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.

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.

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.

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.

EBITDA turned positive, reaching ⃁ 469 million in FY-24 compared to a negative ⃁ 115 million in the previous year. The EBITDA margin improved from -2.5% to 9.7%, driven by sustained progress in core operating performance, efficiency initiatives and margin discipline.

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.

⃁ 4.8 bn
Revenue

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.

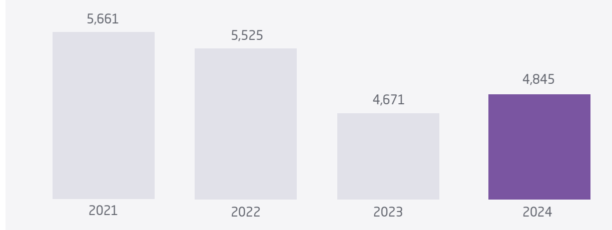
In the short-term, Cenomi Retail will prioritize targeted store openings in high-footfall, prime locations while advancing its renovation program to elevate customer experiences. The rollout of Inditex brands on Trendyol will continue to enhance digital engagement and market penetration. In addition, 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

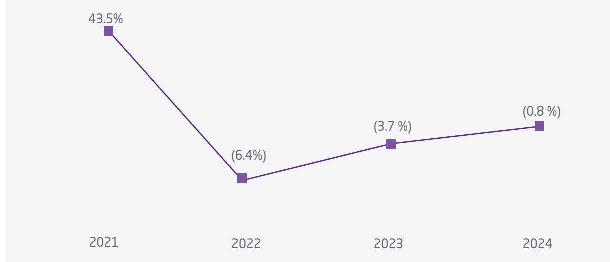
Revenue, ⃁ million

- Recorded a relatively flat revenue performance as a result of the decline in F&B and KSA retail sales, largely offsetting the positive impact from the international portfolio.



LFL Consolidated Sales Growth, %

- Weak LFL growth due to implementation of the turnaround strategy and seasonality trends in core markets.
- Partially offset by strong growth across Tier 1 Champion Brands



Underlying Sales Efficiency Showing Progress as the Turnaround Strategy is Implemented

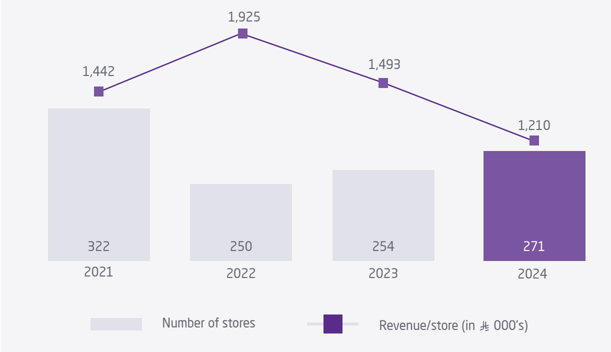
Revenue per Store (Group)

- Revenue per store is enhanced across Group level due to brand divesting and strategy implementation.

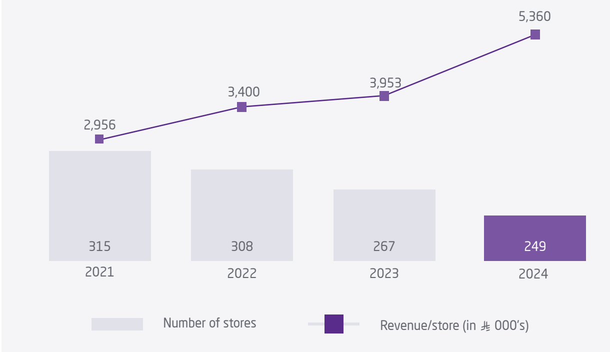
Revenue per Store (KSA)

- KSA and international performance continues to deliver, proving the strategy focus on KSA Tier 1 Champion Brands pays off.

Revenue per Store (F&B)

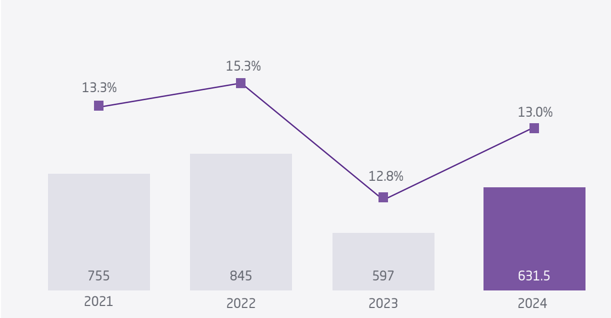


Revenue per Store (International)



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

Gross Profit ⃁ million - GPM %



EBITDA ⃁ million - EBITDA Margin, %