CENOMI RETAIL

Earnings Presentation Q3-FY23

As at 31 December 2022

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Management and Market Overview

"Find yourself here"

Our story is really a story about you.
You're the main character
How you live, how you play what you share, what you cherish.

You.

Our only role is to make sure that while you re busy living life you discover more ways to live - to play.
Find more brands that feel like your signature.
More experiences that stack up memories worth sharing.
More joy in the act of being you.

So go ahead dive in!

We promise there's always something new to discover.
You may just surprise yourself and find
something you never knew you always wanted;
something that makes you a little more uniquely you.

We are now Cenomi Retail*

Represents:
Ceno = Greek for new
Mi = English "me", Arabic "my"

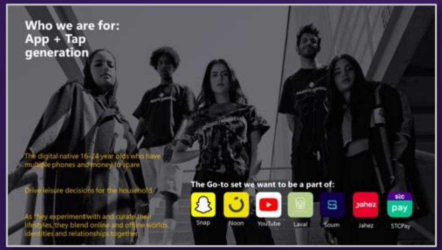
Stands up brand promise:
Finding yourself

Accessible, common, approachable, ownable

Discovery, authentic, **focuses on you**

Easily become synonymous with **lifestyle**

Memorable

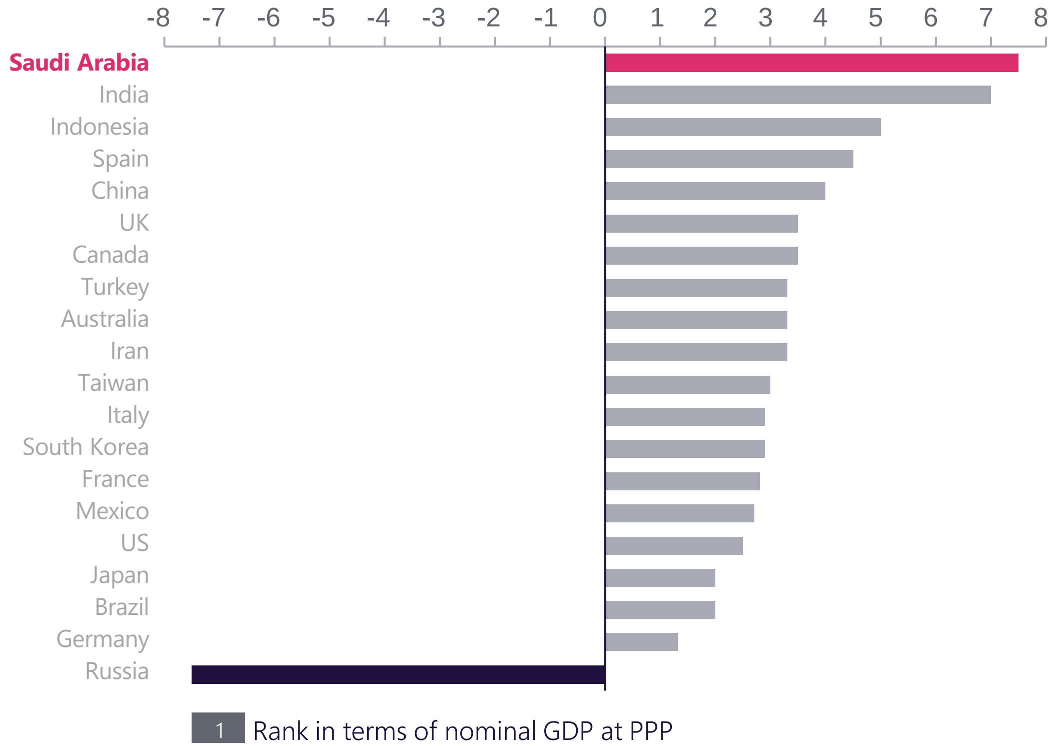


*Cenomi Retail is the trading name of the legal entity Fawaz Alhokair Fashion Retail that started trading in 1990.

Unique KSA momentum:

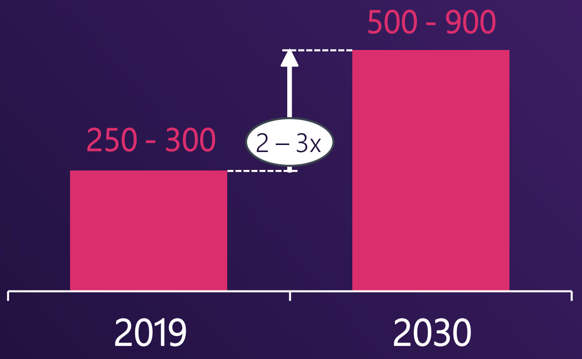
Cenomi Retail operates in the G20's fastest growing economy and one of the globe's most exciting growth stories.

1 KSA is the fastest-growing economy in the G20



Relative performance of major economies, 2022
(real GDP; % change, year on year)

2 A Booming consumer outlook



KSA Discretionary consumer spend Potential Evolution (full Vision 2030 realization) - SAR Bn

KSA population:
+4 million (+12%)

Tourism:
100 million annual visits

Consumer spend:
3X

3 Unprecedented Vision 2030 Growth Tailwinds

VISION رؤية 2030 المملكة العربية السعودية KINGDOM OF SAUDI ARABIA

FDI in KSA on strong upward trajectory
(11X in 2021 vs 2017)

PIF commitment to invest SAR 150+ BN
p.a. by 2025 in the KSA economy

Source: EIU, World bank, PIF Program 2021-25, Vision 2030 Web Search

Unparalleled Opportunity:

Birth of the New Saudi Consumer

Shift to lifestyle categories: More demand for F&B, Leisure and Entertainment

Need for ultra **convenience** and **localization**

Sophisticated Consumer: Desire for personalized experiences

Increasing **e-commerce** adoption and **digital savviness**

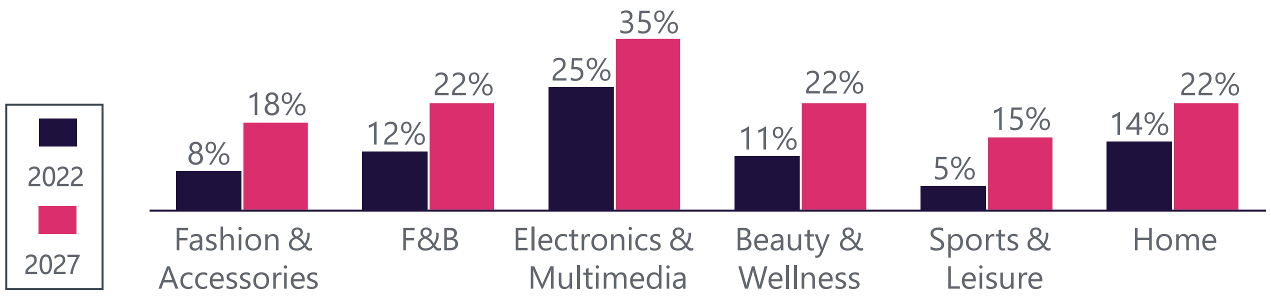
Increasing **customer awareness**

The birth of The New Saudi Consumer presents unique growth prospects

KSA Retail Spend Overview *(2022-2027, in SAR Mn)*

Category	Market Size 2022	Market Size 2027	CAGR 2022-2027
Groceries	179,216	226,429	4.8%
F&B	99,769	137,861	6.7%
Fashion & Accessories	74,460	106,324	4.7%
Electronics & Multimedia	38,179	46,223	3.9%
Entertainment	30,810	37,543	5.3%
Beauty & Wellness	20,273	28,050	5.1%
Home	15,169	20,246	4.9%
Sports & Leisure	6,000	7,600	5.3%

KSA Online Market Share by category *(2022-2027, in %)*



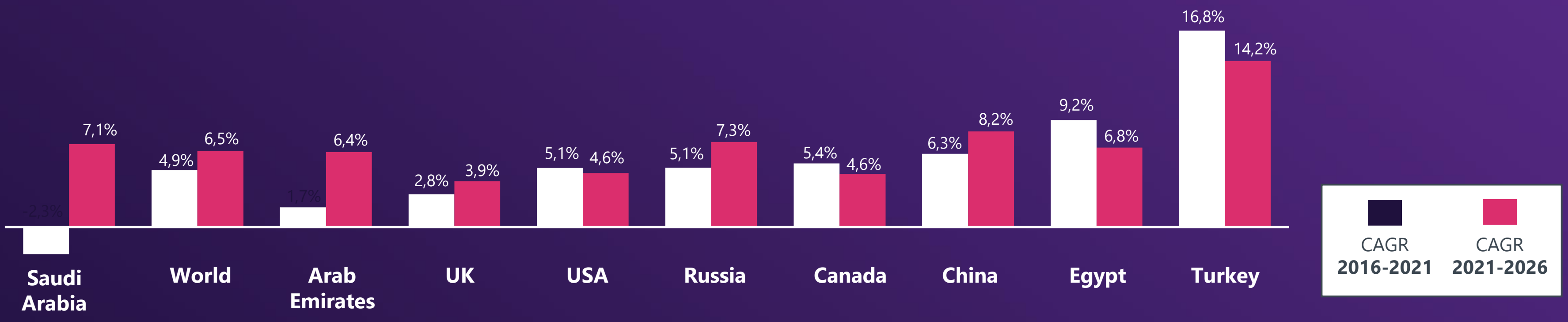
Source: Euromonitor retail spend

Market Context

The Saudi Retail sector has faced key headwinds over the past five years, but is on track to strong growth as these start to dissipate.

Source: Euromonitor retail spend

Historical vs. Future Projected Retail Spend (CAGR)



MACRO Headwinds		2016-2022	Outlook – 2023 Onwards
Key Consumer Factors	COVID-19	Lockdowns due to COVID-19 spread	Government eased all COVID-19 restrictions Gradual return of pre-COVID-19 consumer spending and habits
	Oil & Consumer Confidence	Crash of the oil market and curtailed consumer sentiment	Stabilized around US$80-$100 per barrel over the past year Consistent maintenance of high government spending
	VAT	Introduction of VAT at 5% + subsequent raise to 15%	Gradual absorption of shock into goods prices or onto consumers
	Subsidies	Removal of utility subsidies	Gradual absorption into household spending patterns, with retail spending ultimately recovering
	Benefits	Cutting of public sector benefits	Annual allowances for public sector workers to be reinstated
	Expat Levy	Expat levy imposed	Special relief granted
Key Tenant Factors	Saudization	100% I/s Saudization, raising cost structures and impacting in-store sales productivity	Increased support from HRDF is adjusting the cost impact. Tenants adjusting their cost structures to become more efficient and upskilling workforce to meet productivity targets Cycle of increasing local household income to ultimately offset pressures (more disposable HH income => more retail spend)

Consumer Trends:

Moving forward, Cenomi Retail will need to cater to new consumer trends with significant implications on the future of the industry.

New normal consumer behaviors

- Increasing digital / e-commerce adoption
- Shift towards experiences and new categories
- Desire for personalized experiences
- Need for ultra convenience and localization

Implications for the future of retail

- Scale digital channels & reinvent role of stores
- Re-mix portfolio to experiences & growth categories
- Leverage data / analytics & loyalty programs
- Deliver frictionless and integrated experiences

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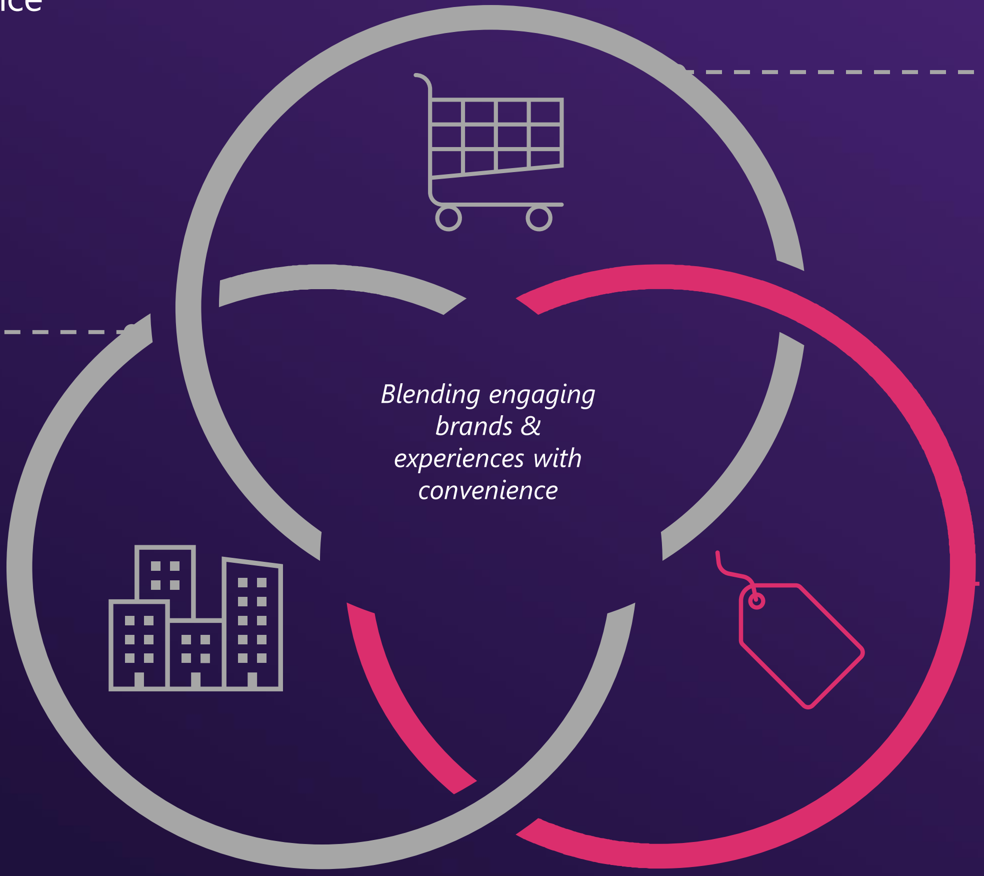
Synergistic omni-channel ecosystem:

The Cenomi omni-channel ecosystem blends engaging physical experiences and curated brands with convenience of online channels to deliver competitive advantage.



E-commerce

- Extension of physical channels, with unlimited tenants
- Enabling leading retailers instead of competing with them

Lifestyle centers

- #1 lifestyle centers player
- Experience-focused centers with dedicated events spaces
- Omnichannel, value-added services

Retail & Entertainment

- Leading multi-category retailer
- Focus on growth categories (F&B, Lifestyle, Electronics)
- Stores re-invented as showrooms, integrated with e-commerce

Under one all-encompassing brand:

Cenomi Retail's strategic pillars:

Unlocking long-term growth opportunities

	Pillar	Ambition	Actions
1	Geography	Re-affirm KSA leadership and win in CIS	• Consolidate KSA leadership and expand in CIS • Become the top 3 regional player by winning in CIS
2	Category	Evolve from apparel champion to multi category lifestyle retailer	• Defend & maintain Fashion & Accessories market leadership • Replicate Fashion & Accessories leadership in F&B • Expand lifestyle categories to become a true multicategory retailer (where relevant)
3	Brands	Lead with winning brands	• Rationalize portfolio by exiting underperforming brands • Scale top existing brands to their full potential • Spearhead growth with Brand Champions (BC) and Tier 1 (T1)
4	Channel	Rise to meet the online opportunity	• Double down on monobrand sites to achieve market online penetration rates • Leverage Cenomi.com as a platform partner

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Operational Excellence

Complement growth aspirations with relentless pursuit of operational excellence.

	Area	Project
1	**Revenue acceleration**	**Sales acceleration:** Grow revenue via sales and marketing initiatives **Comp, benefits, incentives:** Review C&B philosophy and sales incentives
2	**Operational efficiency**	**Inventory management:** Strengthen inventory management practices **Manpower optimization:** Review staffing levels and principles
3	**Portfolio optimization**	**Brand portfolio:** Brand acquisition and portfolio optimization **Real estate:** Optimize store footprint and open new stores **International:** Exit or turnaround underperforming geographies
4	**Critical enablers**	**Cash flow management:** Optimize cash flow and prioritize uses of cash **Organization:** Redesign organizational structure **IT:** Strengthen IT function

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On its existing brand portfolio:

Cenomi Retail should achieve the full potential of BC/T1 brands and exit non-profitable T3 brands.

		BC / Tier 1 Growth Brands	T2-T3 Maintain Re-assess - Deprioritize	T3 Exit Brands
1	Fashion & Accessories	Zara • Stradivarius • Pull & Bear • Massimo Dutti • Lefties, Bershka • New Yorker • Mango • LC Waikiki Group • Aldo/Accessories	Okaidi • Monsoon • GAP, Charles & Keith • Ipekyol, Lasenza • La Vie En Rose, Women's Secret • US Polo, Oxxo • Spring • Jacadi • Oysho	Gerry Weber • Ninewest • Ikks, Machka • Twist • ADL • The Children's Place • Ziddy • Bijou Brigitte • FG4 • Panco • Undiz • Bizou • Quiz • Mayoral • Lipsy, Springfield • FG4 Women • Marie Claire
2	F&B	Cinnabon • Subway • Crepe Affaire	Mama Bunz • Molten	Azal • Caffe Concerto • Caffe Di Classe • Kahve Dunyasi • Emigran Sutis • Guvens • Bluefins • Shawarma Almuhalhel
3	Electronics & Multimedia	Aleph • FNAC	-	-
4	Sports & Leisure	Decathlon • Alo Yoga	-	-
5	Beauty	Kiko Milano	Flormar • Estee Lauder	Bobbi Brown • Nature Republic • Sentence
6	Home	Zara Home • Flying Tiger	-	-

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Financial Overview

Q3 and 9M-FY23 Financial Performance Overview:

- Revenue largely stable in Q3, driven by lower F&B sales (-25% YoY) as a result of brand rationalization. Meanwhile, international portfolio supported the top line, with an increase of **9%** YoY.
- Revenue from online channels increased **69%** YoY during the quarter, and comprised **6.8%** of the total, up from **4.1%** in Q3-FY22.
- Focus remains on operational excellence and cost rationalization to drive future growth, with SG&A expenses down **41%** YoY in Q3-FY23.
- Strategic optimization of inventories continues, with further reduction of **40%** YTD.
- Conservative approach to inventory management adopted, resulting in one-off inventory charge of SAR 290 million in Q3-FY23

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EBITDA represents pre-IFRS 16 EBITDA, i.e. EBITDA after deducting depreciation on right-of-use assets and finance cost on lease liability

*****Adjusting for one-off inventory charge***

Q3-FY23	9M-FY23
SAR 1,460 mn **Revenue**	SAR 4,538 mn **Revenue**
▼ -0.5% vs Q3-FY22	▲ 0.2% vs 9M-FY22
SAR (60) mn **Gross Loss**	SAR 411 mn **Gross Profit**
▼ vs SAR 245mn in Q3-FY22	▼ -49% vs 9M-FY22
SAR (191) mn **EBITDA***	SAR 35 mn **EBITDA***
▼ vs SAR 102mn in Q3-FY22	▼ -90% vs 9M-FY22
SAR (280) mn **Net Loss**	SAR (199) mn **Net Loss**
▼ vs SAR 16mn in Q3-FY22	▼ vs SAR 83mn in Q3-FY22
SAR 10 mn **Adjusted Net Profit****	SAR 91 mn **Adjusted Net Profit****
▼ -36% vs Q3-FY22	▲ +10% vs 9M-FY22

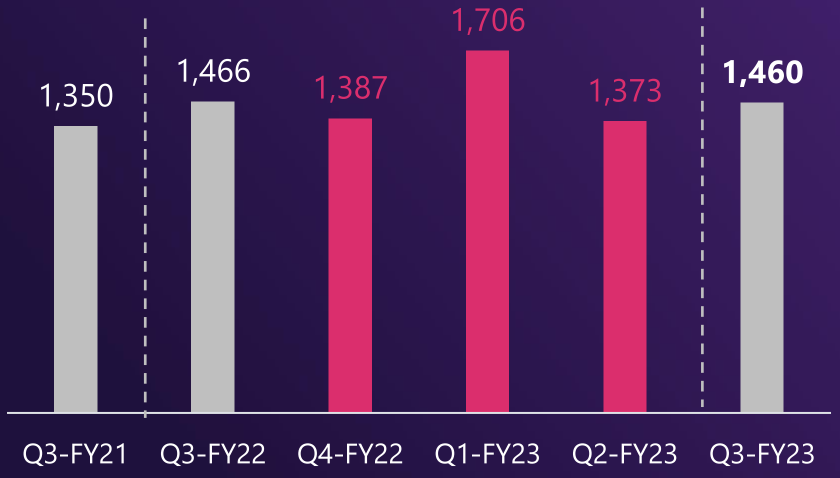
Key brand & store openings:

	Retail		F&B
Q3-FY23 Retail	▪ 21 stores opened ▪ 45 stores closed ▪ 24 net closures	Q3-FY23 F&B	▪ 11 stores opened ▪ 86 stores closed ▪ 75 net closures
9M-FY23 Retail	▪ 62 stores opened ▪ 102 stores closed ▪ 40 net closures	9M-FY23 F&B	▪ 35 stores opened ▪ 103 stores closed ▪ 68 net closures
		FY23 exits	Azal • Blue Fins Shawarma Almuhalhel Guven • Sutis

Stable revenue performance:

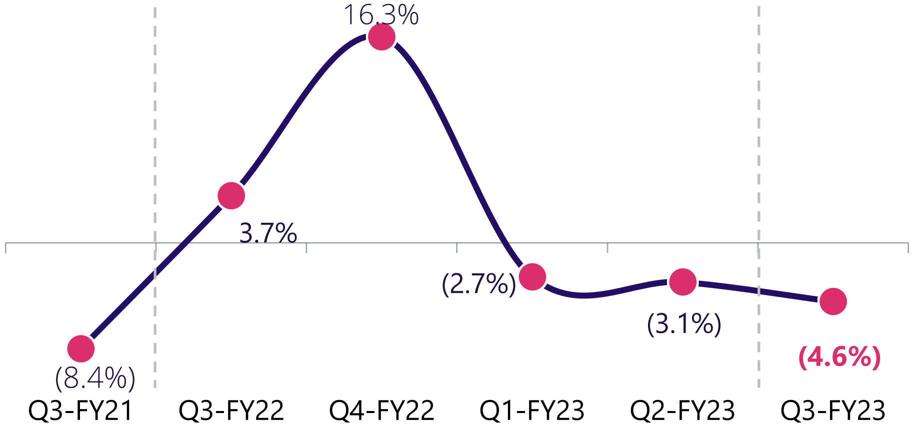
Revenue, SAR million

Rationalized store count and lower F&B sales moderated revenue performance in Q3-FY23, at SAR 1,460 million (-0.5% YoY), while online sales reached SAR 93 million (+69% YoY)



LFL consolidated sales growth, %

LFL revenue declined 4.6% YoY, on a 6.8% and a 2.8% YoY contraction, respectively from domestic retail, and F&B, with moderating international LFL growth at 4.0% YoY

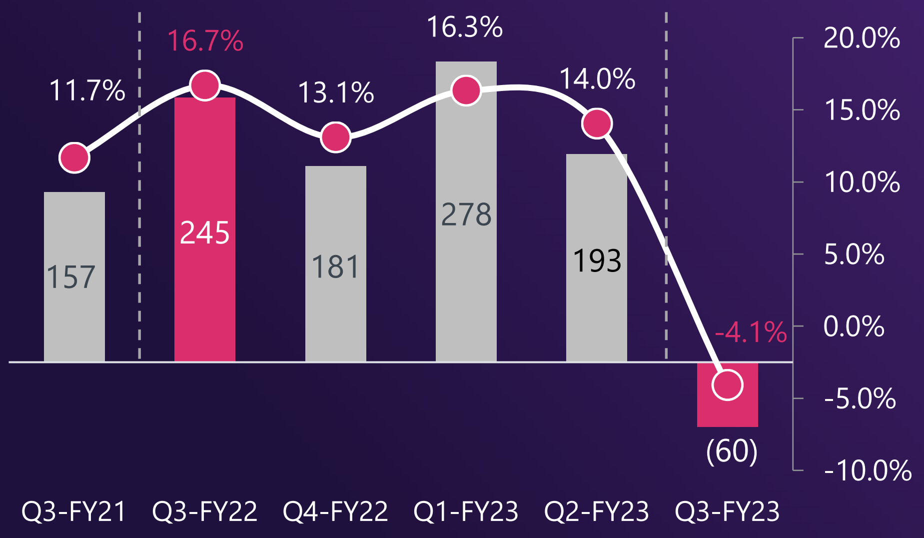


Decline in trading margins, exacerbated by F&B:

Gross Profit, SAR million – GPM, %

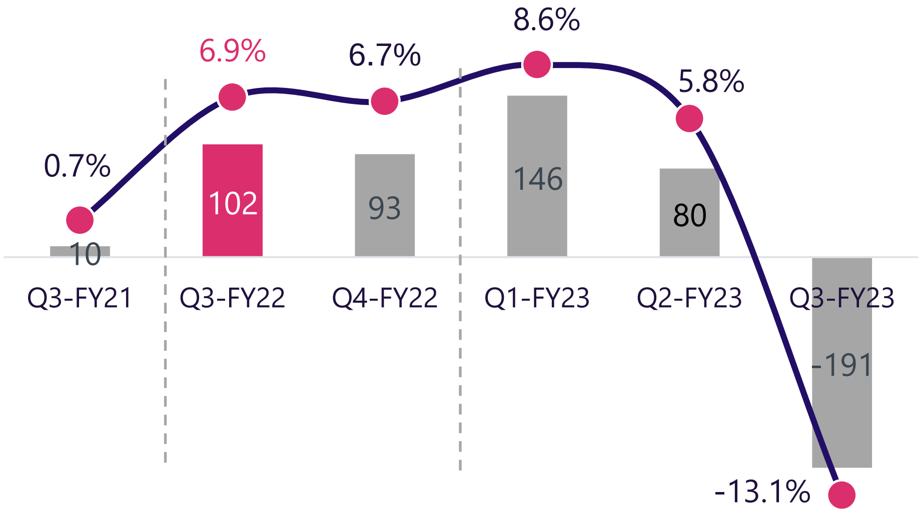
- Trading Margin (Revenue less COGS less royalties less normalized inventory provisions) stood at 23% in Q3-FY23 versus 42% for the same quarter last year. This is essentially driven by the one-off inventory charge of SAR 290 million

- Overall store mix shows efficiency gains with 7.4% YoY growth in revenue per store, which is expected to further improve, with implementation of brand rationalization program



EBITDA, SAR million – EBITDA Margin, %

- EBITDA Margin declines in Q3-FY23, largely impacted by lower F&B sales (-25% YoY), in line with brand rationalization

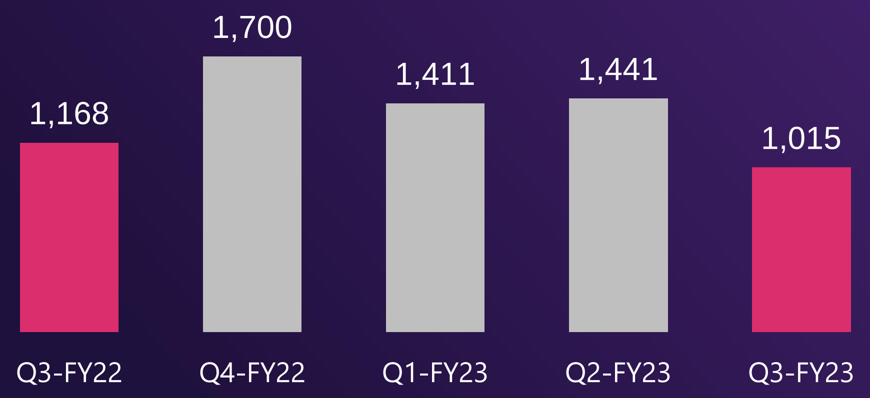


**EBITDA represents pre-IFRS 16 EBITDA, i.e. EBITDA after deducting depreciation on right-of-use assets and finance cost on lease liability*

Strategic focus on inventory optimization:

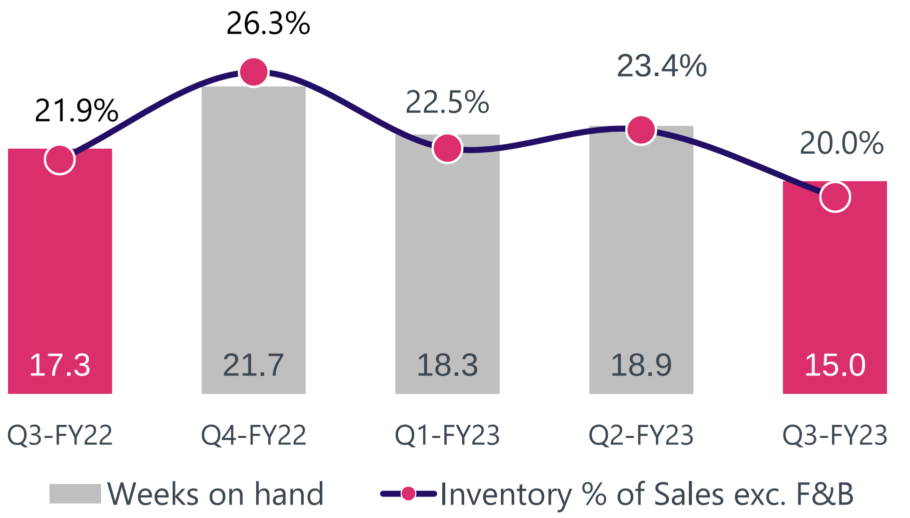
Inventory balance (SAR million)

- Cenomi Retail continues to focus on inventory management to enhance liquidity and efficiency



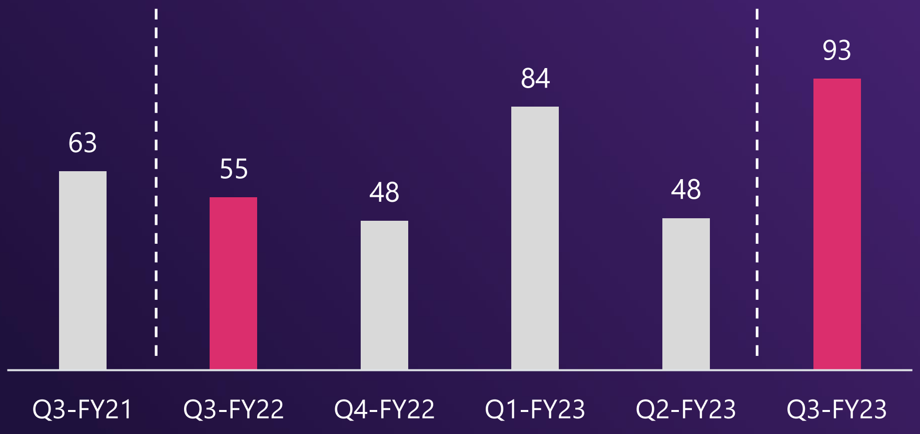
Inventory efficiency ratios

- Sustained improvement in managing inventory levels, with advanced techniques for better predictability and visibility on consumer demand

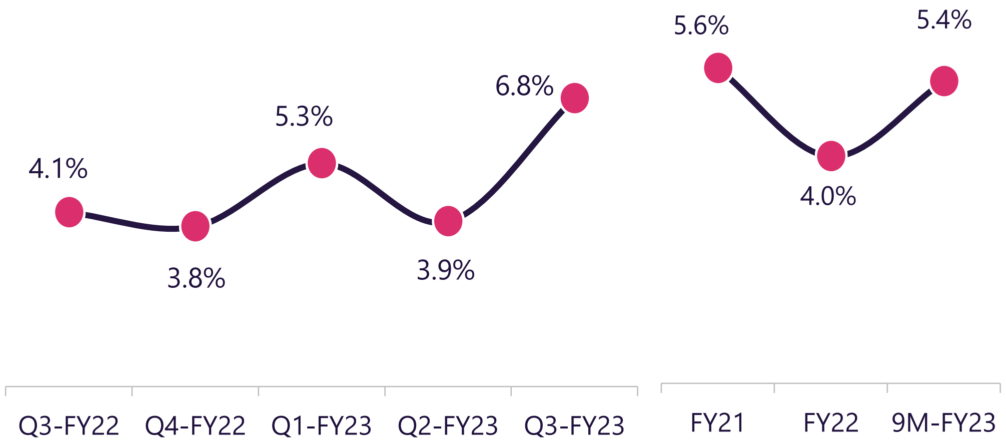


Online sales gaining traction:

Online revenues, SAR million



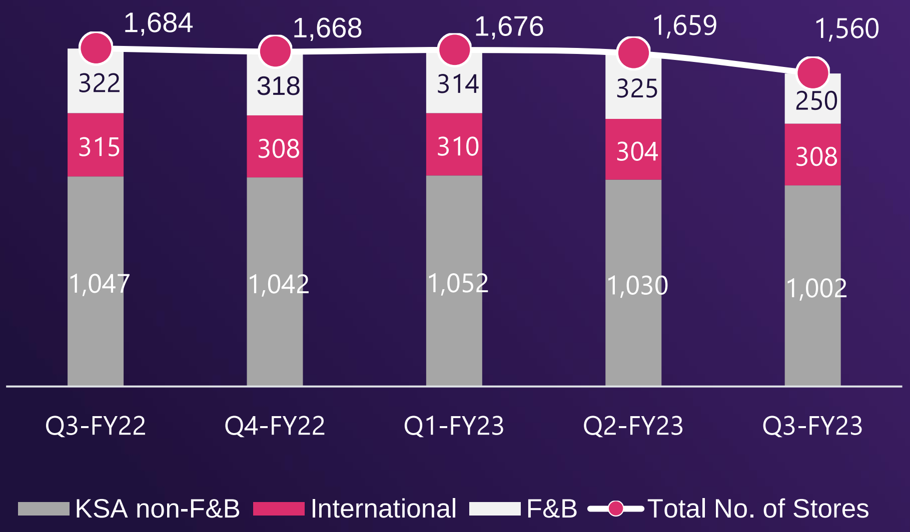
E-commerce, % of total retail sales



Store rationalization gained momentum

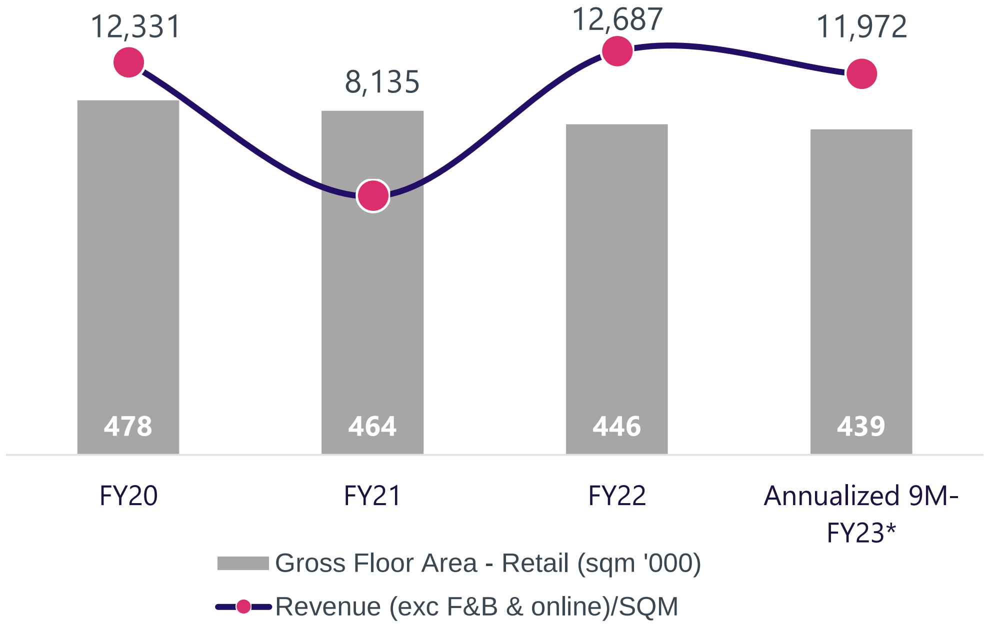
Store network evolution

Net 99 store closures in Q3-FY23



Gross Floor Area, SQM vs Sales Density, SAR

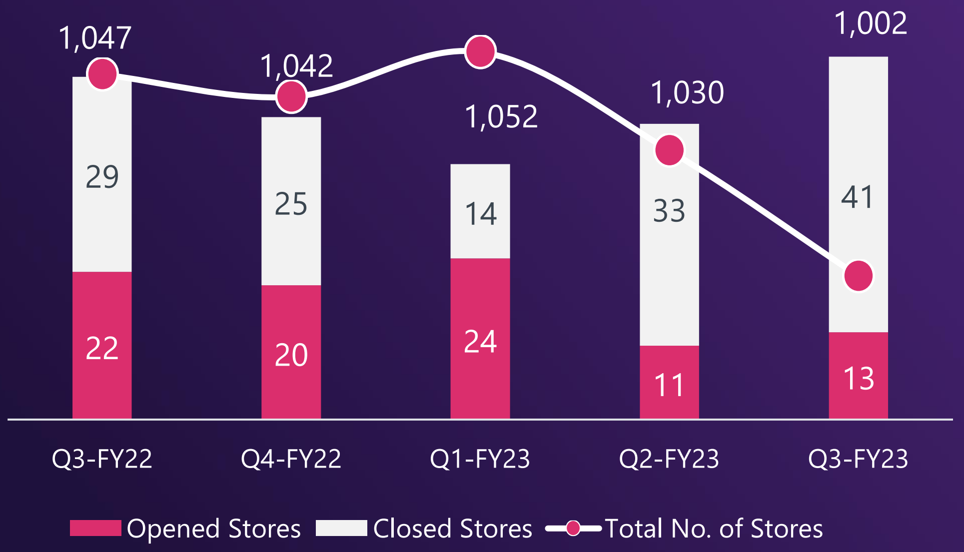
9M-FY23 revenue per sqm of SAR 11,972 shows a decline of 5.6%



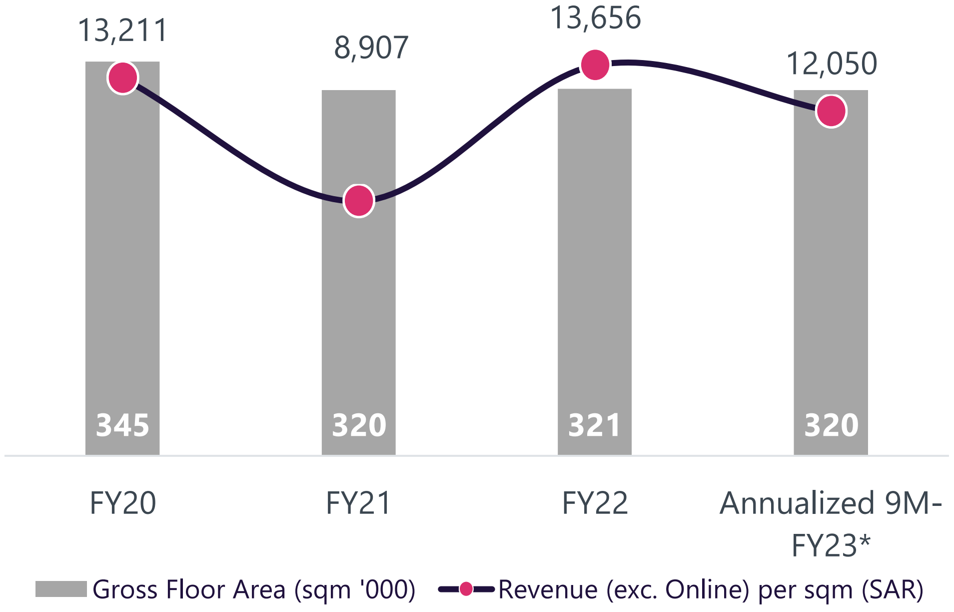
**Annualized figures are based on the period run rates*

Optimization of brand portfolio to transform domestic retail:

Saudi retail store network evolution



Gross Floor Area, SQM vs Sales Density, SAR

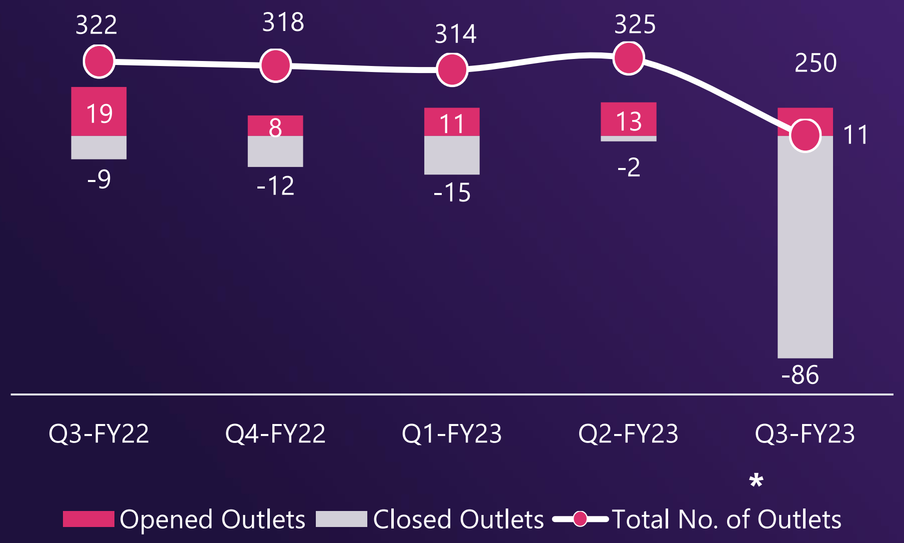


**Annualized figures are based on the period run rates*

Divestment of non-strategic brands to establish solid foundation for future growth

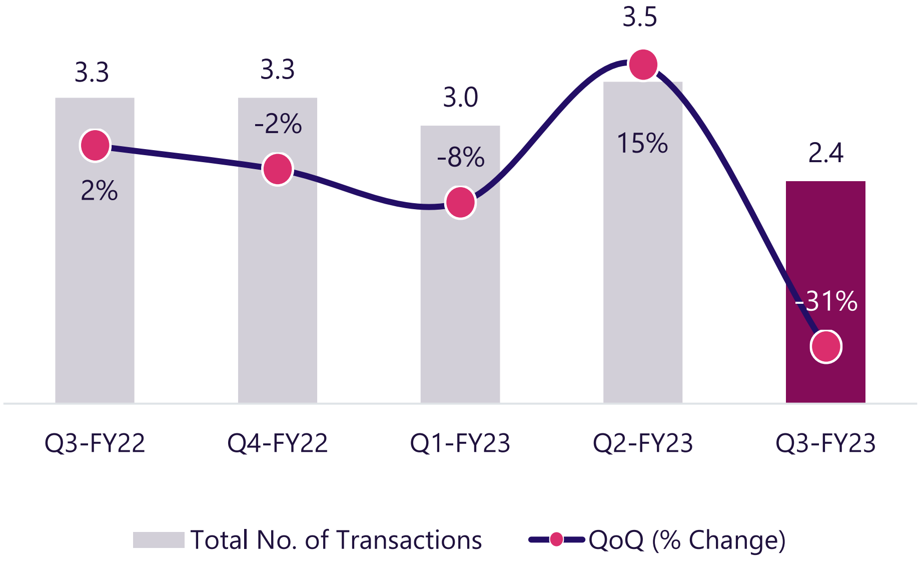
Lower F&B sales resulting from strategic brand rationalization

F&B store network evolution



*includes 58 store closures of four exited brands

Total number of transactions (millions)



THANK YOU

Appendix

Cenomi Retail

Financial Statements

Cenomi Retail

Income Statement Q3 and 9M-FY23

SAR Million	Q3-FY23	Q3-FY22	% Change	9M-FY23	9M-FY22	% Change
Revenue	**1,460**	**1,466**	***-0.5%***	**4,538**	**4,528**	***0.2%***
Cost of Revenue	(1,229)	(1,222)	*0.6%*	(3,837)	(3,719)	*3.17%*
Inventory Charge	(290)			(290)		
Gross Profit (Loss)	**(60)**	**245**	***-124.5%***	**411**	**809**	***-49.2%***
Gross Profit Margin	*-4.1%*	*16.7%*	*(20.8)*	*9.1%*	*17.9%*	*(8.8)*
Selling and Distribution Expenses	(52)	(52)	*-0.3%*	(143)	(142)	*0.2%*
General & Administrative Expenses	(34)	(94)	*-63%*	(187)	(264)	*-29.1%*
Other Operating Expense	(5)	(11)	*-54.3%*	(6)	(32)	*-80.3%*
Depreciation and Amortization	(44)	(38)	*16.4%*	(122)	(141)	*-13.4%*
Other Operating Income	(2)	47	*-105.2%*	71	110	*-35.7%*
Operating Income (Loss)	**(198)**	**96**	***-306.5%***	**23**	**340**	***-93.1%***
Operating Income Margin	*-13.6%*	*6.5%*	*(20.1)*	*0.5%*	*7.5%*	*(7.0)*
Financial Charges	(100)	(57)	*74.0%*	(209.2)	(200)	*4.5%*
Gain on disposal of subsidiary	13	-	-	13	-	
Share of loss of associates	(9)	(4)	*109.2%*	(5)	(4)	*18.6%*
Profit (Loss) before Zakat & Tax	(293)	34	*-952.2%*	(177)	136	*-230.2%*
Zakat and Income Tax	13	(18)	*-172.7%*	(22)	(53)	*-59.6%*
Net Profit (Loss) for the Period	**(280)**	**16**	***-1845.8%***	**(199)**	**83**	***-340.5%***
Net Profit Margin	*-19.2%*	*1.1%*	*(20.3)*	*-4.4%*	*1.8%*	*(6.2)*
Attributable to:						
Shareholders of the Company	(280)	17	-1758.30%	(200)	85	-334.01%
Non-Controlling Interest	(0)	(1)	*-90%*	1	(3)	*-143.3%*
Adjusted Net Profit	**10.2**	**16**	***-36.3%***	**91.2**	**82.6**	***10.4%***
Earnings per Share Basic and Diluted	**(2.44)**	**0.15**	***-1758.3%***	**(1.74)**	**0.74**	***-334.0%***
Pre-IFRS 16 EBITDA	**(191.3)**	**101.7**	**-288.1%**	**35.1**	**369.2**	**-90%**
EBITDA Margin	*-13.1%*	*6.9%*	(20.0)	*1.3%*	*24.4%*	(23.1)

Balance Sheet

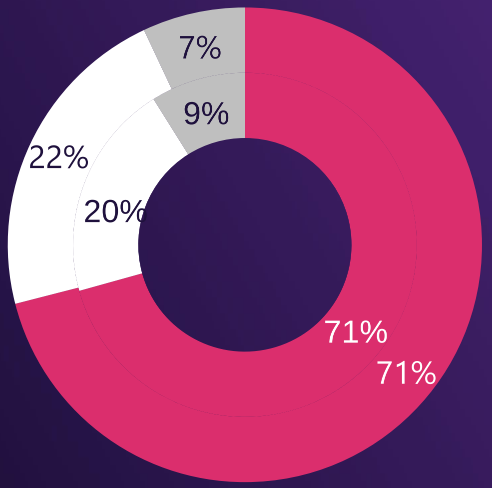
SAR Million	31 Dec 2022	31 Mar 2022	% Change
Assets			
Property, Plant and Equipment	1,328	1,358	-2%
Right-of-Use Assets	3,027	3,276	-8%
Goodwill and Intangible Assets	1,121	1,083	3%
Investment Property	1	2	-8%
Equity-accounted investees	63	62	2%
Other investments	285	300	-5%
Derivative asset	35	30	
Total Fixed Assets	**5,861**	**6,110**	**-4%**
Inventories	1,015	1,700	-40.3%
Advances, Deposits and Other Receivables	727	475	53%
Prepayments, Rentals and Insurance	37	64	-42%
Cash & Cash Equivalents	193	198	-2%
Total Current Assets	**1,971**	**2,437**	**-19%**
Total Assets	**7,832**	**8,547**	**-8%**
Equity & Liabilities			
Share Capital	1,148	2,100	-45%
Reserves (Statutory, Foreign Currency and Fair Value)	(534)	(520)	3%
Fair value reserve	13	13	0%
Accumulated Losses	(227)	(982)	-77%
Equity Attributable to the Shareholders of the Compan	400	611	-35%
Non-Controlling Interest	(92)	(107)	-14%
Total Equity	**308**	**504**	**-39%**
LT Loans and Borrowing	115	-	-
Lease Liabilities	2,637	2,846	-7%
Post-Employment Benefits	97	103	-6%
Total Non-Current Liabilities	**2,849**	**2,949**	**-3%**
Trade and other payables	1,139	1,496	-24%
Bank Overdraft	50	50	-1%
Zakat & Tax Liabilities	29	37	-21%
Lease Liability – current portion	641	632	1%
ST Loans and Borrowings	2,817	2,878	-2%
Total Current Liabilities	**4,676**	**5,094**	**-8%**
Total Liabilities	**7,524**	**8,043**	**-6%**
Total Equity & Liabilities	**7,832**	**8,547**	**-8%**

Supplementary Information

Cenomi Retail

Revenue breakdown

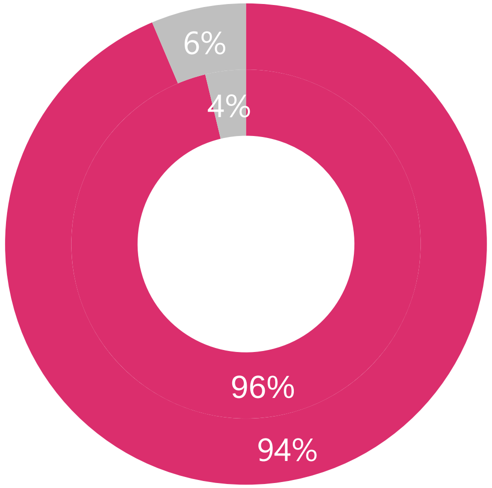
Revenue by division



Q3-FY23 - Outer circle
Q3-FY22 - Inner circle

■ KSA Retail ■ Int'l Retail ■ F&B

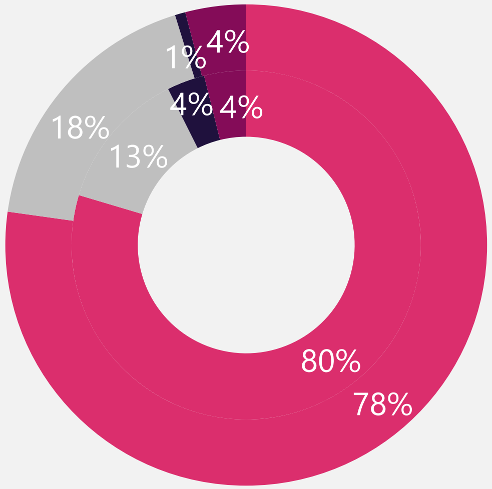
Revenue by channel



Q3-FY 23 - Outer circle
Q3-FY 22 - Inner circle

■ Stores ■ Online

Revenue by geography



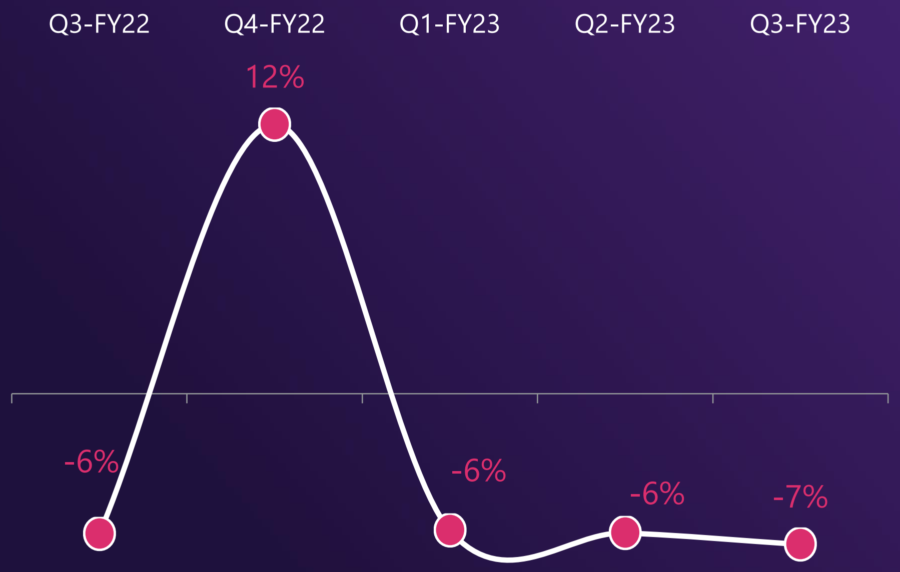
Q3-FY23 - Outer circle
Q3-FY22 - Inner circle

■ KSA ■ CIS ■ Egypt ■ Others

Footfall impacted by boost in online sales:

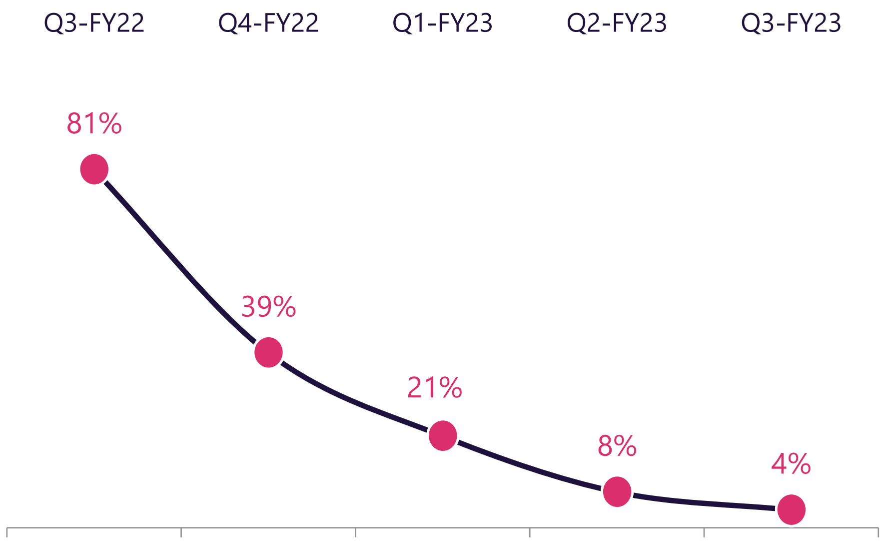
LFL Saudi retail sales growth, %

Saudi LFL revenues down nearly 7% in Q3-FY23, on pick up in online revenues supported by post-pandemic demand recovery



LFL international retail sales growth, %

International LFL revenues maintained positive trajectory, albeit at slower pace of 4% during the quarter, with CIS countries demonstrating strong demand



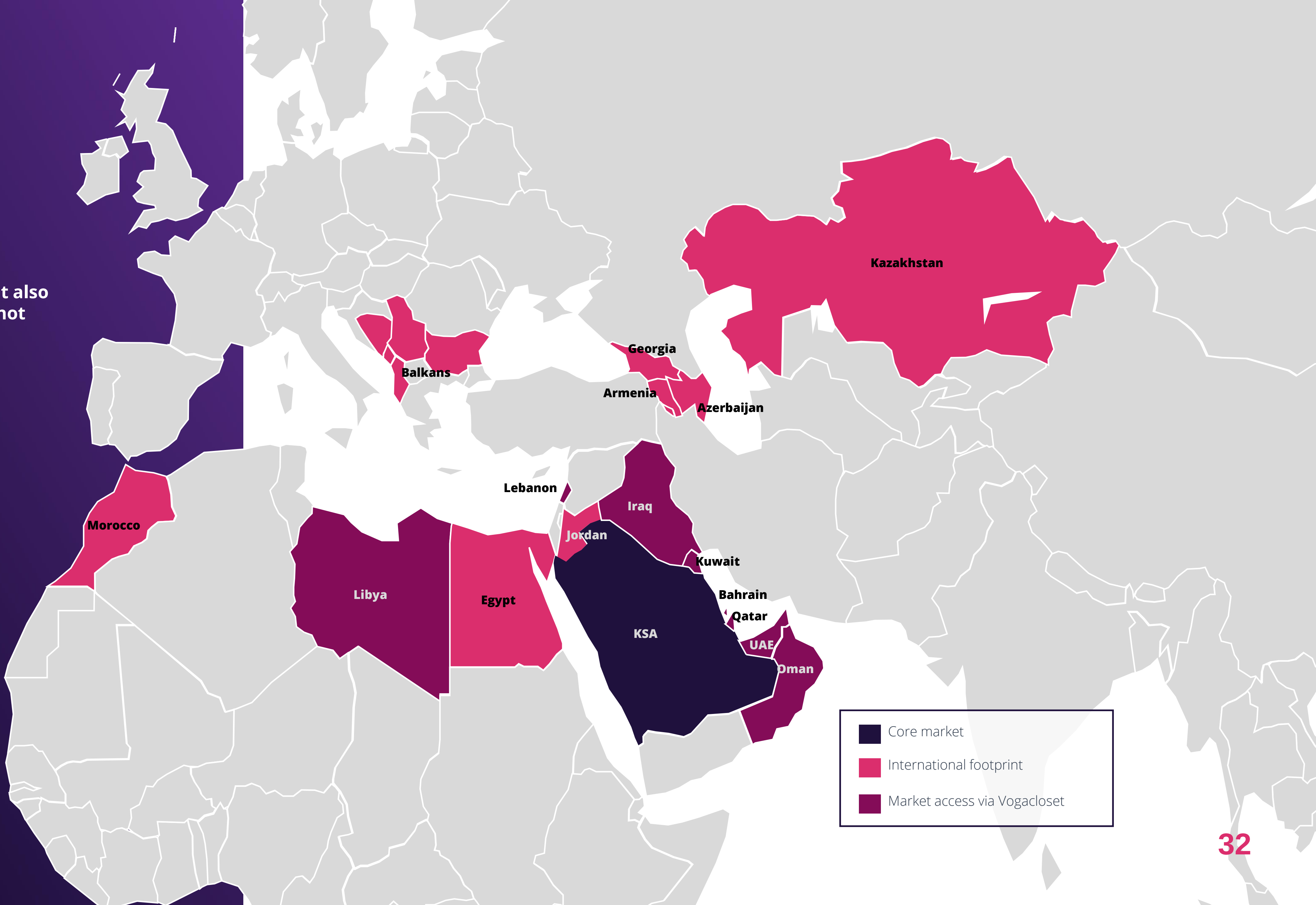
Debt management in focus:

In line with comprehensive balance sheet restructuring, effective management of leverage is at the forefront for Cenomi Retail

SAR million	Dec'22	Mar'22	% Change
Total Interest-Bearing Debt	2,932	2,878	2%
Cash Position	193	198	-2%
Net Debt	**2,739**	**2,680**	**-2%**

Cenomi Retail Footprint:

* International footprint also includes USA, which is not represented here



THANK YOU

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