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#### **Driving Shareholder Value Through Strategic Transactions**

## Savola's Landmark Almarai Transaction

Savola's divestment of its Almarai shares marks a bold and transformative milestone, representing one of the largest transactions of its kind in Saudi Arabia in recent years. This strategic decision was driven by a clear objective: to unlock value for shareholders, optimize Savola's capital structure, and accelerate growth across its operating companies.

#### **The Transaction Summary**

In February 2024, Savola announced its intention to distribute its 100% stake in Al Marai to its shareholders through a series of interconnected transactions with the purpose of optimizing shareholder value.

# Phase 1

### Launching the Rights Issue

In August 2024, Savola launched a rights issue to raise

4 6 billion. This move allowed the company to increase its equity to enable the full distribution of Almarai, strengthen the Group's financial position and provide the foundation for future

growth.

### Phase 2

#### Strengthening Financial Position

Proceeds from the rights issue were used to pay down debt, enhance financial flexibility, and allocate future resources to high-growth opportunities in the core food and retail sectors. This phase reinforced Savola's ability to streamline its portfolio while maintaining a strong capital base.



By distributing Almarai shares directly to shareholders, Savola enhances shareholder engagement with direct exposure to the growth potential of both companies while strengthening its financial position to drive investments in its core food and retail businesses. This pivotal step underscores Savola's commitment to driving sustainable growth, empowering its operating companies to capitalize on emerging opportunities, and delivering long-term value in an increasing dynamic market.

Phase 3 & 4

### Distributing Almarai Shares and Optimizing Capital Structure

In December 2024, Savola embarked on the final two transactions; launched its capital reduction and execution of Almarai share distribution simultaneously. The transaction enabled the distribution of ½ 21.1 billion worth of Almarai shares, representing Savola's entire 34.52% stake in Almarai, to eligible shareholders in lieu of capital reduction amounting to ½ 8.3 billion and dividend in kind amounting to ½ 12.8 billion. This transaction marked a critical milestone and recognized a significant gain in excess of ½ 11 billion, by adjusting for the difference between the book value and the market value of Savola shares in Almarai, optimized the Group's capital structure and set the stage for enhanced shareholder returns.





This landmark transaction demonstrates Savola's ability to deliver transformative value to its shareholders while achieving financial and operational optimization. Post-transaction, Savola's shareholder equity has been streamlined to  $\pm$  3 billion, reflecting a leaner and more focused capital structure.

By distributing its entire Almarai stake, Savola empowered its shareholders with direct exposure to one of the region's most valuable food companies, enabling them to benefit from Almarai's growth potential and dividends. At the same time, Savola is now positioned to channel its resources toward driving growth and innovation across its core food and retail businesses, ensuring a sustainable and resilient future.

#### **Optimized results**

- ± 21.1 billion worth of Almarai shares
- 业 12.8 billion dividend in-kind
- # 8.3 billion capital reduction
- Market-to-book value gain exceeding ± 11 billion realized

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