

# Strategy and Business Model

## Our goal

Our ultimate objective is to create a sustainable business capable of delivering value directly and indirectly to all our stakeholders: our customers, employees, suppliers, communities and shareholders.

## Our vision

We aspire to be the best grocery retail brand in Saudi Arabia and the GCC, and a leader in this growing market sector. We are dedicated to offering an exceptional shopping experience.

We strive to be known by our customers and partners for our commitment to quality products, outstanding customer service and strong supplier relationships. Our people enable our success. We always aim

to recruit, train and retain the best available talent. We continuously explore new market opportunities and seek to innovate and transform our business to excel within the changing commercial and economic landscape.

## Our strategy

BinDawood Holding has a well-defined growth strategy, the key pillars of which include improving the performance of the existing stores, achieving full potential for recently opened stores, focusing on providing a unique shopping experience across both the Danube and BinDawood brands, continuous store expansion, strategic acquisitions and strengthening of the online platforms.

## BinDawood Holding has taken the following steps to further its strategic five-year plan, formulated in 2020:

Appointed a Chief Operations Officer, responsible for developing operational capability and strategy across the Company, and driving forward our business outside the Kingdom.

Successfully rolled out our new loyalty programme which has increased store footfall, enabled the expansion of the Company's product offerings, and encouraged growth in the number of our commercial partners.

Executed two acquisitions by purchasing controlling interests in Ykone and IATC, which demonstrate our strategy in action. This prepares the ground for further meaningful acquisitions which bring exceptional technology solutions into the Company, whilst adding shareholder value.

Expanded our dark stores network, thereby creating a significant growth opportunity based on faster deliveries and more competitive pricing.

Commenced new segment expansion, with the introduction of our Express store format.

Embarked on international growth through the opening of our first store outside the Kingdom in Bahrain.

Reached further geographically, within the Kingdom, with the opening of Danube in the north-western city of Tabuk.

Reduced the number of related party transactions carried out during the year, in line with our policy of maintaining good Governance and maximising transparency in all our dealings.

As previously, the Board continues to look at strategic acquisition opportunities that will strengthen and complement its retail offering in Saudi Arabia or allow the Company to establish a presence in other attractive GCC markets. The Company's strong cash position and the absence of debt gives it considerable flexibility in undertaking M&A activity, but the Board continues to take a prudent view in assessing such opportunities to ensure they are value accretive.

## Our relationships

We exist in order to satisfy the requirements of our key stakeholders:

	Inputs	Outcomes
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>A data-driven understanding of our customers informs our decision making</li> <li>We have created 84 conveniently located stores across the Kingdom</li> <li>We recently made a significant acquisition to improve our online offering</li> <li>We have introduced a comprehensive customer loyalty programme</li> </ul>	<ul style="list-style-type: none"> <li>An exceptional shopping experience with the Kingdom's widest range of quality products</li> <li>Unmatched quality of products and service from store staff who care about our customers and the communities in which we operate</li> <li>A loyal, long-term customer base who have a deep appreciation of our two brands</li> </ul>
 <p><b>Employees</b></p>	<ul style="list-style-type: none"> <li>Our employees are our key asset – they are partners in our success</li> <li>We support our staff through a high-quality management team</li> <li>We introduced a whistle blowing policy in 2021</li> <li>We are launching a new HRMS (Human Resource Management System) in 2023</li> </ul>	<ul style="list-style-type: none"> <li>All our employees have the opportunity to succeed. We have a zero-tolerance policy against discrimination</li> <li>Our staff have the tools and training to do their jobs well</li> <li>Colleagues can express their opinions with respect and confidentiality</li> </ul>
 <p><b>Suppliers</b></p>	<ul style="list-style-type: none"> <li>We build long-term mutually beneficial relationships based on trust and respect</li> <li>We are ethical in our dealings with our suppliers, ensuring timely payments and transparent sharing of knowledge and experience</li> <li>Our investment in technology and our state-of-the-art logistics infrastructure facilitates interaction with our suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Minimal disruptions to the supply chain</li> <li>Our suppliers ensure the integrity and quality of the products we sell</li> <li>We have a preferred status on product allocations and pricing terms</li> </ul>
 <p><b>Communities</b></p>	<ul style="list-style-type: none"> <li>We invest in energy efficient assets to reduce our environmental impact</li> <li>We buy from sustainable, ethical and resilient supply chains</li> <li>We seek feedback from the communities we serve and act upon it</li> </ul>	<ul style="list-style-type: none"> <li>We strive to materially reduce our carbon, plastic, pollution and food waste footprint</li> <li>We are making a positive contribution to every local community we serve</li> <li>Our communities appreciate the employment we create and the services we provide</li> </ul>
 <p><b>Shareholders</b></p>	<ul style="list-style-type: none"> <li>We manage the Company operationally and financially with their interests in mind</li> <li>We prioritise the protection of our balance sheet, our market share and our cash position</li> <li>We communicate with our shareholders in a transparent manner</li> </ul>	<ul style="list-style-type: none"> <li>We attract long term institutional investors</li> <li>Our strong balance sheet gives adequate resources to undertake both organic and inorganic expansion of the business in order to maximize shareholder value, as demonstrated with our two acquisitions in 2022</li> </ul>