

The Agenda of the Ordinary General Assembly Meeting (No. 43) for the Savola Group's Shareholders, which will be held on Tuesday, May 7th, 2024, corresponding to 28th Shawal 1445H (as per Umm Al-Qura Calendar) at 07:30 PM	
1	Review the Financial Statements and discuss it for the fiscal year ended 31 December 2023.
2	Review and discuss the Board of Directors' Report for the fiscal year ended 31 December 2023.
3	Voting on the Auditors' Report for the fiscal year ended 31 December 2023 after discussing it.
4	Voting on absolving the Board of Directors from their liabilities pertaining to the management of the Company for the fiscal year ended 31 December 2023.
5	Voting on the payment of SAR 2,200,000 as remuneration to the Board of Directors for the fiscal year ended 31 December 2023.
6	Voting on the Transfer of the statutory reserve balance available in the financial statements for the year ended on 31 December 2023 amounted to SAR 1,774,086,769 to the balance of retained earnings.
7	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola), Almarai Co. and its subsidiaries, in which two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Bader Abdullah Al Issa) have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 797.73 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment (Attached)
8	Voting on the transactions and contracts of selling sugar which will be executed between United Sugar Company (a subsidiary of Savola Foods Co. which is fully owned by the Group), and Almarai Co, and its subsidiaries, where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Bader Abdullah Al Issa) have indirect interest. Noting that the last year 2023 transactions and contracts amounted to SAR 78.94 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment (Attached).
9	Voting on the transactions and contracts of selling specialty fats and margarine products which will be executed between International Foods Industries Co. (a subsidiary of Savola Foods Co. which is fully owned by the Group) and Almarai Co. and its subsidiaries, where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib and Mr. Bader Abdullah Al Issa ) have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 75.40 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment (Attached).

10	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Mayar Foods Co. (a subsidiary of Abdulkader Al-Muhaidib & Sons Co.) where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 149.61 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment (Attached).
11	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Del Monte Saudi Arabia (a subsidiary of Abdulkader Al-Muhaidib & Sons Co.) where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 8.12 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
12	Voting on the transactions and contracts of purchasing food products which will be executed between Panda Retail Co. (a subsidiary of Savola), Nestle Saudi Arabia Ltd., and its subsidiaries, where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 253.67 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
13	Voting on the transactions and contracts of purchasing products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Manhal Water Factory Co. Ltd., where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 7.61 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
14	Voting on the transactions and contracts of leasing spaces for selling food products inside Panda Shopping Centers, which will be executed between Panda Retail Co. (a subsidiary of Savola) and Almehbaj Alshamiyah Trading Co. (a subsidiary of Abdulkader Al-Muhaidib & Sons Co.), where two of Savola's Directors (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Noting that the last year 2023 transactions and contracts amounted to SAR 16.77 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
15	Voting on the transactions and contracts of selling carton scrap which will be executed between Panda Retail Co. (a subsidiary of Savola) and Waste Collection & Recycling Company, where two of Savola's Directors, (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib), have indirect interest. Noting that in the

	last year 2023 transactions and contracts amounted to SAR 2.56 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
16	Voting on the transactions and contracts of leasing spaces for selling products inside Panda Shopping Centers which will be executed between Panda Retail Co. (a subsidiary of Savola) and Zohoor Alreef Co., where two of Savola's Directors, (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib), have indirect interest. Noting that the last year 2023 transactions and contracts amounted to SAR 166 thousand. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
17	Voting on the transactions and contracts of leasing spaces which was executed during the year 2023 amounted to SAR 15,48 million between Panda Retail Co. (a subsidiary of Savola) and Abdulkader Al-Muhaidib & Sons Co., where two of Savola's Directors, (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib) have indirect interest. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
18	Voting on the transactions and contracts of leasing spaces which will be executed between Panda Retail Co. (a subsidiary of Savola) and Abdulkader Al-Muhaidib & Sons Co., where two of Savola's Directors, (Mr. Sulaiman A. Al-Muhaidib, and Mr. Essam M. Al-Muhaidib), have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 15,48 million. Those are continuing and existing contracts, that take place in the normal course of business and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
19	Voting on the transactions and contracts of leasing shops and retail purchases of food products which will be executed between Panda Retail Co. (a subsidiary of Savola) and Herfy Food Services Co; where two of Savola's Director (Eng. Mutaz Q. Alazzawi and Mr. Essam M. Al-Muhaidib), have indirect interest. SAR 28.32 million. Those are continuing contracts and existing, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
20	Voting on the transactions and contracts of selling edible oil products which will be executed between Afia International (a subsidiary of Savola Foods Co. which is fully owned by the Group) and Herfy Food Services Co. where two of Savola's Director (Eng. Mutaz Q. Alazzawi and Mr. Essam M. Al-Muhaidib), have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 20.54 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
21	Voting on the transactions and contracts of selling sugar to be executed between United Sugar Company (a subsidiary of Savola food Co. which is fully owned by the Group) and Herfy Food Services Co, where two of Savola's Director (Eng. Mutaz Q. Alazzawi and Mr. Essam M. Al-Muhaidib), have indirect interest.



	Noting that in the last year 2023 transactions and contracts amounted to SAR 3.32 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached).
22	Voting on the transactions and contracts of selling specialty fats and margarine products, which will be executed between International Foods Industries Co. (a subsidiary of Savola food Co. which is fully owned by the Group) and Herfy Food Services Co., where two of Savola’s Director (Eng. Mutaz Q. Alazzawi and Mr. Essam M. Al-Muhaidib), have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 5.18 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)
23	Voting on the transactions and contracts of site leasing which will be executed between Panda Retail Co. (a subsidiary of Savola) and Dur Hospitality Co., where one of Savola’s Directors (Mr. Bader Abdullah Al Issa and Mr. Fahad Al-Qassim), have indirect interest. Noting that in the last year 2023 transactions and contracts amounted to SAR 6 million. Those are continuing and existing contracts, that take place in the normal course of business, and in accordance with the prevailing commercial terms without any preferential treatment. (Attached)

## Audit Committee Report

### Savola Group Audit Committee Report for the year ended December 31, 2023.

The Audit Committee of Savola Group was formed, and its charter was adopted by a resolution issued by the general assembly of shareholders considering the regularity requirements. As new companies law enters into force along with its Regulations from 19 January 2023, the Group adapted the new company's law and the necessary amendment concerning the Audit Committee presented and approved by the general assembly of shareholders in the meeting held on 10 May 2023. The amendment was in line with paragraph (H) of article (51) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to resolution no. 8-16-2017 dated 16/5/1438H corresponding to 13/2/2017G, amended by resolution of the Board of the Capital Market Authority resolution no. 8-5-2023 dated 25/6/1444H corresponding to 18/1/2023G.

We are pleased to share with you the Savola Group Audit Committee Report for the year 2023, prepared in line with the requirements of the Companies Law, the Regulations and Rules of the Capital Market Authority and the Committee's charter.

#### 1- Appointment

Savola Group Audit Committee was appointed at the General Assembly Meeting No. (41), held on Monday, 16 May 2022, corresponding to 15 Shawwal 1443H in which the formation of the Audit Committee was approved for the new office term for three years, beginning from 1 October 2022 to 30 September 2025. The appointment includes Mr. Fahad Abdullah Al Kassim (as a Non-executive, Savola Board member), Mr. Mohammed Ibrahim Al Issa (Independent, Savola Board member), Mr. Bader Hamad Al Rabiah (Independent, Savola Board member), Mr. Tareq Abdullah Al-Garaawy (Independent, External Member) and Dr. Jassim Shaheen Al Rumaihi (Independent, External Member). Following the amended corporate governance regulations, the amended committee membership rules and regulations approved by the General Assembly of Shareholders at its meeting on May 10, 2023, apply to the committee members.

#### 2- Meetings

In line with its charter, the Audit Committee will convene periodically based on chairman invitation, at least four 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 2023 and the quorum for each meeting was reached.

#### 3- Savola Group Operating Model

The organizational structure "Operating model" adopted by the Group as a strategic investment holding company reflects the independence of the operational aspects of the Group's subsidiaries. Conversely, all interaction between the Group's Audit Committee on one hand and its subsidiaries' Audit Committees on the other hand are governed by the Group's representation membership at the Audit Committees of the subsidiaries.

#### 4- Audit Committee members' qualifications:

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

No	Member name	Current positions	Previous positions	Qualifications	Experience
1.	Mr. Fahad Abdullah Al Kassim (Committee Chairman)	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.	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).	- Bachelor's Degree in Accountancy from King Saud University, KSA in 1996. - Master's Degree in Accountancy from George Washington University, USA 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 24 years' practical experience in financial, accountancy, compliance and consultancy gained from working with several banks such as, Saudi Investment Bank, Saudi Arabia British Bank and Bank Al-Bilad.
5.	Dr. Jassim Shaheen Al Rumaihi	Retired professor, financial consultant, and dedicated administrative officer	Regional Manager 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, USA Bachelor's Degree in Accounting from King Saud University, KSA.	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- Audit Committee attendance:

The members of the Audit Committee attendance for the meetings of the Audit Committee held during the year 2023 are listed below.

Sr.	Name	7 Feb	26 Mar	10 May	18 Jun	8 Aug	7 Nov	Total
1.	<b>Mr. Fahad Abdullah Al Kassim</b> (Chairman) (Non-executive, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
2.	<b>Mr. Mohammed Ibrahim Al Issa</b> (Independent, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
3.	<b>Mr. Bader Hamad Al Rabia</b> (Independent, Savola Board member)	✓	✓	✓	✓	✓	✓	6 of 6
4.	<b>Mr. Tareq Abdullah Al-Garaawy</b> (Independent, External member)	✓	✓	✓	✓	✓	✓	6 of 6
5.	<b>Dr. Jassim Shaheen Al Rumaihi</b> (Independent, External member)	✓	✓	✓	✓	✓	✓	6 of 6
-	<b>Mr. Aly Asim Barakat</b> (Committee Secretary)	✓	✓	✓	✓	✓	✓	6 of 6

#### 6- Audit Committee remuneration for 2023 (Saudi Riyals):

The annual remuneration for the Audit Committee membership consists of a lump sum of SAR 150,000, and an attendance allowance of SAR 5,000 per meeting in accordance with the committee's charter and the remuneration policy approved by the Shareholders General Assembly, the details of which have been disclosed in the Company's Committees's remuneration section previously mentioned in the Annual report for the year 2023.

#### 7- Summary of Audit Committee duties, responsibilities and achievements executed in 2023:

- **Financial reporting**
- Analyzing and recommending 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 or not 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 verify the independence of the external auditor as well as that it does not provide any work that are beyond its scope of work.
  - 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.
  - Providing recommendations to the board to nominate external auditors and determine their remunerations, after verifying their independence and reviewing the scope of their work and the contract terms.
  - **Related party transactions**
  - Review the results of external auditors limited review of Savola related party transactions for 2023 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.
  - Review any new contracts and proposed related party transactions (if applicable), and provide its recommendations to the Board.
  - **Savola Integrity Hotline**
- Oversee the Group's 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 2023 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 to test the effectiveness and efficiency of the design and operation of internal control procedures. All internal control recommendations resulting from the execution of annual audit plans are communicated to concerned management parties and followed-up by internal audit departments at the Group and its subsidiaries to support continuous improvement of the effectiveness of internal control procedures.

The Group's external auditors conducted their audit in accordance with international auditing standards adopted in Saudi Arabia which require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. This resulted in providing an unqualified opinion on the Group's consolidated financial statements for the year ended on December 31, 2023, based on International Financial Reporting Standards (IFRS) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

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

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

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

The Audit Committee report was prepared by the AC for the year 2023 in line with the regulatory requirements and the charter of the Committee and will be submitted to the general assembly when the Board of Directors issue its invitation.

Jeddah on 31 March 2024  
Corresponding: 21/09/2024

جدة في: ٣١ مارس ٢٠٢٤ م  
الموافق: ٢١/٠٩/١٤٤٥ هـ

Dear respected Savola Group's Shareholders,  
Greetings,

السادة/ مساهمي مجموعة صافولا  
الموقرين  
السلام عليكم ورحمة الله وبركاته.

**Subject: Notification from the Board of Directors to the  
General Assembly Meeting (AGM) regarding the  
transactions with related parties.**

الموضوع: تبليغ من مجلس الإدارة إلى الجمعية العامة للمساهمين حول  
تعاملات الأطراف ذات العلاقة.

With reference to article (71) of the Companies' law, we would like to inform you that during the fiscal year 2023, the Savola Group (the "Group"), through its subsidiaries, has entered into a number of business transactions and contracts in which some of the Board members have an interest (whether direct or indirect) as per the attached report, such contracts and transactions were executed in accordance to the relevant regulations and with no preference conditions.

بالإشارة إلى المادة (٧١) من نظام الشركات نود إبلاغكم بأنه خلال العام المالي ٢٠٢٣ م قامت مجموعة صافولا ("المجموعة") من خلال شركاتها الفرعية بالدخول في عقود ومعاملات تجارية كان لبعض أعضاء مجلس الإدارة مصلحة فيها (بطريقة مباشرة أو غير مباشرة) وذلك وفقاً للتقرير المرفق والتي تم التعامل معها في ضوء الأنظمة ذات العلاقة وبدون أي شروط تفضيلية.

The said contracts and transactions were also disclosed in the annual Directors' Report for the year 2023 as per legal requirements, noting that the Group in such transactions follows the same terms and commercial principles followed with third parties, without any preference.

كما تم الإفصاح عنها في التقرير السنوي لمجلس الإدارة للعام ٢٠٢٣ م، حسب المتطلبات النظامية علماً بأن المجموعة في مثل هذه التعاملات تتبع نفس الشروط والأسس التجارية المتبعة مع الغير ودون أي تفضيل.

In this regard, the Board recommends to the General Assembly approving the continuation of these transactions as per the details included in the attached agenda items of the General Assembly Meeting.

وهذا الخصوص، فقد تضمن جدول أعمال جمعيتكم الموقرة توصية من مجلس الإدارة بالموافقة على استمرار هذه التعاملات والعقود وفقاً للمعلومات الواردة في بنود جدول أعمال الجمعية.

Also, as per the relevant regulations, we have requested the Group's External Auditor to issue a report on those transactions to be presented to the Shareholder General Assembly which is attached along with the agenda of the AGM.

ولقد طلبنا وفقاً للنظام تقريراً خاصاً من قبل مراجع حسابات المجموعة الخارجي حول هذه المعاملات لعرضه على جمعيتكم الموقرة والمرفق مع جدول أعمال الجمعية.

وتفضلوا بقبول وافر التحية والتقدير،

توقيعات رئس وأعضاء مجلس الإدارة

ركان عبد العزيز الفضل

فهد عبدالله القاسم

بدر عبدالله العيسى (نائب الرئيس)

سليمان عبد القادر المهيدب (الرئيس)

جهد الربيعه

أحمد وازع القحطاني

أحمد عبد الرحمن الحميدان

معتز قصي العزاري

عصام ماجد المهيدب

محمد إبراهيم العيسى

وليد عبدالله الغبري



## KPMG Professional Services

Zahrán Business Center  
Prince Sultan Street  
P. O. Box 55078  
Jeddah 21534  
Kingdom of Saudi Arabia  
Commercial Registration No 4030290792

Headquarters in Riyadh

## كي بي إم جي للاستشارات المهنية

مركز زهران للأعمال  
شارع الأمير سلطان  
ص. ب. 55078  
جده 21534  
المملكة العربية السعودية  
سجل تجاري رقم 4030290792

المركز الرئيسي في الرياض

# Independent Limited Assurance Report to Savola Group Company on the Board's Declaration on the Requirements of Article 71 of the Companies Law To the Shareholders of Savola Group Company

We were engaged by the management of Savola Group Company (the "Company") to report on the Board's declaration prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest as detailed below ("Subject Matter") and the accompanying management's statement thereon as set out in Appendix 1, in the form of an independent limited assurance conclusion that based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not properly prepared, in all material respects, based on the applicable criteria ("Applicable Criteria") below.

## Subject Matter

The Subject Matter for our limited assurance engagement is related to the Board's declaration enclosed in the attached Appendix 1 (the "Declaration") prepared by the Management in accordance with the requirements of Article 71 of the Companies Law, presented by the Board of Directors of Savola Group Company (the "Company"), which comprises the transactions carried out by the Company during the year ended 31 December 2023 in which any of the members of Board of Directors of the Company had direct or indirect personal interest.

## Applicable Criteria

We have used the following as the Applicable Criteria:

1. Article 71 of the Companies Law issued by Ministry of Commerce ("MOC").

## Savola Group Company's Responsibility

The management of the Company is responsible for preparing the Subject Matter information that is free from material misstatement in accordance with the Applicable Criteria and for the information contained therein. The management the Company is also responsible for preparing the Subject Matter information (i.e. Appendix 1).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Subject Matter that information is free from material misstatement, whether due to fraud or error. It also includes selecting the Applicable Criteria and ensuring that the Company complies with the Companies Law; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the Subject Matter information.

KPMG Professional Services, a professional closed joint stock company registered in the Kingdom of Saudi Arabia with a paid-up capital of SAR40,000,000 (previously known as "KPMG Al Fozan & Partners Certified Public Accountants") and a non-partner member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

كي بي إم جي للاستشارات المهنية شركة مهنية مساهمة منفصلة، مسجلة في المملكة العربية السعودية، رأس مالها (40,000,000) ريال سعودي منفرج بالكامل، المسماة سابقاً "شركة كي بي إم جي الفوزان وشركاء محاسبين ومراجعون قانونيون". و هي عضو غير شريك في الشبكة العالمية للشركات كي بي إم جي المستقلة والتابعة لـ كي بي إم جي العالمية المحدودة، شركة انجليزية محدودة بضمان. جميع الحقوق محفوظة.

Commercial Registration of the headquarters in Riyadh is 1010425494.

## Savola Group Company's Responsibility (continued)

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that staff involved with the preparation of the Subject Matter information are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

## Our Responsibility

Our responsibility is to examine the Subject Matter information prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" endorsed in the Kingdom of Saudi Arabia and the terms and conditions for this engagement as agreed with the Company's management. That standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Subject Matter information is properly prepared, in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on our understanding of the Subject Matter and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the Subject Matter and other engagement circumstances, we have considered the process used to prepare the Subject Matter information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's process or internal control over the preparation and presentation of the Subject Matter information.

Our engagement also included: assessing the appropriateness of the Subject Matter, the suitability of the criteria used by the Company in preparing the Subject Matter information in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the Subject Matter information and the reasonableness of estimates made by the Company.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

As part of this engagement, we have not performed any procedures by way of audit, review or verification of the Subject Matter information nor of the underlying records or other sources from which the Subject Matter information was extracted.

## Procedures Performed

Our procedures performed are as follows:

- Obtained the declaration that includes the transactions and/or contracts performed in which any of the BOD members of the Company has either direct or indirect interest during the year ended 31 December 2023;

## Procedures Performed (continued)

- Reviewed the minutes of meetings of the BoD that indicate notifications to the BoD by certain director(s) of actual or potential conflicts of direct or indirect interest in relation to transactions and/or contracts involving the BoD member;
- Checked that the minutes of meetings of the BOD that the relevant director(s) who notified the BoD of actual or potential conflicts of direct or indirect interest did not vote on the resolution to recommend the related transaction(s) and/or contract(s);
- On a sample basis, obtained the required approvals along with supporting documents in respect of the transactions and/or contracts included in the declaration; and
- Checked the transaction amounts included in the Declaration agree, where applicable, to the transaction amounts disclosed in note 29 to the audited consolidated financial statements of the Company for the year ended 31 December 2023.

## Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information is not prepared, in all material respects, in accordance with the Applicable Criteria.

## Restriction of Use of Our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company and MOC for any purpose or in any context. Any party other than the Company and MOC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Company and MOC for our work, for this independent limited assurance report, or for the conclusions we have reached.

Our report is released to the Company and MOC on the basis that it shall not be copied, referred to or disclosed, in whole (save for the Company's own internal purposes) or in part, without our prior written consent.

## KPMG Professional Services

Nasser Ahmed Al Shutairy  
License No. 454



Jeddah, 28 March 2024  
Corresponding to 18 Ramadan 1445H

# Value Built on Values

Appendix 1



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## **Summary Report on Related Party Transactions for the Year 2023**



**Summary of related party transactions for 2023 in which some of the Board members have a direct or indirect interest  
(this report was issued based on the Board of Directors notification in this regards)**

**Introduction:**

During 2023, the Savola Group carried out a number of transactions with related parties in the ordinary course of business. In this respect, the Group follows the same conditions and principles, with no preference in dealing with such type of transactions with third parties. These transactions include the transactions and contracts in which some of the Board members have an interest (whether directly or indirectly) and such transactions require AGM ratification, in accordance with article (71) of the Companies Law, item (14) of article (28) and item (2) of article (12) of the Corporate Governance Regulations issued by the Capital Market Authority. Below is a summary of these transactions:

**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 2023	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
<b>a. Savola and Al Muhaidib:</b>					
Business or contract in which Abdulkadir Al Muhaidib & Sons Co. and its subsidiaries or any person related to any of them has direct or indirect interest. The total amount of the transactions is SAR 453.98 million.					
1.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Mayar Foods Co.	SAR 149.61 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including product quality, payment method, pricing, delivery, delay penalties, etc.)	Annually	Mr. Sulaiman Abdulkadir Al Muhaidib who is the chairman of Abdulkadir Al Muhaidib & Sons Co. Group as well as the Chairman of Savola, in addition to, Mr. Isam Majed 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 8.12 million			
3.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Nestle Group and its subsidiaries.	SAR 253.67 million			
4.	Purchasing food products by Panda Retail Co. (a subsidiary of Savola) from Manhal Water Factory Co. Ltd.	SAR 7.61 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 Almehbah Alshamiyah Trading Co.	SAR 16.77 million			
6.	Scrap sales by Panda Retail Co. (a subsidiary of Savola) to Waste Collection & Recycling Company	SAR 2.56 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 166 thousand			

No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2023	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
8.	Leasing by Panda Retail Co. (a subsidiary of Savola) from Abdulkadir Al Muhaidib & Sons Co.	SAR 15.48 million			
<b>Total</b>		<b>SAR 453.98 million</b>			

## 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 2023	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
<b>b. Savola and Almarai Co:</b>					
Business or contract in which Almarai Co. and its subsidiaries, or any person related to any of them, has a direct or indirect interest. The total amount of the transactions is SAR 952.07 million.					
1.	Purchasing consumer foods goods by Panda Retail Co. (a subsidiary of Savola) from Almarai Co. and its subsidiaries	SAR 797.73 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 78.94 million			
3.	Selling specialty fats products by International Foods Industries Co. (a subsidiary of Savola Foods Co.) to Almarai Co. and its subsidiaries	SAR 75.40 million			
<b>Total</b>		<b>SAR 952.07 million</b>			

## 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 2023	The conditions of the transaction or contract	The duration of the transaction or contract	Name of the Board member/ senior executive or any person related to any one of them
<b>c. Savola and Herfy Co:</b>					
Business or contract in which Herfy Food Services Co. and its subsidiaries or any person related to any of them has direct or indirect interest. The total amount of the transactions is SAR 57.36 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 28.32 million	In the ordinary course of business and general commercial terms worked without any preferential treatment (including renewal, payment methods,	Annually	Eng. Mutaz Qusai Al Azza wi, who is the Chairman of Herfy Board, and Herfy Board member Mr. Isam Majed Almuhaidib are



No.	The nature of the transaction or contract	The value amount of the transaction or contract for 2023	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
			maintenance, insurance, etc.)		
2.	Selling edible oil products by Afia International (a subsidiary of Savola Foods Co.) to Herfy Food Services Co.	SAR 20.54 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.)		both Board members in Savola Group. Also Mr. Waleed Fatani Group CEO who is a Board member in Herfy.
3.	Selling sugar by United Sugar Co.(a subsidiary of Savola Food Co.) to Herfy Food Services Co.	SAR 3.32 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 5.18 million			
<b>Total</b>		<b>SAR 57.36 million</b>			

**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 2023	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 6 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 and Mr. Fahad Abdullah Al Kassim were Board members in Dur Hospitality Co. until December,2023 and both are members in Savola Group Board.

- The End-