

Dear Stakeholders,

Introduction

2024 was a transformative year for BinDawood Holding ("the Company" or "BDH"), in that we made two strategic acquisitions that significantly strengthened our market position and we continued to invest heavily in technology, highly encouraged by the results achieved from the earlier investments in this sector. At the same time, we continued to expand our retail footprint through the opening of new stores and new formats.

Strategic acquisitions

In July 2024, we acquired 100% of Jumairah Trading Company ("JTC") for SAR 186.27 million. JTC is engaged in the distribution, within the Kingdom of Saudi Arabia ("KSA"), of global brands such as Delsey, Mattel and Frete, and some of its products were previously being sold through BDH stores. Ownership of JTC is expected to enhance our overall financial performance, offering greater control over the supply chain, capturing distribution margins, expanding product offerings for loyal customers and improving profitability through cost efficiencies. The consolidation of JTC within BDH makes it a very attractive platform for acquiring distribution rights within KSA of other well-known brands, since these brands will now have direct access to the loyal customer base of BDH.



Similarly, the acquisition of Zahrat Al Rawdah Pharmacies ("Zahrat") for SAR 441.1 million, the Sale and Purchase Agreement for which was signed in October 2024 but the legal formalities for which were completed in February 2025, has enabled us to diversify into the health and wellness sector, unlocking new growth opportunities and broadening our portfolio. Zahrat, with over 170 locations, is renowned for its broad selection of healthcare products, including prescription and over-the-counter medicines, medical supplies, wellness and personal care. It is an active participant in the Government's Wasfaty programme which forms part of Saudi Arabia's 2030 Vision. Zahrat's growth plans include integrating 40-50 new pharmacies into existing BinDawood and Danube locations over the next two years, thereby expanding our product offerings, increasing our retail footprint and enhancing convenience for our customers whilst driving sustainable growth. The opening of these pharmacies within its stores will make BDH the first retailer in KSA to offer these services.

Other acquisitions

Our subsidiary Ykone, one of the leading influencer marketing agencies globally, acquired an 85% stake in Barcode, a prominent Indian content and influencer agency, strengthening its position in the industry with a turnover nearing \$100 million. This acquisition allows Ykone to tap into India's rapidly growing luxury market, which is expected to reach \$200 billion by 2030, and

benefit from the country's vast social media audience. Barcode's talent division, CLICK MEDIA, represents top Indian influencers, enhancing Ykone's ability to connect brands with influential figures.

Investment in technology

BDH has allocated a significant sum to enhance its e-commerce infrastructure and integrate robotics into store operations, driving efficiency and profitability. The Company continues to expand its dark store network across KSA, reducing fulfillment time drastically whilst increasing fulfillment rates to best in class. The launch of the first fully automated B2B Mega Dark Store in H1 2025 in Bahrah, Jeddah, will further strengthen online operations, with plans for 10 such stores across key cities.

The Company is also exploring fintech partnerships to expand financing solutions, complementing its highly successful loyalty programme, which has onboarded 5.8 million customers. Leveraging and mining customer data, BDH aims to enhance personalised marketing and drive sales growth. Our loyalty management company is forming strategic partnerships with various banks to offer co-branded cards and reward customers with loyalty points upon spending, enhancing engagement and value for our members. The power of the loyalty programme in terms of purchase, displays and promotions lies in the amazing statistic that its members constitute more than 80% of total grocery sales.



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Strategic Review

CEO's Operating Review

Expansion of retail footprint

BDH continued its strategic growth trajectory in 2024, focusing on expanding its retail footprint within the Central and Western Regions of KSA. In 2024, 10 new BinDawood and Danube locations were launched, representing our highest annual increase in five years. Moving forward, we aim to sustain this momentum with a target of 6-7 new store openings annually.

A significant development in 2024 was the launch of 'Dash' express stores, designed to cater to the evolving needs of modern, on-the-go consumers with a curated selection of premium imported goods. This initiative strengthens our innovative retail positioning and enhances customer satisfaction. We successfully opened three new Dash stores in the year, bringing the total count to 10 express stores, advancing towards our objective of establishing 500 branches over the next seven years.

In a pivotal step towards regional expansion, the Company entered into a franchise agreement with The Regional Group to launch eight BinDawood supermarkets in Qatar. While our primary focus remains on the Saudi Arabian market, we will continue to explore strategic geographic growth opportunities through franchising, acquisitions and the establishment of joint ventures, where advisable.

Recognition

I am particularly delighted to report that our success in 2024 was recognised in a number of ways within the wider industry. At the prestigious Saudi Retail Forum 2024, BDH was honoured with the **Most Admired Retail Innovation Award** in KSA. This esteemed accolade is a testament to our unwavering commitment to innovation and excellence within the retail sector.

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In 2024, the BinDawood Holding Finance Department, under the leadership of Chief Financial Officer Mr. Salim Patka, was honoured with the CFO Award for **Best Finance Team of the Year – Publicly Listed Company** at the Saudi Trade Finance Awards. This award acknowledges the high standards and collaborative efforts demonstrated by our finance team in driving strategic financial decision-making, operational efficiency and robust financial reporting.

And finally, we received the prestigious award **Best Use Case of Customer Analytics of the Year for 2024** in Riyadh during the Middle East Enterprise AI & Analytics Summit. Our outstanding achievements and contributions in the field of Customer Analytics have genuinely set us apart from our peers.

2024 results

The results for FY 2024 reflect our commitment to delivering value through customer-centric strategies and operational excellence. Despite facing external challenges like heightened competition, sales declines from store closures, and changing market dynamics, we were successful in maintaining our grocery retail sales at more or less the same level as last year, demonstrating our resilience and adaptability. Overall revenue in FY 2024 grew by 1.3%, reaching SAR 5,677.7 million, compared to SAR 5,602.9 million in FY 2023. This growth was driven by strategic initiatives such as seasonal campaigns, an enhanced loyalty programme, the opening of new stores including the expansion of convenience-format stores, and the full year impact of stores opened in the previous year. The acquisition of JTC and the significantly higher revenue of the tech segment were the main factors behind the growth in overall revenue.

Our ability to strengthen gross profit margins in FY 2024 highlights the success of our refined product mix, strategic supplier relationships and operational efficiencies. Gross profit in FY 2024 increased by 4.6% to SAR 1,893.8 million, with the gross profit margin improving to 33.4%, compared to 32.3% in FY 2023.

Operating expenses during the year increased by 4.6% to SAR 1,531.0 million, compared to SAR 1,464.3 million in FY 2023. The ratio of operating expenses to revenue remained steady, reflecting the management's continuing efforts to control costs.

FY 2024 net profit recorded modest growth of 1.9%, reaching SAR 280.2 million compared to SAR 275.1 million in FY 2023.

Further details of our solid financial performance are set out later in this Report, in the CFO's Financial Review.

Outlook

As we look ahead, we remain steadfast in our commitment to our strategic priorities: enhancing customer satisfaction; investing in technology to improve customer service through data-driven innovative solutions; and the expansion of our retail footprint both organically and through value accretive acquisitions.

Whilst the operating environment continues to be challenging because of competition and regional political instability, we continue to believe that KSA provides a very fertile ground for investment, underpinned by the exciting long-term vision of its Government. We are committed to investing in the region and have put building blocks in place to achieve sustained profitable growth in line with that vision.

Ahmad A. R. BinDawood
Chief Executive Officer

