

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 achieve its strategic five-year plan formulated in 2020:

Appointed a Chief Transformation Officer whose mandate is to conduct a holistic and critical review of the existing operations of the Company with a view to effecting such change and innovation as to prepare BinDawood Holding for the profound changes that are taking place in customer behaviour and consumer trends.

Appointed a Chief Operations Officer who is responsible for developing operational capability and strategy across the Company, as well as leading the operations of this business beyond the Kingdom.

Sought to improve customer experience, and consequently retention, by introducing a new omnichannel customer loyalty programme across both Danube and BinDawood. Customers can easily sign up for the scheme using the Danube or BinDawood Apps and earn redeemable points when shopping online or in-store. The programme was soft launched in January 2022 and is expected to be fully operational in Q2 2022.

Established a new subsidiary in January 2022 called Future Technology Retail, which has been mandated to consider acquisitions in the technology space that will complement/leverage the existing operations of the Company.

Reinforced its omnichannel approach by announcing the signing of a definitive agreement to acquire 62% of the equity of IATC through its subsidiary, Future Technology Retail, in March 2022. IATC has

until now run the Company's online platform and mobile apps and has been providing related services. The acquisition will improve the integration of the online channel with the mainstream operations, allowing for better monitoring, higher fulfilment rates and, overall, a more satisfying online experience. Once the acquisition is completed, the Company has detailed plans to fund the acquisition of automated dark stores and fulfilment centres to respond to, and take advantage of, the paradigm shift towards online grocery shopping. The transaction, subject to customary closing conditions and completion of regulatory approval, is expected to close in the second half 2022.

Expanded its footprint across Saudi Arabia by opening 4 new Danube stores across Jeddah, Khobar and Makkah. The Company's first store outside the Kingdom is scheduled to be opened in Bahrain in Q2 2022. In addition, the Company is committed to a 10-store expansion of the BinDawood chain across the Riyadh province from 2022 to 2027 and will look to increase this number if market demand permits.

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>Customers</p>	<ul style="list-style-type: none"> A data-driven understanding of our customers informs our decision making We have created 78 conveniently located stores across the Kingdom We recently made a significant investment in improving our online offering We have introduced a comprehensive customer loyalty programme 	<ul style="list-style-type: none"> 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 brands
 <p>Employees</p>	<ul style="list-style-type: none"> 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 whistle blowing policy in 2021 	<ul style="list-style-type: none"> 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
 <p>Suppliers</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
 <p>Communities</p>	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
 <p>Shareholders</p>	<ul style="list-style-type: none"> We manage the Company operationally and financially with their interests in mind We prioritise the protection of our balance sheet and our cash position We communicate with our shareholders in a transparent manner 	<ul style="list-style-type: none"> We attract long term institutional investors We are viewed as a favourable investment in the sector in which we operate by the 6 international and 4 regional research analysts covering us Our strong balance sheet gives adequate resources to undertake both organic and inorganic expansion of the business in order to create shareholder value