

CENOMI RETAIL AGREES SALE OF 18 BRANDS TO AL-OTHAIM, DELIVERING ON TRANSFORMATION PROMISE

- *The sale involves brands from across the retail business, including household names such as Flormar, Oxxo and Monsoon;*
- *Cenomi Retail has agreed price of SAR 120 million, in addition to the value of inventory on hand, with deal to close in Q1'24;*
- *Net proceeds of the transaction to contribute to the company's ongoing deleveraging efforts;*

Kingdom of Saudi Arabia, 7 December, 2023: Cenomi Retail, Saudi Arabia's pioneering retail brand partner, has signed a share purchase agreement on 6 December 2023 for the acquisition by Abdullah Al-Othaim Fashion Company, a fully owned subsidiary of Abdullah Al-Othaim Investment Company, of 100% of the share capital of Innovative Outfit Trading Company, a subsidiary of Cenomi Retail, that will own the franchise rights for 18 of its brands and their related assets. The sale forms part of Cenomi Retail's on-going transformation program and strategy of focusing on Champion Brands. Cenomi Retail will use the net proceeds from the sale to deleverage the business and focus on Champion brands within the Fashion, Electronics and Food & Beverage categories.

The Brands contributed SAR 238 million to revenue in the 9 months to September 30th 2023, 5.7% of Cenomi Retail's total revenue with the divestment expected to positively impact profitability with EBITDA increasing in the order of SAR 10 million on an annualized basis. The financial impact of the transaction is expected to be recognized in Q1'24 results upon transaction closing and handover completion.

Abdullah Al-Othaim Fashion Company will acquire the target company along with the franchise rights for the brands and their corresponding 244 stores and assets for the agreed price of SAR 120 million and an additional consideration for inventory on-hand will be calculated at the time of deal closing and store handover which is anticipated in Q1'24. The transaction is subject to a number of conditions to be completed after signing, including approval of Saudi Arabia's General Authority for Competition.

Brands involved in the transaction include a diverse selection of prominent high street names across fashion, apparel and beauty categories, including Flormar, Oxxo and Monsoon amongst others; store employees are expected to be hired by the new brands owner as part of the sale.

Dr Günther Helm, Chief Executive Officer at Cenomi Retail, said: "We are pleased to have made this transaction that fully supports the evolution of our brand portfolio and the ambitious transformation journey we are taking at Cenomi Retail. With renewed focus on profitability, we strongly believe in the strategic imperative of backing Champion brands and evolving into a multi category retailer. We remain committed to being the retail brand partner of choice, as well as the number one retailer for consumers in the Kingdom, as the business continues to identify and work with brands that align to our strategic goals."

Meshaal Bin Omairh, Group CEO at Al-Othaim, said:

This acquisition is part of our ongoing strategy to consolidate and expand our consumer facing businesses within and outside of Othaim Malls and will further enhance the positioning of Othaim Fashion as a key player in the value fashion domain in Saudi Arabia,

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Notes to editors

For more information, please contact ir.retail@cenomi.com

About Cenomi Retail:

Cenomi Retail is the largest franchise retailer in the Kingdom of Saudi Arabia and the only listed business of its type in the Middle East. Founded by renowned businessman and property developer Fawaz A. AlHokair in partnership with brothers Salman and Abdulmajeed, Cenomi Retail has grown considerably since opening its first store in 1991 and is now active in over 1,300 stores across 100 shopping malls in 11 countries.

Serving as a premium franchise retailer for brands from across the globe, Cenomi Retail has an international presence across the MENA and CIS regions, and a firm footing in womenswear, menswear, children and baby goods, shoes and accessories, cosmetics, food & beverage, sports and entertainment.

For more information, please visit cenomiretail.com

About Abdullah Al-Othaim Investment Company:

Abdullah Al Othaim Investment company is the second largest operator of malls in the Kingdom of Saudi Arabia and also operates entertainment centres in the Kingdom, the GCC and Egypt, fashion, as well as food and beverage franchises and cinemas. AOIC has active plans to enter the hospitality, sports and the artificial intelligence sectors.