

Strategic Review

Strategy and Business Model

At BinDawood Holding, our strategic vision is rooted in a deep commitment to evolution and excellence, as we continue to push the boundaries of the industries in which we operate. With innovation, diversification and an unwavering focus on customer satisfaction, we aim to remain at the forefront of our four sectors of choice: retail, distribution, technology and manufacturing. Our mission is to ensure long-term value creation for our stakeholders.

Our strategic approach is built on four key pillars: **agility, customer-centricity, operational excellence, and technological advancement.** We are dedicated to evolving alongside emerging trends, responding to market needs and seizing new opportunities for growth.

Strategic areas for expansion: Capitalising on new horizons

In pursuit of our vision, we have undertaken a comprehensive analysis of market trends and opportunities, identifying several promising areas for expansion. These initiatives are designed to enhance our operational capabilities and provide access to high-growth markets, positioning us to expand our portfolio, elevate our customer offerings and drive long-term value creation. 2025 has seen us execute this strategy in a number of clearly visible ways.



Vertical integration

To strengthen our supply chain control, and to increase operational efficiency, we have expanded into the distribution sector. Our acquisition of Jumairah Trading Company during 2024 was followed in 2025 by the acquisition of Toy Triangle – both transactions giving clear evidence of this strategy in action. Vertical integration will continue to allow us to streamline processes, reduce costs and improve product availability, increasing our ability to meet evolving customer demands more efficiently.

Horizontal integration

Horizontal integration is a key pillar of BDH's strategy, focused on strengthening scale, enhancing operational efficiencies, and creating value across existing business verticals by leveraging shared infrastructure and complementary capabilities.

As part of this approach, BDH expanded its distribution capabilities in 2025 through the acquisition of Toy Triangle, a leading regional toy manufacturing and distribution business. This complements the Group's existing distribution operations within JTC, strengthening the overall distribution footprint, enabling synergies and supporting value creation through improved scale and efficiency.

In a second example, the Company also acquired a majority stake in Wonder Bakery, strengthening its position in the food and bakery segment. Headquartered in Dubai, Wonder Bakery operates an industrial bakery producing a broad range of fresh and frozen products and serving a wide base of B2B customers, including hospitality, retail and airline partners.

The Wonder Bakery acquisition expands BDH's product portfolio, enhances manufacturing capabilities and strengthens its distribution footprint, creating operational synergies and supporting scalable growth across the GCC. Completion of all acquisition-related formalities is expected in H1 2026.

Leveraging customer data

Data is at the heart of our strategy. By tapping into customer insights, we aim to optimise procurement processes, enhance inventory management and create tailored promotional services that align with evolving consumer preferences, thus driving customer loyalty and engagement.

Asset-based investments

Our approach to growth includes optimising the utilisation of physical assets such as land, buildings and equipment. By strategically investing in these resources, we aim to maximise operational efficiency and create opportunities for further expansion.

IT-related initiatives

Innovation is key to remaining competitive. Our focus is on exploring cutting-edge technologies such as automation, digital entertainment and data-driven collaborations. These technologies are likely not only to support operational efficiency but also to enrich customer experiences, creating deeper engagement through personalised offerings and services.

Financial services

We recognise the evolving needs of our customers and are exploring the potential of fintech. Expanding into services such as credit cards, insurance, banking and micro-financing holds the potential for us to offer a comprehensive suite of financial solutions that resonate with customer needs, enhancing loyalty and broadening our value proposition.

Non-retail ventures

We aspire to venture into high-potential areas beyond traditional retail. Initiatives in sectors like mobility solutions, fashion, health and wellness will diversify our offerings and should enable us to engage with customers on a deeper level, establishing a more holistic approach to customer satisfaction.



Expansion of channels

Accessibility is crucial to enhancing the customer experience. We plan to continue expanding our network of supermarkets, hypermarkets, franchises, e-commerce platforms and convenience stores. This broadening of distribution channels will help to ensure our products and services are available wherever and whenever our customers need them.

Pharmacy chain growth and integration

In line with our mission to provide a comprehensive customer experience, in 2024 we acquired a leading pharmacy chain, Zahrat Al Rawdah, to create a one-stop-shop offering. By integrating 27 Zahrat pharmacy outlets into our existing BinDawood and Danube stores during 2025, we are already expanding our range of services and increasing overall convenience for customers. This acquisition not only diversifies our product offerings but also enhances customer loyalty by providing healthcare products and services alongside our retail assortment. We believe the integration of pharmacy services will further strengthen our position as a trusted provider of essential goods, reinforcing our commitment to meeting the diverse needs of our customers.

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Implementation framework: Driving success and growth

To ensure that our strategy is executed seamlessly and effectively, we are committed to a robust implementation framework designed to turn vision into reality.



Our relationships

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



Customers



Employees



Suppliers



Communities



Shareholders

Inputs

- A data-driven understanding of our customers informs our decision making
- We have created 103 conveniently located stores across the Kingdom and in Bahrain, now including pharmacies. One additional store was opened in Qatar, under a franchise agreement, post FY 2025 in February 2026
- We have made significant technology acquisitions to improve our marketing and our online offering
- We have introduced a comprehensive customer loyalty programme, now with 11 million registrations
- In 2025 we implemented a convenience store accelerator programme, bringing our goods even closer to our customers

- Our employees are our key asset – they are partners in our success
- We support our staff through a high-quality management team
- We introduced a secure whistle blowing policy to protect their interests
- We launched a new Human Resource Management System in 2024
- We implemented a share buy-back scheme in 2024, to support our new employee stock option plan

- We build long-term mutually beneficial relationships based on trust and respect
- We are ethical in our dealings with our suppliers, ensuring timely payments and transparent sharing of knowledge and experience
- Our investment in technology and our state-of-the-art logistics infrastructure facilitates interaction with our suppliers

- We invest in energy efficient assets to reduce our environmental impact
- We buy from sustainable, ethical and resilient supply chains
- We seek feedback from the communities we serve and act upon it

- We manage the Company operationally and financially with their interests in mind
- We prioritise cost management, efficient working capital management and cash generation
- We communicate with our shareholders regularly and in a transparent and professional manner

Outcomes

- An exceptional shopping experience with the Kingdom's widest range of quality products
- Unmatched quality of products and service from store staff who care about our customers and the communities in which we operate
- A loyal, long-term customer base who have a deep appreciation of our two key retail brands and our rapidly growing convenience format

- All our employees have the opportunity to succeed. We have a zero-tolerance policy against discrimination
- Our staff have the tools and training to do their jobs well
- Colleagues can express their opinions with respect and confidentiality

- Minimal disruptions to the supply chain
- Our suppliers ensure the integrity and quality of the products we sell
- We have a preferred status on product allocations and pricing terms

- We strive to materially reduce our carbon, plastic, pollution and food waste footprint
- We are making a positive contribution to every local community we serve
- Our communities appreciate the employment we create and the services we provide

- We attract long term institutional investors
- Our strong balance sheet gives adequate resources to undertake both organic and inorganic expansion of the business in order to maximise shareholder value, as demonstrated once again with our acquisitions in 2025

Commitment to sustainable growth

BinDawood Holding's expansion strategy is not just about immediate gains but about creating sustainable growth for the long term. By diversifying our revenue streams, investing in high-potential areas, retaining control over more elements of our operating model and remaining agile in the face of industry shifts, we are confident that our approach will reinforce our position as a leader in our four sectors of choice: retail, distribution, technology and manufacturing.

We firmly believe that our commitment to excellence, innovation and long-term investment will ensure that we will continue to thrive in the dynamic markets in which we operate, delivering lasting value to our customers, shareholders and communities in the years ahead.