

# 03

## Operating Review

Our focus on Tier 1 champion brands throughout the year has strengthened our relationships with global brand partners, ensuring long-term growth potential.

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# Kingdom of Saudi Arabia - Retail Segment

Focused Execution. Elevated Experience. Stronger Foundations.

Cenomi Retail's Saudi business continues to evolve as a streamlined, customer-led omnichannel platform anchored in operational excellence, brand strength and data-driven innovation. With a sharpened focus on flagship brands, premium locations and sustainable growth, Cenomi Retail is redefining what modern retail looks like across the Kingdom of Saudi Arabia.

### Strengthening Flagship Brands. Enhancing Market Leadership.

Cenomi Retail's Saudi operations remain the cornerstone of its business, anchored by powerful brand equity, a customer-first mindset and a sharpened focus on operational excellence. In 2024, the Company accelerated its transformation by streamlining its portfolio, refining its store network and prioritizing scalable, high-performing brands including: flagship Zara, Massimo Dutti, Pull & Bear, Mango, Bershka and Decathlon, among other loved brands worldwide.

Amid a challenging start to the year - including geopolitical headwinds and shifts in consumer sentiment - Cenomi Retail executed a bold brand optimization program, divesting 24 non-core brands and closing 486 underperforming stores. These actions had an effect on the top-line performance in the short-term but enabled the Company to focus on higher-margin assets, elevate customer experience and improve profitability. From Q2 onwards, performance began to recover, boosted by strong seasonal periods such as Ramadan and Eid, followed by high-traffic campaigns like White Friday and Pay Days.

Zara remained the division's standout performer, with strong resonance among Saudi consumers driven by fast-fashion agility, cultural relevance and omnichannel convenience. Localized product curation, occasion-driven assortments and retail technology - such as online pick-up point with an automated storage area, assisted sales and self-checkout - further enhanced customer engagement. The December reopening of the expanded Zara flagship store at Al Nakheel Mall, Riyadh delivered a 40% increase in sales in Q4 2024, underscoring the power of focused reinvestment in premium, high-footfall locations (see case study below).

Operational performance also strengthened, supported by disciplined SG&A controls and enhanced in-store execution. Inventory shrinkage was reduced to just 0.75% of revenue - well below global benchmarks - while ongoing store renovations and visual upgrades helped elevate the brand experience across key malls. As a result, Cenomi Retail's Saudi business exited 2024 in a leaner, more focused and more profitable position - well placed to drive sustainable growth in the future.

### About Cenomi Retail's Saudi Retail

Cenomi Retail is a leading franchise retail player in the Kingdom of Saudi Arabia. With an extensive portfolio of 22 prominent international brands, such as Zara, Massimo Dutti and Mango, it operates over 226,652 square meters of prime retail space across the Kingdom.



52 malls



360 stores

### Cenomi Retail's Saudi Retail Brands\*: 22 Brands



\* AS OF 31 DECEMBER 2024



Zara, Al Nakheel Mall in KSA

### Financial Performance

Saudi Retail recorded full-year 2024 revenue of ٣.2 billion, a 1.7% YoY decrease driven by the brand optimization program. Despite the annual decline, performance was bolstered by initiatives that enhanced customer engagement and retail experience, including strategic campaigns and the reopening of the Kingdom of Saudi Arabia's largest Zara store at Al Nakheel Mall.

### Focused Execution. Evolving with Our Consumers.

In 2024, Zara's strategic focus within the Kingdom of Saudi Arabia was reinforced in response to shifting consumer expectations and broader retail trends. The brand continued to build on its strong local presence by deepening its commitment to sustainability, speed and store modernization.

A key priority was embedding sustainability across the Company's retail operations. Zara increased the use of eco-friendly materials across its product and packaging lines, including the adoption of recyclable shopping bags. Energy efficiency upgrades in new and renovated stores also contributed to reducing environmental impact, aligning with both global standards and local ambitions for greener retail.

Zara also accelerated efforts to keep pace with rapidly evolving consumer tastes. Deliveries twice a week and agile inventory planning - informed by real-time insights from store managers and commercial teams - enabled the brand to react quickly to emerging trends. Weekly visual merchandising updates and in-store strategic adjustments ensured alignment with stock levels, demand signals and customer expectations.

Under the "Less is More" initiative, the brand took a deliberate approach to growth. Rather than expanding store count, Zara prioritized upgrading its top-performing locations - focusing on contemporary designs, improved layouts and enhanced customer flow. This strategic shift reinforced Zara's position as a fashion leader while improving the overall customer experience across its Saudi footprint.

Zara increased the use of **eco-friendly** materials across its product and packaging lines, including the adoption of recyclable shopping bags.



### Innovation that Elevates Every Experience

Zara continues to lead in blending fashion with innovation, setting new standards in technology-driven retail across the Kingdom of Saudi Arabia.

One of the most transformative advancements is the use of RFID technology, which allows for real-time inventory tracking across all stores. This enables store teams to maintain accurate stock levels, ensure product availability and enhance the overall shopping experience by responding quickly to consumer demands.

Data also plays a central role. Through integrated retail systems and mobile apps, Zara collects and analyzes daily, weekly and monthly data to gain insights into sales performance and customer behavior. This analytics-driven approach supports smarter merchandising decisions, personalized shopping experiences and optimized inventory management.

Zara stores are also designed with adaptability in mind. Flexible floorplans allow teams to reconfigure spaces based on changing trends, product launches and customer preferences. Each store layout is digitally mapped and synchronized with internal systems used by staff, ensuring fast and informed in-store decisions.

These innovations ensure Zara's Saudi operations remain agile, data-led and customer-focused - strengthening the brand's leadership in modern retail.

Zara continues to lead in blending fashion with innovation, setting new standards in **technology-driven** retail across the Kingdom of Saudi Arabia.



### Sustainability in Action

In 2024, Cenomi Retail advanced its sustainability agenda across Saudi operations through targeted initiatives that deliver measurable impact and align with circular economy principles.

A major step forward was the deployment of advanced IBM energy management systems across five newly opened stores, improving efficiency and significantly reducing electricity consumption. These upgrades reflect the Company's commitment to integrating smart technologies for environmental benefit.

Cenomi Retail also deepened its resource recovery practices in partnership with Inditex. Approximately 1.7 million hangers and over 4.1 million hard tags and pins were returned to suppliers for reuse, helping to close the loop and reduce landfill waste. In parallel, the transition to digital e-tickets replaced traditional printed receipts across the store network, cutting down paper usage and streamlining operations.

Customer engagement remains a key pillar of Zara's sustainability platform in the Kingdom of Saudi Arabia. Reusable bags are actively promoted at checkout, while proceeds from paid paper bags are donated to charitable causes. In-store clothing donation bins - available across Zara stores - offer customers a convenient way to recycle unwanted apparel, footwear and accessories. In collaboration with Namma Charity and other non-profit partners, these items are either distributed to communities in need, sold to support social initiatives or recycled into new materials.

Through these integrated actions, Cenomi Retail is embedding sustainability across its Saudi operations - reducing waste, lowering energy use and creating meaningful social impact.



### Looking Forward

In 2025, Cenomi Retail's Saudi operations will focus on a high-impact expansion strategy - prioritizing quality over quantity. The goal is to open new Zara stores only in prime, high-traffic locations, while closing underperforming outlets. This "less but better" approach ensures that each store delivers maximum commercial value, with optimal space allocation to showcase all product categories and meets the diverse preferences of local consumers.

The strategy will also emphasize driving like-for-like (LFL) growth by tailoring retail execution and marketing to the unique characteristics of each region. From curated inventory selections aligned with seasonal trends to geography-specific promotions, every decision will be designed to elevate store productivity and deepen customer connection.

The opening of Jawharat Jeddah, positioned as a flagship destination that reflects the next phase of Zara's growth in the Kingdom of Saudi Arabia, is confirmed for 2025.



### Zara Al Nakheel Mall: Redefining Flagship Retail in the Kingdom of Saudi Arabia

In December 2024, Cenomi Retail reopened the Zara flagship store at Al Nakheel Mall in Riyadh, unveiling the brand's most advanced retail concept to date. Spanning over 3,000 square meters, the store integrates Zara's latest design language with cutting-edge digital innovation, offering customers a seamless and immersive shopping experience. The revamped location is now the largest Zara store in the Kingdom of Saudi Arabia and among the biggest in the MENA region.

### Sustainable, Scalable and Smart

Zara's commitment to responsible retailing is reflected in the store's sustainable architecture. Energy-efficient systems, low-impact materials and integration with Inditex's Inergy platform, ensure smarter energy use and reduced environmental footprints. These features exemplify Zara's circular economy principles, from recycling stations to eco-conscious design and operations.

### Seamless Integration of Technology and Fashion

The store introduces a new level of customer convenience through a full suite of tech-enabled services - including Pay & Go mobile checkout, fitting room reservations, digital product locators and automated pick-up points. This omnichannel model allows customers to move fluidly between online and physical shopping. Dedicated boutique zones for newborns, footwear and accessories offer elevated personalization and merchandise visibility, enhancing the customer journey across all categories.

### A Showcase of Retail Leadership

The Al Nakheel Mall flagship store sets a new benchmark for what premium retail can be - intuitive, integrated and environmentally conscious. It reflects Cenomi Retail's ongoing strategy to renovate prime locations, elevate customer experience and position global brands for scalable success in the Kingdom's fast-growing fashion landscape.

Zara's Al Nakheel Mall flagship combines fashion and functionality in a digitally integrated, **future-ready space - marking** a bold step in the evolution of Saudi retail.



# International Retail

## Expanding Horizons. Deepening Impact.

Cenomi Retail's International division advanced its role as a key growth driver in 2024, fueled by strategic brand execution, geographic diversification and operational discipline. As demand for global retail experiences and brands rises across Central Asia, the Caucasus and the MENA region, Cenomi Retail is scaling its presence with precision - building momentum in high-potential markets through focused investment and innovation.

### Accelerating Growth across Borders

Cenomi Retail's International division delivered strong and consistent growth in 2024, reinforcing its role as a strategic pillar of the Group's long-term expansion. As the Company reshaped its broader operations, the international business emerged as a key growth engine, driven by disciplined market selection, differentiated brand positioning and a focus on scalable Tier 1 assets.

Revenue from international operations rose 26.5% YoY, led by sustained brand demand and expansion in underpenetrated, high-potential markets. LFL sales grew 6.0% throughout the year, accelerating to 11.8% in Q4, supported by localized pricing strategies,


curated product assortments and targeted marketing activations. Continued investments in omnichannel infrastructure and immersive retail experiences helped strengthen customer engagement and brand visibility in each market.

With favorable demographics in chosen international markets, rising consumption and a growing appetite for premium retail experiences, Cenomi Retail sees significant opportunity for further growth in key international territories and remains focused on maximizing performance through precision execution and localized commercial strategies.

### About Cenomi Retail's International Retail

With its 249 stores in eight countries outside the Kingdom of Saudi Arabia, Cenomi Retail's International division provides the Company with a diversified footprint in key regional markets.

 8 countries

 249 stores

 54 malls

### Financial Performance

International operations delivered ₺ 1.3 billion in revenue for 2024, marking a 26.5% increase YoY. This growth was fueled by strong performances in Azerbaijan and Georgia, along with an impressive first-

year contribution of ₺ 132 million from Uzbekistan, supported by strategic investments in CIS markets and a blend of new openings, renovations and online expansion.

### Cenomi Retail's International Retail Brands\*



\*AS OF 31 DECEMBER 2024



## Azerbaijan

**Leading Performance in a High-Growth Market**

Cenomi Retail continued to strengthen its position in Azerbaijan, emerging as the top-performing international market in 2024. Supported by a favorable macroeconomic backdrop and rising consumer demand, the Company's operations achieved double-digit growth, driven by strong brand traction and increased market presence.

The opening of seven new Inditex stores further reinforced Cenomi Retail's footprint, bringing the total store count to 42 nationwide and deepening engagement with Azerbaijani consumers. Strategic store formats, curated merchandising and consistently high-performing locations fueled sustained momentum across the portfolio.

Looking ahead, the outlook remains strong. With strong projected sales growth, Cenomi Retail remains well positioned to capitalize on the country's evolving retail landscape and build on its leadership position in one of the region's most dynamic and rapidly growing markets.

**Supporting a Diversified Growth Agenda**

Azerbaijan's strategic shift toward economic diversification continued in 2024, with increased investment in retail, tourism and infrastructure aimed at reducing reliance on oil and gas. Government initiatives focused on attracting foreign brands,

improving regulatory frameworks and enhancing consumer confidence - all of which created a more favorable environment for organized retail. In alignment with these national priorities, Cenomi Retail concentrated its efforts on high-performing retail hubs such as Crescent Mall and Ganjlik Mall. The Company prioritized renovations of particular older stores to elevate customer experience, while expanding its footprint through new store openings. A key initiative was the launch of a new Kiko Milano store - one of the portfolio's strongest performers - designed to capture growing demand and unlock further market potential.


These combined efforts are strengthening and diversifying Azerbaijan's non-oil economy and positioning Azerbaijan as a competitive regional hub for modern retail. As diversification accelerates, the sector is expected to benefit from rising consumer spending and the greater demand for international brands.




**Azerbaijan at a Glance**

Azerbaijan remains a promising market for Cenomi Retail, supported by a rising middle class, affluent local consumers and steady tourism inflows. While economic growth


is expected to moderate, the retail sector continues to benefit from strategic expansion in key urban centers like Baku, Ganja and Sumgait, with demand concentrated in high-traffic malls and premium destinations.




Population: 10.2 million\*




Forecast GDP growth (2025): 2.7%\*



Strategic malls: Crescent Mall, Ganjlik Mall



Forecast GDP growth (2024): 3.8%\*



Key retail hubs: Baku, Ganja, Sumgait

\*Source: European Bank for Reconstruction and Development (EBRD) Transition Report 2024-25

**Expanding Our Footprint**

Cenomi Retail significantly expanded its footprint in Azerbaijan in 2024, with the launch of 11 new stores at Crescent Mall - one of Baku's premier shopping and lifestyle destinations. This strategic cluster of openings reflects the Company's focus on securing

high-potential locations that combine strong consumer traffic with long-term profitability. Crescent Mall's central positioning within the city's fast-growing retail corridor made it an ideal setting for expanding Cenomi Retail's brand presence.



The new stores included six Inditex brands, further cementing Cenomi Retail's leadership in the fast-fashion category. In addition, three leading European brands - Aldo, Parfois and Sunglass Hut - were introduced to offer a more diversified mix of fashion and accessories, appealing to a broad consumer base and enhancing cross-brand synergies within the mall.

A major milestone in 2024 was the introduction of Zara Home to the Azerbaijani market for the first time. This addition marks a significant step in broadening Cenomi Retail's lifestyle proposition and meeting the rising demand for premium home and décor offerings in the country.

Crowning the year's achievements was the opening of one of the region's largest Zara stores in October - a 3,400 square meter flagship built around the latest concept design. Combining modern aesthetics with seamless integration of omnichannel services, the new Zara store underscores Cenomi Retail's commitment to innovation, customer experience and long-term brand equity.

### Elevating Experience through Innovation and Service

Cenomi Retail continued to enhance the customer journey in Azerbaijan this year through a series of targeted improvements across both physical and digital touchpoints. Refreshed store layouts improved navigation and product visibility, while enhanced stock availability ensured that high-demand items remained accessible across key locations. Region-specific assortments tailored to local preferences further deepened customer relevance, supported by improved service policies and focused staff training programs that elevated in-store engagement and satisfaction.

Innovation remained central to the year's progress. The successful launch of Zara Home marked the brand's debut in Azerbaijan, introducing a premium home and lifestyle experience to the market. This addition diversified the Company's portfolio while also addressing the growing demand for sophisticated, design-led living solutions - reinforcing Cenomi Retail's commitment to lifestyle innovation.

### Performance that Exceeded Expectations

Cenomi Retail's operations in Azerbaijan delivered an exceptional performance in 2024, surpassing internal targets across both revenue and profitability metrics. Strong top-line growth was driven by sustained consumer demand, particularly across the Inditex portfolio, while disciplined cost control helped preserve healthy trading margins throughout the year.

Operational efficiencies also played a key role in driving profitability. Tight cost control allowed the business to scale while maintaining a lean cost base. This strong commercial and operational performance further reinforced Azerbaijan's position as one of Cenomi Retail's most strategically valuable international markets.

### Top 3 Performing Brands in Azerbaijan

Stradivarius

ZARA

Massimo Dutti

Technological enhancements also advanced the shopping experience. Mobile and contactless payments gained further traction, making transactions faster and more secure. In parallel, the rollout of RFID technology improved inventory accuracy, streamlined stock management and strengthened overall operational control - laying the foundation for even more responsive and efficient customer service in the future.

### Looking Forward

In 2025, Cenomi Retail's objective is to grow its Azerbaijan operations through a combination of strategic store expansions, enhanced e-commerce capabilities and a focused investment in its top-performing brands. The Company will prioritize strengthening its presence in high-traffic retail destinations while optimizing operational efficiency to support sustained, profitable growth across both physical and digital channels.

### Azerbaijan: Elevating Global Retail Presence in a Growing Market

Cenomi Retail continued to scale its international operations in 2024 with the opening of a new Zara store at Crescent Mall, one of Baku's most prominent shopping and lifestyle destinations. Strategically located in the city's prime business and entertainment district, the store is part of a broader expansion effort that saw six new Inditex store openings across Azerbaijan in the same year.

### Driving Innovation through Omnichannel Integration

The 3,400 square meter store offers an elevated customer journey, blending physical and digital retail to meet modern consumer expectations. Equipped with advanced omnichannel features - including integrated e-commerce, RFID inventory management and motion sensor-powered energy systems - the store sets a new benchmark for operational efficiency and customer convenience. The rollout of self-checkout systems in 2025 is expected to further streamline the shopping experience.

### Positioned for Continued Growth

Backed by Azerbaijan's favorable macroeconomic environment, Cenomi Retail now has 42 stores in Azerbaijan, with 17 brands across seven malls, which generated 26.6% revenue growth for the year. Cenomi Retail operates seven Inditex brands in Azerbaijan: Zara, Pull & Bear, Stradivarius, Massimo Dutti, Bershka, Oysho and Zara Home.

The new Zara store strengthens Cenomi Retail's footprint in a market showing strong momentum across retail and tourism sectors. With footfall at Crescent Mall expected to exceed 500,000 annually, and the country hosting COP 29 in November 2024, the timing of this launch reinforces the Company's long-term commitment to growth in strategic international markets.

Zara's expansion in Baku reflects our international growth strategy in action – targeting **high-traffic locations**, leveraging smart retail technology and delivering **world-class experiences** in rising global markets.



Uzbekistan

Unlocking New Potential in Central Asia

Uzbekistan marked a major strategic milestone for Cenomi Retail in 2024, as the Company officially entered the high-growth Central Asian market with the launch of seven Inditex stores in its capital, Tashkent. This expansion reflects Cenomi Retail's long-term commitment to geographic diversification and its ability to efficiently scale Tier 1 Champion Brands in emerging retail economies.

February 2024's launch was centered around Tashkent City Mall - a key retail destination in the country - featuring global brands such as Zara, Bershka and Massimo Dutti. Within months, the stores generated strong sales, validating both the consumer appetite for international fashion and the strength of Cenomi Retail's retail execution model.

Uzbekistan's rising urban middle class, robust GDP growth and increasing appetite for global retail experiences, provide a compelling platform for growth. Despite early operational challenges, including regulatory complexity and higher-than-expected setup costs, the market delivered solid returns. Cenomi Retail exits 2024 with strong market momentum and a solid foundation for continued expansion in Uzbekistan.

Uzbekistan at a Glance

Uzbekistan's retail sector is experiencing robust growth, propelled by a youthful population, rising incomes and ongoing urban development. Tashkent, the nation's capital, stands at the forefront of this transformation, with modern

shopping centers, like Tashkent City Mall, becoming key retail destinations. The sector's expansion is further supported by government initiatives aimed at enhancing the business environment and attracting foreign investment.



Population: 37.17 million\*



Forecast GDP growth (2024): 6.5%\*



Forecast GDP growth (2025): 5.9%\*



Key retail hubs: Tashkent, Samarkand, Bukhara



Strategic malls: Tashkent City Mall, Samarkand Darvoza, Compass Mall

\*Source: World Bank

Strategic Scaling in a New Market

Following its entry into Uzbekistan in early 2024, Cenomi Retail rapidly achieved operational optimization. The Company focused on building an efficient, scalable retail model by managing overhead

costs, improving in-store processes and aligning product assortments with local consumer preferences.

Flagship stores in Tashkent City Mall served as the foundation for testing and refining its commercial approach in a new and dynamic environment.

While Tashkent remained the core market, Cenomi Retail also began laying the groundwork for geographic expansion. The Company initiated feasibility assessments in secondary cities such as Samarkand and Bukhara, targeting urban centers with rising consumer demand and untapped retail potential. These markets are considered as strategic growth corridors that can extend Cenomi Retail's reach and enhance long-term brand equity across Uzbekistan.

This multi-market strategy reflects Cenomi Retail's commitment to building a resilient international portfolio. By balancing near-term operational focus with selective geographic growth, the Company seeks to capture emerging demands, strengthen profitability and create a sustainable platform for future expansion in one of Central Asia's most promising retail markets.

Enhancing Experience through Innovation

Cenomi Retail Uzbekistan prioritized customer experience throughout the year by investing in staff training programs focused on product knowledge, service quality and cultural alignment. Tailored assortments reflecting local tastes helped deepen customer connection, while an integrated omnichannel setup enabled a seamless transition between online browsing and in-store shopping.

Cenomi Retail continues to innovate across its markets and introduced mobile and contactless payment options, to enhance transactions' speed and security. Inventory accuracy and in-store availability was improved through the introduction of RFID technology, creating a modern and efficient retail environment.

Looking Forward

In 2025, Cenomi Retail Uzbekistan will focus on driving revenue growth by expanding its store footprint, optimizing operations and further enhancing the customer experience. The strategy will prioritize top-performing brands while deepening omnichannel capabilities and evaluating opportunities to scale e-commerce. The Company remains committed to strengthening its market presence and maintaining operational efficiency across its growing footprint.

Top 3 Performing Brands in Uzbekistan

Bershka

ZARA

Massimo Dutti



Zara, Tashkent City Mall in Uzbekistan



Georgia

Accelerating Growth through Expansion and Operational Excellence

Cenomi Retail Georgia delivered an exceptional performance in 2024 and is one of the Company’s most profitable international markets. Sales surged by 26.8%, driven by a strong demand for Inditex brands and the successful expansion into Batumi with 10 new stores. Zara contributed the most revenue, while KIKO Milano delivered impressive profitability despite occupying a smaller retail footprint.

Key locations such as City Mall and the new Batumi stores outperformed expectations, supported by strategic price adjustments and enhanced merchandising. Operational improvements, including process restructuring and the rollout of self-checkout tills at Zara, boosted efficiency and elevated customer experience. Mango’s expansion and omnichannel initiatives also contributed to deeper consumer engagement.

Georgia’s strategic focus remained centered on profitable growth, store modernization and expanding its presence in high-potential secondary cities. This market continues to demonstrate strong fundamental growth drivers, which Cenomi Retail will target with ongoing renovations and refurbishments, online platform rollouts for Oysho, Stradivarius and Pull & Bear, and continued supply chain optimization.

Top 3 Performing Brands in Georgia

Massimo Dutti

ZARA

OYSHO



Population: 3.7 million\*



Forecast GDP growth  
(2025): 5.5%\*



Forecast GDP growth  
(2024): 9.4%\*

\*Source: World Bank





## Armenia

### Resilience and Strategic Focus amid Regional Challenges

Cenomi Retail Armenia closed 2024 with a solid financial performance and strong bottom-line delivery, despite a complex geopolitical environment. The year was marked by improved product flow and better seasonal collections, particularly for Marks & Spencer.

The strategic focus in Armenia remains on strengthening brand preference through curated assortments, engaging store environments, skilled teams and high-quality customer service.

Looking ahead to 2025, Cenomi Retail will prioritize stabilizing operations by mitigating risks such as parallel imports and new compliance regulations, including Data Matrix requirements for cosmetics.

Planned store renovations will help modernize key locations and lay the foundation for future organic growth, including potential new brand introductions.

### Top 3 Performing Brands in Armenia

Massimo Dutti

ZARA

PULL&BEAR



Population: 3.0 million\*



Forecast GDP growth  
(2025): 4.5%\*

\*Source: IMF



Forecast GDP growth  
(2024): 5.9%\*



## Jordan

### Delivering Growth through Efficiency and Innovation

Cenomi Retail Jordan performed robustly in 2024, navigating inflationary pressures and regional instability through a sharp operational focus, strategic portfolio decisions and targeted investments in customer experience. Sales grew 9% YoY - underscoring the business's adaptability and momentum despite external challenges.

Key developments included the opening of new Mango and Ipekyol stores at Abdali Mall, while underperforming stores like Accessorize at Galleria

Mall were closed or relocated. Strategic cost control measures helped keep stock shortages at just 0.2%, aided by automated ASN processes and the introduction of a centralized data lake to optimize data access and visibility. Meanwhile, a Sea-Land freight route, via Dubai, helped overcome regional shipping disruptions and reduced logistics costs.

### Top 3 Performing Brands in Jordan

MANGO

Stradivarius

PARFOIS



Population: 11.4 million\*



Forecast GDP growth  
(2024): 2.4%\*



Forecast GDP growth  
(2025): 2.6%\*

\*Source: IMF

The year also saw significant technological innovation, including the introduction of RFID for inventory management in Stradivarius and full system integration with the country's tax authorities. Cenomi Retail Jordan's leading brands - Stradivarius, Mango, Aldo, La Vie en Rose, Okaidi, Ipekyol and OXXO - all delivered a strong performance, particularly during the important Black Friday trading period. Okaidi ranked #1 in the Middle East for Black Friday sales, while Ipekyol and OXXO achieved top global performance.

Looking ahead, the focus in 2025 will be on optimizing store performance through strategic renovations and closures where strict operational criteria are not met, strengthening brand presence in key malls, and launching online stores to extend reach. Operational excellence will remain a core pillar, with further automation and supply chain improvements planned. Cenomi Retail Jordan also remains committed to employee development, customer-centric innovation and experiential marketing - ensuring its continued leadership in the country's evolving retail landscape.



Egypt

**Navigating Challenges with Operational Discipline**  
Cenomi Retail Egypt managed to deliver, sustain and satisfy customer demands, despite continued macroeconomic pressure from the devaluation of the Egyptian Pound. The resumption of foreign currency allocation by banks allowed for improved inventory availability, which drove performance in top brands such as Aldo, Aldo Accessories, La Vie en Rose and Mango.

Strategically, the focus remained on ensuring profitability across the remaining portfolio and managing cash flow in a volatile environment. The Group closed seven underperforming stores

high customer satisfaction through clean, well-maintained stores and consistently friendly, service-oriented staff - ensuring brand integrity and customer loyalty remain intact.

in 2024, marking a continued shift toward a leaner, more resilient business model. Store closures included Call It Spring, GAP, Old Navy and New Yorker.

Despite market constraints, Cenomi Retail maintained


**Top 3 Performing Brands in Egypt**


MANGO


laVie en Rose

ALDO  
Accessories

ALDO

Population: 109.4 million\*

Forecast GDP growth (2024): 3.6%\*

Forecast GDP growth (2025): 3.8%\*

\*Source: IMF





# 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.

Cenomi Retail's F&B exceeded its target of introducing two to three new menu items per quarter, launching 30 new items with over **80% positive** customer feedback.

### 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.

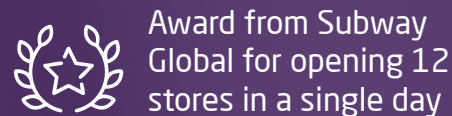
By integrating cutting-edge technologies, fostering meaningful partnerships and prioritizing its people, Cenomi Retail's F&B is building a foundation for growth while enhancing customer satisfaction and loyalty in an ever-evolving market.

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.

## 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.



## 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.



# E-commerce

## Redefining Digital Retail for a New Generation

Cenomi Retail's E-commerce division is redefining digital retail with a leaner brand portfolio, sharper execution and a renewed focus on strategic growth. Through platform diversification, operational enhancements and customer-centric innovation, the business is building a scalable digital engine ready to meet the evolving demands of a new generation of shoppers.

### Sharper Strategy. Broader Footprint. Strong Results.

Cenomi Retail's E-commerce division sharpened its strategic focus during the year, shifting toward marketplace integration for key brands while strengthening operational efficiency across the digital value chain.

The division's primary focus was on its conversion strategy, which was built on minimizing delivery time by decreasing the time of middle-mile and last-mile, resulting in quicker delivery for the online orders, and through expanding to third-party online marketplaces.

A major milestone was the launch of several Inditex brands - Stradivarius, Oysho, Bershka and Pull & Bear - on Trendyol, one of the region's fastest-growing e-commerce platforms. This marked a pivotal step in reaching broader audiences through high-traffic third-party channels.

### About Cenomi Retail E-commerce

Cenomi Retail's E-commerce division is at the forefront of the Kingdom of Saudi Arabia's digital retail evolution, seamlessly connecting consumers with their favorite brands through their preferred online channels. From mono brand websites to leading third-party marketplaces, Cenomi Retail ensures every customer journey is intuitive, engaging and accessible.



20 monobrand websites

With end-to-end capabilities across the full e-commerce value chain - spanning front-end interfaces, logistics, technology infrastructure and customer support - Cenomi Retail has built a scalable and resilient digital platform. Today, the Company operates online stores across its markets, driving reach, relevance and results in a fast-changing retail landscape.



4 online Trendyol stores

The year also saw operational advancements, including the buildout of a dedicated local digital warehouse for Inditex, ensuring optimized fulfillment and improved time-to-customer, and faster services for all digital selling channels. In parallel, the Company continued to streamline logistics by enhancing middle-mile and last-mile operations to support faster, more reliable fulfillment.

As part of a broader organizational restructuring, Cenomi Retail exited online marketplaces tied to divested brands, consolidating its digital presence around its highest-performing assets. At the same time, it expanded its international footprint with the launch of Zara and Massimo Dutti online in Uzbekistan, extending access to key growth markets.

These initiatives supported an increase of 4.5% in Q4 YoY in E-commerce sales, reflecting strong performance across both owned and partner channels and positioning the division for continued growth in 2025.

The year also saw **operational advancements**, including the buildout of a dedicated local digital warehouse for Inditex.

### Alignment with Vision 2030

Aligned with Saudi Vision 2030, Cenomi Retail's E-commerce division is advancing financial inclusion by expanding payment options and enhancing accessibility across platforms.

Sustainability is embedded into operations through eco-friendly packaging initiatives and waste reduction systems designed to lower environmental impact. The division also supports national goals on diversity and empowerment by creating career opportunities for women and investing in leadership development programs.

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### Financial Performance

E-commerce generated 363 million in revenue in 2024, reflecting a 2.9% YoY decline due to the impact of the brand optimization program. However, Inditex online sales grew 6.6% YoY, underscoring the strong demand for Tier 1 Champion Brands and pointing to future digital growth potential.

### Expanding Reach. Elevating Performance.

Cenomi Retail's E-commerce strengthened its brand portfolio in 2024 with the launch of Fnac's online store, built on Shopify Plus through a global partner model. The new platform broadened access to Fnac's electronics and multimedia offering in the Kingdom

### Cenomi Retail's E-commerce Brands: 20 monobrand websites



aleph

ZARA

fnac

of Saudi Arabia. Additionally, the Company extended its international presence by launching dedicated online stores for Zara and Massimo Dutti in Uzbekistan, reinforcing its position in strategic growth markets.

The Inditex portfolio performed particularly well, supported by the strategic rollout of multiple brands on Trendyol. These launches enabled access to new customer segments, while expanded assortments and localized inventory improved delivery times and customer satisfaction. Digital and outdoor campaigns, combined with a sharpened communication strategy, drove visibility and engagement across the portfolio.

### Smarter Logistics. Seamless Experience.

In 2024, Cenomi Retail's E-commerce made significant strides in optimizing logistics and enhancing customer experience. A key focus was improving lead times for customers in the Kingdom of Saudi Arabia, achieved by strengthening click-and-collect operations and refining last-mile delivery. These improvements streamlined in-store fulfillment processes and provided a more integrated omnichannel journey across physical and digital touchpoints.

To further support performance across digital selling channels, the Company launched a dedicated Inditex digital warehouse locally. This investment enabled faster order processing, more accurate inventory management and improved time-to-customer across the Inditex portfolio. These initiatives reflect Cenomi Retail's ongoing commitment to building a more agile, responsive e-commerce platform that prioritizes customer satisfaction while reinforcing its leadership in digital retail.



### FNAC: Blending innovation, culture and lifestyle under one roof

FNAC has established itself as a premium multimedia and lifestyle destination in the Kingdom of Saudi Arabia, seamlessly blending global retail excellence with local cultural relevance. Known for its rich heritage and innovative store experience, FNAC goes far beyond traditional retail. It offers a dynamic space where customers explore a curated mix of electronics, books, toys, musical instruments and emerging lifestyle brands, all in an environment designed for discovery, community and cultural exchange.

By aligning its offerings with the Kingdom of Saudi Arabia's fast-evolving entertainment and lifestyle landscape, FNAC taps into the country's growing demand for trend-forward products and immersive retail experiences. Its unique value proposition lies in offering both international exclusives and locally-made Saudi lifestyle brands, creating a product mix that appeals to diverse segments, from gamers and tech enthusiasts to young families and cultural creatives.

With a strong omnichannel strategy and a focus on innovation, FNAC is actively shaping the way Saudis shop, learn and connect. Through a combination of cutting-edge retail, expert service and community engagement, FNAC is proving that a store can be more than a place to shop - it can be a destination.

### Looking Forward

Building on the success achieved in 2024, Cenomi Retail's E-commerce will maintain strong momentum in 2025 by expanding its digital footprint and enhancing operational efficiency. Strategic initiatives will focus on improving customer experience and driving revenue growth across new markets and channels, with targeted investments in platform capabilities and fulfillment operations.

The Company will introduce additional payment and affordability options, broaden delivery choices and streamline click-and-collect services to deliver greater convenience. E-commerce cost management will remain a top priority, with efforts to optimize middle-mile, last-mile and reverse logistics operations. This includes exploring the establishment of a dedicated Zara Home distribution center, enabling a wider product assortment, faster lead times and more cost-effective fulfillment for online orders.

## trendyol

### Trendyol Partnership: Expanding Reach, Elevating Digital Retail

Cenomi Retail's collaboration with Trendyol marks a significant milestone in its e-commerce strategy, expanding digital reach and deepening consumer engagement across the Kingdom of Saudi Arabia. By partnering with one of the world's leading multi-category e-commerce platforms, Cenomi Retail has tapped into Trendyol's vast user base and traffic to drive growth and enhance brand visibility.

### Driving Awareness through Targeted Campaigns

The launch was supported by a 360-degree marketing approach including outdoor campaigns along Riyadh's King Fahd Road, in-app push notifications, branded newsletters, high-visibility homepage banners, brand days and optimized placements across search and brand grids. These initiatives elevated traffic, brand recall and purchase intent - firmly positioning Cenomi Retail's brands within Trendyol's highly competitive fashion ecosystem.

### Launching Global Brands to a New Audience

Four Inditex brands - Stradivarius, Oysho, Bershka and Pull & Bear - successfully launched on Trendyol in December 2024, offering trend-driven collections that resonate with fashion-conscious consumers. The curated assortment combines high-demand, best-selling products from both online and offline channels, tailored to meet current fashion preferences with speed and relevance.

### Building a Scalable, Digital-First Retail Future

This partnership reinforces Cenomi Retail's commitment to digital innovation and scalable expansion. With Trendyol's established presence across the GCC and Europe, the collaboration unlocks long-term e-commerce potential while keeping the business responsive to evolving customer behaviors and platform-native shopping trends.

Partnering with Trendyol accelerates our digital retail ambitions by combining global brands with a platform built for scale, speed and deeper customer connection.

<sup>i</sup>Middle-mile moves large shipments between hubs, while last-mile delivers individual packages to final destinations.

