumer behavior, where consumer preferences and tastes may change in a more pronounced manner that may impact current products and business models.</p> <p>Limited number of transactable assets from the perspective of an investment holding whose key directive is to allocate capital.</p> <p>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.</p>	<p>Leadership and Governance Savola's focus as a strategic shareholder is to implement best practices across its portfolio to ensure:</p> <ul style="list-style-type: none"> - Alignment of incentives among stakeholders; and - Selection of the right leaders and management teams to deliver on strategic and operational targets. <p>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.</p> <p>Capital Allocation Savola aims to maximize returns on investments 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.</p> <p>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.</p>	<p>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.</p> <p>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</p> <p>Group Values Ihsan Al-Dhan: Trusting; Trusting others' intentions without doubting them Mu'azarah: Caring; Provide support to our colleagues to help enable their success Qabool: Acceptance; Endure the views of others by going beyond tolerance or acceptance Iq'bal: Approaching; Improve what we do by using what we have learned from the interaction with others</p> <p>Corporate Values Taqwa: Conscientiousness; Fulfillment of our responsibility toward external parties Amanah: Honesty; Fulfillment of our responsibilities towards investors Mujahadah: Personal control; Achieving the personal discipline necessary to fulfill our responsibilities Birr: Caring Justice; Fulfillment of our responsibility toward our colleagues and the employees of the company</p>

OUR INVESTMENTS IN THE FOOD
VERTICAL CONTINUED TO
DELIVER HEALTHY FINANCIAL
RESULTS IN 2022, DESPITE AN
UNSETTLING YEAR IN TERMS OF
CONTINUED COMMODITY AND
OPERATING EXPENSES INCREASES
DUE TO GEOPOLITICAL
DISRUPTIONS ELSEWHERE.



FOOD INVESTMENTS

Savola Foods Company

Almarai

Al Kabeer



Savola Foods Company (SFC) reported strong financial performance during 2022, as it was able to successfully navigate the challenging global macroeconomic environment, high commodity prices, supply chain constraints, and geopolitical impacts on the sector. The company continued to expand its brands, with new product launches and innovation on existing products.

SAVOLA
SHAREHOLDING

100%



SAVOLA FOODS COMPANY

Net revenue
SAR

16.44b

↗ 30.2%

Gross profit
SAR

1.99b

↗ 30%

Net profit
SAR

405m

↗ 28.3%

Financial Highlights

Notwithstanding the challenges of 2022, SFC achieved another year of positive results, recording net revenues of SAR 16.44 billion, compared to SAR 12.63 billion in 2021, gross profit of SAR 1.99 billion compared to SAR 1.53 billion in 2021, while net income reached SAR 405 million, compared to SAR 316 million in 2021.

Strategic Highlights

SFC has continued to execute various initiatives under its "4 Pillar Strategy of Transformation" as highlighted below. The strategy focuses on strengthening its core, expanding in new categories, diversifying through early-stage investments in promising regional companies, and transforming through digital and offline disruption.

A-B-C-D:

The 4 Pillar Strategy of Transformation



ANCHOR

How can we grow

Current categories to new Geographies Growing today's businesses via youth focused line extensions



BET

How can we diversify

Placing VC investment in nascent, high-growth youth-focused categories e.g.: snack bars, alternative protein.



CONQUER

How can we ingress

Entering large and established categories in KSA, Egypt and Turkey. Target youth via new product lines and branding like snacks, confectionary, biscuits, spreads, herbs and spices, processed meats, etc.



DISRUPT

How can we transform

B2B platform (digital and offline) to capture growing eating out + delivery youth trend (convenience). Capitalize on increasing Food Service spend due to the convenience youth trend.

FOOD INVESTMENTS

Strengthening the Anchor Pillar

Within its Anchor pillar, SFC continued its innovations in 2022, especially in the B2C segment, wherein it successfully launched 25 new product developments, in oils, ghee and bakery categories across Saudi Arabia, Egypt, Central Asia, Algeria, Turkey, and Sudan.

Afia launched its innovative, immunity-boosting edible oils, which is a global first-of-its-kind initiative featuring zinc in cooking oils. It also launched other health-focused variations of edible oil, such as Afia Corn Plus with Omega 3 and 6.

SFC brands achieved significant growth across regional territories, particularly in the GCC. Market share for edible oils in all markets are strong and continues to be the number 1 or 2 brands in all its markets. Afia Sunflower Oil became the segment leader in the UAE for the first time since its launch.

In its sugar segment, SFC ventured into the low-calorie sweetener category with launch of the “Sweet and Fit” brand in Saudi Arabia.

Conquering for Next Growth Phase

Following the acquisition of Bayara in 2021, SFC continued to strengthen its Conquer strategic pillar through the acquisition of bakery assets in Egypt during 2022 to diversify further into new categories and product portfolios. Through this acquisition, SFC intends to enter the manufacturing and distribution of bakery snacks, such as croissants, sandwiches and cakes, and leverage the platform to distribute seafood, nuts, spices and pulses products in Egypt in the future.

To further diversify and drive growth, SFC also relaunched the Bayara product range in Saudi Arabia under its “Afia” brand, extending SFC’s power-brand name into new categories of nuts, spices, and pulses beyond the traditional edible oil products.

Nurturing New Enterprise

SFC’s investment in Munchbox in 2021, as part of its strategy to cater to youth and healthy product categories, demonstrated promising results. Munchbox, with its offerings of high protein, KETO, and low-calorie snacks, has strengthened its presence in the UAE and expanded its reach in Saudi Arabia.

Working Towards B2B Transformation

Within its Business-to-Business (B2B) segment, SFC launched 11 new product developments. It also set a new platform under the umbrella of “Savola Professional” which will exclusively cater to SFC’s B2B initiatives and efforts, across various markets.

Revenue Breakdown
(SAR million)



Edible Oil and Fats

12,046



Sugar

3,226



Pasta

528



Others

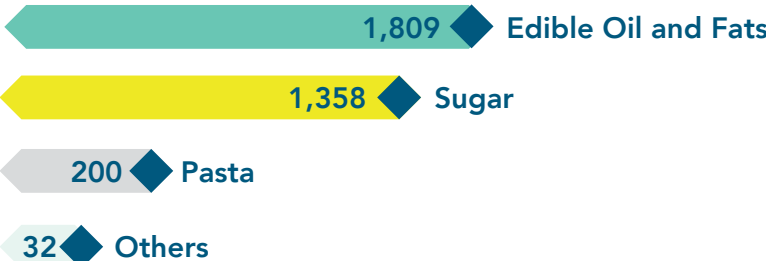
641

Total
16,441

SAVOLA FOODS COMPANY



2022 Sales Volume
by Business Line
(KMT)



Total
3,399



Almarai remains at the forefront of innovation in the sector, introducing new product offerings that cater to the evolving needs of the local population while playing a key role in the Kingdom's food security.

SAVOLA
SHAREHOLDING

34.52%



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



ALMARAI

Revenue SAR billion	Net income SAR billion	Gross profit SAR billion
202218.72	20221.76	20225.62
202115.85	20211.56	20215.06

About Almarai

Founded in 1977, Almarai is the world's largest vertically integrated dairy company. It is a leading food group in MENA, with a presence in the dairy, juices, bakery, poultry, and infant nutrition categories.

Savola Group is the largest shareholder, with a 34.52% holding in the company.

Almarai remains at the forefront of innovation in the sector, introducing new product offerings that cater to the evolving needs of the local population while playing a vital role in the Kingdom's food security.

Financial and Strategic Highlights

Almarai delivered strong results driven mainly by poultry and bakery products. Post COVID-19, the full resumption of educational and tourism activities also played a favorable role in improving the overall performance.

The company's strategy continues to expand its poultry business and enter into new protein categories in beef and seafood.

Almarai, in FY 2022, achieved revenues of SAR 18.72 billion, compared to SAR 15.85 billion in 2021. Gross profit reached SAR 5.62 billion compared to SAR 5.06 billion in 2021 and net profits of SAR 1.76 billion, compared to SAR 1.56 billion in 2021.



Savola Group acquired 51% of Al Kabeer in 2018 to diversify and enter into the frozen food space and value-added product categories.

SAVOLA
SHAREHOLDING

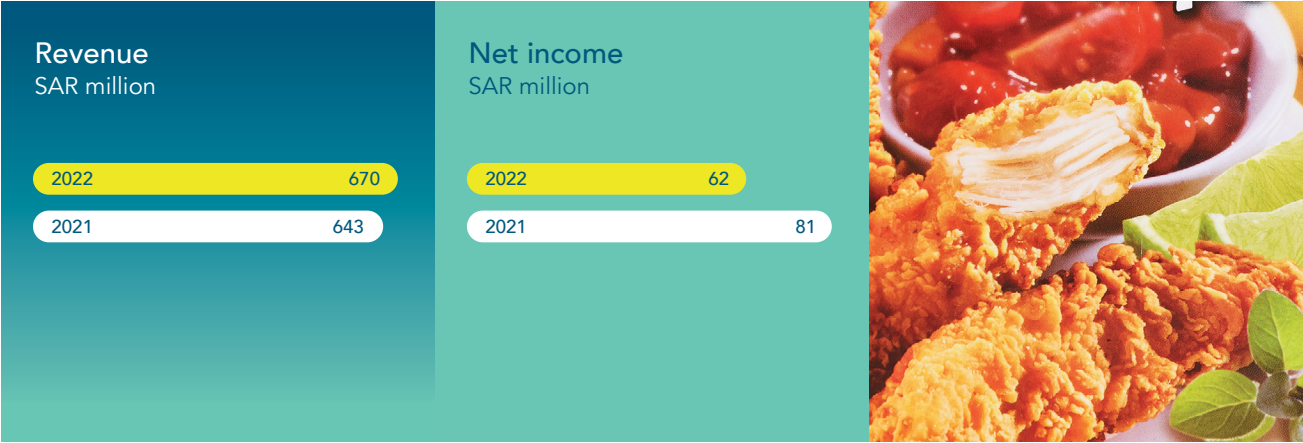
51%



10 cold storage
facilities and
20,000 outlets
across the GCC



AL KABEER



About Al Kabeer

Al Kabeer is a leading frozen food supplier and a household name in the Middle East, having served the people of the GCC since 1974. Al Kabeer manufactures and distributes a portfolio of more than 300 SKUs, from frozen poultry, beef, vegetables, and seafood to snacks and ready-to-eat meals. It operates 3 manufacturing facilities located in the UAE and Saudi Arabia. In addition, the company has a strong distribution network operating through 10 cold storage facilities to around 20,000 outlets across the GCC.

Savola Group acquired 51% of Al Kabeer in 2018 to diversify and enter the frozen food space and value-added product categories.

During 2022, Al Kabeer continued to focus on strengthening its foundation to execute its next 5-year growth plan supported by product enhancement and innovation, brand development strategies, and further institutionalizing the company.

Financial Highlights

In 2022, Al Kabeer's financial performance remained resilient, despite global macro factors that led to high raw material costs and supply chain issues, including local regulatory changes. The company continued to perform driven largely by its key markets and strong recovery in HORECA channels.

The company reported revenues of SAR 670 million, compared to SAR 643 million in 2021. Gross profit reached SAR 211 million, compared to SAR 230 in 2021, and net income was SAR 62 million compared to SAR 81 million in 2021.

OUR INVESTMENT IN THE
RETAIL VERTICAL FACED
SIMILAR CHALLENGES TO THE
FOOD VERTICAL, AS WELL AS
INTENSIFIED LOCAL PRICING
COMPETITION IN THE SECTOR.



RETAIL INVESTMENTS

Panda Retail

Herfy Food Services Company



Panda Retail Company (Panda) continued its transformation journey in 2022. The company's Customer Experience Revival program (CXR) is reshaping the look and feel of its stores and enhancing the overall customer shopping experience. The program has resulted in complete upgrades of 45 stores, setting the stage for positive momentum going forward.

SAVOLA
SHAREHOLDING

98.87%



PANDA RETAIL



Financial Performance

Overall, in 2022, there was a decline in the Panda's financial performance. While Panda successfully added a new store in Egypt, the 2022 financial results were a result of partial store closures related to disruption of CXR implementation program and the final closure of 9 stores in addition to the stores closed towards the end of 2021; bringing the footprint down to 187 stores in total, 5 of which are in Egypt. Panda recorded revenues of SAR 10.11 billion in 2022, compared to SAR 10.48 billion in 2021, primarily driven by the decline in basket size and the customer count compared to last year.

Strategic Focus

Despite short-term challenges and longer-term trends, Panda has been able to maintain its market leadership role in the hypermarket and supermarket segment in terms of market share.

Through the CXR program, Panda is working towards elevating the customer experience with not only a revamped look and feel inside the stores but also optimized backend systems that include shelf and availability planning. The result is a combination of enhanced visual appeal and experiential delight. Early results of the program are indicative of improved key operating metrics.

Transforming for Impact

CXR is creating an environment in line with Panda's vision to be the leading sustainable retailer, constantly innovating to provide for the communities it serves every day. The CXR program is on track to be rolled out to all stores.

Panda's overarching strategy is to transform the shopping experience, catering to its current customer base, as well as new prospects, while providing a totally refreshed experience to its customers. In response to this, Panda's most recent market research indicates that customer satisfaction is high, with a Net Promoter Score reaching global benchmarks.

The Digital Journey

Panda has initiated its digital transformation to enable better customer experiences in this ever-evolving technological era. The company has completed merchandising and financial system overhauls which are now enabled with optimized business processes via cloud technology.

To prepare for the future, Panda has increased investment into its CRM capabilities, which gathered data from more than 9 million customers in 2022. This outstanding response provides a significant advantage in delivering more targeted and direct promotions.

Furthermore, Panda has implemented an advanced forecasting and replenishment platform, to help manage the supply chain and provide better product availability.

Panda in 2023

Panda will continue to execute on its CXR program in 2023 and look at opportunities to build on the foundations of the transformation program. This will allow the company to continuously optimize key assets to deliver the best possible return per square meter in sales and margins.



Herfy is one of Saudi Arabia’s leading fast-food brands and a key player in the nation’s Quick Service Restaurant (QSR) space. Savola Group is the largest shareholder in Herfy, with a 49% holding in the company.

SAVOLA
SHAREHOLDING

49%



For over 2 decades, Herfy has provided Savola Group with a well-loved and trusted brand in the growing QSR sector



Revenue SAR million		Gross profit SAR million	
2022	1,244	2022	307
2021	1,319	2021	418



About Herfy

Established in 1981, Herfy Food Services Company is Saudi Arabia’s leading fast-food chain, with 387 branches serving communities across the Kingdom and an international franchise in Kuwait, Bangladesh and Nigeria. Herfy also operates a network of pastry shops in the Kingdom and creates value as a diversified and integrated company, operating its bakery, cake, rusk, and meat processing facilities.

Financial Highlights

In 2022, Herfy faced several challenges as competition increased significantly along with the global macro factors resulting in high input costs and supply chain issues, which impacted the company’s performance. In addition to this, the overall QSR sector witnessed intensified competition by local and global brands via aggressive promotions and pricing campaigns.

Herfy’s revenues reached SAR 1,244 million compared to SAR 1,319 million in 2021. Gross profit landed at SAR 307 million compared to SAR 418 million over 2021, while the company’s net profit reached SAR 3.546 million compared to SAR 151.791 million in 2021.



SUSTAINABILITY

Our People

CSR

OUR PEOPLE

At Savola, we are proud to maintain our distinguished position as Saudi Arabia's employer of choice in the food and retail sector, and have reinforced our commitment to the people who have made us the success story we are and will continue to be.





Our workforce is pivotal to our future and their contributions are critical to our continued growth. They are the inspiration for our ambition and the drivers of our success. In order for us to maintain the relationship we are proud of, we have worked hard to ensure that we invest in their development, and have succeeded in earning their loyalty. We have made a commitment to ourselves to empower and motivate our people, as they continue to be our greatest asset.

Our business proposition – Value Built on Values – encapsulates our vision, mission, and commitment to creating a work environment of equality, trust and respect for every individual and team. As defined by our Group Competencies, we understand the need and benefits of reward and recognition and have continued to appreciate their efforts and provide a workplace where they can thrive and progress.

Through our People Pillars Program, that aims to enhance the employer brand, adhere to the nationalization objectives and promote an engaged work environment that supports productivity and welcomes change, we attract, retain and motivate leading talent in our industry.

Throughout the year, we remained dedicated to deliver the employee value proposition through People

Pillars objectives, where we provided multiple channels for employee voice, both formal and informal, to measure and monitor employee engagement levels, and thoroughly analyze the results of responses, which included a strategic action plan with a wide range of initiatives and activities to address the identified opportunities for impact and improvement ensuring a uniquely rewarding culture and working experience.

Total Employees in KSA	Total Saudi Employees	Female Saudi Employees	Employed People with disability
17,891	6,777	1,496	384
			
HQ	HQ	HQ	HQ
56	38	10	1
SFC	SFC	SFC	SFC
1,481	656	82	120
Panda	Panda	Panda	Panda
15,853	5,904	1,294	259
AlKabeer	AlKabeer	AlKabeer	AlKabeer
501	179	110	4



SUSTAINABILITY

OUR PEOPLE

Driving Employee Engagement

As an extension to our Tawer Employee Engagement Survey which is conducted periodically by the Great Place to Work Institution, this year we achieved an 85% level of engagement with 100% participants rate, which indicates our commitment to maintaining a continuous improvement and rise of the employee's engagement level with the organization that will ultimately steer the organization towards growth and success. As 4 years ago, in 2019 we scored a 78% level of engagement, and back in 2016 we scored a 64% of engagement rate.

Our efforts to engage and include our employees in Savola Group's progress are central to our working philosophy and for the third year in a row, we were certified and recognized by the Great Place to Work Institution, the global authority on workplace culture, which focuses on high-trust, high-performing workplace values around the world.

Furthermore, this year we were recognized as an Employer of Choice in the MENA region by the Chartered Institute of Personnel and Development for our outstanding achievements in people management, talent development and rewarding culture during 2022.

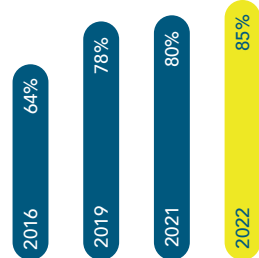
We continued to retain key talent in critical roles under the Long-Term Incentive Program for top executives, who achieved the Group's strategic objectives by completing the third tranche of our shares buy-back.

In addition, the Group conducts periodic compensation and benefits benchmarking to enhance our competitive pay stance in the market and ensure our pay scale is competitive and attractive to top talent. As a result of the exercise, top talent of the organization were considered for a special reward and an adjustment to the Education Assistance Allowance has been implemented.

To maintain the company culture of inclusivity, it is essential that we recognize we are all part of the Savola family, with transparency and accessibility at all levels. To this end, we continued to enhance and reinforce employees' engagement with the company's latest news through quarterly town hall meetings with the Group CEO.

In addition, the Group reactivated Savola Group Annual Day, with a range of theoretical and physical activities designed to reinforce understand of our updated Competencies Framework that was revamped back in 2021 based on the company's future business needs and vision to achieve our long-term objectives.

Engagement score



Leadership Synergy Initiatives

A number of integrated initiatives were carried out throughout the year to reinforce leadership alignment and synergy among the Group and its OpCos. These included strategy workshops to emphasize on the Group's vision and to help identify where support is required to achieve our shared vision for the future.

To support this critical goal, we consolidated and synergized efforts through the formation of committees focused on social responsibility programs and government relations, including:

Government Relations Committee
Develop a comprehensive government-relations strategy with clear objectives and tactics, as well as establishing and maintaining effective relationships with key Ministries, government sectors and decision-makers.

Corporate Social Responsibilities (CSR) Committee

Strategize the Group's CSR work and related activities into clear and common purposes, and align the Group efforts and create competitive advantages through Savola World Foundation's programs and CSR activities.

Environment Committee

Develop a strategic plan to build and implement the Group's Environmental Policy, while overseeing all environmental activities, including those involving: energy, water, waste management systems, recycling, emissions and transportation.

Enhancing Workplace Wellness

In line with our focus and commitment to providing the best possible work environment for our people, our employees' health is a priority at every level. As a result, our Tawer Employment Engagement Program survey showed a 100% satisfaction rate of having a healthy and safe place to work, a 7% increase over 2021.

We have a number of premium medical services, including our continuing partnership with one of the biggest hospitals groups in the region, to provide comprehensive facilities at our in-house clinic. Our partnership has been renewed with a leading insurance provider and with a reputable healthcare provider to operate health lounges with specialized medical teams to provide a number of new services, including primary health assessments and seasonal influenza vaccines.

Health awareness has also been a priority, to ensure our employees stay well and understand the symptoms of potential dangers. This ranges from operating a lounge for International Healthy Food Day to awareness campaigns on breast cancer.

Our Competencies

Strategic Mindset Seeing ahead to future possibilities and translating them into breakthrough strategies	Business Insight Applying knowledge of business and the marketplace to advance the organization's goals	Manage Change and Innovation Creating new and agile ways for the organization to be successful
Build Effective Teams Building strong-identity teams that apply their diverse skills and perspectives to achieve common goals	Ensure Accountability Holding self and others accountable to meet commitments	Organizational Savvy Maneuvering comfortably through complex situations, and people-related organizational dynamics



Promoting Work-Life Balance

One of the primary drivers for employee satisfaction and productivity is a positive work-life balance. In 2022, we continued adapting a remote working system policy and implemented flexible working hours policy when the need arises without jeopardizing the quality and quantity of production. Our survey showed an 82% satisfaction rate of being encouraged to balance their work and personal lives.

We aim to ensure employees have the facilities they need and want at Savola Group workplace tower, including the Dr. Soliman Fakeeh Hospital in-house clinic, a nursery, canteen and mini-market. Once again, our Tawer survey showed another outstanding result, as we achieved a 93% satisfaction rate of workplace facilities.

In 2022, we renovated Savola Group's workplace aiming to enhance employee's work environment, including:

- Changing the coffee shop provider, aiming to support Saudi start-up business owners by partnering with local coffee shops, with an agreement that includes a special rate for the employees.
- Initiating a project to operate the nursery for female workers in-house, as it was externally sourced due to COVID-19 government instructions.
- Operating a Female Lounge to ensure an attractive workplace environment for our female workers.
- Operating an Executive Lounge to enhance synergy of Savola Group and its OpCos' senior leadership teams.
- Adapting family-friendly policies, such as recognizing special events in our employees' personal lives, as well as assisting employees with their personal needs by distributing Eid and Ramadan giveaways.
- Providing our employees with a range of unique benefits, such as home loan scheme for Saudi employees, Takaful insurance to support families in the case of death or disability, and Al Tawoon fund.

- Continuing our partnership with an online application to provide a wide range of discounts, corporate rates, and offers for employees and their families, along with other benefits from other providers.

Building a Winning Culture

Among our strategies to create a harmonious, inclusive and engaged workforce, Savola Group has an ethos of nourishment towards the organization, ourselves and our teams.

As an ambitious, mission-driven leading strategic investment holding company, we understand that to deliver on our vision and achieve our strategic objectives we need an empowered, motivated, and highly skilled workforce backed with strong corporate values and competencies that shape the organization's culture and individuals.

Savola Group's values are a set of long-term values drawn from our rich Islamic heritage, which we espouse as a blueprint for concrete actions we take as individuals, as a team and as an organization since the Group was founded in 1979.

We are committed to being an equal and inclusive employer regardless of gender, nationality or disabilities. We achieved an 89% satisfaction rate of being a fair employer, which applies throughout the entire journey from recruitment and progress to support and promotion.

In addition, we continue to hold the Mowaamah Golden Certificate for our commitment to applying the best standards and practices in creating a work environment suitable for people with disabilities.

We enhanced social interaction and networking as we were able to gather the Group and OpCos employees through operating lounges based on international days, such as celebrating Saudi National Day, as well as inviting employees and their families to enjoy a day full of activities to celebrate the start of the academic year. This supported our achievement of a 91% satisfaction rate of being a fun place to work.

Furthermore, we launched a World Cup program in response to the worldwide event (FIFA World Cup Qatar 2022™) that included a highly engaging competition, special offers to attend the matches, invited employees to exciting interactive football-related activities, and more. We also continued to provide our employees with several recognition initiatives, such as rewarding employees who have dedicated themselves to the service of Savola Group.

In SFC, salary and grade reviews, benchmarking studies, school and medical upgrades and anti-inflation measures were implemented during 2022. As SFC continued to encourage

a culture of respect and appreciation, its 'Culture Matters in Restoring Greatness' program featured hundreds of 'thank you' cards sent from employees to their colleagues across Saudi Arabia, Algeria, Egypt, Central Asia, Sudan and Turkey.

Attracting and retaining talent

	2021	2022
Retention Rate (%)	92.59%	94.64%
Saudi Retention Rate (%)	94.00%	95.00%
Joiners	5	5
Leavers	4	3
Regrettable loss (%)	1.8%	0%

As an employee-centric organization, it is imperative that we not only recruit the most capable and committed workforce, but also to ensure that they have the incentives to be with us for the long term.

We continued to solidify our position as an employer of choice in our industry, building our employer brand and reputation as a great place to work. In line with the Group Strategy for continually enhancing our human capital, we continued to see increasing number of job seekers applying for externally published job posts in professional sourcing and recruitment platforms. We also continued to increase the rate of followers (i.e. job seekers) and interactions across a range of social media platforms.

Savola has always shown its support and a duty of care towards its staff by providing them with professional and personal assistance, including home loans for Saudis and emergency funding through the Al Tawoon fund.

Developing Our People

Career advancement and upskilling is essential for increasing employee productivity and maintaining the Group's status as a leader in food and retail. This year, the Group focused on quality over quantity, ensuring high quality development for top talent across the organization, in line with the company's strategy.

"Development and Growth to shape our future" was the slogan for 2022, as we emphasized our commitment to providing a working environment in which our people can grow, thrive, and excel. We provided a wide range of opportunities for self-advancement and learning to support exceptional professional development paths for staff across all levels.

Savola Group competencies were prioritized as an essential component to understand employees' learning and development needs, while ensuring full alignment with broader business needs. We conducted a competencies-based 360 assessment feedback, in collaboration with one of the leading HR consultants in the world, to enhance all employees' self-awareness which helped employees and the company to identify strengths and areas of development moving forward.

Succession Planning continued to be a key focal point for Savola Group as well, ensuring that proper plans and contingencies are in place for key positions across the organization. Thus, we launched an intensive assessment center to have a tailored Individual Development Plan (IDP) for our talent pool to create a high-potential pipeline of our future successors and emerging leaders. As of year-end, we have identified qualified successors for 5 out of 6 senior leadership positions to ensure continuity if required.



SUSTAINABILITY

OUR PEOPLE

Additionally, we continued to conduct our annual Learning Needs Analysis to discuss the employees’ development gaps and plan their learning and growth opportunities. Throughout the year, we managed to achieve our learning plan by focusing on enabling our employees to be certified in their respective specialties, by continuing our collaboration with a range of prominent and prestigious learning institutions to develop our employees’ technical and soft skills.

In 2022, Panda focused on improving learning methods, evaluating training and aligning business and performance programs. The company delivered a Fresh Food Capability Building Program, with 3,347 department associates Kingdom-wide trained on customer service, selling skills and product knowledge. A total of 2,196 new employees from multiple sections have been trained.

Overall, Panda’s learning and development programs delivered more than 960 training sessions over 79,890 man-hours to 8,011 new and existing store employees.

In total, SFC conducted 166 IDPs in 2022 as part of their Accelerate Program and has 15 management trainees in Saudi Arabia, Sudan and Algeria. In addition, SFC admitted 127 interns during the year.

Contributing to Vision 2030

In every aspect of our operations, Saudi Vision 2030 is front of mind. In continuing our leading Saudization program in 2022, Saudi nationals now constitute 72% of the Savola Group workforce, maintaining our HQ platinum zone rating in the Nitaqat initiative to reduce unemployment.

Our ongoing collaboration with the Human Resources Development Fund – Tamheer Program, continues to ensure that Saudi citizens have the capability to compete in the marketplace by developing basic and future skills. We increased the job training opportunities by 125%, providing permanent job opportunities when available.

In a world increasingly reliant on innovation, we have promoted the drive towards digitization and minimizing paperwork, and will continue to forge ahead with that goal in line with the government’s targets.

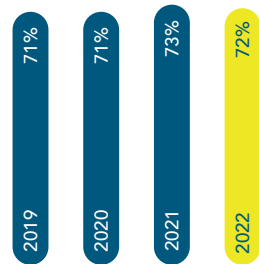
Furthermore, we strengthened our culture of giving to help achieve the Vision 2030 goal to have 1 million volunteers by the end of the decade. Our CSR committee coordinated efforts among Savola Group and its operating companies to provide and encourage relevant activities. Based on our Tower survey, we witnessed a 12% increase over 2021 by achieving 91% employee satisfaction in contributing to good causes.

Our employees proved their compassion and unwavering commitment to the community through a full spectrum of initiatives and campaigns, covering Ramadan activities, World Blood Donor Day and ‘Volunteer your Knowledge’, a program where staff relayed their expertise to young graduates. At King Abdulaziz University Career Fair our experts also shared their experience to help students enter the labor market.

To support our Savola World Yumnak Program, we encouraged the Group’s senior employees to support, direct and guide local startup companies, and meet with administrative, strategic, planning, financial, marketing and technical specialists to increase growth opportunities and attract investments.

Through the Tawoon Contribution Fund, SAR 340,000 of financial assistance was channelled toward supporting employees that faced financial emergencies, such as the those that were affected by the gentrification of the historical district in the heart of Jeddah.

Saudization rate



Our People in 2023

Having cemented our position as the number one employer of choice in our sector last year, in 2023 Savola Group will develop new strategies to improve the skills and opportunities of our existing workforce and instigate new initiatives to recruit top talent, specifically from the Saudi population.



CORPORATE SOCIAL RESPONSIBILITY

RESPONSIBLE ACTIONS. SUSTAINABLE IMPACT.

As an active and responsible sustainability pioneer in the Kingdom, Savola Group is an advocate, an activist and an achiever of positive change for our people, our environment and the world around us.

Savola Group has the welfare of the community and the sustainability of the environment at the heart of its operations. Every element of our business not only meets but exceeds the strict criteria we set ourselves, in line with our promise to contribute to the welfare of the world in general and our unwavering commitment to Vision 2030 in particular.



Our CSR strategies and principals are ingrained in the way we operate and are based on honesty, equality and the desire to promote a healthier natural and corporate world.



Our corporate structure is built on the foundations of a sustainable business operating within the parameters of a sustainable environment, promoting a culture of progress for the people who work alongside us and the communities we serve.

Savola Group is driven in its daily operations to contribute to Vision 2030 and will continue to play a leading role in achieving its sustainable, social and economic goals. Our long-term vision is perfectly aligned with the principles of a green, prosperous and productive nation, committed to the welfare of its people and the success of their future.

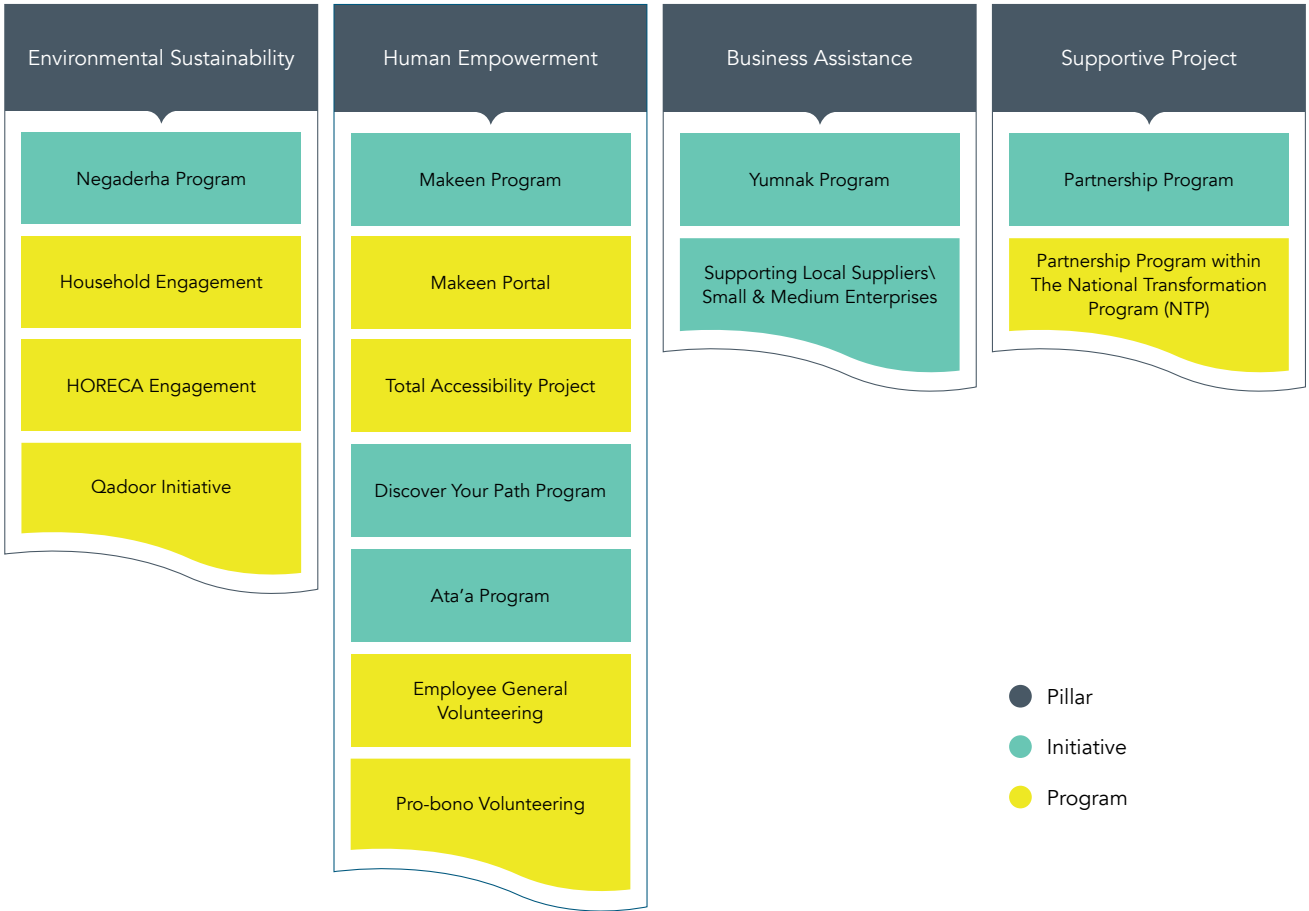
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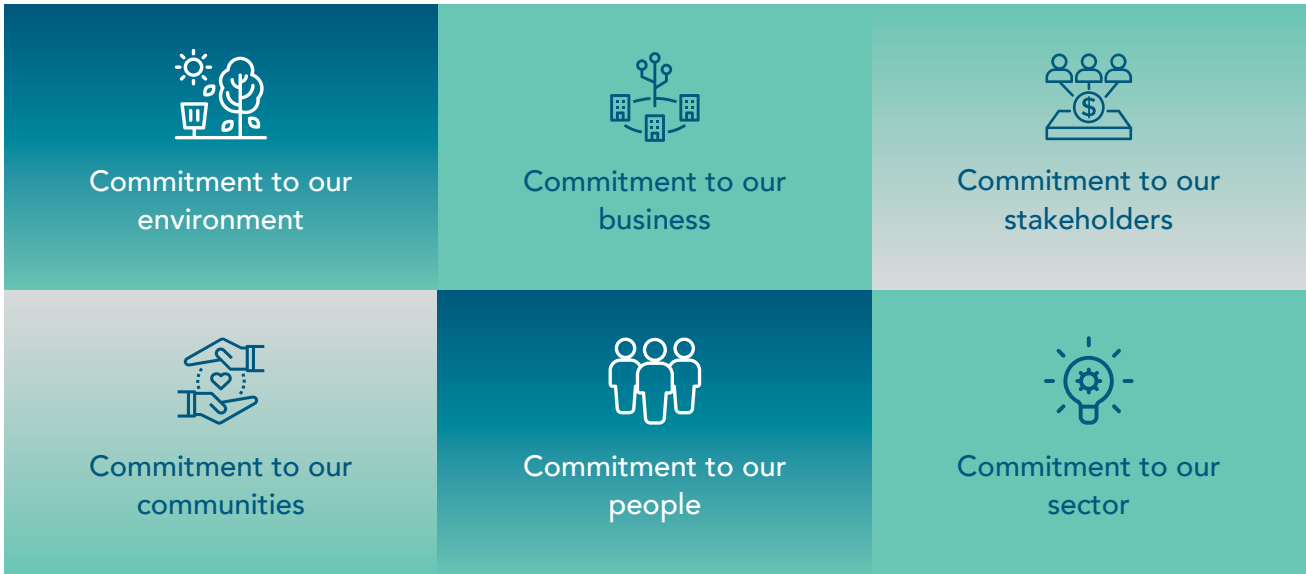
culture of progress for the people who work alongside us and the communities we serve. Our CSR strategies and principals are ingrained in the way we operate and are based on honesty, equality and the desire to promote a healthier natural and corporate world.

This philosophy is embodied in Savola World Foundation, a non-profit organization which spearheads the Group's CSR priorities. Established and funded by the Group, Savola World Foundation is allocated an

annual budget to support its programs and activities based on a resolution from the Savola Board of Directors.

Registered under the supervision of the National Center for the Non-Profit Sector (previously under the Ministry of Human Resources and Social Development from October 2019 until the end of December 2022), Savola World Foundation is a role model for business integrity in Saudi Arabia and a champion of social responsibility.





The Foundation identifies the Group's sustainable development priorities through in-depth interviews with key stakeholders to develop the Operating Strategic Positioning Matrix. This highlights where the community's needs meet the Foundation's capabilities and positioning, in order to select and act on the areas of greatest concern.

CSR Committee of Savola Group

In 2022, Savola Group initiated the Corporate Social Responsibilities Committee to formulate and align the Group's CSR aims and activities to create competitive advantages through Savola World Foundation programs. The Chairman of the CSR Committee at Savola Group also acts as the Executive Director of Savola World Foundation and oversees and implements the Group's sustainability strategy.

As part of its social responsibility programs at a Kingdom-wide level, Savola World Foundation signed a Memorandum of Understanding with the National Transformation Program (NTP) to reduce food waste. This included helping to establish a sustainable method for collecting the relevant data from the retail sector.

Savola World Foundation also developed and executed joint communication awareness campaigns with the NTP and the General Food Security Authority (GFSA), previously known as the Saudi Grains Organization, to maximize awareness on the implications and impact of food waste and loss.



Makeen Program

The "Makeen" program focuses on the training and employment of persons with disabilities at Savola and in other companies.

Mowaamah Certificate – Golden Status

Following a rigorous assessment on commitment, human resources management, recruitment, knowledge, communication, premises and ICT, the Group, with the support of Savola World Foundation, achieved the Mowaamah Certificate – Golden Status. The "Mowaamah" program is a license granted by the Ministry of Human Resources and Social Development, for work environments which are distinguished and convenient for employees with disability.

Celebration of the International Day of Persons with Disabilities

In cooperation with the Savola Group companies (Head Quarters, Panda Retail Company, and Savola Food Company), Makeen Program held a celebration on the International Day of Persons with Disabilities, honoring all 273 employees with disabilities.



Negaderha Program

Negaderha is a food waste management and reduction program in Saudi Arabia. It was developed to address food wastage as a national issue. The program targets 2 main segments: Household and the HORECA sector (hotels, restaurants and cafes).

Based on the Saudi Loss and Waste Index, first edition of 2019, the total food waste and loss ratio is 33.1% in the Kingdom, equivalent to 4.066 million tons. The Kingdom of Saudi Arabia aims at reducing this by 10% by 2030.

In 2022, the Negaderha Program successfully released and promoted its first Qadoor cartoon season, the animation episodes aimed at 6–10-year-olds, of a young man whose mission is to save food wastage across the Kingdom.

During Ramadan, Negaderha launched a successful community awareness campaign on social media called 'Iftar without Waste'. Working in cooperation with the National Transformation Program, the Ministry of Environment, Water and Agriculture and the General Food Security Authority, it was the first time Negaderha had launched an initiative at a national level.

During Hajj season and Eid Al-Adha, Negaderha launched its "Appreciate Food to Last" community awareness campaign, focusing on food storage and leftovers, especially Hajj foods, typically meat and special sweets.

Discover Your Path

Discover Your Path enables high school students in the Kingdom to explore their professional preferences and therefore be able to select the most appropriate future career paths. It is an interactive educational program that includes an integrated educational journey presented through a specialized platform, targeting high school students and their parents. It aims to enable high school students in the Kingdom to choose the most appropriate academic and career path, by helping them to understand the local labor market and correcting misconceptions about some majors, and by realizing their skills and capabilities.



Ata'a Program

The Savola Group encourages its employees to participate in various volunteer programs. The Savola World Foundation has designed volunteer programs that support this approach by the Group and has also contributed to activities that support the personal and professional growth of the Group's employees and aligned this volunteer program with the Kingdom's Vision 2030.

Year

2022

Total of Volunteer Hours

121

Number of Volunteers

26

Number of Beneficiaries

338





Yumnak Program

As Saudi Arabia seeks to increase the contribution of SMEs to the Kingdom's Gross Domestic Product from 20% to 35% by 2030, Savola World Foundation is wholly aligned with the prospect of supporting entrepreneurship and privatization programs, while encouraging investment opportunities in new industries.

Savola World Foundation selected business assistance as one of the focus areas approved by the Foundation's Board of Trustees, with the objective of promoting economic growth and enabling SMEs to grow and prosper by achieving profitability and sustainability.

Yumnak, the Arabic for 'Your Right Hand' is Savola World Foundation's Business Assistance Program, aimed at supporting SMEs in the food and retail space on their journey to success. It is an intensive, practical and hands-on program, which provides the tools for companies to expand to the next level and come closer to reaching their potential.

Yumnak is unique in its focus on developing established companies and increasing their growth or attracting investments through the support, direction and guidance of administrative, strategic, planning, financial, marketing and technical experts.

Established in 2022, Yumnak developed an online communication strategy, visual communication materials and a dedicated page on the Savola World Foundation website, while working on technical design and launching the application form on a specialized website.

Following the Yumnak advertising campaign, 129 companies applied for the program, with 10 qualifying for the final stage. This included 2 weeks of lectures on topics such as marketing and optimizing distribution channels, financial and tax planning for SMEs, building a dynamic financial model, data rooms and alternate financing and valuations. These were supported by partnership and demonstration days.

Panda Retail Company

Panda's overarching sustainability philosophy is to partner with communities and enable better lives that will benefit both the community and ultimately the planet.

In 2022, Panda continued to spearhead its CSR 'Leave the Change for Them' initiative under the patronage of HRH Prince Sultan bin Salman Foundation for Disabled Children. The campaign leverages Panda's massive customer base by promoting a sense of belonging and in turn collecting proceeds to help the cause.



As part of its commitment to preserving the environment, Panda continues to explore sustainable solutions for its day-to-day operations.



During 2022, the company reactivated the Panda Caravan to encourage employee donations to charities which provide care for needy families across the Kingdom of Saudi Arabia.

Panda has launched its sustainability programs to align with Saudi Vision 2030, streamlining all initiatives on a department level and linking them with the Saudi Green Initiative. This includes offsetting emissions with the aim of achieving King Abdullah Economic City Certificates of Excellence in Environmental Sustainability, recycling initiatives during Saudi National Day and employee wellness events.

As part of its commitment to preserving the environment, Panda continues to explore sustainable solutions for its day-to-day operations. The company's energy-saving strategies significantly reduced its overall carbon footprint, embedding a green design philosophy and installing LED lights.

Focusing on sustainability and power management, Panda installed LED lights – approximately 80% more efficient than existing traditional fluorescent lighting – in 65 of its stores, saving an estimated SAR 2.28 million. In another energy initiative, timers were installed to switch off lights outside operational hours.

In order to regulate heat in terms of employee comfort and keeping goods in the optimum environment, Panda introduced smart thermostats in 98 stores, enabling remote monitoring and more efficient air conditioning systems. In addition, Panda installed new refrigeration systems with proactive monitoring, enabling action to be taken before equipment failure.

Minor upgrades related to energy saving options for refrigeration systems, such as more efficient insulation and lighting have had an enormous impact. Using cleaner, greener and cost-effective energy sources is a global goal and as a passionate supporter of the cause, several Panda stores have been directly connected to the grid, reducing their dependency on local in-house diesel generators. So far, 5 out of 16 stores have been linked, with the remainder to be linked later in the year.

Sustainability in 2023

In 2023, Savola World Foundation will continue developing its core programs and initiatives in its key focus areas, in line with the social priority issues of Vision 2030, and the Social Development Goals of the UN (SDGs).



Zero hunger



Good health and wellbeing



Quality education



Gender equality



Decent work and economic growth



Reduced inequalities



Responsible consumption and production



Climate action



Peace, just and strong institutions



Partnerships for the goals

Having consistently set new sustainability and CSR benchmarks over the years, we will continue to drive our ambitions for a cleaner and greener world with a healthier and happier population across the Kingdom.

Savola Group will deliver new strategies, new initiatives and new activities to engage the people we work with and the communities we live with to continue our ultimate goal of being an asset to society and an inspiration to others.

SAVOLA GROUP IS COMMITTED TO TRANSPARENCY AND DISCLOSURE PRINCIPLES AND THE ACTIVATION OF BOTH THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT ROLES AND SPECIFYING THEIR RESPONSIBILITIES AND AREAS OF ACCOUNTABILITIES. SAVOLA IS ALSO CONTINUOUSLY SECURING THE MECHANISMS THAT ENHANCE INTERNAL CONTROL AND RISK MANAGEMENT.

3 DIRECTORS' REPORT

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BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

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

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

Qualifications: Second Class, from the Faculty of Medicine - King Saud University, KSA.

Experience: Business, industrial and banking management, as well as investment management and real estate development and contracting. Sits on a number of other Boards and Committees.

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

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

Qualifications: Master's degree in Business Administration - Rice University, USA.

Bachelor's degree in Economics - University of Virginia, USA.

Certified Financial Analyst (CFA).

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

Current positions: VP - Industrial & Infrastructure Investments at Al Muhaidib Group.

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

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

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

Current positions: Hassana Investment Company – Head of Local Public Equity.

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

Qualifications: Bachelor degree in Finance, King Fahad University of Petroleum & Minerals - KSA.

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

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

Previous positions: Running his Group of Companies.

Qualifications: Bachelor's degree in Finance and Economics - Babson College, USA.

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

Current positions: CFO of Assila Investments, and BlackRock Saudi Arabia.

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

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

Experience: Financial management, investments, and financial markets.

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



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



Mr. Isam Majid Al Muhaidib
Non-Executive Board Member



Mr. Ahmad Abdulrahman Al Humaidan
Non-Executive Board Member



Mr. Rakan Abdulaziz Al Fadl
Independent Board Member



Mr. Mohammed Ibrahim Alissa
Independent Board Member



Eng. Mutaz Qusai AlAzzawi
Non-Executive Board Member



Mr. Fahad Abdullah Al Kassim
Non-Executive Board Member



Mr. Ahmed Waza Al Qahtani
Non-Executive Board Member



Mr. Waled Abdullah Ghreri
Independent Board Member



Mr. Bader Hamad Al Rabiah
Independent Board Member



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

Previous positions: Running his Group of Companies, and Director at Merrill Lynch, KSA.

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

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

Current positions: Businessman - Managing Partner of Fahad AlKassim CPA, Executive Board member – AlRajhi united investment holding.

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

Qualifications: Bachelor of Science degree in Management (Accounting major) - King Saud University, KSA.

Management and Leadership Program - Oxford University, UK.

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

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

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

Qualifications: Bachelor's in Finance, King Fahad University of Petroleum & Minerals- KSA.

Experience: Public Financial Markets, Private Equity, Real Estate and Infrastructure; Strategy Development; Financial and Organizational restructuring.

Current positions: Board member (National Energy Services Company), Executive committee member (National Energy Services Company), CEO (National Energy Services Company), Advisory committee member (SABIC-Home of Innovation).

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

Qualifications: MBA (ESADE Business School) Spain, Bachelor of Finance (Virginia Tech) USA.

Experience: Business management, Development of strategic plans, Financial Analysis, Organizational Change management, Operational Excellence, in addition to membership in several committees.

Current positions: Vice Chairman of Board 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, Chairman of Board of Al-Durra National Real Estate Co., and Member of the Board at Palms Agro Production Company, MIDCHEM in KSA, International Hotels Group in Jordan, and Ikarus Real Estate in the UAE.

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 in Accounting - Kuwait University also served as a member of the General Assembly of Kuwait Association of Accountants & Auditors and Kuwait Economic Society.

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

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT TEAM

Current positions: Savola Group CEO.

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

Qualifications: Bachelor's Degree of Science in Accounting from California State University.

Experience: He has over 28 years of banking, financial and investments experience, and his career has given him wide experience across a variety of business sectors and the financial services sector.

Current positions: CEO of Savola Foods Company.

Previous positions: Chief Portfolio Officer of Al-Faisaliah Group, CEO of Saudi Tadawi Healthcare, COO of Basamh Trading and Industries Group, and Board Member of number of other companies.

Qualifications: Bachelor's degree in Economics - American University, Egypt.

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

Current positions: 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, KSA.

Experience: Over 30 years of experience in retail, pharmaceutical and food industries in both private and public sectors. Serves as a Board Member for several companies.

Current positions: Chief Human Resources and Corporate Services Officer.

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 from DePaul University in Chicago, USA.

Bachelor's degree in Management Information System from UBT.

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

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

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

Qualifications: Master's degree in Law (LLM) - University of Cumbria, UK.

Bachelor's degree and a Master's degree in Business Administration - Sudan University of Science and Technology (SUST), Sudan.

Certificates in Corporate Governance, Compliance, Board and Committees Secretary from reputable regional institutions.

Experience: Over 20 years of experience in corporate governance, compliance, legal affairs, Board of Directors' affairs, investors' relations and shareholders' matters and corporate communications. Significant experience in providing corporate governance and legal consultations in CMA laws and regulations, companies' law, managing shareholders' meetings, preparing reports and legal memorandums, reviewing contracts and agreements to define and mitigate risks as well as following up cases before judicial bodies through litigation, arbitration, or amicable settlements.

Mr. Waleed Khalid Fatani



Mr. Sameh M. Hassan



Dr. Bander T. Hamooh



Mr. Morhaf M. Alsamman



Mr. Elnour Ali Saad



Mr. Wajid Usman Khan



Mr. Mohammad Nasr



Internal Control, Audit, and Risk Team:

Mr. Aly Assem Barakat



Mr. Yasser Hassan Dahlawi



Current positions: Chief Financial Officer.

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

Qualifications: Master's degree in Commerce - HEC, Pakistan.

Professional qualifications in Chartered Accountancy.

Fellow Member of Institute of Chartered Accountants of Pakistan.

Associate Member of Institute of Chartered Accountants of England and Wales, UK.

Experience: Over 20 years of experience in financial management, corporate finance, strategy and digital transformation with Savola Group and its subsidiaries.

Member of Audit Committee in Al Kabeer Group and Kinan International for Real Estate Development.

Current positions: Chief Investment Officer.

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

Qualifications: Master's degree in Business Administration - London Business School, UK.

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

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

Current positions: Chief Audit Officer.

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

Qualifications: Bachelor's degree in Commerce (Accounting major) - University of Helwan, Egypt

Licensed Certified Public Accountant, USA. Member of American Institute of Certified Public Accountants & Chartered Global Management Accountant Association.

Experience: Over 25 years' experience in the financial sector field, internal controls, internal and external assurance, governance, enterprise risk management and compliance.

Current positions: 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 of Science degree in Engineering and Technology Management - Portland State University, USA.

Bachelor of Science degree in Industrial Engineering - King Fahad University of Petroleum and Minerals (KFUPM), KSA.

Experience: Over 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.

MAIN ACTIVITIES AND FINANCIAL DISCLOSURES IN ACCORDANCE WITH REGULATORY REQUIREMENTS

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

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

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. (Panda)	KSA	Retail	KSA and Egypt	98.87%	SAR 400,000,000	40,000,000
3.	Good Food Co. (GFC)	KSA	Holding Company	KSA and some GCC countries	100%	SAR 10,000,000	1,000,000
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, Nigeria 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 7,200,000	72,000
7.	Al Utur Arabian Co. for Commercial Investment	KSA	Holding Company	KSA	100%	SAR 1,000,000	10,000
8.	Al Matana Holding Co.	KSA	Holding Company	KSA	100%	SAR 50,000	5,000
9.	Madarek Investment Co.	Jordan	Holding Company	Jordan	100%	JOD 1,000,000	1,000,000
10.	United Properties Development Co.	KSA	Dormant Company	KSA	100%	SAR 4,000,000	400
2) Al Matana Holding Company:							
a. Subsidiaries controlled through Al Matana Holding Company:							
(% referred to Al Matana Holding Company direct and indirect ownership – Al Matana Holding Company is 100% owned by Savola Group)							

No.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
11.	SGC Ventures Limited	Cayman Islands	Holding Company	Offshore Company	100%	USD 50,000	50,000
12.	SGC Marketplace Venture	Cayman Islands	Holding Company	Offshore Company	100%	USD 50,000	50,000
13.	SGC Agritech Ventures	Cayman Islands	Holding Company	Offshore Company	100%	USD 50,000	50,000
3) Savola Foods Company (SFC):							
a. Subsidiaries controlled through SFC:							
(% referred to SFC's direct and indirect ownership – SFC is 100% owned by Savola Group)							
14.	Afia International Co. (AIC)	KSA	Manufacturing of Edible Oils	KSA, Egypt, Iran, Turkey, Jordan	95.19%	SAR 500,000,000	50,000,000
15.	Savola Industrial Investment Co. (SIIC)	KSA	Holding Company	KSA	100%	SAR 205,907,000	205,907
16.	El Maleka for Food Industries Co.	Egypt	Manufacturing of Pasta	Egypt	100%	EGP 288,898,960	28,889,896
17.	Savola Foods Emerging Markets Co. (SFEM)	British Virgin Islands (BVI)	Holding Company	Offshore Company	95.43%	SAR 130,000,000	13,000,000
18.	Savola Foods for Sugar Co.	Cayman Islands	Dormant Company	Offshore Company	95% (100% with Savola Group direct ownership)	USD 50,000	5,000
19.	SFCI	United Arab Emirates (UAE)	Holding Company	UAE	100%	AED 500,000	500
20.	International Foods Industries Co.	KSA	Manufacturing of Specialty Fats	KSA	100%	SAR 107,000,000	10,700,000
21.	Seafood International Two FZCO	UAE	Seafood Products Trading & Distribution	UAE	100%	AED 100,000	10
22.	Afia Foods Arabia Co.	KSA	Holding Company	KSA	100%	SAR 1,000,000	1,000
23.	Seafood International Holding Co.	Cayman Islands	Holding Company	Offshore Company	100%	USD 10,000	10,000
24.	Al Maoun International Holding Co. (Al Maoun)	KSA	Holding Company	KSA	100%	SAR 1,000,000	1,000
25.	Marasina International Real Estate Investment Co. (Marasina)	KSA	Holding Company	KSA	100%	SAR 200,000	200
26.	Commodities Sourcing Company for Trading	KSA	Trading Company	KSA	100%	SAR 5,000,000	500,000
27.	Snacking and Ingredients Food Holding Company Limited ("SIFCO")	UAE	Holding Company	UAE	100%	USD 10,000	1,000

MAIN ACTIVITIES AND FINANCIAL DISCLOSURES IN ACCORDANCE WITH REGULATORY REQUIREMENTS

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 AIC: (% referred to AIC's direct and indirect ownership; AIC is 95.19% owned by SFC)							
28.	Savola Behshahr Co. (SBeC)	Iran	Holding Company	Iran	90%	IRR 740,000,000,000	740,000,000
29.	Malintra Holdings Ltd.	Luxembourg	Dormant Company	Offshore Company	100%	EUR 1,250,000	1,250
30.	Savola Foods Ltd. (SFL)	BVI	Holding Company	Offshore Company	100%	USD 52,000	52,000
31.	Afia International Co. – Jordan	Jordan	Dormant Company (under Liquidation)	Jordan and Levant	98.57%	JOD 8,000,000	8,000,000
32.	Inveskz Inc.	BVI	Dormant Company	Offshore Company	90%	USD 138,847	138,847
33.	Afia Trading International	BVI	Dormant Company	Offshore Company	100%	USD 500,000	500,000
34.	Savola Foods International	BVI	Dormant Company	Offshore Company	100%	USD 50,000	50,000
35.	KUGU Gida Yatum ve Ticaret A.S (KUGU)	Turkey	Holding Company	Turkey	100%	TRL 26,301,280	2,630,128
36.	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)							
37.	Behshahr Industrial Co.	Iran	Manufacturing of Edible Oils	Iran	79.9%	IRR 29,500,000,000,000	29,500,000,000
38.	Tolue Pakshe Aftab Co.	Iran	Trading and Distribution	Iran	100%	IRR 100,000,000,000	100,000,000
39.	Savola Behshahr Sugar Co.	Iran	Trading and Distribution	Iran	100%	IRR 100,000,000	100,000
40.	Notrika Golden Wheat Co.	Iran	Manufacturing of Food and Confectionery	Iran	90%	IRR 200,000,000,000	200,000,000
d. Subsidiaries Controlled through Behshahr Industrial Co: (% referred to Behshahr Industrial Co: Behshahr Industrial Co is 79.9% owned by SBeC)							
41.	Mahsoolat Diryaee Tam Afarin Saba Co. (Sahel)	Iran	Seafood Products Trading & Distribution	Iran	100%	IRR 50,000,000,000	50,000,000
e. Subsidiaries controlled through SFL: (% referred to SFL's ownership; SFL is 100% owned by AIC)							
42.	Afia International Co. Egypt	Egypt	Manufacturing of Edible Oils	Egypt	99.95%	EGP 154,651,500	30,930,300
f. Subsidiaries controlled through Afia International Co. Egypt: (% referred to Afia International Co. Egypt ownership; Afia International Co. Egypt is 99.95% owned by SFL)							
43.	Savola For Export and Import	Egypt	Trading and distribution	Egypt	49%	EGP 5,000,000	10,000
g. Subsidiaries controlled through KUGU: (% referred to KUGU's direct and indirect ownership; KUGU is 100% owned by AIC)							

No.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
44.	Savola Gida Sanayi ve Ticaret Anonim Şirketi	Turkey	Manufacturing of Edible Oils	Turkey	100%	TRL 4,433,569	443,356,900
h. Subsidiaries controlled through SIIC: (% referred to SIIC's ownership; SIIC is 100% owned by SFC)							
45.	United Sugar Co. (USC)	KSA	Manufacturing of Sugar	KSA	74.48%	SAR 395,000,000	39,500,000
i. Subsidiaries controlled through USC: (% referred to USC's direct and indirect ownership; USC is 74.48% owned by SIIC)							
46.	Alexandria Sugar Co. – Egypt (ASCE)	Egypt	Manufacturing of Sugar	Egypt	62.13% (69.66% including SFC %)	EGP 1,358,388,000	1,358,388
47.	Beet Sugar Industries	Cayman Islands	Dormant Company	Offshore Company	100%	USD 1,000	1,000
j. Subsidiaries controlled through ASCE: (% referred to ASCE ownership; ASCE is 69.66% owned by SFC directly and indirectly)							
48.	Alexandria United Co. for Land Reclamation	Egypt	Agro Cultivation	Egypt	100%	USD 22,500,000	225,000
k. Subsidiaries controlled through SFEM: (% referred to SFEM's direct and indirect ownership; SFEM is 95.4% owned by SFC)							
49.	Savola Morocco Co.	Morocco	Manufacturing of Edible Oils	Morocco	100%	MAD 46,000,000	460,000
50.	Savola Edible Oils (Sudan) Co.	Sudan	Manufacturing of Edible Oils	Sudan	100%	SDG 45,800,000	45,800,000
51.	Afia International Co. – Algeria	Algeria	Manufacturing of Edible Oils	Algeria	100%	DZD 3,028,071,000	3,028,071
l. Subsidiaries controlled through SFCI: (% referred to SFCI's ownership; SFCI is 100% owned by SFC)							
52.	Modern Behtaam Royan Kaveh Co.	Iran	Food and Confectionery	Iran	100%	IRR 50,000,000,000	50,000,000
53.	Middle East Technology Venture Ltd.	Cayman Islands	Holding Company	Offshore Company	100%	USD 50,000	50,000
m. Subsidiaries controlled through Al Maoun and Marasina: (% referred to Al Maoun and Marasina's ownership; both companies are 100% owned by SFC)							
54.	Alofog Trading DMCC	UAE	Trading and Distribution	UAE	100%	AED 2,000	50
n. Subsidiaries controlled through SIFCO: (% referred to SIFCO's ownership; SIFCO is 100% owned by SFC)							
55.	Bayara Holding Limited	Cayman Islands	Holding Company	Offshore Company	100%	USD 137,500	13,750,000
56.	Bayara FZE	UAE	Holding Company	UAE	100%	AED 5,000,000	5
57.	Savola Snacks	Egypt	Manufacturing of Snacks	Egypt	100%	EGP 50,000,000	50,000

MAIN ACTIVITIES AND FINANCIAL DISCLOSURES IN ACCORDANCE WITH REGULATORY REQUIREMENTS

No.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
o. Subsidiaries controlled through Bayara Holding Limited: (% referred to Bayara Holding Limited ownership; Bayara Holding Limited is 100% owned by SIFCO)							
58.	Kandoo Worldwide Limited	BVI	Managing Trademark	Offshore Company	100%	USD 50,000	50,000
59.	Kamali Investment Limited	UAE	Holding Company	UAE	100%	AED 10,000	10,000
p. Subsidiaries controlled through Bayara FZE: (% referred to Bayara FZE ownership; Bayara FZE is 100% owned by SIFCO)							
60.	GYMA Food Industries	UAE	Processing spices, nuts, and pulses	UAE	100%	AED 300,000	300
61.	Bayara Saudi Arabia Limited Group	KSA	Processing spices, nuts, and pulses	KSA	100%	SAR 3,000,000	3,000
62.	Profood Holdings Limited	UAE	Holding Company (Under Liquidation)	UAE	100%	AED 10,000	100
q. Subsidiaries controlled through Seafood International Two FZCO: (% referred to Seafood International Two FZCO ownership; Seafood International Two FZCO is 100% owned by SFC)							
63.	Seafood International One FZCO	UAE	Seafood Products Trading & Distribution	UAE	80% (100% with SFC ownership)	AED 100,000	100
4) Panda Retail Co. (Panda): a. Subsidiaries controlled through Panda: (% referred to Panda's direct and indirect ownership; Panda is 98.87% owned by Savola)							
64.	Giant Stores Trading Ltd.	KSA	Retail	KSA	100%	SAR 50,000,000	5,000
65.	Panda for Operations, Maintenance & Contracting Services Co.	KSA	Services and Maintenance	KSA	100%	SAR 500,000	500
66.	Panda International for Retail Trading	Egypt	Retail	Egypt	100%	EGP 500,000,000	50,000,000
67.	Panda Bakeries Co.	KSA	Dormant Company	KSA	100%	SAR 500,000	500
68.	Atabet Al Bab Communications and Information Technology LLC	KSA	E-commerce	KSA	100%	SAR 200,000	200,000
b. Subsidiaries controlled through Giant Stores Trading Co.: (% referred to Giant Stores Trading Co. Ownership; Giant Stores Trading Co. is 100% owned by Panda)							
69.	Lebanese Sweets and Bakeries Ltd.	KSA	Dormant Company	KSA	95% (99% including Savola direct %)	SAR 5,000,000	5,000
5) Al Kabeer Group Companies: a. Subsidiaries controlled through GFC: (% referred to GFC's direct and indirect ownership; GFC is 100% owned by Savola Group)							
70.	Variety Foods Factory Co.	KSA	Frozen Food Manufacturing	KSA	51%	SAR 5,000,000	5,000
71.	Al Helal for Import & Export Co.	Bahrain	Trading and Distribution	Bahrain	51%	BHD 20,000	200

No.	Company name	Country of Incorporation	Core activities	Country presence	Ownership % (direct and indirect)	Capital (nominal share value)	Number of shares
72.	Al Kabeer Holding Co.	UAE	Holding Company	UAE	51%	USD 100	100
73.	Best Foodstuff Trading Co.	UAE	Trading and Distribution	UAE	51%	AED 3,000,000	3,000
74.	Sahar Enterprises Co.	UAE	Trading and Distribution	UAE	51%	AED 181,500,000	181,500
75.	Sahar Food Industries Co.	UAE	Frozen Food Manufacturing	UAE	51%	AED 300,000	300
76.	Al Ahsan Trading Co.	KSA	Trading and Distribution	KSA	51%	SAR 27,000,000	27,000
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)							
77.	Al Sabah Foodstuff Enterprises Co.	UAE	Trading and Distribution	UAE	100%	AED 500,000	500
78.	Cascade Marine Foods Co.	UAE	Frozen Food Manufacturing	UAE	100%	AED 750,000	100
79.	Cascade Investments Limited	UAE	Investment Company	UAE	100%	USD 125,000	1,250
80.	Best Foods Co.	Oman	Food Distribution	Oman	100%	OMR 150,000	150,000
6) Investees: (investments in sister companies)							
81.	Almarai Co.	KSA	Fresh Food Products	KSA	34.52%	SAR 10,000,000,000	1,000,000,000
82.	Kinan International for Real Estate Development Co.	KSA	Real Estate Development	KSA	29.99%	SAR 1,200,000,000	120,000,000
83.	United Sugar Co. Egypt	Egypt	Manufacturing of Sugar	Egypt	33.82% (Savola effective ownership)	USD 138,851,128	17,733,222
84.	Intaj Capital Ltd.	Republic of Tunisia (Tunisia)	Fund Management	Tunisia	49%	USD 207,200,000	260,000
85.	United Edible Oils Holding Ltd.	Cayman Islands	Holding Company	Offshore Company	51%	USD 50,000	36,351,431
7) Investments available for sale: Listed:							
86.	Emaar the economic city	KSA	Real Estate	KSA	0.87%	SAR 8,500,000,000	850,000,000
87.	Arab Phoenix Holdings Co.	Jordan	Real Estate Development	Jordan	5%	JOD 86,840,292	86,840,292
Unlisted:							
88.	Joussor Holding Co.	KSA	Investment Funds (under Liquidation)	KSA	14.81%	SAR 600,000,000	60,000,000
89.	Swicorp Co.	KSA	Investment Management	KSA	15%	SAR 500,000,000	50,000,000

MAIN ACTIVITIES AND FINANCIAL DISCLOSURES IN ACCORDANCE WITH REGULATORY REQUIREMENTS

2) 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):

Revenues (SAR million)		Net Profit (SAR million)	
2018	21,815	2018	-520
2019	21,406	2019	476
2020	21,702	2020	911
2021	24,669	2021	222
2022	28,055	2022	743

Item (SAR '000s)	2022	2021	2020	2019	2018
Revenues	28,054,703	24,669,163	21,701,941	21,406,424	21,814,563
Cost of Revenues	(23,180,622)	(20,190,449)	(17,061,558)	(16,902,120)	(17,916,606)
Gross Profit	4,874,081	4,478,714	4,640,383	4,504,304	3,897,957
Net Profit (loss)	742,752	221,879	910,802	475,630	(520,380)

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

Assets (SAR million)		Liabilities (SAR million)	
2018	22,252	2018	14,231
2019	26,658	2019	18,119
2020	27,058	2020	17,894
2021	28,546	2021	19,454
2022	29,565	2022	20,248

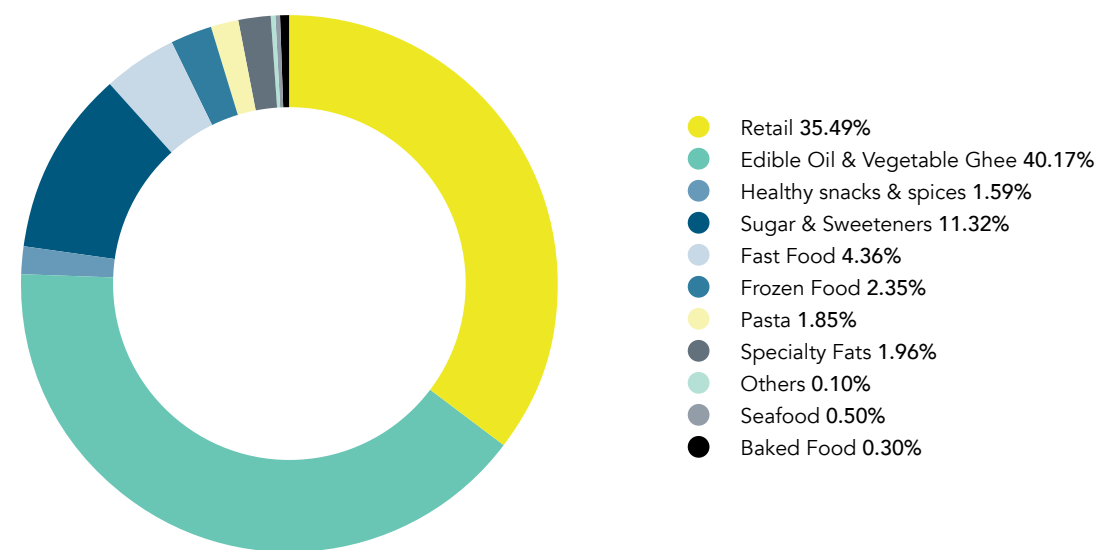
Item (SAR '000s)	2022	2021	2020	2019	2018
Current assets	9,453,964	7,941,295	6,464,347	5,969,924	5,906,124
Non-current assets	20,110,684	20,604,624	20,594,037	20,687,787	16,346,327
Total assets	29,564,648	28,545,919	27,058,384	26,657,711	22,252,451
Current liabilities	11,644,462	9,458,120	8,183,856	8,863,915	8,426,642
Non-current liabilities	8,603,493	9,995,986	9,709,974	9,254,726	5,803,868
Total liabilities	20,247,955	19,454,106	17,893,830	18,118,641	14,230,510

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

Below is the Group's consolidated revenue for 2022 compared to the previous year business-wise (edible oils and vegetable ghee, sugar and sweeteners, pasta, seafood, frozen food, retail sector, fast food, specialty fats and healthy snacks (raw & roasted nuts, dates, seeds, dried fruits, and confectionery) and cooking ingredients (herbs, spices and pulses), including geographical analysis based on availability of brands and products in countries:

Business line/country	Brands	2022 (SAR '000s)	2021 (SAR '000s)
Edible oil and vegetable ghee			
KSA, GCC and Yemen	Afia, Al Arabi, Olite, Shams, Sun Glow, Dalal, Nakeel	3,331,255	2,566,534
Egypt, Levant	Rawabi, Afia, Ganna, Slite, Helwa	2,732,047	1,870,079
Central Asia	Ladan, Aftab, Bahar, Afia	2,383,766	1,105,972
Sudan	Al Tayeb, Sabah, Shams	778,720	1,168,331
Morocco	Afia, Hala	625,445	572,101
Turkey	Yudum, Sirma, Afia	961,650	774,058
Algeria	Afia, Oleor	633,644	510,122
Total edible oil and vegetable ghee revenues		11,446,527	8,567,197
Sugar and sweeteners			
KSA, GCC and Yemen	Al Osra, Ziadah, Safaa, Nehar, Halla, Sweeva	2,756,691	2,453,817
Egypt	Al Osra	469,506	472,272
Total sugar and sweeteners revenues		3,226,197	2,926,089
Foods			
Total pasta products – Egypt	El Maleka, Macaronto, Italiano	528,042	587,579
Total seafood products – GCC and Egypt	John West, Leeza	143,277	49,583
Total baked food products – Central Asia	Pech-Pech	84,886	46,501
Total specialty fats and margarine – KSA and Turkey	Culina, Margarina, Vala, Sava	557,896	373,306
Healthy snacks & Spices	Bayara, Afia	453,978	79,867
Total foods revenues		16,440,803	12,630,122
Retail			
KSA	Hyper Panda, Panda Supermarket	9,956,831	10,335,848
Egypt	Panda Supermarket	157,179	140,276
Total retail revenues		10,114,010	10,476,124
Fast food			
Fast food and restaurants	Herfy, Doka	1,243,838	1,313,856
Total fast food and restaurants		1,243,838	1,313,856
Frozen food products			
KSA and GCC	Al Kabeer, Tayebat Al Emarat, Tabarruk	670,009	642,944
Total frozen food products		670,009	642,944
Others			
Real estate – KSA		27,335	27,545
Total other activities revenues		27,335	27,545
Gross revenues		28,495,995	25,090,591
Consolidated intercompany elimination		(441,292)	(421,428)
Total revenues		28,054,703	24,669,163

MAIN ACTIVITIES AND FINANCIAL DISCLOSURES IN ACCORDANCE WITH REGULATORY REQUIREMENTS



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

Income statement	2022 (SAR '000s)	2021 (SAR '000s)	Variance (+) or (-) (SAR '000s)	Variance %
Revenues	28,054,703	24,669,163	3,385,540	13.7%
Cost of revenues	(23,180,622)	(20,190,449)	(2,990,173)	14.8%
Gross profit	4,874,081	4,478,714	395,367	8.8%
Operational revenues – Other	660,581	557,066	103,515	18.6%
Operational expenses – Other	(3,833,076)	(4,019,485)	186,409	-4.6%
Operational profit	1,701,586	1,016,295	685,291	67.4%

Declaration: The Company did not announce any financial expectations during 2022.

The reasons for the change in net profit for 2022 compared to last year:

The Group recorded net profit for the year ended 31 December 2022 amounting to SAR 743 million versus net profit of SAR 222 million for last year. The increase in net profit is mainly attributed to the increase in gross profit primarily due to improved gross profit in the Food Processing segment; and the higher share of profits from associates; in addition to the Capital gain amounting to SAR 42 million on the sale of an equity-accounted investment. The increase in net profit is despite the higher operating expenses; net finance cost; and zakat and income tax expense.

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 July 2019, the Group completed the offering of its Sukuk, under a 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 2022 (at prevailing market rates) reached SAR 425 million compared to SAR 291 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 2022 (SAR '000s):

No.	Borrowing company	Lender	Loan period	Date issued	Original amount	Amount paid in 2022	Balance Dec 2022	Balance Dec 2021
1.	Savola Group Co.	Gulf International Bank	3 Years	Dec-20	300,000	300,000	-	300,000
		Gulf International Bank	3 Years	Jul-21	250,000	250,000	-	250,000
		Bank Al Jazira	7 years	Nov-18	300,000	50,000	150,000	200,000
		Bank Al Jazira	7 years	Dec-19	500,000	-	500,000	500,000
		Bank Al Jazira	7 Years	Dec-21	75,000	-	75,000	75,000
		Bank Al Jazira	7 years	Feb-22	200,000	-	200,000	-
		Saudi British Bank	5 years	Sep-18	750,000	112,500	187,500	300,000
		Saudi British Bank	7 years	Feb-19	800,000	132,000	429,000	561,000
		Saudi British Bank	5 years	Mar-21	300,000	300,000	-	300,000
		Saudi British Bank	7 years	Feb-22	100,000	-	100,000	-
		Al Rajhi Bank	2 years	Dec-21	200,000	200,000	-	200,000
		Al Rajhi Bank	7 years	Dec-21	125,000	-	125,000	125,000
		Al Rajhi Bank	5 years	Mar-21	500,000	500,000	-	500,000
		Saudi Fransi Bank	7 years	Dec-21	200,000	-	200,000	200,000
		Saudi Fransi Bank	7 years	Feb-22	300,000	-	300,000	-
		Riyad Bank	5 years	Feb-22	150,000	-	150,000	-
		Sukuk	7 years	Jul-19	1,000,000	-	1,000,000	1,000,000
SAVOLA GROUP						3,416,500	4,511,000	

MAIN ACTIVITIES AND FINANCIAL DISCLOSURES IN ACCORDANCE WITH REGULATORY REQUIREMENTS

No.	Borrowing company	Lender	Loan period	Date issued	Original amount	Amount paid in 2022	Balance Dec 2022	Balance Dec 2021
2.	Afia Intl. Co. - Egypt *	National Bank of Kuwait	5 years	Jan-19	16,000	5,334	6,687	12,025
AFIA INTERNATIONAL CO.							6,687	12,025
3.	Savola Foods Co.	Al Rajhi Bank	7 years	Dec-21	175,000	-	175,000	175,000
		Bank Al Jazira	7 years	Dec-21	300,000	-	300,000	300,000
		Saudi Fransi Bank	7 years	Nov-21	300,000	-	300,000	300,000
		Saudi British Bank	7 years	Dec-21	200,000	-	200,000	200,000
SAVOLA FOODS CO.							975,000	975,000
4.	El Maleka for Food Industries Co. *	National Bank of Kuwait	5.3 years	Dec-18	28,173	4,687	5,993	15,696
EL MALEKA FOR FOOD INDUSTRIES CO.							5,993	15,696
5.	Alexandria Sugar Co. *	Commercial International Bank	13 Years	Mar-10	529,937	39,873	44,536	116,644
	Alexandria UCLR	National Bank of Kuwait	4 years	Jan-18	27,473	7,563	-	7,653
SAVOLA INDUSTRIAL INVESTMENT CO.							44,536	124,297
6.	Savola Snacks*	National Bank of Kuwait	4 years	May-22	84,444	-	63,461	-
SAVOLA SNACKS							63,461	-
7.	Herfy Food Services Co.	Al Rajhi Bank	4-6 years	2014-2017	499,996	14,916	15,612	30,528
HERFY FOOD SERVICES CO.							15,612	30,528
TOTAL LONG-TERM LOANS							4,527,790	5,668,546

* December 2022 loan value changed due to currency effect.

b) Short-term loans of the Group and its subsidiaries, and their payment status as of 31 December 2022 (SAR '000s):

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2022	Balance Dec 2021
1.	Savola Group Co.	Saudi British Bank	1 Month	Dec-22	70,000	-
		Gulf International Bank	1 Month	Dec-22	580,000	-
SAVOLA GROUP					650,000	180,000
2.	Panda Retail Co.	Saudi National Bank	1 Month	Dec-22	45,000	-
		Saudi British Bank	1 Month	Dec-22	140,000	-
		Saudi Fransi Bank	1 Month	Dec-22	145,000	-
PANDA RETAIL COMPANY					330,000	30,000
3.	Afia International Co.	Saudi National Bank	1 Month	Dec-22	150,000	-
		Saudi British Bank	1 Month	Dec-22	430,000	-
		Arab National Bank	1 Month	Dec-22	170,000	-
		Saudi Fransi Bank	1 Month	Dec-22	200,000	-
4.	Afia Intl. Co. - Egypt	QNB Finansbank	1 Year	Aug-22	12,325	-
		Commercial International Bank	1 Year	Aug-22	5,176	-
		National Bank of Egypt	1 Year	Jun-22	12,195	-
		First Abu Dhabi Bank	1 Year	Apr-22	23,024	-
		National Bank of Kuwait	1 Year	Feb-22	36,412	-
		Hongkong and Shanghai Banking Corp.	1 Year	Jun-22	46,581	-
		Emirates NBD	1 Year	Feb-22	10,638	-
		Mashreq Bank	1 Year	Jan-22	65,555	-
5.	Behshahr Industrial Co.	Tejarat Bank	6 Months	Dec-22	26,011	-
		Bank Mellat	6 Months	Sep-22	84,535	-
		Khavarmianeh Bank	3 Months	Dec-22	65,027	-
		Khavarmianeh Bank	3 Months	Nov-22	65,027	-
		Karafarin Bank	3 Months	Nov-22	65,027	-
		Saman Bank	6 Months	Jul-22	3,902	-
		Saman Bank	6 Months	Sep-22	13,005	-
		Saman Bank	6 Months	Nov-22	6,503	-
		Saman Bank	6 Months	Nov-22	11,705	-
		Saman Bank	6 Months	Nov-22	15,605	-
		Saman Bank	6 Months	Sep-22	6,503	-
		Saman Bank	6 Months	Nov-22	16,907	-
		EN Bank	1 Year	Jun-22	39,016	-
		Shahr Bank	1 Year	Sep-22	27,311	-
		Melli Bank	1 Year	Mar-22	4,358	-
		Parsian Bank	1 Year	Mar-22	35,115	-
		Bank Keshavarzi	6 Months	Sep-22	6,585	-
6.	Notrika Goden Wheat Co.	Khavarmianeh Bank	1 Year	Mar-22	359	-

MAIN ACTIVITIES AND FINANCIAL DISCLOSURES IN ACCORDANCE WITH REGULATORY REQUIREMENTS

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2022	Balance Dec 2021
7.	Savola Gıda Sanayi ve Ticaret AS	Hongkong and Shanghai Banking Corp.	6 Months	Apr-22	15,576	
		Hongkong and Shanghai Banking Corp.	6 Months	Apr-22	5,940	
		Hongkong and Shanghai Banking Corp.	2 Months	Dec-22	8,734	
		Hongkong and Shanghai Banking Corp.	6 Months	Sep-22	16,144	
		Hongkong and Shanghai Banking Corp.	6 Months	Sep-22	1,916	
		Hongkong and Shanghai Banking Corp.	4 Months	Nov-22	5,171	
		Hongkong and Shanghai Banking Corp.	3 Months	Dec-22	15,029	
		Hongkong and Shanghai Banking Corp.	3 Months	Dec-22	12,240	
		Hongkong and Shanghai Banking Corp.	6 Months	Dec-22	6,167	
		Hongkong and Shanghai Banking Corp.	6 Months	Dec-22	7,707	
		Hongkong and Shanghai Banking Corp.	6 Months	Dec-22	1,894	
		European Bank for Reconstruction and Development	6 Months	Sep-22	7,616	
		European Bank for Reconstruction and Development	6 Months	Sep-22	18,008	
		European Bank for Reconstruction and Development	6 Months	Dec-22	32,979	
		Yapi ve Kredi Bankasi	1 Year	Aug-22	2,152	
		Garanti Investment Credit	6 Months	Dec-22	10,054	
		QNB Finansbank	1 Year	Jan-22	5,745	
		QNB Finansbank	1 Year	Apr-22	893	
		QNB Finansbank	1 Year	May-22	4,904	
		Ziraat Bankasi	6 Months	Oct-22	927	
		Ziraat Bankasi	6 Months	Dec-22	3,016	
		Ziraat Bankasi	1 Year	Nov-22	4,022	
		Ziraat Bankasi	1 Year	Nov-22	5,027	
		Ziraat Bankasi	1 Year	Nov-22	1,005	
		Ziraat Bankasi	1 Year	Dec-22	1,005	
		Ziraat Bankasi	1 Year	Dec-22	1,005	
		Ziraat Bankasi	1 Year	Dec-22	1,005	
		Ziraat Bankasi	1 Year	Dec-22	1,005	
		Ziraat Bankasi	1 Year	Dec-22	2,011	
		Vakifbank	1 Year	Oct-22	5,114	
		Vakifbank	1 Year	Nov-22	466	
		Halkbank	3 Months	Feb-22	1,770	
		Halkbank	1 Year	Feb-22	2,815	
		Halkbank	3 Months	Dec-22	804	
		Halkbank	3 Months	Dec-22	804	
		Halkbank	1 Year	Jul-22	5,027	
		Turkiye Finans	6 Months	Nov-22	10,054	
		Turkiye Finans	6 Months	Dec-22	10,054	
Turkiye Finans	6 Months	Dec-22	9,425			
AFIA INTERNATIONAL CO.					1,899,637	1,801,881

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2022	Balance Dec 2021
8.	Savola Foods Co	Saudi British Bank	1 Month	Dec-22	178,000	
SAVOLA FOODS Co.					178,000	
9.	Afia Intl. Co. - Algeria	Arab Bank	6 Months	Oct-22	37,681	
		Arab Bank	6 Months	Dec-22	30,909	
		Fransabank el Djazair	6 Months	Aug-22	37,179	
		Hongkong and Shanghai Banking Corp.	6 Months	Oct-22	91,787	
		Societe Generale Algeria	6 Months	Sep-22	56,251	
10.	Savola Edible Oils (Sudan) Ltd.	United Capital Bank	9 Months	May-22	640	
		United Capital Bank	9 Months	Jun-22	1,909	
		United Capital Bank	9 Months	Sep-22	10,193	
		United Capital Bank	9 Months	Oct-22	9,078	
		United Capital Bank	9 Months	Oct-22	6,090	
		United Capital Bank	9 Months	Dec-22	3,179	
		Bank of Khartoum	9 Months	Oct-22	2,220	
		Bank of Khartoum	9 Months	Nov-22	14,992	
		Bank of Khartoum	9 Months	Jul-22	13,907	
		Bank of Khartoum	9 Months	Jul-22	8,418	
		Bank of Khartoum	9 Months	Sep-22	10,441	
		Bank of Khartoum	9 Months	Dec-22	4,962	
		Bank of Khartoum	9 Months	Dec-22	5,118	
		National Bank of Egypt	9 Months	Sep-22	457	
		National Bank of Egypt	9 Months	Jul-22	1,832	
		National Bank of Egypt	9 Months	Apr-22	39	
		National Bank of Egypt	9 Months	May-22	104	
		National Bank of Egypt	9 Months	Dec-22	1,360	
		Omdurman National Bank	9 Months	Apr-22	638	
		Omdurman National Bank	9 Months	Jun-22	3,010	
		Omdurman National Bank	9 Months	Jul-22	2,325	
		Omdurman National Bank	9 Months	Nov-22	3,431	
		Qatar National Bank	9 Months	Aug-22	4,947	
		Qatar National Bank	9 Months	Dec-22	3,372	
		Arab Sudanese Bank	9 Months	Dec-22	3,467	
SAVOLA FOODS EMERGING CO.					369,936	437,040
11.	El Maleka for Food Industries Co.	Emirates NBD	6 Months	Dec-22	6,462	
		National Bank of Kuwait	6 Months	Dec-22	34,213	
		EBE Bank	6 Months	Dec-22	1,347	
		Qatar National Bank	6 Months	Dec-22	4,982	
		Commercial International Bank	6 Months	Dec-22	1,400	
EL MALEKA FOR FOOD INDUSTRIES CO.					48,404	39,337

MAIN ACTIVITIES AND FINANCIAL DISCLOSURES IN ACCORDANCE WITH REGULATORY REQUIREMENTS

No	Borrowing company	Lender	Loan period	Date issued	Balance Dec 2022	Balance Dec 2021
12.	Alexandria Sugar Co.	Hongkong and Shanghai Banking Corp.	6 Months	Dec-22	5,460	
		Commercial International Bank	6 Months	Dec-22	836	
		Mashreq Bank	6 Months	Dec-22	19,447	
SAVOLA INDUSTRIAL INVESTMENT CO.					25,743	230,283
13.	Seafood International Two FZCO	Arab Banking Corporation	1 Year	Sep-22	54,311	
		Hongkong and Shanghai Banking Corp.	1 Year	May-22	28,228	
SEAFOOD INTERNATIONAL TWO FZCO					82,539	47,644
SEAFOOD INTERNATIONAL HOLDING CO.						3,001
14.	GYMA Food Industries LLC	Mashreq Bank	1 Year	Dec-22	13,390	
		First Abu Dhabi Bank	1 Year	Nov-22	4,231	
		Mashreq Bank	1 Year	Dec-22	160	
		First Abu Dhabi Bank	1 Year	Nov-22	1,821	
Snacking and Ingredients Food Holding Co					19,602	23,170
15.	Sahar Enterprises LLC	Dubai Islamic Bank	3-4 months	Dec-22	3,772	
		National Bank of Fujairah	3-4 months	Dec-22	3,128	
		Habib Bank AG Zurich	3-4 months	Dec-22	1,429	
		First Abu Dhabi Bank	3-4 months	Dec-22	3,909	
		Hongkong and Shanghai Banking Corp.	3-4 months	Dec-22	706	
GOOD FOOD CO.					12,944	251
TOTAL SHORT-TERM BORROWING					3,616,806	2,792,607

* Reclassified from long-term loan

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	135,029	52,320	–	
2.	Zakat	51,662	26,132	–	
3.	Income tax and withholding tax	87,669	141,796	Income and withholding tax	According to the requirements of the laws and applicable regulations
4.	GOSI (for KSA) and social insurance (for outside KSA)	143,761	6,802	Employees' GOSI and social insurance	
5.	Visas and passport office fees	51,326	0	Iqama renewal, exit and re-entry visas	
6.	Labor office fees	123,764	2	Work permits and Iqama renewal	
7.	Other duties and government levies	44,545	8,252	License Fees & Other Fees	

POTENTIAL RISKS

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 as following:

- Operational, financial, strategic, regulatory and compliance risks.
- The possibility of the Group operations being exposed to geopolitical risks that result from its operations outside the Kingdom.
- Risk of commodities and raw materials price volatility in the local and international markets where it operates.
- Risk of geographic expansion and competition pertaining to new markets in the region
- Fluctuation in foreign currency, exchange rates against the Saudi Riyal or other currencies of the countries that the Group operates in.
- Inflation in the economies of countries where the Group operates.
- Risks related to new investments.
- Any emerging risks that the Group may be exposed to during its operations.

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. As well as a dedicated Risk Management department at holding level and its major subsidiary i.e., SFC and Panda.

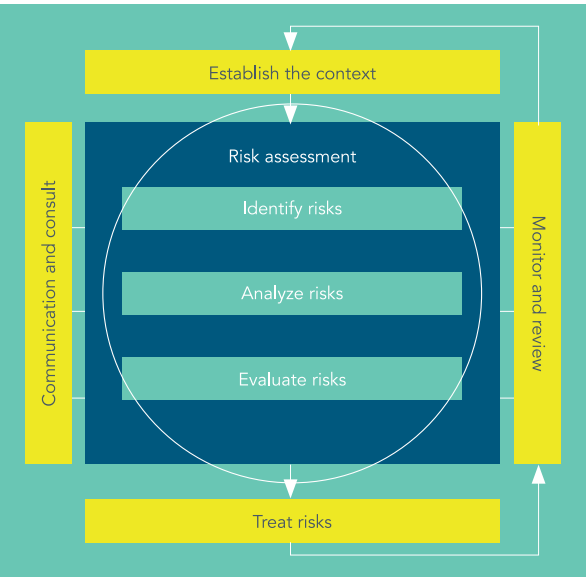
Savola seeks to protect its stakeholders, reputation and the value of its assets, and is committed to continually developing its risk management culture by way of its risk governance framework and continual team development.

b) Enterprise Risk Management framework

In line with the market best practices Savola has 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 uses 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.

POTENTIAL RISKS



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

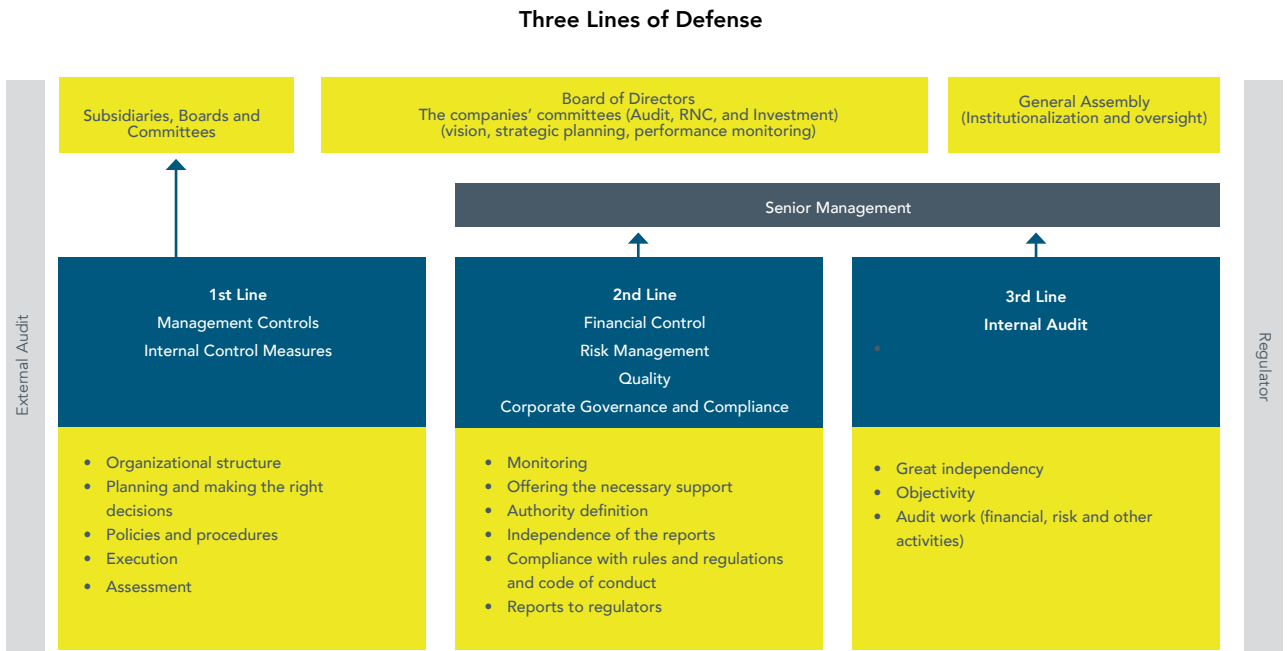
- Established a dedicated risk management function at the Group and its main subsidiaries. The function comprises a dedicated team leading the risk management activities at enterprise level, as well as assigned risk champions who implement risk management activities within respective business functions.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

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.



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 bank balances, trade and other receivables, investments measured at fair value, loans and borrowings, lease liabilities, derivatives, trade payables and accrued and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

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

POTENTIAL RISKS

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 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. The Group's investments in foreign subsidiaries are not hedged.

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.

Further, the put and call option are periodically valued based on Black Scholes' model using certain assumptions including the sugar prices; the fluctuations of which affects the valuations.

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.

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

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

e-1) Other receivables

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

e-2) Cash and bank balances

Impairment on cash and bank balances has been measured on a life-time expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties.

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.

The Group's approach to managing liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. For this purpose, the Group has maintained credit lines with various commercial banks in order to meet its liquidity requirements. As at December 31, 2022, the Group has unused bank financing facilities amounting to SR 6.9 billion (December 31, 2021: SR 4.4 billion) to manage the short term and the long term liquidity requirements.

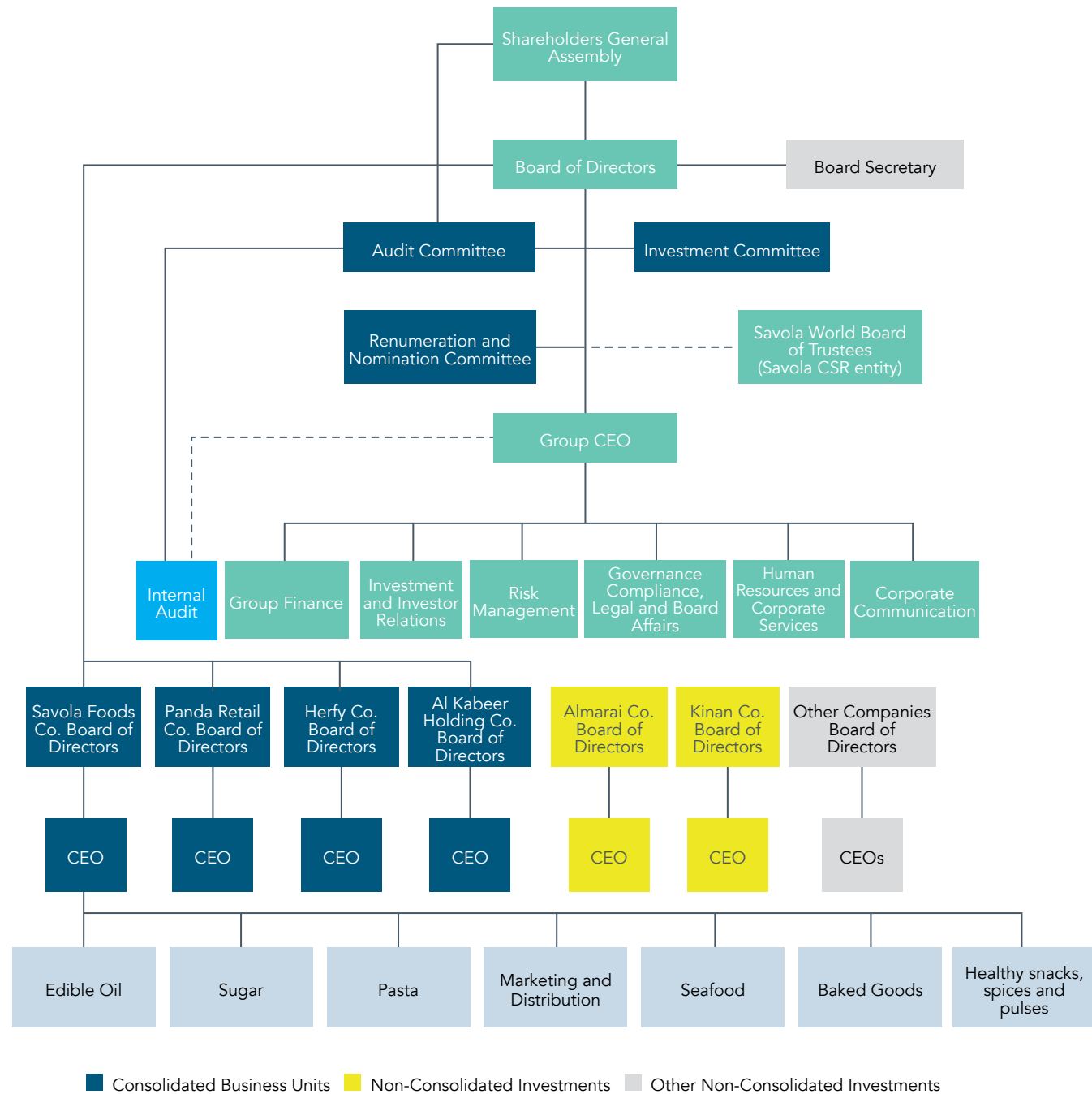
It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount with the exception of unclaimed dividend. Accordingly, it has been classified as such.

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 2022.

GOVERNANCE AND COMPLIANCE REPORT
AND RELATED DISCLOSURES

Organization structure:



a) Composition of the Board, key roles and memberships in other Companies:

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

The Board of Directors is the highest authoritative body responsible 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:

The Company's bylaws have set the number of members of the Board of Directors to be 11 members. Accordingly, the Board was elected by the AGM held on 16 May 2022 for the current term that started 1 July 2022 for the period of 3 years ending 30 June 30 2025. 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, where a Board member is either a member of their current or previous board or a manager in:

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

No.	Board member name	Names of the companies in which the member of the Board of Directors is a 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
		Amwal Al Ajial Holding Company	Inside	Limited Liability	Al Oula Real Estate Development Co.	Inside	Unlisted
		Vision Invest Holding Co.	Inside	Limited Liability	Thabat Construction Co.	Inside	Limited Liability
		Zat Al Sawary Co.	Inside	Limited Liability	Architectural Supplies Works Co.	Inside	Limited Liability
		Taj Al Awfia Co.	Inside	Limited Liability	International Timber Co.	Inside	Limited Liability
					Mayar Foods Co.	Inside	Limited Liability
					Mayar Transport & Warehousing Co.	Inside	Limited Liability
					Gulf Marasy for Marine Services Co.	Inside	Limited Liability

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

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)
2.	Mr. Bader Abdullah Alissa				Citadel Trading & Contracting Co	Inside	Limited Liability
					Al Muhaidib for Development Co.	Inside	Limited Liability
					Al Muhaidib Land Transport	Inside	Limited Liability
					Sulaiman Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
					Emad Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
					Awatef Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
					Maryam Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
					Tamader Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
					Haifa Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
					Loloah Sulaiman 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
					Essam Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
					Al Shamiyah Urban Development Co. Ltd.	Inside	Limited Liability
					Arabian Safenat for Construction Co.	Inside	Limited Liability
					International Co. for Water and Energy Development (Acwa)	Inside	Limited Liability
		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
		Afia International Co.	Inside	Unlisted			
		United Sugar 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. Egypt	Outside	Unlisted			
		United Sugar Co. Egypt	Outside	Unlisted			
		Alexandria Sugar Co. Egypt	Outside	Unlisted			
		El Maleka for Food Industries Co.	Outside	Unlisted			
		Savola Gida	Outside	Unlisted			
3.	Mr. Ahmad Abdulrahman Al Humaidan	Savola Group	Inside	Listed	NA		
		Savola Foods Company	Inside	Unlisted			
4.	Mr. Ahmed Waza Al Qahtani	Savola Group	Inside	Listed	Arab National Bank	Inside	Listed
		Panda Retail Company	Inside	Unlisted	Jabal Omar Development Co.	Inside	Listed
5.	Eng. Mutaz Qusai Al Azawi	National Medical Care	Inside	Listed			
		Saudi Medical Care Group	Inside	LLC			
		GEMS Education KSA Holding	Inside	LLC			
		Ma'arif Education Company	Inside	LLC			
		Jawda Integrated Real Estate	Inside	LLC			
		Osool Integrated Real Estate	Inside	LLC			
		Raza Company	Inside	LLC			
		GOSI Investment Ventures Company	Inside	LLC			
		The First Successful Investment Company	Inside	LLC			
		The Second Successful Investment Company	Inside	LLC			
		The Third Successful Investment Company	Inside	LLC			
		Savola Group	Inside	Listed	Merrill Lynch Kingdom of Saudi Arabia	Inside	Unlisted
		Herfy Food Services Co.	Inside	Listed	Al Farasha for Food Industries	Outisde	Unlisted
		Arabian Cement Co.	Inside	Listed	Kusai AlAzzawi & Sons Co.	Inside	Limited Liability
		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			

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

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	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			
		Savola Group	Inside	Listed	Abdullatif Al Issa Holding Group	Inside	Unlisted
		Dur Hospitality	Inside	Listed	National General Automotive Co.	Inside	Limited Liability
		Jarir Marketing Co.	Inside	Listed	Albilad Bank	Inside	Listed
		Dallah Health	Inside	Listed	Naqel Co.	Inside	Unlisted
		Al Riyadh Development Co.	Inside	Listed	Saudi Post	Inside	Gov. Corporation
		Dr. Mohammed Rashid Al Fagih & Associates	Inside	Unlisted	Al Rajhi Alpha Investment Holding Co.	Inside	Limited Liability
		Al Rajhi United Investment Holding Co.	Inside	Unlisted	Raj Real Estate Co.	Inside	Limited Liability
		Al Rajhi united real-estate	Inside	Unlisted	Saudi Heritage Hospitality Co.	Inside	Unlisted
		Abdullah Ibrahim Al Subeaei Holding (AIMS)	Inside	Unlisted	Amwal Financial Consultations	Inside	Limited Liability
		Alargan Projects Co.	Inside	Unlisted			
		Mohammed Abdulaziz Al Habib & Sons Holding Co.	Inside	Unlisted			
		Jarir investments Co.	Inside	Unlisted			
		Masarat AlTanmyah investment Co.	Inside	Unlisted			
		Value capital partners Co.	Inside	Unlisted			
		Panda Retail Company	Inside	Unlisted			
		Fincorp Investment Holding Co.	Outside	Unlisted			
		Areez Commercial Investment 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)
		Savola World Foundation	Inside	Non-profit Organization			
		Baseqat Al Khaleej Co.	Inside	Limited Liability			
		Tanal for real estate investment and development Co.	Inside	Limited Liability			
		Century 21 & partner for real estate appraisal Co.	Inside	Professional Co.			
		Fahad Abdullah AlKassim CPA	Inside	Professional Office			
		Savola Group	Inside	Listed	Sukoon Real Estate	Inside	Unlisted
		BlackRock Saudi Arabia	Inside	Unlisted	Al Aqeeq Real Estate	Inside	Unlisted
7.	Mr. Mohammed Ibrahim Alissa				Kinan International for Real Estate Development Co.	Inside	Unlisted
					Assila Investments Co.	Inside	Unlisted
8.	Mr. Waled Abdullah Al Ghreiri	Savola Group	Inside	Listed			
		National Energy Services Company	Inside	Unlisted		NA	
		Savola World Foundation	Inside	Non-profit Organization			
9.	Mr. Rakan Abdulaziz Al Fadl	Savola Group	Inside	Listed	Rabya Co.	Inside	Limited Liability
		Alfadl Group	Inside	Limited Liability	Al Takamul Group Co.	Inside	Holding Co.
		Sahara Building Contractors Co.	Inside	Limited Liability			
		Alfadl Real Estate Co.	Inside	Limited Liability			
		Alfadl Investments Co.	Inside	Limited Liability			
10.	Mr. Isam Majid Al Muhaidib	Savola Group	Inside	Listed			
		Panda Retail Co.	Inside	Unlisted			
		Mayar Foods Company	Inside	Limited Liability			
		Masdar Building Materials	Inside	Unlisted			
		Dar Al Zahrawi Medial Co	Inside	Limited Liability			
		Abdulkadir Almuheidib and Sons Company	Inside	Unlisted		NA	
		Dhahran Chemical Industries & Marketing Company (Synthomer)	Inside	Unlisted			
		Thabat Construction Company	Inside	Limited Liability			

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

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)
		United Transformers Electric Company	Inside	Limited Liability		NA	
		Emdad Human Resources Company	Inside	Unlisted			
		Zohoor Alreef Company	Inside	Unlisted			
		Bawan Engineering Industries Company	Inside	Limited Liability			
		Bina Industrial Investment Holding Company	Inside	Limited Liability			
		Herfy Food Services Company	Inside	Listed			
11.	Mr. Bader Hamad Al Rabiah	Savola Group	Inside	Listed	Al Manar Financing and Leasing Co.	Outside	Listed
		Middle East Petrochemical Company	Inside	Unlisted			
		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			
		International Hotels Group Co.	Outside	Unlisted			
		Ikarus Real Estate Co. (WLL)	Outside	Limited Liability			
Ex-Board Members (for the term ended on 30/06/2022) (Note: the information below was up until 01/07/2022)							
1.	Dr. Adnan Abdulfattah Soufi	Fitaihi Group Co.	Inside	Listed	Savola Group	Inside	Listed
		Natixis Saudi Arabia Investment Co.	Inside	Unlisted	Panda Retail Company	Inside	Unlisted
		Wadi Jeddah Co.	Inside	Unlisted	Bupa Arabia Co.	Inside	Listed
		Saudi Company for Industrial Services	Inside	Listed	Arabian Cement Co.	Inside	Listed
					SEDCO Holding Group	Inside	Unlisted
					Awj Holding Co.	Inside	Limited Liability
					Alahli Capital 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)
2.	Mr. Abdulrahman Mohammed Ramzi Addas	Alinma Bank	Inside	Listed	Savola Group	Inside	Listed
		Diyar Al Khayyal Real Estate Development Co.	Inside	Limited Liability	Bank Albilad	Inside	Listed
		Tunisian Saudi Bank	Outside	Joint venture for the Saudi Ministry of Finance	Al Soraie Industrial & Trading Co.	Inside	Listed
		Al Rabie Saudi Foods Co. Ltd.	Inside	Limited Liability	Red Sea Markets Co. Ltd.	Inside	Limited Liability
		Environment Fund	Inside	Gov. Entity	Keppel Alnumu Co.	Inside	Limited Liability
					SEDCO Capital	Inside	Limited Liability
					Abdulaziz Al Saghair Holding Co.	Inside	Limited Liability
					Quantum Investment Bank	Outside	Limited Liability
					ARCOMA Co.	Inside	Limited Liability
					International Co. for Water and Energy Development (Acwa)	Inside	Limited Liability
3.	Mr. Abulaziz Khaled Al Ghufaily				Ahmed Mohammed Saleh Baeshen & Co.	Inside	Unlisted
					Savola World Foundation	Inside	Non-profit Organization
		Al Rajhi Bank	Inside	Listed	Savola Group	Inside	Listed
		Al Rajhi Capital	Inside	Unlisted	Savola Foods Co.	Inside	Unlisted
		National Petrochemical Industries Company	Inside	Unlisted	Panda Retail Co.	Inside	Unlisted
					Herfy Food Services Co.	Inside	Listed
					Tabuk Agriculture Development Co.	Inside	Listed
					National Medical Care Co.	Inside	Listed
					The Industrialization & Energy Services Co.	Inside	Unlisted
					Riyadh Hotels & Entertainment Co.	Inside	Unlisted
					Saudi Industries Development Co.	Inside	Unlisted

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

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. Essam Abdulkadir Al Muhaidib	Bawan Co.	Inside	Listed	Savola Group	Inside	Listed
		Abdulkadir Al Muhaidib & Sons Co.	Inside	Unlisted	Panda Retail Co.	Inside	Unlisted
		Shamia Real Estate Development Co.	Inside	Limited Liability	Herfy Food Services Co.	Inside	Listed
		Rafal Real Estate Co.	Inside	Unlisted	Emaar Middle East Co.	Inside	Limited Liability
		National Housing "Al Wataniyah Al Eskin" Co.	Inside	Unlisted	Zohoor Alreef Trading Co.	Inside	Unlisted
		Safenat Arabian Contracting Company	Inside	Limited Liability	Al Yamamah Steel Industries Co.	Inside	Unlisted
		Al Muhaidib Holding	Inside	Unlisted	Thabat Construction Co. Limited	Inside	Limited Liability
		That Al Sawary Co.	Inside	Limited Liability	Middle East Paper Co. (MEPCO)	Inside	Listed
		Romansiah Co. Limited	Inside	Unlisted	Emdad Human Resources & Manpower Supply Co.	Inside	Unlisted
		Tharwa City for Real Estate Co.	Inside	Unlisted	Al Salam Bank Bahrain	Outside	Listed
		Vision international Invest Holding Co.	Inside	Unlisted	Nesaj Real Estate Development Co.	Inside	Limited Liability
		Ekseer Alkhaleej Contracting Co.	Inside	Limited Liability	Al Latifia Trading & Contracting Co.	Inside	Limited Liability
		Buhairat Alkhobar Real Estate Development Co.	Inside	Limited Liability	Amwal Al Khaleej for Commercial Investment Co.	Inside	Limited Liability
		Mayar Foods Co.	Inside	Limited Liability	Albalad Al Amin Co.	Inside	Unlisted
		Atheel Holding Co.	Inside	Limited Liability	Al Oula for Real Estate Development Co.	Inside	Unlisted
		Saudi Tharwa for Real Estate Investment & Development Co.	Inside	Limited Liability	International Timber Co.	Inside	Unlisted
		Atheel Arabia for Services Co. Limited	Inside	Limited Liability	Bloom Invest Co.	Inside	Limited Liability
		Amwal Al Ajyal Holding Co.	Inside	Limited Liability	Saudi Tabreed Co.	Inside	Limited Liability
		Qalaa Trading & Contracting Co.	Inside	Limited Liability	Sulaiman Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
		Shaas for Water Services Co.	Inside	Limited Liability	Emad Abdulkadir Al Muhaidib Co.	Inside	Limited Liability
		Shaas for Water Services Co. Ltd.	Inside	Limited Liability	Awatf Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
		Taj Al Awfia Co.	Inside	Limited Liability	Maryam Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
		Tanmiat Al Ahlam for Construction	Inside	Limited Liability	Hayfa Abdulkadir Al Muhaidib Co.	Inside	Limited Liability
		Jadeer Investment Holding Co.	Inside	Limited Liability	Lolwah Sulaiman Almudaiheem & Partners	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)
					Himmah Logistics Co.	Inside	Limited Liability
					Muhail for Operation and Maintenance Co.	Inside	Limited Liability
					Tamader Abdulkadir Al Muhaidib Co.	Inside	Limited Liability
					International Co.for Water and Energy Development (Acwa)	Inside	Unlisted
					Al Jadeer Logistics Services	Inside	Limited Liability
					Masdar Building Materials Co.	Inside	Unlisted
					Mayar Transport & Warehousing Co.	Inside	Limited Liability
					Essam Abdulkadir Al Muhaidib & Partners Co.	Inside	Limited Liability
					Nokhbat Alkwader Co.	Inside	Limited Liability
					Spring Water Factory Co. Ltd.	Inside	Limited Liability
					Al Manhal Water Services Factory	Inside	Limited Liability
					Naqiah Water Factory Limited	Inside	Limited Liability
					Nestle Water Factory Co. Ltd.	Inside	Limited Liability
					Rivers Water Factory Co. Ltd.	Inside	Limited Liability

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

a-4) Summary of CVs for Ex- Board members for the term beginning 1/7/2019 until 30/6/2022:

No	Member name	Classification	Current positions	Previous positions	Qualifications	Experience
1.	Dr. Adnan Abdulfattah Soufi	Non-Executive Ex- Board Member	Founder and Managing Partner of DAS Partners, Board Member of Natixis Saudi Arabia Investment, Vice Chairman of SISCO Group's Board, Chairman of the Advisory Committee for the General Authority for Awqaf, and Board Member of Fitaihi Holding	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 as well as Professor of Business Administration and International Finance at King Abdulaziz University (KAU), and Senior Associate Member of Oxford University's St. Antony's College	Fulbright Scholar Ph.D. in Business Administration and International Finance – George Washington University, USA	Executive strategist leader, specialized in corporate governance as well as business development, institutional investment, and leading transformation
2.	Mr. Abdulrahman Mohammed Ramzi Addas	Independent Ex- Board Member	Member of the Board, Executive Committee and Audit Committee Member Of Alinma Bank, Chairman of the Board of Diyar Al Khayyal Real Estate Development, Chairman and Risk Management Committee Member of Tunisian Saudi Bank, Board Member of Al Rabie Saudi Food and Chairman of the Audit Committee, Board Member and Chairman of the Investment Committee and Member of the Nomination and Remuneration Committee at Environment Fund, Member of the Risk Committee at Saudi Ground Services, Member of the Risk and Compliance Committee of General Authority for Zakat, Tax and Customs, and Member of the Investment and Loans Committees at Agriculture Development Fund	Several senior executive positions at the National Commercial Bank, Managing Director for Real Estate Group in charge of real estate investments, and Member of the Executive and Strategic Committees at SEDCO	Master's degree in Business Administration (Finance major) - University of Denver, USA Bachelor's degree in Business Administration (First Degree Honors) - King Abdulaziz University, KSA	Banking, risk management, strategic management and investment
3.	Mr. Abulaziz Khaled Al Ghufaily	Non-Executive Ex- Board Member	Retired – Public sector and Board Member of various companies	General Director of Local Shares Dept, Hassana Investment, and Director of Direct Investments Department of General Organization for Social Insurance (GOSI)	Master's degree in Economics - Western Illinois University, USA Bachelor's degree in Economics - King Saud University, KSA	Social insurance, investment portfolios and shares. Sits on a number of other Boards and Committees
4.	Mr. Essam Abdulkadir Al Muhaidib	Non-Executive Ex- Board Member	Managing Director of Al Muhaidib & Sons and Board Member of several companies	A number of managerial and leadership roles, and Board memberships for Al Muhaidib Group of Companies	Bachelor of Science degree in Statistics - King Saud University, KSA	Managing several companies in the food and contracting fields. Sits on a number of other Boards

a-5) Summary of Committee members' CVs:

No	Member name	Current positions	Previous positions	Qualifications	Experience
Remuneration and Nomination Committee members of the term that started on 01/07/2022					
1.	Mr. Rakan Abdulaziz Al Fadl	Their current and previous positions, qualifications and experience were mentioned earlier in this Report			
2.	Mr. Bader Abdullah Alissa				
3.	Mr. Ahmed Waza Al Qahtani				
4.	Mr. Badr Hamed Al Rabiah				
5.	Mr. Johan Brand	<ul style="list-style-type: none">Managing Director/ Owner, Johan Brand Leadership Advisory DWC-LLC (2016-present)Board Member of Cenomi Centers and Nesma United IndustriesMember of the Nomination & Remuneration Committees with Saudi Telecom Company, ACWA Power, Cenomi Centers, Nesma Company and Ghobash Trading & Investments	<ul style="list-style-type: none">Senior Partner and Consultant, Egon Zehnder (1995-2016)PepsiCo, Director PCI Management Institute (1993-1995) and Marketing Director (1991-1993)Procter & Gamble, Brand Management (1986-1991)	<ul style="list-style-type: none">MSc, Business Economics, Erasmus University Rotterdam, The Netherlands;MA Corporate 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.
Ex-Remuneration and Nomination Committee members for the term that ended on 30/06/2022					
1.	Mr. Essam Abdulkadir Al Muhaidib	Their current and previous positions, qualifications and experience of Ex- Board members were mentioned earlier in (a-5)			
2.	Mr. Abdulrahman Mohammed Ramzi Addas				
Investment Committee members of the term that started on 01/07/2022					
1.	Eng. Mutaz Qusai Al Azzawi	Their current and previous positions, qualifications and experience were mentioned earlier in this Report in (a-4)			
2.	Mr. Ahmad Abdulrahman Al Humaidan				
3.	Mr. Mohammed Ibrahim Alissa				
4.	Mr. Isam Majid Al Muhaidib				
5.	Mr. Waled Abdullah Ghreri				
Ex-Investment Committee members of the term that ended on 30/06/2022					
1.	Mr. Abdulaziz Khaled Al Ghufaily	Their current and previous positions, qualifications and experience of Ex- Board members were mentioned earlier in (a-5)			
2.	Dr. Adnan Abdulfattah Soufi				
3.	Mr. Fahad Abdullah Al Kassim	Their current and previous positions, qualifications and experience were mentioned earlier in this Report in (a-4)			

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

a-6) Board meetings attendance record:

In order to enhance its role and responsibilities, the Board held (7) meetings during the year. The below schedule shows the attendance records for each meeting during 2022:

		Meetings during 2022							
No.	Member	31 January	16 May	21 June	13 September	30 October	17 December	25 December	No. of attendance
Current Board Members (for the term that started on 01/07/2022)									
1.	Mr. Sulaiman Abdulkadir Al Muhaidib	✓	✓	✓	✓	✓	✓	✓	7 of 7
2.	Mr. Bader Abdullah Alissa	✓	✓	✓	✓	✓	✓	✓	7 of 7
3.	Eng. Mutaz Qusai AlAzzawi	✓	✓	✓	✓	✓	✓	✓	7 of 7
4.	Mr. Fahad Abdullah Al Kassim	✓	✓	✓	✓	✓	✓	✓	7 of 7
5.	Mr. Mohammed Ibrahim Alissa	✓	✓	✓	✓	✓	✓	✓	7 of 7
6.	Mr. Rakan Abdulaziz Al Fadl	✓	✓	✓	✓	✓	✓	✓	7 of 7
7.	Mr. Bader Hamad Al Rabiah	✓	✓	✓	✓	✓	✓	✓	7 of 7
8.	Mr. Ahmad Abdulrahman Al Humaidan	NA	NA	✓	✓	✓	✓	✓	5 of 5
9.	Mr. Ahmed Waza Al Qahtani	NA	NA	✓	✓	✓	✓	✓	5 of 5
10.	Mr. Isam Majid Al Muhaidib	NA	NA	✓	✓	✓	✓	✓	5 of 5
11.	Mr. Waled Abdullah Ghreri	NA	NA	✓	✓	✓	✓	✓	5 of 5
-	Mr. Elnour Ali Saad (Board Secretary)	✓	✓	✓	✓	✓	✓	✓	7 of 7
Previous Board members (for the term that ended on 30/06/2022)									
	Mr. Essam Abdulkadir Al Muhaidib	✓	✓	NA	NA	NA	NA	NA	2 of 2
	Mr. Abdulaziz Khaled Al Ghufaily	✓	✓	NA	NA	NA	NA	NA	2 of 2
	Mr. Abdulrahman Mohammed Ramzi Addas	✓	✓	NA	NA	NA	NA	NA	2 of 2
	Dr. Adnan Abdulfattah Soufi	✓	✓	NA	NA	NA	NA	NA	2 of 2

a-7) Board members attendance record for the General Assembly meeting:

Two Shareholders General Assembly meetings were held during the last fiscal year. The following is a list of the members of the Board of Directors present during the meeting:

			General Assembly Meeting No. 41 (16 May 2022)	General Assembly Meeting No. 42 (20 September 2022)	No. of meetings attended
No.	Board Member	Position			
Current Board Members of the period that started on 01/07/2022					
1.	Mr. Sulaiman Abdulkadir Al Muhaidib	Board Chairman	✓	✓	2 of 2
2.	Mr. Bader Abdullah Alissa	Board Vice Chairman	✓	✓	2 of 2
3.	Eng. Mutaz Qusai Al Azzawi	Member and Chairman of IC	✓	✓	2 of 2
4.	Mr. Fahad Abdullah Al Kassim	Member and Chairman of AC	✓	✓	2 of 2
5.	Mr. Mohammed Ibrahim Alissa	Member	✓	✓	2 of 2
6.	Mr. Rakan Abdulaziz Al Fadl	Member and Chairman of RNC	✓	✓	2 of 2
7.	Mr. Bader Hamad Al Rabiah	Member	✓	✓	2 of 2
8.	Mr. Ahmad Abdulrahman Al Humaidan (Non-executive Board member as of 01/07/2022)	Member	NA	✓	1 of 1
9.	Mr. Ahmed Waza Al Qahtani (Non-executive Board member as of 01/07/2022)	Member	NA	✓	1 of 1
10.	Mr. Isam Majid Al Muhaidib (Non-executive Board member as of 01/07/2022)	Member	NA	✓	1 of 1
11.	Mr. Waled Abdullah Ghreri (Independent Board member as of 01/07/2022)	Member	NA	✓	1 of 1
Previous Board Members of the term that ended on 30/06/2022					
-	Mr. Abdulaziz Khaled Al Ghufaily	Member	✓	NA	1 of 1
-	Mr. Essam Abdulkadir Al Muhaidib	Member	✓	NA	1 of 1
-	Mr. Abdulrahman Mohammed Ramzi Addas	Member	✓	NA	1 of 1
-	Dr. Adnan Abdulfattah Soufi	Member	✓	NA	1 of 1

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

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 2022. 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 (91) 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).

It is worth mentioning that CMA has amended its regulations in light of the new companies law and the Group is currently working on adjusting its position in accordance with these amendments including amending the Remuneration and Nomination Committee Charter, which will be presented to the nearest shareholders' general assembly for approval.

• Statement of attendance for Committee meetings held during 2022:

		Meetings during 2022			
No.	Member	30 January	15 March	12 September	Total
Remuneration and Nomination Committee Members of the period that started on 01/07/2022					
1.	Mr. Rakan Abdulaziz Al Fadl (Chairman) (Independent Savola Board member)	✓	✓	✓	3 of 3
2.	Mr. Bader Abdullah Alissa (Non-Executive Savola Board member)	✓	✓	✓	3 of 3
3.	Mr. Johan Brand (Independent external member)	✓	✓	✓	3 of 3
4.	Mr. Ahmed Waza Al Qahtani (Non-Executive Savola Board member)	NA	NA	✓	1 of 1
5.	Mr. Bader Hamed Al Rabiah (Independent Savola Board member)	NA	NA	✓	1 of 1
–	Mr. Morhaf Mohammed Alsamman (Committee Secretary)	✓	✓	✓	3 of 3
Previous Remuneration and Nomination Committee Members of the period that ended on 30/06/2022					
-	Mr. Abdulrahman Mohammed Ramzi Addas (Independent Savola Board member)	✓	✓	NA	2 of 2
-	Mr. Essam Abdulkadir Al Muhaidib (Non-Executive Savola Board member)	✓	✓	NA	2 of 2

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

c-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 (6) meetings during 2022 to enhance the role of the Board in following and implementing the strategic plans in relation to investment opportunities. Below is a summary of the Committee's role, responsibilities, membership, and the number of meetings held during 2022:

• 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).

• Statement of attendance for Committee meetings held during 2022:

		Meetings during 2022						
No.	Member	30 January	15 May	19 June	21 July	12 September	27 October	Total
Investment Committee Members of the period that started on 01/07/2022								
1.	Eng. Mutaz Qusai AlAzzawi (Chairman) (Non-Executive Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
2.	Mr. Mohammed Ibrahim Alissa (Independent Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
3.	Mr. Ahmed Abdulrahman Al Humeidan (Non-Executive Savola Board member)	NA	NA	NA	✓	✓	✓	3 of 3
4.	Mr. Isam Majid Al Muhaidib (Non-Executive Savola Board member)	NA	NA	NA	✓	✓	✓	3 of 3
5.	Mr. Waled Abdullah Al Ghreri (Independent Savola Group member)	NA	NA	NA	✓	✓	✓	3 of 3
–	Mr. Elnour Ali Saad (Committee Secretary)	✓	✓	✓	✓	✓	✓	6 of 6
Previous Investment Committee Members of the period that ended on 30/06/2022								
	Mr. Abdulaziz Khaled Al Ghufaily (Non-Executive Savola Board member)	✓	✓	✓	NA	NA	NA	3 of 3
	Dr. Adnan Abdulfattah Soufi (Non-Executive Savola Board member)	✓	✓	✓	NA	NA	NA	3 of 3
	Mr. Fahad Abdullah Al-Kassim* (Non-Executive Savola Board member)	✓	✓	✓	NA	NA	NA	3 of 3

*Mr. Fahad Abdullah Al Kassim was an independent member from 01/07/2019 up until 30/06/2022. However, his membership has been reclassified to a non-executive member as of 01/07/2022 in accordance with Article (19) of the Corporate Governance Regulations.

d) 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 Group continued following its adapted methods in this regard:

- Governance Compass continued 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, this process was continued during the first half of 2022 until the end of the Board's previous term on 30/06/2022 and the results were shared with the Board and an action plan has been developed to address the recommendations and its implementation.
- Regarding the new Board & Committees office term that commenced as of 1st July 2022, the assessment and evaluation of the Board & its Committees shall be conducted after completion of 1 year of their terms i.e., after mid of 2023 as per CMA Corporate Governance Regulations.
- The Board of Directors conducted two workshops during 2022, the first workshop was held on 30 October 2022 for a full day, which comprised of several activities including materials and presentations on strategic transformation, maximizing shareholder value, evaluating companies and international practices and experiments in this field all of which were presented by a specialized external consultant. The second workshop was held on 17 December 2022 for a full day, and it was a continuation of the same previous topics run by the same consultant and it discussed the ways on how to implement such good practices on how to unlock the value and how to reflect them on Savola Group's investment portfolio.

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

e-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 (58) 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:

- Be proportionate to Savola's activities and the required skills for its management.
- The variable part of the remuneration shall be linked to the long-term performance.
- Remuneration shall be consistent with the strategy, objectives, the magnitude, nature and level of risks faced by Savola.
- 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.
- Shall be prepared in coordination with the RNC with respect to new appointments.
- Remuneration shall be based on job level, duties and responsibilities, educational qualifications, practical experience, skills and level of performance.
- 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.
- Take into consideration the sector in which Savola operates, its size and experience of its Board members.
- Be reasonably sufficient to attract and retain highly qualified and experienced board members.
- 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.
- 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 in order to prevent abuse of power to obtain unmerited remunerations.
- 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.

GOVERNANCE AND COMPLIANCE REPORT
AND RELATED DISCLOSURES

e-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.

e-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 polices on Savola's website (www.savola.com).

It is worth mentioning- as stated previously- that CMA has amended its regulations in light of the new companies law and the Group is currently working on adjusting its position in accordance with these amendments including amending the Policies, Standards and procedures for the membership of Savola Group's Board of Directors, which will be presented to the nearest shareholders' general assembly for approval.

e-4) Remuneration of the Board Members

Below are the details of Board members' remunerations for the year 2022 (SAR):

No.	Member name	Title	Fixed remunerations					Variable remunerations						End of service award	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	Long-term incentive plans				The value of the ranted shares	Total
First: Independent Directors																		
1.	Mr. Bader Hamad Al Rabiah	Member	200,000	35,000	30,000	-	-	-	-	-	-	-	-	-	265,000	-	265,000	34,200
2.	Mr. Rakan Abdulaziz Al Fadl	Member	200,000	35,000	15,000	-	-	-	-	-	-	-	-	-	250,000	-	250,000	6,300
3.	Mr. Waled Abdullah Al Ghleri	Member	100,000	25,000	15,000	-	-	-	-	-	-	-	-	-	140,000	-	140,000	9,300
4.	Mr. Mohammed Ibrahim Alissa	Member	200,000	35,000	60,000	-	-	-	-	-	-	-	-	-	295,000	-	295,000	25,200
Second: Non-Executive Directors																		
5.	Mr. Sulaiman Abdulkadir Al Muhaidib (Not a member of any Committee)	Chairman	200,000	35,000	N/A	-	-	-	-	-	-	-	-	-	235,000	-	235,000	21,900
6.	Mr. Bader Abdullah Alissa	V-Chairman	200,000	35,000	15,000	-	-	-	-	-	-	-	-	-	250,000	-	250,000	21,900
7.	Mr. Fahad Abdullah Al Kassim*	Member	200,000	35,000	45,000	-	-	-	-	-	-	-	-	-	280,000	-	280,000	25,200
8.	Eng. Mutaz Qusai Al Azzawi	Member	200,000	35,000	30,000	-	-	-	-	-	-	-	-	-	265,000	-	265,000	28,571
9.	Mr. Isam Majid Al Muhaidib	Member	100,000	25,000	15,000	-	-	-	-	-	-	-	-	-	140,000	-	140,000	23,400
10.	Mr. Ahmad Abdulrahman Al Humaidan	Member	100,000	25,000	15,000	-	-	-	-	-	-	-	-	-	140,000	-	140,000	9,300
11.	Mr. Ahmad Waza Al Qahtani	Member	100,000	25,000	5,000	-	-	-	-	-	-	-	-	-	130,000	-	130,000	9,300
Third: Ex- Board Directors of the previous term that ended on 30/06/2022																		
-	Mr. Abdulrahman Mohammed Ramzi Addas	Previous Member	100,000	10,000	10,000	-	-	-	-	-	-	-	-	-	120,000	-	120,000	-
-	Mr. Essam Abdulkadir Al Muhaidib	Previous Member	100,000	10,000	10,000	-	-	-	-	-	-	-	-	-	120,000	-	120,000	7,100
-	Mr. Abdulaziz Khaled Al Ghufaily	Previous Member	100,000	10,000	15,000	-	-	-	-	-	-	-	-	-	125,000	-	125,000	12,600
-	Dr. Adnan Abdulfattah Soufi	Previous Member	100,000	10,000	15,000	-	-	-	-	-	-	-	-	-	125,000	-	125,000	-
Total			2,200,000	385,000	295,000	-	-	-	-	-	-	-	-	-	2,880,000	-	2,880,000	234,271

*Mr. Fahad Abdullah Al Kassim was an independent member from 01/07/2019 up until 30/06/2022. However, his membership has been reclassified to a non-executive member as of 01/07/2022 in accordance with Article (19) of the Corporate Governance Regulations.

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

e-5) Remuneration of Committees members:

Below are the details of Committees members' remunerations for the year 2022 (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* (Non-Executive, Savola Board member)	Chairman	150,000	30,000	180,000	Mentioned in the previous Board remuneration table
2.	Mr. Mohammed Ibrahim Alissa (Independent, 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	25,000	180,000	Mentioned in the previous Board remuneration table
4.	Mr. Tareq Abdullah Al-Garaawy (Independent, External member)	Member	150,000	30,000	180,000	0
5.	Dr. Jassim Shaheen Al Rumaihi (Independent, External member)	Member (as of 01/10/2022)	37,500	5,000	42,500	3,885
Ex-Audit Committee Members for the term that ended on 30/09/2022:						
-	Dr. Abdul Raouf Suliman Banaja (Independent, External member)	Previous Member	112,500	20,000	132,500	N/A
Total			750,000	140,000	895,000	3,885
Remuneration and Nomination Committee Members:						
1.	Mr. Rakan Abdulaziz Al Fadl (Independent, Savola Board member)	Chairman	100,000	20,000	120,000	Mentioned in the previous Board remuneration table
2.	Mr. Bader Abdullah Alissa (Non-Executive, Savola Board member)	Member	100,000	20,000	120,000	Mentioned in the previous Board remuneration table
3.	Mr. Ahmed Waza Al Qahtani (Non-Executive, Savola Board member)	Member (as of 01/07/2022)	50,000	5,000	55,000	Mentioned in the previous Board remuneration table
4.	Mr. Bader Hamad Al Rabiah (Independent, Savola Board member)	Member (as of 01/07/2022)	50,000	5,000	55,000	Mentioned in the previous Board remuneration table
5.	Mr. Johan Brand (Independent, External member)	Member	100,000	20,000	120,000	0
Ex-Remuneration and Nomination Committee Members for the term that ended on 30/06/2022:						
-	Mr. Essam Abdulkadir Al Muhaidib (Non-Executive, Savola Board member)	Member	50,000	10,000	60,000	Mentioned in the previous Board remuneration table
-	Mr. Abdulrahman Mohammed Ramzi Addas (Independent, Savola Board member)	Member	50,000	10,000	60,000	Mentioned in the previous Board remuneration table
Total			500,000	90,000	590,000	0
Investment Committee Members:						
1.	Eng. Mutaz Qusai Al Azzawi (Non-Executive, Savola Board member)	Chairman	100,000	30,000	130,000	Mentioned in the previous Board remuneration table
2.	Mr. Ahmed A. Al Humaidan (Non-Executive Board Member)	Member (as of 01/07/2022)	50,000	15,000	65,000	Mentioned in the previous Board remuneration table
3.	Mr. Isam M. Al Muhaidib (Non-executive Board Member)	Member (as of 01/07/2022)	50,000	15,000	65,000	Mentioned in the previous Board remuneration table
4.	Mr. Mohammed Ibrahim Alissa (Independent, Savola Board member)	Member	100,000	30,000	130,000	Mentioned in the previous Board remuneration table
5.	Mr. Waled A. Al Ghreri (Independent Board Member)	Member (as of 01/07/2022)	50,000	15,000	65,000	Mentioned in the previous Board remuneration table
Ex-Investment Committee Members for the term that ended on 30/06/2022:						
-	Mr. Abdulaziz Khaled Al Ghufaily (Non-Executive, Savola Board member)	Previous Member	50,000	15,000	65,000	Mentioned in the previous Board remuneration table
-	Mr. Fahad Abdullah Al Kassim* (Non-Executive, Savola Board member)	Previous Member	50,000	15,000	65,000	Mentioned in the previous Board remuneration table
-	Dr. Adnan Abdulfattah Soufi (Non-Executive, Savola Board member)	Previous Member	50,000	15,000	65,000	Mentioned in the previous Board remuneration table
Total			500,000	150,000	650,000	-

* Mr. Fahad Abdullah Al Kassim was an independent member from 01/07/2019 up until 30/06/2022. However, his membership has been reclassified to a non-executive member as of 01/07/2022 in accordance with Article (19) of the Corporate Governance Regulations.

d-6) Senior Executives' compensation of Savola Group for 2022:

Compensation and benefits paid to 5 Senior Executives including the CEO and CFO of the Group during 2022 were:

No.	Description	Senior executives' (5 in total) compensation including the CEO and the CFO (SAR '000s)
Fixed remuneration		
-	Salaries	11,823
-	Allowances (including housing, transportation, health insurance, education allowance, etc.)	4,138
-	In-kind benefits	661
Total of fixed remuneration		16,622
Variable remuneration		
-	Periodic remuneration	-
-	Profits	-
-	Short-term incentive plans (including performance-related bonus for 2022)	18,073
-	Long-term incentive plans	-
-	The value of the Granted shares	-
Total of variable remuneration		18,073
-	End of service award	1,196
-	Total remuneration for Board executives, if any	-
Grand total		35,891

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

e-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.

GOVERNANCE AND COMPLIANCE REPORT AND RELATED DISCLOSURES

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

f-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	0%
2.	Mr. Bader Abdullah Alissa	1,025	–	1,025	–	0	0%
3.	Mr. Ahmed Waza Al Qahtani	0	–	0	-	0	0%
4.	Mr. Ahmad Abdulrahman Al Humaidan	0	-	0	–	0	0%
5.	Eng. Mutaz Qusai Al Azzawi	1,000	–	1,000	–	0	0%
6.	Mr. Fahad Abdullah Al Kassim	2,000	–	2,000	–	0	0%
7.	Mr. Mohammed Ibrahim Alissa	1,000	–	1,000	–	0	0%
8.	Mr. Isam Majed Al Muhaidib	1	–	24,029	–	24,028	99.99%
9.	Mr. Waled Abdullah Al Ghleri	0	–	675	-	675	100%
10.	Mr. Rakan Abdulaziz Al Fadl	142,060	-	142,060	–	0	0%
11.	Mr. Bader Hamad Al Rabiah	2,500	-	2,500	–	0	0%
Second: Board members' relatives: N/A							
Third: Board members for the previous office term that ended on 30/06/2022:							
1.	Dr. Adnan Abdulfattah Soufi	1,000	–	1,000	-	0	0%
2.	Mr. Abdulaziz Khaled Al Ghufaily	1,000	–	1,000	–	0	0%
3.	Mr. Abdulrahman Mohammed Ramzi Addas	1,000	–	1,000	-	0	0%
4.	Mr. Essam Abdulkadir Al Muhaidib	2,500	-	2,500		0	0%
Fourth: Relatives of Ex-Board members for the previous office term that ended on 30/06/2022: N/A							

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

Senior Executives and their relatives:							
No.	Names of executives 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: Senior Executives:							
1.	Mr. Waleed Khalid Fatani (Savola Group CEO)	26	–	4,826	–	4,800	99.47%
2.	Mr. Sameh Hassan (Savola Foods Co. CEO)	0	–	0	–	0	0%
3.	Dr. Bander Talaat Hamooh (Panda Retail Co. CEO)	26	–	26	–	0	0%
4.	Mr. Wajid Usman Khan (Chief Financial Officer)	0	–	0	–	0	0%
5.	Mr. Mohammed Nasr (Chief Investment Officer)	0	–	0	–	0	0%
6.	Mr. Elnour Ali Saad (Chief Corporate Governance and Legal Affairs Officer & Board Secretary)	7,800	–	15,340	–	7,540	49.16%
7.	Mr. Morhaf Mohammed Alsamman (Chief Human Resources & Corporate Services Officer)	0	–	0	–	0	0%
Second: Senior executives' relatives: N/A							

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

No.	Date	Resolutions / Announcement subject
1.	30/01/2022	Announcement of the opening of nomination for membership to the Board for the next office term
2.	01/02/2022	Approval of Interim Financial Results for the Period Ended on 31-12-2021 (Twelve Months)
3.	01/02/2022	The Board Recommendation to Distribute Cash Dividends to its Shareholders for the Year 2021
4.	13/02/2022	Announcement of the Results of the Company's Shares Buy-Back (Second Phase)
5.	28/03/2022	Approval of the Annual Financial Results for the year ended on 31-12-2021
6.	12/04/2022	Savola Group invites its shareholders to attend its General Assembly Meeting (No. 41) (First Meeting)
7.	11/05/2022	Savola Group Announces to its Shareholders the Commencement Date of the Electronic Voting on the Agenda of its General Assembly Meeting (AGM) No. 41 (First Meeting)
8.	16/05/2022	Approval of the Interim Financial Results for the Period ended on 31-03-2022 (Three Months)
9.	17/05/2022	Savola Group Announces the Results of the General Assembly Meeting (No. 41) (First Meeting)
10.	30/06/2022	Announcement of the Appointment of the Chairman, Vice Chairman, and the Committees Formation
11.	11/08/2022	Announcement of the Signature of a binding Share Sale Agreement of Savola Group's Shares in Knowledge Economic City Company and Knowledge Economic City Developers Company Limited for an amount of SAR 459.26 million
12.	24/08/2022	Approval of the Interim Financial Results for the Period ended on 30-06-2022 (Six Months)
13.	28/08/2022	Savola Group invites its shareholders to attend its General Assembly Meeting (No. 42) (First Meeting)
14.	15/09/2022	Savola Group Announces to its Shareholders the Commencement Date of the Electronic Voting on the Agenda of its General Assembly Meeting (AGM) No. 42 (First Meeting)
15.	21/09/2022	Savola Group Announces the Results of the General Assembly Meeting (No. 42) (First Meeting)
16.	30/10/2022	Approval of the Interim Financial Results for the Period ended on 30-09-2022 (Nine Months)
17.	30/11/2022	Savola Group Announces an update of the Share Sale Agreement of its stake in Knowledge Economic City Company and Knowledge Economic City Developers Company Limited for an amount of SAR 459.26 million and obtaining a "No- Objection Certificate" from the General Authority for Competition regarding the economic concentration related to the said transaction.
18.	29/12/2022	Savola Group Announces the completion of sale regulatory requirements regarding the Share Sale Agreement of its stakes in Knowledge Economic City Company and Knowledge Economic City Developers Company Limited for an amount of SAR 459 million.

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

h) 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 2022, 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:

h-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.

h-2) Enable shareholders and investors to access information:

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

h-3) Procedures for informing the Board members of the shareholders' suggestions and notes on the Company and its performance:

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

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

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

h-4) Savola Group equity profile as of 31 December 2022:

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 Shares
3.	Floated issued shares (by Tadawul records) **	532,495,448 Shares
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 2022.

h-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 2023 which may be of interest to our valued shareholders and investors:

No.	Dates 2023	Key events for 2023
1.	7 February	Audit Committee meeting to review company performance updates.
2.	7 February	Board of Directors' meeting regarding company performance updates.
3.	26 March	Audit Committee meeting regarding the audited financial results for 2022
4.	26-27 March	The annual financial results for 2022 will be approved by Board of Directors
5.	27-28 March	Date of publishing the Annual Financial Results of year 2022 on Tadawul and then Savola website
6.	28-31 March	Date of publishing the Savola Group Annual Report for 2022
7.	Within one week after financial results announcement	Earning call for Institutional investors and Analysts regarding financial results for 2022.
8.	10 May	Audit Committee meeting to recommend to the Board approval of the financial results for the first quarter of 2023
9.	10 May	Board of Directors' meeting regarding the financial results for the first quarter of 2023 which will be announced in the light of the Board's decision during the prescribed period
10.	10 May	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, 2023.
12.	8 August	Audit Committee meeting to recommend to the Board approval of the financial results for the second quarter of 2023
13.	8 August	Date of publishing the financial results for the second quarter of 2023 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, 2023.
15.	7 November	Audit Committee meeting to recommend to the Board approval of the financial results for the third quarter of 2023
16.	7 November	Board of Directors' meeting regarding the financial results for the third quarter of 2023 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, 2023.
18.	2 nd half of 2023	Conduct annual workshop for the Board of Directors to review the strategy for the Group and its subsidiaries.
19.	During the 2 nd quarter of 2023	Date of publishing the Savola Group Sustainability Report for 2022

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.

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

h-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.

It is worth mentioning- as stated previously- that CMA has amended its regulations in light of the new companies law and the Group is currently working on adjusting its position in accordance with these amendments including amending the above-mentioned Dividends Distribution Policy, which will be presented to the nearest shareholders' general assembly for approval as part of the Articles of Association amendments.

b) Dividends proposed for distribution for 2022 and their payment process:

In light of the above Dividends Distribution Policy, and in light of the achieved net profit amounted to 742.75 million for the year 2022, the Savola Group Board recommended on 27th March 2023 the distribution of 352.42 million (i.e. SAR 0.66 per share) as cash dividends for the year 2022, which represents 6.6% of the Company 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 2022:

	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 2022	6.6%	352.42 million
Total			352.42 million

Shareholder Information and Share Price Data:

As of 29 December 2022, Savola had 102,788 shareholders compared to 107,888 shareholders by the end of last year as per Tadawul records, the following tables provide an overview of Savola's ownership structure including criteria and types:

a) Savola Investors according to nature of investor:

Investor Nature	Percentage of Ownership	Number of Investors	Number of Shares
Corporate Investors	68.32%	102,276	364,766,934
Individual Investors (including share certificates holders)	31.68%	512	169,213,750
Total	100%	102,788	533,980,684

b) Savola Investors according to their nationality:

Investor Nationality	Percentage of Ownership	Number of Investors	Number of Shares
Saudi Investors	89.23%	101,547	476,479,653
Foreign Investors	10.77%	1,241	57,501,031
Total	100%	102,788	533,980,684

c) Savola Investors according to their nature:

Investor Nature	Percentage of Ownership	Number of Investors
Individual Investors (including share certificate holders)	31.69%	102,273
Corporate Investors	47.68%	92
Qualified Foreign Investors (QFI) Funds	7.28%	315
Government Investors	6.21%	13
Mutual Funds	4.42%	24
Qualified Foreign Investors (QFI) Companies	2.17%	60
Qualified Foreign Investors Governmental and Related Entities	0.55%	3
Swap Agreements	0.0011%	5
Foreign Individual Investors	0.0002%	3
Total	100%	102,788

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

Ownership Size	Percentage of Ownership	Number of Investors
More than 1 million shares	74.24%	43
From 500,000 to less than 1 million shares	4.45%	36
From 100,000 to less than 500,000 shares	7.15%	184
From 50,000 to less than 100,000 shares	2.60%	201
From 10,000 to less than 50,000 shares	4.79%	1,261
From 5,000 to less than 10,000 shares	1.59%	1,251
From 1,000 to less than 5,000 shares	2.62%	6,931
Less than 1,000 shares	2.57%	92,881
Total	100%	102,788

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e) Savola Investors according to their ownership type:

Ownership Type	Percentage of Ownership	Number of Investors	Number of Shares
Investment Portfolios	99.08%	60,555	529,049,858
Shares Certificates	0.92%	42,233	4,930,826
Total	100%	102,788	533,980,684

f) Share Price Data (SAR)

Share price 1 January 2022	Share price 29 December 2022	Share price 3 years ago	52-week high	52-week low	Change from 2021-2022
31.80	27.45	35.5	39.00	25.85	-13.78

Shares performance summary at the end of each month (high, low, and closing) during the fiscal year 2022 (all information was obtained from the Company's page in the Saudi Stock Exchange – Tadawul's website):

Month	High	Low	Close
January	34.45	34.10	34.10
February	33.90	32.90	33.90
March	36.45	36.00	36.45
April	35.95	35.45	35.70
May	38.00	37.60	37.60
June	34.45	33.60	33.60
July	33.55	33.20	33.20
August	32.80	32.30	32.65
September	28.35	27.90	28.35
October	29.60	29.05	29.30
November	28.50	28.10	28.50
December	28.00	27.20	27.45

h-7) Major shareholders list:

Below are shareholders owning 5% or more of the total shares of the Group, and movements during 2022 (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 2022	Ownership at the beginning of 2022	Shares at the end of 2022	Percentage at the end of 2022	Shares change	Percentage change
1.	Assila Investments Co.	Saudi Company	60,000,000	11.24%	60,000,000	11.24%	0	0%
2.	Abdulkadir Al Muhaidib & Sons Co.	Saudi Company	43,966,110	8.23%	43,966,110	8.23%	0	0%
3.	Mr. Abdullah M.A. Al Rabiah	Saudi National	43,892,500	8.22%	43,892,500	8.22%	0	0%
4.	Al Muhaidib Holding Co.	Saudi Company	33,980,684	6.36%	33,980,684	6.36%	0	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 2022 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 2022.

h-8) Details of retained Treasury Shares and their purposes for 2022:

Date of retention	Number of retained Treasury Shares	Value of the retained Treasury Shares	Purpose of keeping the shares as Treasury Shares
13 September 2020	341,675	SAR 16,508,713	To retain the shares as Treasury Shares under the Employees LTIP which aims to attract and retain outstanding talent and to motivate them to further strengthen their performance to achieve Savola Group objectives. The shares will be transferred to the eligible employees as per the program conditions and policy approved by the Board after the vesting period elapses (i.e. after 3 years from the allocation date) according to each tranche starting date.
9 September 2021	349,076	SAR 13,924,773	
10 February 2022	637,955	SAR 21,427,934	
Total shares bought for the program	1,328,706	-	
Total shares transferred to beneficiaries according to the program policy	18,760	-	
Total of Retained Treasury Shares as of 31st Dec. 2022	1,309,946	-	

h-9) Numbers of Company's requests of shareholders records, dates and reasons thereof for 2022:

No.	Date of request 2022	Reason
1.	January 30th, February 28th, March 31st, June 30th, December 29th	(5 Reports) Company Procedures
2.	May 16, September 20	(2 Reports) regarding the General Assembly
3.	18 May	Dividends File to determine eligibility
Total		8

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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	0	-	(520,380)	-
2019	0.30	160,194	475,630	33.68%
2020	0.75	400,486	910,802	43.97%
2021	0.20	106,796	221,879	48.13%
2022	0.66	352,427	742,752	47.45%

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

2017	533,980
2019	160,194
2020	400,486
2021	106,796
2022	352,427

i) Transactions with related parties that took place during 2022, 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 2022	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 465.76 million.					
1.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Mayar Foods Co.	SAR 122.39 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	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. Mr. Sulaiman Abdulkadir Al Muhaidib who is the chairman of Abdulkadir Al Muhaidib & Sons Co. Group as well as the Chairman of Savola, in addition to, Mr. Isam Majed Almuhaideb who is a Board member in Savola Group and in the Executive Management of Al Muhaidib Group.
2.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Del Monte Saudi Arabia	SAR 66.02 million			
3.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Nestle Group and its subsidiaries.	SAR 243.14 million			
4.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Manhal Water Factory Co. Ltd.	SAR 6.15 million			
5.	Leasing spaces to sell its products along with trading foods products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Almhaj Alshamiyah Trading Co.	SAR 18.58 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)		
6.	Scrap sales by Panda Retail Co. (a subsidiary of Savola) to Waste Collection & Recycling Company	SAR 9.37 million			
7.	Leasing spaces to sell its products inside Panda Shopping Centers by Panda Retail Co. (a subsidiary of Savola) to Zohoor Alreef Co.	SAR 106 thousand			
8.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Al Jazirah Dates & Food Factory	SAR 3.1 thousand			
Total		SAR 465.76 million			

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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 2022	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 855.53 million.					
1.	Purchasing consumer foods goods by Panda Retail Co. (a subsidiary of Savola) from Almarai Co. and its subsidiaries	SAR 715.48 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.	Annually	Both Mr. Sulaiman Abdulkadir Al Muhaidib, Mr. Bader Abdullah Alissa are Board members in Almarai as well as Savola Group. In addition to Mr. Walid Fatani Group CEO who is a member of Almarai Board.
2.	Selling sugar by United Sugar Company (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	SAR 66.78 million			
3.	Selling specialty fats products by International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	SAR 73.27 million			
Total		SAR 855.53 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 2022	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 62.40 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 35.36 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods, maintenance, insurance, etc.)	Annually	Eng. Mutaz Qusai Al Azzawi, who is the Chairman of Herfy Board, and Herfy Board member Mr. Isam Majed Almuhaidib are both Board members in Savola Group. Also Mr. Waleed Fatani Group CEO who is a Board member in Herfy
2.	Selling edible oil products by Afia International (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	SAR 18.20 million			
3.	Selling sugar by United Sugar Co. (a subsidiary of Savola Food Co.) to Herfy Food Services Co.	SAR 3.28 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 5.56 million			
Total		SAR 62.40 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 2022	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
1.	Leasing of shop by Panda Retail Co. (a subsidiary of Savola) from Dur Hospitality Co.	SAR 18 million	In the ordinary course of business and general commercial terms worked without any preferential treatment including renewal, payment methods, maintenance, insurance, etc.	Annually	Mr. Badr Abdullah Alissa is a Board member and Mr. Fahad Abdullah Al Kassim are both Board members in Dur Hospitality and Savola Group.

j) 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.	Arabian Centers Company – Al Hokair	Shareholder of a subsidiary	Non-trade	During 2022	SAR 27.98 million
2.	Khairat Al Sharq for General Trade and Manufacturing Foodstuff Company	Associate	Non-trade	During 2022	SAR 15.29 million
3.	United Sugar Co. Egypt – SFC	Associate	Non-trade	During 2022	SAR 63.42 million

k) Related Party Transactions which requiring disclosure according to the regulatory requirements:

1) Transactions and contracts taking place during 2022 in which a member of the Executive Management has a direct or indirect interest in it:

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2022	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 28.28 million	In the ordinary course of business and general commercial terms worked without any preferential treatment including renewal, payment methods, maintenance, insurance, etc.	Annually	Group CEO Mr. Waleed Fatani is a Board member in Kinan.

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2) One-off and conditional transactions approved by the Shareholders' General Assembly in its meeting conducted on 20 September 2022:

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2022	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.	Share Sale Agreement with Taiba Investments Company to sell Savola Group's entire shares in Knowledge Economic City Company as the Group owns 11.47 % in Knowledge Economic City Company directly and indirectly (direct shareholding of 6.40% and in direct shareholding of 5.07% through Knowledge Economic City Developers (LLC)), the said Share Sale Agreement will include the sale of shares owned by the Group in both Knowledge Economic City Company and Knowledge Economic City Developers Company Limited.	SAR 459 million	Obtaining the necessary approval from the regulatory or contractual parties, and the approval of the shareholders' general assembly of Savola Group and the Taiba Investment Co.	One-off	Mr. Badr Abdullah Alissa - Vice Chairman of the Board of Directors, Mr. Mohamed Ibrahim Alissa - Member of the Board of Directors, Eng. Mutaz Qusai Al Azzawi - Member of the Board of Directors, Assila Investment Company (a major shareholder).

l) Competing businesses with the Company or any of its activities engaged in during 2022, and will be presented in the upcoming AGM meeting for approval as per laws and regulation in this regard:

l-1) Competing business with the Company or any of its activities that any member of the Board is engaging in or was engaging in such competing businesses in accordance with paragraph 42 of Article 87 Corporate Governance Regulations:

No.	Board member engaging in or was engaging in competing businesses	Nature and conditions of competing business
1.	Mr. Sulaiman Abdulkadir Al Muhaidib* (Non-executive Board member)	The competing businesses- directly and indirectly- relate to the ownership and management of Al-Mehbaj Company (one of Abdulkadir Al-Muhaidib & Sons Companies), which is a company that specializes food retail, specifically nuts, coffee, grains, spices, dried fruits, and dehydrated vegetables. The mentioned activities are considered a competitor to Bayara Company Holding Ltd., one of the subsidiaries of Savola Foods Company (one of the wholly owned subsidiaries of Savola Group), a company engaged in the manufacture and distribution of healthy snacks (raw and roasted nuts, dates, seeds, dried fruits, sweets) and cooking spices (herbs, spices and pulses).
2.	Mr. Isam Majed Al Muhaidib (Non-executive Board member)	
3.	Mr. Essam Abdulkadir Al Muhaidib* (Non-executive Ex-Board member for the term ending on 30/06/2022)	

* Note: It is worth noting that the approval of the Ordinary General Assembly was obtained in its meeting held on 16/05/2022 regarding the participation in the above-mentioned competing business, and the approval will be renewed at the nearest general assembly of shareholders in accordance with the regulations pertaining to this subject.

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

m-1) Board Declaration according to CMA CG Regulations for 2022:

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 2022 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 2022 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 2022 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 2022.
11.	The Board of Directors did not waive any of the Company's debts during the year 2022.
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 (f-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.

No.	Declaration/Confirmation
19.	<p>A description of waiving any salary or compensation by an arrangement or agreement with:</p> <p>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 2022 of SAR 256,900 to support the Group's Employee Takaful Fund.</p> <p>A senior executive of the Group: (not applicable).</p>
20.	<p>There is no arrangement or agreement under which a shareholder of the issuer has waived any rights to dividends.</p>
21.	<p>The Board confirms that:</p> <p>A) The Company's accounting records were properly prepared.</p> <p>B) Savola Group's internal control systems and procedures were properly developed and effectively executed.</p> <p>C) There are no doubts about the Group's ability to continue its business activities.</p>
22.	<p>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.</p>
23.	<p>The Company issued during July 2019, 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).</p>

m-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).

m-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 39 (Optional)	The Assessment: "The Board shall develop, based on the proposal of the nomination committee, the necessary mechanisms to annually assess the performance of the Board, its members and committees ..."	Savola Group has developed the necessary mechanisms to assess its Board members and committee members and has been consistently performing annual assessments since 2009 with the aim of identifying strengths and weaknesses and proposing solutions to address them in a manner commensurate with the company's interest. However, given that the new Board office term commenced on 01/07/2022, the assessment and evaluation of the Board shall be conducted after completion of 1 year of its term i.e. after mid of 2023 as per CMA Corporate Governance Regulations.
2.	Article 51 (c) (Optional)	Audit Committee Formation: "The chairman of the audit committee shall be an Independent Director"	The current Chairman of the Audit Committee, Mr. Fahad Abdullah Al Kassim, was an independent member up to June 2022; however, his classification was changed to a Non-Executive Director as of 01/07/2022 as per Article 19 of CMA Corporate Governance Regulations as he has completed nine years since he joined the Board membership. Mr. Fahad Al Kassim has vast experience in the field of finance, accounting, and auditing. In addition, he has served the longest out of all the Audit Committee members in the committee membership.
3.	Article 67 (optional)	Composition of the Risk Management Committee (RMC): "The Company's Board shall, by resolution therefrom, form a committee to be named the (Risk Management Committee). The Chairman and majority of its members shall be Non-Executive Directors. The members of that Committee shall possess an adequate level of knowledge in risk management and finance."	Risk Management Committee from Executives were formed at Group level, and its charter was developed and approved, Also, the Committee has assumed its duties in supervising the risk management team. Moreover, there is a risk management department established under the leadership of a specialized Risk Management Officer and the Risk Management policy was approved by the Board. The Risk Management Officer is currently working with the departments, on Group and subsidiaries level, to enhance the role of the current risk department further and carry out the Risk Management role, activities, and procedures. Also, the Company is 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.
4.	Article 68 (optional)	Competencies of the Risk Management Committee	The RMC has not been formed due to the above-mentioned reasons in No. (3).
5.	Article 69 (optional)	Meetings of the Risk Management Committee: "The Risk Management Committee shall convene periodically at least once every 6 months and as may be necessary."	The RMC has not been formed due to the above-mentioned reasons in No. (3).
6.	Article 92 (optional)	Formation of a Corporate Governance Committee: "If the Board forms a Corporate Governance Committee, it shall assign to it the competences stipulated in Article (91) of these Regulations. Such Committee shall oversee any matters relating to the implementation of governance and shall provide the Board with its reports and recommendations at least annually."	There is no standalone committee for Corporate Governance, however, to ensure and monitor the implementation of CG requirements, the CG role was added to the RNC responsibilities and duties, and the committee charter was amended and approved by the AGM. Also, the CG requirements are overseen and monitored by the Board of Directors and the top Executive Management, in addition, there is a CG and Compliance Department with qualified team members at the Group-level to monitor CG code implementation and compliance, ensure proper implementation of the Board's resolutions issued regarding CG and submit regular reports to the Board. In addition, the Board and CEO supervise the overall implementation and development of the governance code.

Savola Group Audit Committee Report
for the year ended December 31, 2022

Introduction

The Audit Committee of Savola Group was formed, and its charter was adopted by a resolution issued by the general assembly of shareholders in light of the regularity requirements. As new companies' law was published during the second half of 2022 which shall enter into force along with its Regulations from 19 January 2023, the Group is in the process of adapting the new companies' law and will make the necessary amendment concerning the Audit Committee, as well as presenting it to the general assembly of shareholders in the nearest meeting for their approval.

We are pleased to share with you Savola Group Audit Committee Report for the year 2022, prepared in line with the requirements of the Companies Law, the Regulations and Rules of the Capital Market Authority and the Committee's charter.

1- Appointment

Savola Group Audit Committee was appointed at the Extraordinary General Assembly Meeting No. (41), held on Monday, 16 May 2022, corresponding to 15 Shawwal 1443H in which the formation of the Audit Committee and the charter describing its functions, responsibilities and guidelines were approved, as well as remuneration of selected members for the new office term for three years, beginning from 1 October 2022 to 30 September 2025. The appointment includes Mr. Fahad Abdullah Al Kassim (as a non-executive Board member), Mr. Tareq Abdullah Al-Garaawy (Independent member), Mr. Mohammed Ibrahim Al Issa (Independent Board member), Mr. Bader Hamad Al Rabiah (Independent Board member) and Dr. Jassim Shaheen Al Rumaihi (Independent member) as Audit Committee members after the end of the last office term on 30 September 2022.

Membership Requirement as per the Amended Corporate Governance Regulations:

Article (51) from the amended Corporate Governance Regulations stipulated that half of the audit committee's members must be independent members or from those to whom the issues affecting independence in Article (19) of the Regulation do not apply. In addition, a member of the audit committee shall not be a member of an audit committee of more than five listed joint stock companies at the same time. The Group took the necessary actions to ensure full compliance with the mentioned article.

2- Meetings

In line with its charter, the Audit Committee will convene periodically based on Chairman invitation, at least four times per year, and as may be necessary, and majority attendance of members constitute a quorum whether in person or by proxy. The Committee held six meetings during 2022 and the quorum for each meeting was reached.

3- Savola Group Operating Model

The organizational structure "Operating model" adopted by the Group as a strategic investment holding company reflects the independence of the operational aspects of the Group's subsidiaries.

Conversely, all interaction between the Group's Audit Committee on one hand and its subsidiaries' Audit Committees on the other hand are governed by the Group's representation membership at the Audit Committees of the subsidiaries.

4- Audit Committee members' qualifications:

The schedule below describes current and previous positions, qualifications and experience of the Audit Committee members as follows:

No	Member name	Current positions	Previous positions	Qualifications	Experience
Audit Committee members:					
1.	Mr. Fahad Abdullah Al Kassim	Current and previous positions, qualifications and experience were mentioned earlier in the Director's Report.			
2.	Mr. Mohammed Ibrahim Al Issa				
3.	Mr. Bader Hamad Al Rabia				
4.	Dr. Jassim Shaheen Al Rumaihi	Retired professor, financial consultant, and dedicated administrative officer	Regional Manager of Arab Open University for East Region, Chief Executive Officer of Razan Cognitive Holding and Saudi Constructing Union Company, Head of the Finance and Administration of Faisal Al Qahtani & sons for Trading & Constriction, and Head of the Accounting and Management Information Systems Department, King Fahd University of Petroleum and Minerals.	Ph. D in Accounting from University of Dundee, UK, Master's degree in Accounting from the University of Missouri, United States of America, Bachelor's degree in Accounting from King Saud University.	Has more than 25 years of academic and practical experience, currently working as a dedicated business consultant in the financial and administration fields, and member of several Boards and remuneration & nomination committees of other companies.
5.	Mr. Tareq Abdullah Al-Garaawy	He is currently an audit committee member of Savola Foods Company and other several joint stock companies.	Worked in several companies like Idfa Management & Financial Consultants, and Tatweer Buildings Company (TBC).	<ul style="list-style-type: none">• Bachelor's degree in accountancy from King Saud University in 1996.• Master's degree in accountancy from George Washington University 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 23 years' practical experience in financial, accountancy, compliance and consultancy gained from working with several banks such as, Saudi Investment Bank, Saudi Arabia British Bank and Bank Al-Bilad.
Ex-Member of Savola Group Audit Committee for the previous office term ended 30/09/2022 (Updated as of 01/10/2022):					
-	Dr. Abdul Rauf Suliman Banaja	Holds number of memberships in boards and committees such as Audit Committee member in Riyad Bank, Herfy and other joint stock companies.	<ul style="list-style-type: none">• Advisor to the Deputy Governor, the Saudi Arabian Monetary Agency (SAMA) (currently, Saudi Central Bank)• Economic Advisor, Ministry of Finance• Associate professor at University of Riyadh.	PhD in Economics, University of California, Santa Barbara, United States, 1981	Assumed several positions in a number of local and regional banks.

AUDIT COMMITTEE REPORT

5- Audit Committee attendance:

The members of the Audit Committee attendance for the meetings of the Audit Committee held during the year 2022 are listed below:

Sr.	Name	30 Jan	24 Mar	16 May	22 Jun	23 Aug	30 Oct	Total
1.	Mr. Fahad Abdullah Al Kassim* (Chairman) (Non-executive, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
2.	Mr. Mohammed Ibrahim Al Issa (Independent, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
3.	Mr. Bader Hamad Al Rabia (Independent, Savola Board member)	✓	✓	X	✓	✓	✓	5 of 6
4.	Mr. Tareq Abdullah Al-Garaawy (Independent, External member)	✓	✓	✓	✓	✓	✓	6 of 6
5.	Dr. Jassim Shaheen Al Rumaihi (Independent, External member)			N/A			✓	1 of 1
-	Mr. Aly Asim Barakat (Committee Secretary)	✓	✓	✓	✓	✓	✓	6 of 6
Ex-Member of Savola Group Audit Committee for the last office term ended 30/09/2022:								
-	Dr. Abdul Raouf Suliman Banaja (Independent, External member)	✓	✓	X	✓	✓	N/A	4 of 5

*Mr. Fahad Abdullah Al Kassim was an independent member from 01/07/2019 up until 30/06/2022. However, his membership has been reclassified to a non-executive member as of 01/07/2022 in accordance with Article (19) of the Corporate Governance Regulations.

6- Audit Committee remuneration for 2022 (Saudi Riyals):

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* (Non-executive, Savola Board member)	Chairman	150,000	30,000	180,000	Mentioned in the Board remuneration
2.	Mr. Mohammed Ibrahim Al Issa (Independent, Savola Board member)	Member	150,000	30,000	180,000	
3.	Mr. Bader Hamad Al Rabia (Independent, Savola Board member)	Member	150,000	25,000	175,000	
4.	Mr. Tareq Abdullah Al-Garaawy (Independent, External member)	Member	150,000	30,000	180,000	-
5.	Dr. Jassim Shaheen Al Rumaihi (Independent, External member)	Member From (1/10/2022)	37,500	5,000	42,500	3,885
Ex-Member of Savola Group Audit Committee for the last office term ended 30/09/2022:						
-	Dr. Abdul Raouf Suliman Banaja (Independent, External member)	Ex-Member	112,500	20,000	132,500	-
Total			750,000	140,000	890,000	3,885

*Mr. Fahad Abdullah Al Kassim was an independent member from 01/07/2019 up until 30/06/2022. However, his membership has been reclassified to a non-executive member as of 01/07/2022 in accordance with Article (19) of the Corporate Governance Regulations.

7- Summary of Audit Committee duties, responsibilities and achievements executed in 2022:

• Financial reporting

Analyzing 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.

• Internal audit

Review and approve the Group's internal audit department plan, scope of activities, methodologies and outputs and ensure whether the function has the necessary authority and resources to carry out its work while maintaining its independence. Review and assess Savola Group internal audit reports and monitor the tracking and follow-up of procedures implementation determining whether appropriate actions are taken in respect of the internal audit recommendations therein.

• 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.

• Related party transactions

Review the results of external auditors limited review of Savola related party transactions for 2022 included in the related party transactions report prepared by the Board of Directors in relation to the related party transactions executed by the company during the year and provide any recommendation to the Board based on the results, if any. Ensure that related party transactions are properly disclosed in the Board of Directors report and audited financial statements.

• Savola Integrity Hotline

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

8- Review of internal control producers and its results at the Group:

The executive management of the Group and its subsidiaries certifies on an annual basis their responsibility for establishing and maintaining internal control procedures designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws and regulations. The reasonable assurance provided by the signed internal control certifications is supported by the results of a questionnaire completed by all heads of functions across the Group & 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 2022 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 & 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 continuous improvement of the effectiveness of internal control procedures.

AUDIT COMMITTEE REPORT

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 December 31, 2022 based on International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

Based on the results of the above mentioned procedures, the Group's Audit Committee believes that reasonable assurance was provided regarding the effectiveness of internal control procedures.

However, we emphasize that due to the geographical spread of the Group's operations locally and regionally we cannot conclude exclusively on the comprehensiveness of the internal control procedures, as these procedures in substance, rely on selecting random samples as above mentioned.

Accordingly, the Audit Committees at the Group and its subsidiaries efforts are focused continuously to develop and improve the effectiveness and efficiency of the internal control procedures review mechanism in place across the Group and its subsidiaries.



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