

Independent Auditor’s Report

To the Shareholders of Savola Group Company

Opinion

We have audited the consolidated financial statements of Savola Group Company (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), that is endorsed in the Kingdom of Saudi Arabia that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code’s requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of non-financial assets

Refer Note 2(b)(iv) for critical accounting estimates and judgements related to impairment of non-financial assets, refer Note 3(b)(ii) for the accounting policy relating to goodwill, Note 3(f) for accounting policy relating to property, plant and equipment, Note 3(g) for the accounting policy relating to intangible assets, Note 3(k)(ii) for the accounting policy relating to impairment of non-financial assets, Note 3(t) for accounting policy relating to right-of-use assets, Note 4 for the property, plant and equipment disclosure, Note 5 for the right-of-use assets disclosure, Note 6 for the intangible assets and goodwill disclosure and Note 40 for the impairment loss / (reversal) disclosure.

Key audit matter

As at December 31, 2024, the carrying value of intangible assets and goodwill amounted to SR 1,399 million, the carrying value of property, plant and equipment and right-of-use (RoU) assets amounted to SR 5,438 million and SR 3,058 million respectively. Impairment charge, net recognised on the non-financial assets during the year ended December 31, 2024 amounted to SR 390 million.

Intangible assets with indefinite useful life and Goodwill are subject to a mandatory annual impairment test and the intangible assets with definite useful life, property, plant and equipment and right-of-use assets are subject to impairment testing where there are internal or external indicators of impairment. The Group reviews the carrying amounts of these non-financial assets to determine whether their carrying values exceed the recoverable amounts, which is the higher of value in use or the fair value less costs to sell. For the purpose of the Group’s impairment assessment, the Group has used the value in use model, to determine the recoverable amount, under which the future cash flows relating to each Cash Generating Unit (CGU) were discounted and compared to their respective carrying amounts. The Group value in use model for the CGUs includes significant judgements and assumptions relating to Cash flow projections, growth and discount rates.

There is uncertainty in estimating the recoverable amount of non-financial assets which principally arises from the inputs used in both forecasting and discounting future cash flows. A combination of the significance of the asset balances and the inherent uncertainty in the assumptions supporting the valuations of non-financial assets, means that an assessment of their carrying value is one of the key judgmental areas.

We considered impairment of non-financial assets that includes intangible assets and goodwill, property, plant and equipment and right of use assets as a key audit matter due to the significant judgment and key assumptions involved in the impairment assessment process.

How the matter was addressed in our audit

We performed the following audit procedures in relation to non-financial assets impairment:

- Obtained an understanding of the Group’s process and the methodology used for identifying the impairment indicators and performing the impairment assessment of non-financial assets;
- Tested the accuracy and relevance of the input data used by the Group on sample basis in the impairment assessment model by reference to supporting evidence and considered the reasonableness of the management approved budgets by comparing the Group’s historical results and performance against these budgets;
- Involved our internal specialists for assessing the reasonableness of value in use calculations and the key underlying assumptions, including cash flow projections, growth and discount rates;
- Performed sensitivity analysis, over the key assumptions, such as growth rates and discount rates to evaluate the impact on the currently estimated headroom for the respective CGUs; and
- Assessed the adequacy of the disclosures in these consolidated financial statements, including disclosures of key assumptions and judgments.

Valuation of Inventories

Refer Note 2(b)(ii) for critical accounting estimates and judgements related to provision for net-realisable value (NRV) write down of inventory, refer Note 3(j) for the accounting policy on inventories and Note 10 for the inventories disclosure.

Key audit matter	How the matter was addressed in our audit
As at December 31, 2024, the Group's net inventories balance was SR 4,171 million net of provision for NRV write down of SR 112 million.	We performed the following audit procedures in relation to valuation of inventories:
Inventories are stated at the lower of cost and NRV and an allowance is made by the Group, where necessary, for NRV adjustment. The Group determines the level of NRV adjustment of inventories by considering their nature, ageing profile, expiry dates and sales expectations using historic trends and other qualitative factors.	<ul style="list-style-type: none">Obtained an understanding of the process around the recognition, subsequent measurement and the valuation of inventories;Evaluated the appropriateness of the Group's policy for provisioning for inventories' NRV write down by performing retrospective testing;Attended physical count of inventories at selected locations on sample basis to identify expired or lost items;Tested the net realisable value of finished goods inventories and evaluated the assumptions used by the Group to check whether inventories are valued at the lower of cost and net realisable value;Engaged our internal specialist to assess the hedging relationship, monitoring hedge effectiveness and appropriateness of methods for mark-to-market values of derivatives at the reporting date;Assessed the adequacy of the disclosures in these consolidated financial statements, including disclosures of key assumptions and judgments.
The Group also deals in commodity hedging contracts for its raw sugar inventory. The Group accounts for these contracts using the mark-to-market method and assesses the valuation and hedge effectiveness at each reporting period by obtaining broker statements and exchange-quoted price.	
We consider this as a key audit matter due to the significant judgments and key assumptions applied by the Group in determining the level of inventories write down required based on NRV assessment. Further, the commodity hedging involves the use of complex hedging mechanisms, across multiple hedging strategies and price volatility.	

Restructuring of share capital and distribution of equity-accounted investee to the shareholders

Refer Note 2(b)(vii) for critical accounting estimates and judgements related to distribution of non-cash assets to owners as in-kind dividend, Note 3(r) for the accounting policy relating to dividends, refer Note 3(u) for the accounting policy on share capital, Note 8.3 for distribution of equity-accounted investee's disclosure and Note 15 for the share capital and dividend declaration's disclosure.

Key audit matter	How the matter was addressed in our audit
During the year, the Company restructured its share capital wherein the share capital was initially increased from SR 5,339 million to SR 11,339 million through issuance of 600 million right shares at par value of SR 10 each. Afterwards, on December 12, 2024, the Company reduced its share capital from SR 11,339 million to SR 3,000 million and distributed its entire shareholding in Almarai Company (equity-accounted investee) to its shareholders. The fair value and the carrying value of the investment in Almarai Company on the distribution date was SR 21,093 million and SR 9,083 million respectively. The derecognition of the investment in Almarai Company upon this distribution led to recognition of a gain of SR 11,555 million which has been recognized in the consolidated statement of profit or loss and other comprehensive income.	We performed the following audit procedures in relation to these transactions:
The Group recognized changes to the share capital and distribution to shareholders when approval from the general assembly had been obtained and all other regulatory requirements had been met. The Group derecognized its investment in equity-accounted investee when it no longer had significant influence over the investee.	<ul style="list-style-type: none">assessed the appropriateness of the accounting treatment of the restructuring of share capital, distribution of the investment in Almarai Company to the shareholders and related impact on the consolidated financial statements;inspected the minutes of the meeting of Board of Directors and extraordinary general assembly. Further, we also inspected the necessary regulatory documents to verify the authorization of these transactions;recalculated the gain recognized on distribution of the investment in Almarai Company and checked the fair value used as of the date of distribution based on the quoted market prices;Traced the proceeds from the right issue of shares with the related supporting documents; andAssessed the adequacy of the consolidated financial statements' disclosures, including disclosures of key judgements.
We consider this as a key audit matter due to the effect of these significant unusual transactions on the consolidated financial statements and our audit thereof and complexity of the judgments in relation to recognition, measurement and presentation in the consolidated financial statements.	

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, when made available to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, the applicable requirements of the Regulations for Companies and Company's By-laws and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, the Board of Directors, are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit of Savola Group Company ("the Company") and its subsidiaries ("the Group").

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Professional Services Company



Nasser Ahmed Al Shutairy
License No. 454



Jeddah, March 13, 2025
Corresponding to Ramadan 13, 1446H

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2024	2023
ASSETS			
Property, plant and equipment	4	5,438,447	6,046,276
Right-of-use assets	5	3,058,060	3,040,384
Intangible assets and goodwill	6	1,399,693	1,678,552
Investment property	7	151,796	153,629
Equity-accounted investees	8	409,097	9,309,103
Investments at fair value through other comprehensive income	9	108,271	98,068
Deferred tax asset	25	25,308	25,641
Other non-current assets		17,845	16,066
Non-current assets		10,608,517	20,367,719
Inventories	10	4,171,221	4,251,886
Trade receivables	11	1,956,952	1,752,950
Prepayments and other receivables	12	1,637,689	1,590,124
Investments at fair value through other comprehensive income	9	121,608	--
Investments at fair value through profit or loss	9	115,986	22,871
Term deposits	13	546,941	738,395
Cash and cash equivalents	13	2,235,328	1,213,193
Current assets		10,785,725	9,569,419
TOTAL ASSETS		21,394,242	29,937,138
EQUITY			
Share capital	15	3,000,000	5,339,807
Share premium		342,974	342,974
Shares held under employees' share based payment plan		(37,459)	(120,774)
Statutory reserve	16	--	1,774,085
General reserve		4,000	4,000
Other reserves	17	(67,894)	(456,513)
Effect of transactions with non-controlling interests without change in control		(39,772)	(275,117)
Foreign currency translation reserve		(1,388,896)	(2,354,758)
Retained earnings		2,807,377	4,143,441
Equity attributable to owners of the Company		4,620,330	8,397,145
Non-controlling interests		958,733	1,137,375
TOTAL EQUITY		5,579,063	9,534,520
LIABILITIES			
Loans and borrowings	20	29,435	4,699,990
Lease liabilities	22	3,166,786	3,092,951
Employee benefits	23	754,969	842,718
Provision against asset restoration	24	157,409	153,541
Deferred tax liability	25	116,564	60,150
Non-current liabilities		4,225,163	8,849,350
Loans and borrowings	20	3,374,142	3,944,497
Lease liabilities	22	426,311	429,578
Trade payables	26	3,679,328	3,507,964
Put liability	12	343,328	--
Derivative	12	--	274,255
Accrued and other liabilities	27	3,117,558	2,863,664
Contract liabilities	28	139,401	171,171
Accrued income tax	29	106,080	285,847
Accrued zakat	29	403,868	76,292
Current liabilities		11,590,016	11,553,268
TOTAL LIABILITIES		15,815,179	20,402,618
TOTAL EQUITY AND LIABILITIES		21,394,242	29,937,138

The notes from 1 to 46 form an integral part of these consolidated financial statements.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As at December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2024	2023
Continuing Operations			
Revenues	34	23,986,655	24,149,521
Cost of revenues	35	(19,029,636)	(19,103,682)
Gross profit		4,957,019	5,045,839
Share of results in investment in equity-accounted investees, net of zakat and tax	8.1	808,635	718,813
Selling and distribution expenses	36	(2,991,905)	(2,931,087)
Administrative expenses	37	(938,698)	(869,798)
Impairment (charge) / reversal, net	40	(390,409)	130,190
Net impairment reversal / (loss) on financial assets	11	456	(24,096)
Other operating income / (expense)	38	9,582	(7,935)
Results from operating activities		1,454,680	2,061,926
Finance income		132,548	98,446
Finance cost		(1,139,071)	(966,038)
Net finance cost	41	(1,006,523)	(867,592)
Gain on distribution of investment in equity accounted investee	8	11,554,662	--
Loss on derecognition of investment in equity accounted investee	14	(139,001)	--
Gain on sale of assets and liabilities classified as held for sale		--	18,677
Profit before zakat and income tax		11,863,818	1,213,011
Income tax expense	29	(216,466)	(123,235)
Zakat expense	29	(350,010)	(38,467)
Profit for the year from continuing operations		11,297,342	1,051,309
(Loss) / profit from discontinued operations	21	(1,381,990)	19,167
Profit for the year		9,915,352	1,070,476
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit liability	23	62,891	43,935
Investments at fair value through other comprehensive income – net change in fair value	9	1,911	(6,360)
Equity accounted investees - share of other comprehensive income	8	(19,806)	(29,572)
Items that are or may be reclassified subsequently to profit or loss			
Release of foreign currency translation differences on disposal of subsidiaries	21	1,563,014	--
Equity accounted investees – share of foreign currency translation differences reclassified to profit or loss		(11,907)	--
Release of reserve – equity accounted investee		3,200	--
Foreign operations – foreign currency translation differences		(613,642)	(341,815)
Investment in equity accounted investees - share of other comprehensive income	8	(89,086)	39,268
Equity accounted investees - share of other comprehensive loss reclassified to profit or loss	17	367,101	--
Cash flow hedges – effective portion of changes in fair value		23,872	(20,003)
Other comprehensive income / (loss) for the year – net of tax		1,287,548	(314,547)
Total comprehensive income for the year		11,202,900	755,929

The notes from 1 to 46 form an integral part of these consolidated financial statements.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

As at December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2024	2023
Profit / (loss) attributable to:			
Owners of the Company		9,974,266	899,185
Non-controlling interests		(58,914)	171,291
Profit for the year		9,915,352	1,070,476
Profit / (loss) attributable to owners of the Company from:			
Continuing operations		11,301,864	911,356
Discontinued operations		(1,327,598)	(12,171)
		9,974,266	899,185
Total comprehensive income / (loss) attributable to:			
Owners of the Company		11,271,637	645,543
Non-controlling interests		(68,737)	110,386
Total comprehensive income for the year		11,202,900	755,929
Total comprehensive income / (loss) attributable to owners of the Company:			
Continuing operations		11,255,948	840,798
Discontinued operations		15,689	(195,255)
		11,271,637	645,543
Earnings per share attributable to the Owners of the Company from continuing operations (in ﷲ) (*Restated):			
Basic	31	12.02	1.00*
Diluted	31	12.00	1.00*
Earnings per share attributable to the Owners of the Company (in ﷲ) (*Restated):			
Basic	31	10.61	0.99*
Diluted	31	10.59	0.99*

The notes from 1 to 46 form an integral part of these consolidated financial statements.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Equity attributable to the Owners of the Company				Equity attributable to the Owners of the Company							
	Share capital	Share premium	Shares held under employees' share based payment plan	Statutory reserve	General reserve	Other reserves	Effect of transactions with non-controlling interests without change in control	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January 1, 2023	5,339,807	342,974	(51,862)	1,774,085	4,000	(452,731)	(187,979)	(2,066,346)	3,552,764	8,254,712	1,061,981	9,316,693
Total comprehensive income / (loss) for the year												
Profit for the year	--	--	--	--	--	--	--	--	899,185	899,185	171,291	1,070,476
Other comprehensive income / (loss)	--	--	--	--	--	(8,965)	--	(288,412)	43,735	(253,642)	(60,905)	(314,547)
	--	--	--	--	--	(8,965)	--	(288,412)	942,920	645,543	110,386	755,929
Transaction with non-controlling interest without change in control (Note 1)	--	--	--	--	--	--	(87,138)	--	--	(87,138)	27,138	(60,000)
Charge for equity-settled employees' share based payment plan (Note 18)	--	--	--	--	--	5,183	--	--	--	5,183	(6)	5,177
Purchase of shares held under employees' share based payment plan (Note 18)	--	--	(80,000)	--	--	--	--	--	--	(80,000)	--	(80,000)
Dividends (Note 15)	--	--	--	--	--	--	--	--	(352,427)	(352,427)	(62,124)	(414,551)
Dividend on Treasury Shares	--	--	--	--	--	--	--	--	184	184	--	184
Settlement of treasury Shares	--	--	11,088	--	--	--	--	--	--	11,088	--	11,088
Balance at December 31, 2023	5,339,807	342,974	(120,774)	1,774,085	4,000	(456,513)	(275,117)	(2,354,758)	4,143,441	8,397,145	1,137,375	9,534,520

	Equity attributable to the Owners of the Company				Equity attributable to the Owners of the Company							
	Share capital	Share premium	Shares held under employees' share based payment plan	Statutory reserve	General reserve	Other reserves	Effect of transactions with non-controlling interests without change in control	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January 1, 2024	5,339,807	342,974	(120,774)	1,774,085	4,000	(456,513)	(275,117)	(2,354,758)	4,143,441	8,397,145	1,137,375	9,534,520
Total comprehensive income / (loss)												
Profit / (loss) for the year	--	--	--	--	--	--	--	--	9,974,266	9,974,266	(58,914)	9,915,352
Other comprehensive income / (loss)	--	--	--	--	--	277,759	--	965,862	53,750	1,297,371	(9,823)	1,287,548
	--	--	--	--	--	277,759	--	965,862	10,028,016	11,271,637	(68,737)	11,202,900
Charge for equity-settled employees' share based payment plan (Note 18)	--	--	--	--	--	36,304	--	--	--	36,304	52	36,356
Issue of new shares via right issue (Note 15)	6,000,000	--	(33,348)	--	--	--	--	--	--	5,966,652	--	5,966,652
Transaction cost related to right issue, capital reduction and distribution (Note 15)	--	--	--	--	--	--	--	--	(47,691)	(47,691)	--	(47,691)
Capital Reduction (Note 15)	(8,339,807)	--	104,138	--	--	--	--	--	--	(8,235,669)	--	(8,235,669)
Impact of Capital reduction on share-based payment reserves (Note 18)	--	--	--	--	--	(17,882)	--	--	6,495	(11,387)	--	(11,387)
Transfer on derecognition of equity accounted investees (Note 8)	--	--	--	--	--	104,963	--	--	(104,963)	--	--	--
Transfer on disposal of subsidiary (Note 21)	--	--	--	--	--	--	238,979	--	(238,979)	--	--	--
Dividends distribution in-kind (Note 8)	--	--	--	--	--	--	--	--	(12,753,027)	(12,753,027)	(53,016)	(12,806,043)
Derecognition of non-controlling interest (Note 21)	--	--	--	--	--	--	--	--	--	--	(89,933)	(89,933)
Settlement of Treasury shares	--	--	12,525	--	--	(12,525)	--	--	--	--	--	--
Acquisition of subsidiary (Note 14)	--	--	--	--	--	--	(3,634)	--	--	(3,634)	32,992	29,358
Transfer from statutory reserve to retained earnings (Note 16)	--	--	--	(1,774,085)	--	--	--	--	1,774,085	--	--	--
Balance at December 31, 2024	3,000,000	342,974	(37,459)	--	4,000	(67,894)	(39,772)	(1,388,896)	2,807,377	4,620,330	958,733	5,579,063

The notes from 1 to 46 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2024	2023
Cash flows from operating activities			
Profit for the year		9,915,352	1,070,476
Adjustments for:			
Depreciation and amortisation		1,154,964	1,123,106
Net finance cost	21 & 41	1,030,227	1,051,142
Share of results in investment in equity-accounted investees, net of zakat and tax	8	(808,635)	(718,813)
Share based payment expense	18	36,356	5,177
Impairment charge / (reversal), net	40	390,409	(111,932)
Loss / (gain) on sale of property, plant and equipment and write-off of software		895	(17,769)
Gain on sale of assets and liabilities classified as held for sale		--	(18,677)
Gain on distribution of equity accounted investee	8	(11,554,662)	--
Loss on derecognition of equity accounted investee	14	139,001	--
Loss on derecognition of subsidiaries	21	1,422,268	--
Loss on FVTPL investments		18,496	20,577
Net impairment loss on financial assets	11	1,987	48,566
Provision for employee benefits	23	111,776	139,177
Zakat expense	29	350,010	38,467
Income tax expense	25 & 29	252,604	190,042
		2,461,048	2,819,539
Changes in:			
Inventories		(330,979)	87,208
Trade receivables		(672,982)	(287,666)
Prepayments and other receivables		(201,103)	66,808
Trade payables		532,126	(175,117)
Accrued and other liabilities		582,577	133,845
Cash generated from operating activities		2,370,687	2,644,617
Finance cost paid on loans and borrowings	20	(768,056)	(744,770)
Finance cost paid on lease liabilities	22	(178,404)	(201,182)
Zakat and income tax paid	29	(202,347)	(76,931)
Employee benefits paid	23	(81,987)	(82,370)
Net cash generated from operating activities		1,139,893	1,539,364
Cash flows from investing activities			
Acquisition of property, plant and equipment	4	(733,345)	(890,472)
Acquisition of intangible assets	6	(41,034)	(19,756)
Acquisition of investment property	7	--	(5,214)
Proceeds from sale of property, plant and equipment		136,304	34,129
Additions in investment in associate	8	(59,965)	--
Acquisition of subsidiary	14	173,065	--
Finance income from bank deposits		132,548	138,044
Cash outflow due to derecognition of subsidiary	21	(452,165)	--
Proceeds from disposal of subsidiary	21	231,413	--
Net proceeds from sale of assets and liabilities classified as held for sale		--	41,403
Dividends received from equity accounted investments	8	368,540	366,746
Net change in term deposits with maturity of more than three months		(191,454)	(181,104)
Net cash used in investing activities		(436,093)	(516,224)
Cash flows from financing activities			
Net change in short term loans and borrowings		136,566	130,514
Proceed from long-term loans and borrowings	20	976,535	1,154,309
Repayments of long-term loans and borrowings	20	(5,782,930)	(582,076)
Right issue proceeds	15	6,000,000	--
Transaction cost related to right issue, capital reduction and distribution		(47,691)	--
Payment against put option	12	(64,842)	--
Payment of lease liabilities – Principal	22	(482,171)	(477,618)
Transaction with non-controlling interest without change in control	1	--	(60,000)
Dividends paid to the owners of the Company		(2,533)	(384,987)
Dividends paid to non-controlling interests		(53,016)	(62,124)
Purchase of shares held under employees' share based payment plan	18	(33,348)	(80,000)
Net cash generated from / (used) in financing activities		646,570	(361,982)
Net change in cash and cash equivalents		1,350,370	661,158
Effect of movement in exchange rates on cash and cash equivalents		(334,865)	(129,458)
Cash and cash equivalents at beginning of the year		1,132,459	600,759
Cash and cash equivalents at December 31	13	2,147,964	1,132,459
Supplemental schedule of non-cash financial information:			
Other reserves		(79,909)	(16,167)
Foreign currency translation reserve		(613,642)	(341,815)
Actuarial reserve	23	62,891	43,935
Addition to right-of-use assets	5	580,888	375,705
Addition to lease liabilities	22	586,824	366,652

The notes from 1 to 46 form an integral part of these consolidated financial statements.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

1. GENERAL INFORMATION

Savola Group Company is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030019708 issued in Jeddah on Rajab 21, 1399H (corresponding to June 16, 1979). The Company was formed under the Regulations for Companies in the Kingdom of Saudi Arabia per Royal Decree No. M/21 dated Rabi Al Awal 29, 1398H (March 9, 1978).

The Company's registered office is located at the following address:

**Savola Tower,
The Headquarter Business Park,
Prince Faisal Bin Fahad Street,
Jeddah 23511-7333, Kingdom of Saudi Arabia.**

These accompanying consolidated financial statements comprise the financial statements of Savola Group Company (the "Company" (or) the "Parent Company") and its local and foreign subsidiaries (collectively referred as the "Group"), involved in the manufacturing and sale of vegetable oils and to set up related industries, retail outlets, dairy products, fast foods, exports and imports, commercial contracting, trade agencies, development of agricultural products and real estate related investment activities.

The new Companies Law issued through Royal Decree M/132 on 01/12/1443H (corresponding to June 30, 2022) (hereinafter referred as the "New Law") came into force on 26/06/1444H (corresponding to January 19, 2023) as well as the amended implementing regulations that were issued by the Capital Market Authority (CMA) based on the New Law. In this regard, the Company after assessing the impact of the New Law, convened an Extraordinary General Assembly meeting on 20/02/1444H (corresponding to May 10, 2023), which has approved the amendment of certain provisions of the Company's By-laws to ensure compliance with the requirements of the new Companies' Law and the amended CMA implementing regulations. Legal formalities associated with the Company's amended By-laws were completed during the second quarter of 2023.

At December 31, 2024, the Company had investments in the following subsidiaries (collectively referred to as the "Group"):

(I) Direct subsidiaries of the Company

i) Operating subsidiaries

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Savola Foods Company ("SFC")	Saudi Arabia	Holding company	100	100
Panda Retail Company ("Panda") (Note 1 (III))	Saudi Arabia	Retail	100	100
Good Food Company ("GFC")	Saudi Arabia	Holding company	100	100
Al Matoun International for Real Estate Investment Holding Company	Saudi Arabia	Real Estate	80	80
Herfy Food Services Company ("Herfy")	Saudi Arabia	Restaurant & manufacturing bakery products	49	49

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

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The Group considers that it controls Herfy even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of Herfy with a 49% equity interest. The remaining 51% of the equity shares in Herfy are widely held by many other shareholders. The Group has the right and power to direct the relevant activities of Herfy as it has the significant majority of equity interests and there is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

ii) Holding and Dormant subsidiaries

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Adeem Arabia Company (Adeem)	Saudi Arabia	Holding company	100	100
Al Utur Arabian Company for Commercial Investment	Saudi Arabia	Holding company	100	100
Al Matana Holding Company	Saudi Arabia	Holding company	100	100
Madarek Investment Company	Jordan	Holding company	100	100
United Properties Development Company	Saudi Arabia	Dormant company	100	100
Subsidiaries controlled through Al Matana Holding Company:				
SGC Ventures Limited	Cayman Islands	Holding company	100	100
SGC Marketplace Venture	Cayman Islands	Holding company	100	100
SGC Agritech Ventures	Cayman Islands	Holding company	100	100

(II) Savola Foods Company

The Parent Company has a 100% (December 31, 2023: 100%) ownership interest in Savola Foods Company ("SFC"), which was incorporated as a closed Saudi joint stock company pursuant to Ministerial Resolution No. 236/G dated Dhul Qadah 21, 1435H (September 16, 2014). Prior to its conversion to a closed joint stock company, SFC was operating as a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 4030180782 issued in Jeddah on Rajab 5,1429H (July 8, 2008).

The principal objective of SFC is to deal in wholesale and retail trading of food items. SFC through its direct and indirect subsidiaries is engaged in the manufacturing, processing, marketing and distribution of products including edible oil, pasta, sugar, spices, nuts, pulses, seafood, confectionery, and agro cultivation, in the local and overseas market.

SAVOLA GROUP COMPANY (A Saudi Joint Stock Company)

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For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

Subsidiaries controlled through Savola Foods Company:

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Afia International Company ("AIC")	Saudi Arabia	Manufacturing of edible oils	95.19	95.19
Savola Industrial Investment Company ("SIIC")	Saudi Arabia	Holding company	100	100
El Maleka for Food Industries Company	Egypt	Manufacturing of pasta	100	100
International Foods Industries Company ("IFI")			100	100
Snacking and Ingredients Food Holding Company Limited ("SIFCO")			100	100
Commodities Sourcing Company for Trading	Saudi Arabia	Trading Company	100	100
Seafood International Two FZCO	UAE	Seafood products trading and distribution	100	100
Savola Industrial Sustainable Development Company			100	100
Savola Foods Emerging Markets Company Limited	British Virgin Islands (BVI)	Holding company	95.43	95.43
Savola Foods for Sugar Company	Cayman Islands	Dormant company	95	95
Savola Foods Company International Limited	United Arab Emirates (UAE)	Holding company	--	100
Seafood International Holdco	Cayman Islands	Holding company	100	100
Al Maoun International Holding Company	Saudi Arabia	Holding company	100	100
Marasina International Real Estate Investment Limited	Saudi Arabia	Holding company	100	100
Afia Arabia for Foods	Saudi Arabia	Holding company	100	100
SIFCO				
Bayara Holding Limited	Cayman Islands	Holding company	100	100
Bayara FZE Limited	UAE	Holding Company	100	100
Savola Snacks	Egypt	Manufacturing of snacks	99	99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

a) Subsidiaries controlled through Afia International Company:

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Savola Behshahr Company ("SBeC") (Note 21)	Iran	Holding company	--	90
KUGU Gida Yatum Ve Ticaret A.S ("KUGU")	Turkey	Holding company	100	100
Savola Foods Limited ("SFL")	BVI	Holding company	100	100
Inveskz Inc.	BVI	Dormant company	90	90
Aseel Food – Hold Co.	Cayman Islands	Holding company	100	100
Malintra Holdings (Liquidated)	Luxembourg	Dormant company	--	100
Afia International Company – Jordan (under liquidation)	Jordan	Dormant company	98.57	98.57
Afia Trading International	BVI	Dormant company	100	100
Savola Foods International	BVI	Dormant company	100	100
SBeC (Note 21)				
Behshahr Industrial Company (BIC)	Iran	Manufacturing of edible oils	--	79.9
Tolue Pakshe Aftab Company	Iran	Trading and distribution	--	100
Savola Behshahr Sugar Company	Iran	Trading and distribution	--	100
Notrika Golden Wheat Company	Iran	Manufacturing of Food and confectionery	--	90
Behshahr Industrial Company				
Mahsoolat Daryae Ta'm Afarin Saba Company (Sahel) (Note 21)	Iran	Seafood products trading and distribution	--	100
SFL				
Afia International Company, Egypt ("AICE")	Egypt	Manufacturing of edible oils	99.95	99.95
AICE				
Savola For Export and Import	Egypt	Trading and distribution	49	49
KUGU				
Savola Gida Sanayi Ve Ticaret Anonim Şirketi	Turkey	Manufacturing of edible oils	100	100

b) Subsidiaries controlled through Savola Industrial Investment Company:

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
United Sugar Company ("USC")	Saudi Arabia	Manufacturing of sugar	74.48	74.48
USC				
United Sugar Company (Note 14)	Egypt	Manufacturing of sugar	39.73	--
Alexandria Sugar Company, Egypt ("ASCE")*	Egypt	Manufacturing of sugar	62.13	62.13
Beet Sugar Industries	Cayman Islands	Dormant company	100	100
ASCE				
Alexandria United Company for Land Reclamation	Egypt	Agro cultivation	100	100

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(Expressed in thousands of Saudi Riyal unless otherwise stated)

c) Subsidiaries controlled through Savola Foods Emerging Markets Company Limited:

Afia International Company – Algeria	Algeria	Manufacturing of edible oils	100	100
Savola Edible Oils (Sudan) Limited (Note 21)	Sudan	Manufacturing of edible oils	100	100

d) Subsidiaries controlled through Savola Foods Company International Limited:

Modern Behtaam Royan Kaveh Company (Note 21)	Iran	Food and confectionery	--	100
Middle East Technology Ventures Limited (Note 21)	Cayman Islands	Holding Company	--	100

e) Subsidiaries controlled through Al Maoun and Marasina

Alofog Trading DMMC	UAE	Trading and distribution	100	100
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f) Subsidiaries controlled through Seafood International Two FZCO

Seafood International One FZCO	UAE	Seafood products distribution	80	80
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* The Group's effective ownership interest in ASCE is 73.4% (December 31, 2023: 71.66%).

g) Subsidiaries controlled through Bayara Holding Limited

Subsidiary name	Country of incorporation	Principal business activity	Direct ownership interest (%)	
			December 31, 2024	December 31, 2023
Kamali Investment Limited (Liquidated)*	UAE	Holding Company	--	100
Kandoo Worldwide Limited	BVI	Managing trademarks	100	100

h) Subsidiaries controlled through Bayara FZE

GYMA Food Industries LLC	UAE	Processing of spices, nuts and pulses	100	100
Bayara Saudi Arabia Limited Group	Saudi Arabia	Processing of spices, nuts and pulses	100	100
GYMA Trading LLC	UAE	Trading of spices, nuts and pulses	100	100
Profood Holdings Limited (liquidated)*	UAE	Dormant company	--	100

* During the year ended December 31, 2024, the Group completed the liquidation of Kamali Investment Limited and Profood Holding Limited. The liquidation process was finalized during the year ended December 31, 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

(III) Panda Retail Company

The Parent Company has a 100% (December 31, 2023: 100%) ownership interest in Panda Retail Company (“Panda”), which was incorporated as a closed Saudi joint stock company pursuant to Ministerial Resolution No. 235/G dated Rajab 22, 1431H (July 3, 2010). Prior to its conversion to a closed joint stock company, Panda was operating as a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 1010137417 issued in Riyadh on Rabi-ul-Awal 1, 1416H (July 28, 1995).

Panda together with its subsidiaries is principally engaged in wholesale and retail trading in food supplies and consumable materials. Panda Group operates through its network of hypermarkets and supermarkets.

During 2023, the Group entered into a share purchase agreement with Saudi Geant Company Limited (“the Seller”) to acquire the Seller’s minority interest of 1.13% in Panda Retail Company in exchange for consideration amounting to ﷲ 60 million, resulting in increase in Group’s ownership interest in Panda to 100%. The transaction was classified as an acquisition without change in control and the resulting adjustment amounting to ﷲ 87.1 million was recorded in equity under “Effect of transactions with non-controlling interests without change in control”.

Thereafter, on December 19, 2023, the shareholders of Panda resolved in the Extraordinary General Assembly Meeting, to decrease the share capital of the Panda by ﷲ 695 million to absorb its accumulated losses followed by capital injection of ﷲ 800 million by the shareholders. The legal formalities in this regard were completed on December 27, 2023.

Subsidiaries controlled through Panda:

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Giant Stores Trading Company (Giant)	Saudi Arabia	Retail	100	100
Panda for Operations, Maintenance and Contracting Services	Saudi Arabia	Services and maintenance	100	100
Panda International for Retail Trading	Egypt	Retail	100	100
Atabet Al Bab Communications and Information Technology LLC	Saudi Arabia	E-commerce	100	100
Panda Bakeries Company	Saudi Arabia	Dormant company	100	100
Giant				
Lebanese Sweets and Bakeries	Saudi Arabia	Dormant company	95	95

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

(IV) Good Food Company

The Parent Company has a 100% (December 31, 2023: 100%) ownership interest in Good Food Company (“GFC”), which was incorporated as a limited liability company registered in the Kingdom of Saudi Arabia under commercial registration number 4030603674 issued in Jeddah on Rabi-ul-Thani 21, 1439H (January 8, 2018).

GFC through its direct and indirect subsidiaries is principally engaged in the processing, wholesale, retail and distribution of frozen food and seafood in the local and overseas markets.

Subsidiaries controlled through GFC (collectively referred to as “Al Kabeer Group of companies”):

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2024	December 31, 2023
Variety Food Factory Company	Saudi Arabia	Manufacturing of frozen food	51	51
Al Ahsan Trading Company	Saudi Arabia	Trading and distribution	51	51
Al Helal Imports and Exports Company	Bahrain	Trading and distribution	51	51
Al Kabeer Holding Limited	UAE	Holding Company	51	51
Subsidiaries controlled through Al Kabeer Holding Limited				
Sahar Enterprises Company	UAE	Trading and distribution	100	100
Sahar Food Industry Company	UAE	Manufacturing of frozen food	100	100
Best Foodstuff Trading Company	UAE	Trading and distribution	100	100
Cascade Investments Limited (CIL)	UAE	Investment company	100	100
Cascade Marine Foods Company	UAE	Manufacturing frozen food	100	100
Al Sabah Foodstuff Enterprises Company	UAE	Trading and distribution	100	100
Best Foods Company	Oman	Trading and distribution	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by SOCPA ("IFRS").

i) Accounting convention / Basis of Measurement

These consolidated financial statements have been prepared using accrual basis of accounting, going concern concept and under the historical cost basis, except for investments classified as fair value through other comprehensive income ("FVOCI"), investments classified as fair value through profit or loss ("FVTPL"), firm commitments and inventory under fair value hedging relationship, derivative financial instruments and employee benefits which are recognised at the present value of future obligation using the Projected Unit Credit Method.

Certain comparative amounts have been reclassified to conform to the current year's presentation and accounting requirements. The significant reclassifications pertain to:

- impact of discontinued operations (Note 21)
- payable to shareholders from non-current to current liabilities (Note 27.3)
- contract liabilities reclassified from Accrued and other liabilities (Note 28)
- accrued zakat and income-tax from Accrued and other liabilities (Note 29)

ii) Functional and presentation currency

These consolidated financial statements are presented in Saudi Riyals (ﷲ) which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

b) Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements, is included in the following notes:

- Note 3(b)(i) - whether the Group exercises control over an investee
- Note 3(b)(iii) - classification of equity accounted investees
- Note 3(c)(iv) - application of hedge accounting
- Note 3(i) - determining the fair value less cost to sell of the assets classified as held for sale
- Note 3(t) - lease classification
- Note 3(r) - distribution of non-cash assets as dividends to owners

Information about assumptions and estimation uncertainties that have the most significant effect on the amounts recognized in the consolidated financial statements, are described below:

i) Impairment of financial assets

The implementation of business model approach under IFRS 9 require judgement to ensure that financial assets of the Group are classified into the appropriate category. Deciding whether the classified categories will require assessment of contractual provisions that do or may change the timing or amount of the contractual cash flows. Objective evidence may

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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exist in circumstances in which a counterparty has been placed in bankruptcy or has failed on the repayments of principal and interest. In other circumstances, the Group uses judgment in order to determine whether a financial asset may be impaired using Expected Credit Loss ("ECL") model. The Group uses judgement in order to determine whether an impairment can be reversed, an assumption in doing so might be an improvement in the debtor's credit rating or receipt of payments due. In addition, Group also make judgments in deciding whether the measurement of expected credit loss reflect reasonable and supportable information that is available without undue cost or effort that include historical, current and forecast information.

ii) Provision for net-realisable value (NRV) write down of inventory

The Group determines its provision for NRV write down based upon historical experience, expected inventory turnover, inventory aging and current condition, and current and future expectations with respect to sales. Assumptions underlying the provision for NRV write down include future sales trends, and the expected inventory requirements and inventory composition necessary to support these future sales and offerings. The estimate of the Group's provision for NRV write down could materially change from period to period due to changes in product offerings of those products.

iii) Useful lives of property, plant and equipment, investment properties and intangible assets

The management determines the estimated useful lives of property, plant and equipment, investment property and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering expected usage of the assets or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation and amortisation charges are adjusted where management believes the useful lives differ from previous estimates.

iv) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment and when circumstances indicate that the carrying value may be impaired.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ("CGUs"). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss is recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

v) Employee benefits – defined benefit obligation

Certain actuarial assumptions have been adopted as disclosed in Note 23 to these financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect gains and losses in those years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

(Expressed in thousands of Saudi Riyal unless otherwise stated)

vi) Going concern

The Group's management has made an assessment of its ability to continue as a going concern for the foreseeable future and is satisfied that it has the resources to discharge its liabilities including the mandatory repayment of loans and borrowings. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

Management believes that the repayment of the liabilities will be met out of operating and investing cash flows. Further, the Group has unused bank financing facilities to manage the short term and the long-term liquidity requirements, as disclosed in Note 42.

Based on these factors, the financial statements continue to be prepared on the going concern basis.

vii) Distribution of non-cash assets to owners as in-kind dividend

During the year, the Group distributed in-kind dividends to its shareholders. These distributions have been accounted for as per the guidance of IFRIC 17 "Distributions of Non-cash Assets to Owners". IFRIC 17 requires that non-cash asset distributions be measured at the fair value of assets distributed. The recognition and measurement of in-kind distributions involve significant judgment, particularly in the determination of fair value. The Group management has made judgements with regard to the determination of the fair value, and the effective date on which the Group has ceased to have control over the non-cash assets distributed.

viii) Other assumptions

Information about other assumptions and estimation uncertainties is included in the following notes:

- i. Note 3(c) & 42 - measurement of fair values
- ii. Note 3(j) - allowance for inventory losses
- iii. Note 3(k) - impairment in financial and non-financial assets
- iv. Note 3(l) - provision against assets restoration
- v. Note 3(m) - measurement of defined benefit obligations

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

a) Share based payments arrangements

Equity-settled share-based payment

The grant-date fair value of equity-settled share-based payment plan granted to employees is recognised as an expense on a straight-line basis in the statement of profit or loss, with a corresponding increase in equity as 'Other reserves', over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Cash-settled share-based payment

The fair value of the amount payable to employees in respect of cash-settled share-based payment arrangement is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the award. Any changes in the liability are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

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b) Business combinations

Business combinations (except for entities under common control) are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instrument issued and liabilities incurred or assumed at the date of exchange, and includes costs directly attributable to the acquisition. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition. The excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is classified as goodwill. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions from entities under common control

Business combinations including entities or businesses under common control are measured and accounted for using book value. The assets and liabilities acquired are recognized at the carrying amounts as transferred from the controlling company's books of accounts. The components of equity of the acquired entities are added to the same components within the Group equity and any gain/loss arising is recognized directly in equity.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are consolidated in the financial statements from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-Group balances, transactions, income and expenses resulting from intra-Group transactions, are eliminated in full. Also, any unrealized gains and losses arising from intra-group transactions are eliminated on consolidation. Subsidiaries used same accounting policies and financial reporting periods.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Changes in a Group's ownership interest in a subsidiary that does not result in a change in control, is accounted as equity transaction and the carrying amounts of the non-controlling interests is adjusted against the fair value of the consideration paid and any difference is recognized directly in equity under "Effect of transactions with non- controlling interest without change in control".

(ii) Goodwill

Goodwill represents the difference between the cost of businesses acquired and the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill arising on acquisitions is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment loss on goodwill is not reversed.

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Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss incurred.

(iii) Interests in equity-accounted investees

The Group's interests in equity accounted investees comprise of interests in associates and joint ventures.

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method (equity-accounted investees). They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other Comprehensive Income ("OCI") of equity-accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity accounted investee, the investment carrying amount is reduced to nil and recognition of further losses is continued when the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the underlying assets / liabilities to the extent of the Group's interest in the investee.

Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Dilution gains and losses arising on equity accounted investees are recognized in the profit or loss.

(iv) Non-controlling interests

Non-controlling interest represents the interest in subsidiary companies, not held by the Group which are measured at their proportionate share in the subsidiary's identifiable net assets. Transactions with non-controlling interest parties are treated as transactions with parties external to the Group.

Changes in Group's interest in a subsidiary as a result of transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, i.e. as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid / received and the relevant share acquired / disposed of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal / acquisition of non-controlling interests are also recorded in equity.

c) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant finance component) or finance liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without significant financing component is initially measured at the transaction price.

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(ii) Classification and subsequent measurement

Financial assets – initial measurement

On initial measurement, a financial asset is classified as measured at: amortised cost, FVOCI – debt instrument; FVOCI – equity instrument or fair value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to initial measurement unless the Group changes the business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level, because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

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Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

Financial assets – Subsequent measurement and gains and losses

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment loss, if any.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss as well.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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(iv) Derivatives

Derivative financial instruments and hedge accounting

The Group holds financial instruments to hedge its commodity price related exposures. On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range as per risk management policy. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below:

Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in OCI and accumulated in equity. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated statement of profit or loss.

Amounts accumulated in equity are reclassified to gain or loss in the periods when the hedged item affects gain or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of commodity value is recognized in the consolidated statement of profit or loss within ‘Cost of revenues’.

However, when the forecast transaction that is hedged, results in the recognition of a non-financial asset (for example, inventory), the amounts accumulated in equity are transferred from the equity and included in the initial measurement of the cost. The accumulated amounts are ultimately recognized in cost of revenues for inventory.

When a hedging instrument expires, is terminated, is sold or is exercised, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. When the hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the equity remains in equity and is recognized when the forecast transaction is ultimately recognized in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of profit or loss within “Finance income or Finance cost”.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The Group only applies fair value hedge accounting for hedging commodity (raw sugar) value risk. The gain or loss relating to the effective portion of the hedging transaction is recognized in the profit or loss within “cost of revenue”. The gain or loss relating to the ineffective portion is recognized in the profit or loss within “Finance income or Finance cost”. Changes in the fair value of the hedge futures are recognized in the consolidated statement of profit or loss within ‘Cost of revenues’.

Other derivatives

When a derivative financial instrument is not designated in a qualifying hedge relationship, all changes in its fair value are recognized immediately in the consolidated statement of profit or loss within “Finance income or Finance cost”.

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(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(vi) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks in current accounts and other short-term highly liquid investments with original maturities of three month or less and excludes bank overdrafts which are available to the Group without any restrictions that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

d) Segment reporting

An operating segment is a component:

- engaged in business activities from which it may earn revenue and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components;
- the results of its operations are continuously analysed by chief operating decision maker in order to make decisions related to resource allocation and performance assessment; and
- for which financial information is discretely available.

Segment results that are reported to the chief operating decision maker and include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. For further details of reportable operating segments of Group please refer to Note 33.

e) Foreign currency translations

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates prevailing at the dates of the respective transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of equity instruments classified as FVOCI, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations, with the exception of economies under hyperinflation, including goodwill and fair value adjustments arising on acquisition, are translated at exchange rates at the reporting date. The income and expenses of foreign operations are translated to ﷲ at exchange rates at average exchange rates.

Foreign currency differences arising on foreign operations are recognized in other comprehensive income and accumulated in the "Foreign currency translation reserve", except to the extent that the translation difference is allocated to non-controlling interest.

Dividends received from foreign associate are translated at the exchange rate in effect at the transaction date and related currency translation differences are realized in the consolidated statement of profit or loss and other comprehensive income.

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When a foreign operation is disposed of, the relevant amount in the Foreign Currency Translation Reserve ("CTR") is transferred to profit or loss as part of the profit or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is reattributed to non-controlling interest. In any other partial disposal of a foreign operation, the relevant proportion is reclassified to profit or loss.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income in the foreign currency translation differences.

(iii) Hyperinflationary economies

When the economy of a country in which the Group operates is deemed hyperinflationary and the functional currency of a Group entity is the local currency of that hyperinflationary economy, the financial statements of such Group entities are adjusted so that they are stated in terms of the measuring unit currency at the end of the reporting period. This involves restatement of income and expenses to reflect changes in the general price index from the start of the reporting period and, restatement of non-monetary items in the consolidated statement of financial position, such as property, plant and equipment and inventories, to reflect current purchasing power as at the year-end using a general price index from the date when they were first recognized. The gain or loss on the net monetary position is included in finance costs or income for the year. Comparative amounts are not adjusted. When the economy of a country, in which the Group operates, is no more deemed a hyperinflationary economy, the Group ceases application of hyperinflationary economies accounting at the end of the reporting period that is immediately prior to the period in which hyperinflation ceases. The amounts in the Group's consolidated financial statements as at that date are considered as the carrying amounts for the subsequent consolidated financial statements of the Group. For the purpose of consolidation of foreign components operating in hyperinflation economies; items of statements of financial position and profit or loss are translated at the closing rate.

f) Property, plant and equipment

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment loss. Cost includes purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized, on net basis, in statement of profit or loss and other comprehensive income.

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation represents the systematic allocation of the depreciable amount of an asset over its estimated useful life. Depreciable amount represents cost of an asset, or other amount substituted for cost, less its residual value.

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Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of individual items of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives of assets for current and comparative year is as follow:

	Years
Buildings	12.5 - 50
Leasehold improvements	3 - 33
Plant and equipment	3 - 30
Furniture and office equipment	3 - 16
Vehicles	4 - 10

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if required. For impairment assessment of property, plant and equipment, please refer to policy on impairment of non-financial assets note 3(k)(ii).

g) Intangible assets

Intangible assets, other than goodwill and brand, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss.

The estimated useful lives of assets for current and comparative year is as follow:

	Years
Software	3 – 10
Customer List	15 – 18
Distribution Network	15

Brand is initially measured at cost. Based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Group and is therefore considered to have an indefinite useful life.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since it most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Intangible assets acquired by the Group that have indefinite useful lives are measured at cost less accumulated impairment loss. The useful life of such assets is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. These are reviewed for impairment annually and whenever there is an indication that the intangible asset may be impaired.

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h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured at cost less accumulated depreciation and accumulated impairment loss. When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost subsequently.

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of individual items of investment property. The estimated useful lives of investment properties for current and comparative year is as follows:

	Years
Buildings	15-50

Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively if required. For impairment assessment of investment property, please refer to policy on impairment of non-financial assets Note 3(k)(ii).

i) Assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or investment property, which continue to be measured in accordance with the Group’s other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in the profit or loss.

Once classified as held-for-sale, intangible assets, investment property and property and equipment are no longer amortised or depreciated, and any investment in associate is no longer equity accounted.

j) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. In case of retail business, cost of inventory is net of rebates and commercial income which is based on the contractual terms specified in the agreements with suppliers.

Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories. Further, inventory may also include gain and losses transferred from marked to market of firm commitment due to fair value hedge accounting and fair valuation impact of inventory price risk being hedged under fair value hedge.

Net realizable value comprises estimated selling price in the ordinary course of business, less any additional production costs for completion and appropriate selling and distribution costs. Provision is made, where necessary, for obsolete and defective stocks.

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k) Impairment

i. Financial assets

Financial instruments and contract assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

For trade receivables and other financial assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The loss allowance is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For bank balances in which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, the ECL is measured at 12-month ECLs

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Presentation of allowance for ECL in the statement of financial position

Allowances for expected credit loss against financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (the "cash-generating unit, or CGU"). Impairment exists when the carrying value of an asset or CGU exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using applicable discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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Impairment loss is recognized in profit or loss. Impairment loss recognized in respect of CGUs is allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

l) Provisions

A provision is recognized if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefit, will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows using applicable rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Group records provision for decommissioning costs of manufacturing facility and restoration of leasehold improvements. Such costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a rate that reflects the current market assessments of the time value of money and risks specific to the related liability. The unwinding of the discount is expensed as incurred and recognized in the profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

m) Employees' end of service benefits

Defined benefit plan

The Group's obligation under employees' end of service benefit plan is accounted for as an unfunded defined benefit plan and is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. Measurements of the defined benefit liability, which comprise actuarial gains and losses are recognized immediately in other comprehensive income. The Group determines the net interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in personnel expenses in profit or loss.

Short-term employee benefits

Short-term employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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n) Shares held under employees' share based payment plan

Own equity instruments that are reacquired, for discharging obligations under Employees Long Term Incentive Program ("Plan"), are recognised at cost and presented as a deduction from equity and are adjusted for any transaction costs, dividends and gains or losses on sale of such shares. No gain or loss is recognised in the Consolidated Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Equity.

o) Revenues recognition

Revenue is measured based on the consideration, to which the Group expects to be entitled to, specified in a contract with a customer and is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Revenue from sale of goods

Revenue from sale of goods is recognised in the statement of profit or loss when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Variable consideration

Variable consideration amounts are estimated at either their expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not reverse.

Significant financing component

The Group evaluates significant financing component, if the period between customer payment and the transfer of goods/ services (both for advance payments or payments in arrears) is more than one year. The Group adjusts the committed amount of consideration for the time value of money using an appropriate interest rate reflecting the credit risk.

Rental income

The Group leases out various shops situated within its supermarkets and hypermarkets under operating lease agreements. Rental income is recognized on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

p) Zakat and taxes

The Company and its subsidiaries are subject to zakat and income tax in accordance with the regulations of The Zakat, Tax and Customs Authority ("ZATCA") (previously known as General Authority of Zakat and Income Tax). Company's zakat and its share in zakat of subsidiaries are charged to the consolidated statement of profit or loss and other comprehensive income. Zakat and income tax attributable to other Saudi and foreign shareholders of the consolidated subsidiaries are charged to non-controlling interest in the accompanying consolidated statement of financial position. Additional zakat and income tax liability, if any, related to prior years' assessments arising from ZATCA are accounted for in the period in which the assessments are finalized. The Company and its Saudi Arabian subsidiaries withhold taxes on transactions with non-resident parties and on dividends paid to foreign shareholders in accordance with ZATCA regulations. Foreign subsidiaries are subject to zakat and income taxes in their respective countries of domicile. Such zakat and income taxes are charged to consolidated statement of profit or loss under zakat and income tax expense.

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Deferred tax is provided for, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted in the respective countries at the reporting date. Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Current and deferred tax assets and liabilities are offset only if certain criteria are met.

q) Finance income and finance cost

Finance income includes gains on the derivative instruments that are recognized in consolidated statement of profit or loss and other comprehensive income. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in consolidated statement of profit or loss and other comprehensive income on the date that the Group's right to receive payment is established.

Finance costs comprise of financial charges on borrowings including sukuks and unwinding of the discount on provisions and losses on derivative instruments that are recognized in consolidated statement of profit or loss and other comprehensive income. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in consolidated statement of profit or loss and other comprehensive income using the effective interest method.

Foreign currency gains and losses are reported on a net basis within finance cost.

r) Dividends

Final dividends are recorded in the financial statements in the period in which they are approved by shareholders of the Group.

Interim dividends are recorded as liability in the period in which they are approved by the Board of Directors.

Dividends include distribution of non-cash assets to owners as in-kind dividend distribution and be recognised when the dividend is appropriately authorised (recommended by the Board of Directors and recognized on the date approved by the shareholders) and is no longer at the discretion of the entity. The amount of in-kind dividend distribution is measured at the fair value of the assets to be distributed. The effect of the distribution is recorded in the consolidated statement of changes in equity.

s) Expenses

Selling and distribution expenses and administrative expenses include direct and indirect costs not specifically part of cost of revenue. Selling and distribution expenses are those arising from the Group's efforts underlying the selling and distribution functions. All other expenses are classified as administrative expenses. Allocation of common expense between cost of revenues and selling and distribution and administrative expenses, when required, are made on consistent basis.

t) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value (USD 5,000 or less). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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u) Share capital

Ordinary share capital is recorded at the par value of the shares. Share capital movements relating to rights issue of shares for ordinary share capital and the reduction of share capital is also recognized at the par value of the shares. Incremental costs directly attributable to the issuance of ordinary shares or cancellation/reduction of share capital are recognized as a deduction from equity and presented in the consolidated statement of changes in equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Leasehold improve-ments	Plant and equipment	Furniture and office equipment	Vehicles	Construction work in progress (CWIP)	Total
Cost								
Balance at January 1, 2023	1,335,854	2,859,672	1,573,777	3,103,790	2,455,636	474,064	407,651	12,210,444
Additions	9,153	31,944	105	31,588	36,502	14,773	766,407	890,472
Disposals / write-off / reversals	(13,824)	(14,867)	(46,968)	(14,066)	(130,903)	(17,741)	(766)	(239,135)
Transfer from CWIP	65	50,526	229,983	222,829	379,148	9,668	(892,219)	--
Hyperinflation adjustment	(3,426)	(1,639)	(967)	(111,330)	(2,380)	(606)	(3,671)	(124,019)
Effect of movement in exchange rate	(2,981)	(36,690)	(1,754)	(139,079)	(15,552)	(5,108)	(24,363)	(225,527)
Transfer (to) / from investment properties (Note 7)	(2,665)	(9,671)	--	152	45	--	--	(12,139)
Balance at December 31, 2023	1,322,176	2,879,275	1,754,176	3,093,884	2,722,496	475,050	253,039	12,500,096
Balance at January 1, 2024	1,322,176	2,879,275	1,754,176	3,093,884	2,722,496	475,050	253,039	12,500,096
Additions	239	2,630	109	22,647	21,419	6,516	679,785	733,345
Acquisition of subsidiary (Note 14)	--	--	--	--	--	--	2,226	2,226
Disposals / write-off / reversals	(130,013)	(13,628)	(472)	(17,894)	(97,121)	(17,875)	(278)	(277,281)
Transfer from CWIP	--	26,623	170,326	1,535	225,479	4,424	(428,387)	--
Hyperinflation adjustment	310	12,273	(8,820)	(123,170)	93	15	109	(119,190)
Disposal of subsidiaries (Note 21)	(59,769)	(36,489)	(102)	(344,306)	(13,945)	(5,712)	(44,915)	(505,238)
Effect of movement in exchange rate	(5,477)	(68,867)	(5,753)	(220,331)	(15,958)	(11,601)	(26,161)	(354,148)
Transfer to Intangible assets	--	--	--	--	--	--	(2,008)	(2,008)
Transfer (to) / from investment properties (Note 7)	--	(2,938)	--	--	--	--	--	(2,938)
Balance at December 31, 2024	1,127,466	2,798,879	1,909,464	2,412,365	2,842,463	450,817	433,410	11,974,864

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	Land	Buildings	Leasehold improve- ments	Plant and equipment	Furniture and office equipment	Vehicles	Construction work in progress (CWIP)	Total
Accumulated depreciation / impairment loss								
Balance at January 1, 2023	(117,532)	(1,224,849)	(1,052,814)	(1,510,436)	(2,066,012)	(399,883)	--	(6,371,526)
Depreciation for the year	--	(108,366)	(92,430)	(197,643)	(170,916)	(19,183)	--	(588,538)
Disposals / write-off / reversals	--	13,183	37,976	13,362	123,317	17,539	--	205,377
Impairment reversal / (loss) (Note 40)	37,291	2,686	1,400	149,149	(2,077)	(246)	(4,596)	183,607
Effect of movement in exchange rate	--	14,044	1,299	92,002	8,969	946	--	117,260
Balance at December 31, 2023	(80,241)	(1,303,302)	(1,104,569)	(1,453,566)	(2,106,719)	(400,827)	(4,596)	(6,453,820)
Balance at January 1, 2024	(80,241)	(1,303,302)	(1,104,569)	(1,453,566)	(2,106,719)	(400,827)	(4,596)	(6,453,820)
Disposal of subsidiaries (Note 21)	--	31,665	6,644	310,072	12,649	3,221	--	364,251
Depreciation for the year	--	(108,482)	(97,017)	(187,490)	(200,430)	(17,240)	--	(610,659)
Disposals / write-off / reversals	--	12,056	135	16,594	94,089	17,058	--	139,932
Impairment reversal / (loss) (Note 40)	42,352	(11,425)	(19,396)	(119,695)	(2,582)	21	(7,223)	(117,948)
Effect of movement in exchange rate	--	24,880	3,271	97,662	7,435	8,579	--	141,827
Balance at December 31, 2024	(37,889)	(1,354,608)	(1,210,932)	(1,336,423)	(2,195,558)	(389,188)	(11,819)	(6,536,417)
December 31, 2023	1,241,935	1,575,973	649,607	1,640,318	615,777	74,223	248,443	6,046,276
December 31, 2024	1,089,577	1,444,271	698,532	1,075,942	646,905	61,629	421,591	5,438,447

a) Construction work in progress relates to the construction and upgrade of supermarkets and hyper markets as well as the upgrade and enhancement of the production and logistic facilities in certain subsidiaries. Also refer Note 20.3.

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5. RIGHT-OF-USE ASSETS

The movement of right-of-use assets is as follows:

	Land	Buildings	Plant and equipment	Vehicles	Total
Cost					
Balance as at January 1, 2023	912,987	4,289,429	7,112	104,311	5,313,839
Addition during the year	48,990	310,738	--	15,977	375,705
Leases termination / modification	(27,683)	(119,050)	--	(5,424)	(152,157)
Effect of movement in exchange rate	(1,585)	(5,426)	--	(4,540)	(11,551)
Balance at December 31, 2023	932,709	4,475,691	7,112	110,324	5,525,836
Balance as at January 1, 2024	932,709	4,475,691	7,112	110,324	5,525,836
Addition during the year	29,235	493,705	82	57,866	580,888
Acquisition of subsidiary (Note 14)	18,102	--	--	--	18,102
Leases termination / modification	(30,226)	(272,699)	--	(46,717)	(349,642)
Disposal of subsidiaries (Note 21)	--	(2,187)	(82)	(136)	(2,405)
Effect of movement in exchange rate	(7,254)	(10,053)	--	462	(16,845)
Balance at December 31, 2024	942,566	4,684,457	7,112	121,799	5,755,934
Accumulated depreciation and impairment					
Balance at January 1, 2023	(255,064)	(1,767,525)	(1,344)	(72,937)	(2,096,870)
Depreciation for the year	(71,681)	(396,023)	(474)	(21,583)	(489,761)
Leases termination / modification	24,739	63,509	--	4,037	92,285
Impairment reversal / (loss) (Note 40)	4,061	369	--	--	4,430
Effect of movement in exchange rate	987	130	--	3,347	4,464
Balance at December 31, 2023	(296,958)	(2,099,540)	(1,818)	(87,136)	(2,485,452)
Balance at January 1, 2024	(296,958)	(2,099,540)	(1,818)	(87,136)	(2,485,452)
Depreciation for the year	(79,849)	(400,118)	(592)	(17,266)	(497,825)
Leases termination / modification	24,232	227,141	--	43,691	295,064
Disposal of subsidiaries (Note 21)	--	1,250	118	277	1,645
Impairment reversal / (loss) (Note 40)	(5,623)	(12,573)	--	--	(18,196)
Effect of movement in exchange rate	1,995	4,495	--	400	6,890
Balance at December 31, 2024	(356,203)	(2,279,345)	(2,292)	(60,034)	(2,697,874)
Carrying amounts					
December 31, 2023	635,751	2,376,151	5,294	23,188	3,040,384
December 31, 2024	586,363	2,405,112	4,820	61,765	3,058,060

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6. INTANGIBLE ASSETS AND GOODWILL

6.1 The movement of intangible assets and goodwill is as follows:

	Goodwill	Brands with indefinite useful life	Software	Customer list	Distribution network	Total
Cost						
Balance as at January 1, 2023	998,899	480,271	421,467	170,111	8,480	2,079,228
Additions	--	--	19,756	--	--	19,756
Disposals / write-off	--	--	(106,386)	--	--	(106,386)
Effect of movement in exchange rate	(15,992)	--	(2,240)	--	--	(18,232)
Balance at December 31, 2023	982,907	480,271	332,597	170,111	8,480	1,974,366
Balance as at January 1, 2024	982,907	480,271	332,597	170,111	8,480	1,974,366
Additions	--	1,673	39,361	--	--	41,034
Transfer from PPE	--	--	2,008	--	--	2,008
Disposals / write-off	--	--	(4,214)	--	--	(4,214)
Disposal of subsidiaries (Note 21)	--	--	(2,090)	--	--	(2,090)
Effect of movement in exchange rate	(27,131)	--	90	--	--	(27,041)
Balance at December 31, 2024	955,776	481,944	367,752	170,111	8,480	1,984,063
Accumulated Amortisation						
Balance at January 1, 2023	(25,873)	--	(237,195)	(17,704)	(1,017)	(281,789)
Amortisation for the year	--	--	(24,771)	(13,275)	(678)	(38,724)
Disposals / write-off	--	--	97,347	--	--	97,347
Impairment (loss) / reversal during the year (Note 40)	(75,000)	--	533	--	--	(74,467)
Effect of movement in exchange rate	--	--	1,819	--	--	1,819
Balance at December 31, 2023	(100,873)	--	(162,267)	(30,979)	(1,695)	(295,814)
Balance at January 1, 2024	(100,873)	--	(162,267)	(30,979)	(1,695)	(295,814)
Amortisation for the year	--	--	(27,036)	(13,996)	(678)	(41,710)
Disposal of subsidiaries (Note 21)	--	--	1,836	--	--	1,836
Disposals / write-off	--	--	3,863	--	--	3,863
Impairment (loss) / reversal during the year (Note 40)	(157,745)	(75,871)	(658)	(19,991)	--	(254,265)
Effect of movement in exchange rate	--	--	1,720	--	--	1,720
Balance at December 31, 2024	(258,618)	(75,871)	(182,542)	(64,966)	(2,373)	(584,370)
Carrying amounts						
December 31, 2023	882,034	480,271	170,330	139,132	6,785	1,678,552
December 31, 2024	697,158	406,073	185,210	105,145	6,107	1,399,693

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6.2 The carrying values of goodwill, after foreign currency translation adjustments, comprises the following:

	December 31, 2024	December 31, 2023
Bayara Holding Limited (Note 40)	323,270	455,721
Savola Industrial Investment Company	145,664	145,664
Giant Stores Trading Company	95,209	95,209
Afia International Company	84,016	84,016
El Maleka for Food Industries Company (Note 40)	--	35,095
Herfy Foods Services Company	25,330	25,330
Afia International Company, Egypt	8,757	14,374
United Sugar Company	14,912	14,912
KUGU Gida Yatum Ve Ticaret A.S (Note 40)	--	5,147
Seafood International HoldCo (Note 21)	--	3,341
Notrika Golden Wheat Company (Note 21)	--	1,750
Behshahr Industrial Company (Note 21)	--	1,475
	697,158	882,034

The Group has reviewed the carrying amounts of goodwill to determine whether the carrying values exceed the recoverable amounts. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a non-financial asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows based on management’s approved 5-year plan, discounted to their present value using the growth rates, applicable discount rates and a terminal value percentages. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below:

The calculation of value-in-use is most sensitive to the following assumptions:

a) Discount rates

Discount rates reflect management estimates of the rate of return required for each business. The management has used the Weighted Average Cost of Capital (WACC) to determine the cost of capital rate. The cost of equity has been computed using the Capital Asset Pricing Model.

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The following discount rates have been used which are based on the WACC of respective CGUs:

	Discount Rate %		Terminal growth rate %	
	2024	2023	2024	2023
Savola Industrial Investment Company	12.1	13.5	2.0	2.1
Afia International Company	12.1	13.5	2.0	2.1
El Maleka for Food Industries Company	23.5	23.4	5.0	8.1
KUGU Gida Yatum Ve Ticaret A.S.	23.0	22.1	3.5	3.2
Afia International Company Egypt	23.2	24.3	2.0	8.1
Bayara Holding Limited	12.5 - 14.5	12.2	2.1	2.1
Giant Stores Trading Company	11.8	12.5	2.0	2.0

b) Key commercial assumptions

The valuation is based on the key commercial assumptions that revenue forecast and contribution margins in the products of the CGUs would be achieved.

As at December 31, 2024, there was headroom available aggregating to ﷲ 2,924 million (2023: ﷲ 3,079 million) between the recoverable amount and the carrying value of above CGUs after incorporating the impact of impairment charge for the year as disclosed in Note 40.

The following table shows the key mutually exclusive assumptions that would reduce the estimated recoverable values to the carrying amounts:

	Discount rate %	Average EBITDA growth rate %
Savola Industrial Investment Company	13.1	(3.7)
Afia International Company	28.4	(9.9)
Afia International Company Egypt	78.2	(32.3)
Giant Stores Trading Company	44.2	1.5

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7. INVESTMENT PROPERTY

	2024	2023
Cost		
Balance at beginning of year	196,448	176,740
Additions	--	3,051
Transfer from Property, plant and equipment (Note 4)	2,938	12,139
Finance cost capitalized during the year	--	4,518
Balance at end of year	199,386	196,448
Accumulated depreciation and impairment		
Balance at beginning of year	(42,819)	(38,741)
Depreciation during the year	(4,771)	(4,078)
Balance at end of year	(47,590)	(42,819)
Carrying amounts	151,796	153,629

7.1 As at December 31, 2024, the investment property includes a property from the Food Services segment having a fair value of ﷲ 255 million (December 31, 2023: ﷲ 247 million). The fair values have been determined by an external independent property valuer using future discounted cashflows approach which is third level of fair value based on the inputs to the valuation technique used. The valuer is certified by TAQEEM (Saudi Authority for Accredited Valuers) and has recent experience in location and the category of property being valued. The independent valuer provides the fair value of the Group’s investment property at each annual cycle.

7.2 All investment properties have been kept for the purpose of earning rental income.

8. EQUITY-ACCOUNTED INVESTEES

The details of the Group’s investment in equity-accounted investees are as follows:

Name	Relationship	Principal business sector	Country of incorporation	Ownership interest (%)		December 31,	
				2024	2023	2024	2023
Almarai Company (“Almarai”) (Note 8.3)	Associate	Fresh food products	Saudi Arabia	--	34.52	--	8,770,990
Kinan International for Real Estate Development Company (“Kinan”)	Associate	Real Estate	Saudi Arabia	29.9	29.9	409,097	396,592
United Sugar Company, Egypt (“USCE”) (Note 14)	Associate	Sugar Manufacturing	Egypt	--	33.82	--	128,475
Intaj Capital Limited (“Intaj”)	Associate	Fund management	Republic of Tunisia	49	49	--	13,046
						409,097	9,309,103

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8.1 Movement in the investment in equity-accounted investees is as follows:

	2024	2023
Balance at beginning of year	9,309,103	8,942,646
Share in net income, net of zakat and tax	808,635	718,813
Additions	59,965	--
Share in reserves	(108,892)	9,696
Dividends	(368,540)	(366,746)
Distribution of equity accounted investee as dividend in-kind	(9,083,819)	--
Impairment loss	--	(1,638)
Step acquisition (change of status from associate to subsidiary) (Note 14)	(200,836)	--
Other adjustments	(6,519)	6,332
Balance at end of year	409,097	9,309,103

8.2 The following table summarizes the financial information of significant equity-accounted investees:

	2024	Almarai*	2024	Kinon	2024	USCE**
		2023		2023		2023
Percentage ownership interest	--	34.52	29.9	29.9	--	33.82
Non-current assets	--	24,738,944	1,522,010	1,204,837	--	313,683
Current assets	--	11,455,071	1,735,584	1,891,683	--	912,058
Non-current liabilities	--	10,198,501	509,252	589,800	--	13,144
Current liabilities	--	8,186,689	552,669	396,109	--	780,858
Net assets attributable to shareholders (100%)	--	17,797,719	1,922,999	1,883,097	--	431,739
Group's share of net assets	--	6,143,773	574,977	563,046	--	146,014
Carrying amount of interest in associates	--	8,770,990	409,097	396,592	--	128,475
Revenue	20,979,512	19,575,585	560,937	542,334	1,893,849	1,664,421
Profit / (loss) from attributable to shareholders (100%)	2,313,100	2,049,123	116,221	207,982	(9,584)	(99,999)
Other comprehensive income / (loss) attributable to shareholders (100%)	(410,193)	(249,137)	1,780	(2,780)	24,918	(32,741)
Total comprehensive income attributable to shareholders	1,902,907	1,799,986	117,902	205,202	15,334	(132,740)
Group's share of profit and total comprehensive income*	658,047	728,717	35,253	61,356	7,009	(56,870)
Dividends received by the Group	345,218	345,218	23,322	21,528	--	--

*Represents company's share till December 12, 2024 (refer note 8.3)

** As of December 31, 2024 USCE has been reclassified as subsidiary (refer note 14)

8.3 On September 26, 2024 (corresponding to 23 Rabi Alawal 1446H), the Board of Directors of the Company recommended a capital reduction by ﷲ 8.3 billion, decreasing the Company's share capital from ﷲ 11.3 billion to ﷲ 3 billion. As part of this restructuring, the Board proposed an in-kind distribution of the Company's entire stake in Almarai Company to eligible shareholders.

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On December 12, 2024, determined to be the settlement date, (corresponding to 1 Jumada Al-Awwal 1446H), the Extraordinary General Assembly (EGM) approved the capital reduction through the cancellation of 833,980,684 ordinary shares at par value. This represents a reduction ratio of 0.7354 shares for every 1 share held. The capital reduction was carried out against the distribution of shares of equity accounted investee (Almarai Company). The fair value of the investment in Almarai Company on the settlement date amounted to ﷲ 21.1 billion.

The EGM on the same day as a separate agenda item, further approved the distribution of Savola Group's remaining entire stake in Almarai to its eligible shareholders as an in-kind dividend. On December 12, 2024, the Company declared a non-cash dividend, transferring all shares held in its associate, Almarai, to its shareholders. The dividend was measured at the fair value of the investment in Almarai at the distribution date, amounting to ﷲ 12.75 billion.

The difference between the fair value of the distributed shares and their carrying amount net of transaction costs and the release of other reserves has been recognized in the statement of profit or loss and other comprehensive income, resulting in a gain of ﷲ 11.55 billion.

The Company has derecognized its investment in Almarai as it no longer has significant influence over the entity. As of the reporting date, the Company has completed all regulatory requirements associated with the capital reduction and distribution except for certain shares held under fiduciary capacity due to pending legal formalities (to be read in conjunction with Note 15). No further obligations or liabilities related to Almarai remain as of the reporting date.

8.4 Commitments and contingent liabilities in respect of equity accounted investees:

At December 31, 2024, the equity accounted investee had outstanding letters of guarantees and capital commitments for its ongoing projects amounting to ﷲ 3.9 million (2023: ﷲ 0.7 million) and ﷲ 51 million (2023: ﷲ 119.5 million), respectively.

During the year, the title deed of an investment property of the equity-accounted investee amounting to ﷲ 402.8 million was suspended. Management of the investee company has filed an application for review with the competent authorities, which is still under consideration. Based on legal opinion, management of the investee company is confident in maintaining beneficial rights to the land. Accordingly, the potential outcome is not expected to have a material impact on the consolidated financial statements of the Group.

9. INVESTMENTS

Investments comprise the following:	Note	December 31, 2024	December 31, 2023
Non – current Investments			
Investments carried at FVOCI	9.1	108,271	98,068
Current Investments			
Investments carried at FVOCI	9.1	121,608	--
Investments carried at FVTPL	9.3 & 9.4	115,986	22,871
		237,594	22,871

9.1 Investments held at fair value through other comprehensive income:

	December 31, 2024	December 31, 2023
Quoted investments (Note 9.3)	188,233	57,780
Unquoted investments	41,646	40,288
	229,879	98,068

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9.2 Movement in the FVOCI investments is as follows:

	2024	2023
Balance at beginning of year	98,068	104,428
Additions during the year (Note 9.4)	129,900	--
Fair value reserves adjustment (Note 17)	1,911	(6,360)
Balance at end of year	229,879	98,068

9.3 The Group has applied an appropriate market participant discount factor in valuing one of its quoted investment due to the security-specific restrictions on disposal. Accordingly, the investment has been classified as level 2 securities.

9.4 Investment in FVOCI and FVTPL includes investment in Almarai recorded as a result of capital reduction and distribution. The shares carried at FVTPL are related to the Company's employee share scheme plan, while the shares classified under FVOCI pertain to withholding tax shares withheld upon distribution to the company's foreign shareholders. The corresponding liability as of December 31, 2024 is recorded under "Accrued and other liabilities" and has been settled subsequent to the year end.

10. INVENTORIES

	December 31, 2024	December 31, 2023
Finished products	2,532,031	2,211,445
Raw and packing materials	927,821	1,253,901
Work in process	85,573	74,726
Spare parts and supplies	281,140	278,184
Goods in transit	456,947	540,966
	4,283,512	4,359,222
Less: Impairment provision	(112,291)	(107,336)
	4,171,221	4,251,886

The movement of impairment provision is as follows:

	December 31, 2024	December 31, 2023
Balance at beginning of year	107,336	195,673
Charge / (reversal) for the year	40,510	(46,528)
Acquisition of subsidiary (Note 14)	8,490	--
Disposal of subsidiaries (Note 21)	(15,410)	(3,042)
Write off	(24,190)	(13,660)
Effect of movement in exchange rate	(4,445)	(25,107)
Balance at end of year	112,291	107,336

Inventories have been reduced by ₪ 132.8 million (December 31, 2023: ₪ 161.5 million) as a result of the write-down to net realizable value. Also refer Note 20.4.

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Raw materials include raw sugar having cost of ₪ 232.1 million (December 31, 2023: ₪ 200.2 million) which are held under a fair value hedge relationship. As at December 31, 2024, the fair value of these raw sugar amounts to ₪ 239.7 million (December 31, 2023: ₪ 156.4 million).

11. TRADE RECEIVABLES

	December 31, 2024	December 31, 2023
Trade receivables	2,116,034	1,924,403
Due from related parties (Note 32)	--	16,246
Less: Allowance for expected credit losses	(159,082)	(187,699)
	1,956,952	1,752,950

Following is the movement of allowance for expected credit losses:

	2024	2023
Balance at beginning of year	187,699	166,072
Impairment loss for the year – net	1,987	48,566
Acquisition of subsidiary (Note 14)	347	--
Disposal of subsidiaries (Note 21)	(11,975)	--
Write off	(9,333)	--
Effect of movement in exchange rate	(9,643)	(26,939)
Balance at end of year	159,082	187,699

	2024	2023
Allowance for expected credit losses	1,987	48,566
Charge related to discontinued operations (Note 21)	(2,443)	(24,470)
(Reversal) / charge related to continuing operations	(456)	24,096

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12. PREPAYMENTS AND OTHER RECEIVABLES

	Note	December 31, 2024	December 31, 2023
Measured at cost			
Advances to vendors		277,772	374,779
Prepaid expenses		278,096	241,580
Receivable from government authorities	12.1	270,607	167,881
Due from related parties	32	3,198	90,751
Non-trade receivable	12.2	24,721	43,909
Prepaid rent		19,247	22,265
Refundable deposits		10,944	15,895
Sales proceeds receivables	21	473,587	--
Others		82,971	160,934
Measured at fair value			
Positive fair value of derivatives	12.3	144,377	411,177
Measured at amortised cost			
Employee loans and advances		52,169	60,953
		1,637,689	1,590,124

12.1 Receivable from government authorities mainly includes claims of certain subsidiaries on account of subsidies, value added and other taxes.

12.2 This represents non-trade related balances with shareholder of a subsidiary.

12.3 Derivatives:

	December 31, 2024	December 31, 2023
Derivatives – current assets (classified under Prepayments and other receivables)		
Future exchange commodity contracts (Note ‘a’)	78,011	299,786
Firm commitments	66,366	111,391
	144,377	411,177
Derivatives – current liabilities (classified under Accrued and other liabilities)		
Future exchange commodity contracts (Note ‘a’)	137,080	246,536
Firm commitments	14,491	73,655
	151,571	320,191
Derivatives		
Put option (Note ‘d’)	--	274,255

In the ordinary course of business, the Group utilizes the following derivative financial instruments for both hedging and other purposes:

(a) Future exchange contracts

Future exchange contracts are the contractual agreements to either buy or sell a specified commodity at a specified price and date in the future. Futures are transacted in standardized amounts on regulated exchanges. These future contracts are held for both hedging and trading purposes.

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(b) Commodity future exchange contracts held for hedging purposes:

Risk management strategy of the Group:

The Group imports its raw sugar from overseas markets. Once the raw sugar is purchased and imported, it is then refined into white sugar and sold to end consumers. The purchases of the raw sugar are usually linked to the price of New York 11 Future Contracts (“NY11”) while the price for the sale of white sugar is mainly linked to the London 5 Future contracts (“L5”) with a few exceptions. The difference between NY11 and L5 price is referred to as “White Premium” which is essentially the processing cost of converting Raw sugar into white sugar and is one of the main components of the refining cost.

The Group’s risk management strategy is to hedge the price risk which arises from the following commodity-based exposures:

- Changes in the price of raw sugar purchases (firm commitments) that are based on NY11 future contracts which arises from the fluctuation in raw sugar prices, associated with the firm commitments for purchases;
- Changes in the value of sugar inventory that is held on the reporting date denominated in NY 11; and
- Changes in the White sugar premium i.e. the difference between the NY11 and L5 future prices

Exposure to price risks impacts the profitability and financial position of the Group due to movement in the NY 11 rates and the variations between NY 11 and L5 prices. These exposures are managed through the use of derivative financial instruments comprising mainly of futures contracts.

The Group has adopted a comprehensive system for the measurement and management of risk (note 42 – credit risk, market risk and liquidity risk). The Group’s risk management is predominantly controlled by SFC’s Commodity Risk Control (“CRC”) team under the policies approved by the board of directors. Group CRC team identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as commodity risk management and the use of derivative financial instruments. Management considers the counter party risk to be immaterial.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in gains/losses arising on the changes in the fair value of commodity contracts or inventory being offset against the gains/losses on the derivative contracts in the profit or loss. All of the Group’s derivatives are entered into with the global commodity exchanges. Derivative activities are mainly carried out under the Group’s CRC function.

For the hedges of firm commitments and inventory held, the group enters into hedge relationships where the critical terms of the hedging instrument (commodity futures contracts) match exactly with the terms of the hedged item such as payment dates, maturities and notional amount. The group hedge 100% of the notional value. The group therefore performs a qualitative assessment of effectiveness through matching the critical terms of the hedging instrument and hedged item. As all critical terms matched during the year, Group determines that there is an economic relationship. Group monitors on a regular basis if changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument.

The Group determines hedge effectiveness at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group considers potential sources of ineffectiveness to arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty.

The Group’s hedging activities include 1) Fair value hedges for firm commitments and sugar inventory and 2) Cash flow hedges for the changes in white sugar premium.

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1) Fair value hedges:

The Group uses future contracts to hedge its exposure to changes in the price of raw sugar purchases (firm commitments) and inventory held as part of the risk management process involves managing the Group’s exposure to fluctuations in inventory prices to reduce its exposure to inventory risks to acceptable levels as determined by the Board of Directors.

The Board of Directors has established levels of inventory risk by setting limits on counterparty and commodity derivative position exposures. Positions are monitored on a daily basis and hedging strategies are used to ensure that positions are maintained within the established limits. The group’s risk management policy is to hedge 100% of the exposure to price risk. Hence, for the year ended 31 December 2024, 100% of the price risk associated with firm commitments and sugar inventory held were hedged.

No hedge ineffectiveness was noted in relation to the fair value hedges for 2024 and 2023.

Effects of fair value hedge accounting on the financial position and performance:

	2024	2023
Commodity futures contracts		
Carrying amount (current and non-current)	(53,217)	6,077
Hedge ratio	1:1	1:1
Changes in the fair value of outstanding hedging instruments since 1 January	(59,294)	(12,019)
Changes in the value of hedged item used to determine hedge effectiveness	65,654	12,019

2) Cash flow hedges:

The Group uses future contracts to hedge its exposure to changes in the white sugar premium (‘hedged items’) i.e. the difference between the NY11 and L5 future prices. Under the Group’s hedging policy, the critical terms of the futures contracts must align with the hedged items. The Group’s risk management policy is to hedge 100% of the exposure to price risk. Hence, for the year ended 31 December 2024, 100% of the price risk associated with the white premium was hedged.

No hedge ineffectiveness was noted in relation to the cash flow hedges for 2024 and 2023.

Effects of cash flow hedge accounting on the financial position and performance:

	2024	2023
Commodity futures contracts		
Carrying amount (current and non-current)	(5,613)	(28,874)
Hedge ratio	1:1	1:1
Changes in the fair value of outstanding hedging instruments since 1 January	23,261	(26,964)
Changes in the value of hedged item used to determine hedge effectiveness	(23,261)	26,964
Weighted average hedged rate for the year	102.65	133.66

The table below shows the positive and negative fair values of derivative financial instruments, number of lots, together with the notional amounts analysed by the term to maturity. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group’s exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor to market risk.

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Movements in the other reserve of cash flow hedges:

	2024	2023
Balance at beginning of year	(20,409)	(5,667)
Gain on changes in fair value recognized directly in equity, net	17,780	(14,742)
Balance at end of year	(2,629)	(20,409)

Reasonably possible changes at the reporting date to one of the relevant assumptions, holding other assumptions constant, would have affected the valuation of derivative financial instruments by the amounts shown below.

	Positive fair value	Negative fair value	Number of lots (Quantity)	Net fair value	Within 3 months	3-12 months	1-5 years
December 31, 2024							
Held as fair value hedge							
Commodity futures	52,193	(105,410)	19,098	(53,217)	(44,968)	(8,238)	(11)
Firm Commitment	66,366	(14,492)	16,134	51,874	43,625	8,238	11
Held as cash flow hedge							
Commodity futures	17,128	(22,741)	3,256	(5,613)	(4,086)	(1,393)	(134)
Held as others							
Commodity futures	8,690	(8,929)	3,338	(238)	(6,776)	6,538	--

December 31, 2023							
Held as fair value hedge							
Commodity futures	117,563	(111,486)	15,443	6,077	43,125	(35,511)	(1,536)
Firm Commitment	111,391	(73,655)	13,634	37,736	689	35,511	1,536
Held as cash flow hedge							
Commodity futures	47,040	(75,914)	4,018	(28,874)	(24,858)	(4,016)	--
Held as others							
Commodity futures	135,183	(59,137)	15,700	76,046	40,341	35,705	--
Put Option	274,225	--	--	274,225	--	274,225	--

All of the Group’s Commodity derivatives are entered into with the global commodity exchanges.

(c) Commodity future exchange contracts held for trading purposes:

These future contracts are only used for economic hedging purposes and not as speculative investments. However, where these derivatives do not meet the hedge accounting criteria, they are classified as ‘held for trading’ for accounting purposes and are accounted for at fair value through profit or loss.

(d) Options

Options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, to either buy or sell at a fixed future date or at any time during a specified period, a specified amount of a currency, commodity or financial instrument at a pre-determined price.

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During March 2016, the Group and other shareholders of USCE signed a Shareholders’ Agreement to increase the paid-up share capital of USCE in the form of participation by a new shareholder, European Bank for Reconstruction and Development (“EBRD”).

The agreement also contained Put option, which entitles EBRD to sell USCE shares to the former shareholders at the agreed price during the period stipulated in the agreement.

On May 23, 2024, the Company signed an accession, amendment and confirmation agreement (AACA) between Savola Group Company and certain other shareholders (Relevant shareholders) where the parties to the AACA commercially agreed for:

- i. sale of 2,675,484 shares of USCE (out of the total 7,982,616 shares of USCE held by EBRD) for USD 20.95 million to the Relevant Shareholders and settlement of put option liability for a consideration of USD 22.65 million. During the current year, USD 22.65 million was paid by Relevant Shareholders against the put option liability. Accordingly, the Group paid ﷲ 64.8 million against the put option liability; and
- ii. a new put option on the remaining 5,307,132 USCE shares held by EBRD for an agreed price to be exercised between August 1, 2025, and August 31, 2025.

At the reporting date, the put option has been assessed from the perspective of Group’s acquisition of USCE (note 14). As such, in lieu of the pricing mechanism of the aforementioned option, the corresponding derivative liability as at the date of acquisition amounting to ﷲ 315.9 million was derecognized and a put liability at the present value of the total outflows required to settle the option amounting to ﷲ 343.3 million has been recognized at the reporting date and presented as Put liability in the consolidated statement of financial position. Moreover, the proportionate share of corresponding Non-Controlling shareholder (NCI) in the net assets of USCE has not been recognized under the NCI balance as of December 31, 2024.

During the year, the put options has been re-measured at fair value using “Black Scholes” model and changes therein have been recognised under finance cost amounting to ﷲ 106.6 million (2023: ﷲ 88 million).

13. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash in hand	20,632	43,795
Cash at bank- current account	948,448	743,688
Cash and bank balances	969,080	787,483
Deposits with maturity less than three months	1,266,248	425,710
Cash and cash equivalents presented in statement of financial position	2,235,328	1,213,193
Bank overdrafts	(87,364)	(80,734)
Cash and cash equivalents for cash flow purposes	2,147,964	1,132,459
Term deposits (Note 13.1)	546,941	738,395

13.1 Term deposits are deposits with commercial banks, with an original maturity of more than three months and yield commission income at prevailing market rates. The management expects to realize these deposits within 12 months from the reporting date.

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14. ACQUISITION OF SUBSIDIARY VIA STEP ACQUISITION

On December 31, 2024, the Group amended the shareholder agreement related to United Sugar Company Egypt (USCE) enabling it to control the relevant activities of USCE in accordance with IFRS 10 – Consolidated Financial Statements. During the reporting period, the Group also increased its shareholding in USCE to 53.28% (effective 43.14%) for a consideration of ﷲ 59.9 million to European Bank for Development and Reconstruction (EBRD).

This transaction has been accounted for as a business combination achieved in stages under IFRS 3 – Business Combinations, resulting in the following accounting impacts:

The Group remeasured its previously held equity interest in USCE at fair value as of the acquisition date, with resulting loss on derecognition of associate amounting to SAR 139.0 million recognized in the consolidated statement of profit or loss.

The identifiable assets and liabilities of USCE have been recognized at their fair values as of the acquisition date with no goodwill or bargain purchase gain recognized.

Following this transaction, USCE is fully consolidated in the Group’s financial statements from December 31, 2024. Comparative figures for prior periods reflect the investment in USCE as an associate, accounted for using the equity method under IAS 28 – Investment in Associates and Joint Ventures.

14.1 The carrying amounts of assets and liabilities as at the date of acquisition were as follows:

	2024
Trade receivables	45,866
Inventories	256,751
Property plant and equipment	2,226
Cash and cash equivalents	173,065
Prepayments and other receivables	137,250
Other assets	47,984
Total assets	663,142
Trade payables	(115,589)
Loans and borrowings	(130,716)
Employee benefits	(2,339)
Accruals and other payables	(130,439)
Due to related parties	(145,249)
Other liabilities	(39,100)
Total liabilities	(563,432)
Net Assets	99,710
Share of net assets	53,128
Non-controlling interests	46,583
Effective non-controlling interests at Group level	56,698
Put liability on non-controlling interests	(23,706)
	32,992
Fair value of net assets acquired	53,128
Derecognition of equity accounted investee *	(200,836)
Release of other reserves	8,707
Loss on derecognition of equity accounted investee	(139,001)

** During the year, the Group had acquired additional equity stake in its investment in USCE which resulted in an increase to the overall carrying value by ﷲ 59.9 million.

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15. SHARE CAPITAL AND DIVIDEND DECLARATION

As of December 31, 2024, the Group's share capital amounts to ﷲ 3 billion, consisting of 300 million fully paid shares with a nominal value of ﷲ 10 each (December 31, 2023: ﷲ 5.3 billion, consisting of 533.981 million fully paid shares with a nominal value of ﷲ 10 each).

During 2024, the Group's Board had recommended to increase the Group's share capital by ﷲ 6 billion, from ﷲ 5.3 billion to ﷲ 11.3 billion, through a right issue of shares. An application for the increase was approved by the CMA on July 31, 2024 (corresponding to 25 Muharram 1446H). The Extraordinary General Assembly (EGM) approved the right issue of shares on August 25, 2024 (corresponding to 21 Safar 1446H), to increase the Group's share capital. Consequently, all relevant regulatory formalities have been completed during the year. The Group incurred incremental transaction costs amounting to ﷲ 38.5 million in relation to the right issue of shares and is included in "Retained earnings" as of December 31, 2024.

On September 26, 2024 (corresponding to 23 Rabi Alawal 1446H) the 's Board recommended to reduce the Group's share capital by ﷲ 8.3 billion, from ﷲ 11.3 billion to ﷲ 3 billion and distribute the Group's entire stake in Almarai Company as an in-kind distribution. On December 12, 2024 (corresponding to 23 Rabi Alawal 1446H) the Extraordinary General Assembly (EGM) approved the Capital reduction of the Group through cancelling (833,980,684) ordinary shares with a reduction ratio of approximately 0.7354 shares for each 1 share against the distribution of a number of Almarai Company ("Almarai") shares, to Savola's eligible shareholders, having fair value equivalent to the par value of the Group's cancelled shares. The EGM also approved to distribute Savola Group's entire stake in Almarai to Savola's eligible Shareholders partially in lieu of reduction in share capital and remaining as in-kind distribution. Consequently, all relevant regulatory formalities have been completed during the year. The Group incurred incremental transaction costs amounting to ﷲ 9.2 million in relation to the capital reduction and distribution of shares and is included in "Retained earnings" as of December 31, 2024.

As of December 31, 2024, the Company is holding Almarai shares on behalf of certificate shareholders in a fiduciary capacity. The legal formalities of the transfer of these shares is in progress.

On May 10, 2023, the Group's shareholders in their Extraordinary General Assembly Meeting approved dividends to the Shareholders for the year ended December 31, 2022 with a total amount of ﷲ 352.4 million at ﷲ 0.66 per share.

16. STATUTORY RESERVE

In accordance with the Company's amended By-laws (refer Note 1), it is not required to set aside a statutory reserve. Nevertheless, the Ordinary General Assembly may, when determining dividends from the net profit, decide to allocate reserves in the amount that serves the Company's interests or ensure distribution of stable profits as much as possible to the shareholders. The statutory reserve appearing in the financial statements as of December 31, 2023, was required as per the old Companies' Law. On May 7, 2024 (corresponding to 28 Shawwal 1445H), in accordance with the Company's amended By-laws, the General Assembly of the Group's shareholders resolved to transfer the previous statutory reserve, amounting to ﷲ 1.8 billion to retained earnings.

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17. OTHER RESERVES

	Share based payment reserves	Financial assets at FVOCI	Cash flow hedge reserves	Share of equity accounted investees other reserves	Total
December 31, 2024					
Balance at beginning of year	22,800	(88,106)	(20,409)	(370,798)	(456,513)
Share in changes in other reserve of equity accounted investees	--	--	--	(109,033)	(109,033)
Fair value adjustment from FVOCI investments (Note 9.2)	--	1,911	--	--	1,911
Fair value adjustment from derivative financial instruments relating to the effective portion of cash flow hedge (Note 12.3)	--	--	17,780	--	17,780
Charge for equity-settled employees' share based payment plan (Note 18)	36,304	--	--	--	36,304
Settlement of share-based payment reserve (Note 18)	(12,525)	--	--	--	(12,525)
Share in other reserve of associate reclassified to profit and loss (Note 8.1)	--	--	--	367,101	367,101
Impact of Capital reduction of share-base payment reserve (Note 18)	(17,882)	--	--	--	(17,882)
Share in other reserve of associate reclassified to retained earnings (Note 8.1)	--	--	--	104,963	104,963
Balance at end of year	28,697	(86,195)	(2,629)	(7,767)	(67,894)

	Share based payment reserves	Financial assets at FVOCI	Cash flow hedge reserves	Share of equity accounted investees other reserves	Total
December 31, 2023					
Balance at beginning of year	17,617	(81,746)	(5,667)	(382,935)	(452,731)
Share in changes in other reserve of equity accounted investees	--	--	--	12,137	12,137
Fair value adjustment from FVOCI investments (Note 9.2)	--	(6,360)	--	--	(6,360)
Fair value adjustment from derivative financial instruments relating to the effective portion of cash flow hedge	--	--	(14,742)	--	(14,742)
Charge for equity-settled employees' share based payment plan	5,183	--	--	--	5,183
Balance at end of year	22,800	(88,106)	(20,409)	(370,798)	(456,513)

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18. SHARE BASED PAYMENT PLAN

On April 29, 2020, the shareholders of the Company approved the Employees Long Term Incentive Program ("Plan") for the benefit of certain eligible senior executives of the Group (the "Participants"). The Plan entitles the Participants a conditional right to receive a number of restricted share units (each unit equal to the value of one share of the Company at the Grant date), following the satisfaction of service condition.

Significant features of the Plans are as follows:

Grant date / employees entitled	Total number of shares granted		Service / vesting period	Fair value per share on grant date
	Key Management Personnel	Other Senior Employees		
August 20, 2024	64,919	403,717	3 years	ﷲ 43.0
September 10, 2023	170,586	529,590	3 years	ﷲ 34.8
September 10, 2022	182,017	463,532	3 years	ﷲ 31.2
September 10, 2021	135,185	268,462	3 years	ﷲ 39.25

Fair value per share on grant date is the closing price per share on Tadawul as at the grant date.

During the year, the Group carried out capital restructuring (refer to Note 15), which included a rights issue and a capital reduction through the distribution of Almarai shares. Under the granted plans, employees are entitled to all corporate actions affecting the Company's share capital. As a result of the rights issue, the allocated shares increased by 1,613,727 with the company to claim an exercise price of ﷲ 10 per share from employees. Meanwhile, the capital reduction led to a decrease of 2,337,416 allocated shares, resulting in the grant of 967,551 Almarai shares. The liability for settling Almarai shares is recorded under "Accrued and Other Liabilities." In relation to the above transaction, certain key executives have also been granted/awarded additional shares under employee share share-based payment plan, that have been vested during the year.

The number of shares under share base payment plans after rights issue, capital reduction and distribution are as follows:

Grant date / employees entitled	Total number of shares allocated	Rights issue shares	Shares cancelled due to Capital reduction	Remaining Savola shares to be vested	Almarai Shares to be vested
August 20, 2024	468,637	470,982	(682,067)	257,552	282,335
September 10, 2023	700,176	640,674	(924,851)	415,999	382,833
September 10, 2022	645,549	502,071	(730,498)	417,122	302,383

The total expense recognised for employees' services received during the period ended December 31, 2024, under the Plan amounted to ﷲ 36.3 million (December 31, 2023: ﷲ 5.2 million) and is included in 'salaries and employee related expenses' with a corresponding increase in the consolidated statement of changes in equity under the 'Other reserves'.

During the year ended December 31, 2024, the plan granted on September 10, 2021 has been vested resulting in vesting of 365,699 shares, while 37,948 shares were forfeited due to non-completion of service condition.

Further, during the year ended December 31, 2024, the Group subscribed to 3,334,810 shares amounting to ﷲ 33.35 million in connection with Company's Rights Issue (Refer note 15). This includes rights shares subscribed on behalf of and funded by certain subsidiaries that are held by the Company until vesting.

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During the period ended December 31, 2023, the Group purchased 2,182,858 treasury shares amounting to ﷲ 80 million in connection with the Plan.

As at December 31, 2024, the number of shares to be vested are 840,816, after forfeiture of 249,857 shares due to the non-completion of service condition of certain employees.

19. NON-CONTROLLING INTERESTS

The following table summarizes the information relating to each of the Group's subsidiaries that has significant / material Non-Controlling Interests ("NCI"), before any intra group eliminations:

December 31, 2024	SFC	Herfy	GFC
Non-current assets	2,574,840	1,430,732	523,177
Current assets	6,642,730	286,888	561,353
Non-current liabilities	658,913	531,419	126,797
Current liabilities	6,488,884	261,211	196,795
Net assets (100%)	2,069,773	924,991	760,938
Carrying amount of NCI	211,781	473,259	255,757
Revenue	11,943,745	1,124,769	760,241
Net profit	(1,682,994)	(116,524)	(33,046)
Other Comprehensive Income ("OCI")	976,621	8,038	6,216
Total comprehensive income (100%)	(706,371)	(108,486)	(26,830)
Profit allocated to NCI	(32,036)	(59,547)	32,253
Total comprehensive (loss) / income allocated to NCI	(66,869)	4,099	35,299
Cash flow from operating activities	38,125	135,407	31,553
Cash flow from investing activities	(275,293)	(15,665)	(77,649)
Cash flow from financing activities	814,806	(125,229)	29,342
Dividends paid to NCI	(53,016)	--	--

December 31, 2023	SFC	Herfy	GFC
Non-current assets	3,427,706	1,555,109	548,368
Current assets	6,803,977	351,562	529,873
Non-current liabilities	1,544,659	614,048	121,692
Current liabilities	6,335,405	259,147	690,381
Net assets (100%)	2,351,619	1,033,476	266,169
Carrying amount of NCI	351,394	527,314	220,459
Revenue	12,396,536	1,173,696	714,072
Net profit	580,618	8,386	58,150
Other Comprehensive (loss) / income ("OCI")	(364,371)	878	(1,168)
Total comprehensive income (100%)	216,247	9,264	56,982
Profit allocated to NCI	129,008	4,277	34,260
Total comprehensive income allocated to NCI	68,257	4,725	33,688
Cash flow from operating activities	1,230,673	190,465	88,195
Cash flow from investing activities	(259,886)	(46,019)	(28,860)
Cash flow from financing activities	(289,049)	(149,634)	(22,920)
Dividends paid to NCI	(38,281)	(16,493)	(7,350)

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20. LOANS AND BORROWINGS

The following information reflects the contractual terms of the Group’s interest-bearing loans and borrowings, which are measured at amortised cost:

	December 31, 2024	December 31, 2023
Non-current liabilities		
Unsecured bond issues (Sukuk) (Note 20.1)	--	1,000,000
Unsecured bank loans	29,435	3,699,990
	29,435	4,699,990
Current liabilities		
Current portion of secured bank loans	--	11,862
Current portion of unsecured bank loans	229,445	375,796
Secured bank loans	--	43,103
Unsecured bank loans	3,030,427	3,376,219
Bank overdrafts	87,364	80,734
	3,347,236	3,887,714
Accrued Financial Charges (Note 20.5)	26,906	56,783
	3,374,142	3,944,497
	3,403,577	8,644,487

Geographical analysis of loans and borrowings is as follows:

Location	Long term loans		Short term Loan		Total loans and borrowings	
	2024	2023	2024	2023	2024	2023
Saudi Arabia	258,880	5,017,000	1,806,452	2,641,566	2,065,332	7,658,566
Egypt	--	15,586	828,550	316,119	828,550	331,705
Algeria	--	--	125,182	55,280	125,182	55,280
Turkey	--	--	237,660	175,465	237,660	175,465
Iran	--	--	--	242,602	--	242,602
UAE	--	55,062	131,577	89,172	131,577	144,234
Sudan	--	--	15,276	36,635	15,276	36,635
	258,880	5,087,648	3,144,697	3,556,839	3,403,577	8,644,487

Changes in liabilities arising from financing activities:

	January 1, 2024	Additions	Repayments	Other changes	Effect of movement in exchange rate	December 31, 2024
Long term borrowings	5,087,648	976,535	(5,782,930)	--	(22,373)	258,880
Lease liabilities	3,522,529	586,824	(660,575)	163,960	(19,641)	3,593,097
Total liabilities from financing activities	8,610,177	1,563,359	(6,443,505)	163,960	(42,014)	3,851,977

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	January 1, 2023	Additions	Repayments	Other changes	Effect of movement in exchange rate	December 31, 2023
Long term borrowings	4,512,177	1,154,309	(582,076)	--	3,238	5,087,648
Lease liabilities	3,722,720	366,652	(678,800)	121,802	(9,845)	3,522,529
Total liabilities from financing activities	8,234,897	1,520,961	(1,260,876)	121,802	(6,607)	8,610,177

20.1 On July 9, 2019, the Group completed the offering of Sukuk, under the new program, with a total value of ﷲ 1 billion with a tenor of 7 years and carrying an expected variable return to the Sukuk-holders of 6 months SIBOR plus 1.60% payable semi-annually. The Sukuk will mature on July 9, 2026. The issuance included ﷲ 507 million of the previous Sukuk, that have been redeemed and exchanged to new program.

During the year 2024, the Company settled unsecured bank loans amounting to ﷲ 5.9 billion using proceeds from the rights issue.

Further during the year 2024, the Company completed the buy-back of its entire ﷲ 1 billion Sukuk issued on July 9, 2019 and maturing on July 9, 2026 ("Sukuk") in accordance with the relevant terms and conditions.

20.2 These represent borrowings obtained from commercial banks and other financial institutions by the Parent Company and its subsidiaries. These borrowings are in ﷲ, Egyptian Pounds, US Dollars, Algerian Dinar, Turkish Lira and United Arab Emirates Dirhams. Certain of these borrowings are secured by a charge on the property, plant and equipment of certain overseas subsidiaries. Certain loan agreements include covenants which, amongst other things, require certain financial ratios to be maintained. Some of the borrowings of subsidiaries are secured by corporate guarantees of the Parent Company. As at December 31, 2024, loans and borrowings include sharia-compliant financing facilities amounting to ﷲ 2.1 billion (December 31, 2023: ﷲ 8.2 billion).

20.3 Property, plant and equipment amounting to Nil (December 31, 2023: ﷲ 128.3 million) of certain overseas subsidiaries of the Group are pledged as collateral with commercial banks.

20.4 Inventories amounting to Nil (December 31, 2023: ﷲ 24.4 million) of certain overseas subsidiaries of the Group are pledged as collateral with commercial banks.

20.5 Movement of Accrued Finance Cost

	December 31, 2024	December 31, 2023
Balance at beginning of year	56,783	86,252
Finance cost paid during the year	(768,056)	(744,770)
Effect of movement in exchange rate	(16,267)	(14,238)
Acquisition of subsidiary (Note 14)	3,694	--
Charge for the year (Note 41)	750,752	729,539
Balance at end of year	26,906	56,783

Reconciliation for finance cost on borrowings	2024	2023
Finance charges on borrowings	750,752	729,539
Discontinued operations	(88,673)	(128,127)
Continuing operations	662,079	601,412

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21. DISCONTINUED OPERATION

	2024	2023
Iran (Note 21.1)	(1,121,572)	87,656
Sudan (Note 21.4)	(260,418)	(68,489)
Total	(1,381,990)	19,167

21.1 During the year ended December 31, 2024, the Group decided to sell its investment in Central Asian subsidiaries. In this respect, the Company entered into a non-cancellable Sell Purchase Agreement (SPA) and Handover Agreement on December 31, 2024, being the effective date of completion of the sale to an independent third party following the internal reorganization. As per the signed SPA, the Company had received ﷲ 231.4 million out of the total consideration of ﷲ 705 million as at December 31, 2024.

The financial performance of the subsidiaries disposed off (until the date of disposal) are included in the consolidated statement of profit or loss as part of discontinued operations.

21.2 Financial performance and cashflow information.

	2024	2023
Revenue	1,275,562	2,519,894
Cost of revenues	(985,989)	(2,112,673)
Selling and distribution expenses	(69,876)	(60,662)
Administrative expenses	(63,358)	(77,903)
Net monetary loss	(5,391)	(15,428)
Impairment loss on financial assets	(3,282)	(7,209)
Finance income	89,732	39,614
Finance Cost	(103,186)	(131,188)
Profit before income tax	134,212	154,445
Current income tax	(35,700)	(67,532)
Deferred income tax	(438)	743
Profit after income tax of discontinued operations	98,074	87,656
Loss on sale of subsidiary after income tax (Note 21.3)	(1,219,646)	--
	(1,121,572)	87,656
Exchange differences on translation of discontinued operations	(203,063)	(126,827)
Other comprehensive income from discontinued operations	(203,063)	(126,827)
Net cash inflow from operating activities	156,472	453,817
Net cash (outflow) / inflow from investing activities	(92,115)	26,411
Net cash outflow from financing activities	(159,830)	(392,138)
Net cash (used in) / generated from discontinued operations	(95,473)	88,090

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*Breakup of property plant and equipment depreciation:	2024	2023
Cost of revenues	23,256	34,749
Selling and distribution expenses	46	49
Administrative expenses	19,247	18,950
	42,549	53,748

21.3 Details of the sale of the subsidiary

	2024
Sales proceeds	705,000
Less:	
Banking charges	(17,541)
Other transaction costs	(38,490)
Net estimated cash to be received on sale of subsidiary	648,969
Carrying amount of net assets sold	(504,614)
Gain on disposal before zakat and reclassification of foreign currency translation reserve	144,355
Reclassification of foreign currency translation reserve	(1,360,392)
Zakat expense @ 2.5% on gain on sale of subsidiary	(3,609)
Loss on disposal after zakat	(1,219,646)

The cash and cash equivalents as at the date of sales were as follows:

	2024
Cash and cash equivalents	452,165

	2024
Total sales proceeds	705,000
Proceeds received as of December 31, 2024	(231,413)
Sales proceeds receivables (Note 12)	473,587

The carrying amounts of assets and liabilities summarized by each major category as at the date of sale were as follows:

	2024
Trade receivables	126,778
Inventories	263,327
Property, plant and equipment	127,701
Other assets	699,591
Total assets	1,217,397
Trade payables	(51,138)
Loans and borrowings	(292,351)
Employee benefits	(27,955)
Other liabilities	(230,083)
Total liabilities	(601,527)
Net Assets	615,870

This transaction resulted in derecognition of non-controlling interest amounting to ﷲ 89.9 million. Subsequent to year end, the Group has received ﷲ 695.5 million in total, out of the total sales proceeds.

21.4 During the year ended December 31, 2023, an armed conflict began in the republic of Sudan resulting in suspension of the operations.

During the current year, the Board of Directors of SFC passed a resolution on December 31, 2024, to abandon the operations of its subsidiary (Savola Sudan) due to ongoing civil war and management significantly reduced the work force. In this respect, all non-current assets of Savola Sudan have been written down to Nil carrying value and the CTR has been recycled to profit and loss amounting to ﷲ 202.6 million. Moreover, Savola Sudan has been classified as

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discontinued operations in these consolidated financial statements.

Financial performance and cashflow information.

	2024	2023
Revenue	61,953	148,900
Cost of revenues	(61,089)	(158,617)
Selling and distribution expenses	(1,367)	3,778
Administrative expenses	(34,890)	(16,065)
Net monetary loss	(12,992)	(4,297)
Finance cost	(10,250)	(6,651)
Impairment loss	--	(18,258)
Impairment loss on financial assets	839	(17,261)
Loss before income tax	(57,796)	(68,471)
Income tax expense	--	(18)
Loss after income tax	(57,796)	(68,489)
Reclassification of foreign currency translation reserve	(202,622)	--
Loss on abandonment of subsidiary after income tax	(260,418)	(68,489)
Exchange differences on translation of discontinued operations	29,876	(57,537)
Other comprehensive income from discontinued operations	29,876	(57,537)
Net cash outflow from operating activities	79,794	103,501
Net cash inflow from investing activities	--	--
Net cash outflow from financing activities	(74,449)	(120,056)
Net change in cash from discontinued operations	5,345	(16,555)
Breakup of depreciation:		
Cost of revenues	1,957	2,721
Selling and distribution expenses	--	54
Administrative expenses	1,631	1,993
	3,588	4,768

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21.5 Earnings per share attributable to owners of the Company from discontinued operations:

	Amount in ﷻ	
Basic	(1.41)	(0.01)
Diluted	(1.41)	(0.01)

22. LEASE LIABILITIES

	2024	2023
Balance at beginning of year	3,522,529	3,722,720
Acquisition of subsidiary (Note 14)	30,361	--
Addition during the year	586,824	366,652
Disposal of subsidiaries (Note 21)	(1,005)	--
Lease terminated / modified during the year	(66,578)	(75,641)
Interest expense for the year (Note 41)	201,182	197,443
Finance cost paid on lease liabilities	(178,404)	(201,182)
Payment during the year– Principal	(482,171)	(477,618)
Effect of movement in exchange rate	(19,641)	(9,845)
Balance at end of year	3,593,097	3,522,529

22.1 Lease liabilities have been presented in the consolidated statement of financial position as follows:

	2024	2023
Lease liabilities – non-current portion	3,166,786	3,092,951
Lease liabilities – current portion	426,311	429,578
	3,593,097	3,522,529

22.2 Amount recognized in profit and loss statement

	2024	2023
Interest expense	198,182	197,443
Expense relating to short-term leases	113,041	134,546

22.3 The total cash outflow for leases in 2024 was ﷻ 717.5 million (2023: ﷻ 773.5 million).

Reconciliation for interest expense on lease liabilities	2024	2023
Interest expense on lease liabilities	201,182	197,443
Discontinued operations (Note 24)	(372)	(317)
Continuing operations	200,810	197,126

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23. EMPLOYEE BENEFITS

General Description of the plan

The Group operates an approved unfunded employees' end of service benefits scheme / plan for its permanent employees as required by the Saudi Arabian Labour law and in accordance with the local statutory requirements of the foreign subsidiaries.

The amount recognized in the consolidated statement of financial position is determined as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligation	754,969	842,718

An independent actuarial exercise has been conducted as at December 31, 2024 and December 31, 2023 to ensure the adequacy of provision for employees' end of service benefits in accordance with the rules stated under the Labour Laws of respective jurisdictions by using the Projected Unit Credit Method as required under International Accounting Standards 19: Employee Benefits.

Movement in net defined benefit liability

Net defined benefit liability comprises only of defined benefit plans.

The movement in the defined benefit obligation during the year is as follows:

	2024	2023
Balance at beginning of year	842,718	844,487
Acquisition of subsidiary (Note 14)	2,339	--
Disposal of subsidiaries (Note 21)	(27,955)	--
Included in profit or loss		
Current service cost	70,391	100,080
Interest cost	41,385	39,097
	111,776	139,177
Included in other comprehensive income		
Re-measurement gain:		
Actuarial (gain) / loss arising from:		
Demographic assumptions	(6,214)	(8,067)
Financial assumptions	(36,360)	(15,865)
Experience adjustment	(20,317)	(20,003)
Actuarial gain	(62,891)	(43,935)
Effect of movement in exchange rates	(29,031)	(14,641)
Benefits paid	(81,987)	(82,370)
Balance at end of year	754,969	842,718

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Actuarial assumptions

The following were the significant actuarial assumptions at the reporting date:

	December 31, 2024	December 31, 2023
Discount rate	4.9% - 40%	4.10% - 19.75%
Future salary growth / Expected rate of salary increase	1.8% - 49%	4.56% - 40%
Mortality rate	0.10% - 0.37%	0.10% - 0.38%
Employee turnover / withdrawal rates	4.7% - 13.79%	5.80% - 13.79%
Retirement age	60 years	60 years

The weighted average duration of the defined benefit obligation ranges between 2.1 to 11 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	December 31, 2024		December 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(51,576)	59,175	(58,742)	67,430
Future salary growth (1% movement)	60,865	(53,918)	69,187	(61,498)
Withdrawal rates (10% movement)	(4,771)	5,175	(5,339)	5,799
Future mortality (1 year movement)	523	(729)	53	(215)

The analysis does not take account of the full distribution of cash flows expected under the plan, and only provides an approximation of the sensitivity of the assumptions considered.

24. PROVISION AGAINST ASSET RESTORATION

Movement in provision against site restoration is as follows:

	2024	2023
Balance at beginning of the year	153,541	150,903
Unwinding of discount	4,516	3,229
Payments made during the year	(648)	(591)
Balance at end of the year	157,409	153,541

24.1 A provision against site restoration is recognised in respect of the Group's contractual obligation to restore the leasehold properties, retail outlets, etc.

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25. DEFERRED TAX

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
Property, plant and equipment	--	--	(34,883)	(52,866)	(34,883)	(52,866)
Provisions / other receivables	16,407	20,209	(13,246)	(10,264)	3,161	9,945
Other items	11,858	9,933	(44,927)	(22,545)	(33,069)	(12,612)
Tax losses carry-forward	18,143	21,024	--	--	18,143	21,024
Intangible assets and goodwill	--	--	(44,608)	--	(44,608)	--
Tax asset / (liabilities)	46,408	51,166	(137,664)	(85,675)	(91,256)	(34,509)
Impact of off-setting	(21,100)	(25,525)	21,100	25,525	--	--
Net tax asset / (liabilities)	25,308	25,641	(116,564)	(60,150)	(91,256)	(34,509)

The movement in deferred tax liability-net, recognised in profit and loss and Other Comprehensive Income – Foreign Currency Translation differences (“OCI – CTR”), is as follows:

	January 1, 2024	Recognised in profit of loss	Recognised in OCI – CTR	Other Adjustments	Disposal of subsidiaries (Note 21)	Acquisition of Subsidiary (Note 14)	December 31, 2024
Property, plant and equipment	(52,866)	1,710	16,191	--	82	--	(34,883)
Provisions / other receivables	9,945	(1,022)	(5,040)	--	(722)	--	3,161
Other items	(12,612)	(33,127)	(1,622)	18,338	27	(4,073)	(33,069)
Tax carry-forwards	21,024	2,033	(4,656)	--	(258)	--	18,143
Intangible assets and goodwill	--	(44,608)	--	--	--	--	(44,608)
	(34,509)	(75,014)	4,873	18,338	(871)	(4,073)	(91,256)

	January 1, 2023	Recognised in profit of loss	Recognised in OCI – CTR	Other Adjustments	December 31, 2023
Property, plant and equipment	(61,915)	(1,019)	10,068	--	(52,866)
Provisions	(15,727)	26,999	(1,327)	--	9,945
Other items	(17,180)	4,857	(289)	--	(12,612)
Tax carry-forwards	17,123	8,739	(4,838)	--	21,024
	(77,699)	39,576	3,614	--	(34,509)

Reconciliation for deferred tax charge / (income):

	December 31, 2024	December 31, 2023
Deferred charge tax charge / (income)	75,014	(39,576)
Discontinued operations	(438)	743
Continuing operations	74,576	(38,833)

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26. TRADE PAYABLES

	Note	December 31, 2024	December 31, 2023
Third parties		3,535,425	3,312,657
Related parties	32	143,903	195,307
		3,679,328	3,507,964

27. ACCRUED AND OTHER LIABILITIES

	Note	December 31, 2024	December 31, 2023
Measured at Cost			
Accrued expenses		880,968	946,239
Marketing related accruals		500,247	403,662
Employee related accrual		446,260	393,671
Payable to government authorities	27.1	248,074	95,024
Accrued utilities, freight and other charges		130,000	111,353
Payable to contractors		71,885	71,292
Accrued rent	27.2	20,354	13,810
Payable to shareholders	27.3	318,624	229,023
Provision against financial guarantee	27.4	18,650	18,650
Other liabilities		330,925	260,749
Measured at Fair Value			
Negative fair value of derivatives	12.3	151,571	320,191
		3,117,558	2,863,664

27.1 Payable to government authorities represents estimated payments to be made to government authorities related to custom duties, value added tax, subsidies and price adjustments on edible oil purchases.

27.2 This includes additional accrued rent resulting from the lease cancellation of retail outlets.

27.3 Unclaimed dividends represent dividend declared by the Company in prior years and share fractions, which resulted from split of shares in prior years. Such amounts have not yet been claimed by the respective shareholders. In the opinion of management, the unclaimed dividend represents the amount which can be claimed during the next year.

During the year, the Group’s management reassessed the Company’s position with regards to the accounting treatment and the available rights to defer settlement of the long-term payables amounting to 224.1 million as at December 31, 2023. Accordingly, the long-term payables have been reclassified as a current liability in the consolidated statement of financial position. The reclassification has no impact on the total assets, total liabilities, net income and retained earnings. The prior year statement of financial position as at December 31, 2023 was changed in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Further, management has assessed that the impact of this change was not material to the statement of financial position as at January 1, 2023 and hence, this was not presented.

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27.4 Savola Group Company issued a corporate guarantee in favour of Saudi Industrial Development Fund ("SIDF") along with certain other entities (together referred to as the "SIDF Guarantors") for the loan facility availed by Eastern Industrial Company ("EICO", "Joussour Holding Company's subsidiary"). In 2018, the Company has received a notice from SIDF to settle its share of the guarantee due to default in repayment by EICO of SIDF loan, triggered from the adverse financial performance. Accordingly, the Company recorded a provision amounting to ₪ 100.7 million. As at December 31, 2024 the outstanding balance amounts to ₪ 18.7 million.

28. CONTRACT LIABILITIES

	December 31, 2024	December 31, 2023
Contract liability- Sale of Goods	124,761	161,376
Contract liability- Unearned rent	14,640	9,795
Total contract liabilities	139,401	171,171

Revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	December 31, 2024	December 31, 2023
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sale of Goods	161,376	109,659
Unearned rent	9,795	9,084
	171,171	118,743

29. ZAKAT AND INCOME TAXES

Zakat and taxes included in the consolidated statement of profit or loss comprises of the following:

	December 31, 2024	December 31, 2023
Foreign income-tax charge	141,890	162,068
Zakat	350,010	38,467
	491,900	200,535
Deferred foreign income-tax charge / (reversal) (Note 25)	74,576	(38,833)
	566,476	161,702

The movement in the accrued income-tax is as follows:

	December 31, 2024	December 31, 2023
Balance at beginning of year	285,847	157,427
Charge for the year	177,590	229,618
Acquisition of subsidiary (Note 14)	1,228	--
Disposal of subsidiaries (Note 21)	(75,400)	--
Effect of movement in exchange rate	(103,272)	(48,926)
Payments during the year	(179,913)	(52,272)
Balance at end of year	106,080	285,847

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The movement in the accrued zakat is as follows:

	December 31, 2024	December 31, 2023
Balance at beginning of year	76,292	62,484
Charge for the year	350,010	38,467
Payments during the year	(22,434)	(24,659)
Balance at end of year	403,868	76,292

Reconciliation for zakat and income-tax charge:

	December 31, 2024	December 31, 2023
Zakat and current income tax charge	527,600	268,085
Charge related to discontinued operations (Note 21)	(35,700)	(67,550)
Charge related to continuing operations	491,900	200,535

(a) Zakat status

The Company has received final zakat certificates from the Zakat, Tax and Customs Authority ("ZATCA") for all periods until 2012. Moreover, the years from 2013 to 2018 were also finalized based on the disclosure initiative. The Group settled additional liability of ₪ 5.4 million as per the amended returns. During the year 2020, the ZATCA issued a revised claim, for the previously finalized years from 2014 to 2018 claiming additional zakat difference of ₪ 59.5 million. The management had escalated the Company's objection against the said claim to the level of General Secretariat of Tax Committees (GSTC). The GSTC issued the official decision showing a reduction of Zakat difference to ₪ 29.6 million. The management had transferred the case to the Appeal Committee, that supported the preliminary decision. The Company has filed a petition against the appeal decision and believes that the settlement of the claim is not probable.

ZATCA issued an assessment for the years 2019 and 2020 and claimed additional zakat differences of ₪ 5 million. The Company settled the Zakat differences.

The Company filed the zakat returns for the years 2021 to 2023 and obtained the Zakat certificates. ZATCA did not finalize the review of the Company's accounts for the said years to date.

Certain subsidiaries have also received final or provisional zakat certificates until the year 2023. Accordingly, payment plans have been pursued as per the agreement with ZATCA and liabilities have been adjusted against the final settlement amounts. Also, the Group has pending appeals against additional claims and assessments of certain subsidiaries with total Zakat differences of ₪ 33.2 million (December 31, 2023: ₪ 33.5 million).

(b) Income tax status

The Group's foreign subsidiaries are obliged to pay income tax as per applicable tax laws of their countries of incorporation. Tax paying foreign subsidiaries determine their liabilities based on applicable corporate rates to the adjusted taxable income for the year. Certain foreign subsidiaries are also obliged to pay quarterly advance tax determined on prior year tax liability bases.

Certain foreign subsidiaries have received final tax assessments for certain years and provisional tax assessments for other years. They have also received queries from departments of income tax after their assessment or inspections for open years, for which replies have been filed.

The Group management believes that there are no significant amounts under protest with departments of income tax in any foreign operation.

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30. CONTINGENCIES AND COMMITMENTS

	December 31, 2024	December 31, 2023
	Amounts in millions of ﷲ	
Letters of credits	21	19
Bank guarantees	78	186
Commitments to buy raw sugar	577	704
Commitments to sell refined sugar	1,563	1,314
Capital commitments	384	209
	Quantity in Metric tonnes	
Commitments to buy raw sugar	321,566	326,689
Commitments to sell refined sugar	598,420	457,874

30.1 Also see Note 20 with respect to guarantees given for certain loans and Note 29 with respect to Zakat contingencies.

30.2 The Group has various leases (short-term leases) for its offices, warehouses, retail outlets and production facilities. Future rental commitments under these operating leases amounting to ﷲ 99.5 million (December 31, 2023: ﷲ 92.7 million).

31. EARNINGS PER SHARE

Basic earnings per share for the year ended December 31, 2024 and December 31, 2023 have been computed by dividing the net profit attributable to shareholders of the Parent Company for such periods by the weighted average number of shares outstanding amounting to 940.287 million (December 31, 2023: 906.870 million) during such periods.

Diluted earnings per share for the year ended December 31, 2024 and December 31, 2023, have been computed by dividing the profit attributable to shareholders of the Parent Company for such periods by the weighted average number of shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, amounting to 941.578 million (December 31, 2023: 907.403 million).

Weighted average number of ordinary shares for the purpose of computing earnings per share are as follows:

	December 31, 2024	December 31, 2023 (Restated)
For Basic EPS calculation		
Weighted average number of ordinary shares	945,892,713	911,168,539
Effect of treasury shares (note 18)	(5,605,425)	(4,298,289)
Weighted average number of ordinary shares outstanding	940,287,288	906,870,250
For Diluted EPS calculation		
	December 31, 2024	December 31, 2023 (Restated)
Weighted average number of ordinary shares outstanding (for basic EPS)	940,287,288	906,870,250
Effect of shares under employee share-based payment plan (note 18)	1,290,379	532,894
Weighted average number of ordinary shares outstanding	941,577,667	907,403,144

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32. RELATED PARTIES

Related parties include the Company's significant shareholders, associates and key management personnel of the Group. Terms and conditions of these transactions are approved by the Group's management.

Key management personnel compensation

Compensation to the Group's key management personnel includes short term employee benefits amounting to ﷲ 39.7 million (December 31, 2023: ﷲ 39.2 million), post-employment benefits amounting to ﷲ 1.2 million (December 31, 2023: ﷲ 1.1 million) and Share-based payments and other related incentives expense amounting to ﷲ 46.9 million (December 31, 2023: ﷲ 4.0 million).

Board of Directors' remuneration for the year ended December 31, 2024 amounting to ﷲ 2.2 million (December 31, 2023: ﷲ 2.2 million) has been calculated in accordance with the Company's By-laws and is charged to the consolidated statement of profit or loss and other comprehensive income. Attendance allowances and other expenses to the directors and members of various board committees amounting to ﷲ 3.1 million (December 31, 2023: ﷲ 3.1 million) are charged to expenses and included under administrative expenses.

Other related party transactions

A number of companies transacted with the Group during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on arm's length basis.

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within agreed credit period from the date of transaction. None of the balances are secured. No expense has been recognised in the current or prior period for impairment in respect of amounts owed by related parties.

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The aggregate value of related parties’ transactions and outstanding balances including those related to key management personnel, common directorship and entities over which they have control or significant influence are as follows:

Name	Relationship	Nature of transactions	Amount of transactions		Closing balance	
			2024	2023	December 31, 2024	December 31, 2023
Due from related parties – Trade receivables						
Almarai (till December 12, 2024)	Associate	Sales	58,351	69,647	--	7,362
Almarai* (From January 1 to December 31)	Common Directorship	Sales	61,958	69,647	--	--
Western Bakeries Company Limited (till December 12, 2024)	Subsidiary of associate	Sales	57,587	84,689	--	8,884
Western Bakeries Company Limited* (From January 1 to December 31)	Common Directorship	Sales	60,038	84,689	--	--
					--	16,246

Name	Relationship	Nature of transactions	Amount of transactions		Closing balance	
			2024	2023	December 31, 2024	December 31, 2023
Due from related parties – Trade receivables						
USCE**	Associate	Margin Call / payments on behalf	41,353	45,957	--	85,942
		Others (compensation)	--	(42,438)	--	--
Khairat AlSharq for General Trade and Manufacturing Foodstuff Company (KASCO)	Subsidiary of associate	Payments on behalf	--	7,219	--	--
		Loan written off	--	20,834	--	--
Al Mehbaj Al Shamiyah Trading Company*	Common Directorship	Commission income	7,885	7,180	2,379	3,788
Waste Collection & Recycling Company*	Common Directorship	Scrap Sales	2,380	2,561	216	444
Zohoor Alreef*	Common Directorship	Rental Income	103	166	603	577
					3,198	90,751

**Converted to subsidiary as at December 31, 2024

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Name	Relationship	Nature of transactions	Amount of transactions		Closing balance	
			2024	2023	December 31, 2024	December 31, 2023
Due from related parties – Trade receivables						
Almarai (till December 12, 2024)	Associate	Purchases	840,229	797,939	--	122,964
Almarai* (From January 1 to December 31)	Common Directorship	Purchases	871,806	797,939	--	--
Nestle Group*	Common Directorship	Purchases	350,919	253,666	73,299	30,172
Del Monte Saudi Arabia Limited*	Common Directorship	Purchases	13	8,117	1,989	2,003
Al Manhal Water Factory Company Limited*	Common Directorship	Purchases	8,444	7,610	1,166	1,400
Al Jazirah Dates & Food Factory*	Common Directorship	Purchases	--	--	49	49
Al Mehbaj Al Shamiyah Trading Company*	Common Directorship	Purchases	12,848	9,591	725	1,791
					143,903	195,307
Due to related parties – Accrued and other liabilities						
USCE**	Associate	Loans / Advances	--	147,879	--	--
		Margin Call / payments	--	--	--	--
Kinan	Associate	Rental and lease payments	18,922	24,842	--	--
Dur Hospitality Company*	Common Directorship	Lease payments	12,000	6,000	--	--
Abdul Kader Al Muhaidib & Sons Co*	Shareholder	Lease payments	--	15,480	--	--
					--	--

*The above tables includes certain balances amounting to ﷲ 3.2 million (December 31, 2023: ﷲ 4.8 million) for due from related parties and ﷲ 143.9 million (December 31, 2023: ﷲ 72.3 million) for due to related parties pertaining to entities having common directorships or common key management personnel in accordance with local laws and regulations.

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33. OPERATING SEGMENTS

The Group has five reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group’s Chief Executive Officer (Chief Operating Decision Maker) reviews internal management reports on at least quarterly basis. The following summary describes the operations in each of the Group’s reportable segments:

Food Processing - includes manufacturing, sale and distribution of Edible oils, Sugar, Pasta, Spices, Nuts, Pulses and other food products.

Retail - includes hyper markets, supermarkets and convenience stores operations.

Food Services - includes food products and fast food restaurants’ chain operated by Herfy;

Frozen Food - includes manufacturing, wholesale and retail distribution of frozen food products operated by Good Food Company

Investments - includes real estate activities, investments in equity-accounted investees and other investments.

The segments which do not meet any of the quantitative thresholds for determining reportable segments, are classified as “Others / Eliminations”, which mainly include the eliminations.

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Performance is measured based on segment profit net of income tax and zakat, as included in the internal management reports. Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis. Information regarding the results of each reportable segment is included below:

December 31, 2024	Reportable Segments					Others / Eliminations	Total
	Food Processing	Retail	Food Services	Frozen Food	Investments		
External revenues	11,546,798	10,619,890	1,101,814	718,153	--	--	23,986,655
Inter segment revenue	396,947	4,763	22,955	42,088	28,330	(495,083)	--
Segment Revenue (Note 33.1)	11,943,745	10,624,653	1,124,769	760,241	28,330	(495,083)	23,986,655
Cost of revenues	(10,147,951)	(7,927,019)	(907,524)	(504,042)	(10,683)	467,583	(19,029,636)
Share of results of equity- accounted investees, net of zakat and tax	3,175	--	--	--	805,460	--	808,635
Finance cost – net	(528,216)	(149,736)	(35,131)	(6,660)	(286,780)	--	(1,006,523)
Depreciation and amortisation	(192,959)	(685,625)	(176,098)	(33,019)	(19,547)	--	(1,107,248)
Others	(970,807)	(1,724,905)	(122,856)	(173,695)	(415,030)	27,500	(3,379,793)
Impairment reversal / (loss), net (Note 8 & 40)	(310,806)	16,806	316	(75,871)	(20,854)	--	(390,409)
Gain on distribution of equity accounted investee (Note 8)	--	--	--	--	11,554,662	--	11,554,662
Loss on derecognition of equity accounted investee (Note 14)	(97,185)	--	--	--	(41,816)	--	(139,001)
Profit / (loss) from continuing operations	(301,004)	154,174	(116,524)	(33,046)	11,593,742	--	11,297,342
Loss from discontinued operation	(1,381,990)	--	--	--	--	--	(1,381,990)
Segment net profit / (loss) before non-controlling interests	(1,682,994)	154,174	(116,524)	(33,046)	11,593,742	--	9,915,352
Segment net profit / (loss)	(1,650,958)	154,174	(116,524)	(33,046)	11,593,742	26,878	9,974,266
Investment in equity-accounted Investees	--	--	--	--	409,097	--	409,097
Segment assets	9,217,570	7,723,961	1,717,620	1,084,530	6,130,519	(4,479,958)	21,394,242
Segment liabilities	7,147,797	6,425,314	792,630	323,592	1,261,782	(135,936)	15,815,179

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December 31, 2023	Reportable Segments					Others / Eliminations	Total
	Food Processing	Retail	Food Services	Frozen Food	Investments		
External revenues	12,000,168	10,326,447	1,148,043	674,863	--	--	24,149,521
Inter segment revenue	396,368	4,930	25,653	39,209	29,557	(495,717)	--
Segment Revenue (Note 33.1)	12,396,536	10,331,377	1,173,696	714,072	29,557	(495,717)	24,149,521
Cost of revenues	(10,437,757)	(7,773,626)	(889,283)	(463,592)	(20,501)	481,077	(19,103,682)
Share of results of equity- accounted investees, net of zakat and tax	(38,119)	--	--	--	756,932	--	718,813
Impairment reversal / (loss), net (Note 8 & 40)	83,779	46,828	--	--	(417)	--	130,190
Finance cost – net	(348,283)	(192,088)	(31,795)	(4,548)	(290,878)	--	(867,592)
Depreciation and amortisation	(199,220)	(637,536)	(174,663)	(23,544)	(29,627)	--	(1,064,590)
Others	(895,485)	(1,728,293)	(69,569)	(164,238)	(68,406)	14,640	(2,911,351)
Profit from continuing operations	561,451	46,662	8,386	58,150	376,660	--	1,051,309
Profit from discontinued operation	19,167	--	--	--	--	--	19,167
Segment net profit before non-controlling interests	580,618	46,662	8,386	58,150	376,660	--	1,070,476
Segment net profit / (loss)	451,610	46,662	8,386	58,150	376,660	(42,283)	899,185
Investment in equity-accounted Investees	93,177	--	--	--	9,215,926	--	9,309,103
Segment assets	10,231,683	6,995,161	1,906,672	1,078,240	14,466,734	(4,741,352)	29,937,138
Segment liabilities	7,880,064	5,878,793	873,194	812,072	5,788,191	(829,696)	20,402,618

33.1 The Revenue of the Group is contributed by Arabia (which represents GCC and Levant), Egypt and other geographical locations amounting to ﷲ 18.7 billion, ﷲ 3.8 billion and ﷲ 1.4 billion respectively (2023: ﷲ 18.3 billion, ﷲ 4.2 billion and ﷲ 1.6 billion).

33.2 The Non-current assets excluding deferred tax asset and financial assets of the Group is contributed by Arabia (which represents GCC and Levant), Egypt and other geographical locations amounting to ﷲ 9.9 billion, ﷲ 0.4 billion and ﷲ 0.2 billion respectively (2023: ﷲ 19.0 billion, ﷲ 0.7 billion and ﷲ 0.5 billion).

34. REVENUE

The Group generates revenue primarily from the sale of goods. Other sources of revenue include rental income.

2024	Reportable Segments					Others / Eliminations	Total
	Food Processing	Retail	Food services	Frozen Food	Investments		
Products transferred at a point in time	11,943,745	10,596,184	1,098,099	760,241	--	(495,083)	23,903,186
Products and services transferred over time	--	28,469	26,670	--	28,330	--	83,469
Total revenue	11,943,745	10,624,653	1,124,769	760,241	28,330	(495,083)	23,986,655

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2023	Reportable Segments					Others / Eliminations	Total
	Food Processing	Retail	Food services	Frozen Food	Investments		
Products transferred at a point in time	12,396,536	10,291,501	1,147,740	714,072	--	(495,717)	24,054,132
Products and services transferred over time	--	39,876	25,956	--	29,557	--	95,389
Total revenue	12,396,536	10,331,377	1,173,696	714,072	29,557	(495,717)	24,149,521

35. COST OF REVENUES

	2024	2023
Inventories consumed / sold*	17,119,084	17,403,354
Salaries and employee related expenses	757,209	724,381
Overheads	525,017	397,067
Depreciation and amortisation	401,628	381,901
Freight & handling	226,698	196,979
	19,029,636	19,103,682

* Inventories consumed / sold are net of rebates, commercial and promotional income from retail business.

36. SELLING AND DISTRIBUTION EXPENSES

	2024	2023
Salaries and employee related expenses*	1,428,264	1,433,666
Depreciation and amortisation	606,967	612,145
Advertisement	317,062	286,411
Utilities	213,114	186,886
Commission	158,186	102,213
Rent	75,552	107,080
Maintenance	63,340	82,483
Insurance	23,050	26,678
Communication	8,579	9,806
Others	97,791	83,719
	2,991,905	2,931,087

*Salaries and wages include depreciation amounting to ﷲ 36.6 million of the employee accommodation and is considered as part of the salaries and employees related expenses.

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37. ADMINISTRATIVE EXPENSES

	2024	2023
Salaries and employee related expenses	561,285	508,550
Depreciation and amortisation	62,170	69,034
Professional fees	55,286	53,759
IT related cost	46,631	45,779
Withholding tax expense	31,726	22,587
Training, subscriptions and conferences	30,132	38,955
Insurance	24,332	21,109
Utilities, telephone and communication cost	22,171	17,106
Traveling	10,613	9,041
Repairs and maintenance	8,677	9,615
Rent	3,616	3,991
Others	82,059	70,272
	938,698	869,798

38. OTHER OPERATING INCOME/ (EXPENSE)

	2024	2023
Scrap Sales	18,917	21,238
Gain / (loss) on re-measurement of other commodity futures	10,659	(56,755)
Net monetary gain / (loss) on hyperinflation	8,566	(8,845)
(Loss) / gain on disposal of PPE	(1,045)	17,521
(Loss) / gain on FVTPL investment	(18,496)	1,436
Other (expense) / income	(9,019)	17,470
	9,582	(7,935)

39. HYPERINFLATIONARY ACCOUNTING

The Group closely monitors the economic conditions for its foreign operations including qualitative consideration prescribed in IAS 29 – Financial Reporting in Hyperinflationary Economies. The Group uses available official statistics or other reliable information sources to estimate the impact of hyperinflation.

Accordingly, during the year ended December 31, 2024 and 2023 the Group's foreign operations in Iran (Note 21), Sudan (Note 21) and Turkey were subject to hyperinflation and reported amounts of the local operations have been adjusted in accordance with IAS 29. The official statistics published for Iran, Sudan and Turkey have been used to estimate the hyperinflation accounting impact recorded during the year ended December 31, 2024 and 2023.

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The main effects on the Group's consolidated financial statements due to hyperinflationary accounting (which includes both indexing up and using of closing exchange rate) are as follows:

	Iran	Sudan	Turkey	Total
Year ended December 31, 2024				
Revenue increased / (decreased) by	(687,359)	(11,131)	91,642	(606,848)
Profit for the year increased / (decreased) by	(51,714)	(15,438)	121	(67,031)
Net monetary (loss) /gain	(5,391)	(12,992)	8,566	(9,817)
Total non-current assets increased / (decreased) by	(121,213)	(39,101)	8,478	(151,836)
Currency translation differences impacted by	(84,962)	(24,482)	8,084	(101,360)
Year ended December 31, 2023				
Revenue increased / (decreased) by	78,904	(107,540)	37,610	8,974
Profit for the year increased / (decreased) by	(34,346)	8,888	(13,203)	(38,661)
Net monetary (loss)/gain	(15,428)	(4,297)	(8,845)	(28,570)
Total non-current assets increased / (decreased) by	(97,802)	(33,254)	10,141	(120,915)
Currency translation differences impacted by	(63,849)	(49,584)	19,598	(93,835)

The conversion factors used for the CPI adjustment for the year ended are given below:

	December 31, 2024	December 31, 2023
Conversion factor for Iran	1.3180	1.3931
Conversion factor for Sudan	1.0815	1.0921
Conversion factor for Turkey	1.4438	1.6477

On March 6, 2024, the Central Bank of Egypt announced the devaluation of Egyptian Pound (EGP) leading to a significant drop in exchange rates and hike in interest rates. Given the prior cumulative 3-year inflation rates and with the current devaluation in March 2024, a review of the hyperinflationary accounting for EGP in accordance with IAS 29, may be triggered. The Group is monitoring the possible impacts of the hyperinflationary accounting on its operations in Egypt.

40. IMPAIRMENT (LOSS) / REVERSAL

Impairment loss has been allocated as follows:

	December 31, 2024	December 31, 2023
Property, plant and equipment	(117,948)	183,607
Right-of-use assets	(18,196)	4,430
Intangible assets and goodwill	(254,265)	(74,467)
Equity-accounted investees	--	(1,638)
	(390,409)	111,932
Discontinued operations	--	18,258
Continuing operations	(390,409)	130,190

The Group reviews the carrying amounts of its non-financial assets including goodwill to determine whether their carrying values exceed the recoverable amounts. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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The recoverable amount of a non-financial asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is established based on the estimated future cash flows on the basis of budget after excluding impact of future renovation, using growth rates, terminal value percentages and discounting to their present value using pre-tax discount rates as mentioned below.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management’s estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Following are the details of the impairment assessment carried out in retail segment;

Key assumptions used for determination of value in use except for freehold land:

Cash flow projections were prepared using budgeted earnings before interest, zakat, depreciation and amortisation (EBITDA) taking into account past experience, and following factors:

- i. Estimated revenue and EBITDA growth for future five years based on expected sales volume and price growth for these years.
- ii. Estimated improvement in gross margins and EBITDA as a result of improvement plans currently being carried out by the Group.

These cash flows were discounted using a post-tax discount rate which was estimated using industry average weighted-average cost of capital and cost of debt, with a target debt to equity ratio of 61.7% (December 31, 2023: 56.3%) at a post Zakat cost of debt of 5.6% (December 31, 2023: 6.3%).

a) Impairment reversal on recoverable amount of non-current assets excluding freehold land:

During the year, the Group has recognised an impairment loss of ﷲ 11.2 million (December 31, 2023: impairment reversal of ﷲ 4.4 million) against right-of-use assets; impairment loss of ﷲ 9.1 million (December 31, 2023: impairment reversal of ﷲ 2.5 million) against items of property, plant and equipment; and, impairment loss of ﷲ 0.7 million (December 31, 2023: impairment reversal of ﷲ 0.5 million) against intangible assets, due to changes in economic environment affecting footfall and basket size in retail segment.

The recoverable amount is based on “value-in-use” method and was determined at the level of cash generating unit (“CGU”) as identified by management and consists of the net operating assets of each store. In determining value in use for the CGUs, the cash flows (determined using approved business plan and budget) were discounted at a rate of 12.1% to 13.3% (December 31, 2023: 12.8% to 14.1%) on a post-Zakat basis and were projected up to the year 2029. Fair value less costs to sell was used as the basis to determine recoverable amount for two owned stores.

The key assumptions used for determination of recoverable amounts are as follows:

	2024	2023
Budgeted gross margin	25.3% to 26.5%	25.5% to 26.3%
Revenue growth rate	2.0% to 4.3%	3.0% to 4.4%
Operating expenses as percentage of sale	17.5% to 19.0%	17.0% to 17.9%
Budgeted EBITDA margins	7.5% to 7.8%	8.4% to 8.5%
Discount rate	12.1% to 13.3%	12.8% to 14.1%
Terminal growth value	2.0%	2.0%

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The recoverable amount of the CGU’s estimated based on value in use exceeded their carrying amount by approximately ﷲ 4,974 million (December 31, 2023: ﷲ 4,186 million) on a gross basis. Management has identified that a reasonably possible change in the following three key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the three individual assumptions that need to be applied individually for the estimated recoverable amount to be equal to the carrying amount.

	Assumption required for carrying amount to equal recoverable amount	
	2024	2023
Revenue growth	(11.4%)	(7.2%)
EBITDA margin	4.2%	4.4%
Discount rate	38.5%	33.9%

b) Impairment reversal on recoverable amount of freehold land parcels:

The Group recognized an impairment reversal of ﷲ 37.8 million (2023: ﷲ 39.4 million) on freehold lands, due to favorable changes in market dynamics.

The recoverable amount is estimated by three independent experts and is based on “comparable” method (VIU or FVLCS) and was determined at the level of individual assets as identified by management i.e. the CGU. In determining market value, properties with similar characteristics in the same market area that have recently been sold were selected. Once those properties were found, they were compared to the properties in question and an adjustment in value was made for comparative deficiencies and advantages.

c) Impairment loss on goodwill:

During the year, no impairment loss / reversal was recognised in the goodwill of Giant. The key assumptions used for determination of recoverable amounts are as follows:

	2024	2023
Revenue growth rate	0.5% to 2.0%	3.2% to 3.0%
Budgeted Gross margins	26.8% to 28.2%	26.0% to 26.9%
Operating expenses as percentage of sales	18.3% to 18.4%	17.3% to 18.0%
EBITDA margins	8.5% to 9.8%	8.7% to 8.8%
Discount rate	11.8%	12.5%
Terminal growth value	2.0%	2.0%

The calculation of value in use is most sensitive to the assumptions on revenue growth rate, EBITDA margins, and discount rate used to extrapolate cash flows beyond the budget period of 5 years.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately ﷲ 643.3 million (December 31, 2023: ﷲ 501.2 million).

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Following are the details of the impairment assessment carried out in Foods Processing:

a) Impairment loss on goodwill:

Bayara FZE Limited:

During the year ended December 31, 2024, an impairment loss amounting to ₪ 132.5 million (2023: ₪ 75.0 million) has been recognised, on the goodwill of Bayara Holding Company, based on determination of recoverable value, where the fair value was estimated using discounted cashflows model. The significant assumptions used are as follows:

	2024	2023
Budgeted EBITDA margins	12% to 13%	10.2% to 15.9%
Discount rate	12% to 14.5%	13.3% to 14.5%
Terminal growth value	2.1%	2.1%

Furthermore, during the year, an impairment loss amounting to ₪ 19.9 million (December 31, 2023: Nil) has been recognised on the customer relationship on account of a key customer.

El Maleka for Food Industries Company:

During the year ended December 31, 2024, an impairment loss amounting to ₪ 21.4 million (December 31, 2023: Nil) has been recognised, on the goodwill of El Maleka for Food Industries Company, based on determination of recoverable value, where the fair value was estimated using discounted cashflows model. The significant assumptions used are as follows:

	2024
Budgeted EBITDA margins	7.56%
Discount rate	24.5%
Terminal growth value	5%

b) Impairment reversal on recoverable amount of non-current assets excluding freehold land:

Impairment loss / reversal recognised during the year ended December 31, 2024:

International Foods Industries Company Limited ("IFI"):

During the year ended December 31, 2024, an impairment loss amounting to ₪ 103.9 million (December 31, 2023: Nil) has been recognised, on the property, plant and equipment of IFI, based on determination of recoverable value, where the fair value was estimated using discounted cashflows model. The significant assumptions used are as follows:

	2024
Budgeted EBITDA margins	6.04%
Discount rate	12%
Terminal growth value	2.8%

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Savola Snacks:

During the year ended December 31, 2024, an impairment loss amounting to ₪ 29.2 million (December 31, 2023: Nil) has been recognised, on the property, plant and equipment of Savola Snacks, based on determination of recoverable value, where the fair value was estimated using discounted cashflows model. The significant assumptions used are as follows:

	2024
Budgeted EBITDA margins	9.87%
Discount rate	27%
Terminal growth value	4x FY 2030 EBITDA

Impairment loss / reversal recognised during the year ended December 31, 2023:

In 2016, an impairment loss amounting to ₪ 160 million (CGU: business operation) was recorded against the property, plant and equipment of a subsidiary in food processing segment. During recent years, the results of the subsidiary have shown consistent considerable improvement. Based on determination of recoverable amount, where the value in use was estimated using income approach, a reversal of impairment amounting to ₪ 160 million was recorded during the year ended December 31, 2023.

The key assumptions used for determination of recoverable amounts, using discounted cashflows model (over a period of 5 years), are as follows:

	2023
Budgeted EBITDA margins	25.4%
Discount rate	24% to 25%
Terminal growth value	5.1%

Furthermore, the onset of an armed conflict in the Republic of Sudan during 2023 led to identification of certain impairment indicators for the Group's subsidiary located in this territory. Accordingly, the recoverability of this entity's assets (CGU: business operation) was assessed based on the value in use method. The recoverable amount was estimated using the income approach derived from financial forecasts under different scenarios. Estimates utilized in the projected cash flows included growth rates, pre-tax discount rates and terminal value percentages and resulted in an impairment loss amounting to ₪ 18.3 million and was recorded during the year ended December 31, 2023.

The significant assumptions used are as follows:

	2023
Budgeted EBITDA margins	10.1%
Discount rate	77.5%
Terminal growth value	4.9%
Discount rate used for terminal year	62.5%

The calculation of value in use is most sensitive to the assumptions on revenue growth rate and operating expenses as percentage of revenue and long-term growth rate used to extrapolate cash flows beyond the budgeted period.

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Following are the details of the impairment assessment carried out in Frozen Food:

a) Impairment loss on Brands with indefinite useful life:

During the year ended December 31, 2024, an impairment loss amounting to ﷲ 75.9 million (December 31, 2023: Nil) has been recognised, on the Brands with indefinite useful life of Frozen Food segment, using Royalty method, based on the hypothetical royalties that would be saved by owning the asset rather than licensing it from a third party. The significant assumptions used are as follows:

	2024
Average revenue growth	5.1%
Discount rate	11%
Royalty Savings	4.47%

Following are the details of the impairment assessment carried out in Investments segment:

During the year, the Group has recognised an impairment loss of ﷲ 13.6 million (December 31, 2023: Nil) against items of property, plant and equipment and impairment loss of ﷲ 6.9 million (December 31, 2023: Nil) against items of right-of-use assets.

Key assumptions used for determination of value in use except for freehold land:

Cash flow projections were prepared using forecasted rental revenues and related expenses taking into account past experience, and following factors:

- Estimated rental income and projected growth of rental income
- Estimated operating expenses and projected growth of operating expenses
- Contractual rent expense till the end of contract for lease of land

These cash flows were discounted using a pre-tax discount rate which was estimated using following factors:

- Return on treasury bonds
- Inflation rate
- Market risk premium
- Specific property risk

In determining value in use for the CGUs, the cash flows were discounted using pre-zakat discount rate and were projected till year 2029. The key assumptions used for determination of value in use are as follows:

	2024
Rental income growth rates	2%
Operating expenses growth rate	1%
Discount rate	10%-10.3%
Terminal growth value	2% to 2.3%

Fair value less costs to sell was used as the basis to determine recoverable amount for all CGUs except for one CGU where Value in use was used to determine the recoverable amount.

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41. NET FINANCE COST

	2024	2023
Commission income on bank deposits	132,548	98,446
Finance income	132,548	98,446
Financial charges on borrowings (Note 20.5)	662,079	601,412
Interest expense on lease liabilities (Note 22.3)	200,810	197,126
Bank commission	25,675	22,027
Foreign exchange loss, net	139,414	54,237
Negative fair value of options	106,575	88,007
Unwinding of discount on site restoration	4,516	3,229
Finance cost	1,139,071	966,038
Net finance cost recognized in profit or loss	1,006,523	867,592

42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

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.

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 cash equivalents, term deposits, 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.

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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.

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.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	December 31, 2024	December 31, 2023
Fixed rate instruments		
Financial assets	1,560,673	798,028
Financial liabilities	1,697,974	1,494,701
Variable rate instruments		
Financial assets	232,090	356,076
Financial liabilities	1,705,603	7,149,790

The fair value of fixed rate financial liabilities amounted to ﷲ 1,591 million (2023: ﷲ 1,448 million).

Sensitivity analysis for variable rate instruments

Change in 100 basis points in interest rates, with all other variables held constant, would have increased or decreased the equity and profit before zakat and income tax for the year by ﷲ 16.9 million (2023: ﷲ 67.2 million).

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 ﷲ, 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.

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Following is the significant gross financial position exposure (in thousands) classified into separate foreign currencies:

	December 31, 2024					United Arab Emirates Dirhams
	US Dollars	Iranian Riyals	Egyptian Pounds	Sudanese Pounds	Turkish Lira	
Trade receivables	42,489	--	3,589,006	--	1,098,864	226,733
Other receivables	13,693	--	1,636,418	130,223	411,701	31,268
Cash and bank balances	78,149	--	7,430,942	4,487,471	42,795	38,586
	134,331	--	12,656,366	4,617,694	1,553,360	296,587
Trade payables	31,082	--	1,078,324	217,911	338,783	84,026
Other payables	49,622	--	4,862,373	6,446,482	212,740	65,537
Loans and borrowings	52,642	--	10,236,009	10,122,599	1,627,609	70,577
	133,346	--	16,176,706	16,786,992	2,179,132	220,140
Net exposure	985	--	(3,520,340)	(12,169,298)	(625,772)	76,447

	December 31, 2023					United Arab Emirates Dirhams
	US Dollars	Iranian Riyals	Egyptian Pounds	Sudanese Pounds	Turkish Lira	
Trade receivables	37,634	37,395,757,656	1,586,968	4,435,710	615,203	40,709
Other receivables	69	568,723,572	903,766	11,021,188	220,588	12,798
Cash and bank balances	39,456	43,390,900,376	4,344,086	372,767	24,275	47,107
	77,159	81,355,381,604	6,834,820	15,829,665	860,066	100,614
Trade payables	175,204	42,150,926,506	1,400,549	3,263,018	232,232	21,040
Other payables	35	16,600,890,073	1,845,655	9,855,402	126,192	29,907
Loans and borrowings	71,254	20,800,166,503	601,980	11,765,012	984,114	10,348
	246,493	79,551,983,082	3,848,184	24,883,432	1,342,538	61,295
Net exposure	(169,334)	1,803,398,522	2,986,636	(9,053,767)	(482,472)	39,319

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended		As at	
	December 31, 2024	2023	December 31, 2024	2023
Foreign currency per Saudi Riyal				
US Dollars	0.27	0.27	0.27	0.27
Iranian Riyals	120,634	90,508	167,285	104,125
Egyptian Pounds	12.16	7.43	13.56	8.26
Sudanese Pounds	542.86	230.29	662.67	306.67
Turkish Lira	8.80	6.41	9.39	7.84
United Arab Emirates Dirhams	0.98	0.98	0.98	0.98

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

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Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase equity and profit before zakat and income tax for the year by ﷲ 3.6 million (2023: ﷲ 3.0 million).

31 December 2024	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
US Dollars (1% movement)	(240)	240	--	--
Egyptian Pounds (1% movement)	2,572	(2,577)	4,346	(4,346)
Sudanese Pounds (1% movement)	184	(184)	1,930	(1,930)
Turkish Lira (1% movement)	666	(666)	(30)	30
United Arab Emirates Dirhams (1% movement)	(691)	691	--	--

31 December 2023	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
US Dollars (1% movement)	6,206	(6,206)	--	--
Iranian Riyals (1% movement)	(1,260)	12,260	1,268	(1,268)
Egyptian Pounds (1% movement)	(3,666)	3,661	1,135	(1,135)
Sudanese Pounds (1% movement)	295	(295)	549	(549)
Turkish Lira (1% movement)	616	(616)	(55)	55
United Arab Emirates Dirhams (1% movement)	(1,102)	1,102	--	--

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, as disclosed in Note 12, the put option are periodically valued based on Black Scholes' model using certain assumptions including the sugar prices; the fluctuations of which affects the valuations.

Details of the Group's investment portfolio exposed to price risk, at the reporting date are disclosed in Note 9 to these consolidated financial statements. As at December 31, 2024, the Company's overall exposure to price risk is limited to the fair value of those positions.

Sensitivity analysis

The net assets of the Group will increase / (decrease) by ﷲ 3.5 million (2023: ﷲ 1.2 million) if the prices of equity securities vary due to increase / decrease in fair values by 1% with all other factors held constant.

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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.

The Group's maximum exposure to credit risk at the reporting date is as follows:

	December 31, 2024	December 31, 2023
Financial assets		
Trade receivables	2,116,034	1,940,649
Other receivables	791,967	783,619
Derivatives	144,377	411,177
Bank balances (Cash and cash equivalents and term deposits)	2,761,637	1,907,793
	5,814,015	5,043,238

Trade receivables are carried net of allowance for Expected Credit Losses amounting to ﷲ 159.1 million (December 31, 2023: ﷲ 187.7 million).

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.

The following table provides information about the exposure to credit risk for receivables as at December 31:

	December 31, 2024		
	Weighted average loss rate	Gross carrying amounts	Loss amount
Current (not past due)	0.58%	1,559,393	9,034
1–30 days past due	0.85%	267,156	2,269
31–60 days past due	3.24%	61,752	2,001
61–90 days past due	11.81%	20,081	2,372
More than 90 days past due	69.06%	207,652	143,406
Total		2,116,034	159,028

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	December 31, 2023		
	Weighted average loss rate	Gross carrying amounts	Loss amount
Current (not past due)	0.44%	1,410,026	6,240
1–30 days past due	1.23%	192,563	2,363
31–60 days past due	2.89%	60,191	1,742
61–90 days past due	7.89%	26,856	2,118
More than 90 days past due	69.81%	251,013	175,236
Total		1,940,649	187,699

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.

Other receivables

Impairment on other receivables has been measured on a 12 month expected loss basis and reflects the short maturities of the exposures having low credit risk.

Cash and cash equivalents

Impairment on cash and cash equivalents and term deposits 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 cash equivalents and term deposits have low credit risk based on the external credit ratings of the counterparties.

Cash and cash equivalents, term deposits and derivative financial instruments include balances which are held with banks with sound credit ratings ranging from AA- to B.

Concentration Risk

The sector wise analysis of receivables is given below:

	December 31, 2024	December 31, 2023
Wholesale / Retail	1,331,115	1,036,582
Manufacturing	356,978	484,203
Exports	243,308	197,880
Others	184,633	221,984
	2,116,034	1,940,649
Less: Allowance for Expected Credit Losses	(159,082)	(187,699)
	1,956,952	1,752,950

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The maximum exposure to credit risk for receivable by geographic region is as follows:

	December 31, 2024	December 31, 2023
Saudi Arabia	1,354,755	1,185,589
Turkey	135,692	103,065
Egypt	302,145	237,708
Iran	--	204,837
UAE	279,057	147,189
Other Regions	44,385	62,261
	2,116,034	1,940,649
Less: Allowance for Expected Credit Losses	(159,082)	(187,699)
	1,956,952	1,752,950

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. At December 31, 2024, the Group has a net current liability position. For this purpose, the Group has maintained credit lines with various commercial banks in order to meet its liquidity requirements. As at December 31, 2024, the Group has unused bank financing facilities amounting to ﷲ 5.3 billion (December 31, 2023: ﷲ 6.0 billion) to manage the short term and the long term liquidity requirements.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

December 31, 2024	Carrying Amount	Contractual cash flows				
		Less than 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	3,403,577	1,390,782	2,099,514	36,115	2,753	--
Lease liabilities	3,593,097	292,976	340,259	1,254,499	867,438	1,842,293
Trade payables	3,679,328	3,679,328	--	--	--	--
Put liability	343,328	--	343,328	--	--	--
Accrued and other liabilities	2,869,484	2,869,484	--	--	--	--
	13,888,814	8,232,570	2,783,101	1,290,614	870,191	1,842,293
Derivative financial liabilities						
Derivative contracts used for hedging	105,410	95,918	9,481	11	--	--
Other derivative contracts not for hedging	8,929	8,825	104	--	--	--
Firm commitments	14,492	14,355	136	--	--	--
Held as cashflow hedge	22,741	22,216	391	134	--	--
	151,572	141,314	10,112	145	--	--

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It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

December 31, 2023	Carrying Amount	Contractual cash flows				
		Less than 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	More than 5 years
Non-derivative financial liabilities						
Loans and borrowings	8,644,487	3,584,849	447,847	2,643,883	2,299,070	--
Lease liabilities	3,522,529	284,160	314,722	1,095,677	763,350	1,934,901
Trade payables	3,507,964	3,507,964	--	--	--	--
Accrued and other liabilities	2,768,640	2,768,640	--	--	--	--
	18,443,620	10,145,613	762,569	3,739,560	3,062,420	1,934,901
Derivative financial liabilities						
Derivative contracts used for hedging	111,486	86,439	23,511	1,536	--	--
Other derivative contracts not for hedging	59,137	58,108	1,029	--	--	--
Firm commitments	73,655	73,039	616	--	--	--
Held as cashflow hedge	75,914	61,451	14,463	--	--	--
Derivative	274,255	--	274,255	--	--	--
	594,447	279,037	313,874	1,536	--	--

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.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. The quoted market price incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

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If the inputs used to measure the fair value of an asset or liability falls into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest input level that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

As the Group's financial instruments are compiled under the historical cost convention, except for FVOCI investments, FVTPL investments, inventory and firm commitments under fair value relationships, and derivative financial instruments which are carried at fair values, differences can arise between the book values and fair value estimates. Management believes that the fair values of the Group's financial assets and liabilities are not materially different from their carrying values.

The following table shows the carrying amount and fair values of the financial assets and financial liabilities, including their levels and fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

December 31, 2024	Carrying amount				Fair Value			
	Mandatorily at FVTPL -others	Designated at fair value	Hedging instruments	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment at fair value through profit or loss (Note 9)	115,986	--	--	--	111,612	--	4,374	115,986
Future exchange contracts used for hedging	--	--	144,377	--	--	144,377	--	144,377
Investment at fair value through other comprehensive income (Note 9)	--	--	--	229,879	129,590	58,643	41,646	229,879
	115,986	--	144,377	229,879	241,202	203,020	46,020	490,242
Financial liabilities measured at fair value								
Future exchange contracts used for hedging	--	--	151,571	--	--	151,571	--	151,571
Put liability	--	343,328	--	--	--	--	343,328	343,328
	--	343,328	151,571	--	--	151,571	343,328	494,899

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December 31, 2023	Carrying amount			Fair Value				
	Mandatorily at FVTPL -others	Designated at fair value	Hedging instruments	FVOCI	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Investment at fair value through profit or loss (Note 9)	22,871	--	--	--	--	--	22,871	22,871
Future exchange contracts used for hedging	--	--	411,177	--	--	411,177	--	411,177
Investment at fair value through other comprehensive income (Note 9)	--	--	--	98,068	4,522	53,258	40,288	98,068
	22,871	--	411,177	98,068	4,522	464,435	63,159	532,116
Financial liabilities measured at fair value								
Future exchange contracts used for hedging	--	--	320,191	--	--	320,191	--	320,191
Derivative	--	274,255	--	--	--	--	274,255	274,255
	--	274,255	320,191	--	--	320,191	274,255	594,446

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

Level 3 recurring fair values (reconciliation of Level 3 fair values)

The net change in the level 3 recurring fair value financial assets and financial liabilities is ﷲ 17.1 million (December 31, 2023: ﷲ 27.8 million) and ﷲ 69.1 million (December 31, 2023: ﷲ 88.0 million) respectively.

Valuation technique and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair value, as well as significant unobservable input used.

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Financial instruments measured at fair value

Type	Valuation technique	Unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Equity securities	Market comparison technique. PE multiple, Price to Book value.	Price Earnings Multiples, Discount factor, Price to Book value and Price to Tangible Book Value.	Not applicable
Future and physical forward contracts	Broker quotes	Not applicable	Not applicable
Put option	Black Scholes Model	Strike price Volatility of Sugar index Spot price (fair value)	Increase in fair value will decrease the value of Put Option. Increase in volatility index will increase the value of Put options.

The fair value of future contracts and physical contracts that are not traded in an active market (e.g. over-the-counter derivatives) are determined using valuation techniques that maximise the use of observable market data which is received via broker quotes and rely as little as possible on entity-specific estimates.

43. CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a leverage ratio, which is calculated as total liabilities (as shown in the statement of financial position) less Cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserves.

The leverage ratio is as follows:

	December 31, 2024	December 31, 2023
Total liabilities	15,815,179	20,402,618
Less: Cash and cash equivalents	(2,235,328)	(1,213,193)
Adjusted net debt	13,579,851	19,189,425
Total equity	5,579,063	9,534,520
Hedging reserve (Note 12)	2,629	20,409
Adjusted equity	5,581,692	9,554,929
Adjusted net debt to adjusted equity ratio	2.43	2.01

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44. AMENDMENTS TO STANDARDS AND STANDARDS ISSUED AND NOT YET EFFECTIVE

a) Standards, interpretations, and amendments issued

This table lists the recent changes to the Standards that are required to be applied for an annual period beginning on or after January 1, 2024 and that are available for early adoption in annual periods beginning on January 1, 2024.

Standards, amendments, interpretations	Description	Effective date
Amendments to IAS 1 Presentation of Financial Statements	Non-current Liabilities with covenants and classification of Liabilities as Current or Non-current	01 January 2024
Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leaseback	01 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	01 January 2024

b) Standards, interpretations, and amendments issued but not yet effective

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025 or after, but do not have a material impact on the consolidated financial statements of the Group.

Standards, amendments, interpretations	Description	Effective from periods beginning on or after the following date
Amendments to IAS 21	Lack of exchangeability – Amendments to IAS 21	01 January 2025
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption/ effective date deferred indefinitely
New standard " IFRS 18 "	IFRS 18, 'Presentation and Disclosure in Financial Statements'	01 January 2027
New standard " IFRS 19 "	IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	01 January 2027
Amendments to IFRS 9 and IFRS 7	Classification and measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7	01 January 2026

The standards, interpretations, and amendments with an effective date of January 1, 2024, does not have any material impact on the Group's consolidated financial statements, whereas, for other above-mentioned standards, interpretations, and amendments, the Group is currently assessing the implications on the Group's financial statements on adoption.

45. SUBSEQUENT EVENT

Except as disclosed under Note 9.4 and 21.3 there are no subsequent events that require disclosure in or adjustments to the consolidated financial statements.

46. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Company's Board of Directors on March 11, 2025, corresponding to Ramadan 11, 1446H.