

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

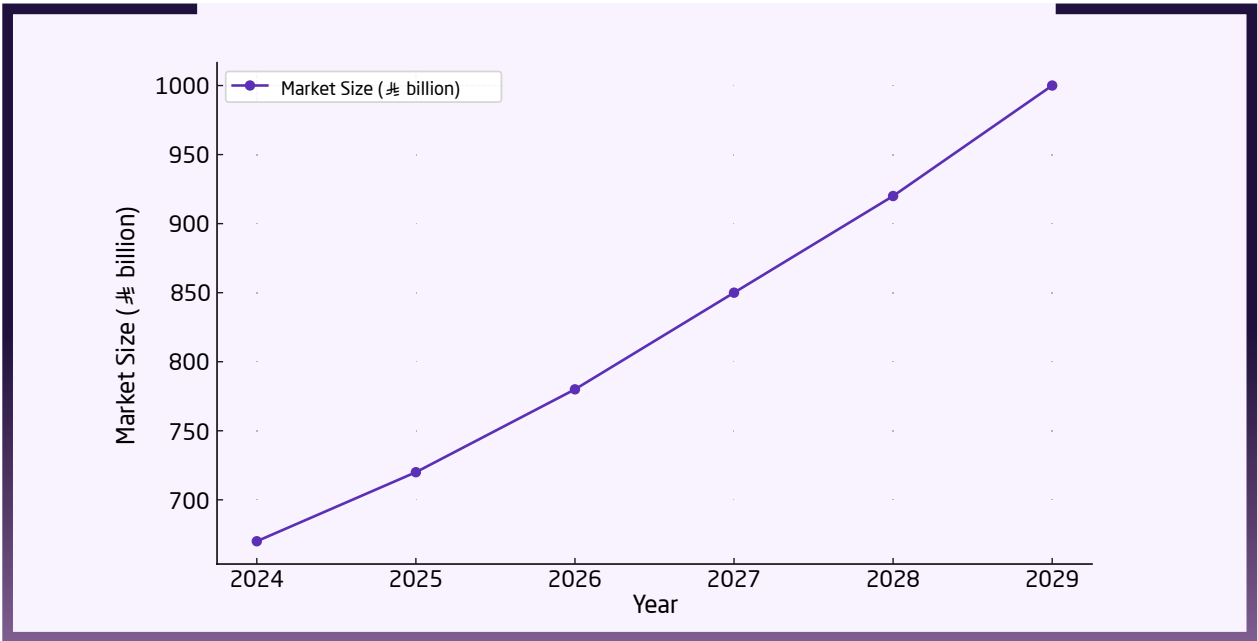
Saudi Arabia's retail sector is undergoing a rapid unprecedented transformation, fueled by structural reforms, urban expansion and a young, tech-savvy population. A combination of evolving consumer preferences and strategic government initiatives, including Vision 2030, is reshaping the landscape and 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 2024¹.

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.

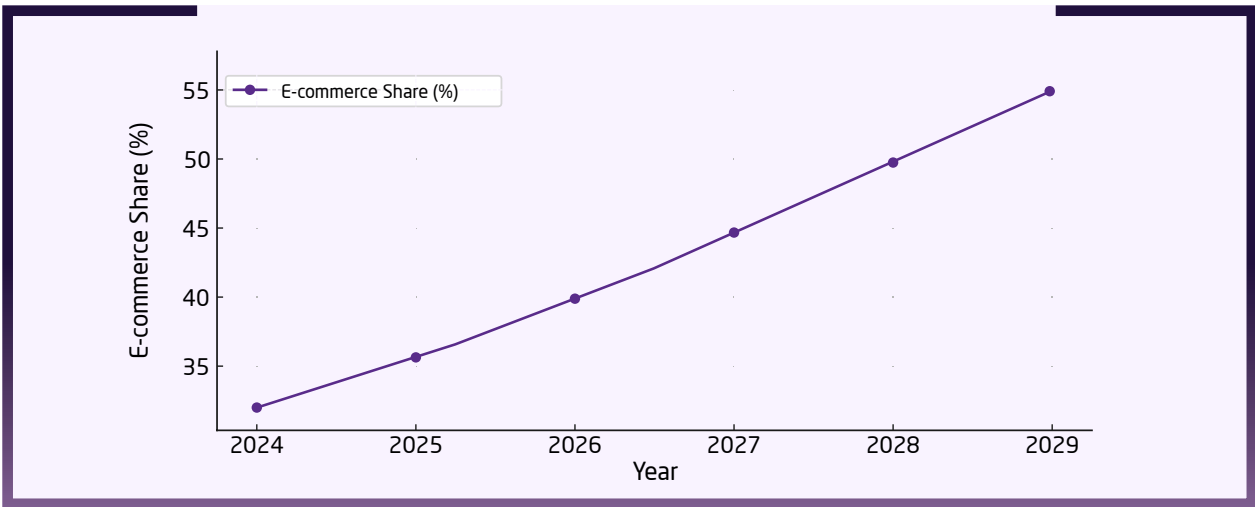


E-commerce Transformation

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.

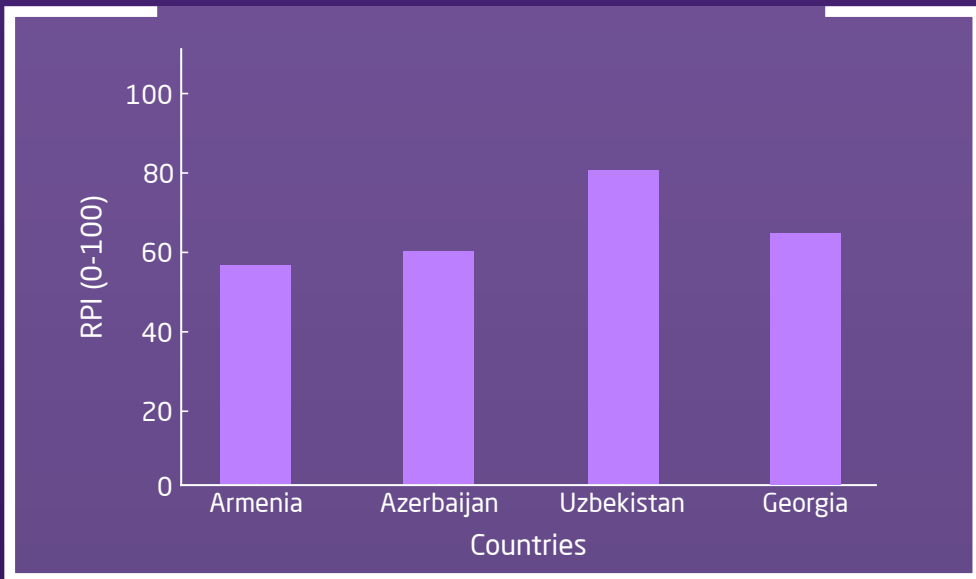
⁵ Oliver Wyman, 2024. Explore Saudi's Grocery Retail Sector From Trends To Growth.
⁶ PwC, 2024. Voice of the Consumer 2024 survey: Saudi Arabia findings.
⁷ Statista, 2024.



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

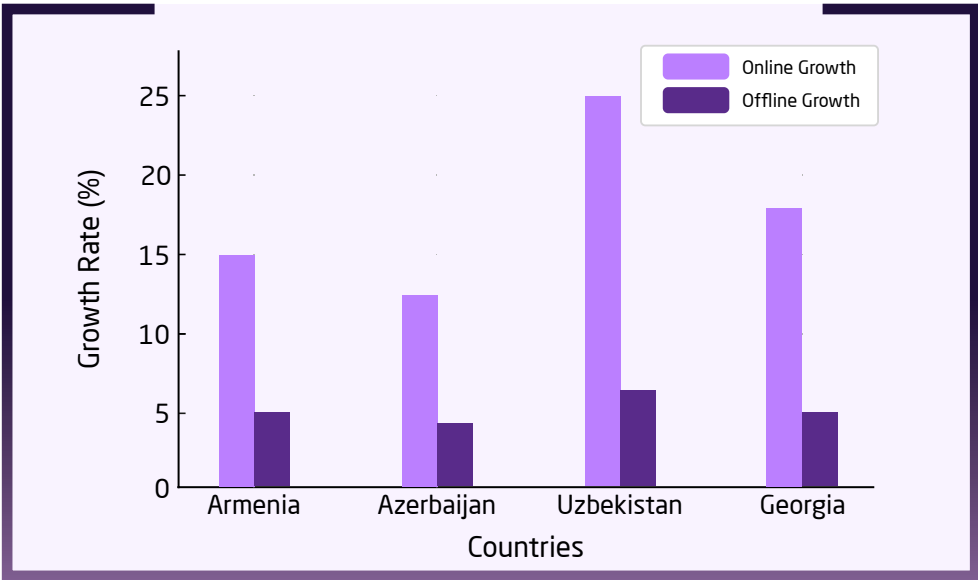


2024 witnessed moderate to strong retail prospects across Cenomi Retail's international markets. Uzbekistan currently leads its international markets due to its rapid modernization and digital growth.

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.

