

# Food and Beverage

Pioneering the future of food and beverage (F&B)

Cenomi Retail's F&B is focused on strategic growth, customer-centric innovation and a steadfast commitment to quality and sustainability. Through targeted expansion, technological advancements and dynamic engagement strategies, the Company is shaping a future that meets evolving consumer demands while delivering exceptional value and experiences.

## Key Pillars Driving Progress

Cenomi Retail's F&B success during 2024 is built on three strategic pillars that drive its growth and competitive edge in the Kingdom of Saudi Arabia's F&B sector.

The first pillar is delivering a popular menu offering that adapts to evolving consumer preferences. Cenomi Retail's F&B consistently innovates its menus to include health-conscious options, unique flavors and sustainable choices. By incorporating local ingredients and global fusion concepts, the Company appeals to adventurous consumers and those that are more traditional while aligning with sustainability goals.

The second pillar focuses on reaching customers through strategic expansion. Cenomi Retail's F&B identifies high-potential markets and employs a digital, customer first approach that includes physical locations, online ordering and delivery services. Cloud kitchens and digital platforms play an essential role in maximizing reach and ensuring accessibility for a growing customer base.

The third pillar is building brands for the future. Cenomi Retail's F&B prioritizes the development of strong, sustainable and authentic brands that resonate with changing consumer values. Investments in brand identity, customer experience and community engagement ensure lasting loyalty and a competitive position in a rapidly evolving market.

## About Cenomi Retail F&B

Cenomi Retail's F&B is a leader in the Kingdom of Saudi Arabia's F&B market. The Company operates a diverse portfolio that includes both internationally recognized brands and locally inspired concepts, with a particular focus on quick-service restaurants and coffee shops.



271 F&B outlets

## Three Strategic Pillars:

- 1

Delivering a popular menu offering that adapts to evolving consumer preferences
- 2

Reaching customers through strategic expansion
- 3

Building brands for the future

## Cenomi Retail's F&B Brands



## Strategic Focus and Alignment with Vision 2030

Cenomi Retail's F&B strategic priorities reflect evolving consumer behaviors, shifting market dynamics and advancements in technology. The Company's initiatives align with Saudi Vision 2030 by fostering local talent, supporting economic diversification and promoting sustainable growth.

A significant focus is enhancing social media and out-of-home (OOH) presence to engage and influence customers in the digital era. Platforms such as Instagram, TikTok and YouTube enable Cenomi Retail's F&B to connect with its audience through visually compelling content, influencers and user-generated material. By combining this with OOH advertising in high-traffic areas across major cities in the Kingdom of Saudi Arabia, the Company reinforces brand awareness and drives traffic to both physical and digital platforms.

Building a strategic offering system is another cornerstone of the Company's approach. With growing consumer demand for convenience, personalization, and diverse and more sophisticated menu options,

Cenomi Retail's F&B continuously adapts its menus to meet these expectations. Value-driven meal deals, for example, provide customers with affordable, health-conscious and ethically sourced options while driving sales volumes. Enhancements to digital ordering systems further streamline and augment the customer experience, ensuring efficiency and satisfaction.

Cenomi Retail's F&B commitment to Vision 2030 is evident through its focus on Saudization and local sourcing. By prioritizing the employment and development of Saudi nationals, the Company supports job creation and strengthens the workforce. Sourcing from local suppliers not only reduces reliance on imports but also fosters entrepreneurship and stimulates the domestic economy. These efforts contribute directly to Vision 2030's goals of economic diversification, job growth and the advancement of local industries.



### Financial Performance

The F&B division posted ﷲ 328 million in revenue for 2024, down 13.5% YoY due to the closure of 35 non-performing stores. Despite this, momentum is building, with Subway achieving record-breaking multi-store openings and ending the year with 61 Company-owned and 164 sub-franchise locations, setting the stage for growth in 2025.

### Navigating Challenges and Capitalizing on Opportunities

Cenomi Retail's F&B has demonstrated resilience and adaptability in navigating a dynamic and challenging market environment. Shifting consumer preferences and digital transformation have further enhanced its strategic focus, driving innovation and operational efficiency while maintaining its commitment to quality and sustainability.

Evolving consumer demands for healthier, sustainable and ethically sourced options are reshaping menus across the industry. Cenomi Retail's F&B has responded with menu reengineering initiatives that include plant-based options, lower-calorie meals, gluten-free offerings and transparent nutritional information to meet the needs of health-conscious customers. Simultaneously, the Company has embraced sustainable practices by transitioning to biodegradable, recyclable or reusable packaging for takeout and delivery orders.

Digital transformation continues to influence customer engagement and service delivery. Cenomi Retail's F&B is investing in digital tools, improving online ordering systems and leveraging data analytics, to create personalized customer experiences. These investments are designed to enhance convenience, increase efficiency and maintain a competitive edge in an increasingly digitalizing market.

Rising costs and inflation present ongoing challenges, particularly with fluctuating food prices. Cenomi Retail's F&B strategy to address these pressures includes cost optimization measures, strategic menu innovation and pricing adjustments, that balances affordability with quality.

The Company has also made significant progress in operational excellence. Clear KPIs were set to drive growth, including completing brand-standard training programs and achieving a 95% employee satisfaction rate for training. These goals were met, resulting in a 10% improvement in employee retention and supporting Saudization and talent development objectives. Cenomi Retail's F&B exceeded its target of introducing two to three new menu items per quarter, by launching 30 new items with over 80% positive customer feedback. Food cost management targets were also largely met, despite external challenges.

By aligning its strategies with consumer trends, sustainability goals and operational efficiency, Cenomi Retail's F&B has positioned itself for continued success, capitalizing on opportunities in a rapidly evolving landscape.

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### Expanding Market Presence

Cenomi Retail's F&B maintained its geographical footprint while focusing on strengthening brand visibility and enhancing customer experience through strategic expansion. The Company prioritized targeted growth in key locations, increasing accessibility and reinforcing its position in the market.

Subway, in particular, saw significant expansion with the opening of 50 new locations across major cities, including Riyadh, Jeddah, Makkah, Dammam and Khobar and achieving 100% of its expansion plan for 2024. In addition to high-traffic urban areas, Cenomi Retail's F&B extended its presence into corporate offices and healthcare facilities, launching new outlets at SABB Bank, STC and Dr. Sulaiman Al Habib Hospital, to cater to professionals and visitors seeking convenient dining options.

Cinnabon also expanded its reach with six new locations in Riyadh, Makkah and select hospitals, ensuring a wider customer base could enjoy its offerings. The plan reflects steady growth, with store openings and increased sales projected each year.

By strategically growing its store network while reinforcing marketing and customer experience initiatives, Cenomi Retail's F&B continues to strengthen its presence in the Kingdom of Saudi Arabia's dynamic F&B sector.





### Transforming Customer Experience through Innovation and Engagement

Cenomi Retail's F&B places customer experience at the core of its operations, leveraging innovation, technology and workforce empowerment to deliver exceptional service and drive sustainable growth. By seamlessly integrating advanced digital tools, strategic partnerships and staff development programs, the Company is redefining the customer journey and setting new benchmarks in the F&B sector.

Cenomi Retail's F&B leverages social media and limited-time offers, creating excitement and urgency around new and **exclusive items**.

Digital innovation plays a pivotal role in enhancing convenience and engagement. Cenomi Retail's F&B has upgraded its apps and websites, introducing features like real-time order tracking to streamline the ordering process and meet the expectations of a tech-savvy audience. The implementation of digital menu boards further modernizes in-store experiences, creating a dynamic and interactive environment. Collaborations

with local vendors have enriched offerings, blending global appeal with local flavors while supporting domestic businesses.

To maintain a fresh and engaging menu, Cenomi Retail's F&B leverages social media and limited-time offers, creating excitement and urgency around new and exclusive items. These efforts attracted new customers while also encouraging repeat visits, keeping the dining experience vibrant and relevant.

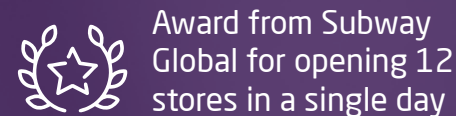
### Investing in the Future of Saudi's F&B Sector

Staff training and engagement are equally critical to deliver outstanding service. Comprehensive training programs focus on communication, efficient issue resolution and customer interaction, empowering employees to create seamless and welcoming experiences. Recognition programs boost morale and motivation, ensuring a workforce committed to excellence.

By integrating cutting-edge technologies, fostering meaningful partnerships and prioritizing its people, Cenomi Retail's F&B is building a foundation for growth while enhancing customer satisfaction and loyalty in an ever-evolving market.

## Awards and Recognition

During 2024, Cenomi Retail's F&B efforts and strategic progress received a number of prestigious awards and recognitions, including:



Award from Subway  
Global for opening 12  
stores in a single day



Recognition for Best  
Operational Excellence  
in the region

### Looking Forward

In 2025, Cenomi Retail's F&B will focus on initiatives designed to strengthen its market position, enhance customer experience and drive sustainable growth. The Company plans to expand its menu with healthier options and seasonal offerings, targeting adventurous customers with innovative dining experiences. While no new brands are planned, the focus will remain on refining and optimizing existing concepts to meet evolving consumer preferences.

Enhancing the digital experience will be a priority, with planned improvements to the mobile app, including order-ahead capabilities and loyalty features. By leveraging customer insights, Cenomi Retail's F&B aims to deliver personalized engagement that fosters deeper customer connections and loyalty.

Sustainability and operational efficiency will be at the core of its efforts. Initiatives include adopting eco-friendly packaging, increasing reliance on local sourcing, and investing in advanced kitchen technology to reduce waste and improve service speed. These measures align with the Company's commitment to environmental responsibility and operational excellence.

Geographically, Cenomi Retail will focus on expanding within the Kingdom of Saudi Arabia and entering select new regional markets. The overarching objective for 2025 will be achieving targeted sales, maintaining the highest quality of service and ensuring customer satisfaction, solidifying Cenomi Retail's F&B position as a leader in the F&B sector.



### Subway: A Record-Breaking Year of Innovation and Expansion

Subway experienced a transformative year, achieving remarkable growth through its commitment to innovation and strategic expansion. By introducing healthier, customizable menu options that aligned with evolving consumer preferences, the brand resonated with a broad audience. Localized product offerings and targeted marketing strategies further cemented its relevance in the Saudi market, while advancements in digital and delivery platforms made it more accessible than ever before.

### Driving Operational Efficiency and Performance

The expansion was underpinned by cutting-edge technology, optimizing CAPEX deployment and reducing payback periods to under two and a half years, outperforming the industry average of three years. Subway's dual strategy of leveraging cloud kitchens and traditional outlets enhanced operational efficiency and boosted sales across multiple segments, ensuring a consistent and satisfying customer experience.

### Setting New Standards for Growth

A standout achievement was the opening of 12 new Subway branches across the Kingdom of Saudi Arabia in a single day, setting a world record. These branches included a mix of traditional outlets, non-traditional locations in corporate offices, and cloud kitchens strategically positioned in high-demand delivery zones. This milestone demonstrated Subway's agility and highlighted its ability to serve diverse customer segments efficiently. By the end of the year, Subway had achieved 100% of its planned expansion, opening 47 restaurants in 2024 and ending the year with a total of 61 Subway outlets, contributing to the increasing Subway sales in 2024 by 75.6 %.

### A Benchmark for Future Success

Subway's exceptional growth story reflects its strategic focus on innovation, customer-centric solutions and market adaptability. By aligning with evolving consumer behaviors and delivering value-driven offerings, Subway has set a benchmark for sustainable success in the Kingdom of Saudi Arabia's competitive F&B sector.

Subway's record-breaking expansion and strategic innovation reflect our commitment to delivering exceptional value and driving sustainable growth across the Saudi market.