

Savola Group

Capital Reduction and Significant Transaction
November 2024

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SAVOLA

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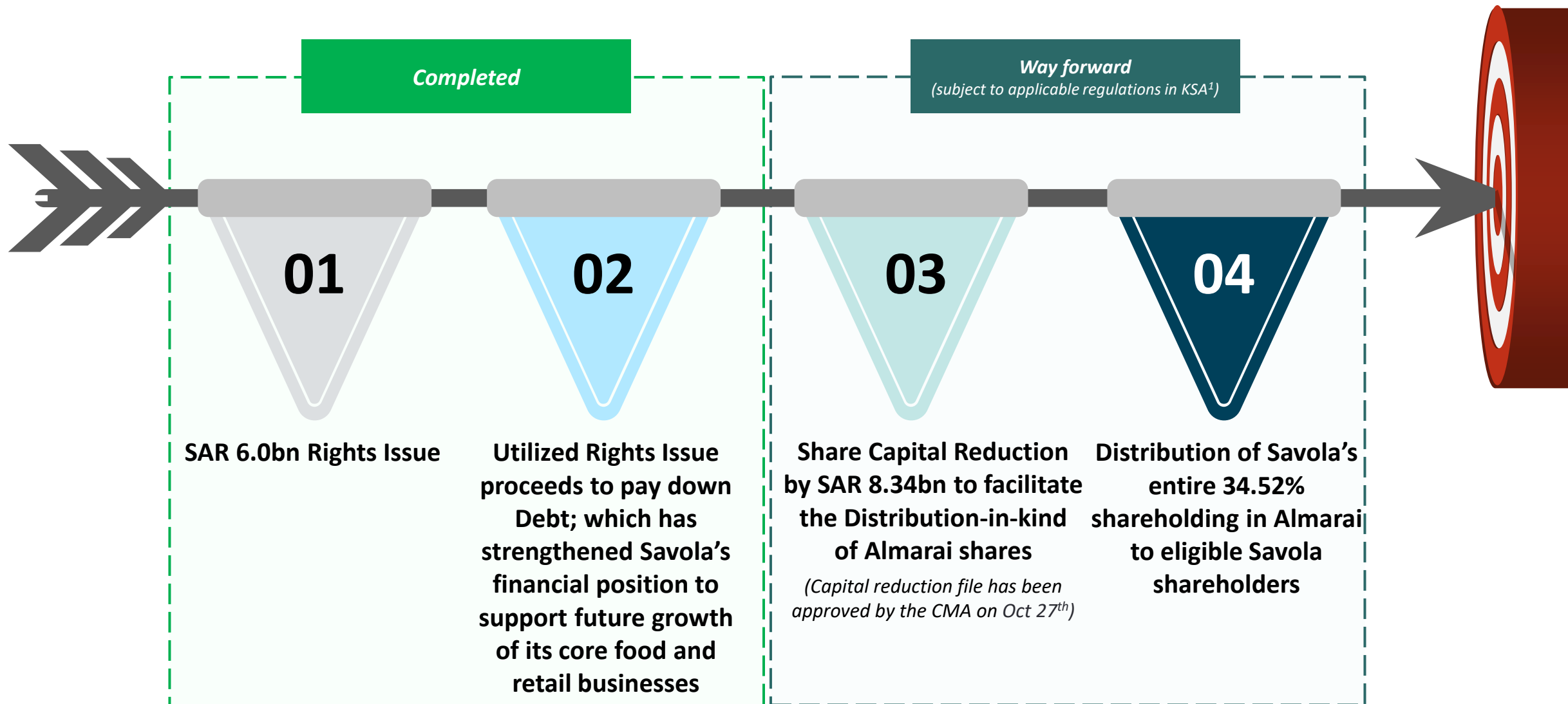
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The Transaction Summary



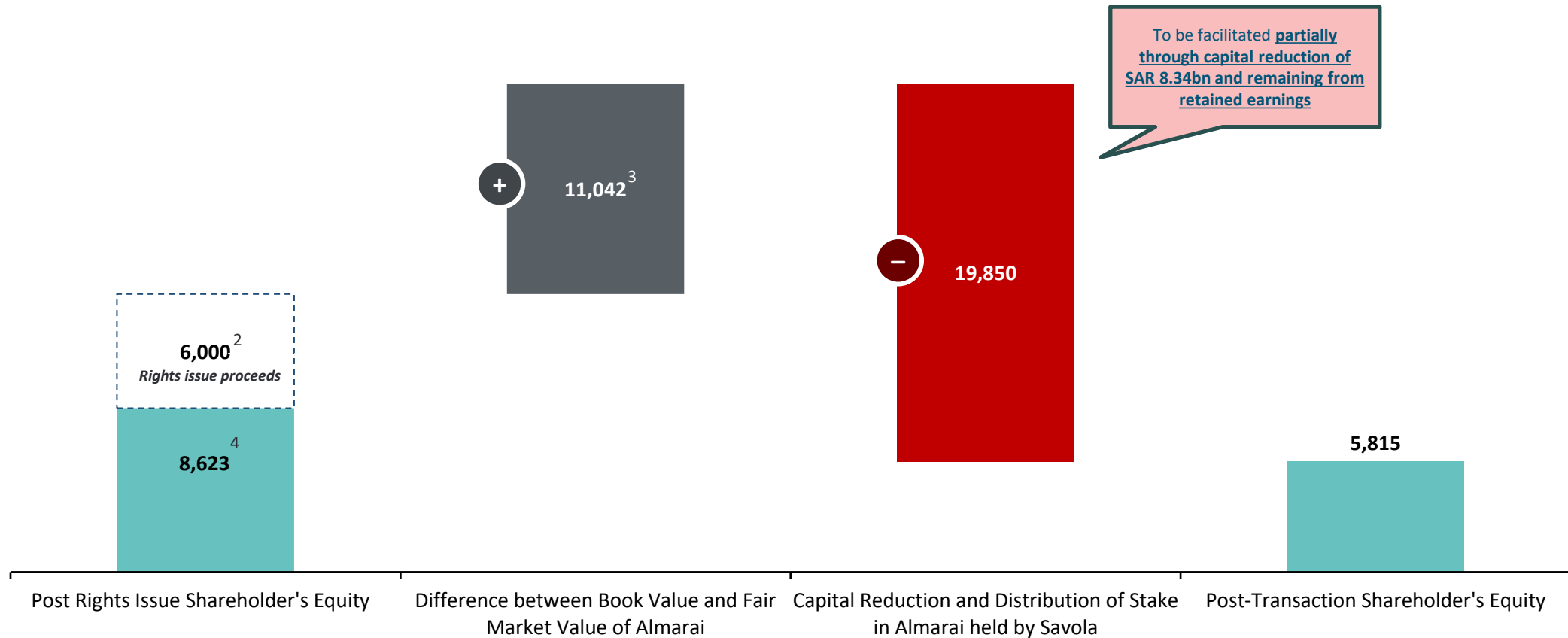
Note:

(1) Subject to no objection from creditors and EGM approval

Illustration of Movement in Shareholders' Equity with Four Interlinked Components

This is subject to shareholders approval at the EGM, no objection from creditors and any other regulatory approvals. Actual amounts would be determined on the date of eligibility.

Illustrative Impact on Savola's Shareholders' Equity¹ (SAR mn)



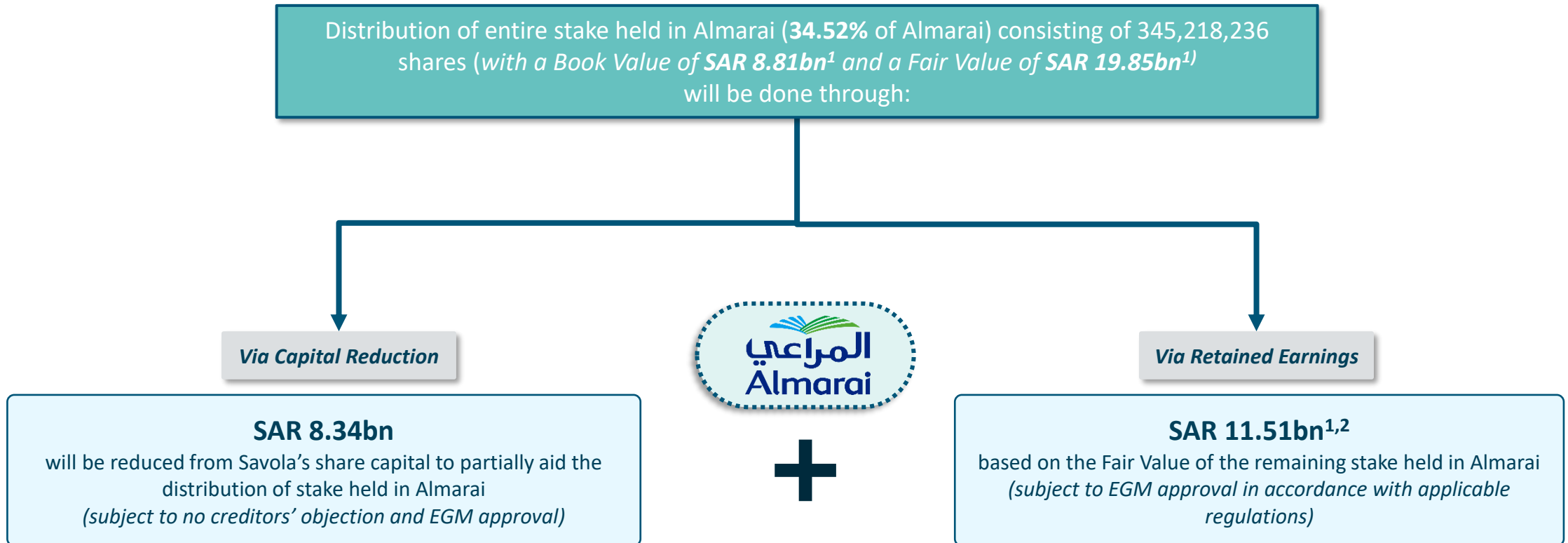
Notes:

- (1) Based on Q2'FY24 financial statements of Savola Group Company; (2) Excludes rights issue offering expenses; (3) Refers to difference between market cap of Almarai as of 21 October 2024, which amounts SAR 57.5bn, of which SAR19.85bn is attributable to Savola's stake in Almarai and the book value of Savola's investment in Almarai amounting to SAR 8.81bn as of 30 June 2024 and includes other reserves associated with the investment in Almarai amounting to SAR 413.7mn, that will be released upon derecognition of Almarai ; (4) Equity attributable to owners of the Company in the Group's financial statements as of 30 June 2024

Capital Reduction and Distribution in Kind – How are they connected?

As part of this transaction, the Savola (“the Company”) will distribute its entire stake in Almarai partially through reduction of share capital and balance through utilization of retained earnings

Illustrative Impact of Almarai Distribution on Shareholders’ Equity¹



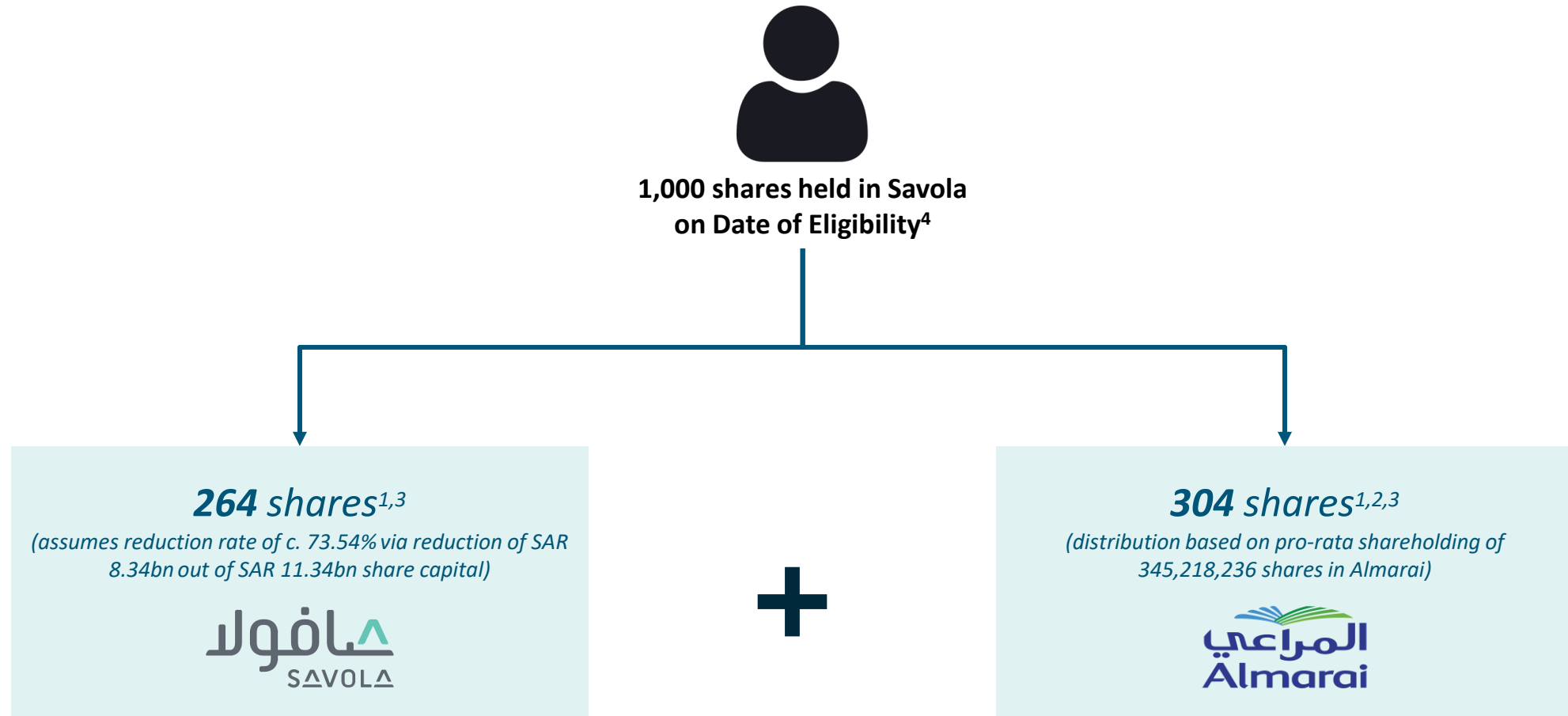
Note:

- (1) Book value of Almarai as of 30 June 2024 and fair value of Almarai computed on the basis of the closing market price on Tadawul amounting to SAR 57.5 per share as of October 21, 2024, for the calculation of gain on distribution of Almarai. The actual gain amount will be determined on the date of eligibility.
- (2) SAR 11.51bn = SAR 19.85bn of fair value of Almarai stake – SAR 8.34bn capital reduction; actual amount dependent on Almarai share price as on Eligibility date

Potential Impact of the Proposed Transaction (Illustrative example)

This is subject to shareholders approval at the EGM, satisfactory completion of creditors objection period and any other applicable regulations

SAVOLA SHAREHOLDERS' PERSPECTIVE (ILLUSTRATIVE EXAMPLE)



Notes: Above computation excludes adjustments for fractional shares (if any) which will be settled in cash

(1) Post adjustment of fractional shares (2) Shareholder receives 1 Almarai share for every 3.28 Savola shares held on the date of eligibility (which translates to 0.3044 which refers to the ratio for the entire distribution in kind of 345,218,236 ordinary shares held of Almarai attributable to 1,133,980,684 ordinary shares of Savola (i.e. prior to Capital Reduction)) (3) In accordance with applicable regulations (4) The end of the trading day of the EGM which will approve the capital reduction and the in-kind distribution.

Impact on Share Price of Savola post Capital Reduction and Distribution in Kind

Below is an illustrative, step-by-step analysis of the impact of Savola's capital reduction and the full distribution of its Almarai stake on Savola's current share price

Item (Estimate) ¹	Unit	Value
Savola illustrative value per share before reduction (assumption) (as of Oct. 21st, 2024) (A)²	SAR	27.30
Savola Number of shares before reduction and post rights issue (B)	# of shares	1,133,980,684
Illustrative market value before reduction (C=A*B)	SAR	30,957,672,673
Market value of Almarai stake to be distributed (as of Oct. 21 st , 2024) (D) ³	SAR	19,850,048,570
Distribution of Almarai facilitated through Capital Reduction (E) ⁴	SAR	(8,339,806,840)
Balance Distribution of Almarai facilitated through Retained Earnings, which illustratively represents an impact of approximately SAR 38.37 per share based on the number of shares after the capital reduction (F=D+E) ⁵	SAR	(11,510,241,730)
Illustrative market value after reduction and corresponding shareholder compensation (G=C+E)	SAR	22,617,865,833
Number of Savola shares after reduction (H)	# of shares	300,000,000
Illustrative value per share post reduction and corresponding shareholder compensation (I = G / H)	SAR	75.39
Illustrative market value after full distribution of Almarai stake (partially through capital reduction and balance through retained earnings) (J=G+F)	SAR	11,107,624,103
Illustrative value per share after full distribution of Almarai stake (partially through capital reduction and balance through retained earnings) (J/H)⁶	SAR	37.03

Above analysis excludes potential impact on the share price due to other market forces / external factors

Source: Tadawul, Company financials

Notes:

- The above figures are estimates for illustrative purposes only (including the estimated share price of SAR 37.03). The figures are automatically calculated directly after the Capital Reduction and the impact of the distribution of Almarai Stake from the retained earnings referred to in (f) in the table above. It is expected that upon resumption of trading of the shares, the Company's share price will be adjusted immediately and will again be subject to the normal market conditions and fluctuations.
- Price as of the date of the Circular (to be updated with the closing price on the day of the EGM upon publication of the final Circular, i.e. after the approval of the EGM and the entry into force of the Capital Reduction resolution). Currently presented as the share price as of 21 October 2024G.
- The Company has used the fair value of Almarai (based on quoted market price on Tadawul of SAR 57.50) as of 21 October 2024G to calculate the gain from the distribution of Almarai Stake. The actual gain on distribution of Almarai shares is sensitive to the fair value of Almarai (based on quoted market price on Tadawul), and therefore will be based on the Eligibility Date.
- Capital reduction rate (approximately 73.54%) *Number of shares before reduction.
- The total distribution of Almarai investments contributed to a net decrease in total equity of SAR 8,807.7 million, through a reduction in share capital and retained earnings of SAR 8,339.8 million and SAR 881.6 million respectively, and an increase in other reserves of SAR 413.7 million.
- Estimated share price after Capital Reduction has been rounded. The illustrative price of SAR 75.39 does not include the impact of the distribution of Almarai Stake from the retained earnings. However, the illustrative share price of SAR 37.03 reflects the impact of the distribution of the entire Almarai stake through the Capital Reduction and the retained earnings



Thank you