

02

Strategic Review

As a leading retail powerhouse with a clear strategic vision, Cenomi Retail integrates premier global brands with deep local insight

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Chairman's Statement



We remain focused on further refining our brand portfolio and strengthening our financial position

₹ 4.8 bn

Revenue



Building a Stronger Foundation for Sustainable Growth

Cenomi Retail is entering a new era of focus and discipline. Over the past year, we have taken significant steps to refine our portfolio, enhance operational efficiency and reinforce our financial foundations. These strategic actions position the Company for long-term growth, ensuring we maximize value creation for our shareholders moving forward. While the retail landscape continues to evolve, we remain committed to driving sustainable profitability and strengthening our position as the Kingdom of Saudi Arabia's leading franchise retailer.

Strategic Transformation and Performance

The past year was marked by decisive execution of our multi-phase strategy, beginning with "Fix the House" and transitioning toward a "Sustainable Growth" model. Our actions have been deliberate - rightsizing our portfolio through brand optimization, prioritizing Tier 1 Champion Brands and enhancing operational efficiency. This structured transformation has not only strengthened our financial health but also positioned Cenomi Retail as a leaner, more agile business with the ability to scale profitably.

During the year, we successfully streamlined our business, divesting several non-core brands, generating capital gains and closing underperforming stores. This has allowed us to concentrate resources on high-performing brands, ensuring sustainable revenue growth. Key markets within our international portfolio also demonstrated robust performance during 2024, led by Azerbaijan and Georgia. The successful market entry into Uzbekistan, which delivered solid revenue in its first year, reaffirms our focus on scalable, high-potential retail destinations.

Saudi Arabia's Evolving Retail Landscape

Saudi Arabia's retail sector continues to experience rapid transformation, fueled by Vision 2030 initiatives, urban development and evolving consumer preferences. As of year-end 2024, the total market value reached ₹ 670 billion, with projected annual growth of 7.1% over the next five years. Consumer confidence remains high, and the demand for premium international brands, value-driven shopping experiences and omnichannel retail solutions is increasing. Cenomi Retail is strategically positioned to benefit from this transformation through selective store expansion, premium brand partnerships and omnichannel retail innovation.

The real estate sector is also evolving, with major flagship developments, including Jawharat Jeddah, awharat Riyadh and Diriyah, set to redefine the retail environment. Cenomi Retail is strategically positioned to capitalize on these changes, securing prime locations in high-traffic destinations and introducing new store formats that enhance customer experience.

E-commerce remains a critical component of the retail ecosystem, with online sales expected to reach ₹ 90 billion by 2026. While our online sales were temporarily impacted by the brand divestment program, we are actively strengthening our digital capabilities to meet shifting consumer behavior.

Driving Growth of Tier 1 Champion Brands

Our focus on Tier 1 Champion Brands throughout the year has strengthened our relationships with global brand partners, ensuring long-term growth potential. The renovation and expansion of Zara in Al Nakheel Mall in Riyadh - the top-performing Zara store in Saudi Arabia - demonstrates the value of investing in flagship locations. With its increased footprint, this store is expected to generate revenue uplift in the coming year.

In F&B, we set two world records by opening 12 Subway branches in a single day in October and 14 Subway branches in a single day in December, expanding our footprint with a mix of cloud kitchens, corporate locations and traditional outlets. This strategic expansion supports our cost optimization efforts while positioning Subway for long-term growth in Saudi Arabia's fast-growing QSR sector.

Looking Ahead to 2025

Cenomi Retail is entering a critical phase in its strategic journey. Having made significant progress in portfolio optimization and financial discipline in 2024, we remain focused on further refining our brand portfolio and strengthening our financial position in 2025. The year ahead will be about activating our long-term growth strategy.

Key focus areas will include expanding our Tier 1 Champion Brands, ensuring sustained market leadership and long-term growth. Digital transformation will accelerate, with AI-driven retail innovation enhancing customer engagement and operational agility. Efficiency remains a priority, as we drive further Selling, General and Administrative (SG&A) expense optimization to maintain the cost discipline. We will also advance our international

expansion, prioritizing scalable, high-margin markets with strong growth potential. At the same time, we will continue strengthening cost efficiency and deleveraging, reinforcing our financial resilience and positioning Cenomi Retail for sustained profitability.

Acknowledgments

On behalf of the Board, I extend my sincere gratitude to our shareholders for their trust and support. I would also like to thank our brand partners, lenders and suppliers for their collaboration and commitment. Finally, I recognize the dedication of our employees, whose efforts have been instrumental in shaping Cenomi Retail's progress.

The past year was about strengthening our foundation and positioning the Company for future growth. As we move forward, we remain committed to delivering value, seizing new opportunities and ensuring long-term success for all stakeholders.

Fawaz Bin Abdulaziz Alhokair

Chairman



CEO's Message

Sharper. Leaner. Ready for growth.

We entered 2024 with a clear intention: reshape the business into a more focused, responsive and scalable platform for growth. That meant becoming sharper in execution, leaner in structure and more aligned with where value lies - both for today and in the years to come. The transformation we undertook was not just about efficiency, it was about building the capability and clarity to grow with intention. What follows is a summary of how we've laid that foundation, and how Cenomi Retail is now positioned to move forward with strength and direction.

Resetting with Resilience. Transforming for the Future.

In 2024, Cenomi Retail executed the most comprehensive transformation in its history. We set out to turn the business around across all dimensions - portfolio, operations and structure - with a clear objective: to prepare for disciplined, scalable growth. That meant making tough decisions, from streamlining our brand portfolio to optimizing store formats, in order to concentrate our efforts on high-performing, high-potential assets. Our strategy centered on strengthening the core: prioritizing Tier 1 Champion Brands, right-sizing our footprint and establishing the conditions for long-term value creation.

Transforming our store portfolio was a critical lever in this reset. Rather than focusing on volume or absolute store count, we pursued quality and efficiency. Closures were intentional and aligned with our view that scale should be driven by productivity, not presence. Our flagship Zara store at Al Nakheel Mall is symbolic of this shift: larger, renovated and digitally enabled to elevate the customer experience while supporting future growth. Across the portfolio, we have continued to invest in higher-quality retail space for key brands in premium locations, reinforcing our strategy of scaling where it matters.

Transformation extended deep into the operating model. We embedded greater discipline in procurement, optimized staff structures and restructured core processes, to increase responsiveness and control. Inventory was managed with more precision, reducing inefficiencies and aligning stock with customer demands. These changes were much more than cosmetic - they were structural, designed to position Cenomi Retail as a sharper, more agile business. As we enter our next phase of growth, we do so with a business that is uncomplicated, more focused and better equipped to capture the opportunities that lie ahead.

Stronger Results. Strengthening the Core.

Cenomi Retail delivered a significantly improved financial performance in 2024, with revenue rising 3.7% year-on-year (YoY) to ₪ 4.8 billion. Gross profit grew 5.8% to ₪ 631.5 million, supported by improved sales, lower inventory provisions and the continued execution of cost and brand optimization initiatives. EBITDA improved from negative ₪ 115 million in 2023 to a positive ₪ 469 million in 2024, marking a clear inflection point in the Company's profitability trajectory. EBITDA margin reached 9.7%, supported by effective cost optimization and better operating leverage across core markets.

The net loss narrowed sharply from ₪ 1.1 billion in 2023 to ₪ 197 million in 2024, driven by disciplined SG&A management and improved sales efficiency, with overall SG&A declining by 23% year-on-year. Inventory shrinkage averaged 0.75% of revenue - well below global benchmarks of 1.38% to 1.62% - reflecting tighter control and improved stock visibility, reinforcing the impact of operational streamlining.

Cenomi Retail also made substantial progress on deleveraging the balance sheet, with total debt payments of ₪ 664 million and a 31.6% year-on-year reduction in net debt. Leverage improved, with the net debt to equity ratio falling from 20.1x in 2023 to 3.4x in 2024. These gains, combined with targeted investments in high-performing brands and geographies, have created a leaner, more financially resilient platform from which to drive sustainable growth.

Accelerating Divisional Progress and Performance

Cenomi Retail's 2024 performance reflects the progress of its strategy across all business units. The Company continues to focus on improving the retail experience, optimizing operations and deepening customer engagement across physical and digital channels. Total full-year revenue rose to nearly ₪ 5 billion, supported by strong international growth and the contribution of new store openings for Tier 1 Champion Brands.

Our Saudi Retail operations remain the anchor market for Cenomi Retail. Full-year revenue reached ₪ 3.2 billion, representing 66% of the total consolidated revenue. While this reflects a 1.7% decline year-over-year due to the impact of the brand optimization program, Q4 results point to a recovery trend supported by marketing campaigns and targeted store investments. The grand reopening of the Kingdom's largest Zara store at Al Nakheel Mall in Riyadh exemplifies the strategy to drive growth through key flagship locations. This site alone delivered a 40% year-on-year revenue increase in December 2024.

Our International Retail operations delivered a standout performance in 2024, with revenue reaching ₪ 1.3 billion, up 26.5% year-over-year. The Company continues to expand its footprint in high-potential growth markets, with outstanding contributions from Azerbaijan and Georgia and a successful market entry into Uzbekistan, which generated ₪ 132 million in its first year. This reflects the Group's strategy of disciplined international expansion through a mix of new openings, renovations and a broader omnichannel presence.

Our F&B revenue totaled ₪ 328 million in 2024, down 13.5% year-over-year, largely due to the closure of 35 non-performing stores as part of the brand optimization. Nonetheless, Subway demonstrated exceptional momentum, with revenue up 75.6% year-over-year in 2024 (YE). This growth was driven by record-setting store rollouts, including 12 stores in a single day in October and 14 simultaneously on one day in December. These openings included a mix of traditional outlets, cloud kitchens and non-traditional venues such as banks and hospitals, signaling a more agile and diversified growth model for the business.

Our E-commerce business generated ₪ 363 million in revenue in 2024, representing 7.5% of the total turnover. While this reflects a 2.9% year-over-year decline temporarily impacted by the brand optimization program, the division made significant operational progress, and we are anticipating that better performance will be delivered from the E-commerce business, building on the operational enhancements delivered in 2024. The launch of four Inditex brands on Trendyol marked a milestone in platform integration and marketplace strategy, while investments in local logistics and the rollout of new online stores in Uzbekistan reinforced the Company's regional reach, which is part of our strategy to digitally expand whether through third-party online marketplaces or potentially promising markets such as Uzbekistan. Digital revenue from Zara and Inditex grew by 6.6% year-over-year, highlighting a clear path forward for the business in 2025.

Salim Fakhouri

Chief Executive Officer



Reshaping Our Footprint for Sustainable Growth

During 2024, Cenomi Retail took deliberate and strategic action to realign its physical footprint in support of its ongoing brand optimization program. A total of 558 stores were closed throughout the year, including 486 in Saudi Arabia, as part of the Company's disciplined exit from non-core brands and underperforming locations. These closures were balanced by 93 new store openings - 41 in Retail and 52 in F&B - focused on market-leading brands in key locations. Performance across the refreshed network is being closely monitored to ensure alignment with long-term profitability goals. The result is a more focused and efficient store network, designed to support long-term profitability and performance.

The fourth quarter reflected the same strategic intent, with 17 closures and 45 new openings for a net addition of 28 stores. Importantly, all Q4 closures were part of natural business attrition and not linked to divestments, underscoring the Company's commitment to healthy portfolio pruning as part of regular performance evaluation. In the F&B segment, Cenomi Retail opened 35 new outlets and closed 10, maintaining an expansion strategy centered on high-traffic formats and locations.

This rationalization of the portfolio is delivering tangible operational efficiencies. Store counts across Saudi retail now stand at 360, while the international network totals 249 stores. F&B, bolstered by record-setting expansion activity, closed the year with 271 outlets. These adjustments - combined with improved inventory control, streamlined store operations and a sharpened focus on top-performing brands - are reinforcing Cenomi Retail's foundation for growth. The Company enters 2025 with a leaner, nimbler store network aligned to its long-term vision.

Developing Our Workforce. Empowering Our Talent

Cenomi Retail's transformation over the past year has been matched by a renewed investment in our people. As the business evolved, we prioritized workforce alignment to support new strategic goals. Key hires across eight countries ensured our store network remained operational and responsive, with 2,676 new employees recruited and 85% of the workforce completing at least one training program. Targeted upskilling, particularly around new brand concepts and

digital tools, helped drive operational performance, while focused communication and internal mobility initiatives sustained engagement during a period of significant change.

Store staff turnover declined to 40% in 2024 from 70% the previous year, reflecting our strengthened retention efforts. Career development opportunities, improved onboarding and recognition programs across all markets helped foster a culture of belonging and resilience. In the Kingdom alone, 1,499 Saudi nationals were hired, underscoring our continued commitment to Saudization and local talent development. Meanwhile, broader initiatives across Jordan, Uzbekistan, Armenia and others enhanced team cohesion and maintained service quality during restructuring.

Our people strategy is closely tied to our broader sustainability agenda. In 2024, we continued to embed inclusive hiring practices, promote diversity and ensure fair employment conditions across our markets. Employee well-being, from mental health to workplace flexibility, remained a key focus, and our cultural initiatives boosted employee morale. These efforts are just a sample of the overall push we are making to shape a stronger, more agile Cenomi Retail, prepared for the next chapter of growth.

Moving with Purpose for Long-term Growth

Looking ahead, Cenomi Retail will transition from a period of brand portfolio optimization to a new phase of focused expansion and operational scalability. Following the successful divestment of 24 non-core brands and a 34.6% reduction in total store count, our attention now remains focused on reshaping the store portfolio. This will involve targeted investments in renovating and expanding Tier 1 Champion Brand stores in high-traffic locations, enhancing the customer journey and elevating in-store experiences through upgraded layouts, fitting room technology and self-checkout innovations. The renovation program will prioritize stores that offer both scale and strategic value, building on the encouraging results seen from flagship transformations such as Zara at Al Nakheel Mall.

Our broader objective in 2025 is to build on the efficiencies gained across the business. With a 31.6% reduction in net debt already achieved in 2024, the Company is well-positioned to reinvest in growth without compromising financial discipline. We will continue to enhance operational performance by deepening our presence in key domestic and international markets, scaling e-commerce initiatives and launching new formats that support profitable expansion. As we prepare to enter Phase 2 of our strategy, Cenomi Retail remains sharply focused on execution, customer-centric innovation and unlocking value across every part of the business.

Acknowledgments

I would like to thank our Chairman and the Board of Directors for their clear vision and unwavering support throughout this critical phase of transformation. Their guidance has been instrumental in helping us navigate complexity with discipline and purpose. I also extend my sincere appreciation to our employees across all markets, whose dedication and adaptability continue to power our progress.

We are equally grateful to our brand and business partners for their continued trust, and to our customers, whose loyalty inspires us to keep raising the bar. Every milestone we've reached this year reflects the strength of these relationships and our shared commitment to delivering exceptional value.











As we look to the future, we do so with clarity, confidence, and renewed determination. Cenomi Retail is now more focused, more agile and more prepared than ever to lead the next chapter of modern retail in the region.



Strategy and KPIs

Cenomi Retail’s strategy follows a phased roadmap, driving transformation, sustainable growth and operational excellence to unlock the Company’s full potential and deliver long-term value for all stakeholders. With its sharpened focus and disciplined execution, the Company

is strengthening core operations, expanding market reach and positioning the business for scalable, profitable growth.

<div><h3>Our Values</h3></div> <div><h3>Delight customers</h3><p>We always focus on our customers-needs and wants</p></div> <div><h3>Commit to deliver</h3><p>Show personal commitment to delivering results</p></div> <div><h3>Execute with excellence</h3><p>How we work is as important as what we deliver</p></div> <div><h3>Win together</h3><p>We work together for speed and execute for success</p></div> <div><h3>Embrace change</h3><p>Have courage to think about and shape a better future</p></div>	Strategic Phase	Phase 1 Fix the House (2023-2024)	Phase 2 Embark on Sustainable Growth (2024-2026)	Phase 3 Achieving Optimal Potential (2026+)
	Description	<ul style="list-style-type: none">• Rationalize brand and store portfolio• Exit/stabilize non-strategic markets• Revamp processes and systems to ensure efficiency• Onboard new Brand Champions in core markets• Deleverage the Company and secure cash for growth	<ul style="list-style-type: none">• Invest to scale existing brands across markets• Identify white space opportunities and secure new franchises in key markets• Grow e-commerce	<ul style="list-style-type: none">• Scale existing brands to maximum potential ensuring comprehensive coverage of key cities in target markets• Invest in scaling new brands
	KPIs	<ul style="list-style-type: none">• Sell 24 non-core brands• Increase efficiency and cost optimization throughout the whole organization• Enter new markets with potential for growth• Commit to deleveraging the balance sheet	<ul style="list-style-type: none">• Invest in prime-location stores• Further increase operational efficiency• Select prime locations (Prime Malls) to further expand Tier 1 Champion Brands	<ul style="list-style-type: none">• Continue expansion in domestic market and internationally
	2024 Achievements	<ul style="list-style-type: none">• 24 non-core brands were sold with a ₪ 210 million capital gain• Store network decreased by 34.6%, from a total number of 1,345 stores in 2023 to 880 stores in 2024• Total net debt was reduced by 31.6% and financial charges were reduced by 4.2%• Entered Uzbekistan in February 2024 and opened seven Inditex stores. Achieved sales revenue of ₪ 132 in less than one year• The focus on optimizing cost efficiency led to a reduction in SG&A by 23.2% YoY• Digital presence expanded by launching Zara and Massimo Dutti online stores in Uzbekistan <div>Zara Nakheel Mall: Redefining Flagship Retail in the Kingdom of Saudi Arabia on page 67</div> <div>Azerbaijan: Elevating Global Retail Presence in a Growing Market on page 73</div>	<ul style="list-style-type: none">• Renovated Zara in Al Nakheel Mall and reopened the store in December 2024, generating approximately a 40% increase in sales• Opened 47 new Subway stores, achieving a world record twice in 2024 by opening 12 new stores in one day and 14 new stores on another day• Launched four Inditex brands on an online channel, Trendyol, in December 2024• Improved inventory efficiency from an average of 15.3 weeks on hand in 2023 to 11.3 weeks in 2024• Cenomi Retail expands its strategic presence in Azerbaijan with a new Zara store, following the opening of 6 new Inditex stores in 2024, at Baku’s iconic shopping destination <div>Subway: A Record-Breaking Year of Innovation and Expansion on page 87</div> <div>Trendyol Partnership: Expanding Reach, Elevating Digital Retail on page 91</div>	
	2025 Goals	<div>Continue investing in Tier 1 Champion Brands in both Fashion and F&B</div> <div>Drive further operation efficiency</div> <div>Provide the best online customer experience catering to all consumer brands in all the countries where the Company operates</div> <div>Adapt the latest technology adopted by</div>		

Business Model

Cenomi Retail leverages its scale, brand strength and operational expertise to create strong and sustainable value for its shareholders and all the stakeholders. As a leading retail powerhouse with a clear strategic vision, the Company integrates premier global brands with deep local insight, an extensive store network and advanced digital capabilities. Cenomi Retail is building a sharper, more resilient business positioned for long-term success, through its disciplined execution and strategic growth.



Our Strengths

Brand portfolio

Robust portfolio comprising Tier 1 Champion Brands (including Zara and Inditex), diversified fashion brands as well as leading F&B franchises.

Physical assets

Extensive retail network with over 850 stores and 252 F&B outlets, covering over 360,000 square meters of gross leasable area (GLA).

Leading retail

Champion in the Kingdom

Scalable and efficient model

Strategically positioned

in high growth international markets

Technological infrastructure

Advanced omnichannel capabilities, digital platforms and significant e-commerce presence with 20 monobrand websites.

Strategic partnerships

Long-term collaborations with international brand partners and suppliers, enhancing market presence and product offerings.

Understanding of consumer

demand and trends enabling adaptation to evolving trends.



How We Create Value

Market expansion and optimization

Strategic expansion in high-potential markets, particularly in Saudi Arabia and the CIS region (Azerbaijan, Georgia, Armenia and Uzbekistan), combined with targeted brand portfolio optimization.

Customer experience enhancement

Continuous store renovations and flagship mall openings (e.g., Jawharat Riyadh, Jawharat Jeddah), significantly boosting footfall, customer engagement and sales productivity.

Operational efficiency

Rigorous cost optimization measures, streamlined inventory management and supply chain efficiencies, contributing to improved EBITDA margins and overall profitability.

Omnichannel retailing

Seamless integration of physical stores with digital e-commerce platforms, providing consumers with superior shopping experiences and convenience.

Innovation and adaptability

Adaptation to evolving consumer trends, integrating new product categories and service innovations, especially within lifestyle and F&B segments.



Value Created for Our Business and Stakeholders

Market leadership

Strong market positioning as the leading fashion and F&B franchise retailer in Saudi Arabia and a key player internationally.

Financial performance

Optimizing financial performance through a focused store management program, rationalization of portfolio and cost optimization.

Financial metrics

Improved financial metrics, driven by successful operational and cost management initiatives.

Diversified growth

Strong momentum in international markets and consistent domestic growth, reinforced by strategic investments in new retail spaces and continuous digital transformation.

Brand equity and customer loyalty

Increased brand value, customer satisfaction and retention, through tailored consumer experience and high-quality service delivery across retail and F&B segments.

Community and stakeholder value

Significant contributions to the local economy, employment generation and community development, aligning closely with Saudi Arabia's Vision 2030 objectives.



Our Competitive Advantages

Exclusive brand relationships

Exclusive franchise agreements with internationally renowned brands, strengthening brand loyalty and market differentiation.

Prime retail locations

Strategic presence in high-footfall malls and prime locations across Saudi Arabia and targeted international markets.

Operational excellence

Proven expertise in retail operations management, enabling rapid store openings, efficient renovations and optimal cost controls.

Digital leadership

Strong digital and e-commerce capabilities, providing competitive differentiation and enhancing customer convenience and reach.

Scalable business model

Ability to rapidly scale operations through strategic partnerships and market expansions, ensuring agility and responsiveness to market opportunities.

Market Overview

Cenomi Retail operates across some of the most dynamic and fast evolving markets in the Middle East and Central Asia. From Saudi Arabia's rapidly modernizing retail ecosystem to emerging opportunities in Uzbekistan, Azerbaijan and Georgia, the Company is well-positioned to capture growth through its growing and focused presence in regions undergoing transformation due to the underlying fundamental structural drivers of economic and population growth, digital acceleration and rising consumer sophistication and demand.



Saudi Arabia's Dynamic Retail Landscape

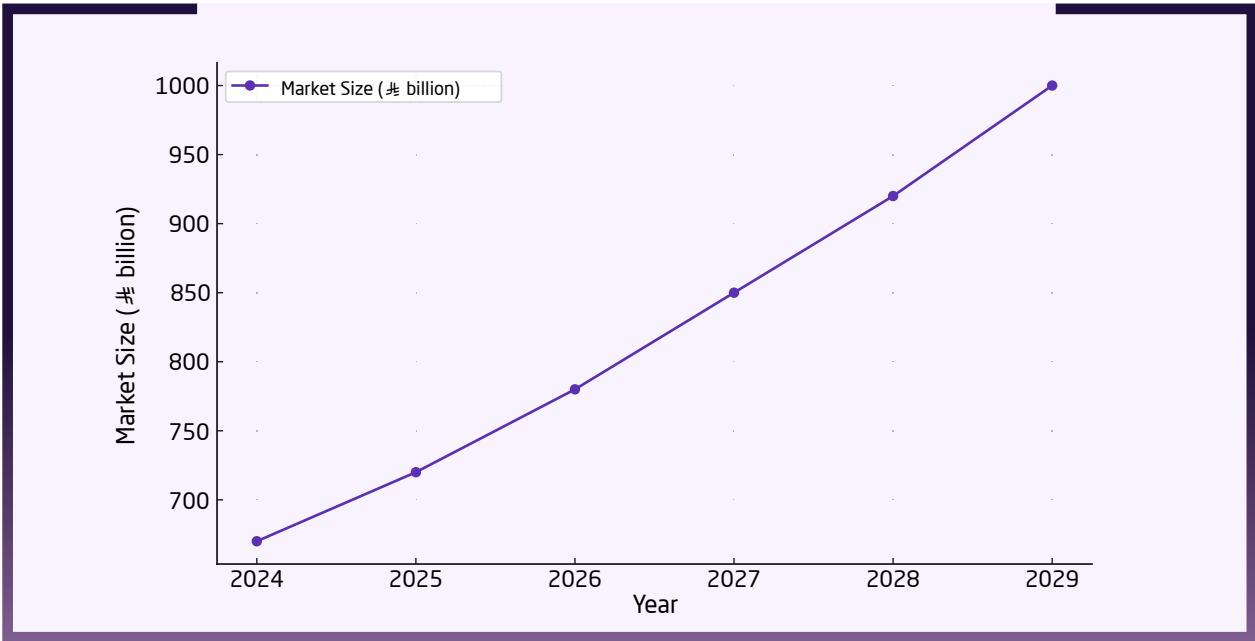
Saudi Arabia's retail sector is undergoing a rapid unprecedented transformation, fueled by structural reforms, urban expansion and a young, tech-savvy population. A combination of evolving consumer preferences and strategic government initiatives, including Vision 2030, is reshaping the landscape and driving sustained growth across segments.

Market Size and Growth Outlook

The Saudi retail market reached a total value of $\text{S\$}$ 670 billion in 2024 and currently contributes 10% to the national GDP¹. The sector is projected to grow at a compound annual growth rate (CAGR) of 7.1% from 2025 to 2029², reflecting strong long-term potential growth. Consumer sentiment remains high, with the Kingdom ranked first globally in the Consumer Confidence Index in 2024³.

Riyadh, Jeddah and Dammam continue to serve as the Kingdom's primary retail hubs, supported by infrastructure development and increasing urbanization^{3,4}. Strategic investments in real estate projects such as Diriyah, Jawharat Riyadh and Jawharat Jeddah are expected to elevate Saudi Arabia's position as a leading regional retail destination.

Saudi Retail Market Growth Projection (2024-2029)²



¹ Ken Research, 2024.

² Technavio, 2024. Saudi Arabia Retail Market Analysis - Size and Forecast 2025-2029.

³ CBRE, 2024. Saudi Arabia Real Estate Market Review Q4 2024.

⁴ JLL MENA, 2024. Kingdom of Saudi Arabia Retail Market Dynamics, Q3 2024.

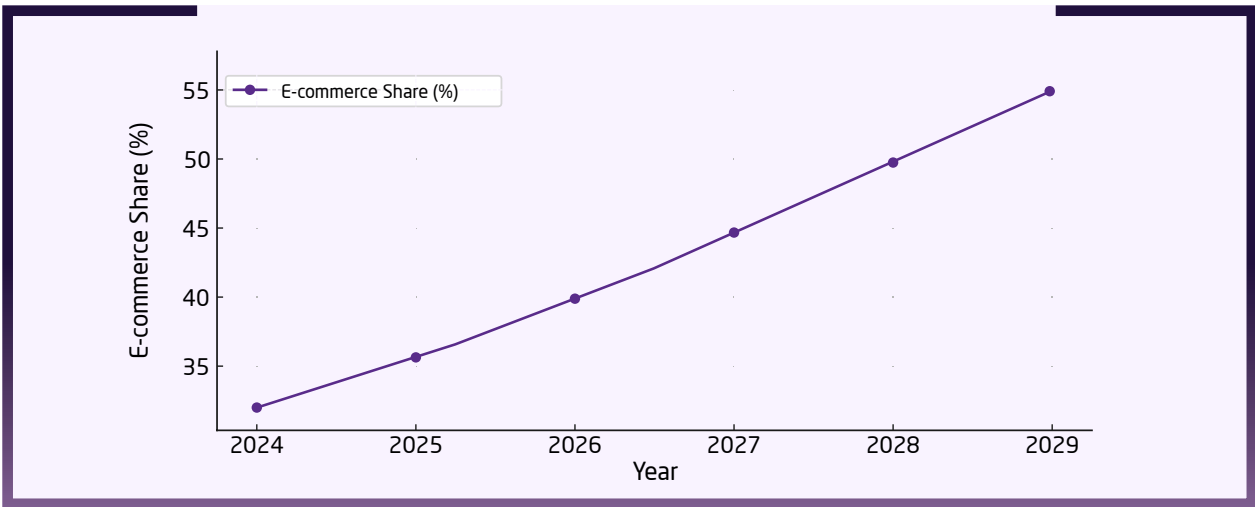


E-commerce Transformation

E-commerce is gaining momentum and is expected to reach ₪ 90 billion by 2026, driven by mobile-first consumers, digital payments and AI-enabled personalization^{2,5}. Retailers are increasingly leveraging omnichannel models to integrate digital and physical retail, with growing consumer demand for seamless, convenient and data-driven shopping experiences.

Online pre-purchase research is a growing norm, with 72% of shoppers using digital tools for price comparison and product information^{6,7}. These trends continue to shift the competitive landscape, accelerating the need for agile, digital-first strategies.

E-commerce Share of Total Retail Sales (2024-2029)^{2,5}



Food and Beverage Market Overview

The F&B sector remains a core component of the retail economy, buoyed by a growing population and evolving consumer consumption habits⁸. Within this, the QSR segment reached a market value of USD 9.35 billion in 2024 and is projected to grow to USD 14.59

billion by 2029 at a CAGR of 9.31%⁹. However, there is a changing mix as the demand for healthier QSR options is rising, with 30% of consumers preferring lower-calorie, protein-rich, vegan or gluten-free meals¹⁰.

Sectoral Performance and Consumer Trends

Consumers in Saudi Arabia are becoming more value-conscious, health aware and lifestyle aligned. Retailers who innovate, are relevant and are on trend are very well-positioned to gain market share across core categories.

The fashion retail sector is dynamic, supported by a dominant, youthful population with rising disposable incomes. International brands and local designers continue to thrive, with consumers placing value on brand, style and lifestyle alignment¹¹.

The personal and household care category continues to grow due to the continually increasing awareness of hygiene and wellness. Shoppers are seeking quality

and trusted products for both personal use and household maintenance⁸.

As digitalization continues to develop, strong demand persists for smart electronics and home appliances, driven by rising technology adoption and interest in connected living solutions⁸. Saudi consumers are early adopters, reinforcing the sector's importance to overall retail growth.

Home furnishing and hobby-related retail is expanding alongside the housing sector. The demand for toys, do-it-yourself (DIY) products and decor continues to rise in urban centers⁸.

Competitive Evolution and Future Direction

Saudi Arabia's retail landscape is technology-driven and increasingly competitive. Leading global chains and homegrown brands are innovating to capture market share across both traditional and emerging formats. In the QSR sector, for example, players like McDonald's, KFC, Al Baik and emerging health-focused outlets are competing across segments¹⁰, while growth in coffee shops has also accelerated across the Kingdom.

Technology adoption is accelerating across the board. From AI-enabled QSR kiosks to end-to-end e-commerce platforms, retailers are investing in digital tools to optimize operations, enhance personalization and streamline the consumer journey¹². The continued rise of local chains, especially in food and apparel, underscores a growing national focus on brand localization and relevance.

⁸ IMARC Group, 2024. Saudi Arabia Retail Market Report.
⁹ ResearchAndMarkets, 2024.
¹⁰ Mordor Intelligence, 2024.
¹¹ Vogue Business, 2024. Saudi Fashion and Retail Report.
¹² FFCC Global, 2024.

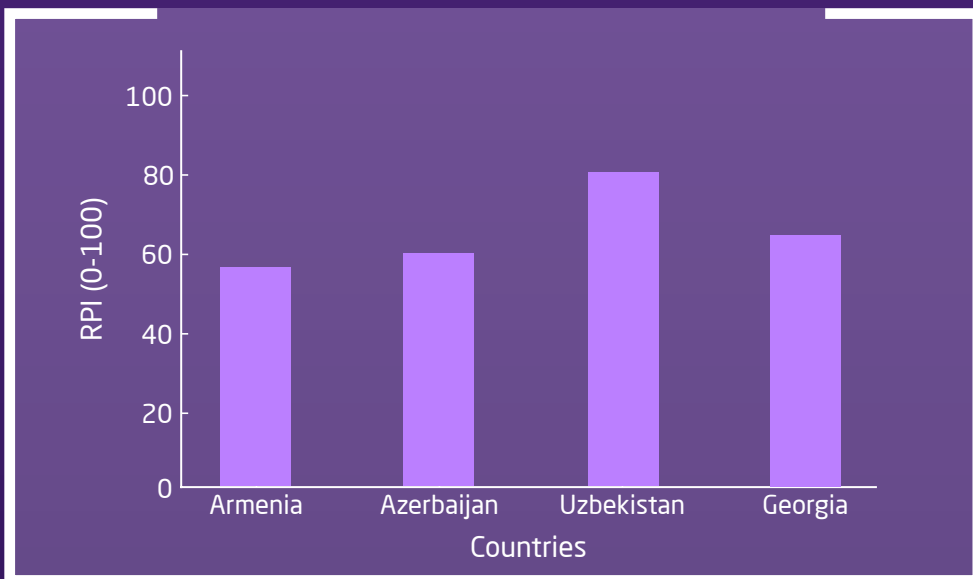
⁵ Oliver Wyman, 2024. Explore Saudi's Grocery Retail Sector From Trends To Growth.
⁶ PwC, 2024. Voice of the Consumer 2024 survey: Saudi Arabia findings.
⁷ Statista, 2024.



Strategic Opportunities in High-growth CIS Markets¹³

Cenomi Retail's presence across Uzbekistan, Azerbaijan, Armenia and Georgia positions the Company at the forefront of modern retail development in some of the region's most promising economies. Each of these markets is undergoing economic transformation, supported by policy reform, rising consumer demand and growing interest in organized retail formats (supermarkets, hypermarkets and specialized chains). As traditional retail formats give way to branded experiences and digital platforms, Cenomi Retail is well placed to capitalize on structural shifts and emerging consumption patterns.

Retail Potential Index (RPI) - 2024

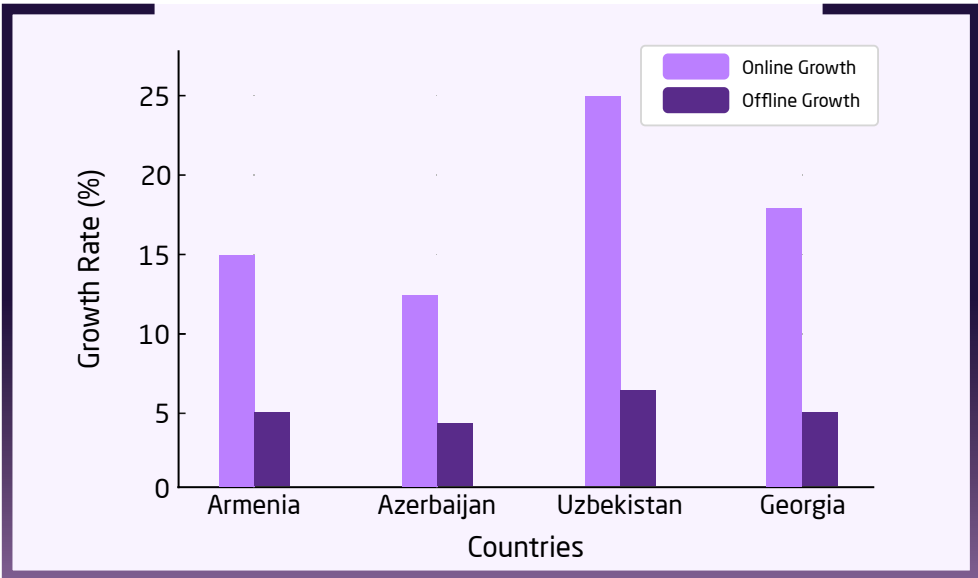


2024 witnessed moderate to strong retail prospects across Cenomi Retail's international markets. Uzbekistan currently leads its international markets due to its rapid modernization and digital growth.

Azerbaijan and Georgia show stable momentum amid structural shifts, while Armenia offers selective opportunities in niche segments, even though inflation and market complexities require a targeted, strategic approach.

¹³World Bank – Country Economic Updates & Data Portal.
International Monetary Fund (IMF) – Regional Economic Outlook: Caucasus and Central Asia.
European Bank for Reconstruction and Development (EBRD) – Country Assessments & Transition Reports.
National Statistical Committees of Armenia, Azerbaijan, Kazakhstan, Uzbekistan and Georgia – Retail Trade and Inflation Data.
United Nations Conference on Trade and Development (UNCTAD) – E-commerce and Digital Economy Reports.

Online vs. Offline Retail Growth (2024)



Uzbekistan is at the forefront of regional e-commerce growth, driven by fast-paced digital adoption and shifting consumer behavior. This supports Cenomi

Retail's continued investment in omnichannel strategies to meet rising demand and expand its customer base across high-potential emerging markets.



Uzbekistan: Youthful Demographics Fueling Modern Retail

Uzbekistan continues to stand out as one of Central Asia's fastest-growing retail markets, driven by economic liberalization, a young population and strong GDP growth. In 2024, the country recorded economic expansion of 4.9%, with projections of 5.3% in 2025, underpinned by foreign investment, public sector reform and rising consumer confidence. This growth has translated into robust demand for apparel, electronics and lifestyle goods, particularly in urban centers where income levels and retail sophistication are increasing.

While the modern retail sector is still developing, its rapid acceleration signals a clear consumer shift toward organized, branded formats. E-commerce is in a relatively new but rapidly advancing phase, with significant potential as digital infrastructure and mobile access continue to improve. The demographic tailwind - Uzbekistan has one of the youngest populations in the region - is driving demand for fast fashion, convenience-driven formats and digitally enabled experiences, creating fertile ground for scalable retail expansion.



Azerbaijan: Stable Growth Amid Diversification

Azerbaijan's retail market continues to evolve as the country balances its reliance on hydrocarbons with broader economic diversification. In 2024, GDP grew by 2.7%, supported by public investment and reconstruction efforts in non-oil sectors. The capital city, Baku, remains the center of retail activity, offering a mix of established shopping centers, specialty stores and international brands catering to middle- and upper-income consumers.

Organized retail in Baku is expanding steadily, with mid-to-high-end categories seeing the strongest growth and demand. Luxury goods remain a key driver of development, while demand also continues to grow for accessible international brands that offer broad appeal. E-commerce adoption continues to build momentum, particularly among urban consumers seeking convenience and digitally enhanced shopping experiences.



Armenia: Steady Progress in a Compact Market

Armenia continues to achieve rapid economic momentum, with GDP growth estimated at 6.0% in 2024, supported by industrial output, government reforms and inflows from the IT and services sectors. The government's focus on diversification and structural modernization is laying the groundwork for more resilient economic expansion.

Retail development remains concentrated in Yerevan, which serves as the country's primary commercial hub. The number of supermarkets and specialty stores is steadily increasing, reflecting a growing consumer appetite for more organized and branded retail experiences. While the overall market size is relatively modest and average incomes remain below regional peers, consumer demand is gradually evolving, especially among younger urban shoppers. E-commerce adoption is gaining traction within this demographic, supported by improving digital access and shifting purchasing habits. Armenia presents a stable, urban-centric environment for selective retail growth, with an opportunity to scale curated retail formats and leverage first-mover digital strategies.



Georgia: Gateway Market with Tourism-driven Momentum

Georgia has emerged as a key trade and tourism hub in the Caucasus, with a retail sector centered in Tbilisi and Batumi. The country has maintained a steady economic performance, supported by diversified trade ties, government reform and digital adoption. While growth may normalize in the short-term due to global trends, Georgia's diversified trade and expanding retail infrastructure continue to provide a stable base for long-term development.

Modern retail formats are firmly established in key urban areas. Tbilisi Mall and Batumi Mall anchor the country's organized retail presence, attracting both domestic shoppers and international visitors. The presence of international brands is growing, as consumers show increasing affinity for luxury, quality, variety and branded experiences. E-commerce is also gaining momentum, supported by Georgia's relatively tech-savvy population and digital infrastructure. The country's positioning as a tourism destination further amplifies retail activity, particularly in the fashion, electronics and lifestyle categories.



Stakeholder Engagement

Cenomi Retail is deeply committed to building trust, alignment and long-term value with all its stakeholders. As the Company sharpens its focus and operates with greater efficiency, it also

continues to listen, engage and act – ensuring its partnerships, communities, employees, investors and customers remain central to everything it does as it prepares for the next phase of its growth.

	 Our Employees	 Our Suppliers/Partners	 Our Community	 Our Shareholders	 Our Customers
How we engage	<ul style="list-style-type: none">• Structural and organizational transformation• Attracting and rewarding top talent• Local and national events for 6,500+ employees in Saudi Arabia and internationally	<ul style="list-style-type: none">• Negotiations to secure the best prices, payment terms and cost reductions• Strategic partnerships to ensure cost stability and minimize supply chain risks• Digital procurement optimization to analyze and allocate operational costs efficiently• Regular financial due diligence to assess supplier stability and compliance• Supplier diversification strategy to mitigate risks• Regular meetings to align on marketing strategies• Joint promotional campaigns• Sharing performance data for mutual growth	<ul style="list-style-type: none">• CSR campaigns (e.g., FTC campaign during Ramadan with Sanad)• Partnerships with local charities. (e.g., Aleph with Zahra for Breast Cancer awareness)• Sponsorship of local events (e.g., Decathlon for sports)	<ul style="list-style-type: none">• Various channels, such as the AGM and OGM's• Quarterly earnings release calls, and inviting institutional investors and the Company's sell side analysts to the discussions about the financial results• Attend investor conferences (e.g., Capital Market Forum, HSBC, EFG and MEIRA)• Emails, online meetings and phone calls	<ul style="list-style-type: none">• Tactical promotions in-store and online (all brands)• Social media campaigns• Customer satisfaction surveys and feedback
How often we engage	<ul style="list-style-type: none">• Ongoing• Annual events (e.g., Ramadan preparations)• As-needed (e.g., structural changes)• Monthly email newsletters• Social media interactions• Seasonal or event-driven engagements	<ul style="list-style-type: none">• Ongoing negotiations throughout the year• Long-term strategic agreements renewed periodically• Regular supplier evaluation and compliance checks	<ul style="list-style-type: none">• Regularly• Annual targets for community initiatives• Ongoing recruitment efforts	<ul style="list-style-type: none">• Ongoing throughout the year• Focused engagement around financial results announcements	<ul style="list-style-type: none">• Monthly email newsletters• Regular social media interactions• Seasonal or event-driven engagements
Key issues discussed	<ul style="list-style-type: none">• Employee well-being• Business continuity during peak seasons (e.g., Ramadan)• Feedback on organizational changes	<ul style="list-style-type: none">• Price negotiations to optimize costs• Supplier payment terms and structured settlements• Risk management, including supplier diversification and compliance verification• Implementation of digital procurement tools to improve efficiency• Financial health and long-term viability of suppliers• Product launches or promotional cycles• Joint promotions• Product availability updates• Launch plans• Supply pricing• Supply timelines• Production models• Sampling	<ul style="list-style-type: none">• Career pathways for the youth• Support for national employment goals• Local social impact initiatives• Sponsorship opportunities	<ul style="list-style-type: none">• Investors' concerns and inquiries• The Company's strategy and strategic progress• Key challenges and management's strategy to solve these challenges	<ul style="list-style-type: none">• Promotions and offers• Services• New store openings• Joint promotions with partners• Launch plans



Our Employees



Our Suppliers/Partners



Our Community



Our Shareholders



Our Customers

Key actions taken	<ul style="list-style-type: none">Improved work schedules during RamadanStreamlined communication during structural changesIncreased employee engagement initiatives	<ul style="list-style-type: none">Consolidated purchasing volumes and leveraged market tenders to secure cost reductionsEstablished long-term supplier agreements for better cost controlImplemented digital tools for procurement cost analysis and strategic decision-makingNegotiated supplier debt settlements, securing waivers on outstanding paymentsAllocated 80% of procurement needs to primary suppliers and 20% to secondary suppliers to minimize risksStrengthened collaborations with suppliers for joint marketing campaignsAligned promotional calendars with suppliers for maximum impactOptimized product availability based on demand insights	<ul style="list-style-type: none">Aligned initiatives with national employment policiesIncreased local event sponsorshipsLaunched new community-focused programs	<ul style="list-style-type: none">Proactive investor engagementContinued to enhance disclosure and ensured that the investor community kept fully updated and informed	<ul style="list-style-type: none">Strengthened collaborations with partners for joint marketing campaignsAligned promotional calendars with partners for maximum impactOptimized product availability based on demand insights
Value created	<ul style="list-style-type: none">Fostering a collaborative and supportive environmentAddressing employee needs during critical periodsImproving workplace satisfaction and loyalty	<ul style="list-style-type: none">Achieved operational cost savingsReduced operational costs, contributing to ₺ 31 million in savings and improving profit marginsNegotiated supplier settlements, saving ₺ 19 million and improving cash flowSupported expansion projects, including new Zara stores in Saudi Arabia and UzbekistanEnhanced market competitiveness through supplier-supported promotional campaigns and incentive alignmentEncouraging stronger supplier relationships and growing business through co-marketingEnsuring product availability and strategic alignment for joint promotionsReduced project lead timesReduced project costs	<ul style="list-style-type: none">Contributing to community development and national goalsSupporting local charities and eventsEncouraging a stronger connection with the community	<ul style="list-style-type: none">Improving disclosure and implementing proactive engagement with retail and institutional investorsInvestors provided with a true picture of the Company's current status and initiatives towards further growth in 2025	<ul style="list-style-type: none">Providing exclusive offers and personalized promotions that increase customer engagementEnhancing the shopping experience with customer feedbackEncouraging stronger partner relationships with strategic partners and growing the business through co-marketingEnsuring product availability and strategic alignment for joint promotions



Financial Review

Delivering improved performance. Positioned for stronger growth ahead.

Cenomi Retail’s financial results improved for the full year ending 31 December 2024 (FY-24), reflecting its continued progress in operational efficiency, ongoing brand optimization and disciplined execution. Financial performance improved across key indicators, showcasing enhanced profitability and cost discipline.

Financial Highlights

(₹ million)	FY-23	FY-24	Change
Revenue	4,671	4,845	3.7%
EBITDA	-115	469	-
EBITDA margin	-2.5%	9.7%	12.0pp
Net loss	-1,113	-197	-
Net margin	-23.8%	-4.1%	19.7pp
Net debt	2,319	1,586	-31.6%
Net debt/EBITDA	-20.1x	3.4x	-

Strengthening Revenue Streams Across Core Markets

Cenomi Retail reported a consolidated revenue of ₹ 4.8 billion for FY-24, a 3.7% YoY increase, supported by improved operational efficiencies and the execution of its brand optimization strategy. Net loss narrowed significantly to ₹ 197 million, reflecting the Company’s progress in restoring profitability.

The retail revenue from the Saudi operations totaled ₹ 3.2 billion for the year, a 1.7% YoY decline as a direct result of the brand optimization program, exiting non-core brands and markets. Despite this, key initiatives such as the reopening of the renovated flagship Zara store in Al Nakheel Mall and targeted marketing campaigns contributed to a stronger in-store performance during peak periods. During the last quarter of the year, Saudi retail revenue rose 9.1% YoY, supported by customer-centric campaigns such as White Friday and Pay Day promotions.

International operations delivered robust growth, with revenue rising 26.5% YoY to reach ₹ 1.3 billion. This was driven by greater contributions from Azerbaijan and Georgia, where full-year revenue increased by 26.6% and 26.8% respectively. Uzbekistan, where operations launched in early 2024, generated ₹ 132 million in its first year. Strategic investments in store openings, renovations and digital platforms across the CIS region supported this momentum.

The F&B segment recorded revenue of ₹ 328 million in FY-24, down 13.5% YoY as a result of 35 non-performing stores. However, Subway demonstrated substantial growth, supported by the opening of 47 new stores and improved like-for-like performance. With 61 Company-owned and 164 sub-franchised outlets, the brand is well-positioned for further expansion in 2025.

The Company advanced its strategic agenda throughout the year by prioritizing operational excellence, rationalizing its portfolio and executing selected store openings and renovations centered on Tier 1 Champion Brands in high-potential markets. The reopening of the flagship Zara store at Al Nakheel Mall in Riyadh drove a 40% surge in store revenue for December, demonstrating the impact of strategic investment in high-traffic locations and blended physical-digital experiences.

Online revenue totaled ₹ 363 million, a 2.9% YoY decline, largely reflecting the impact of the brand portfolio restructuring. However, online sales from Zara and Inditex grew 6.6% YoY, supported by continued investment in digital platforms. Online revenue

contribution (including F&B) to total revenue stood at 7.5% in FY-24, as the brand optimization program delivered.

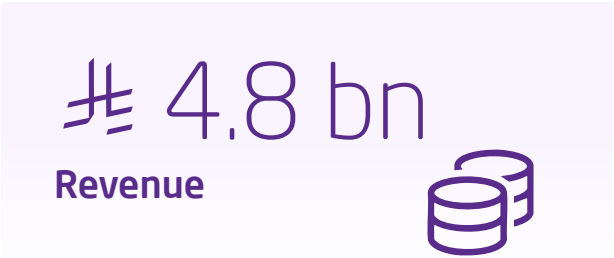
Strengthening Profitability and Financial Discipline

Gross Profit rose 5.8% to ₹ 632 million, with the profit margin increasing to 13.0%, supported by lower provisions, rent and personnel costs. The 0.2 percentage point margin improvement for the year reflects disciplined cost management and operational recovery. Key drivers included a 62.9% reduction in inventory provisions due to improved inventory control, a 7.5% reduction in employee salaries and benefits, and a 7.6% reduction in rent expenses – reflecting the results of the Company’s ongoing cost optimization and brand rationalization programs.

SG&A expenses totaled ₹ 407 million for the year, down 23.2% YoY. This reduction reflects improved cost controls and the strategic exit of underperforming stores, in line with rationalizing the brand and store portfolio.

Net loss narrowed from ₹ 1.1 billion in FY-23 to ₹ 197 million in FY-24, marking a significant step toward restoring profitability. The improvement reflects stronger revenue performance, margin recovery and a lower cost base, partially offset by non-cash year-end accounting adjustments related to goodwill and asset impairment under IFRS standards.

Cenomi Retail also made meaningful progress in deleveraging its balance sheet. Net debt declined 31.6% YoY following ₹ 664 million in repayments, reducing total debt from ₹ 2.5 billion to ₹ 1.6 billion. Finance charges decreased 4.2% YoY to ₹ 298 million, further supporting the Company’s financial resilience and long-term deleveraging strategy.



Driving Efficiency, Simplifying Operations and Reinforcing the Core

In 2024, Cenomi Retail advanced its operational transformation through targeted store expansion, strategic brand optimization and disciplined execution. New store openings of Tier 1 Champion Brands contributed 8.5% growth to Group revenue, supported by 41 new retail outlets and 52 F&B locations - many in prime areas aligned with Tier 1 Champion Brands. These additions reflect the Company's ongoing focus on enhancing its physical footprint to drive stronger footfall, brand visibility and store performance.

International operations played a key role in this strategy, with new Zara and Inditex stores opened across Uzbekistan and Azerbaijan. Cenomi Retail also launched four Inditex brands on Trendyol in December, further strengthening its digital reach. International like-for-like sales rose 6.0% YoY, reinforcing the growth potential of the Company's global portfolio.

Meanwhile, the F&B division set a world record with the opening of 12 Subway stores on a single day in October, followed by 14 more in December. The 47 new Subway outlets launched during the year and 5.1% growth in like-for-like sales drove a 75.6% YoY increase in revenue.

The Company made tangible progress on its brand optimization program, completing the sale of 24 non-core brands over the course of the year. Key milestones included the divestment of 16 brands to Al-Othaim Fashion Company in Q1, followed by further brand sales to Apparel Group and additional agreements that collectively generated capital gains totaling ₺ 210 million. These actions helped simplify the portfolio and concentrate resources on higher-return assets.

Operational discipline extended to inventory and asset management. Full-year inventory shrinkage was maintained at just 0.75% of sales, based on over 1,200 physical counts across stores and warehouses. In line with IFRS audit requirements, Cenomi Retail conducted year-end assessments of goodwill and other assets, with impairments recorded as part of prudent financial housekeeping. These efforts reflect the Company's commitment to operating with greater clarity, control and commercial discipline.



8.5%
growth to Group Revenue from new store openings of Tier 1 Champion Brands



₺ 8.6 m
Online revenue



Positioned to Scale, Focused on Growth

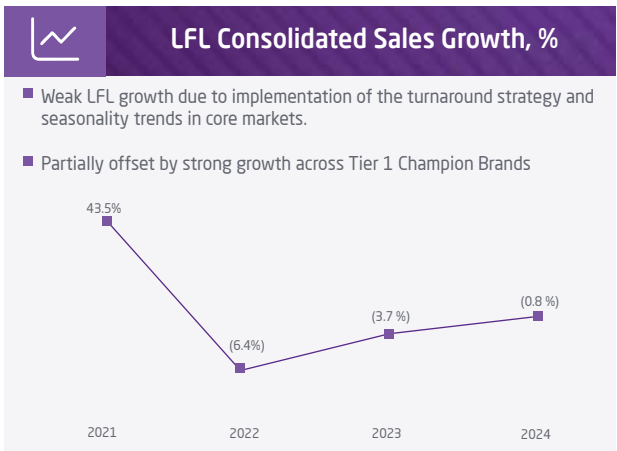
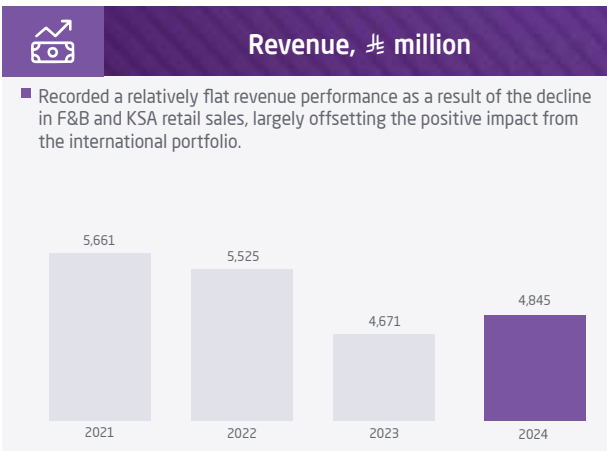
Cenomi Retail will enter FY-25 with an ongoing commitment to further deleveraging the balance sheet, a more efficient cost base and a sharpened focus on high-potential growth markets. The Company will continue executing its strategic roadmap with disciplined investments in Tier 1 Champion Brands, operational excellence and digital innovation - unlocking long-term value across its omnichannel platform.

In the short-term, Cenomi Retail will prioritize targeted store openings in high-footfall, prime locations while advancing its renovation program to elevate customer experiences. The rollout of Inditex brands on

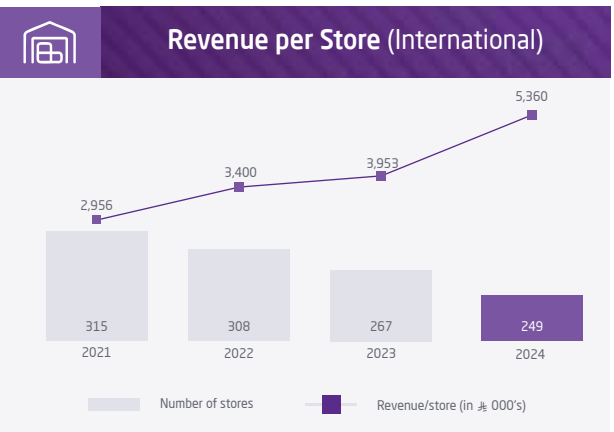
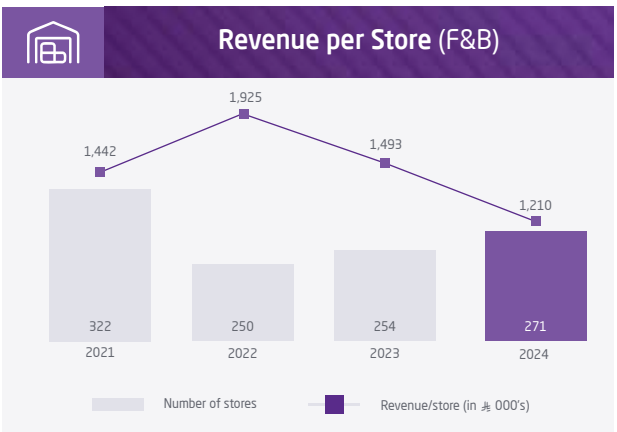
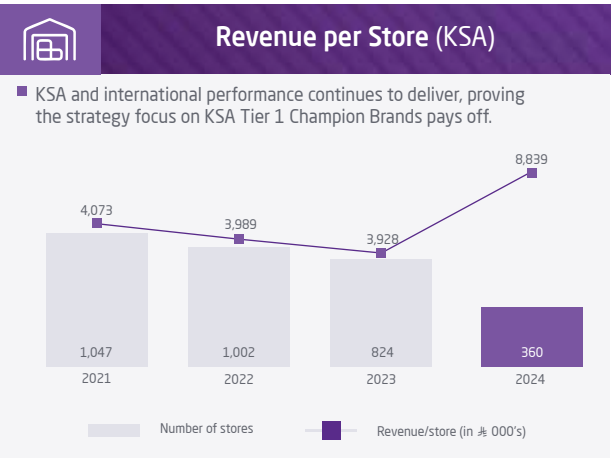
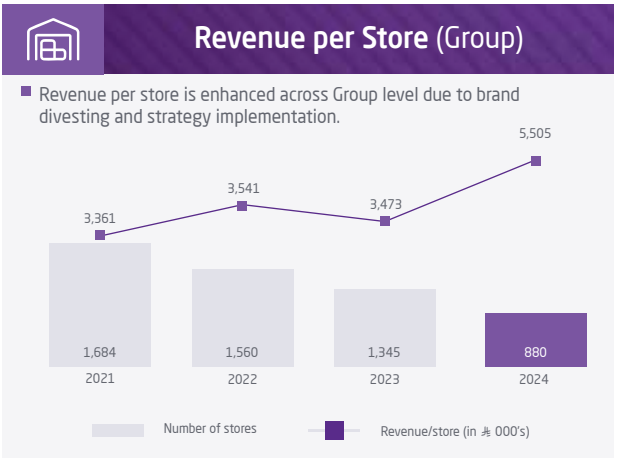
Trendyol will continue to enhance digital engagement and market penetration. In addition, the Company's brand optimization efforts are designed to continue to streamline operations and ensure resources are concentrated on scalable, high-performing assets.

From 2025, Cenomi Retail will transition into Phase 2 of its strategic journey: "Embark on Sustainable Growth" - scaling its brands across core markets, unlocking white space opportunities. The Company will maintain its commitment to deleveraging, building on the 31.6% YoY reduction in net debt achieved in FY-24, and will continue to pursue operational efficiencies to deliver sustainable, profitable growth.

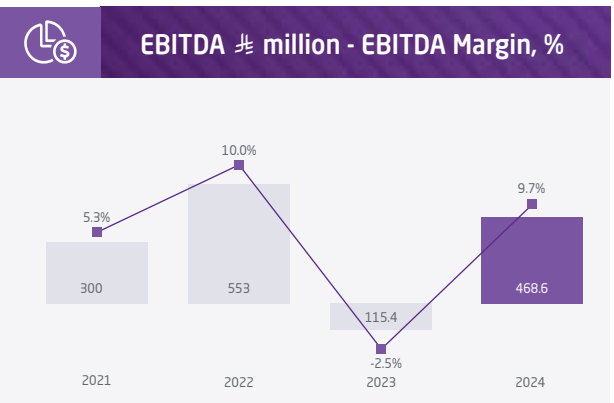
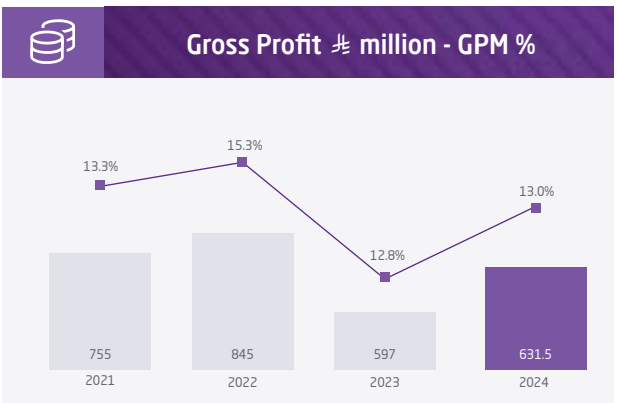
Stable Revenue amidst Store Closures Signalling Turnaround Strategy



Underlying Sales Efficiency Showing Progress as the Turnaround Strategy is Implemented



Business Transformation is Evident in the Decline of Gross Profit and EBITDA (YoY)



Our People

Cenomi Retail undertook a strategic transformation to streamline operations and refocus on core strengths. As part of this process, the Company restructured the business and divested underperforming brands, ensuring long-term sustainability. Managing this transition required a strong commitment to Cenomi Retail’s people, maintaining employee morale, retaining key talent and ensuring operational stability

In order to support the business transformation throughout the year, Cenomi Retail focused on ensuring a fit for purpose workforce across its footprint. Clear and consistent communication was central to its approach. Leadership provided regular updates on the restructuring and the Company’s long-term vision, fostering transparency and trust. Employees were encouraged to share their perspectives through town halls and one-on-one discussions, reinforcing an open dialogue that strengthened engagement.

The Company also invested in career development, equipping high-performing employees with training and growth opportunities that aligned with Cenomi Retail’s evolving needs. Internal mobility played a crucial role, offering clear pathways for advancement and ensuring that talent remained within the organization.

By focusing on these priorities, Cenomi Retail retained key employees, sustained engagement and positioned itself for a stronger, more agile future.

	2023	2024
Full-time employees	8,643	6,675
Female employees	5,045 (58.37%)	3,317 (49.69%)
Saudi employees*	74%	64%

Strategic Focus Driving Transformation

Cenomi Retail’s people strategy was designed to support organizational restructuring while driving efficiency, talent retention and workforce engagement. Its focus remained on measurable outcomes that strengthened the business and ensured long-term sustainability.

A key achievement was reducing the store staff turnover to 40%, a significant improvement from 70% in the previous year. This was driven by targeted retention initiatives, including enhanced engagement, career development opportunities and a strong focus on internal mobility as a motivational tool to enhance talent for high-performing employees.

The Company optimized the headcount which resulted in a significant reduction in employees’ salaries and benefits. This was achieved by streamlining processes, consolidating roles and directing resources

toward core business priorities while retaining essential talent to maintain operational continuity.

As the Company continued with “Fixing the House”, which included brand portfolio optimization, retaining high-performing employees remained a top priority. By identifying and supporting key talent, Cenomi Retail ensured that the organization remained strong and well-equipped to execute its strategic goals.

Commitment to workforce development remained unchanged, even amid restructuring. By year-end, 85% of employees had completed at least one training program, equipping them with the skills needed to adapt and excel in a more agile organization.

These results reflect the Company’s ability to navigate change while strengthening its foundation, retaining top talent and positioning Cenomi Retail for sustainable growth.

* Platinum Category



1,499

new hires in
Saudi Arabia



Putting Our Values into Action

Cenomi Retail remained true to its core values throughout a transformative period, reinforcing a strong culture and driving performance across the organization.

Commit to deliver guided the Company's approach during restructuring and brand sales. Cenomi Retail upheld its commitments to employees, customers and stakeholders through transparent communication and decisive action, ensuring accountability. Key objectives, including cost optimization and talent retention, were successfully met.

Execute to excellence drove operational improvements, with a focus on streamlining processes, upskilling employees and fostering a culture of continuous improvement. The reduction of head office costs reflects the Company's ability to execute with precision while maintaining high performance standards.

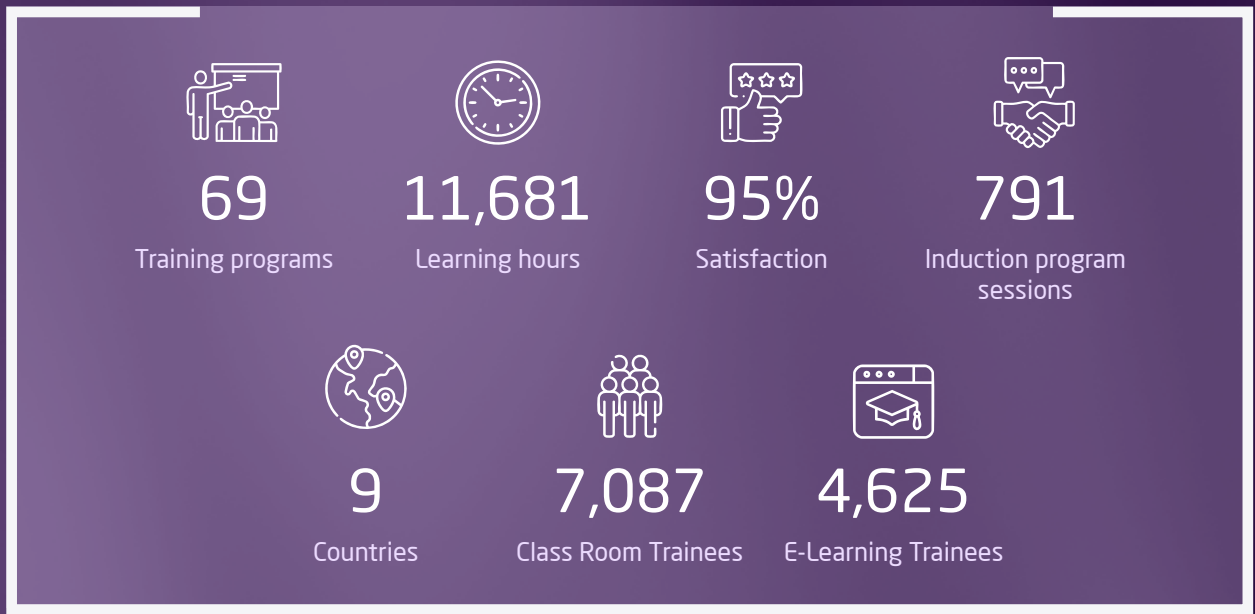
Win together was reflected in the collaboration that defined this period. Cross-functional teamwork, open communication and shared accountability helped employees unite in overcoming challenges. This collective effort was instrumental in reducing store staff turnover to 40% and retaining top talent, reinforcing the strength of the Company's workforce.

Embrace challenge shaped Cenomi Retail's response to restructuring and turning obstacles into opportunities. By encouraging adaptability, innovation and problem-solving, the organization's resilience was strengthened. Maintaining high employee engagement throughout this transition underscores the Company's ability to navigate change while positioning Cenomi Retail for future growth.

By embedding these values into every aspect of its operations, Cenomi Retail emerged stronger, more agile and well-prepared for the next phase of its journey.

Empowering Our Workforce

Cenomi Retail places its people at the heart of its success. In a year of transformation, the Company prioritized initiatives to strengthen its workforce, foster engagement and enhance skills development, ensuring the dynamic needs of the business were met. From comprehensive store staff recruitment, across nine countries - addressing stores with a high turnover, to impactful training programs and cultural celebrations, Cenomi Retail remained committed to building a motivated, skilled and inclusive team ready to drive its vision forward.



The Company's recruitment efforts focused on maintaining operational continuity in stores, which consistently experience high turnover, which is a normal attrition. Across nine countries, Cenomi Retail hired 2,676 new employees, ensuring that its stores remained adequately staffed to meet business needs. Recruitment by country included 1,499 hires in Saudi Arabia, 306 in Azerbaijan, 295 in Georgia, 244 in Uzbekistan, 124 in Armenia, 111 in Jordan, 62 in Kazakhstan and 35 in Egypt. To support these new hires, they were provided with continuous training tailored to their roles, fostering skills development and operational excellence.

Employee engagement and recognition initiatives remained a priority, driving motivation and loyalty across the workforce. Key actions included relocating the Central Region office to the Company's headquarters, organizing roadshows and recognition programs in Riyadh, Jeddah and the Eastern Province, and celebrating significant occasions such as International Women's Day, Saudi National Day, Foundation Day and International HR Day. Events like Sports Day, Ramadan Gamification Winner Announcements and Children's Day further strengthened the Company's culture and connected employees across the organization.

Retention efforts focused on creating a positive work environment and offering competitive compensation packages. These measures reinforced employee satisfaction and ensured that top talent remained engaged and committed.

Learning and development continued to be a cornerstone of our people strategy, covering six countries with 55 training programs and cohorts. In 2024, 505 employees participated in classroom training, while 3,852 accessed e-learning opportunities. With 95 induction program sessions delivered, a total of 7,043 learning hours were completed, achieving a 97% satisfaction rate. Notable programs included a specialized Zara Al Nakheel training course and Ramadan store support visits to enhance employee development.

Cenomi Retail's commitment to Saudization was reflected in the high recruitment volume in Saudi Arabia, with 1,499 new hires, underscoring the Company's focus on engaging and developing local talent.

Diversity and inclusion were celebrated through events like International Women's Day, recognizing the contributions of women, and Children's Day, which highlighted the Company's inclusive and supportive culture. These initiatives reinforced its dedication to fostering an environment where employees feel valued and empowered to succeed.

Shaping the Future of Cenomi Retail

In 2025, Cenomi Retail will focus on stabilizing the business following a transformative period, creating a positive employee experience, and establishing a robust foundation for sustainable growth. The forward-looking people strategy will encompass key initiatives aimed at enhancing engagement, fostering well-being and building leadership capacity to drive the Company's vision forward.

Priority will be placed on enhancing employee engagement and satisfaction by introducing continuous feedback mechanisms to address concerns in real time and implementing recognition programs to celebrate contributions and cultivate a culture of appreciation. Strengthening workforce stability will be a key focus, with streamlined onboarding and training programs to accelerate integration and retention strategies, such as career development pathways and succession planning, aimed at reducing turnover.

Employee well-being will take center stage with initiatives to improve work-life balance, including flexible working policies and wellness programs, as well as access to mental health resources and workshops on stress management and resilience. Leadership development will be expanded with tailored training programs to prepare managers for periods of change, and a mentorship program will be launched to foster knowledge transfer and career growth.

HR processes will be optimized by leveraging digital tools and analytics to enhance operational efficiency and transparency. Performance management systems will be refined to ensure clear, measurable goals align with organizational objectives.

Through these initiatives, Cenomi Retail aims to solidify its position as an employer of choice, ensuring its workforce is fully engaged, supported and aligned with the Company's long-term vision.