

Savola Announces Intention to Distribute its Entire 34.52% Stake in Almarai to its Shareholders and Launch SAR 6bn Rights Issue

- *Savola will distribute its entire 34.52% shareholding in Almarai to eligible shareholders, aiming to unlock value for Savola's shareholders.*
- *Distribution will be preceded by a SAR 6.0 billion rights issue, substantially strengthening Savola's financial position and funding for long-term growth opportunities.*
- *Savola will continue to focus on growing its market-leading food and retail companies and continue to assess strategic options to create further shareholder value*

Jeddah, Kingdom of Saudi Arabia, 7th February 2024: Savola Group ("Savola") has announced its intention to proceed with the distribution of its entire 34.52% shareholding in Almarai, the Middle East's leading food and beverage company, to eligible Savola shareholders following a SAR 6.0 billion rights issue. Savola's Board of Directors has approved this direction to commence preparation in relation to the transaction, which is subject to regulatory authorities' approvals and thereafter EGM approval.

The objective of the distribution of the Almarai shares owned by Savola Group is to unlock value for Savola's shareholders, who will benefit from direct exposure to the growth potential and future dividend capacity of Almarai, one of the region's leading food companies. Almarai has been one of the most successful investments for Savola Group to date.

The rights issue will allow Savola to strengthen its financial position and continue to invest in the growth of its portfolio, while paying down debt and enabling the distribution of the Almarai shares to eligible Savola shareholders.

Mr. Sulaiman A. K. Al-Muhaidib, Chairman of Savola Group, commented: "This unique transaction comes at an exciting moment in our four-decade history, as we seek to unlock and optimize value for our shareholders. The distribution of our stake in Almarai will provide our shareholders with direct exposure to one of the region's most loved and trusted food brands. Going forward, we will focus on investing in the growth of our core food and retail businesses, whilst continuing to review strategic options to realize value from portfolio companies that demonstrate attractive distribution and monetization potential."

Mr. Waleed Khalid Fatani, CEO of Savola Group, said: "This is another important step in Savola's value creation journey, during which we have established a longstanding track record for executing investments and transactions that deliver highly attractive returns. This transaction is a first of its kind for both Savola and the Saudi capital market, and the Rights Issue and distribution of our stake in Almarai will give our shareholders direct exposure to both our own compelling and growing portfolio and the long-term potential of Almarai. With a view to the future, we will continue to pursue the growth of our operating businesses while evaluating opportunities to realize value for our shareholders."

Savola's Saudi retail segment leader, Panda, has demonstrated healthy recovery in profitability, thanks to a successful Customer Experience ("CXR") program. Panda's future growth strategy centers on sustaining this positive momentum by expanding its footprint and bolstering it with digital initiatives. Savola will consider a listing of Panda in the future, presenting an additional shareholder value creation opportunity.



معلومات الإعلام Press Information

Savola's long-term strategic focus will be to continue to grow and optimize its portfolio of operating businesses in basic foods and fast-growing value-add food categories, underpinned by its longstanding track record and its vast reach within the Kingdom and wider MENA region.

It should be noted that the planned Rights Issue will be followed by a capital reduction (subject to regulatory and EGM approvals), which is required to enable the distribution of Savola's shares in Almarai.

Savola indicated in its announcement that it will make further announcements as the implementation of the transaction progresses, in accordance with the Capital Market Authority's regulations and the Saudi Exchange's (Tadawul) rules.

For more information, please visit this link <https://www.savola.com/en/right-issue-and-distribution/>

-Ends-

About Savola Group

Savola Group, founded in 1979, is a leading strategic investment holding group in the food and retail sectors across the MENA region. It operates Savola Foods which produces and exports much-loved everyday household products including oil, sugar, and pasta to cover more than 50 countries around the world. It also operates the grocery store chain Panda with more than 190 stores in 42+ cities across the Kingdom of Saudi Arabia and Egypt. It owns a 34.52% stake in Almarai as well as a 51% stake in Alkabeer Group for frozen foods. Savola also owns the largest stake, 49%, in Herfy Food Services Company, which manages 400 outlets.

Investor Contact

ir@savola.com

Media Contact

bassem.el-shawy@teneo.com

