

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.

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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.

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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.