

## 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					Total	Non-controlling interests	Total equity			
	Share capital	Share premium	Statutory reserve	General reserve	Fair value reserve				Effect of transactions with non-controlling interests without change in control	Foreign currency translation reserve	Retained earnings
Balance at January 1, 2018 - as previously reported	5,339,807	342,974	1,774,085	4,000	(108,649)	(161,598)	(1,260,509)	2,898,756	8,828,866	879,114	9,707,980
Adjustment from adoption of IFRS 9	--	--	--	--	--	--	--	(34,146)	(34,146)	(6,184)	(40,330)
Balance at January 1, 2018 – restated	5,339,807	342,974	1,774,085	4,000	(108,649)	(161,598)	(1,260,509)	2,864,610	8,794,720	872,930	9,667,650
Total comprehensive income / (loss) for the year	--	--	--	--	--	--	--	(520,380)	(520,380)	62,111	(458,269)
(Loss) / profit for the year	--	--	--	--	(89,435)	--	(484,107)	(12,993)	(586,535)	(92,985)	(679,520)
Other comprehensive loss	--	--	--	--	(89,435)	--	(484,107)	(533,373)	(1,106,915)	(30,874)	(1,137,789)
Total comprehensive (loss) / income	--	--	--	--	--	--	--	(533,981)	(533,981)	(113,750)	(647,731)
Dividends	--	--	--	--	--	--	--	--	--	--	--
Other changes / movements	--	--	--	--	--	(15,825)	--	--	(15,825)	15,825	--
Transaction with non-controlling interest without change in control	--	--	--	--	--	--	--	--	--	150,367	150,367
Acquisition of subsidiary with NCI (Note 1)	--	--	--	--	--	(10,556)	--	--	(10,556)	--	(10,556)
Other changes	--	--	--	--	--	(187,979)	(1,744,616)	1,797,256	7,127,443	894,498	8,021,941
Balance at December 31, 2018	5,339,807	342,974	1,774,085	4,000	(198,084)	(187,979)	(1,744,616)	1,797,256	7,127,443	894,498	8,021,941
<b>Balance at January 1, 2019</b>	<b>5,339,807</b>	<b>342,974</b>	<b>1,774,085</b>	<b>4,000</b>	<b>(198,084)</b>	<b>(187,979)</b>	<b>(1,744,616)</b>	<b>1,797,256</b>	<b>7,127,443</b>	<b>894,498</b>	<b>8,021,941</b>
Total comprehensive income / (loss) for the year	--	--	--	--	--	--	--	475,630	475,630	181,222	656,852
Profit for the year	--	--	--	--	18,854	--	(47,780)	16,093	(12,833)	(13,577)	(26,410)
Other comprehensive income / (loss)	--	--	--	--	18,854	--	(47,780)	491,723	462,797	167,645	630,442
Dividends	--	--	--	--	--	--	--	--	--	(113,313)	(113,313)
<b>Balance at December 31, 2019</b>	<b>5,339,807</b>	<b>342,974</b>	<b>1,774,085</b>	<b>4,000</b>	<b>(179,230)</b>	<b>(187,979)</b>	<b>(1,792,396)</b>	<b>2,288,979</b>	<b>7,590,240</b>	<b>948,830</b>	<b>8,539,070</b>

The notes from 1 to 41 form an integral part of these consolidated financial statements

## Consolidated Statement Of Cash Flows

For the year ended December 31, 2019

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2019	2018
<b>Cash flows from operating activities</b>			
Profit / (loss) for the year		656,852	(458,269)
<b>Adjustments for:</b>			
Depreciation	6,7&9	1,201,208	762,138
Net finance cost	37	686,662	536,049
Share of results of equity accounted investees, net of zakat and tax and dividend income	10	(639,357)	(574,742)
Reversal of accruals no longer required		(138,275)	--
Gain on disposal of investment	11	--	(3,269)
Impairment loss	36	72,738	199,550
Provision against financial guarantee	27	--	100,735
Loss / (gain) on sale of property, plant and equipment		1,971	(7,301)
Provision for employee benefits	22	125,397	108,685
Zakat and income tax expense	26	103,718	102,074
		2,070,914	765,650
<b>Changes in:</b>			
Inventories		(131,231)	240,264
Trade receivables		(138,263)	(275,732)
Prepayments and other receivables		(238,987)	(121,981)
Trade payables		(61,198)	48,485
Accrued and other liabilities		342,332	438,356
<b>Cash generated from operating activities</b>		<b>1,843,567</b>	<b>1,095,042</b>
Finance cost paid		(397,320)	(440,027)
Zakat and income tax paid	26	(111,959)	(59,622)
Employee benefits paid	22	(76,832)	(76,185)
<b>Net cash from operating activities</b>		<b>1,257,456</b>	<b>519,208</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	6&9	(374,295)	(394,425)
Proceeds from sale of property, plant and equipment		41,504	36,249
Acquisition of subsidiary, net of cash acquired	1	--	(58,102)
Proceeds from sale of investment	11	--	28,022
Proceeds from investments		41,138	5,716
Net change in FVTPL investments	11	4,372	(30,888)
Net change in deferred tax asset		6,356	10,503
Dividends received	10	306,098	258,914
<b>Net cash from / (used in) investing activities</b>		<b>25,173</b>	<b>(644,011)</b>
<b>Cash flows from financing activities</b>			
Net change in loans and borrowings - current		(1,068,495)	(65,829)
Net change in loans and borrowings - non-current		619,584	740,351
Payment of lease liabilities		(639,266)	--
Dividends paid		(2,406)	(526,364)
Net change in deferred tax liability		15,432	25,215
Dividend paid to non-controlling interests		(112,670)	(113,750)
<b>Net cash (used in) / from financing activities</b>		<b>(1,187,821)</b>	<b>59,623</b>

The notes from 1 to 41 form an integral part of these consolidated financial statements.

## Financial Statements

### Consolidated Statement Of Cash Flows

For the year ended December 31, 2019

(Expressed in thousands of Saudi Riyal unless otherwise stated)

	Note	2019	2018
Net change in cash and cash equivalents		94,808	(65,180)
Effect of movement in exchange rates on cash and cash equivalents		(55,845)	(320,818)
Cash and cash equivalents at beginning of the year		901,573	1,298,117
Adjustment from adoption of IFRS 9		--	(10,546)
Cash and cash equivalents at December 31	15	940,536	901,573
Supplemental schedule of non-cash financial information:			
Fair value reserve		18,854	(89,435)
Foreign currency translation reserve		(61,712)	(575,942)
Actuarial reserve	22	16,448	(14,143)
Effect of transactions with non-controlling interest without change in control		--	(26,381)

The notes from 1 to 41 form an integral part of these consolidated financial statements

### Notes To The Consolidated Financial Statements

For the year ended December 31, 2019

(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 number M/21 dated Rabi-ul-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.

At December 31, 2019, 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, 2019	December 31, 2018
Savola Foods Company ("SFC")	Saudi Arabia	Holding company	100	100
Panda Retail Company ("Panda")	Saudi Arabia	Retail	98.87	97.55
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

\* During 2018, in accordance with the terms and conditions of the Share Purchase Agreement, Savola agreed to acquire 51% ownership interest of Al Kabeer Group of companies (see Note 1(iv)) for a cash consideration of SR 571 million. The transaction has been effected through the Group's 100% owned subsidiary, Good Food Company, a company incorporated in the Kingdom of Saudi Arabia. The payment of consideration along with the related formalities were completed on October 31, 2018. During the year, SR 34.3 million has been adjusted against the purchase consideration.

##### ii) Dormant and Holding subsidiaries

Subsidiary name	Country of incorporation	Principal business activity	Ownership interest (%)	
			December 31, 2019	December 31, 2018
Adeem Arabia Company (Adeem)	Saudi Arabia	Holding company	100	100
Al Utur Arabian Company for Commercial Investment	Saudi Arabia	Holding company	100	100
Al Mojammal Al Mowahadah Real Estate Company (liquidated)	Saudi Arabia	Holding company	--	100
Madarek Investment Company	Jordan	Holding company	100	100
United Properties Development Company	Saudi Arabia	Dormant company	100	100