

# Main Transactions Investments and Other Events

## Acquisitions

On 7 February 2022, one of Almarai's subsidiaries, Western Bakeries Company, Limited Liability Company (WBL) completed the acquisition of an additional 25% stake, owned by Chipita Saudi Arabia (Cyprus) Limited, in Modern Food Industry LLC (a subsidiary company), for a total value of SAR 250 million. After this acquisition, the ownership of the shares of Western Bakeries Company became 100% of the capital of the Modern Food Industry LLC. This acquisition will enhance the leadership of the Company in the food sector in the region, and will support Saudi Vision 2030, local content and food security. MFI is engaged in the manufacturing and sale of long shelf life Bakery products, under the brand name of "7DAYS".

## Full Commitment Towards Achieving Food Security

On 13 June 2022, the Board approved bringing forward an investment of SAR 153 million to secure parent poultry birds supply for Almarai and the Kingdom of Saudi Arabia market. The investment will allow Almarai to mitigate an imminent risk of supply shortages of parent stock in the Kingdom. Once further investments are deployed to secure additional parent stock supply, the parent bird facility will be utilized for hatching egg production as initially planned for poultry capacity expansion. Almarai's proactive investment in securing parent bird stock is part of its commitment to all stakeholders to provide quality food product and a recognition of its contribution to food security in the Kingdom.

On 13 June 2022, the Board approved an investment plan to enter the branded sea food category. This will enable Almarai to offer its consumers with seafood at consistently high quality. This investment plan will expand Almarai's product offering and contribute to the food security agenda as per Vision 2030. The investment plan entails an initial investment of SAR 252 million, financed from Almarai's Operating Cash Flows. The investment plan is subject to approval by various regulatory authorities and the expected time frame of this investment is 24 months from the date of final regulatory approval.

## Capital Expenditure

CAPEX incurred in 2022 amounted to SAR 1.3 billion, which is at a similar level to 2021, to maintain normal business operation. Expenditure was incurred as follows:

- All manufacturing facilities, sales, supply chain and dairy farming amounting to SAR 0.5 billion for various capacity expansion projects including the poultry plant expansion.
- Poultry operation and poultry farming SAR 0.5 billion.
- Replacement and other CAPEX accounted for approximately another SAR 0.3 billion.