



Delivering Value, Every Day

Annual
Report
2023



In the Name of Allah Most Gracious Most Merciful.

His Highness
Sheikh Hamad bin Khalifa Al Thani
The Father Emir



His Highness
Sheikh Tamim bin Hamad Al Thani
Emir of the State of Qatar



Baladna Q.P.S.C - Board of Directors



Mr. Mohamed Moutaz Al Khayyat
Group Chairman



Mr. Ali Hilal Al-Kuwari
Vice Chairman



Mr. Ramez Al Khayyat
Board Member/Managing Director



Mr. Abdulaziz Mahmoud Al-Zeyara
Board Member



Mr. Hamad Bin Abdullah Bin Khalid Al Attiya
Board Member



Mr. Mazen Alsbeti
Board Member



Mr. Aidan Tynan
Board Member



Delivering Value, Every Day.

In the heart of Qatar, where tradition meets innovation, stands Baladna, a beacon of excellence in the dairy industry. More than just a brand, Baladna is a symbol of national pride, embodying a commitment to delivering value each day. This promise of value transcends the boundaries of business, touching the lives of millions, from consumers to shareholders and from its dedicated workforce to the wider society.

For the countless households that trust Baladna, the value is palpable in every drop of fresh, high-quality milk and every sip of fresh and flavourful juice. These are products born of a

blend of age-old dairy traditions and cutting-edge technology, guaranteeing exceptional taste and health benefits. Each product is a testament to Baladna's dedication to quality, which turns everyday meals into moments of joy and wellbeing for families across Qatar.

Baladna's commitment to value extends far beyond its products. For its shareholders, Baladna is a bastion of growth and stability, a cornerstone in an ever-evolving market. The Company's strategic focus on sustainable growth and innovation ensures long-term profitability, making it a leader in the dairy industry and a reliable partner in prosperity. At

the national level, Baladna stands as a pillar of Qatar's food security strategy, reinforcing the nation's self-reliance and resilience in the face of global challenges.

Importantly, Baladna is a home to its people – a place where careers are built, passions are nurtured, and potential is realised. The Company's diverse and inclusive work environment offers journeys of personal and professional growth. Moreover, Baladna's unwavering commitment to environmental responsibility and societal engagement demonstrates that value can be created in harmony with the planet and for the benefit of

all. It is these efforts that solidify Baladna's role as a force for positive change, in Qatar and beyond.

From farm to table, from boardroom to community, Baladna is more than a dairy company. It is a partner in life's journey, enriching experiences, nourishing bodies and nurturing dreams. With every new day, Baladna renews its pledge to deliver unparalleled value; for today, for tomorrow, for Qatar and for the world.



Our Purpose

To ensure healthy, natural food and beverages that delight our customers and contribute to the food security of Qatar.

Who We Are

Established in 2014, Baladna is Qatar's leading dairy and beverage company, with a diversified product offering, world-class facilities and a self-sufficient farm with breeding capabilities to accelerate future growth.

What We Do

Baladna is an integrated dairy and beverage company, with two large-scale farms, state-of-the-art production lines, processing and packaging facilities, and its own distribution network that delivers over 250 products to customers across Qatar and beyond every day.

Our Vision, Mission and Principles



Our Vision

To be the most trusted brand of nutritional foods and healthy beverages in Qatar and to expand to new markets.



Our Mission

To ensure consumers' wellness by providing natural, nutritious and tasty foods and beverages, while maintaining the most rigorous food safety and biosecurity protocols.



Our Principles

At Baladna we strongly adhere to the following principles:

- Supporting food security: Ensuring the satisfaction of our customers and exceeding their expectations.
- Raising the level of veterinary care: Utilising the expertise of the best veterinarians to promote the healthcare of our dairy herd.
- Caring for our livestock: Co-operating with experts in livestock breeding and production.
- Natural and fresh products: Providing high-quality food products by implementing best international practices.
- Adherence to Qatari traditional values: Showing pride in our achievements, hospitality and adhering to tradition, self-reliance and responsibility.

Contents



A key priority for Baladna is to contribute to the country's vision for food security by providing nutritious food to a growing population.

Our promise to the people of Qatar is that throughout the year our role in the nation's food security is delivered, and the population has access to sufficient, safe, and nutritious food at affordable prices. This is a basic premise of our own success as a company and a duty of care to the nation.

QATARI منتج
PRODUCT فطري



A Leading Qatari Brand

Baladna is a market leading, and one of the largest dairy farms in the region.



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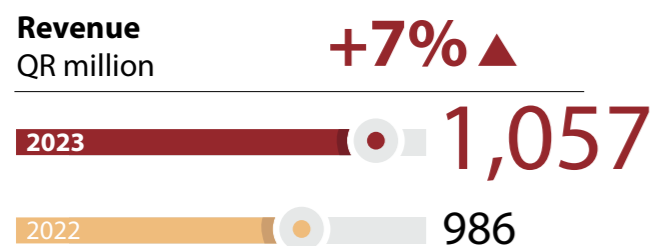
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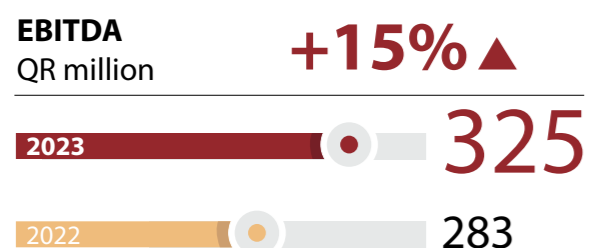
Overview

Financial Highlights

Baladna generated record revenue in 2023, continuing our growth trajectory since launch only five years ago.

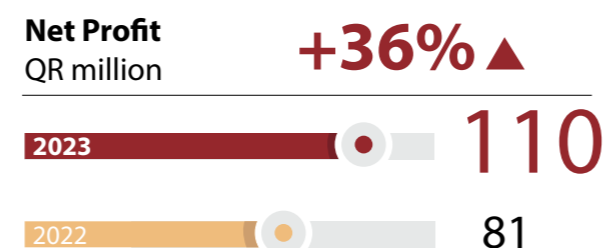


Surpassed QR 1 billion in revenue for the first time in the Company's history



Strong EBITDA margin driven by increased operational efficiency

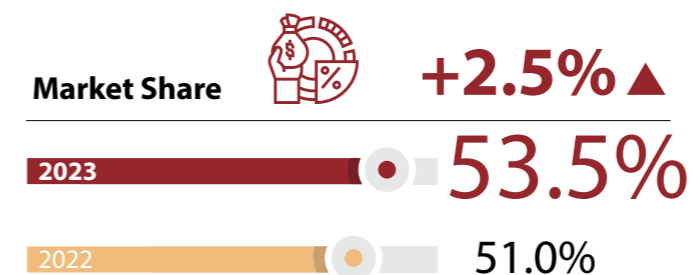
Baladna delivered strong top line and double-digit bottom-line growth in 2023.



Double-digit net profit growth driven by increased sales volumes, fair value gain on share investment and stringent cost control measures

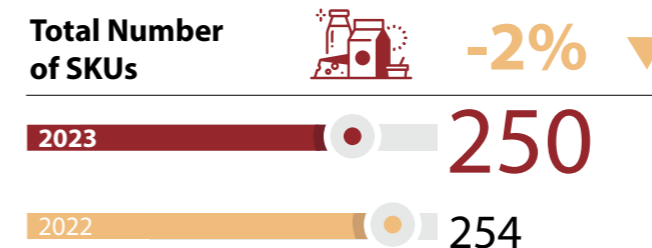
Operating Highlights

Baladna continued to innovate and bolster our market-leading brands this year, strengthening the trust that our customers have in our ability to deliver value, every day.



Further market-share growth, consolidating our industry leadership

*Market share % is based on Nielsen data covering Retail category only.



Optimizing our product portfolio to provide a more variety to consumers



Further growth in customers, reflecting our unique service proposition

Baladna reinforced our preeminent position in the market by growing its market share and customer base in 2023

Sustainability Highlights

Successfully repurposed over **231,000** paper-based boxes

Saved **55,000 kg** of plastic

Reduced wastage by **1.57%**

Read more about our Sustainability on Page 79

Year in Review

January, 2023

Baladna joins One Tide Industry Coalition committed to promoting recycling and diverting waste from landfill



Baladna is a founding member of the One Tide Industry Coalition. This will facilitate an ongoing regional commitment to the environment, with Qatari and regional organisations encouraged to develop innovative initiatives to boost sustainable consumption.

January, 2023

Baladna signs as humanitarian partner with Qatar Charity



As a partner of Qatar Charity, Baladna ensures aid and support are provided to target groups within Qatari society and aims to participate in humanitarian work.

January, 2023

Baladna joins GORD's Destination Green Programme as Eco-Champion in COP27



Baladna believes in 'profits with purpose'. Baladna wants to break the silos by lending support to green projects from all sectors, targeting climate mitigation and adaptation for a better world.

January, 2023

The Board of Directors has appointed Mr. Malcolm Jordan as the Chief Executive Officer for Baladna QPSC



The appointment of Mr. Jordan was based on his many years of industry experience in the region and previous experience with Baladna as a CEO from 2019 to 2021, leading the Company through the IPO process and pandemic. He is returning to Baladna to steer its next phase in the local market and international expansion, with the Company looking to take its innovative model to new markets.

February, 2023

Baladna has announced its sponsorship of the 13th edition of HH The Amir's Sword Showjumping and Dressage Championship



Baladna has sponsored the 13th edition of HH The Amir's Sword Showjumping and Dressage Championship (the fourth consecutive year). The aim is to contribute to the continuity of equestrian sport and organise tournaments in the country.

February, 2023

Baladna partners with global cheese producer Bel Group to expand dairy offerings in Qatar



Baladna begins production of The Laughing Cow® cheese jars. This landmark collaboration brings fresh opportunity in producing popular products by international brands such as Bel, which provide an environmentally conscious option for Qatari consumers and reduces imports and supply chain disruptions.

March, 2023

Starting the commercial operation of evaporated milk and sterilised cream processing factory (Plant 4)



Commissioning of Plant 4 and a successful first production run and launch to the market. We started constructing this state-of-the-art manufacturing facility in 2021 with the aim of producing evaporated milk (EVAP) and sterilised cream, which have historically been imported into Qatar.

June, 2023

Baladna increased its share ownership in Juhayna Food Industries (Egypt) to 15%



Baladna increases ownership stake to 15% in Juhayna Food Industries, a company listed on the Egyptian Stock Exchange, in line with its strategic plans to enhance the shareholder value by expanding its footprint to countries outside Qatar in the F&B market.

October, 2023

A delegation from Baladna Board of Directors visits Algeria



The delegation met with a number of Algerian officials, including the Minister of Agriculture, Rural Development and Fisheries, the Minister of Trade, and the Minister of Industry, to discuss opportunities for cooperation between Baladna Company and Algerian companies in the agricultural and food sectors.

November, 2023

Baladna wins 2 awards at 15th Middle East Investor Relation (MIRA) conference



Baladna achieved remarkable success at the 2023 Middle East Investor Relations Association (MEIRA) Awards Conference and Ceremony for the third consecutive year. The Company proudly claimed first place in the digital category, and second place in the printed category for its outstanding investor relations reporting, cementing its position as a leader in corporate communications and investor relations.

December 2023

Baladna is in Made in Qatar Exhibition



Baladna Participated to "Made in Qatar" Exhibition as a platinum sponsor Organized by the Qatar Chamber in cooperation with the Ministry of Commerce and Industry, the "Made in Qatar" Exhibition is the largest industrial expo in the country. Baladna is proudly participated to the event as a platinum sponsor and attracted many visitors.



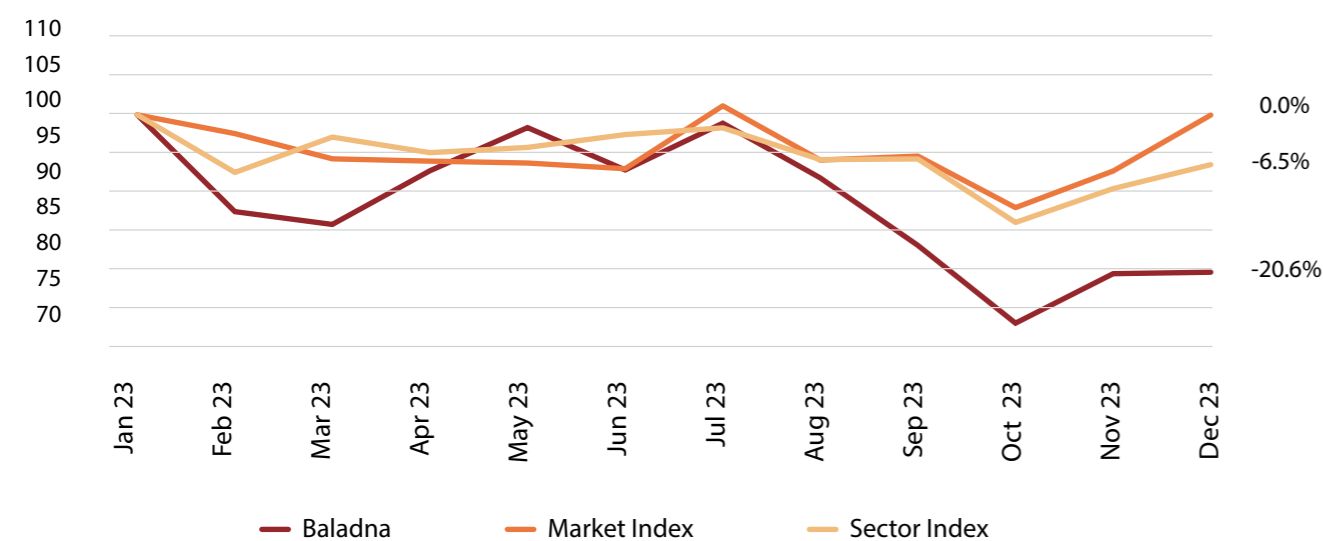
Shareholders' Information

Share information

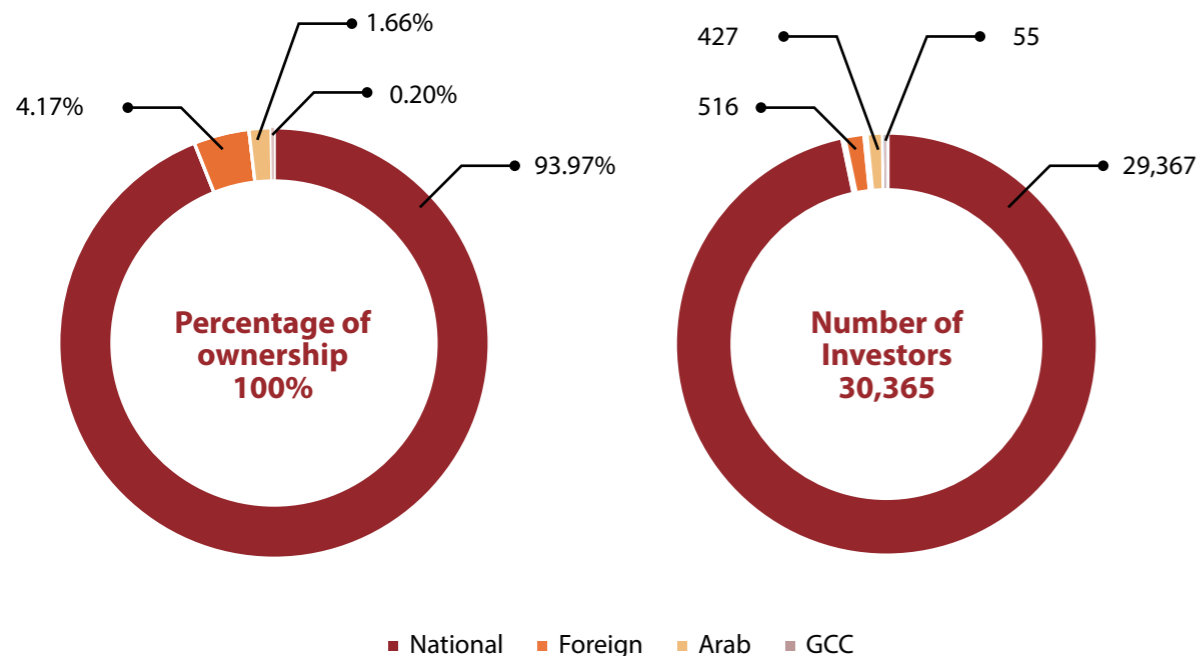
Listing date: 11 December 2019
 Exchange: Qatar
 Symbol: BLDN
 ISIN: QA000T98R9J4
 Number of shares issued: 1,901,000,000

Closing price as at 31 December 2023: 1.224
 Market cap as at 31 December 2023: QR 2,326,824,000
 Foreign ownership limit: 49%
 Free float: 1,900,700,000

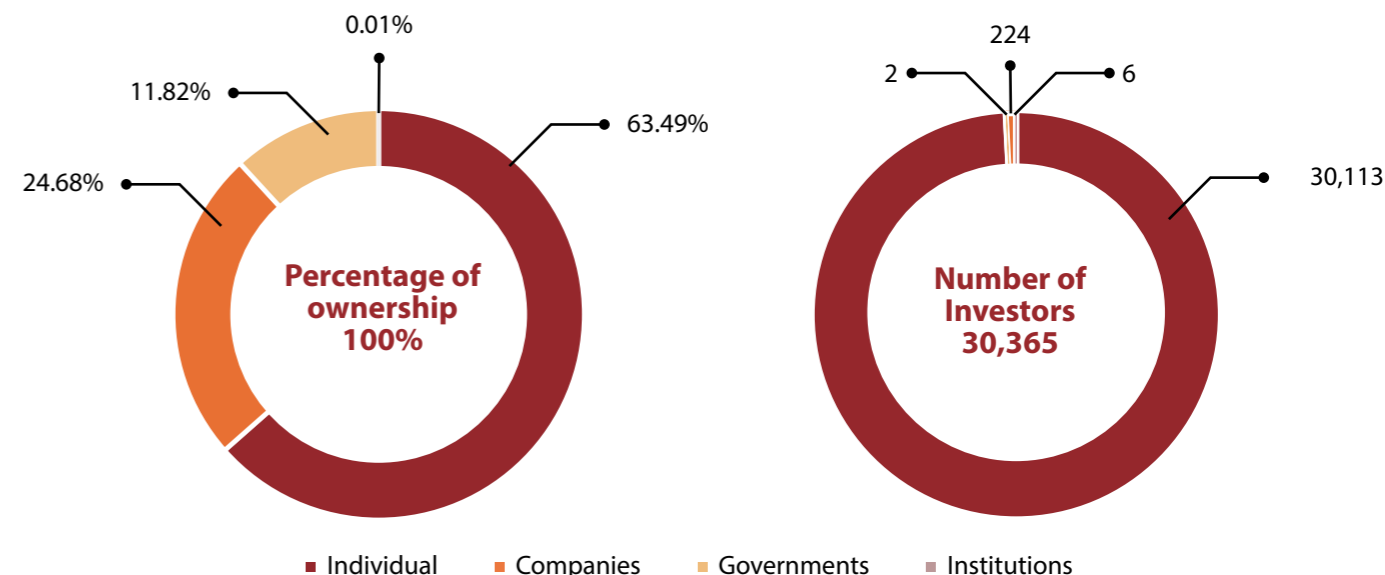
Share price versus Market indices 1 January 2023 to 31 December 2023 (rebased to 100)



Baladna Investors According to Geographical Location



Baladna Investors According to Shareholder Type



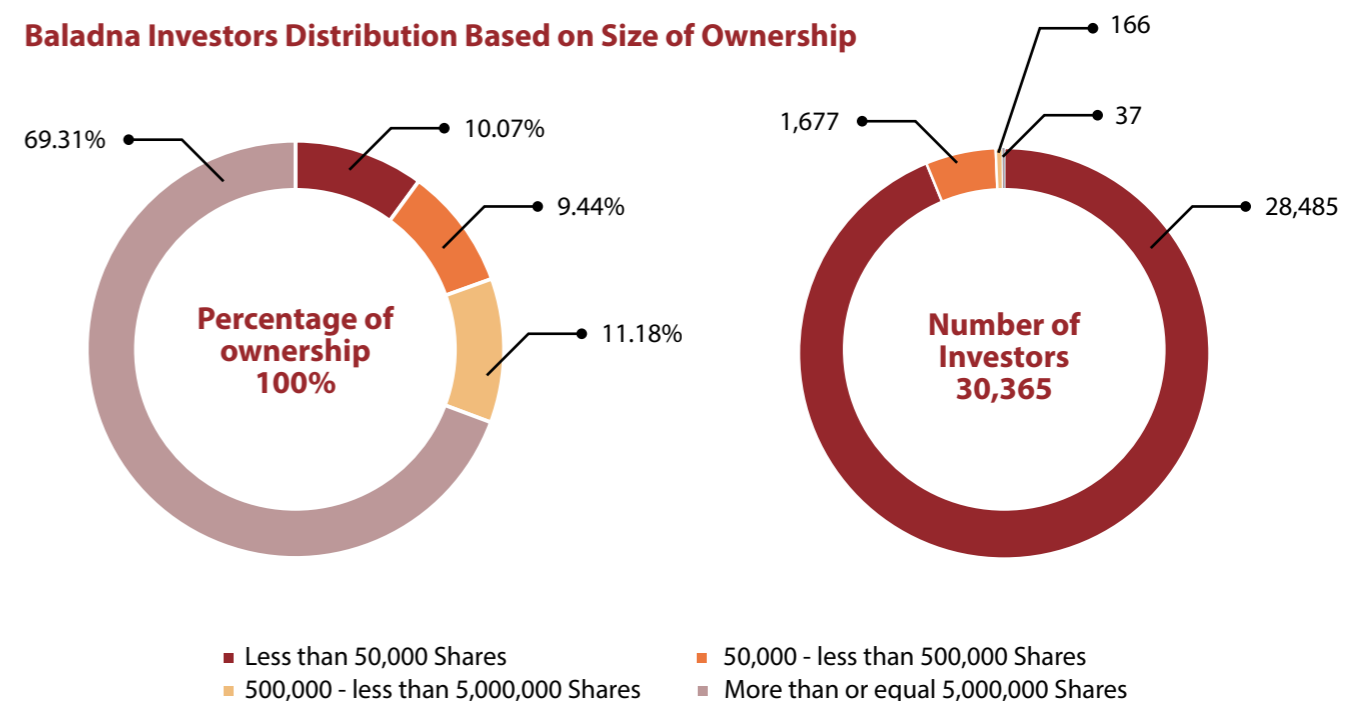
Major Shareholders

Shareholder	Number of shares as at 31 December 2023	%
Mr. Moutaz Al Khayyat	257,713,509	13.557%
Mr. Ramez Al Khayyat	261,278,594	13.744%
General Retirement and Social Insurance Authority (GRSIA)	179,502,465	9.443%
Total	698,494,568	36.744%

Investor Relations Calendar 2023

Year 2022 IR Call	19 March 2023
Q1 2023 IR Call	9 May 2023
H1 2023 IR Call	10 August 2023
Q3 2023 IR Call	1 November 2023

Baladna Investors Distribution Based on Size of Ownership





Combined with promising international prospects and a strong balance sheet, Baladna stands on the threshold of a new era

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STRATEGIC REVIEW

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Chairman's Statement

Delivering value. Every day.

Dear shareholders

May the peace, blessings and mercy of Allah be upon you.

As Chairman of the Board of Directors of Baladna QPSC, it gives me great pleasure to present the Annual Report for 2023, which provides a detailed account of our financial performance and advancements achieved in the year under review.

In the 2022 Annual Report, I referred to the Company's aim of becoming a QR 1 billion business. I am proud to report that Baladna has achieved this watershed accomplishment. We will continue delivering value to all our stakeholders, while also preparing for future milestones.

In our 2023 financial year, the Company generated revenues of QR 1,057 million, a remarkable achievement for a business that was established in only 2017. Our performance in the year under review is a gratifying illustration of how we are delivering value every day to our customers, consumers and shareholders and contributing to Qatar's strategic national priorities.

Meaningful improvements across the entire business – from new products to exceptional fiscal management – translated into a solid double-digit bottom-line increase of 36% to QR 110 million.

Our achievements were made possible by remaining committed to our vision of becoming the most trusted brand of nutritional foods and healthy beverages in Qatar. In 2023, we made important gains in this regard, securing record market shares and our highest ever brand

equity, thanks to the continuing expansion of our product portfolio to meet the evolving needs of our valued consumers with new delicious and healthy dairy and juice products.

Advancing our international agenda

An important pillar of future sustainable growth will be our international operations and, in 2023, Baladna furthered plans for its forthcoming Algerian project with the Government of Algeria to establish milk production facilities. We anticipate this project will deliver significant shareholder value and mark another milestone in Baladna's global growth journey.

During the year, Baladna took a substantial step forward in its strategic initiative to grow its footprint beyond Qatar, and to introduce our sustainable, integrated farming model to new markets. Our initial foray into the Egyptian market

in 2022 – with the purchase of a minority interest in dairy and juices business Juhayna Food Industries – was followed by an additional purchase in 2023, taking our shareholding to 15% and paving the way for this to grow to a more substantial position.



Our achievements were made possible by remaining committed to our vision of becoming the most trusted brand of nutritional foods and healthy beverages in Qatar. ”

Moutaz Al Khayyat
Chairman



New management structure to drive growth

In early 2023, Mr. Malcolm Jordan was appointed as CEO of Baladna and given a mandate to steer the business through the next phase of local and international expansion. Following his return to Baladna – he led the Company through the IPO and the pandemic – his proposal to streamline the senior management structure to drive growth more efficiently was approved by the Board.

The CEO is now supported by a team of 5 direct reportees who head up Finance, Operations, Commercial, Farming and Corporate Services. This structure has freed up the next layer of senior managers to focus on optimising operational delivery and efficiencies. The Board of Baladna is confident these changes will enable the Company to accelerate its growth ambitions at home and abroad by expediting crucial decision-making processes.

A winning formula

Baladna was proud to once again be the recipient of the region's most sought-after accolade in investor relations reporting, marking the third consecutive year of this achievement. At the 15th Middle East Investor Relations Association (MEIRA) awards in 2023, Baladna came first and second in the digital and print categories respectively for outstanding investor relations reporting. We remain committed to our excellence in reporting to our investors and shareholders in the years ahead.

Sustainability gains

As a responsible corporate citizen, Baladna is cognisant of its obligation to act with care towards the environment and communities in which we operate. Accordingly, we take very seriously our commitment to pursue continuous improvement in terms of resource management, wastage and our carbon footprint.

Several parts of the business developed successful improvements during 2023. A new pilot project in our farming business achieved substantial savings in water consumption, and this will now be implemented across all our dairy barns in 2024. Our sales and distribution division delivered more products using the same resources as last year and even reduced its mileage. In addition, a programme to cut vehicle idling reduced our carbon emissions by 28% or 300 tons of CO₂ by the end of the year.

Making advances in ESG every day

At Baladna, we recognise the imperative to foster sustainability and uphold ethical practices. Equally, we are driven by the need to contribute positively to the communities where we operate, which motivates our unwavering dedication to integrating environmental, social and corporate governance (ESG) considerations into our business strategy, operations and decision-making processes.

Environmental stewardship lies at the heart of our efforts. We acknowledge the urgent need to mitigate climate change and minimise our ecological footprint.

Our commitment to social responsibility extends beyond mere compliance; it encompasses a genuine desire to create meaningful impact. We prioritise the wellbeing of our employees, strive for diversity and inclusion, and actively engage with local communities to foster growth, empowerment, and resilience.

Governance forms the backbone of Baladna's corporate values. Upholding the highest standards of integrity, transparency and accountability is non-negotiable. We are dedicated to fostering a culture of ethical behaviour, robust governance practices and effective risk management to maintain the trust bestowed upon us by our stakeholders.

This report serves as a testament to our ongoing journey towards sustainability and responsible corporate citizenship. It reflects our commitment to environmental, social, and corporate governance principles – core pillars that underscore our responsibility as a corporation – and echoes the collaborative efforts of our dedicated teams, the guidance of our stakeholders, and our unwavering commitment to making a positive difference.

Delivering value, every day, in 2024

The upcoming fiscal period will be characterised by our unremitting focus on growth in terms of market-leading products, higher revenues and profits, expansion into new and existing territories and, not least, our contribution to Qatar's food security and economy.

Every Baladna division has ambitious plans to innovate, develop and improve in 2024, with the potential to deliver far-reaching benefits across the entire Company. Combined with promising international prospects and a strong balance sheet, Baladna stands on the threshold of a new era as a QR 1 billion business with a successful model to offer to nations wishing to follow Qatar's food security initiatives.

Acknowledgements

Baladna is an organisation with many stakeholders: customers, consumers, suppliers, investors, and the strategic shareholders, among others. Each group maintained its trust and confidence in our Company in 2023, playing an indispensable role in our success. I speak on behalf of everyone at Baladna in expressing our appreciation of their continued support.

It is my privilege to lead a talented Board of Directors, whose commitment to Baladna's prosperity played such a vital role in 2023. I

would like to thank each one for their insightful direction and energetic contribution.

My thanks go to our leadership and the entire Baladna team, which led the Company to an important result in 2023 and laid foundations for our next phase of growth. Their unstinting efforts have brought us closer to our goal of becoming Qatar's most trusted food and beverage brand. We remain indebted to your loyalty, innovative spirit, and commitment to reaching ever greater heights of performance.



Chief Executive Officer's Message

A solid foundation for continued growth and value creation.

In only its fifth year of operations, Baladna achieved a historical revenue milestone of QR 1 billion in 2023. This performance is a strong validation of our unrelenting focus on delivering value, every day. We deliver on our promises by meeting the ever-evolving needs of our customers and stakeholders, while preparing for a successful and sustainable future.

Alongside category growth, we grew from strength to strength, achieving robust targets based on the high benchmark of 2022's performance, which was boosted by strong FIFA World Cup-driven demand. We delivered a stronger performance in all sales channels, quarter on quarter and year on year, and secured the highest market shares and brand equity in the 5 years we have been in business. Our overall market share rose to 53.5%, a two and half percentage-point increase, representing an achievement in a competitive market with a strong presence of many international players.

In the year under review, we reorganised our sales operation to capitalise more effectively on market dynamics, particularly the recent increase in population, and we collaborated even more closely with our customers. The resulting increase in volumes drove top-line growth by 7% to QR 1.06 billion in 2023.

Our ongoing focus on cost controls and efficiency improvements across the entire value chain resulted in robust double-digit bottom-line growth of 36% to reach the net profit to QR 110 million. In addition to these

internal measures, fair value gain on share investment was a key contributor to boost the profitability.

New Executive Management structure to drive growth

A key development in 2023 was the implementation of a new organisational structure to drive better operational efficiencies and accelerate growth. My role is now supported by 5 senior executives heading up Finance, Operations, Commercial, Farming and Corporate Services.

This structure streamlined the number of direct reports to the executive leadership, enabling key executives to dedicate more attention to their respective operational responsibilities. The lean management structure has allowed the business to enhance agility, collaboration, innovation and efficiency.

Growing our contribution to Qatar

Our commitment to meet customer and consumer demand remained paramount in 2023, as did our responsibility to contribute to Qatar's food security. Our product expansion, improving efficiencies, rising market

shares, diversification, and commitment to operating in a sustainable and conscious manner validated our purpose and the important role we play in Qatar's economy.

Baladna's in-country value (ICV), the measure of our domestic activities and expenditure as a contribution to Qatar's economy, significantly increased in 2023. During the year, we added to our domestic supplier network, increasing the ratio of local services and products used by the business. This contribution to Qatar's economy is in line with the National Vision of 2030's localisation programme. As a 100% Qatari company, Baladna is committed to broadening our sourcing networks by adding new local vendors and strengthening ties with the domestic private sector.



Our ongoing focus on cost controls and efficiency improvements across the entire value chain resulted in robust double-digit bottom-line growth of 36% to reach the net profit to QR 110 million.”

Malcolm Jordan
CEO



Strategic partnerships and diversification

In addition to contributing to the domestic economy, Baladna launched our first domestic production of an international brand in line with the nation's intention to increase local production. In early 2023, we established a strategic partnership with global cheese and snack giant, the Bel Group, to produce spreadable cheese under the brand names of La Vache Qui Rit and Jibnet Abu Al Walad. Additional Bel products are planned for the near future, which will not only reduce imports and supply chain disruptions, but will also provide a more responsible, environmentally conscious option for Qatari consumers.

Closer to home, we have been exceptionally pleased with the success of many of our key partnerships including Qatar Airways. The collaboration between 2 national champions has increased the presence of the Baladna brand across the globe. We entered the strategic partnership with the airline in February 2019, becoming one of the primary suppliers of locally produced products to the Qatar Airways Group, which also includes Qatar Duty Free (QDF) and Qatar Aircraft Catering Company (QACC). We leveraged our research and development capabilities to create unique product solutions that were tailored to suit various applications across the entire Qatar Airways Group, ensuring effective performance at altitudes of 50,000 feet.

International expansion gathers pace

An important pillar of future sustainable growth will be our international operations, and in this

regard, we took further strategic steps in 2023 to broaden our international presence. I am pleased to report positive advancement in our forthcoming Algerian project with the Government of Algeria to establish milk production facilities. We anticipate this project will deliver significant shareholder value and mark another milestone in Baladna's global growth journey.

Performance overview

The single thread running through all our operations is the outstanding effort by the entire team to achieve stronger outcomes when it came to the welfare of our herd, product quality, manufacturing and distribution efficiency, innovation and customer service. This is a testament to the performance of our team. In each case, meaningful advancements were made that when seen as a whole, truly illustrated Baladna's unrelenting dedication to continuous improvement and becoming Qatar's most trusted brand in nutritional foods and healthy beverages.

Our Farming operation is dedicated to continually improving the long-term health of our dairy herd, as well as the productivity of our milking cows and efficiencies across the operation. In addition, we successfully introduced technologies that delivered substantial cost and water savings, while increasing the comfort of the herd.

Our Manufacturing operation is dedicated to producing superior quality products, every day. This ensures all products made at our facilities meet or exceed the high standards our consumers expect and deserve. Continuous improvements

in manufacturing operations also delivered enhanced line efficiencies, lower product losses and increased overall efficiency.

Our Sales and Distribution operation is committed to ensuring the availability of our products to our customers and consumers, every day. We introduced tailor-made solutions to make sure our products continue to meet customer expectations. Our team delivered excellent operational improvements during the year, building on improved allocation and demand planning processes introduced in 2022. In addition, the team successfully optimised our route to market, delivering a substantial increase in volumes with no additional resources, while achieving a reduction in CO₂ emissions and mileage.

The availability of Baladna's products across our markets played an important role in delivering strong market share gains in both dairy and juices categories in 2023. As a result, overall market share increased to 53.5%, up from 51.0% as at year-end 2022. This was supported by strong marketing communication and activations, particularly through digital channels. With highly effective communications, we were able to beat internal targets by reaching a record 1.2 million consumers and achieving engagement levels above the industry average.

Beyond operational performance, we began integrating our comprehensive sustainability principles into our corporate strategy in 2023, resulting in an environmental, social and corporate governance (ESG) framework and a roadmap for the next 3 years.

Our approach to corporate social responsibility (CSR) demonstrates our strategic and multifaceted commitment to making a positive impact in various areas. This commitment underscores our role as a responsible corporate citizen and a leader in the dairy industry.

As part of our overarching corporate strategy, Baladna introduced numerous sustainability measures and projects in 2023, which made a material impact and laid the foundations for even greater benefits in the years to come. Our inaugural Sustainability Report provides a transparent and detailed account of all our initiatives and outlines our ambitious plans for further excellence in the years ahead.

Looking ahead to 2024

In the coming years, our overarching priorities are to ensure the national food security and to diversify and develop our business both in and outside Qatar. We will maintain our focus on the constant availability of our high-quality products to consumers, anytime, anywhere. We are committed to delivering unmatched excellence across all facets of product quality assurance. Our 3-year food safety and quality culture action plan aim to instil an inherent awareness of food safety and quality principles in our workforce, equipping them with the knowledge and skills to consistently deliver excellence in all aspects of food quality assurance.

We are confident about 2024's financial performance, particularly the anticipated strong growth in the net profits. The strategies and plans already in place are expected to deliver higher market shares as we extract further growth through all our channels and categories. Our product development and innovation programme will play a pivotal role in creating new avenues of revenue for Baladna.

We will, as always, maintain our focus on driving efficiency improvements, which will not only impact our operating costs, but also have a positive impact on our sustainability across various metrics. The newly commissioned evaporated milk and sterilised cream factory is expected to operate in higher capacity and can produce the nation's total evaporated milk requirements. It will also serve as an alternative production facility for certain existing products further enhancing our production capabilities.

Our international expansion momentum will continue with proposed international expansion plans and are likely to make meaningful progress. These projects are key to Baladna's long-term sustainable growth.

The Company's ESG strategy will be strengthened by establishing a dedicated Sustainability Governance Committee and reporting all related

progress directly to our Board of Directors, thereby improving our transparency and accountability.

We also intend to align our public sustainability disclosures with the Qatar Stock Exchange's (QSE) guidelines, and we will adopt regular and rigorous risk assessments to identify areas where we can further improve our sustainability practices.

Acknowledgements

Delivering value, every day, is all about providing a superior healthy and tasty product range to our consumers. We remain ever grateful that they increasingly choose our products. Our growing customer base is integral to the expansion of the business in Qatar, and their support earns our deep gratitude.

We are honoured by the confidence and trust in our business by our shareholders and remain committed to delivering the value they have come to expect from Baladna.

Our Chairman and Board of Directors provided exceptional guidance and support once again, for which I am immensely thankful.

Finally, I would like to take this opportunity to thank every member of the Baladna team for contributing to our historic financial milestone of QR 1 billion in revenue this year. It is a remarkable achievement.

Market Review

The global economy

In 2023, the global economy witnessed a considerable slowdown, following a resilient start to the year driven by various factors.¹ The first quarter was characterised by robust economic activity, influenced by the reopening of China's economy, strong consumption levels in the United States and vigorous service sector operations. However, as the year progressed, signs of weakening became apparent across multiple fronts.

High-frequency indicators for the second quarter pointed to a further decline in manufacturing output, softening services activity, and contributing to a slowdown in global trade growth. Despite the initial rebound, China's post-pandemic economic recovery began to lose steam, primarily as a result of ongoing weaknesses in the real estate sector and declining export figures.

While advanced economies experienced a receding of financial stability concerns, lending standards tightened, leading to a reduction in the supply of credit. Lower credit availability added another layer of constraint to economic expansion. Against this backdrop, the October 2023 World Economic Outlook projected a notable decrease in global growth. The forecast indicated a fall from 3.5% in 2022 to 3.0% in 2023, followed by a further dip to 2.9% in 2024. The primary driver

behind this downturn was identified as a marked slowdown in advanced economies, largely attributed to the continued pressure of tight monetary policies.

The MENA region

Despite strong domestic demand and tourism, several factors held back economic growth. These included lower oil production in oil-exporting countries, strict policies in emerging markets, and ongoing issues in low-income countries like the conflict in Sudan. While there was anticipation that growth in the MENA region would improve in 2024 as some problems eased, it was expected to remain below its usual levels owing to long-standing challenges. Inflation had started to drop globally but specific issues such as currency depreciations and droughts were still causing prices to rise in some countries in the region. Despite these difficulties, there was hope for gradual improvement as economies addressed underlying problems.

The GCC region was estimated to grow by 1% in 2023 before picking up again to 3.6% and 3.7% in 2024 and 2025, respectively, according to the recently published World Bank Gulf Economic Update (GEU) report. The weaker performance was driven primarily by lower oil sector activities, which contracted by 3.9%, reflecting OPEC+ successive production cuts and the global economic slowdown. However, the reduction in oil sector

activities was compensated for by the non-oil sectors, which grew by 3.9% in 2023 and 3.4% in the medium term, supported by sustained private consumption, strategic fixed investments, and accommodative fiscal policy.²

The Qatari economy

During the year, Qatar experienced a deceleration in real GDP growth, with a rate of 2.8% expected for the year.³ This rate was anticipated to persist in the medium term.

Despite challenges faced by the construction sector and the implementation of tighter monetary policies, robust growth was expected in the non-hydrocarbon sectors. It was projected that these sectors would experience growth of 3.6%, propelled by a spike in tourist arrivals and the hosting of large events.

In addition, Qatar's reputation as a global sporting hub was strengthened with the addition of 14 major sporting events scheduled for 2023. On the other hand, the hydrocarbon sector was estimated to grow by 1.3% in 2023.

The food and beverage sector

Qatar has ramped up its food production capacity while developing alternative trade links for its food supply. Post the completion of its first 5-year food strategy (2018-2023), the country is currently formulating the new Qatar National

Food Security Strategy (2023-2030) that aims to improve self-sufficiency, strategic reserves, enhance international trade and streamline the domestic market.

In 2023, Qatar implemented new strategic food and agricultural policies under the updated strategy, focusing on innovative solutions and sustainable systems to increase domestic production. In October 2023, Expo 2023 Doha is held under the theme "Green Desert, Better Environment" and aims to promote sustainable innovations and combat desertification. The Expo is aiming to promote Modern Agriculture, Technology and Innovation, Environmental Awareness, Sustainability. This initiative will contribute to launching several sustainable food initiatives, ranging from fresh, ready-to-eat agricultural products to measures aimed at reducing food waste.

Qatar's dairy market saw significant growth trends from 2016 to 2021. While the GCC experienced a 1.8% CAGR in milk consumption, Qatar's production surged with a 25.7% CAGR. Saudi Arabia remained the

leading consumer (59.4%) and producer (71.4%) in the region. In terms of dairy production, Qatar ranked second with a self-sufficiency ratio of 77.9%, after Saudi Arabia at 81.0%. Oman followed at 46.6%, and the UAE at 35.5%.⁴

These trends underscore Qatar's focus on bolstering domestic dairy production to address the rising demand for dairy products in the GCC, aligning with broader efforts for food security and self-sufficiency.

2024 outlook

Qatar's food consumption is expected to grow at a CAGR of 3.0% from 2022 to reach 2.5 million metric tons by 2027. Although the country's population is expected to grow at a relatively slower pace (0.8% CAGR) than other GCC nations, the food sector is likely to be driven by a revival in the tourism industry.

The country's tourism authorities have established ambitious goals to sustain and attract an increasing number of visitors each year following the successful completion of the 2022 FIFA World Cup as part of its long-term strategy. Some of the

major international sporting events lined up to take place in the country over the next few years include the Formula 1, TP Tennis Competition, International Golf Championship, World Championship of Motorcycles, 2024 World Aquatics Championships, 2030 Asian Games, European Tour Golf and MotoGP, among others.

The Government of Qatar has taken initiatives such as offering free visa agreements to over 95 countries, and a 96-hour free transit visa is currently under evaluation to enhance the tourism industry. Such initiatives and events are likely to increase international tourist arrivals, which bodes well for the domestic food industry.

Moreover, the country's GDP is expected to witness a 3.9% growth over the next 5 years driven by accelerated reforms under the Third National Development Strategy, which aims to boost productivity and promote economic diversification.

1 The World Bank, economic diversification efforts in the gcc region (edition 1)

2 The World Bank, economic diversification efforts in the gcc region (edition 2)

3 Economy middle east, world bank gulf countries

4 Alpen Capital, gcc food report 2023

Chief Financial Officer's Review

2023 financial year was a significant milestone in the history of Baladna, achieving revenue of more than QR 1 billion for the first time, thanks largely to volume growth.

Baladna grew its top-line 7% to QR 1,057 million, boosted by notable revenue growth in both our Retail and HORECA channels, which improved 9% and 4% respectively.

Higher sales volumes reflected improved market share across most of our product categories, driven by operational excellence. Overall, market share is at 53.5% compared to 51.0% in 2022, and our share of the Qatari dairy segment reached 60%. The best performing product categories in terms of revenue were cream, which grew by 18%; labneh, which was 17% higher; and yoghurt increased by 16%. Newly acquired detergent processing business E-life, in which we hold 75% stake, contributed to 1% of our total revenue.

Strong bottom-line performance

The net profit attributable to Baladna's shareholders grew by 36% to QR 110 million for the year compared with QR 81 million in 2022. As a result, the net profit margin improved to 10.4% in 2023 compared to 8.2% in 2022 and generated earnings per share of QR 0.058 in 2023 compared to QR 0.042 in 2022.

The reported double-digit growth in net profit is mainly attributable to the increase in sales volumes. Stringent cost controls applied across the business kept spending on a tight rein, and this in turn had a positive impact on net profits. Efficiency improvement throughout the entire

value chain and normalisation of commodity prices towards the latter part of 2023 also contributed to this achievement. The investment in securities also boosted the bottom line largely as a result of the increase in market prices of securities held by the Company.

For the same period, Baladna reported EBITDA of QR 325 million, which accounted for an EBITDA margin of 30.7%. This confirms that Baladna remains a regional industry leader in terms of its EBITDA margin in the sector.

Exploring new opportunities

As part of our growth and diversification strategy, Baladna continues to explore opportunities to extend its presence beyond Qatar via suitable international acquisitions. In 2023, we increased our shareholding in Juhayna Food Industries to a substantial 15%, following our first share purchases in 2021. Our larger equity position in Juhayna was in line with the broader Egypt strategy.

Our mega project of a dairy venture in Algeria made significant progress in 2023, with discussions continuing with the Algerian Government primarily aimed at establishing a large-scale milk powder production facility to support the country in become self-sufficient. Algeria is considered the world's second largest importer of milk powder. This collaboration will ensure substantial market growth for Baladna and set the Company to create significant shareholder value in the future.

Cash flow management and financial position

Efficient working capital management, particularly related to inventories, generated better operating cash flows compared to 2022, while our steadfast management of capital expenditure contributed to a strong free cash flow to the firm (FCFF) position at the year end. The generated FCFF of the year represents 7.4% of revenue.

Our capital expenditure programme is primarily focused on business improvements where necessary. In past years, Baladna invested significantly in infrastructure for the business to function efficiently. During 2023, Baladna was able to commission the new factory, designed to produce evaporated milk and sterilised cream. This project began in 2021 for the purpose of enhancing the country's self-sufficiency and Baladna has invested around QR 425 million.

Investment in equities were in line with the Company's growth strategy and was a main contributor to the improvement in the total asset position at year end. A substantial component of this investment was represented by the purchase of additional Juhayna shares, which provided Baladna with a QR 2 million dividend and a fair value gain of QR 26 million for the financial year 2023.



The net profit margin improved to 10.4% in 2023 compared to 8.2% in 2022 and generated earnings per share of QR 0.058 in 2023 compared to QR 0.042 in 2022. ”

Saifullah Khan
CFO



Our debt-to-equity position remained at a similar level and expectation is to bring down the exposure and improve the gearing by repaying the Islamic financing facility, which started during the year. The financing methods of any new projects will be decided based on the project feasibility studies.

Pausing and resuming the dividend payments

In 2023, the Board felt it would be more prudent to reinvest the cash profits for 2022 for the sustainable growth of the business. This approach enabled the Company to begin the repayment of the Islamic financing facility, which started in 2023, and funded most of our capital expenditure and equity investments through our internal cash flows.

Despite pausing the dividend payments in 2023, I am pleased to mention that the Board of Directors has proposed a dividend payment of QR 132 million for the year 2023, which will be paid in 2024. The distribution will be done following the approval of the General Assembly.

Baladna's management is fully committed and is targeting solid growth in revenue and profitability for the coming years and the distribution of dividend will be carried accordingly.

Governance and risk management

In terms of corporate governance, Baladna has developed a comprehensive risk register and relevant initiatives have been taken

to mitigate all identified risks. This includes written policies and procedures developed in line with local regulations and industry best practices.

Baladna's exceptional commitment to the highest standards of corporate governance were recognised in 2023 by the region's most prestigious award. At the 15th Middle East Investor Relations Association (MEIRA) awards, Baladna placed first in the digital category, and second in the print category for its investor relations reporting. This is the third consecutive year that Baladna has received these awards, consolidating its reputation for exceptionally high standards of communication with shareholders.

As a strategic measure, Baladna maintains a strict inventory of all the major materials, which ensures operation continuity in the face of any supply disruptions. We are mindful of the regional warfare situation and make every effort to minimise the risk to our business. During 2023, Baladna was able to secure attractive financing rates from our financing partners. Risk related to the distribution of our products is minimal as we are managing our own distribution channels without third-party intervention. Exchange risk is minimal as we are currently catering to the local market with minimal exports. Our main exposure is the Qatari Riyal and the US Dollar, on which the exchange rate is pegged. Other foreign exchange rate exposure is negligible.

Looking ahead to 2024

The coming year is expected to deliver moderate growth in the dairy market. Baladna aims to drive growth by continuing to grow its market share in existing product lines and through the introduction of new products. Along with protecting our market share in the dairy category, we will focus on developing our presence in juice segment in which we have greater chance to grow our market share. Operations at the evaporated milk and sterilize cream processing factory began as a soft launch in 2023. The work will be increased to cater to retail and HORECA channels and we expect a reasonable contribution to the top-line growth of the Company. The E-life detergent segment is also expected to further strengthen the top line.

Baladna's continuous focus on increasing efficiencies and operational excellence look set to boost our bottom line in 2024.

Business automations, advancements and adopting industry best-in-class technology is a priority for the Company. This will streamline the entire value chain and reporting process, strengthen compliance and controls and fast track the decision-making process.

Baladna's ongoing concentration on expansions beyond Qatar will remain pivotal for the sustainable growth of the business. We intend to increase our shareholding in Juhayna and advance our expansion in Algeria, and we anticipate significant shareholder value creation. Similarly,

we will remain focused on furthering our diversification agenda by evaluating new opportunities.

We continue to pursue the strong

backing of our shareholders in addition to our solid financial position and operational cash flow generation. In light of these positive outcomes, Baladna's management is











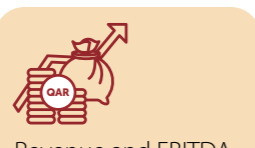


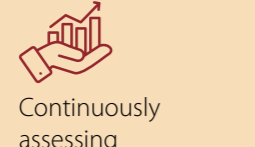
targeting solid growth in revenue and profitability for the coming year, and we expect to resume the dividend distribution accordingly.

Key Financial Highlights

		2023	2022	2021	2020
Operational Performance					
Revenue	QR million	1,057	986	773	759
EBITDA	QR million	325	283	297	297
EBITDA margin	%	30.7%	28.7%	38.4%	39.1%
Net profit	QR million	110	81	134	141
Net profit margin	%	10.4%	8.2%	17.3%	18.6%
EPS	QR per share	0.058	0.042	0.070	0.074
Balance Sheet					
Total assets	QR million	4,844	4,438	3,912	3,623
Debt	QR million	2,082	1,908	1,397	1,129
Equity	QR million	2,356	2,249	2,271	2,241
Debt to equity	%	88.4%	84.8%	61.5%	50.4%
Cash Flow					
Net cash from operating activities	QR million	99	8	245	224
Finance cost (cash flow) including lease finance cost	QR million	110	67	36	45
Capital expenditure (excluding investment in shares and subsidiaries)	QR million	(131)	(319)	(232)	(188)
Free Cash Flow to the Firm (FCFF)	QR million	78	(244)	49	81

Our Investment Case

Baladna's key investment highlights

<h3>1</h3> <p>Market leader in the Dairy and Beverages sector in Qatar</p>	 <p>Leading market position across 6 out of 8 product categories...</p> <p>Number 1 position across 6 categories... ...remains a significant growth opportunity across other categories</p> 	<p>...complemented with a strong operational infrastructure</p>	<p>Diversification initiatives</p> <ul style="list-style-type: none"> Commencement of operations at the E-life detergent factory   <p>Strategic partnerships</p> <ul style="list-style-type: none"> Started producing spreadable cheese under the brand names of La Vache Qui Rit and Jibnet Abu Al Walad for Bel Group   												
<h3>2</h3> <p>Excellent product innovation track record and access to consumer insights</p>	 <p>Continuously enhancing the product portfolio management...</p> <p>Highly recognized brand names created</p>  <p>Diverse range of product offerings</p>  <p>250 Total number of SKUs</p>	<p>... complemented by an excellent reach of retail and HORECA clients</p>	<p>139 No of sales routes</p> <p>3,713 No of customers</p>												
<h3>3</h3> <p>Strong financial performance and Cash flow management</p>	 <p>Revenue and EBITDA increased due to increase in sales volumes...</p> <table border="1"> <thead> <tr> <th colspan="2">Revenue (QR Mn)</th> <th colspan="2">EBITDA (QR Mn)</th> </tr> </thead> <tbody> <tr> <td>986</td> <td>1,057</td> <td>283</td> <td>325</td> </tr> <tr> <td>Year 2022</td> <td>Year 2023</td> <td>Year 2022</td> <td>Year 2023</td> </tr> </tbody> </table>	Revenue (QR Mn)		EBITDA (QR Mn)		986	1,057	283	325	Year 2022	Year 2023	Year 2022	Year 2023	<p>...ability to achieve profitability margins and Free cash flow</p>	<ul style="list-style-type: none"> Significant increase in net profit by 36% Increase in FCFF from QR (244m) in FY22 to QR 78m in FY23
Revenue (QR Mn)		EBITDA (QR Mn)													
986	1,057	283	325												
Year 2022	Year 2023	Year 2022	Year 2023												
<h3>4</h3> <p>Strategic and dedicated shareholder support</p>	 <p>Strategic & founding shareholders account for 50% of shareholding...</p> <p>Strategic shareholders</p> <p>Strengthening food security and self-sufficiency in Qatar, backed by government support</p> 	<p>... supporting Baladna to continue its growth</p>	<p>Growth at the heart of Baladna's management</p> <ul style="list-style-type: none"> Continuously assessing horizontal or vertical expansion Unwavering dedication to visions and mission 												
<h3>5</h3> <p>Continuous identification of growth enablers</p>	 <p>Continuously assessing value accretive opportunities and projects</p> <ul style="list-style-type: none"> Strengthening strategic alliance in Egypt holding significant 15% stake in largest dairy producer in Egypt, Juhayna Food Industries Positive advancement in the upcoming Algerian project 	<p>...with strong operational capacity to capitalize on optimization initiatives</p>	<ul style="list-style-type: none"> Assessment of strategic integration opportunities to have own feed farms to meet internal demand Potential to further support self-sufficiency and the certainty of the supply and quality of feed 												

Business Model

Baladna is Qatar's Leading Dairy & Beverages Company.

Inputs

Financial Capital

- QR 4.2 billion investment
- 30,365 shareholder bases
- Listing on Qatar Stock Exchange

Manufactured Capital

- State-of-the-art facilities, equipment, and technologies
- Resilient supply chain
- Robust and integrated value chain 3,700+ points of sale

Human Capital

- Experienced leadership team
- 1,900+ employees
- Strong corporate culture and values

Social and Relationship Capital

- 94% Qatari-owned
- Strategic relationship with Government of Qatar
- Reputation for quality with trusted products and brands

Intellectual Capital

- Recipe library and product formulations as well as our capacity for innovation and our brand

Natural Capital

- Natural resources that are used in our processes, including energy, water and raw materials

How We Create Value

Our Vision

We aim to be the most trusted brand of nutritional foods and healthy beverages in Qatar and to expand to new markets

Our Mission

We will achieve our vision by ensuring consumers' wellness and providing natural, nutritious and tasty foods and beverages while maintaining the most rigorous food safety and biosecurity protocols

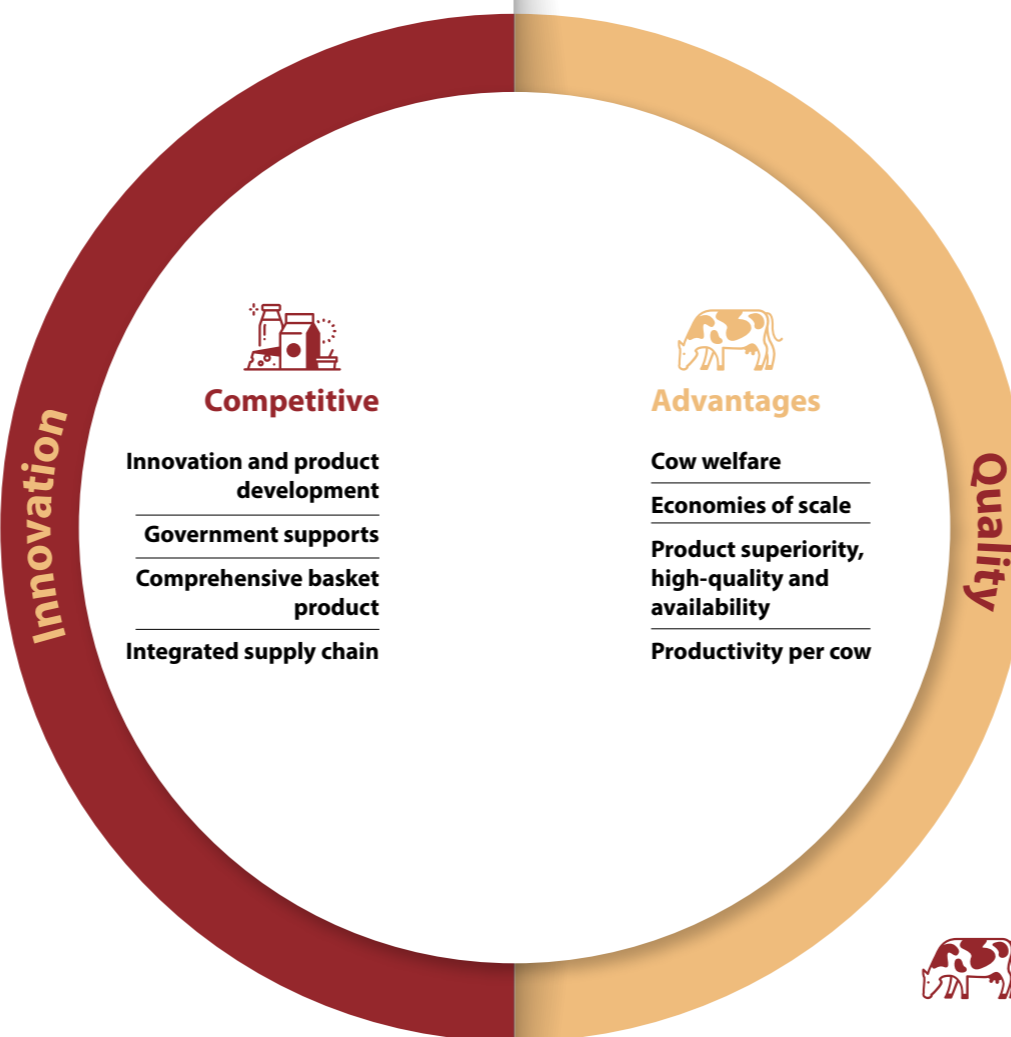
Innovation

Innovation has always been at the heart of what we do at Baladna. Our wide range of delicious products are testament of it



Our Segments and Brands

- Fresh Milk
- UHT Milk
- Laban
- Juice
- Dessert
- Sterilised cream
- Yoghurt
- Labneh
- Cheese
- Creams
- Evaporated milk



Our Principles

- Supporting food security
- Raising the level of veterinary care
- Caring for our livestock
- Natural and fresh products
- Adherence to Qatari traditional values

Quality

From farm to fork. Bringing fresh, healthy, and nutritious food to the people of Qatar is a top priority for the Company. Baladna was awarded ISO 22000:2005 FSMS certification, which is the highest global certification scheme for food safety and quality management systems and is recognised by the Global Food Safety Initiative (GFSI)

Business Drivers



Our Farms

2 farms spreading over an area of 2.4 million sqm



Our Manufacturing

State-of-the-art processing and packaging facilities



Our Strategic Product Innovation

250 SKUs in current product portfolio across all brands

Outputs

Solid Financial Results

QR 1,057 Million
Revenue

QR 110 Million
Profits

QR 325 Million
EBITDA

QR 1.224
Share price

Resilient Workforce

- Low employee turnover
- Over 39 nationalities

Operational Excellence

- Operational efficiency and cost optimisation
- Product innovation
- Food security for Qatar

Strong Brand Equity

- Market-leading brands
- Market share leader across key segments

(#1 in Dairy)

Underpinned by a strong foundation of robust corporate governance, strategic risk management and an enduring commitment to our nation and the communities we serve.

Our Strategy

Our Corporate Strategy

Our strategy revolves around establishing protocols and systems to achieve our corporate objectives. In order to achieve this, we have developed a set of goals and key performance indicators to monitor and continuously improve them. Our focus remains on creating shareholder value by driving optimisation, maintaining products' quality, accelerating growth, and strengthening the processes by continuous improvements and automation.

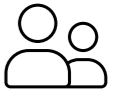
- | | |
|---|---|
| <ul style="list-style-type: none"> • Growth in key categories we already operate | <ul style="list-style-type: none"> • Maintain quality across operations by using best-in-class technologies |
| <ul style="list-style-type: none"> • Leveraging our assets through product diversification | <ul style="list-style-type: none"> • Active involvement and contribution to the food security programme to ensure highest standards of health and safety for the citizens and residents in Qatar |
| <ul style="list-style-type: none"> • Expand into other categories and diversification into new categories in home market | <ul style="list-style-type: none"> • Continuous improvement in cow comfort to benchmark milk yield with leading dairy farms in the world |
| <ul style="list-style-type: none"> • Expand geographically in new markets | <ul style="list-style-type: none"> • Provide healthy working environment to motivate staff / attract best talent and be the best place to work |
| <ul style="list-style-type: none"> • Drive end-to-end efficiency throughout the value chain and working towards improving sustainability footprint | <ul style="list-style-type: none"> • Focus on producing our own feed |
| <ul style="list-style-type: none"> • Focus on producing most superior products in the categories we operate | <ul style="list-style-type: none"> • Strong focus on cost optimisation throughout the entire operations |
| <ul style="list-style-type: none"> • Continuous innovation and renovation to meet consumer's needs | |



Key Drivers

Our Strategic Pillars

People



Creating performance culture

- Build a lean, motivated and high impact team
- Training needs analysis and ensuring core training objectives are fulfilled

Brand



Be the preferred consumer brand

- Formalised consumer validated brand strategy framework
- Innovation – Commercial / Products / Packaging

Product



Ensuring quality and availability

- Entrench quality culture – consistent and superior products and packaging
- Simplify shopper journey – strongly available and visible

Efficiency



Drive value stream

- Optimisation of systems / processes through automation
- Strong focus on cost savings and value engineering

Operating Review

In 2023, Baladna focused on enhancing sustainability, advancing operational excellence, and expanding its operations, achieving notable progress and performance improvements. The Company's commitment to innovation, customer service and sustainability, along with investments in technology, facilities, and its workforce, drove increased productivity, efficiency and value for all stakeholders, every day.

By prioritising product quality, herd welfare, distribution efficiency and reinforcing its brand strength, Baladna maintained its leading market share and volume share position across essential categories. This holistic approach to growth and strategic execution solidified Baladna's reputation as Qatar's most trusted brand in nutritional foods and healthy beverages, showcasing its dedication to continuous advancement and leadership in the industry.



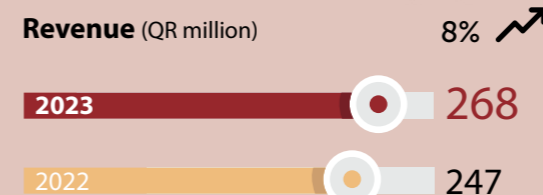
Market Leader

96.3%

Fresh Milk

Market Share

Retained strong #1 position

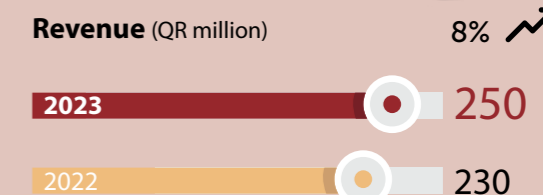


89.5%

UHT Milk

Market Share

Retained strong #1 position

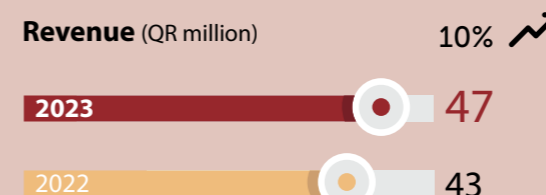


50.5%

Laban

Market Share

Retained strong #1 position

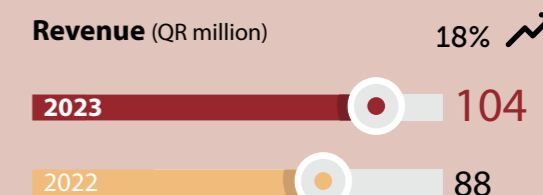


60.0%

Creams

Market Share

Retained strong #1 position



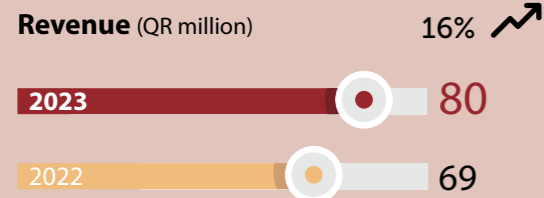
*Market share percentages are based on Nielsen data covering retail category only and reflects 12 months Moving Average Total (MAT)

48.0%

Yoghurt

Market Share

Retained strong #1 position

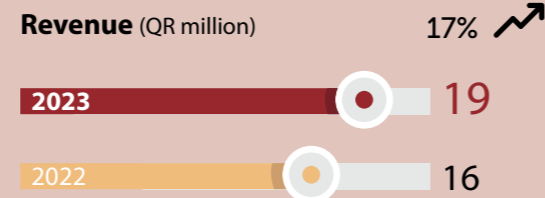


41.5%

Labneh

Market Share

Retained the market leadership

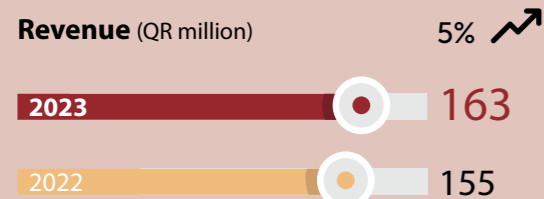


25.3%

Cheese

Market Share

Remains a significant growth opportunity

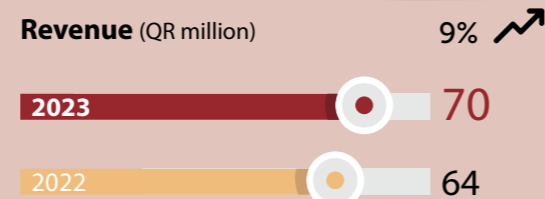


19.0%

Juice

Market Share

Remains a significant growth opportunity



*Market share percentages are based on Nielsen data covering retail category only and reflects 12 months Moving Average Total (MAT)

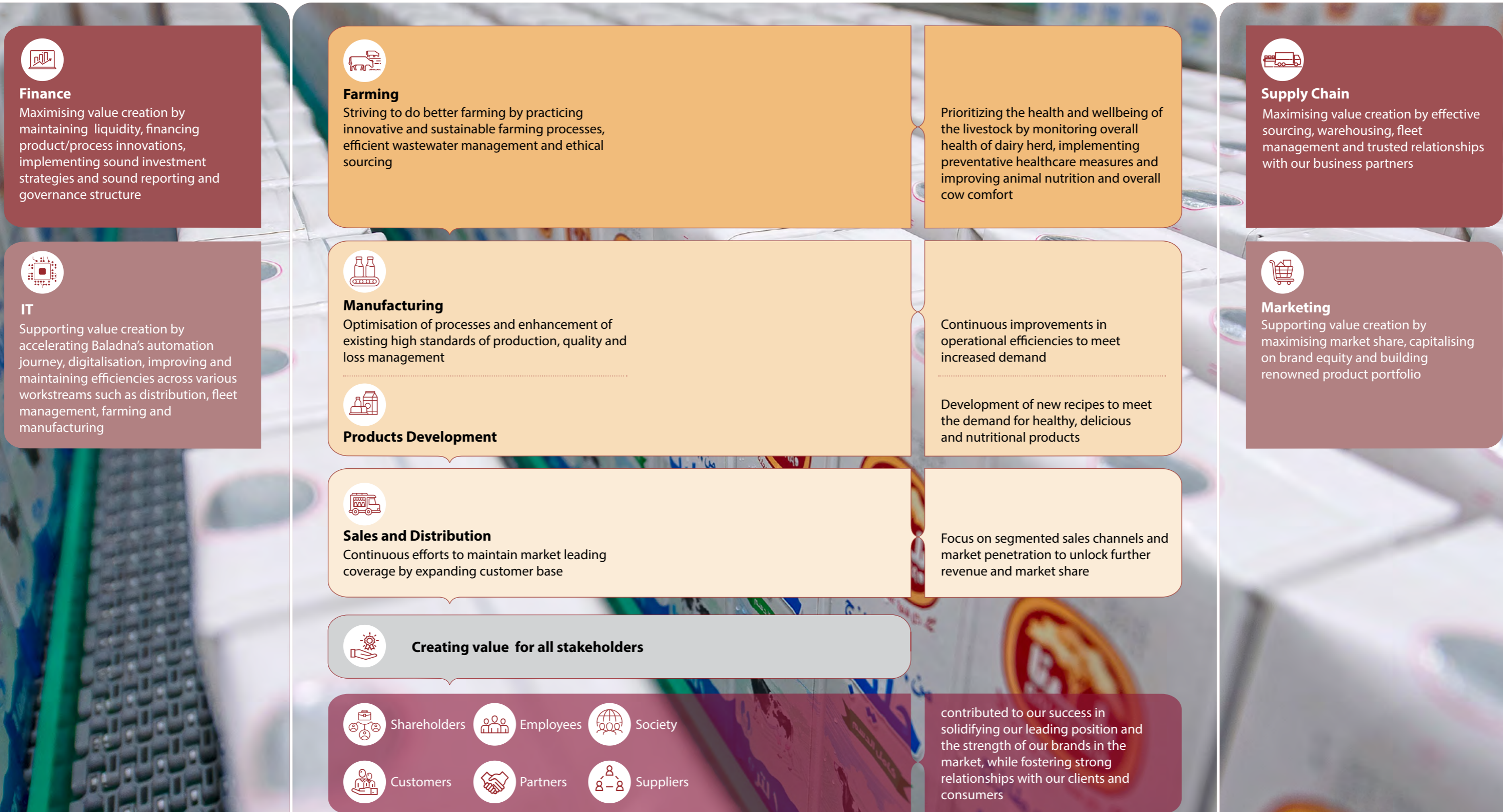
Operating Review

Our Value Chain

Baladna continued to deliver strong and sustainable value, every day, by building partnerships and engaging our talented workforce to strengthen our industry-leading

brands, proposition, and position. The Company also nurtured lasting relationships with our clients and consumers, built on principles of mutual benefit and trust.

How We Create Value



Operating Review

Farming

Baladna’s farming division continued to support the Company’s market-leading proposition and reputation for trusted quality throughout 2023. Despite tougher temperature and humidity conditions, our farming operations produced sufficient milk volumes to cater to the requirements of our customers during the year.

With our 2 farms covering 2.4 million square meters, our operations produced milk used in popular dairy products, from beverages and cheeses to yoghurts bringing joy and health benefits to millions of consumers across Qatar.

Baladna’s well-deserved reputation for the freshness of its products derives from its speed to market. Our cows are routinely milked every 8 hours in a modern stress-free environment. The fresh milk is then chilled to below 4° C within minutes and stored in food-grade stainless steel silos. Raw milk is dispatched to our processing plants within 4 hours of milking, which contributes to our world-leading position in product freshness.

Driving sustainability with improved water efficiency

The 2023 financial year saw our continued emphasis on the health and wellbeing of our herd, with new technology trialled to improve the comfort of the cows and the efficiency of our water management.

With the focus on delivering value, every day, we conducted a water-efficiency pilot to test SmartSoaker™, a new-to-the-industry technology from the USA. The pilot ran over a 6-month period, which included peak usage times.

SmartSoaker used electronic eye motion sensors in our milking barns to detect the position of an individual cow relative to a water-cooling jet. The jets were activated only when needed to cool the animal, while jets in unoccupied cow spaces remained inactive, reducing water wastage.

At the same time, we tested SmartSoaker, we ran a parallel project to monitor animal temperature and activity to provide accurate diagnostics about the effectiveness of our cooling system. The resulting data helped in our evaluation of SmartSoaker by providing comparisons between the old and new technology.

Data from the pilot showed a 65% reduction in water usage, translating into a 26% reduction in overall water consumption when applied. As a result of the trial’s success, SmartSoaker will be installed in all our milking cow barns next year, reducing our water costs by an estimated QR 500,000 in 2024, and making Baladna the market leader in using this technology in the GCC.

SmartSoaker will have a significant impact by enhancing the comfort of our animals with targeted feedline soaking and accordingly, the lower milk production typically associated with heat-related stress in the summer will be addressed.

By improving milk production during the hot summer months in Qatar, Baladna will optimise the number of cows required to achieve targeted volumes, reducing our use of resources. Additionally, greater consistency of supply will further contribute to the country’s food security objectives.

Unwavering focus on herd comfort and health

We introduced various other measures in 2023 to improve the comfort levels of our herd. The installation of rubber mats on cow traffic lanes to and from the milking centres was completed. This new underfoot cushioning proved very successful, improving the welfare of our cows and reducing lameness by 12%.

In line with our principles of raising the level of veterinary care by tapping the expertise of the best veterinarians, we collaborated with a team of international experts to fine tune our herd immunisation and surveillance programmes.

Surveillance is crucial to monitoring herd health status and minimising disease. We complemented this capability with new laboratory equipment to enhance our diagnostic capabilities and upskill our lab workers.

Data-driven and robotic technology deliver improvements

With ever-changing animal technology and innovations, we are continuously evaluating different systems to seek out the best solutions to our requirements in the Qatari desert.

In 2023, we improved our data collection and consolidation, thanks to the implementation in 2022 of easy-to-read dashboards to make trends analysis more accessible. Furthermore, the dashboards provided greater visibility over cow cooling and animal comfort. The success of these new dashboards encouraged our data analysts to widen the scope of issues covered to give us greater visibility over the wellbeing of our herd. The ability to monitor trends daily enabled an immediate response from the veterinary team when trends deviated from the norm.

During the year, we also installed robotic sanitisation and milking technology to enable faster and smoother milking that boosts yields.

In our ongoing bid to improve the wellbeing of our animals, a system called CattleEye was trialled to provide a real-time monitor of our dairy herd’s mobility and compare it with previous days to assess hoof health and each animal’s general condition. CattleEye was subsequently installed, and data collected will be fully integrated into our routine foot health protocols in the first quarter of 2024.

New breeding programme

Our farm team remains committed to bringing fresh and healthy products to consumers with optimum efficiency, guided by our corporate principle that governs the care of our livestock, and our commitment to collaborating with experts in livestock breeding and production.

As a result, we joined forces with a team of experts to use gender-selected semen to produce a higher female-to-male ratio among newborn calves. Selective use of gender-selected semen on cow families with the highest milk yields and longevity positively impacts the sustainability. We plan to continue using genetic selection from the best cows to increase productivity and consequently, the profitability of the business.

Looking ahead to 2024

In the coming year, we will continue to realise the benefits of our various water-saving initiatives as we strive for greater sustainability without compromising the health of our herd.

Additionally, sustainability will be the driving force behind our ongoing evaluation of how we clean and improve our cow bedding. Our animals are bedded on sand for comfort and cleanliness properties; accordingly, we are investing in improving our recycled sand to further enhance sanitation and comfort.

In the coming year, we plan to invest in cattle handling facilities that automate individual animal sorting or drafting from the herd. This process will reduce potential stress on target animals and their herd mates that occurs in manual drafting. It will assist to streamline routine daily tasks such as breeding, health checks and hoof care.



Operating Review

Manufacturing

Our Manufacturing operation is dedicated to delivering value, every day. This ensures all products made in our facilities meet and exceed the highest standards our consumers expect and deserve and are aligned with our operational and employee health and safety targets.

In 2023, we not only met these objectives, but in many of our metrics, exceeded them. This was the result of continuous improvement in our manufacturing processes to deliver more efficient use of resources and higher operational results.

With the welfare of our employees a key priority, we were very pleased by the improvement in our lost time injury frequency rate (LTIFR), which measures the number of lost-time injuries per million hours worked in a single financial year. In 2023, our LTIFR was below the targets we set for the year. Ongoing reductions in our injury rate were improved through root cause analysis and corrective actions to reduce future occurrences.

Furthermore, during 2023, we approved a new health and safety policy that will improve operating procedures for our manufacturing business to comply with the ISO 45001 Occupational Health and Safety Management System by 2024. These improvements will contribute to operating the most secure and incident-free environment possible.

Continuous improvements also delivered enhanced line efficiencies, lower product losses and increased overall equipment efficiency. Our KPI for loss in process (LIP) was exceeded, ending at 3.4% in 2023 compared to 3.8% in 2022, with annual savings of QR 2.6 million. This was achieved by applying new controls over finished product weights, optimising planning to

reduce product changeovers, and adjusting product flush volumes during processing.

Overall equipment efficiency (OEE) showed a pleasing improvement compared to last year. We extracted these gains by adopting better planning, adjusting plant operating conditions, and providing additional staff training and development.

Alongside commissioning a new processed cheese line to increase production capacity, we made volume and efficiency modifications that raised the efficiency of our machines and improved the manufacturing process.



Operational highlights

Product Category	Total Production Volume 2023 (kg/million litres)
Fresh and UHT milk	81.5
Yoghurt	13.6
Laban and Ayran	8.4
Cheese	5.3
Labneh	0.9
Fresh and UHT cream	5.6
Other dairy products (i.e. custard, desserts, ghee)	0.8
Chilled and long-life juice	15.0
Total	131.1

In the 2023 year, our total production volume was 131.1 million litres of the highest quality products that generated more than QR 1 billion in revenue for the year.

Our largest production category remained fresh and long-life milk, with output of 81.5 million litres. Our entry into new product categories and expansion into others resulted in the addition of evaporated milk, sterilised cream, thick cream, shredded Kashkaval cheese, Greek yoghurt variants, and long-life juice in mango and cocktail flavours.

In addition, our manufacturing agreement with global food company, the Bel Group, saw the addition of spreadable cheese under the brand name of La Vache Qui Rit and Jibnet Abu Al Walad to our manufacturing facility. Pleasingly, our cost per litre improved over our targets, owing to efficiency gains and continuous improvement across the entire manufacturing process.

A significant development in 2023 was the commissioning of Plant 4 and a successful first production run and launch to the market. We started constructing this state-of-the-art manufacturing facility in 2021 with the aim of producing evaporated milk (EVAP) and sterilised cream, which have historically been imported into Qatar.

Our total investment in Plant 4 of QR 425 million is one of the many ways Baladna supports Qatar's National Food Security Strategy. Once fully operational, Plant 4 has the capacity to produce the nation's total evaporated milk requirements. It will also become an alternative production facility for certain existing products manufactured at our main plant.

A food safety and quality culture

The exceptional quality and safety of our products, along with the rigorous practices we employ to uphold them, are hallmarks of our commitment to the highest standards. Continuous

improvement is the driving force behind our 3-year food safety and quality culture action plan. This comprehensive initiative focuses on engaging top management, empowering employees and fostering a deep-seated awareness of food safety and quality principles. By implementing quarterly communications and dedicated training programmes, we aim to equip our staff with the knowledge and skills to consistently deliver excellence in every aspect of food production and handling.

Further down the road in our customer satisfaction journey

In 2023, we significantly upgraded our consumer complaint handling system, making it easier for customers to provide feedback on our products. This resulted in increased engagement and, ultimately, allowed us to elevate customer satisfaction.

Setting the benchmark in sustainability

As the leading local dairy company, Baladna recognises its responsibility to champion sustainability practices. Sustainability, integrated into our corporate strategy in 2023, is a passion we actively pursue. We constantly seek ways to reduce our reliance on non-renewable resources and embrace responsible waste management.

In 2023, a manufacturing initiative focused on reducing plastic bottle weight, yielded a significant 55,000 kg decrease in plastic usage. This achievement involved optimising the weight of our 2-litre bottles and 170 g yoghurt cups. The lighter weight not only reduced our plastic footprint, but also benefited energy consumption through manufacturing, transportation, and storage. We are actively exploring

further weight reductions for our plastic bottles, aiming for an even more substantial decrease in annual plastic production and its associated energy demands.

Our commitment to recycling resulted in the reuse of 231,285 paper-based carton trays and boxes in our production line in 2023.

Looking ahead to 2024

In 2024, Baladna will undertake proactive initiatives to raise sustainability across the business including the reduction of water and energy consumption in manufacturing processes. A Continuous Improvement team will focus on reducing LIP water consumption, chemical consumption and improving overall manufacturing efficiency.

Operations will focus on the reduction of external warehouse costs by optimising stock holding periods and utilising internal warehouse space. We will commission a new research and development plant for product testing and improvement, secure FSSC 22000 Food Safety, ISO 31000 Risk Management, and ISO 45001 Occupational Health and Safety Management certifications for our manufacturing operations. The transfer of production from Plants 1 and 2 to Plants 3 and 4 will improve efficiency and reduce overhead costs.

Overall, Baladna's plans for 2024 focus on enhancing sustainability, reducing environmental impact and resource consumption, optimising operations, increasing efficiency, and reducing costs and improving product quality through investment in R&D and quality certifications.



Operating Review

Marketing and New Product Development

Baladna's 2023 financial year was marked by strong gains in market share across the dairy and juices categories, supported by impactful marketing campaigns, new products and a strategic partnership with global cheese business, the Bel Group.

Our overall market share increased to 53.5% from 51.0% in 2022, with our dominance in the dairy category growing to more than 60%. Marketing communication and activations were particularly effective, beating internal targets by reaching 1.5 million consumers and achieving engagement levels that exceeded the industry average.

Leading our many marketing efforts were the Ramadan and the Back to School Fun and Learning campaigns. The integrated Ramadan campaign, which ran in March and April, centred on the importance of happy moments, family and sharing. Using various media channels, including television, social media and in-store activations, the campaign showcased our commitment to providing quality, healthy and delicious food options for families during this important month on the Islamic calendar. The campaign resulted in a substantial increase in brand awareness and demand for our products.

The Back to School Fun and Learning 360 campaign, which ran in August to mark the start of the school year, encouraged children to embrace

learning by making it a fun experience. We incorporated playful visuals and engaging activities to promote Baladna's milks, yoghurts and juices for healthy growth and development, and to boost energy levels throughout the school day. This campaign also achieved positive results, with increased engagement among Baladna's target audience of parents and children.

Sustaining market expansion with innovative product development

Baladna's development and launch of new products in 2023 helped grow our brand and market share. Importantly, while offering more choice to our valued consumers, our Qatar production has expanded the availability of locally produced alternatives to imported products, in line with our contribution to bolstering domestic food security.

Over the year, we brought 23 new products to the local market, comprising 15 in dairy and the rest juices. As a result, our consumers now have access to 250 locally produced juices and dairy products as an alternatives to imported brands and contributes to boosting our local economy.

Among our new products was shredded Kashkaval cheese, while our Greek yoghurt range was expanded with the addition of blueberry and honey flavours. We also launched thick cream and sterilised cream. In the Juices category, we started marketing 125 ml long-life juice in mango and cocktail flavours.

As part of our determination to increase domestic production while still offering our consumers access to global best sellers, we entered into a partnership agreement with Bel Group, the global dairy product company. Our first collaboration was Bel's The Laughing Cow and Regal Picon® cheese jars, with more popular Bel products planned for the coming years. The strategic partnership will contribute to local businesses in our supply chain and reduce the carbon impact of importing foreign goods. Furthermore, Baladna will leverage Bel's expertise to advance our ambitions to become the region's market leader in the fast-growing dairy segment.

Working towards the circular economy

In 2023, the Marketing and New Product Development division made significant strides towards a more sustainable future by reducing waste, re-using materials and enhancing operational efficiency.

Our continued packaging optimisation programme reduced the number of colours used in secondary packaging. We repurposed and recycled materials for marketing events and exhibitions, which promoted resource conservation and closed the circular economy loop.

Our supply chain efficiency was enhanced by prioritising sourcing from nearby suppliers. This has optimised our overall supply chain footprint and reduced transport-related carbon emissions.

Looking ahead to 2024

In the coming year, the Marketing and New Product Development team will continue driving brand awareness and market share growth. This will be achieved with effective campaigns and activations aimed at deepening consumer engagement, and by taking an always-on approach on social and digital platforms to build customer interaction and loyalty.

We will maintain the momentum in new product development to cater to evolving trends and the growing emphasis on health and wellness. We expect this to manifest in our expansion into new segments in milk, cheese and yoghurt.

We plan to celebrate Qatar's diversity by engaging with its Asian communities, using tailored events and celebrations to recognise their unique contributions and consumer preferences, making Baladna a truly diversified brand for all.



Operating Review

New Products

Our unwavering dedication to providing nutritious products is a testament to our commitment to deliver value every day. With a steadfast focus on quality and innovation, Baladna takes pride in offering delights that nourish the lives of our consumers

Greek-style Yoghurt - Honey 150g

Key Nutritional Facts per 100 g serving size

	
Energy Value (kcal)	Total Fat (g)
106	5.5
	
Carbohydrates (g)	Protein (g)
8.5	5.6



Greek-style Yoghurt - Blueberry 150g

Key Nutritional Facts per 100 g serving size

	
Energy Value (cal)	Total Fat (g)
109.5	5.5
	
Carbohydrates (g)	Protein (g)
9.4	5.6



Sterilised Cream 160g

Key Nutritional Facts per 100 g serving size

	
Energy Value (kcal)	Total Fat (g)
202	20
	
Carbohydrates (g)	Protein (g)
3	2.5



Evaporated Milk 170g

Key Nutritional Facts per 100 g serving size

	
Energy Value (cal)	Total Fat (g)
136	8
	
Carbohydrates (g)	Protein (g)
9.5	6.5



Cheese Kashkaval Shredded 450g

Key Nutritional Facts per 100 g serving size

	
Energy Value (kcal)	Total Fat (g)
290	22
	
Carbohydrates (g)	Protein (g)
1	22



Thick Cream - Full Fat Gaimer 200g

Key Nutritional Facts per 100 g serving size

	
Energy Value (kcal)	Total Fat (g)
257	25
	
Carbohydrates (g)	Protein (g)
5	3



Long-life - Mango Nectar 125ml

Key Nutritional Facts per 100 g serving size

	
Energy Value (cal)	Total Fat (g)
60	0
	
Carbohydrates (g)	Protein (g)
15	0



Long-life - Cocktail Drink 125ml

Key Nutritional Facts per 100 g serving size

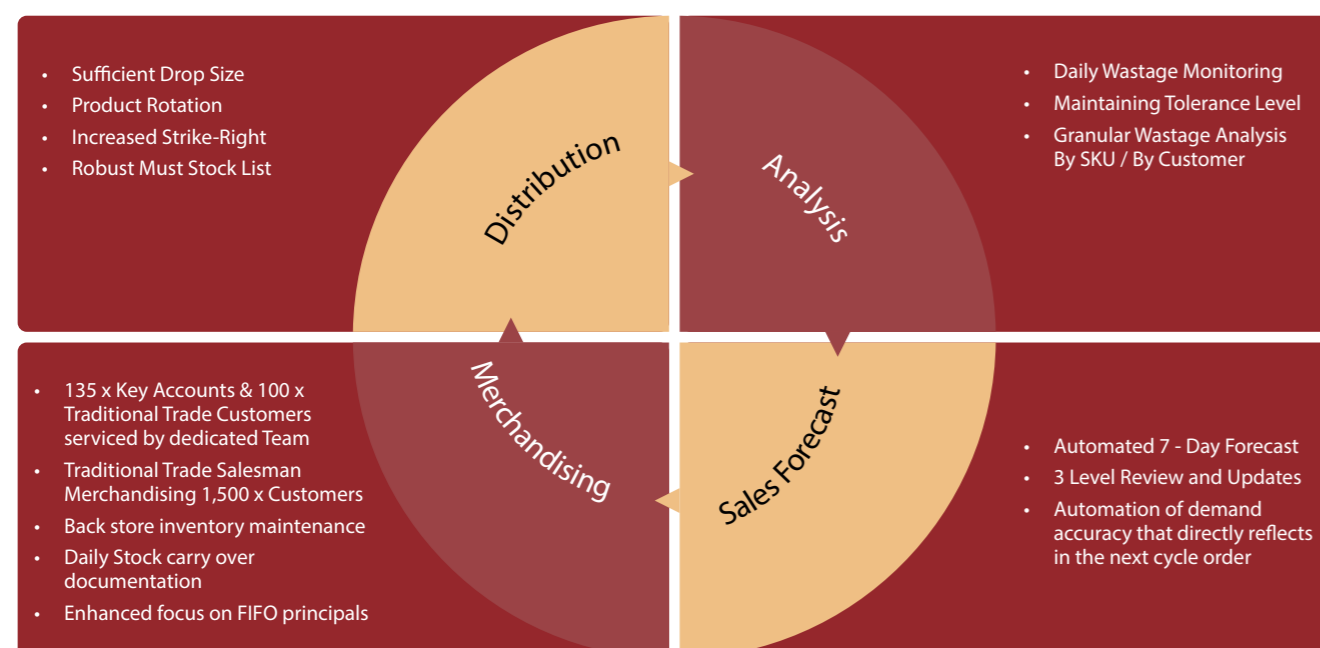
	
Energy Value (cal)	Total Fat (g)
44	0
	
Carbohydrates (g)	Protein (g)
11	0



Operating Review

Sales and Distribution

Our continued operational improvements and optimisations throughout 2023 delivered healthy growth in volumes and sales for the financial year, and represented a notable performance given the high base achieved during FIFA World Cup Qatar 2022.



Volumes rose 4% to 131 million litres and revenues grew 7% to QR 1,057 million, assisted by an additional 6% of retail space. Motivated by our goal of delivering value, every day, we worked hard to deliver sufficient product to meet growing consumer demand. Our continued proactive planning enabled us to optimise delivery capabilities, permitting us to distribute an additional 3 million litres of product without an increase in resources.

During the year, we entered new product categories, including evaporated milk, sterilised cream, and thick cream to provide our loyal consumers with locally produced alternatives to imported products at competitive price points. We also

added new Greek yoghurt variants, shredded Kashkaval cheese, and long-life juice in mango nectar and cocktail flavours to existing product categories. The new products introduced in 2023 were well received by the market and contributed to our top-line performance.

Daily allocation systems and demand planning processes introduced in 2022 were enhanced in the current year, improving our forecasting accuracy by 12% by category and by 5% by SKU. Added to this were continuous improvement initiatives, training, and the systems integration of our waste management process, which cut wastage to a historic low of 1.57% in 2023.

Promotional activity driving demand

Our sales and distribution activities were supported by comprehensive promotional activities throughout the year, which amounted to more than 2,200 leaflet days of events to promote our products at competitive prices. These campaigns were effective in driving household consumption and increasing revenue through our retail channel, which also benefits from an increase in the number of outlets added to our network and improvements in customer order fulfilment that enabled us to reach new levels of excellence.

We generated higher sales and market share in our other channels, namely modern trade, traditional trade, and HORECA. The increase in the number of locally made versus imported products played a role in lifting revenue, as did further increases in our basket size to existing customers. We also benefited from higher use of our HORECA e-commerce sales app, which allowed customers to order live, shop our full basket of products, and communicate in real time on various issues such as specific promotions, account credit status and new products.

Upskilling sales teams boosts productivity

Our improved performance across several key metrics – sales growth, productivity and customer satisfaction – was boosted by comprehensive sales training

conducted in 2023. It also transformed our salespeople into a more professional and skilled team that was more committed than ever to upholding and maintaining high standards of food safety and quality and meeting the highest standards in their roles.

Tackling our environmental impact

We made meaningful advances in managing our environmental impact in 2023 by implementing material cuts to the carbon emissions from our sales and distribution operations.

While both the number of delivery points and the volumes we distributed increased substantially, we met our daily delivery requirements without adding vehicles to the fleet. Similarly, our daily merchandising function serviced a larger number of outlets

using the same resources and number of vehicles as in the previous year.

We also launched a successful campaign and automated tracking system to reduce engine idling by our delivery trucks, which decreased CO₂ emissions by 28%, translating into a 300-ton reduction by the end of 2023. Furthermore, we cut our distribution journeys by a total of 100,000 km during the year, bringing the total reduction in the past 24 months to 250,000 km.

Another measure that had a substantial impact was the development and implementation of an automated system for crate management. The outcome was an 80% reduction in missing and lost plastic crates compared to 2022, and a reduction in our capital expenditure requirements and environmental footprint.

Looking ahead to 2024

In the coming year, continuous improvement in various aspects of our sales and distribution activities is expected to deliver meaningful gains for the Company.

On the sales side, we will defend our 38% share of shelf against new players entering the market. This will be supported by activities to accelerate our growth, including expanding our in-store presence and increasing the amount of fully branded outlets. A calendar of tactical leaflet activations and further investment in growing our retail e-commerce channel will play a defensive role.

In addition, we will add new touch points in-store to generate additional awareness and to display our stock of promotional SKUs in store.

We will increase the availability of our products in traditional trade, while in modern trade, we will roll out tactical activations to expand our footprint.

Our plans include promotions to expand the business we generate at Woqod Petroleum station outlets.

Our route efficiency will be further addressed in 2024 by looking at ways to improve truck capacity utilisation, among other measures.

Waste management will be a major focus in the coming year. The integration of a platform providing current data for ease of decision-making and analysis will contribute to our forecast accuracy and further reduce our waste component.

Elevating our global reach with Qatar Airways

Baladna soars with Qatar Airways

Formed in February 2019, Baladna's strategic partnership with Qatar Airways is a testament to the power of 2 of Qatar's national champions coming together and leveraging their respective strengths to serve customers, showcase Qatari innovation and propel growth.

For Baladna, this collaboration provides an unparalleled opportunity to take our brand to new heights with millions of consumers tasting Baladna products across Qatar Airways' vast destination network.

Tailored product innovation and reliable supply

The opportunity to become one of the primary suppliers of locally produced products to the Qatar Airways Group which also includes

Qatar Duty Free (QDF), and Qatar Aircraft Catering Company (QACC) presented an ideal avenue for growth. Entering this partnership, Baladna reinforced its role as a key pillar in Qatar's food security strategy.

However, to capitalise on this opportunity required meeting the complex and varied needs of different divisions within Qatar Airways, ranging from regular meal provisions to specialised products suitable for high-altitude conditions.

Baladna rose to the challenge by leveraging our R&D capabilities to create unique product solutions. These innovations were tailored to suit various applications within Qatar Airways' operations, while ensuring effective performance at altitudes of 50,000 feet. Our team's dedication safeguards consistent supply while

fulfilling any additional requests for products in emergency situations when other suppliers are unable to deliver.

Growing scale and global reach

The collaboration with Qatar Airways has been a resounding success, evidenced by a remarkable threefold increase in the last 3 years in our business, as a result of increasing basket size and associated benefits of the partnership's positive momentum.

With a shared commitment to innovation, reliability, and global reach, Baladna and Qatar Airways are committed to building on this thriving alliance to drive business growth while creating value for a wide array of stakeholders.



Baladna shop at Hamad International Airport - Doha

Risk Management

Baladna's enterprise risk management (ERM) is now in its fourth year and is embedded in day-to-day operations and decision-making. During the last 12 months, the global business environment continues to be volatile and challenging. Baladna's ERM methodology has equipped the leadership team to manage and reduce the impact of any potential risks to the Company and its ability to achieve strategic objectives.

Baladna's methodology to manage potential business risks is aligned with recognised industry standards and best practices based on the COSO Enterprise Risk Model for its Integrated Framework and ISO 31000 for its Risk Management principles and guidelines.

The methodology is reviewed regularly and, where necessary, adapted to ensure it evolves with the Company's business needs, thereby allowing Baladna to manage risks effectively and efficiently, supporting the achievement of short- and long-term objectives.

Baladna's senior management uses these risk management principles during strategy planning and making decisions. Management then plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that the Company's objectives can be achieved while ensuring that associated risks are kept within the agreed risk appetite at all times.

Risk definition

Baladna defines risk as "the possibility of an event occurring that will have an impact on the strategic or business objectives of the Company". Risks are evaluated via a combination of the consequences of an event and the likelihood of its occurrence.

Senior management and oversight

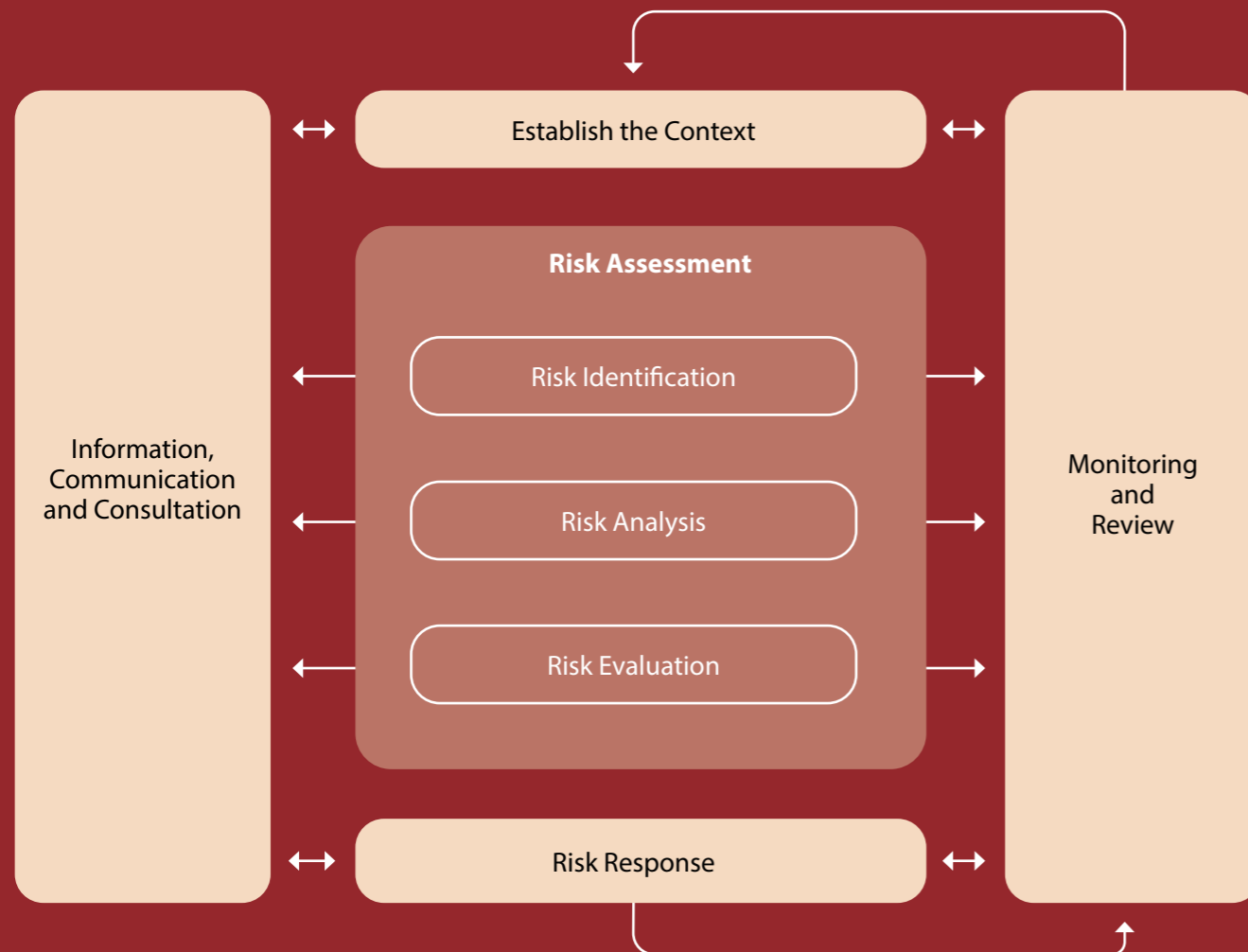
Baladna's senior management team is responsible for implementing risk management policies, procedures, and practices across the Company, while the Audit Committee is responsible for oversight of the effectiveness of Baladna's risk management systems. To this end, senior management relies primarily upon the leadership team and the operational reporting lines to manage day-to-day risks, based upon direction from senior management.

Approach

The Baladna risk management process is aligned with the COSO model components, and the process defined in ISO 31000. This cyclical process is supported by Baladna's Corporate Services Department through the provision of education, training and monitoring, review, and assessment. It is also supported through guidance to business management teams and the use of an ancillary toolset for recording, analysing, and reporting on risks.

Procedures that include competitive monitoring, training, risk prevention and protection, along with the initiatives of specialised departments, such as the Quality, Health and Safety and Information Security departments, all contribute to the identification, analysis, and management of risks.

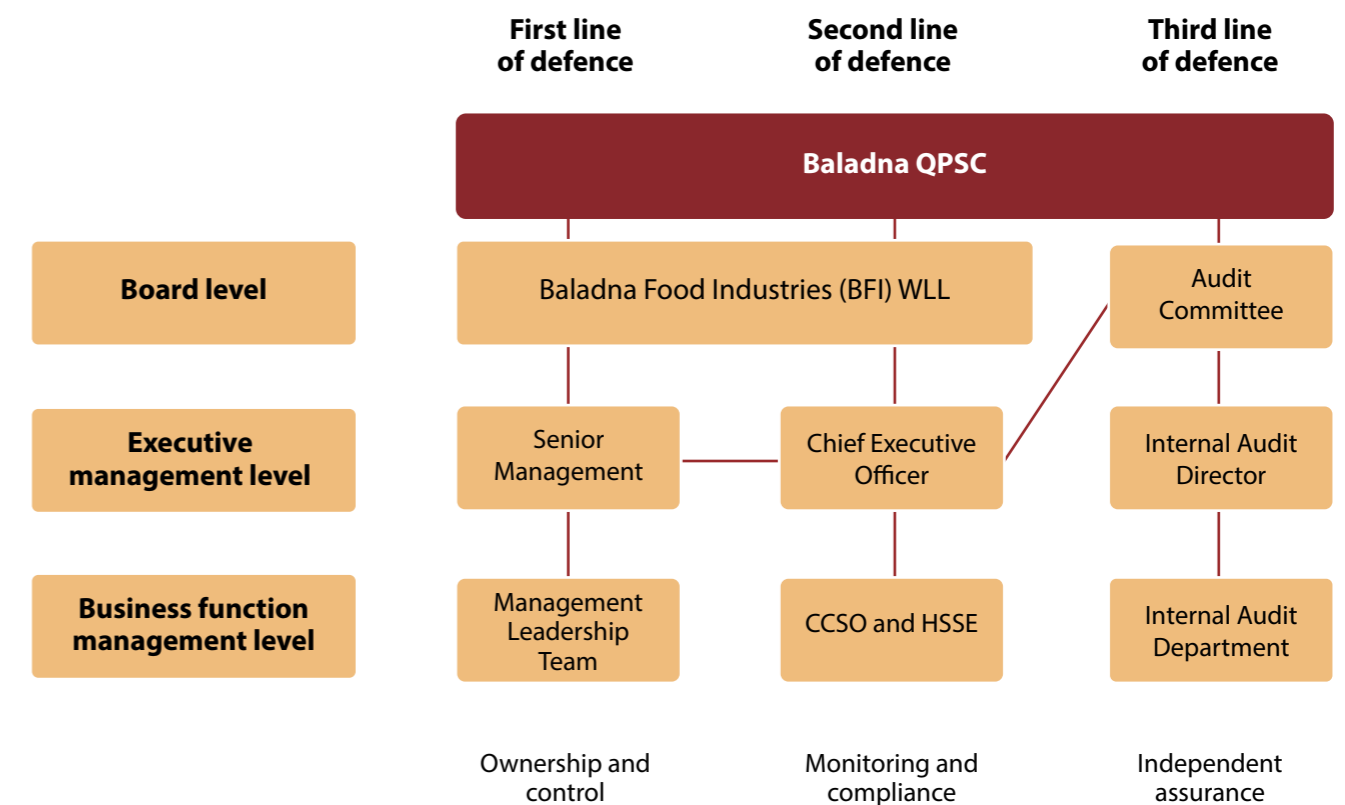
Baladna's risk management process



Managing risk

Aligned with industry-recognised and adopted best practice, Baladna operates a Three lines of defence model to ensure accountability across the Company for governance, management and reporting of risks.

Baladna's 3 Lines of Defence model



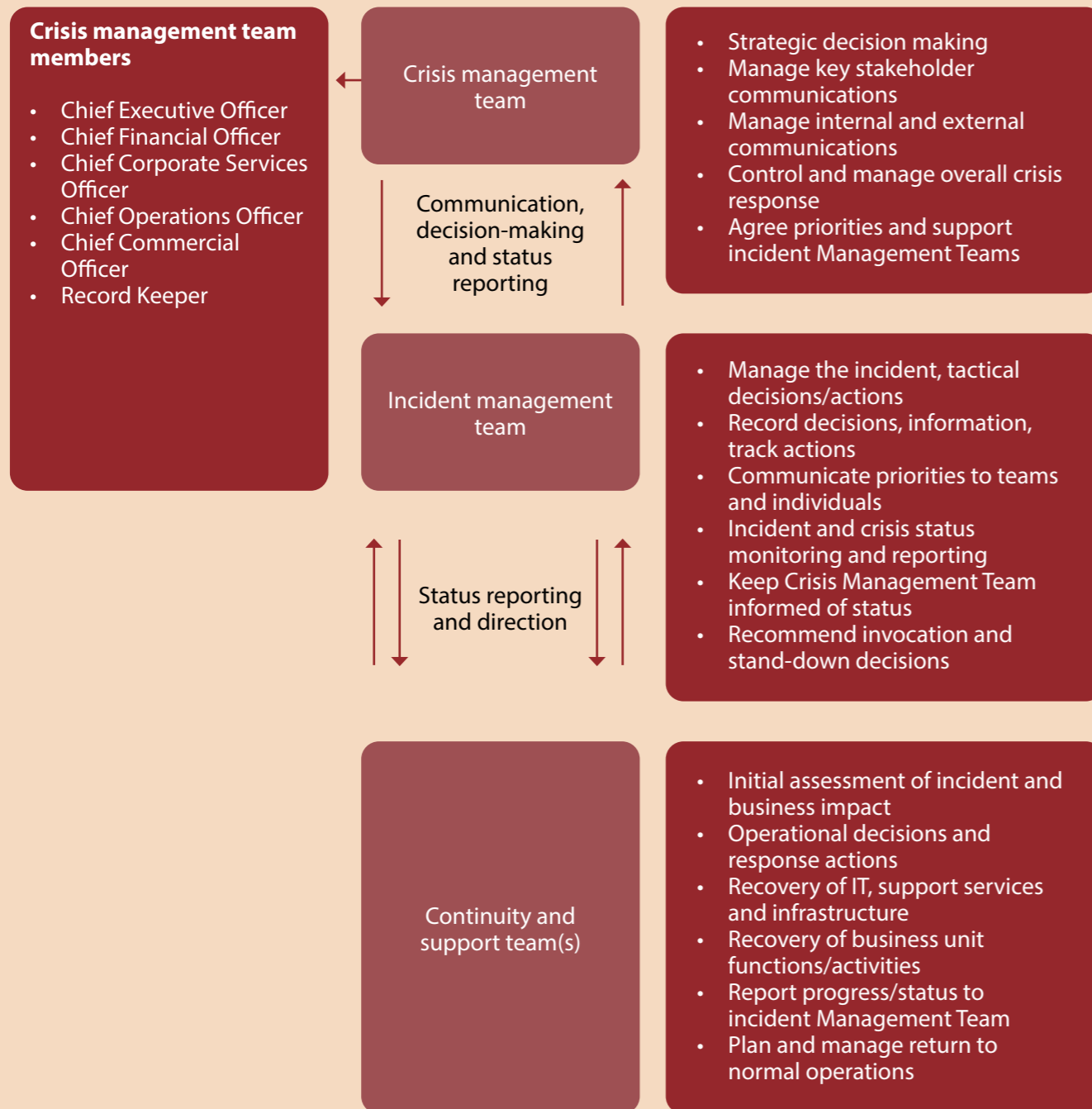
Risk monitoring and reporting

Baladna's business risk register is reviewed quarterly by the Baladna leadership team for each business area. It is then consolidated and challenged by the Corporate Services Department. The Corporate Services Department presents the most significant risks that Baladna faces to the Company's Chief Executive Officer and leadership team. A map of Baladna's principal risks and risk mitigation plans is reviewed and assessed, and this work serves as the basis for the presentations made to Baladna's Audit Committee.

Baladna's crisis management structure

Baladna has developed a major incident and crisis management protocol, which can be activated if an abnormal or unstable event threatens the Company's strategic objectives, reputation, or ongoing viability.

The approach to these types of incidents is based on industry standards and best practice. It incorporates a 3-tiered response system to ensure rapid decision-making and action.



Stakeholder Engagement

Baladna reaffirmed its unwavering commitment to stakeholder engagement in 2023, illustrating a deep-seated dedication to nurturing robust, meaningful relationships across a spectrum of stakeholders. We seek to support and empower our employees; forge enduring bonds

to create value for our customers, investors and community partners; and make a substantial, positive difference in our society and for the environment. This holistic commitment is a testament to Baladna's core values and our vision for a sustainable, interconnected future.

Stakeholder group	Employees	Customers	Society and environment	Investors	Business partners	Government institutions and regulators
How we engage	<ul style="list-style-type: none"> • Induction programme • Career development guidance • Staff societies • Training programme • Volunteerism • Special staff events • Internal communication 	<ul style="list-style-type: none"> • Customer visits • Service centres • Branches • Media advertisements • Corporate website • Customer workshops • Social media 	<ul style="list-style-type: none"> • Service channels • Press releases, conferences and media briefings • Informal briefings and communications • Public events • Corporate website • Social media • Educational programmes • Assistance to the needy and vulnerable 	<ul style="list-style-type: none"> • Annual General Assembly • Extraordinary General Meetings • Website • Interim financial statements • Investor presentations and quarterly earning calls • Press conferences and releases • Investor disclosures and road shows • One-on-one discussions and meetings • Annual Report • Announcements made to the Qatari Exchange • Investor relation shows and conferences • Dedicated investor relations website 	<ul style="list-style-type: none"> • Supplier relationship management • On-site visits and meetings 	<ul style="list-style-type: none"> • Consultation • Relationship-building meetings • General Assembly meeting • Annual Report • Interim financial statements • Announcements made to the Qatari Stock Exchange • Extraordinary General Meetings
Key items discussed	<ul style="list-style-type: none"> • Performance standards • Training and development • Safety at workplace 	<ul style="list-style-type: none"> • Product quality and safety • Customer experience • Product innovation • Product nutritional value • Animal welfare • Product price • Fair and ethical marketing • International recognition and certificates • Brand reputation • Environmentally sound production practices 	<ul style="list-style-type: none"> • Community empowerment • Environmental performance • Employment opportunities • Contribution to social and economic development 	<ul style="list-style-type: none"> • Financial performance • Governance • Risk management • Business expansion plans • Transparency and disclosure • Business continuity • Sustainable growth • Dedicated Investor Relations department 	<ul style="list-style-type: none"> • Contractual performance • Continued business opportunities • Maintaining healthy relationships • Timely settlement of dues • Collaboration for new technological advances in the financial sector • Opportunities for growth • Ease of working 	<ul style="list-style-type: none"> • Compliance with directives and codes • Financial performance • Shareholder returns • Cybersecurity • Governance • Employment generation • Strategy



Stakeholder group	Employees	Customers	Society and environment	Investors	Business partners	Government institutions and regulators
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Actions implemented</p>	<p>Employee training Conducted 466 internal training sessions (25,000+ hours) on various topics like farming, manufacturing, health and safety, and leadership. Over 800 employees participated in external training programmes</p> <p>Monthly training calendar Introduced a monthly calendar to help employees choose relevant training</p> <p>Induction programmes Conducted 99 induction programmes to help new employees adapt to the Company culture</p> <p>Internal promotions Promoted 44 employees to senior or more complex roles</p> <p>HR business partners Strengthened the role of HR business partners to provide dedicated support to each employee</p> <p>Employee engagement Organised various events like Baladna Cup, blood donation drive, Sports Day, Ramadan Charity, and Baladna Pizza Day to boost employee morale and engagement</p> <p>Internal communication Launched Message of the Week initiative to improve communication with employees</p> <p>Health and safety Conducted 200+ hours of H&S training to raise awareness</p>	<p>Expanded product range Launched 23 new SKUs to cater to changing consumer needs</p> <p>Boosted product availability Grew our footprint by 6% to keep up with demand</p> <p>Enhanced customer experience Launched a dedicated website with a Baladna Product in the Kitchen section featuring recipes for "every moment"</p> <p>Price stability Absorbed rising global commodity costs to minimise price hikes for customers</p>	<p>Multifaceted approach Charity programmes, promoting sports, building child-focused facilities, and fostering cultural activities</p> <p>Baladna Park Open to the public, offering educational farm experiences for families and students</p>	<p>Engagement Held annual meeting and quarterly conference calls for investor updates and Q&A</p> <p>Published comprehensive investor presentations before calls and transcripts afterwards</p> <p>Issued quarterly press releases in Arabic and English</p> <p>Conducted additional one-on-one meetings with investors upon request</p> <p>Dedicated e-mail address and website section for investor enquiries and resources</p> <p>Announced all relevant information on the Qatar Stock Exchange</p> <p>Transparency Dedicated investor section on website with up-to-date financial statements, presentations, transcripts, share information, announcements and news</p> <p>Annual reports detailing yearly progress</p>	<p>Strengthening supplier relationships</p> <p>Frequent touchpoints Physical visits, online meetings, trade fairs and events</p> <p>Collaboration Value engineering, innovations, technology, sustainability</p> <p>Transparency New SAP Ariba portal improves onboarding and communication</p>	<p>Ensured regulatory compliance and upheld our commitment to the Government of Qatar through timely tax and fee payments</p>

Stakeholder group	Employees	Customers	Society and environment	Investors	Business partners	Government institutions and regulators
Value created	<ul style="list-style-type: none"> Facilitate a seamless and anonymous process for employees to voice inquiries, requests, and complaints Boost employee engagement, productivity, and overall satisfaction Foster a positive work environment, leading to higher employee retention and improved organizational performance Cultivate awareness and active involvement among employees 	<ul style="list-style-type: none"> Manufacturing high quality products Securing product availability Innovating products and developing new products through consumer feedback and preferences Empowering consumers through transparent communication Resolving issues promptly for a positive customer experience 	<ul style="list-style-type: none"> Promoting public awareness towards the supported community segments and their causes 	<ul style="list-style-type: none"> Ensuring shareholders are well-informed about all significant developments with utmost transparency through the Qatar Stock Exchange, and dedicated investor relations website 	<ul style="list-style-type: none"> Sustaining business operations Enhancing corporate partnerships Advocating for ethical business conduct Adhering to laws and regulations Fulfilling contractual obligations 	<ul style="list-style-type: none"> Making significant contributions to food security in Qatar Setting industry standards for compliance, transparency, and reporting Ensuring prompt updates on regulatory changes and new information regarding best practices in food and health safety

Sustainability

Baladna takes a holistic approach to sustainability, encompassing business growth, product excellence, environmental responsibility, employee wellbeing, and community engagement.

We have integrated sustainability principles into our strategy, establishing an Environmental, Social and Governance (ESG) framework and roadmap for economic, social and environmental benefits.

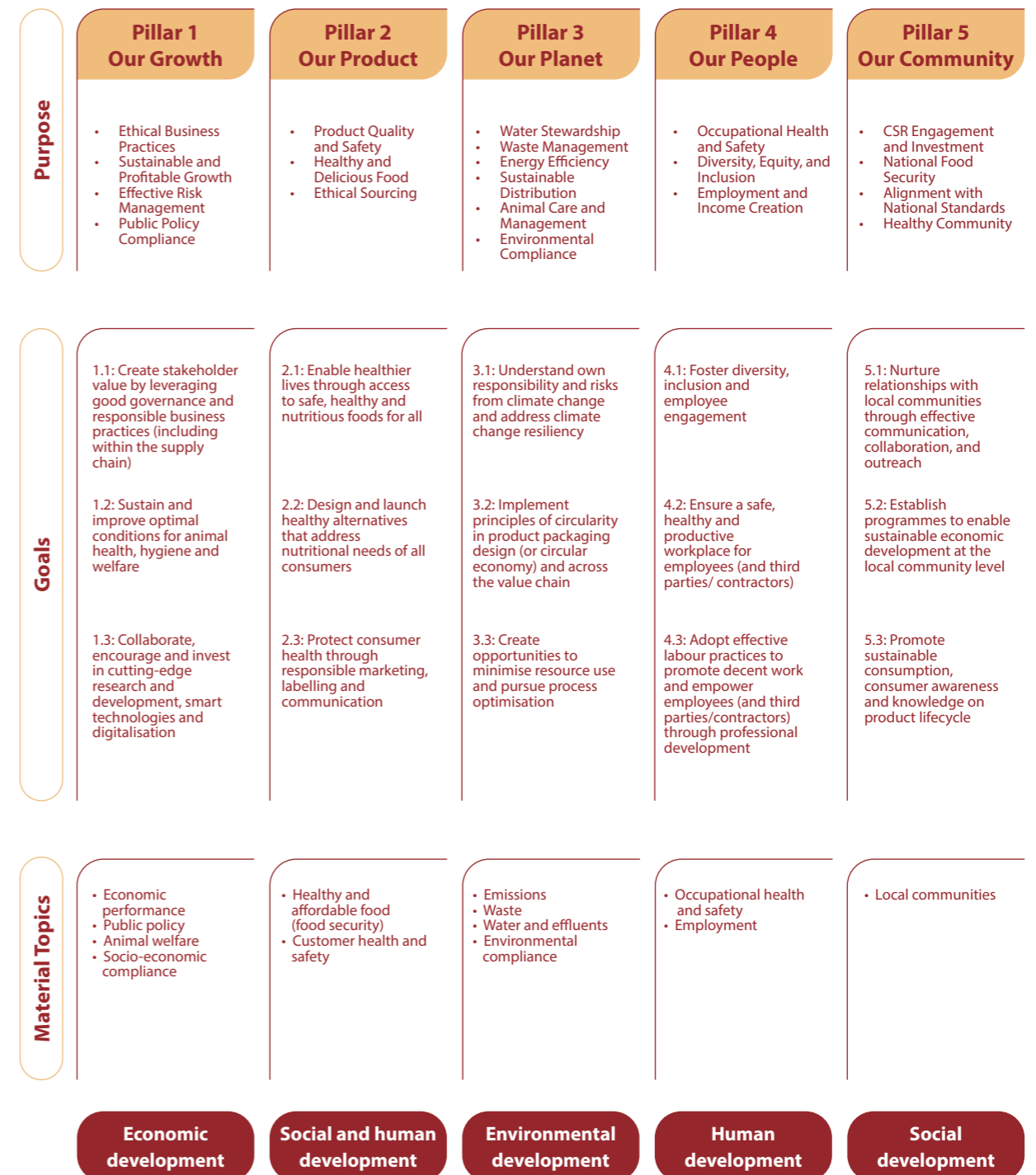
Aligned with Qatar's Vision 2030 and the UN Sustainable Development Goals, our business plays a key role in national food security and aims to

exceed stakeholder expectations. Efficiency improvements and technology investments showcase our dedication to resource conservation and operational efficiency, while a clear long-term vision includes becoming Qatar's trusted brand and ensuring food security.

Our sustainability story is presented in our inaugural sustainability report, marking a significant milestone in our commitment to environmental responsibility, ethical corporate conduct, and transparency, which will be fundamental to the continuous improvement of our sustainable practices and our long-term success.



Our Sustainability Framework



Sustainability

Alignment with UN SDGs

Baladna is proud to champion critical areas of sustainable development, in alignment with the UN Sustainable Development Goals (UN SDG).

SDG	Our Contribution	SDG indicator
	Provide sustainable employment opportunities throughout our value chain	1.2
	Play a crucial role in Qatar's food security through sustainable growth	2.2 2.4
	Produce healthy and nutritious consumables Develop Baladna food nutrition criteria	3.4
	Collaborated with educational partners to educate students about food security	4.7
	Increasing women's participation in the workforces	5.5
	Increased treated wastewater usage for agriculture Reducing impact of production on water ecosystems	6.3 6.4
	Providing a safe working environment to all employees	8.8

SDG	Our Contribution	SDG indicator
	Updated waste treatment plant to treat more water Collaborating with universities to research relevant technological innovations	9.4 9.5 9.b
	Ensuring equal opportunity for employees irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status and protect them through HR policies	10.2 10.3 10.4
	Closed the water lagoons to get rid of resulting odours and unpleasant air quality and developed the water treatment plant to recycle wastewater	11.6
	Reduction of food waste in the supply chain process Reduction of waste generation in operations and food packaging	12.3 12.4 12.5
	Developed a strategy to take action to mitigate impacts of climate change and reduce carbon footprint	13.1
	Developed a solid waste management system to effectively manage and reduce solid waste from inland ecosystems	15.1
	Extended our expertise and resources to countries such as Malaysia, Uzbekistan and the Philippines Through strategic partnerships and knowledge sharing, we assist these nations in developing their own sustainable agricultural practices and achieving greater self-sufficiency in food production	17.7 17.14 17.17 17.19

Sustainability

Our Strategic Pillars

Our Growth

Baladna plays a pivotal role in advancing Qatar’s National Vision 2030 and food security goals with an unwavering commitment to sustainable growth. More than a business objective, this commitment aligns with Qatar’s broader objectives of self-sufficiency and sustainability, addressing the critical duty to provide nutritious, safe, and affordable food for the growing population.

Baladna aims to create short-term impact combined with enduring value for shareholders and stakeholders. This emphasises a socially responsible and environmentally sustainable long-term vision. The ‘grass to glass’ approach, crucial in our operational philosophy, ensures quality and sustainability at every production stage, from sourcing feed for dairy herds to delivering the final product.

Baladna’s commitment goes beyond buzzwords, actively minimising environmental impact, optimising resource use, and contributing positively to the ecological balance. This comprehensive dedication to sustainability reflects in our efforts to maintain stringent quality control,

guarantee traceability, and uphold the highest standards throughout the production chain.

At Baladna, traceability and sustainability are not mere buzzwords; they are integral to our operational philosophy. By overseeing every aspect of the production process, we ensure each product that reaches the consumer is not only of the highest quality, but also produced in an environmentally responsible manner. This deep commitment to sustainability is reflected in our efforts to minimise our environmental footprint, optimise resource use, and contribute positively to the ecological balance.

Ethical business practices

Baladna has made significant strides in fostering ethical business practices, with a strong emphasis on transparency and accountability. This commitment involves close collaboration with various stakeholders to guarantee integrity in all aspects of our operations.

In 2023, Baladna conducted 11 comprehensive risk assessments, with a special focus on identifying and mitigating potential fraud risks. These assessments are a critical component of our proactive approach in safeguarding our operations against unethical practices.

Our Product

Baladna stands as a champion of unwavering food safety and quality, consistently exceeding customer and stakeholder expectations.

Utilising cutting-edge technology, we optimise processes for both market leadership and top-tier product excellence. We believe in responsible cost efficiency, not just for economics, but to enhance quality and accessibility for a wider community.

Our comprehensive Food Safety policy, rigorously implemented and spanning every step of our operations, acts as the cornerstone of our business, ensuring every product that reaches your table is safe and of the highest calibre.

Focus on safety and quality:

- We adhere to the highest global standards for safety and quality
- We exceed customer and stakeholder expectations in these areas
- State-of-the-art technology is used to enhance efficiency and maintain quality

Cost efficiency for affordability:

- Cost efficiency is not just about profit, but also about optimising resources for better quality
- This ensures affordability for a wider customer base

Rigorous Food Safety policy:

- Our Food Safety policy covers all aspects of operations, from supply to sale
- Our rigorous policy is implemented to guarantee product safety and quality
- The policy acts as a cornerstone for our business practices

Adherence to standards and regulations

We are proud to have been awarded the ISO 22000:2005 Food Safety Management System (FSMS) certification. In addition to obtaining safety certifications, we follow the principles of the Hazard Analysis and Critical Control Points (HACCP) system for food safety. This system entails numerous procedures to ensure the safety of food production at different levels of operation, such as hazard analysis, identification of critical control points, establishment of critical limits, monitoring procedures, corrective actions, verification procedures and record-keeping.

Our close partnership with the Ministry of Public Health (MoPH) makes sure that our product quality complies with regulations for safeguarding customer health and safety. All products launched by Baladna are approved by MoPH’s food safety specifications, which include nutritional facts, product quality and safety. Our valued partnership with MoPH makes certain of our full alignment with Qatar’s long-term goal to enhance the healthy lifestyle and wellbeing of the population.

Additionally, Baladna complies with the International Standard on Quality Control 1 and maintains a comprehensive system of documented policies and procedures regarding compliance with ethical requirements, professional standards, and relevant legal and regulatory requirements. Our compliance with Qatar’s national food safety regulations guarantees the highest standards of health and safety for our customers.



Sustainability

Our Strategic Pillars

Our Planet

Baladna is at the forefront of sustainable dairy production, addressing Qatar's demands with a keen focus on environmental responsibility. We are continually refining our processes, aiming to reduce waste and minimise environmental impact using advanced technology and dedicated research efforts. Our approach extends beyond merely meeting a demand; we are setting a new standard in sustainability within the industry.

Baladna is a leader in sustainable dairy and juice production, actively implementing innovative green practices. Our focus is on reducing water and energy consumption, minimising the use of cleaning chemicals and reducing manufacturing waste. We recognise the critical importance of water as a vital resource and are committed to its responsible management.

Our approach to sustainable production includes the optimisation of processes to ensure minimal environmental impact. This commitment is backed by significant investment in technology and research, enabling us to continually improve and evolve our practices. A key aspect of our strategy is the focus on minimising waste and conserving resources, making sure that every aspect of our operation is as efficient and sustainable as possible.

At the heart of our environmental commitment is responsible water management. We understand the value of water not just as a resource for our operations, but as a precious commodity that must be conserved and protected. Our efforts in this area demonstrate our dedication to sustainability and our role as

responsible stewards of the environment.

Water and wastewater achievements

Baladna has made significant strides in water and wastewater management, highlighted by a range of initiatives and investments.

- Veolia wastewater treatment: A key investment of QR 90 million has been made in this advanced wastewater treatment technology. This system is a cornerstone of our strategy to reduce our environmental footprint
- Freshwater consumption: There has been a notable 50% decrease in freshwater consumption, demonstrating our effective water management practices
- Wastewater treatment efficiency: We have achieved a 17.7% increase in year-on-year wastewater treatment, reflecting our commitment to improving wastewater management
- SmartSoaker system: This innovative system has led to a 50-70% decrease in barn water consumption. The installation of this system across all barns is in progress, with the target completion set for March 2024

- Reverse osmosis technology: The implementation of reverse osmosis technology has resulted in a 30% decrease in rigid water usage, showcasing our efforts in water conservation
- Plastic bottle weight reduction initiative: This initiative has successfully reduced our plastic usage by 55,000 kg, as part of our commitment to reducing plastic waste
- Recycling initiative: Our recycling efforts have totalled 231,285 reused paper-based carton trays and boxes, highlighting our commitment to reducing waste and promoting recycling

Employing innovative technologies

This year, Baladna has made remarkable advancements in water conservation, marked by a substantial QR 90 million investment in enhanced wastewater treatment facilities. This upgrade has not only tripled our wastewater treatment capacity, but also led to a significant 50% reduction in our freshwater usage. The treated water is now being utilised for multiple purposes, including field irrigation, cow cooling and barn cleaning. This initiative has contributed to an impressive 17.7% annual increase in water reuse.

In a pioneering move, we have implemented a SmartSoaker system, currently in its pilot phase, which is projected to save an additional 50-70% of water. This innovation is part of Baladna's ongoing commitment to water efficiency. Our efforts extend to reducing the plant's water rigidity. Through the application of advanced reverse osmosis technology, we have successfully reduced water rigidity from 40% to 10%. We are proactively developing a water balance chart to ensure optimal water abstraction and promote circular water use.

In our quest for continuous improvement and innovation, Baladna is collaborating with esteemed institutions like Qatar University and Texas A&M University

in Qatar. These collaborations focus on researching water reduction techniques in farming, vertical farming, and hydroponics. Our dedication and partnerships reflect our ambition to be at the forefront of responsible water management, setting new standards in the industry.

Reducing and recycling plastic

Baladna's plastic factory is dedicated to reducing our plastic footprint, a commitment that extends to both production efficiency and environmental responsibility. In a move towards sustainability, we have managed to reduce the weight of our 2-litre bottles by 3.5 g each without compromising quality. This reduction extends to our yoghurt cups, where we have achieved an 11% reduction

in plastic use. These efforts resulted in saving 55,000 kg of plastic in 2023, demonstrating our commitment to environmental conservation. This lighter approach to packaging not only reduces our plastic usage, but also decreases energy consumption at every stage of the product lifecycle.

Recycling is a cornerstone of our environmental strategy. We place a high priority on reusing high-quality carton trays and corrugated boxes sourced from our dairy lines. In 2023, we successfully repurposed over 231,000 paper-based boxes, giving them a new lease on life, and reducing waste. This green cycle is an ongoing commitment and will continue to be a focal point of our operations in 2024.



Reducing carbon footprint

Baladna is actively addressing our carbon footprint with a multi-faceted approach that includes methane abatement, innovative research, data analytics and the adoption of cleaner energy sources. Our efforts have resulted in a significant reduction of methane emissions, cutting down by 32,000 tCO₂e annually. This achievement is a testament to our commitment to actively researching and implementing new solutions for environmental sustainability.

In our pursuit of exploring sustainable options, we have conducted 2 independent studies to assess the feasibility of installing a solar plant. The aim of this initiative is to generate power for daily consumption in our barns, thereby reducing the energy required and minimising the harmful environmental impacts. The insight gained from these studies is crucial for our future operations, especially as we plan to expand into new markets. This exploration is a key component of our strategy to reduce our carbon footprint and enhance our overall sustainability profile.

Animal care and management

In 2023, Baladna wholeheartedly committed to the wellbeing of our cherished cows, blending expertise and care to safeguard their comfort and high productivity. This commitment involved a dedicated team of skilled staff who provided comprehensive preventative care, conducted insightful animal trials, and ensured improved nutrition, all contributing to both the comfort and productivity of the cows.

Our farm policies are rooted in internationally recognised standards like Good Agricultural Practices (GAP), guiding every interaction with our cows, from birth to adulthood, and prioritising comfort and ethical treatment. These detailed protocols, specifically tailored to our farm's needs, are not static; they undergo constant review and updates by our team of veterinarians and consultants, ensuring they remain effective and relevant.

Individual and herd-level monitoring systems

Technology is central to our approach to animal wellness. We employ climate-smart systems, engage in cutting-edge trials and initiate expert-driven projects to create a healthy, closely monitored environment.

By prioritising cow comfort and embracing technological innovation, Baladna is not just caring for animals. It is setting a high standard for animal welfare within the dairy industry. Our approach – which focuses on happy cows and the adoption of cutting-edge practices – is leading the way towards a sustainable and ethical future in dairy farming. This includes a strong emphasis on animal welfare, adherence to international standards complemented by farm-specific protocols, the leveraging of technology for a healthy and monitored environment, and a commitment to continuous improvement and innovation. Through these efforts, Baladna is establishing itself as a leader in ethical and sustainable dairy practices.



Sustainability Our Strategic Pillars

Our People

Baladna's strategy to deliver stable growth by getting it right, every day, shaped our organisational approach in 2023, with a clear focus on managing our people and resources in an efficient yet agile way.

A new leadership structure to drive growth and efficiency

With the Company growing in scale across the spectrum, a decision was taken by the CEO and approved by the Board to adopt a new macro structure in 2023, resulting in a new Executive Management team comprising the CEO and the 5 senior executives heading up Finance, Operations, Commercial, Farming, and Corporate Services.

The change was motivated by the need to trim the number of direct reports to the CEO, releasing senior management to devote more time and effort on improving business performance. Similarly, operational managers now have increased capacity to focus on their respective operational responsibilities.

Following the Board's endorsement of the new structure, the Human Resources (HR) team worked closely with the CEO on various aspects of its design as well as a programme to implement and communicate the associated changes across the entire Company. The project will continue into 2024 and will include an efficiency review of other levels of the business.

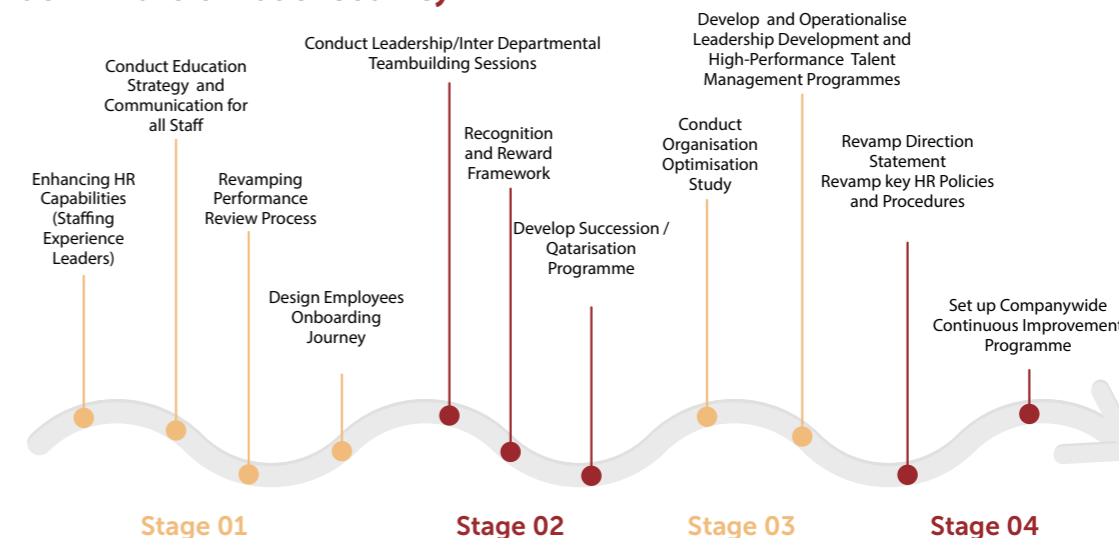
Launching our HR transformation strategy

In 2023, Baladna took a significant step in enhancing our human resources approach with the launch of the HR transformation strategy. This strategy is a comprehensive plan focusing on attracting, developing and retaining a diverse and talented workforce.

Our approach includes cultivating a supportive and comfortable work environment for all employees, building a resilient and adaptable workforce ready for future challenges, and strengthening the effectiveness of our HR department in addressing and supporting the varied needs of our staff.

In line with our commitment to transparency and continuous improvement, we utilise tools like Baladna's HR Transformation Journey infographics. These not only illustrate our roadmap and milestones, but also reinforce our commitment to creating an empowering and positive work environment for all our employees.

Baladna's HR Transformation Journey



Improving our expertise and business support

A significant development in 2023 was the overhaul of the HR function to enhance its functional expertise and business support. This substantially expanded HR's ambit from its previous limited role of administrative tasks related to contracts, training, and payroll. The new team focused on enhancing and developing its functional expertise across the entire spectrum of HR services to better serve the business.

As part of our new HR-business partnership approach, we introduced 2 pillars of support: the first represents experts in one or more HR-specific areas, while a second comprises HR business partners.

The HR professionals in the second pillar will be developed to understand the business and people needs of specific business units. Additionally, they will be equipped to proactively support business leaders in people-related cases as well as

driving results through a given function.

The strengthening of our HR capabilities will continue into 2024, driven by the objectives of enhancing agility, collaboration, and innovation.

Building a diverse and inclusive workforce

At Baladna, we hold the conviction that a diverse and inclusive workforce is essential, not only as a moral imperative, but also as a critical component of our success. We are dedicated to fostering a workplace where respect and equality are foundational principles, celebrating the distinct perspectives and experiences that each member of our team contributes.

This dedication is deeply ingrained in our identity and is a significant contributor to our growth. The diverse array of skills and backgrounds among our team members is a catalyst for innovation, enriches our Company culture and

amplifies our capabilities. We are committed to promoting an inclusive and collaborative environment, recognising the importance of harmony and respect, for both the wellbeing of each individual and our collective achievement.

Learning and development expands externally

HR delivered 466 training sessions in 2023, covering a wide range of topics in 95 different courses that included farming, manufacturing, health and safety, quality, HR, transferable leadership skills and more. The cumulative effort invested in these sessions amounted to more than 25,000 hours of training, improving the skills of 1,731 employees.

In addition, our proactive approach extended beyond internal programmes, with more than 600 employees actively participating in external training to enhance their knowledge and skills.

Strengthening employee engagement

Our 2023 year was another busy period of employee engagement and recognition activities.

Baladna holds at least 1 blood donation drive a year and, in 2023, our programme attracted 60 donors whose donations were gratefully received by Qatar's National Blood Donation Centre.

We hosted our annual Sports Day, organising a marathon, as well as football, basketball, volleyball, and cricket matches.

Our yearly Ramadan Charity drive with our partner Rafeeq, an online food delivery service, distributed Iftar meals and food baskets to needy families and workers across the country.

Our on-the-job training programme was held once again, with 34 Qatar Armed Forces cadets taking part who were trained in dairy farming and factory operations. Baladna views the programme as an important contribution to our nation's community development initiatives.

Training year	Training hours	Employees Trained	Training Sessions	Training Programmes
2022	10,524	1,830	328	55
2023	25,480	1,731	466	95



Sustainability

Our Strategic Pillars

Our Community

Baladna's approach to corporate social responsibility (CSR) is a strategic and multi-dimensional effort aimed at generating a positive impact across various domains.

Central to our ethos is the integration of CSR into every aspect of our operations, including marketing and stakeholder engagement. This integration not only bolsters our brand reputation, but also brings benefits to the community, the environment and enhances the wellbeing of our stakeholders. As a responsible entity in the corporate world and a leader in the dairy industry, our focus is anchored on 4 key pillars: community, workplace, nutrition and wellbeing, and environment and sustainability.

Our commitment to CSR is reflected in our growing investment and its tangible impact. Our increasing expenditure in CSR activities mirrors our responsible marketing strategies, which are grounded in the principles of environmental sustainability, community engagement and sustainable business practices. This approach enables us to closely understand the needs of our consumers, effectively communicate the value of our brand, and position ourselves as a consumer-centric leader in the market.

Engagement with our stakeholders is a cornerstone of our approach, driven by open communication and interactive initiatives. This engagement strategy leads to the creation of value, growth in market share, enhanced leverage of our

brand, and a distinguished product portfolio.

Engagement with local stakeholders and the community

Baladna employs a diverse approach to connect with our audience, leveraging both traditional and digital channels to engage with consumers and stakeholders. Traditional methods include maintaining a strong market presence, hosting consumer events, and conducting media outreach. In 2023, Baladna expanded our outreach efforts with the development of a dedicated digital marketing strategy, aiming for a broader and more inclusive reach.

The brand's communication strategy serves a dual purpose. It effectively positions Baladna as both a champion of national food security and a customer-focused community brand. This dual messaging has been successful, as evidenced by the Company's significant social media presence, reaching 1.2 million consumers.

In terms of CSR, Baladna's commitment is both strategic and substantial. In 2023, 24% of the annual budget, equating to QR 25.6 million, was allocated to CSR activities. These initiatives are diverse, encompassing sponsorships in

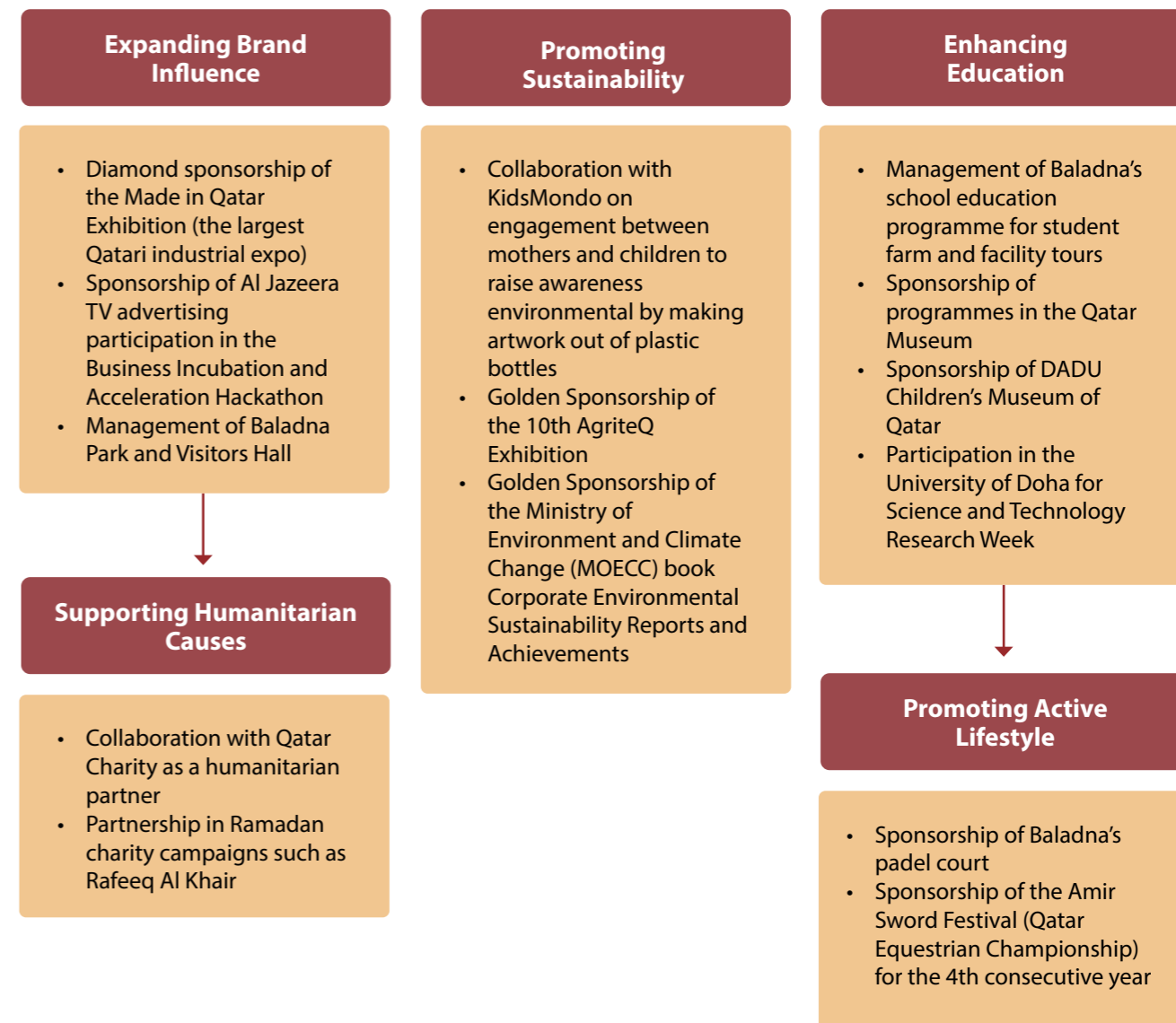
sports, education, entertainment, arts, and cultural heritage, including significant events like the Amir's Sword and Ramadan campaign. Beyond these sponsorships, CSR funds are channelled into infrastructure improvements and support for local charities, reinforcing Baladna's commitment to our CSR objectives.

Community engagement initiatives and partnerships

Partnering for impact: Baladna fosters impactful partnerships and initiatives with strategic customers, local entities and key events. These collaborations demonstrate our commitment to stakeholders, strengthen our position in the food sector, and support national goals and community wellbeing.

Actively engaging: We actively participate in local events like AgriteQ, showcasing our products and commitment to national food self-sufficiency through sponsorships and participation in discussions on food security and climate change.

Beyond participation: Our engagement extends beyond events, encompassing partnerships with local entities and programmes on diverse initiatives. This commitment strengthens our community ties and demonstrates our dedication to social responsibility.



Commitment to our community

We are mindful of our impact on neighbouring communities.

At the heart of our CSR initiatives lies a steadfast commitment to our community. We recognise that our success is intricately linked with the wellbeing of the communities in which we operate. Therefore, we strive to be active agents of positive change, leveraging our resources, expertise and influence to address key societal issues and foster sustainable development.

Through strategic partnerships, volunteer efforts and targeted investments, we aim to uplift underserved populations, promote education and skill-building, support environmental conservation, and enhance overall quality of life. By prioritising community engagement and collaboration, we not only fulfil our ethical obligations, but also cultivate a culture of empathy, inclusivity and shared prosperity.

Our commitment to the community extends beyond mere philanthropy; it is a fundamental aspect of who we are and how we do business, driving meaningful impact and leaving a lasting legacy of social responsibility.

Baladna actively shapes Qatar's sustainability landscape through diverse initiatives. We participated in key events like the National Dialogue on Climate Change and the Agri-Nutrients Conference, contributing to national discussions and solutions. Additionally, we partnered with the MOECC and Global Green Growth Institute (GGGI) on a workshop to assess Qatar's climate vulnerability, demonstrating our proactive approach to environmental challenges.

Recognising our role in national food security, we trained 30 Qatari Armed Forces cadets in dairy farming and factory operations. This 8-week pilot programme showcases our commitment to reskilling communities and ensures uninterrupted dairy production even in emergencies, safeguarding Qatar from potential supply shocks.

Contributing to Qatar's food security and resilience

Driven by a belief in providing safe, nutritious food to Qatar's growing population, Baladna stands as a cornerstone of national food security

and self-sufficiency. We recognise our global responsibility and strive to empower other nations on their path to food independence.

Balancing shareholder value with national wellbeing, we navigate challenges like inflation and material price hikes by optimising operations and implementing strict cost controls. This unwavering commitment ensures our position at the forefront of the National Food Security programme, safeguarding the wellbeing of our local community.

Baladna is deeply committed to enhancing sustainability and national resilience through a series of focused initiatives. We take an active role in key national events, contributing to important discussions on climate change and sustainable agriculture at platforms such as the Qatar National Day Climate Change Conference (QNDCC), the Agri-Nutrients Conference, and workshops organised by MOECC. Our proactive approach to climate challenges includes a partnership with the GGGI, where we collaborate on assessing

Qatar's climate vulnerability and developing viable solutions.

In line with our commitment to national food security, we have undertaken a unique initiative to train members of the Qatari Armed Forces in dairy production, ensuring an uninterrupted supply in emergency situations. Additionally, we focus on building community resilience by upskilling the local workforce through comprehensive training programmes in dairy farm and factory operations. These efforts enhance skill levels and contribute to creating a more robust and self-reliant community.

As a strategic partner for Qatar's future, Baladna's role as a responsible corporate citizen is to significantly contribute to the country's security and self-sufficiency. Our actions and initiatives underscore our dedication to both sustainability and the nation's resilience in the face of global challenges.

Sustainability Sustainability in 2024

In 2024, we will seek to advance our sustainability agenda by continuing key projects and introducing new initiatives that align with the UN SDGs and help the Company progress towards our strategic ambitions to become a local benchmark for sustainability.

A Sustainability Governance Committee will be established to guarantee continuous alignment throughout the organisation. The Committee will oversee sustainability practices, monitor key performance indicators (KPI), and ensure the effective implementation of sustainability plans.

We will prioritise transparency and accountability by establishing a direct line of communication for reporting progress to and from the Board. Top-level management will stay continuously informed and engaged in sustainability efforts.

The Company will actively seek membership in the UN Global Compact. This move will demonstrate our commitment to upholding global sustainability standards and principles, aligning with a widely respected international framework for sustainable business practices.

Baladna has set a specific target to achieve a reduction in landfill waste by the year 2024, reflecting our

dedication to responsible waste management practices. Furthermore, we will set ambitious goals to reduce water consumption by 50% and boost recycling through local partnerships.

Innovative technologies are set to support a closed-loop production process, while minimising plastic usage. A potential 10 g decrease in bottle weight promises substantial plastic reduction.

Elevating our commitment to eco-excellence, Baladna will aim to achieve the prestigious Global Sustainability Assessment System (GSAS) certification for all operations. In our pursuit of clean energy solutions, we aim to collaborate with Kahramaa on a solar energy utilisation project to prepare for a future powered by the sun.

In terms of our people, we will invest in building leadership capabilities across the business to enhance the skills, knowledge and competencies required by different levels of

managers to meet current business objectives and prepare for imminent challenges.

We will also focus on talent development and succession planning for the 2 management layers below CEO. This will include assessing our talent pool as a first step in planning the development of potential leaders to succeed the CEO. In this way, we will provide our best talent with transparency about our processes and contribute to maintaining the management stability that has enabled our Company's impressive growth.

Our 2024 sustainability agenda showcases our commitment to leading in environmental responsibility and social stewardship. Through strategic initiatives and ambitious targets, we are set to make a significant impact in sustainable practices, positioning Baladna as a model in corporate sustainability.





3

GOVERNANCE

Guided by clear principles and sound governance, we build trust through our actions

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Introduction

This Corporate Governance Report (hereinafter “the Report”) covers the period from 1 January 2023 to 31 December 2023 (here in after “the Period”) and is prepared pursuant to article (4) of the Corporate Governance Code for Companies and Legal Entities listed on the main market, issued by Qatar Financial Markets Authority’s (QFMA) Board pursuant to Decision No. (5) of 2016 especially the provisions of Articles 2 and 4.

The Report forms a part of Baladna’s Annual Report for the same period.

This report gives an overview of Baladna’s Corporate Governance systems and procedures as of 31 December 2023. It has been filed with Qatar Financial Markets Authority (QFMA) and posted on Baladna’s website.

1. Corporate Governance Report

1.1 Baladna’s Governance Practices

Baladna Q.P.S.C. is committed to the application of the principles of corporate governance to the highest level and has derived its values from a system which integrates ethics, corporate integrity and leading compliance practices.

Transparency, fairness, disclosure and accountability have been central to the working philosophy of the Company, its management and the Board of Directors.

To this end, the Company’s corporate governance framework takes into account the principles adopted and standards set by Qatar Financial Markets Authority and Qatar Commercial Companies Law, number (11) for 2015 amended by Law number (8) for 2021, and the Corporate Governance Code for Companies and Legal Entities listed on the main market, issued by Qatar Financial Markets Authority and other related laws and regulations set by QFMA.

Furthermore, Baladna is keen on strengthening its corporate governance framework in compliance with the requirements of governance rules and related laws and regulations set by QFMA and QE as well as compliance with the provisions of the Company’s Articles of Association, Board and sub-committee charters, the Company’s policies and procedures, and the implementation of best practices adopted in the State of Qatar.

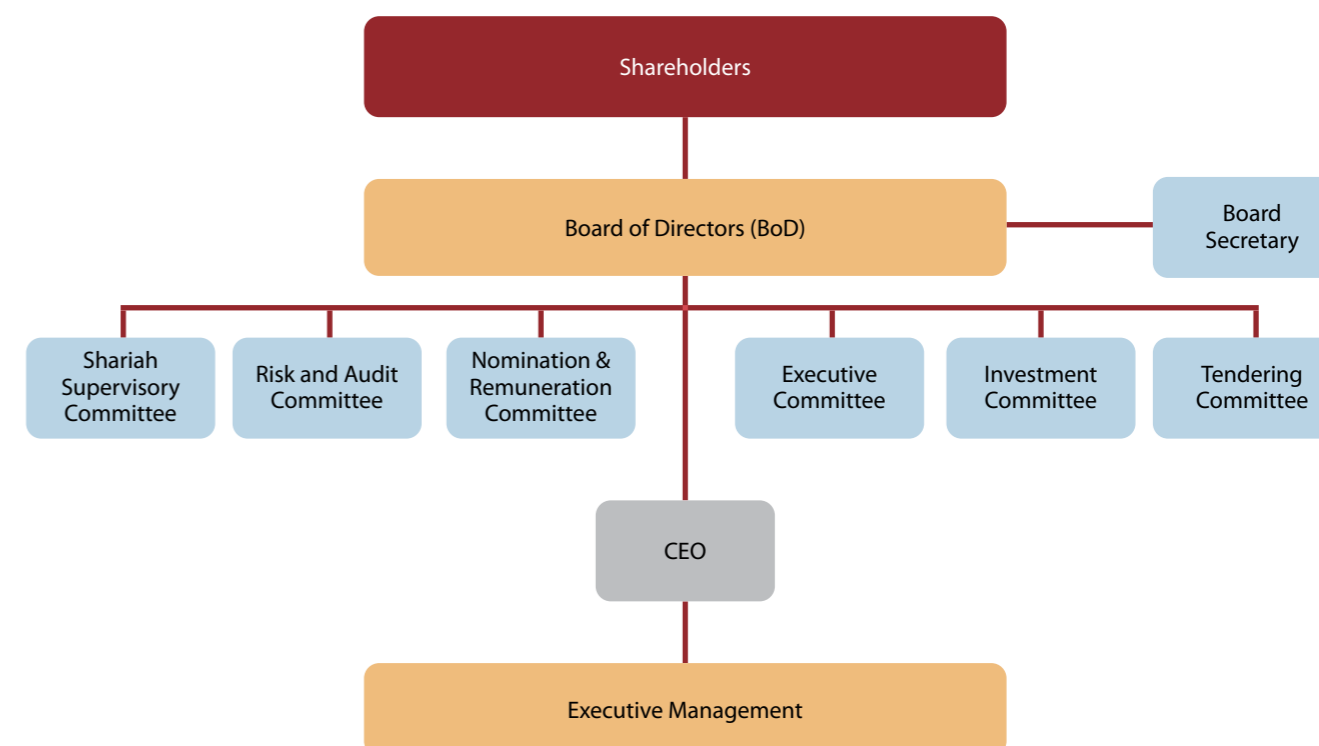
At Baladna, we affirm our commitment to the provisions and rules of governance, disclosure requirements and relevant laws.

1.2 Corporate Governance Principles

The following are some examples of the Company’s application of the principles of corporate governance:

- During the period, a total of 6 meetings were held periodically and convened by the Board of Directors. Furthermore, the Board Committees held periodic meetings: the Audit Committee held 6 meetings; the Nomination and Remuneration Committee held 2 meetings; and the Shariah Compliance Committee held 1 meeting. The Board of Directors and its Committees discharged their responsibilities according to the powers granted to them
- The Audit Committee and the Board of Directors conducted reviews over the system of financial controls and its governing accounting and financial policies to ensure proper application of such policies and procedures
- It has been ensured that the transactions carried out by the Board members and senior executive management are in compliance with the prevailing laws and regulations
- During the period, the Company adhered to the regulations concerning the transparency in disclosures made, including the disclosures of the Board’s meeting dates and any decisions that might have an effect over the share price

1.3 Baladna’s Governance Structure



2. Board of Directors

2.1 The Board of Directors Structure and Composition

The Board of Directors was appointed at the Constitutive General Assembly Meeting held on 26 November 2019 for a term of 5 years, in accordance with Articles 95 and 96 of the Commercial Companies Law. The first Board of Directors has been appointed by the founders in coordination with several official authorities, including the Qatar Financial Markets Authority and the Ministry of Commerce and Industry.

The first Board of Directors is structured according to the Articles of Association (Articles 29, 30), where the Board was made up of 7 members, as follows: 3 members appointed by the founders, 3 members appointed by the Government of Qatar, and an independent member agreed upon between the government and founders.

- On 14 November 2023, a letter was received from the Ministry of Commerce and Industry – the representative of the golden share – stating that the representatives of the special shareholders appointed by the Government of Qatar had been changed. Mr. Ali Hilal Al-Kuwari was appointed to replace Mr. Muhammad Badr Al Sada, and Mr. Abdulaziz Mahmoud Al-Zeyara was appointed to replace His Excellency Dr. Sheikh Faleh Bin Nasser Bin Ahmad Al Thani

The following table shows the details of the Board of Directors' members.

Name	Position	Executive	Non-Executive	Member Since	Academic Qualification and Experience
Mr. Mohamed Moutaz Al Khayyat	Chairman		✓	26 November 2019	Holds a Bachelor's degree in Global Business from the University of the West of Scotland. A distinguished entrepreneur who always seeks to discover new business opportunities with an economical strategy to maintain the business and provide clients with cutting-edge and complete solutions.
Mr. Ali Hilal Al-Kuwari (representing special shareholder/ Hassad Food)	Vice Chairman		✓	26 November 2019 The member was replaced by the special shareholder representative on 16 November 2023	Holds a Bachelor's degree in Engineering from Qatar University and an MBA from the University of Northampton in the United Kingdom. He has extensive experience in the field of food and agricultural investment, a clear strategic vision, and extensive knowledge of the investments of local and international companies, as well as the requirements of the local market, which he acquired through his work at Hassad Company for more than 13 years.
Mr. Ramez Al-Khayyat	Board member/Managing Director	✓		26 November 2019	Holds a Bachelor's degree in Global Business from the University of the West of Scotland. A competent leader and entrepreneur known for his distinguished experience in operational management, risk management and business development.
Mr. Abdulaziz Mahmoud Al-Zeyara (representing special shareholder/ Qatar Food Security Committee)	Board member		✓	26 November 2019 The member was replaced by the special shareholder representative on 16 November 2023	Holds Bachelor of Agricultural Sciences degree from Qatar University. He has more than 20 years of experience in the field of livestock and agricultural development, where Mr. Abdulaziz has worked as Director of the Livestock department since 2018. He was the head of the Agricultural Quarantine unit in the Agricultural Development department. He also headed the Veterinary Quarries section of the Animal Resources department. He holds membership in several official committees, including the FAO, the Transboundary Animal Diseases Committee of the Arab Organisation for Agricultural Development, and the Sea Ports Management Committee. He is also the representative of the State of Qatar to the World Animal Health Organisation.
Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya (representing special shareholder/GRSIA)	Board member		✓	26 November 2019	Holds a Bachelor's degree in Business Administration from the University of Wales, UK. He holds an Executive MBA degree from HEC Paris, majoring in Innovation and Social Business. He has 13 years of experience in investment, pension funds' investments, corporates, and banking, listed equities, local and global portfolios.
Mr. Mazen Alsabeti	Board member		✓	26 November 2019	Holds a Bachelor of Science (BSc) degree in Zoology from North Carolina State University and a Master of Science (MS) in Business Administration and Management from University of North Carolina. He has 23 years of comprehensive experience as an Executive Director, initiating growth policies as a Senior Executive. His expertise includes planning, execution, monitoring and resource balancing skills, with the ability to support multiple projects in a matrix of organisational structure.
Mr. Aidan Tynan	Board member		✓	26 November 2019	Holds a Master's degree in Management from York University in the UK. He is a Graduate of the Chartered Institute of Marketing, UK, and a Graduate of the Marketing Institute of Ireland. He has over 30 years of general management experience across multiple sectors including dairy, food, leisure, retail, insurance, e-commerce, property development and acquisitions.

Special Share

The State of Qatar, represented by the Ministry of Commerce and Industry, has allotted 1 special share, and the special share will have specific rights to appoint certain Directors, veto particular decisions of the Company, and other rights. The special shareholder, as holder of the special share, has the rights set out in Article 28 of Baladna's Articles of Association.

Members of the Board of Directors representing special share

The Government of Qatar has appointed the following members as representatives of the special share.

Board Member Name	Position	Special Shareholder
Mr. Ali Hilal Al-Kuwari	Vice Chairman	Representing special shareholder/Hassad Food
Mr. Abdulaziz Mahmoud Al-Zeyara	Board member	Representing special shareholder/Qatar Food Security Committee
Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya	Board member	Representing special shareholder/General Retirement and Social Insurance Authority (GRSIA)

- On 14 November 2023, a letter was received from the Ministry of Commerce and Industry – the representative of the golden share – stating that the representatives of the special shareholders appointed by the Government of Qatar had been changed. Mr. Ali Hilal Al-Kuwari was appointed to replace Mr. Muhammad Badr Al Sada, and Mr. Abdulaziz Mahmoud Al-Zeyara was appointed to replace His Excellency Dr. Sheikh Faleh Bin Nasser Bin Ahmad Al Thani

Board of Directors Profile



Mr. Mohamed Moutaz Al-Khayyat
Chairman of the Board of Directors

Mr. Moutaz Mohamed Al-Khayyat comes from a family that has had great successes in the field of general contracting since 1983. He grew his company, Urbacon Holding, into a regional player in the contracting world, undertaking several large and complex projects. These projects range from highways and bridges to infrastructure works, factories, commercial complexes, and luxury residential and hotel facilities.

He diversified his interests in several businesses across different sectors. He is the Chairman of Estithmar Holding Q.P.S.C. and Founder and Chairman of Assets Group. He also ventured into hospitality and entertainment and is the Chairman of Aura Group. Mr. Al-Khayyat owns and operates several homegrown brands along with franchised international brands.

As Group Chairman of Power International Holding, he leads more than 40 companies spanning general contracting, agro-food industries, real estate development, healthcare, lifestyle (hospitality, Entertainment and catering) and general services.

In addition to his business interests, Mr. Al-Khayyat is involved in philanthropic work through the Al Khayyat Foundation, which he founded in 2015.

Mr. Al-Khayyat holds a Bachelor's degree in Global Business from the University of the West of Scotland.



Mr. Ali Hilal Al-Kuwari
Vice Chairman

Mr. Ali Hilal Al-Kuwari is the Chief Executive Officer of Hassad Food Company since August 2023. He has vast experience in the field of food and agribusiness investments, a clear strategic vision and deep knowledge of Hassad's local and international investments that he gained throughout his professional journey with Hassad, which exceeded 13 years. Previously, he held several leadership positions at Hassad such as Vice President, Director of Operations and Director of Project Management.

Prior to Hassad, Mr. Al-Kuwari spent around 10 years at Qatar General Electricity & Water Corporation (Kahramaa), where he held many senior positions. Moreover, he currently holds several other senior positions including Chairman of A'Saffa Foods, Vice Chairman of Al Meera Consumer Goods Company, Vice Chairman of the Arab Qatari Company for Poultry Production (Al-Waha).

Mr. Al-Kuwari holds an Engineering degree from Qatar University and an MBA from Northampton University in the UK.



Mr. Ramez Al-Khayyat
Board member/Managing Director

Mr. Ramez Al-Khayyat is a well-known entrepreneur and proven leader who brings a wealth of knowledge and experience in operations, risk management and business development. Mr. Al-Khayyat started his career as a Board member for Al-Khayyat Contracting and Trading, working to expand and develop the company.

In 2011, he and his brother, Mr. Mohamed Moutaz Al-Khayyat, founded Urbacon Trading and Contracting (UCC) in Qatar that has been a subsidiary of Urbacon Holding. As second-generation owners, Mr. Ramez Al Khayyat runs Urbacon Holding, the privately held company and holds the position of President. UCC has constructed many internationally renowned projects.

In 2015, Mr. Al-Khayyat received recognition from the Socrates Committee in Oxford, UK, as Manager of the Year. They also recognised UCC as one of the best enterprises in the field of construction in Qatar.

As the Vice Chairman and Group CEO of Power International Holding, Mr. Al-Khayyat co-owns and manages a multitude of companies, operating in general contracting, agriculture and food industries, real estate development and lifestyle (hospitality, Entertainment and catering).

The companies have grown horizontally by creating various affiliates. These operate worldwide, including Qatar, Europe, the UK, Turkey, Oman, the Maldives and Guyana, with plans for further expansion.

Mr. Al-Khayyat is also the Vice Chairman of Estithmar Holding Q.P.S.C.

Mr. Al-Khayyat holds a Bachelor's degree in Global Business from the University of the West of Scotland.



Mr. Abdulaziz Mahmoud Al-Zeyara
Board member

Mr. Abdulaziz Mahmoud Abdulaziz Al-Zeyara has vast experience in agriculture and livestock, bringing in a wealth of knowledge and skills of more than 20 years in these fields. He is the Director of the Livestock department and is also a member of several official committees, including the FAO, Transboundary Animal Diseases Committee of the Arab Organisation for Agricultural Development, Maritime Ports Management Committee, and is the Representative of the State of Qatar to the World Animal Health Organisation. Previously, he was the Head of the Agricultural Quarantine Unit at the Agricultural Development department. He also headed the Veterinary Quarries section of the Livestock department.

Mr. Abdulaziz holds a Bachelor's degree in Agricultural Sciences from Qatar University.



Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya
Board member

Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya is a senior investment analyst with 13 years of overall experience in investment, pension fund investments, corporates and banking, listed equities, and local and global portfolios.

In 2007, he started as a Bank Monitor in Qatar Central Bank's Provision and Control department. He later joined the General Retirement and Social Insurance Authority's Investment department, where he specialised in investment analyses and covered all local and global portfolios' listed equities.

Mr. Al-Attiya holds a degree in Business Administration from the University of Wales, UK, and is also an HEC Paris Executive Master holder, majoring in Innovation and Social Business.



Mr. Mazen Alsbeti
Board member

Mr. Mazen Alsbeti is an accomplished specialist in the industry, with 23 years of comprehensive and successful experience as an Executive Director, initiating growth policies as a Senior Executive. He has outstanding planning, execution, monitoring, and resource balancing skills, with the ability to support multiple projects in a matrix of organisational structure.

Mr. Alsbeti is the main contact person for business stakeholders in providing accurate reporting and information regarding ongoing projects, developing, and executing strategies, and working and forming relationships with prominent members of the media, government and the public, to uphold a positive image for the Company and generate new business opportunities.

Mr. Mazen Holds a Bachelor of Science (BSc) in Zoology from North Carolina State University and a Master of Science (MS) in Business Administration and Management from the University of North Carolina.



Mr. Aidan Tynan
Board member

Mr. Aidan Tynan specialises in business turnarounds and has a proven track record of success across the GCC and Middle East. He has over 30 years of general management experience across multiple sectors including dairy, food, leisure, retail, insurance, e-commerce property development and acquisitions.

Prior to joining Baladna, Mr. Tynan was employed by Danone Plc., a world-leading food company. He held the position of Chief Operating Officer of Al Safi Danone and was Acting CEO from 2013 to 2017. Mr. Tynan was also appointed to the Board of Al Safi Danone Iraq and was a member from 2015 to 2017.

Mr. Tynan's previous positions in the Middle East include Group Consultant for the Al Othman Group, Head of E-commerce and Retail for Arabian Shield Insurance Plc., Chief Sales and Trade Marketing Officer for SADAFCO Plc., Head of Sales for Almarai Plc, for 7 years and in Ireland, he was CEO of the Irish Greyhound Board and Business Development Manager for Fleming Group. Mr. Tynan is an Executive Director of 2 Irish property-related companies: Buildvalue Limited and Exhibitside Limited.

Mr. Tynan holds a Master's degree in Management from York University in the UK, in addition to being a graduate of the Chartered Institute of Marketing, UK, and a graduate of the Marketing Institute of Ireland.

2.2 Board of Directors' Membership

Membership of Board of Directors in other publicly listed companies and their titles in any other Prominent entities.

Board Member	Company/Entity	Position
Mr. Mohamed Moutaz Al-Khayyat	Estithmar Holdings Q.P.S.C.	Chairman of the Board
Mr. Ali Hilal Al-Kuwari (representing special shareholder/Hassad Food)	Al Meera Consumer Goods Company	Vice Chairman
Mr. Ramez Al-Khayyat	Estithmar Holdings Q.P.S.C.	Vice Chairman
Mr. Abdulaziz Mahmoud Al-Zeyara (representing special shareholder/Qatar Food Security Committee)	-	-
Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya (representing special shareholder/GRSIA)	-	-
Mr. Mazen Alsabeti	-	-
Mr. Aidan Tynan	-	-

2.3 Board of Directors' Remuneration and Sitting Fees

In accordance with the provisions of the Companies Law and the provisions of the Article 48 of the Company article of association stipulates that the general assembly determines the remuneration of members of the Board of Directors, and these remunerations may not be estimated at more than 5% of the net profit after deducting the legal reserves and deductions stipulated in the law, including distribution of a profit of not less than 5% of the Company's paid-up capital to shareholders.

In compliance with the provisions of the corporate governance system, the Nominations and Remuneration Committee established the general policy for granting remuneration in the Company annually, including the method for determining the remuneration of the Chairman and members of the Board, which was approved by the General Assembly.

The policy of rewards and incentives for members of the Board of Directors and the Company's senior executive management has set clear standards linked to performance, and consistent with the nature of the risks surrounding the Company, to achieve the purpose of granting these rewards, with the aim of attracting, retaining and motivating professional competencies.

During the period from 1 January 2023 to 31 December 2023, the members of the Board of Directors did not receive any remuneration, benefits or allowances, and the Company did not provide any cash loans, guarantees or credits to the Chairman or any of the members of the Board.

2.4 Board of Directors' Meetings

The following table lists the Board of Directors' meeting attendance during the year 2023 for the period from 1 January 2023 to 31 December 2023.

Meeting No.	Date	Mr. Mohamed Moutaz Al-Khayyat	Mr. Mohammed Badr Al Sada (until 14 November 2023)	Mr. Ali Hilal Al-Kuwari (from 14 November 2023)	Mr. Ramez Al-Khayyat	His Excellency Dr. Sheikh Faleh Bin Nasser Bin Ahmad Al Thani (until 14 November 2023)	Mr. Abdulaziz Mahmoud Al-Zeyara (from 14 November 2023)	Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya	Mr. Mazen Alsabeti	Mr. Aidan Tynan
1/2023	15/3/2023	■	■	N/A	■	■	N/A	■	■	■
2/2023	07/5/2023	■	■	N/A	■	■	N/A	■	■	■
3/2023	06/08/2023	■	■	N/A	■	■	N/A	■	■	■
4/2023	29/10/2023	■	■	N/A	■	■	N/A	■	■	■
5/2023	13/12/2023	■	N/A	■	■	N/A	■	■	■	■
6/2023	28/12/2023	■	N/A	■	■	N/A	■	■	■	■

■ Attended ■ Absent

The details are in the following table.

Board Member	Membership	Meetings							
		AGM	Board of Directors	Nomination and Remuneration Committee	Audit Committee	Shariah Committee	Executive Committee	Tendering Committee	Investment Committee
Mr. Mohamed Moutaz Al-Khayyat	Chairman	1	5	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Mohammed Badr Al Sada (until 14th November 2023)	Vice Chairman/Nomination and Remuneration Committee Chairman, Risk and Audit Committee member (until 14 November 2023)	1	4	2	4	N/A	N/A	N/A	N/A
Mr. Ali Hilal Al-Kuwari (from 14th November 2023)	Vice Chairman/Nomination and Remuneration Committee Chairman, Risk and Audit Committee member (from 14 November 2023)	N/A	2	N/A	1	N/A	N/A	N/A	N/A
Mr. Ramez Al-Khayyat	Board member/Ex-Com and Investment Committee Chairman	1	6	N/A	N/A	N/A	1	N/A	1
His Excellency Dr. Sheikh Faleh Bin Nasser Bin Ahmad Al Thani (until 14th November 2023)	Board member (until 14 November 2023)	1	4	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Abdulaziz Mahmoud Al-Zeyara (from 14th November 2023)	Board member (from 14 November 2023)	N/A	2	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya	Board member/Audit Committee member	1	4	N/A	5	N/A	N/A	N/A	N/A
Mr. Mazen Alsabeti	Board member/Nomination and Remuneration/Ex-Com/Tendering Committee member	1	6	2	N/A	N/A	0	N/A	N/A
Mr. Aidan Tynan	Board member/Audit Committee Chairman	1	6	N/A	6	N/A	N/A	N/A	N/A
Mr. Murad Sahawneh	Nomination and Remuneration Committee member	N/A	N/A	2	N/A	N/A	N/A	N/A	N/A
Prof. Dr. Sheikh Ali Al Qaradaghi	Shariah Committee Chairman	N/A	N/A	N/A	N/A	1	N/A	N/A	N/A
Dr. Sheikh Walid Bin Hadi	Shariah Committee member	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A
Mr. Eyad Abdulrahim	Ex-Com/Tendering/Investment/Shariah Committee member	N/A	N/A	N/A	N/A	1	1	N/A	1
Mr. Khaled Zialnon	Ex-Com/Tendering/Investment Committee member	N/A	N/A	N/A	N/A	N/A	1	N/A	1
Mr. Ismaeel Makdisi	Investment Committee member	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1

2.5 Duties and Responsibilities of the Board of Directors

The Board of Directors' role is to represent the shareholders and be accountable to them for creating and delivering sustainable value through the effective governance of the business. It is the Board's responsibility to ensure effective management is in place to implement Baladna's strategy.

The Board of Directors' role and responsibility has been fully illustrated through the Articles of Association of the Company and the Board charter, as stated in the Commercial Companies Law No. (11) for 2015 and the Corporate Governance Code for Companies and Legal Entities listed on the main market issued by Qatar Financial Markets Authority, in particular articles (8) and (9).

The following are the responsibilities of the Board of Directors:

- Oversee the Company's management in The optimal way
- Ensure compliance with relevant laws, regulations, rules and the Company's Articles of Association
- Protect the Company from illegal, arbitrary, or inappropriate business and practices
- Each Board member should discharge duties with good faith, seriousness and concern, and its decisions must be based on adequate information from the executive management, or from any other reliable source
- Each Board member represents all shareholders and adheres to what is in the best interest of the Company
- The Board must specify the powers that it delegates to the executive management, the procedures for making decisions and the duration of the delegation. The Board also determines the issues it retains the power to decide on, and the executive management submits periodic reports on its practices of delegated powers
- The Board ensures procedures are in place to familiarise the new Board members with the Company's work, especially the financial and legal aspects, in addition to training them if necessary
- Ensures the Company provides sufficient information about its affairs to all members of the Board in general and Non-Executive Board members in particular, in order to enable them to carry out their duties and tasks efficiently
- The Board submits a detailed statement of transactions and deals with any related party in the event that the related party has an interest that may conflict with the Company's interest, at least a week before the date specified for the General Assembly Meeting, by considering the Company's budget and the Board's report of shareholders
- Follows up on developments in the field of corporate governance and the application of best practices in this regard
- Ensures all disclosures made by the Company are accurate, correct and not misleading
- Ensures employees are treated according to the principles of justice and equality without any discrimination on the basis of race, gender or religion
- Adopts a mechanism that allows employees to report suspicious, illegal or harmful behaviours in the Company. The Board ensures the complaint is safe and reliable and that the confidentiality of the complainant is maintained. The Board ensures the complainant receives the necessary protection from any form of retaliation. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm
- Prepares an annual detailed statement that is submitted to shareholders a week prior to when the General Assembly convenes to consider the Company's budget and the Board of Directors' report, so that it includes the following data:
 1. All the sums obtained by the Chairman of the Company's Board of Directors, and every member of this Board in the fiscal year, from wages, fees and salaries, in exchange for attending the meetings of the Board of Directors and an allowance for expenses, and any other sums in any capacity.
 2. In-kind and cash benefits enjoyed by the Chairman of the Board of Directors, and every member of the Board of Directors in the fiscal year.
 3. The rewards that the Board of Directors proposes to distribute to its members.
 4. The amounts allocated to each current Board member.
 5. Transactions in which a member of the Board of Directors or manager has an interest that conflicts with the Company's interest and requires disclosure or prior approval in accordance with Article (109) of this Law, in addition to the details of the transactions and deals.
 6. The exact sums spent for the sake of advertising in any form, with the details of each amount.
 7. Donations with an indication of the entity that was donated and the reasons for the donation and its details.
 8. Allowances paid to any member of the senior executive management.

2.6 Board Activities during the Period from 1 January to 31 December 2023

During the above-mentioned period, Baladna's Board of Directors achieved the following governance goals.

In relation to the General Assembly Meetings

Baladna held its Annual General Assembly meeting on 11 April 2023 and the following decisions were taken:

1. The General Assembly approved the Board of Directors' report on the Company's activities and the financial position for the financial year ended 31 December 2022, and the Company's business plan for the year 2023.
2. The General Assembly approved the External Auditor's report on the Company's financial statements for the year ended 31 December 2022.
3. The General Assembly approved the Company's consolidated and audited financial statements for the financial year ended 31 December 2022, including the profit and loss, and balance sheet statements.
4. The General Assembly approved the proposal of the Board of Directors not to distribute dividends to its shareholders for the year 2023 out the profit of the year 2022.
5. The General Assembly approved discharge the Board of Directors from any liability relating to their directorship duties and responsibilities for the financial year ended 31 December 2022 and approved not to pay bonus to the Chairman and Board of Directors.
6. The General Assembly approved the appointment of Moore Stephens as the Company's Auditors for the financial year 2023 and approved their fees as per the Board's recommendation.
7. The General Assembly approved the Company's Corporate Governance Report for the year 2022 and approved the Annual Report for the year ended 31 December 2022.
8. The General Assembly approved the Board of Directors policies (Dividend policy, Board Remuneration policy and Related Party policy).
9. The General Assembly endorsed the Board of Directors decision to donate QR 1 million to M/s. Qatar Charity, as a participation in the relief campaign for those affected by the earthquake that took place in Turkey and Syria.

In relation to the Board of Directors and its Committee meetings

During the year 2023, Baladna held its regular Board meetings where the following decisions were taken:

- Appointing the CEO of the Company
- Approving the strategic plan and main objectives of the Company and supervising their implementation
- Supervising internal controls
- Organisational restructuring of the Company
- Restructuring the Board Committees
- Approved the Company's governance documents, including but not limited to approve any updates to the Board and Committee charters, policies, procedures and Delegation of Authority
- Approval of the Company's delegation of authority matrix
- Recommending to the Ordinary General Assembly to vote on the proposal not to distribute cash dividends to shareholders for the year 2022
- Approved the financial budget and financing plan for the year 2024
- Approval of the Company's Annual report 2022

2.7 Board of Directors Evaluation

During the year, the Board of Directors conducted semi-annual and annual evaluations of the Board's overall performance. The Board members, Board Committees and the executive management were evaluated, taking into account the extent to which the Board is committed to achieving Baladna's best interests, as the Board of Directors is collectively responsible for developing strategic policies and objectives of the Company and its subsidiaries. They are also responsible for effectively monitoring the performance of the Company and its subsidiaries, and ensuring succession planning for management, as well as protect shareholders' rights and long-term development. In particular, the following criteria were considered in evaluating the performance of the Board of Directors:

- Number of meetings held annually
- Regularity of the meetings held annually
- Percentage of attendance of meetings held annually
- Prompt and efficient completion of the issues on the Board's agenda
- The extent to which the Board of Directors has complied with the transparency and disclosure requirements
- Interacting with the Board's Committees and implementing their recommendations
- Achieving plans, objectives and compliance with the adopted policies
- Any other measures that require the Board's assessment and objectivity

The results of the semi-annual and annual evaluations showed that the Board of Directors had fully complied with the provisions of the Laws and Articles of Association, the governance system, the transparency and disclosure procedures and any other regulations and rules governing the Board of Directors mandate. Accordingly, the Board's performance showed its supposed strengths and did not show any weakness.

2.8 Board of Directors Disclosure

In their duties, Baladna's Board of Directors are fully aware of, and clearly understand, all applicable laws, rules and regulations in order to comply with them under any circumstances. Therefore, the Directors fulfil their responsibilities diligently and in accordance with the principles of integrity and fairness, and in compliance with the professional standards and their full commitment to trading ban periods.

The following table shows the Company's shares owned by the Board of Directors as at 31 December 2023.

Board Member Name	Position	Total shares as of 31 December 2023
Mr. Moutaz Al-Khayyat	Chairman	257,713,509
Mr. Ali Hilal Al-Kuwari (representing special shareholder/Hassad Food)	Vice Chairman	-
Mr. Ramez Al-Khayyat	Board member/ Managing Director	261,278,594
Mr. Abdulaziz Mahmoud Al-Zeyara (representing special shareholder/Qatar Food Security Committee)	Board member	-
Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya (representing special shareholder/GRSIA)	Board member	-
Mr. Mazen Alsabeti	Board member	100,000
Mr. Aidan Tynan	Board member	1,000

2.9 Board Members' Continuous Development

Recognising the value and importance of development for the Board, the Nomination and Compensation Committee worked closely to prepare a suite of development materials for the Board of Directors. The topics covered included environmental, social and governance.

2.10 Board Secretary

The Board Secretary is the focal point for communication with the Board of Directors and senior management and plays a key role in the administration of important corporate governance matters. Our Board Secretary, Mr. Hassan Morad Agha, was appointed by the Board on 12 January 2020.

The Board Secretary has the following key responsibilities:

- Organise Director's meetings in accordance with procedures to be agreed upon from time to time by the Chairman and the Board
- Prepare notices, agendas of meetings and supporting reports and documentation in a timely manner
- Attend Board meetings and undertake secretarial responsibilities, including organising minute taking at each meeting
- In conjunction with the Chief Executive Officer and other senior management, carry out instructions of the Board and give practical effect to the Board's decisions
- Report to the Board with respect to all corporate secretarial responsibilities
- Arrange/organise shareholders' meetings

Qualifications

Mr. Hassan holds a degree in Finance and Commerce and is a Certified Internal Auditor (CIA), USA, and a Certified Board Secretary (CBS).

3. Board Committees

Board Committees assist the Board in discharging its responsibilities. The Committees operate in line with their respective charters approved by the Board. The charters set out their roles, responsibilities, scope of authority, composition and procedures for reporting to the Board. The charter of each Committee has verified that it is in line with the Articles of Association of the Company and the Commercial Companies Law No. 11 for 2015, and the Corporate Governance Code of the Qatar Financial Markets Authority.

On 29 October 2023, the Board of Directors decided to reconstitute its committees and approved the formation of 3 new committees, namely the Executive Committee, the Investment Committee and the Tendering Committee, so that the committees affiliated with the Board of Directors became:

- Risk and Audit Committee
- Nomination and Remuneration Committee
- Shariah Supervisory Committee
- Executive Committee
- Investment Committee
- Tendering Committee

3.1 Risk and Audit Committee

The Audit Committee, appointed by the Board of Directors, consists of 3 members. Headed by an Independent Board member and 2 other members, the Committee assists Baladna's Board in overseeing the integrity of the Company's financial statements. It also provides consultancy to the Board on the efficiency and adequacy of internal control systems and arrangements for risk management. The Committee is also responsible for ensuring internal and external audit functions are independent and objective. In addition, the Committee advises the Board on all matters that need attention and require a decision. The Committee also puts great importance on investigating any violations in the Company.

The Audit Committee maintains free and open communication between the external auditors, internal auditors, and senior management. The responsibilities of the Audit Committee include:

- Monitoring the integrity of Baladna's financial statements and any formal announcements relating to the Company's financial performance, as well as reviewing significant financial reporting judgements that they contain
- Reviewing Baladna's internal controls, risk management and compliance with the relevant regulations
- Establishing, monitoring and reviewing the effectiveness of the Company's Internal Audit department, systems and processes
- Making recommendations to the Board in relation to the appointment, reappointment, resignation, discharge and remuneration of the external auditor and ensuring a timely response by the Board on the matters contained in the external auditor's letter
- Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements
- Developing and implementing guidelines on the engagement of the external auditor to supply non-audit services
- Reporting to the Board on matters that in the Committee's opinion require action or improvement and providing recommendations on the necessary steps required to achieve such improvement
- Reviewing the whistleblower system whereby employees can anonymously notify their doubts on potential abnormalities in the financial report or internal controls or any other matter and ensuring proper arrangements for independent and fair investigations of such matters
- Reviewing any related party transaction and reviewing compliance with such rules for the conduct and approval of such transactions
- Determining the appointment, compensation, benefits, performance appraisal, discipline, replacement, reassignment or dismissal of the Head of Internal Audit

In 2023, the Committee completed a number of major works, including:

- The review of the annual and quarterly internal audit reports regularly
- The review of the annual disclosure results for 2023
- Monitored the execution of the annual audit plan for the year 2023
- Approve the Internal Audit department's annual audit plan (risk-based) for the year 2024
- Endorsed quarterly financial statements and reviewed the annual financial statements and submitted a recommendation to the Board of Directors
- Reviewed the updates on Baladna's Internal Audit charter, Code of Conduct, Whistleblowing policy and Board Governance charter
- Approved the budget of the Internal Audit department for 2024
- Reviewed the Corporate Governance report and ensured full compliance with QFMA requirements and submitted it to the Board for approval

Audit Committee members

Mr. Aidan Tynan

Audit Committee Chairman

Mr. Aidan Tynan specialises in business turnarounds and has a proven track record of success across the GCC and Middle East. He has over 30 years of general management experience across multiple sectors including dairy, food, leisure, retail, insurance, e-commerce property development and acquisitions.

Prior to joining Baladna, Mr. Tynan was employed by Danone Plc., a world-leading food company as Chief Operating Officer of Al Safi Danone and Acting CEO (2013 to 2017). In addition, Mr. Tynan was appointed to the Board of Al Safi Danone Iraq (2015 to 2017).

Previous Middle East positions include Group Consultant for the Al Othman Group, Head of E-commerce and Retail for Arabian Shield Insurance Plc, Chief Sales and Trade Marketing Officer for SADAFCO Plc, Head of Sales for Almarai Plc for 7 years, and in Ireland, Chief Executive Officer of the Irish Greyhound Board and Business Development Manager for Fleming Group. Mr. Tynan is an Executive Director of 2 Irish property-related companies: Buildvalue Limited and Exhibitside Limited.

Mr. Tynan holds a master's degree in management from York University in the UK, in addition to being a graduate of the Chartered Institute of Marketing (UK) and a graduate of the Marketing Institute of Ireland.

Mr. Mohammed Badr Al Sada

Audit Committee member (Until 14 November 2023)

Mr. Mohammed Badr Al Sada has worked in different sectors including oil and gas, investments, and telecommunications. He recently moved to the food sector, where he became the CEO of Hassad Food, which is owned by Qatar Investment Authority and invests only in the food sector.

Mr. Al Sada has been working in the capacity of Chief Executive Officer of Hassad Food since June 2017. Prior to that, he served as the Chief Operating Officer for Vodafone Qatar and Chief of Business Development at the same company. Before that, he worked in a senior role for Qatar Investment Authority. He started his career as an engineer for one of the major companies in the gas sector in Qatar, spending 2 years in Japan during the development of the Dolphin Energy project.

Mr. Al Sada serves on the boards of several companies. He is the Chairman of Widam Food Company QSC, Board member of Arab Qatari for Poultry Production QSC (Al Waha), Qatar Development Bank and Arab Co. for Livestock Development (ACOLID).

Mr. Al Sada holds a degree in Engineering from the University of Arizona, USA.

Mr. Ali Hilal Al-Kuwari

Audit Committee member (from 14 November 2023)

Mr. Ali Hilal Al-Kuwari is the Chief Executive Officer of Hassad Food Company since August 2023. He has vast experience in the field of food and agribusiness investments, a clear strategic vision and deep knowledge of Hassad's local and international investments that he gained throughout his professional journey with Hassad, which exceeded 13 years. Previously, he held several leadership positions at Hassad such as Vice President, Director of Operations and Director of Project Management.

Prior to Hassad, Mr. Al-Kuwari spent around 10 years at Qatar General Electricity & Water Corporation (Kahramaa), where he held many senior positions. Moreover, he currently holds several other senior positions including Chairman of A'Saffa Foods, Vice Chairman of Al Meera Consumer Goods Company, and Vice Chairman of the Arab Qatari Company for Poultry Production (Al-Waha).

Mr. Al-Kuwari holds an Engineering degree from Qatar University and an MBA from Northampton University in the UK.

Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya

Committee member

Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya is a Senior Investment Analyst with overall experience of 13 years in investment, pension funds' investments, corporates, banking, listed equities and local global portfolios.

He started in Qatar Central Bank in 2007 in the Provision and Control department as a Bank Monitor and later joined the General Retirement and Social Insurance Authority's Investment department, where he specialised in investment analyses and covered all local and global portfolios listed equities.

Mr. Al-Attiya holds a degree in Business Administration from the University of Wales, UK and is also an HEC Paris Executive Master holder, majoring in Innovation and Social Business.

The Chairman of the Audit Committee, Mr. Aidan Tynan acknowledges responsibility for discharging the Audit Committee's mandate at Baladna including the review of its work mechanism and ensuring its effectiveness in line with the approved charter of the Audit Committee.

During 2023, 6 Committee meetings were held.

Meeting No.	Date	Mr. Aidan Tynan	Mr. Mohammed Badr Al Sada (until 14 November 2023)	Mr. Ali Hilal Al-Kuwari (from 14 November 2023)	Mr. Hamad Bin Abdullah Bin Khalid Al-Attiya
1/2023	14/3/2023	■	■	N/A	■
2/2023	07/5/2023	■	■	N/A	■
3/2023	06/08/2023	■	■	N/A	■
4/2023	29/10/2023	■	■	N/A	■
5/2023	13/12/2023	■	N/A	■	■
6/2023	28/12/2023	■	N/A	■	■

■ Present ■ Absent

3.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for the review of Baladna's HR framework and compensation programmes. The Committee issues its recommendations to the Board on the remuneration, allowances and terms of service of the Company's Senior Executives to ensure they are fairly rewarded for their individual contribution to Baladna. Two Committee members are Non-Executive Directors of the Board while 1 member is independent from the Board.

Nomination and Remuneration Committee members

Mr. Mohammed Badr Al Sada

Committee Chairman (until 14 November 2023)

Mr. Mohammed Badr Al Sada has worked in different sectors including oil and gas, investments and telecommunications. He recently moved to the food sector, where he became the CEO of Hassad Food, which is owned by Qatar Investment Authority and invests only in the food sector.

Mr. Al Sada has been working in the capacity of Chief Executive Officer of Hassad Food since June 2017. Prior to that, he served as the Chief Operating Officer for Vodafone Qatar and Chief of Business Development at the same company. Before that, he worked in a senior role for Qatar Investment Authority. He started his career as an Engineer for one of the major companies in the gas sector in Qatar, spending 2 years in Japan during the development of the Dolphin Energy project.

Mr. Al Sada serves on the boards of several companies. He is the Chairman of Widam Food Company QSC, Board member of Arab Qatari for Poultry Production QSC (Al Waha), Qatar Development Bank and Arab Co. for Livestock Development (ACOLID).

Mr. Al Sada holds a degree in Engineering from the University of Arizona, USA.

Mr. Ali Hilal Al-Kuwari

Committee Chairman (from 14 November 2023)

Mr. Ali Hilal Al-Kuwari is the Chief Executive Officer of Hassad Food Company since August 2023. He has vast experience in the field of food and agribusiness investments, a clear strategic vision and deep knowledge of Hassad's local and international investments that he gained throughout his professional journey with Hassad, which exceeded 13 years. Previously, he held several leadership positions at Hassad such as Vice President, Director of Operations and Director of Project Management.

Prior to Hassad, Mr. Al-Kuwari spent around 10 years at Qatar General Electricity & Water Corporation (Kahramaa), where he held many senior positions. Moreover, he currently holds several other senior positions including Chairman of A'Saffa Foods, Vice Chairman of Al Meera Consumer Goods Company, Vice Chairman of the Arab Qatari Company for Poultry Production (Al-Waha).

Mr. Al-Kuwari holds an Engineering degree from Qatar University and an MBA from Northampton University in the UK.

Mr. Mazen Alsbeti

Committee member

Mr. Mazen Alsbeti is an accomplished specialist in the industry, with 23 years of comprehensive and successful experience as an Executive Director, initiating growth policies as a Senior Executive. He has outstanding planning, execution, monitoring and resource balancing skills, with the ability to support multiple projects in a matrix of organisational structure.

Mr. Alsbeti is the main contact person for business stakeholders in providing accurate reporting and information regarding ongoing projects, developing and executing strategies, working and forming relationships with prominent members of the media, government and the public, to uphold a positive image for the Company and generate new business opportunities.

Mr. Mazen Holds a Bachelor of Science (BSc) in Zoology from North Carolina State University and a Master of Science (MS) in Business Administration and Management from the University of North Carolina.

Mr. Murad Sahawneh

Committee member

Mr. Murad Sahawneh is a senior management executive and a global HR thought leader with progressive and hands-on experience in all functional areas of strategic human resources and digital transformation management. His forward-thinking leadership enables organisations to embrace change and take employee experience to the next level.

Mr. Sahawneh assumes the responsibility of the Group Chief Human Resource Officer at PIH leading the diversified Group's HR strategy and making sure that execution is fit for purpose in support of the vision and growth plans.

Mr. Sahawneh holds an MBA degree from the University of Bedfordshire in UK in addition to global HR credentials (SHRM-SCP, GPHR, SPHR, SPHRI) from the world's top HR institutes in the USA.

Roles and Responsibilities

The key objective of the Nomination and Remuneration Committee is to assist the Board in fulfilling its responsibilities regarding the following:

- Ensuring Independent Non-Executive Directors remain independent on a continuous basis
- Reviewing the potential for conflicts of interest and judgement, and that there are appropriate safeguards against such conflicts
- Formulation and annual review of remuneration, benefits, incentives of the Chief Executive Officer and Senior Executives, and that the remuneration and benefits given to senior management are reasonable and in line with Baladna's performance
- Consideration and submission for Board approval, proposals on remuneration adjustments, performance bonuses and long-term incentives
- Driving the performance-based remuneration culture within the Company through an annual performance review of Baladna's Senior Executives and succession planning
- Determination of Baladna's needs for qualified staff at the level of senior executives and the basis of selection
- Review and approve Qatarisation strategy, with a work plan for the strategy and how it will be implemented
- Reviewing the Remuneration policy and the Training policy to encourage the development and growth of Qatari national employees
- Reporting to the Board on matters that in the Committee's opinion require action or improvement and providing recommendations

- While it is the Committee's responsibility to exercise independent judgement, it does request advice from management and third-party independent sources as appropriate, to ensure that its decisions are fully informed given the internal and external environment

The Chairman of the Nomination and Remuneration Committee, Mr. Ali Hilal Al-Kuwari acknowledges responsibility for discharging the Nomination and Remuneration Committee's mandate at Baladna, reviewing of its work mechanism, and ensuring its effectiveness in line with the approved charter of the Nomination and Remuneration Committee.

During the year, 2 Nomination and Remuneration Committee meetings were held:

Meeting No.	Date	Mr. Mohammed Badr Al Sada (until 14 November 2023)	Mr. Ali Hilal Al-Kuwari (from 14 November 2023)	Mr. Mazen Alsbeti	Mr. Murad Sahawneh
1/2023	19/01/2023	■	N/A	■	■
2/2023	25/06/2023	■	N/A	■	■

■ Present ■ Absent

3.3 Shariah Supervisory Committee

Baladna QPSC is supervised from a Shariah perspective by a Shariah Supervisory Committee, which is appointed by Baladna's Board of Directors. The Committee consists of renowned and qualified Shariah scholars who are independent of the Company and its Board of Directors. The Committee is responsible for assisting the Board in fulfilling its responsibilities related to monitoring the compatibility of the Company's financial statements with the provisions and the application of Islamic principles, and ensures that all of Baladna's Islamic banking products, services and operations are in compliance with the Shariah principles.

Shariah Supervisory Committee members

Prof. Dr. Sheikh Ali Al Qaradaghi

Committee Chairman

Prof. Dr. Sheikh Ali Al Qaradaghi received his PhD with honours in Shariah and Law from Al Azhar University in the field of contracts and financial transactions in 1980. He is currently a Professor of the Principles of Islamic Jurisprudence at Qatar University, and the Secretary General of the International Union of Muslim Scholars (IUMS). He holds several professional positions including Vice President of the European Council for Fatwa and Research, Chairman of the Board of Trustees of the University of Human Development in Iraqi Kurdistan, President and an Executive member of the Fatwa and Shariah Supervisory Board for a number of Islamic banks and insurance companies in the Arabian Gulf and other regions.

He has published more than 30 books and 100 academic papers. He was awarded the State Incentive Award in Islamic Comparative Jurisprudence by the state of Qatar and received the Medal of Pride by the religious administration and the Council of Muftis in Russia.

Dr. Sheikh Walid Bin Hadi

Committee member

Dr. Sheikh Walid Bin Hadi (Qatari) was educated at the University of Qatar and graduated with a B.A in Shariah and Usul-Eldeen (1991). He also holds a Master's in Shariah Law from Omdurman Islamic University (Sudan) in 2002, and a PhD in Shariah from Imam Muhammad Bin Saud al- Islamiyyah University in Riyadh in 2008.

Dr. Hadi started his career as a Judge at the Shariah Court in Qatar (1991). He is also a Shariah Committee member for various organisations including Qatar Islamic Bank, Qatar International Islamic Bank, Bank al-Rayyan, European Finance House (EFH), Solidarity Family Islamic Insurance Co. and Syrian International Islamic Bank. He has published various books and articles on Islamic Faith, Hadith, Usul al-Fiqh, Islamic Economy, Islamic Finance and Shariah Audit.

Mr. Eyad Abdulrahim

Committee member

Mr. Eyad Abdulrahim brings over 25 years of experience in leading finance departments in the region. He has led major publicly listed companies and family business finance departments and has also assumed board and top management positions within. He has also performed on major regional and international boards of directors. Mr. Abdulrahim has worked with some of the major institutions within the Middle East and GCC including Emaar, The Economic City, Al Futtaim Group Real Estate, Dubai Properties Group, Arabtec Holding, DEPA LTD, Standard Chartered Bank, and Arab Bank. He has led several IPOs in the region in addition to major restructuring, complex money market transactions, and growth responsibilities within his career.

Mr. Abdulrahim is a well-proven leader within the finance community in the MENA region and the GCC in particular. He holds an MBA degree from UOWD and a degree in Accounting and Finance.

The Committee is also responsible for the following:

- Providing Islamic advice and guidance at the request of the Company's management
- Reviewing the statutory auditors reports and ensuring their application with the rules of Islamic principles and submitting a report to the Board of Directors on this matter
- Determining whether the contracts and transactions offered to them are compatible with Islamic Shariah
- The Committee submits its periodic reports on the results of its work, and its recommendations to the Board of Directors for approval

The Chairman of the Shariah Supervisory Committee, Prof. Dr. Sheikh Ali Al Qaradaghi, acknowledges responsibility for discharging the Committee's mandate at Baladna, reviewing its work mechanism and ensuring its effectiveness in line with the approved Committee charter.

During the 2023 financial year, the Shariah Supervisory Committee held 1 Shariah Supervisory Committee meeting.

Meeting No.	Date	Prof. Dr. Sheikh Ali Al Qaradaghi	Dr. Sheikh Walid Bin Hadi	Mr. Eyad Abdulrahim
1/2023	12/3/2023	■	■	■

■ Present ■ Absent

3.4 Executive Committee

The primary objective of the Executive Committee is to provide strategic guidance, oversee major decisions, and support the execution of the Company's vision and goals. The Executive Committee acts as a bridge between the Board of Directors and the operational management, ensuring effective communication, decision-making and implementation of strategies.

Executive Committee members

Mr. Ramez Al-Khayyat

Committee Chairman

Mr. Ramez Al-Khayyat is a Qatari businessman based in Doha, with extensive experience in operations, risk management and business developments. He is a second-generation entrepreneur with years of executive experience in his family's contracting company, a practical mind, and an eye for detail. He is a competent leader and entrepreneur known for his distinguished experience in operations management, risk management and business development.

Mr. Ramez Al-Khayyat is the Vice Chairman of Power International Holding, a group of sustainable, innovative and successful companies across 5 different sectors, building value and contributing to the development of economies around the world, across Qatar, Europe, the UK, Turkey, Oman, the Maldives and Guyana.

Mr. Mazen Alsbeti

Committee member

Mr. Mazen Alsbeti is an accomplished specialist in the industry, with 23 years of comprehensive and successful experience as an Executive Director, initiating growth policies as a Senior Executive. He has outstanding planning, execution, monitoring and resource balancing skills, with the ability to support multiple projects in a matrix of organisational structure.

Mr. Alsbeti is the main contact person for business stakeholders in providing accurate reporting and information regarding ongoing projects, developing and executing strategies, working and forming relationships with prominent members of the media, government and the public, to uphold a positive image for the Company and generate new business opportunities.

Mr. Mazen holds a Bachelor of Science (BSc) in Zoology from North Carolina State University and a Master of Science (MS) in Business Administration and Management from the University of North Carolina.

Mr. Eyad Abdulrahim

Committee member

Mr. Eyad Abdulrahim brings over 25 years of experience in leading finance departments in the region. He has led major publicly listed companies and family business finance departments and has also assumed board and top management positions within. He has also performed on major regional and international boards of directors. Mr. Abdulrahim has worked with some of the major institutions within the Middle East and GCC including Emaar, The Economic City, Al Futtaim Group Real Estate, Dubai Properties Group, Arabtec Holding, DEPA Ltd, Standard Chartered Bank, and Arab Bank. He has led several IPOs in the region in addition to major restructuring, complex money market transactions and growth responsibilities within his career.

Mr. Abdulrahim is a well-proven leader within the finance community in the MENA region and the GCC in particular. He holds an MBA degree from UOWD and a degree in Accounting and Finance.

Mr. Khaled Zialnon

Committee member

Mr. Khaled Zialnon is a distinguished executive leader with a proven track record in business strategy, operations, problem-solving, and risk management. He currently serves as the Group Chief Governance Officer at Power International Holding, a dynamic international conglomerate based in Qatar. Mr. Zialnon has extensive experience in governance, compliance, and supply chain management, along with proven expertise in corporate policy management, delegation of authority, and business process engineering.

Throughout his career, he has held significant roles, including Group Chief Supply Chain Officer, General Manager – New Ventures, General Manager – Supply Chain, and Procurement Director. Mr. Zialnon commenced his career in Italy in international trade and moved to Qatar in 2017 as the Procurement Director at Baladna QPSC, where he played a pivotal role in the Company’s initial success. He then progressed to lead the Supply Chain department as a General Manager, managing the end-to-end supply chain process. Subsequently, he took on the role of General Manager for the New Ventures department, spearheading business diversification and expansion in Qatar and the international market. In terms of board involvement, Mr. Zialnon serves on the Board of Directors for Estithmar Holding QPSC and other private companies.

His leadership and strategic acumen make him a valuable asset in governance and boardroom decision-making, and his extensive experience and multifaceted skill set position him as an influential contributor to the organisations he serves.

The Committee is responsible for the following:

- Review and endorse, for Board approval, the long-term strategy of the Company. This involves a comprehensive analysis of economic and market conditions, aligned with directives from the Board of Directors
- Review and endorse, for Board approval, annual business plans and budgets across the Company. Ensure alignment with the long-term strategy and incorporate adjustments based on changes in economic, market and regulatory environments
- Monitor the Company’s quarterly performance against the established strategy, business plan and budgets. Ensure that the organisation stays on track and can promptly address any deviations from the set objectives
- Review and approve the corporate social responsibility strategy
- Review and consolidate marketing and communication plans, along with resource distribution plans. Ensure efficient and effective alignment to support business development and growth initiatives
- Review and consolidate business development strategies, product alignments and resource distribution across the Company. Involves optimising resource allocation to maximise growth opportunities
- Undertake other responsibilities delegated by the Board. This flexibility allows the Committee to address emerging issues and contribute to the overall success of the Company
- Establish and set target and review monthly key performance indicators (KPI) for the organisation
- Monitor KPIs and financial results and oversee digitisation progress across the Company

The Chairman of the Executive Committee, Mr. Ramez Al-Khayyat, acknowledges responsibility for discharging the Committee’s mandate at Baladna, reviewing its work mechanism and ensuring its effectiveness in line with the approved Committee charter.

During the 2023 financial year, the Executive Committee held 1 meeting.

Meeting No.	Date	Mr. Ramez Al-Khayyat	Mr. Mazen Alsabeti	Mr. Eyad Abulrahim	Mr. Khaled Zialnon
1/2023	29/11/2023	■	■	■	■

■ Present ■ Absent

3.5 Investment Committee

The primary objective of the Investment Committee is to provide strategic guidance, oversee major decisions and support the execution of the Company’s vision and goals. The Investment Committee acts as a bridge between the Board of Directors and the operational management, ensuring effective communication, decision-making and implementation of investment strategies.

Investment Committee members

Mr. Ramez Al-Khayyat

Committee Chairman

Mr. Ramez Al-Khayyat is a Qatari businessman based in Doha, with extensive experience in operations, risk management and business developments. He is a second-generation entrepreneur with years of executive experience in his family’s contracting company, a practical mind and an eye for detail. He is a competent leader and entrepreneur known for his distinguished experience in operations management, risk management and business development.

Mr. Ramez Al-Khayyat is the Vice Chairman of Power International Holding, a group of sustainable, innovative and successful companies across 5 different sectors, building value and contributing to the development of economies around the world, across Qatar, Europe, the UK, Turkey, Oman, the Maldives and Guyana.

Mr. Eyad Abdulrahim

Committee member

Mr. Eyad Abdulrahim brings over 25 years of experience in leading finance departments in the region. He has led major publicly listed companies and family business finance departments and has also assumed board and top management positions within. He has also performed on major regional and international boards of directors. Mr. Abdulrahim has worked with some of the major institutions within the Middle East and GCC including Emaar, The Economic City, Al Futtaim Group Real Estate, Dubai Properties Group, Arabtec Holding, DEPA LTD, Standard Chartered Bank, and Arab Bank. He has led several IPOs in the region in addition to major restructuring, complex money market transaction and growth responsibilities within his career.

Mr. Abdulrahim is a well-proven leader within the finance community in the MENA region and the GCC in particular. He holds an MBA degree from UOWD and a degree in Accounting and Finance.

Mr. Khaled Zialnon

Committee member

Mr. Khaled Zialnon is a distinguished executive leader with a proven track record in business strategy, operations, problem-solving, and risk management. He currently serves as the Group Chief Governance Officer at Power International Holding, a dynamic international conglomerate based in Qatar. Mr. Zialnon has extensive experience in governance, compliance and supply chain management, along with proven expertise in corporate policy management, delegation of authority and business process engineering.

Throughout his career, he has held significant roles, including Group Chief Supply Chain Officer, General Manager – New Ventures, General Manager – Supply Chain, and Procurement Director. Mr. Zialnon commenced his career in Italy in international trade and moved to Qatar in 2017 as the Procurement Director at Baladna QPSC, where he played a pivotal role in the Company’s initial success. He then progressed to lead the Supply Chain department as a General Manager, managing the end-to-end supply chain process. Subsequently, he took on the role of General Manager for the New Ventures department, spearheading business diversification and expansion in Qatar and the international market. In terms of board involvement, Mr. Zialnon serves on the Board of Directors for Estithmar Holding QPSC and other Private companies.

His leadership and strategic acumen make him a valuable asset in governance and boardroom decision-making, and his extensive experience and multifaceted skill set position him as an influential contributor to the organisations he serves.

Mr. Ismaeel Makdisi

Committee member

Mr. Ismaeel Makdisi is a distinguished professional with an extensive and varied career history. As the current Group Chief Legal Officer at Power International Holding (PIH), he leads all legal aspects for PIH, both domestically in Qatar and on a global scale, aligning with the organisation’s strategic plans for international growth. Previously, he served as the CEO of Intigral, a pioneering digital convergence company that supports telecom operators and ISPs across the Middle East and North Africa (MENA) region. Prior to ascending to CEO, Mr. Makdisi was the General Counsel and Vice President of Corporate Affairs at Intigral, where he managed the company's legal and corporate communication strategies. His academic credentials are equally notable. Mr. Makdisi earned a Juris Doctor (JD) from Chicago-Kent and a PhD in Political Sociology from the University of Illinois at Chicago, USA, equipping him with a robust understanding of law and sociology that he has skillfully leveraged throughout his professional journey.

The Committee is responsible for the following:

- Ensure the Board of Directors is informed about the Company’s investment portfolio including all ongoing and upcoming investments within the Company. Conduct project appraisals following a structured pattern and utilising project metrics that align with monitoring standards
- To provide assurance that the investment arrangements remain appropriate, and confirmation that the investment portfolio is being managed in accordance with the Investment policy
- Oversee and periodically review the performance of Company investments including the impact of on such performance of the Company investment policies and guidelines
- Assess and review the economic benefits to be achieved through the investment of capital and operating funds as set out in Company strategic priorities
- Review the objectives, strategies and policies in relation to the investment of funds, both capital and operational
- Review the short and long-term investment plans and recommend their adoption as required
- Oversee of the systems and processes in place that support good governance of individual projects and investment programmes, consistent with the risk appetite statements

- Ensure the investment opportunity/business idea yields investment returns as established
- Review and report in detail the performance of the investment portfolio
- Review engagement of advisors for investments and approve their scope and remunerations

The Chairman of the Investment Committee, Mr. Ramez Al-Khayyat, acknowledges responsibility for discharging the Committee’s mandate at Baladna, reviewing its work mechanism and ensuring its effectiveness in line with the approved Committee charter.

During the 2023 financial year, the Investment Committee held 1 meeting.

Meeting No.	Date	Mr. Ramez Al-Khayyat	Mr. Eyad Abdulrahim	Mr. Khaled Zialnon	Mr. Ismaeel Makdisi
1/2023	5/12/2023	■	■	■	■

■ Present ■ Absent

3.6 Tendering Committee

The primary objective of the Tendering Committee is to provide strategic guidance, oversee major decisions and support the execution of the Company's vision and goals. The Tendering Committee acts as a bridge between the Board of Directors and the operational management, ensuring effective communication, decision-making and implementation of tendering strategies.

Tendering Committee members

Mr. Khaled Zialnon

Committee Chairman

Mr. Khaled Zialnon is a distinguished executive leader with a proven track record in business strategy, operations, problem-solving and risk management. He currently serves as the Group Chief Governance Officer at Power International Holding, a dynamic international conglomerate based in Qatar. Mr. Zialnon has extensive experience in governance, compliance and supply chain management, along with proven expertise in corporate policy management, delegation of authority and business process engineering.

Throughout his career, he has held significant roles, including Group Chief Supply Chain Officer, General Manager – New Ventures, General Manager – Supply Chain, and Procurement Director. Mr. Zialnon commenced his career in Italy in international trade and moved to Qatar in 2017 as the Procurement Director at Baladna QPSC, where he played a pivotal role in the Company’s initial success. He then progressed to lead the Supply Chain department as a General Manager, managing the end-to-end supply chain process. Subsequently, he took on the role of General Manager for the New Ventures department, spearheading business diversification and expansion in Qatar and the international market. In terms of board involvement, Mr. Zialnon serves on the Board of Directors for Estithmar Holding QPSC and other Private companies.

His leadership and strategic acumen make him a valuable asset in governance and boardroom decision-making, and his extensive experience and multifaceted skill set position him as an influential contributor to the organisations he serves.

Mr. Eyad Abdulrahim

Committee member

Mr. Eyad Abdulrahim brings over 25 years of experience in leading finance departments in the region. He has led major publicly listed companies and family business finance departments and has also assumed board and top management positions within. He has also performed on major regional and international boards of directors. Mr. Abdulrahim has worked with some of the major institutions within the Middle East and GCC including Emaar, The Economic City, Al Futtaim Group Real Estate, Dubai Properties Group, Arabtec Holding, DEPA Ltd, Standard Chartered Bank, and Arab Bank. He has led several IPOs in the region in addition to major restructuring, complex money market transactions and growth responsibilities within his career.

Mr. Abdulrahim is a well-proven leader within the finance community in the MENA region and the GCC in particular. He holds an MBA degree from UOWD and a degree in Accounting and Finance.

Mr. Mazen Alsbeti

Committee member

Mr. Mazen Alsbeti is an accomplished specialist in the industry, with 23 years of comprehensive and successful experience as an Executive Director, initiating growth policies as a Senior Executive. He has outstanding planning, execution, monitoring and resource balancing skills, with the ability to support multiple projects in a matrix of organisational structure.

Mr. Alsbeti is the main contact person for business stakeholders in providing accurate reporting and information regarding ongoing projects, developing and executing strategies, working and forming relationships with prominent members of the media, government and the public, to uphold a positive image for the Company and generate new business opportunities.

The Committee is responsible for the following:

- The Tender Committee will play a pivotal role in supporting the Board by reviewing and recommending significant matters pertaining to the Group supply chains
- Review, monitor and provide approval for matters concerning the Group supply chains. This includes the evaluation and approval of bids in accordance with the prevailing delegated authority limits set and approved as per Delegation of Authority Matrix (DOA), as well structures, policies and any other matter pertaining to the supply chain function
- Uphold and reinforce corporate governance, integrity and transparency throughout the supply chain process and contract management
- Review and approve the list of tenderers to be invited for selective tenders and direct negotiations, staying within the limits defined as per approved DOA
- As per the limits defined in the approved DOA, the Committee evaluates bids, including the pre-qualification score of the vendors. Review bids rank based on their technical and financial merits
- Ensure the supply chain processes are transparent, fair and impartial. Verify compliance with the organisation's policies and procedures
- Regularly review policies and procedures related to the supply chain, including the framework adopting best and transparent practices. Propose any changes to the framework and contribute to the development of new policies for subsequent approval as per approved DOA
- The Tendering Committee shall be responsible for overseeing the tendering process, evaluating bids, negotiating with potential suppliers and selecting the most suitable supplier based on the evaluation criteria and other relevant factors
- The Tendering Committee shall ensure the procurement process is transparent, objective and in compliance with the organisation's policies and procedures. Meeting minutes or other appropriate records should be used and signed by all Tendering Committee members
- Approving the sourcing plan and budget, commercial terms, supplier list for each tender and ensure compliance with regulations, transparency and fairness

There were no meetings held by the Tendering Committee during the year 2023.

3.7 Delegation of Authority

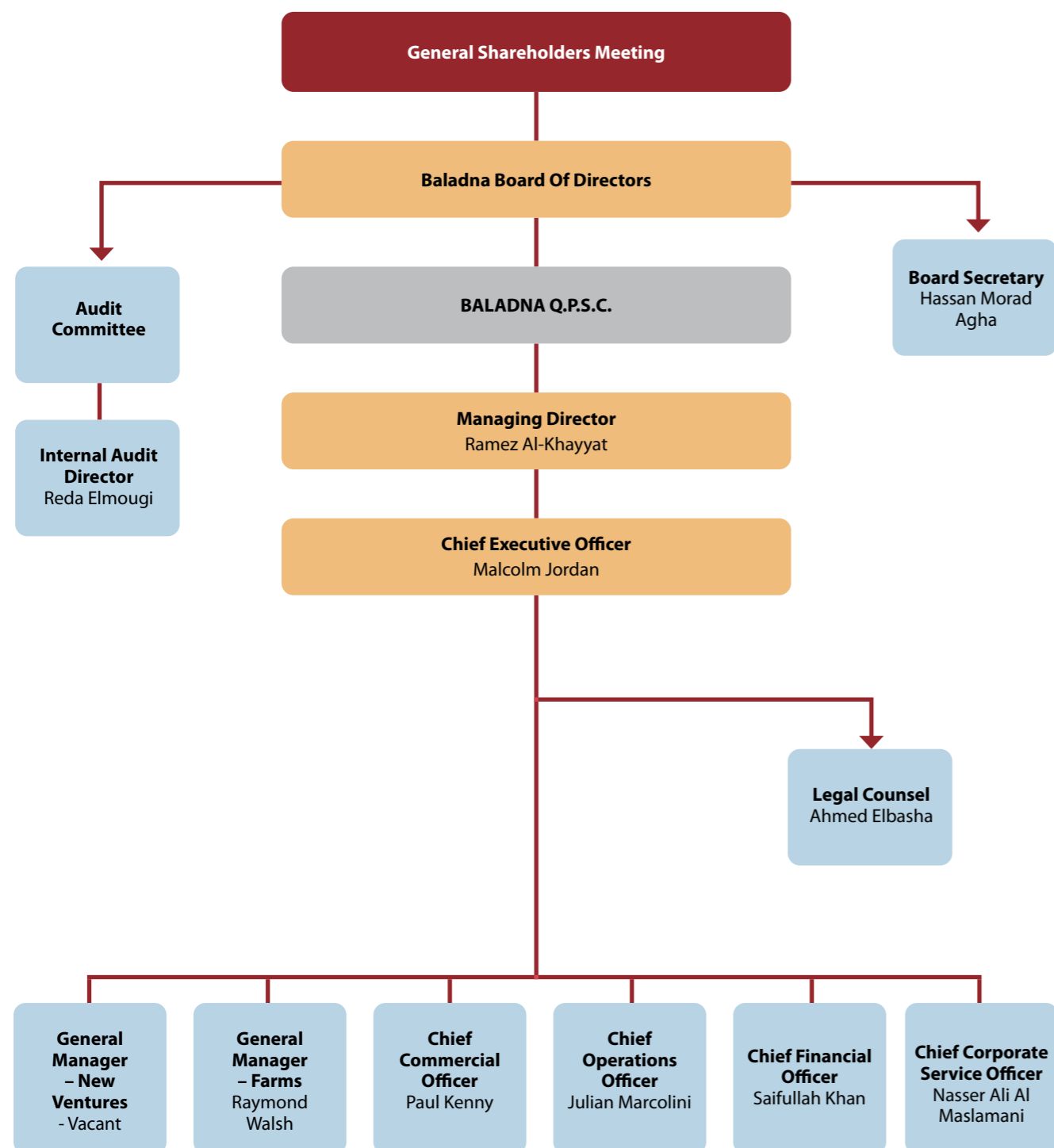
The Board is and shall remain responsible for the overall governance of the Company and for those matters that are reserved for the Board. The Board provided the Chairman and Vice Chairman with powers and authorities on behalf of the Board with the right of delegation. The Board, under Special Power of Attorney, delegated key authorities to the Managing Director, such as:

1. Manage the Company and its subsidiaries operations.
2. Represent and manage the Company and its subsidiaries in all transactions and documents before the government.
3. Sign all contracts and agreements on behalf of the Company inside and outside of Qatar.
4. Represent the Company in any manufacturing and/or distribution deals.
5. Represent the Company before the banks for opening and closing accounts, applying for loans and financial facilities, and signing LCs, bank guarantees and other bank documents.
6. Incorporate companies and branches within Qatar and abroad and sign their Articles of Association.

In pursuance of the special powers and authorities delegated to the Managing Director – who in turn delegates decision-making and approval authorities to the management as specified in the Authority Matrix approved by Board – the Delegation of Authority framework and policy was established to define the limits of authority designated to specific positions of responsibility within the Company. The Authority Matrix ensures efficient and effective decision-making which balances empowerment against controls.

On 13 December 2023, the Board of Directors reviewed the matrix of delegation of powers and responsibilities for the Company, and unanimously agreed to amend the matrix of delegation of powers and responsibilities, as well as the matrix of those authorised to sign in banks and commercial records.

4. Macro Organisational Chart



5. Executive Management

5.1 Executive Management's Profiles



Mr. Ramez Al-Khayyat
Managing Director

Mr. Ramez Al-Khayyat is a well-known entrepreneur and proven leader who brings a wealth of knowledge and experience in operations, risk management and business development. Mr. Al-Khayyat started his career as a Board member for Al-Khayyat Contracting and Trading, working to expand and develop the company.

In 2011, he and his brother, Mr. Mohamed Moutaz Al-Khayyat, founded Urbacon Trading and Contracting (UCC) in Qatar that has been a subsidiary of Urbacon Holding. As second-generation owners, Mr. Ramez Al-Khayyat runs Urbacon Holding, the privately held company and holds the position of President. UCC has constructed many internationally renowned projects.

In 2015, Mr. Al-Khayyat received recognition from the Socrates Committee in Oxford, UK, as Manager of the Year. They also recognised UCC as one of the Best Enterprises in the field of construction in Qatar.

As the Vice Chairman and Group CEO of Power International Holding, Mr. Al-Khayyat co-owns and manages a multitude of companies, operating in general contracting, agriculture and food industries, real estate development and lifestyle (hospitality, entertainment and catering).

The companies have grown horizontally by creating various affiliates. These operate across the world including Qatar, Europe, the UK, Turkey, Oman, the Maldives and Guyana, with plans for further expansion. Mr. Al Khayyat is also the Vice Chairman of Estithmar Holding Q.P.S.C.

Mr. Ramez holds a degree in Global Business from the University of the West of Scotland.



Mr. Malcolm Jordan
Chief Executive Officer

Mr. Malcolm Jordan re-joined Baladna as the CEO at the beginning of the year. He led Baladna during COVID-19 pandemic time and IPO.

Prior to joining Baladna, Mr. Jordan was part of the leadership team of Almarai, the largest food manufacturer and distributor in the Middle East and the largest integrated dairy company in the world. During his tenure at Almarai, Mr. Jordan held several executive positions including Executive Vice President-New Business, CEO-IPNC, General Manager-Marketing, General Manager-Quality, Product Development and Innovation.

Having worked in the region for the past 28 years, Mr. Jordan has a proven track record of delivering superior commercial results, building highly motivated teams and leading business transformation, value chain optimisation and major innovation projects.

Mr. Jordan is a graduate in Food Technology from the West of Scotland Agricultural College in Scotland and holds a Certificate in Leadership Development from IMD in Switzerland.



Mr. Saifullah Khan
Chief Financial Officer

Mr. Saifullah Khan is responsible for the strategic management of Baladna's financial functions, leading company IPO and international expansion to different geography to maintain the growth. He has considerable experience in scaling financial operations and organisational restructuring and has a strong track record in delivering improved financial performance, productivity and governance.

Mr. Khan's career has spanned a range of sectors including construction, manufacturing and dairy, and he has served in senior level financial positions with a range of multinational companies such as NLC Pakistan and Qatar Power Construction.

Mr. Khan holds a Bachelor's degree in Accounting, a Master's degree in Finance, CPA Certification and Executive MBA degree from HEC Paris.



Mr. Paul Kenny
Chief Commercial Officer

Mr. Paul Kenny is an accomplished Senior Commercial and Marketing Executive with 30 years of experience in major international and regional FMCG companies. Specialising in business turnarounds and building local and international brands, the last 20 years have been spent within the GCC, working with all major dairy players, most recently Al Safi Danone, Nadeq and Almarai. He has extensive experience in managing complex integrated businesses, developing and executing new routes to market models and creating fully integrated 360-degree brand campaigns.

Mr. Kenny possesses a process-driven approach to formulating customised strategies, particularly in under-performing business units, by leveraging a unique ability to enhance profitability through effective people management.

He holds a Graduateship of Marketing from the Marketing Institute of Ireland.



Mr. Julian Marcolini
Chief Operations Officer

Mr. Julian Marcolini joined Baladna Food Industries as General Manager Quality, Product Development, Health and Safety, Security and Environment. Mr. Marcolini is an accomplished senior management professional, with more than 20 years' experience in the areas of quality, food safety, manufacturing, supply chain and continuous improvement.

Mr. Marcolini has worked in the Middle East for the last 12 years for Almarai and has held several senior positions including Group Head of Quality and Head of Supply Chain for Almarai Infant Nutrition.

Mr. Marcolini completed his Master's in Business Administration from the University of Warwick, is a food science management graduate from the University of Salford and holds a Certificate in Leadership Development from IMD, Switzerland.



Mr. Nasser Ali Al Maslamani
Chief Corporate Services Officer

Mr. Nasser Al Maslamani holds an MBA from Henley Business School. He brings with him an array of experience from key sectors, ranging from the energy sector and financial sector to the sports sector and the tourism sector.

Prior to joining Baladna, Mr. Al Maslamani served as the Director of Planning and Quality for Qatar Tourism. Before that, he served as the Human Resources Director for Qatar Stars League, and as a Project Manager for Qatar Financial Centre Authority. He was one of the founders of the Qatar Finance and Business Academy during his tenure.



Mr. Ahmed El Basha
Legal Counsel

The position of Legal Counsel for Baladna Company is occupied by Mr. Ahmed El Basha. He joined the Company in 2019 and was a key participant in the establishment and listing of the Company.

His professional career began as a freelance lawyer and a member of the Arab Lawyers Union, then he obtained a diploma in International Arbitration.

Mr. El Basha has more than 15 years of professional experience. Prior to joining Baladna, he worked as a legal adviser to GMC Investments Company (Arab Republic of Egypt), legal adviser to a CIB company (Arab Republic of Egypt), and Shareholder Affairs Officer for Salam International Investment Company SILL (Qatar).

Mr. El Basha holds a Bachelor of Laws degree from Beni Suef University (Arab Republic of Egypt).

5.2 The Executive Management

The executive management, composed of senior executives of Baladna, is responsible for the management of the business and meets on a regular basis. The executive management members report to the Chief Executive Officer. The prime role of the executive management is to review business performance and organisational and operational matters, set strategies/initiatives and monitor their successful execution, and review key business KPIs and progress on key projects.

5.3 Compensation for the Key Management Personnel

	For the year ended 31 December 2023 (QR)
Salary, bonus and other allowances	12,967,625
Employees' end of service benefits	1,364,038
Total compensation of key management personnel	14,331,663

Baladna did not provide any cash loans, guarantees or credits to any of the Chairman or members of the executive management during the fiscal year ending 31 December 2023.

6. Insider Trading

One of the main responsibilities of the Board of Directors is to ensure proper governance is applicable at Baladna for insider trading. An Insider Trading policy has been approved by the Board of Directors to ensure the highest level of integrity, transparency and disclosure. These rules are binding upon members of the Board, management of the Company and its employees, with the following obligations:

- Members of the Company's Board of Directors, as well as senior executives and major shareholders or controlling shareholders, are obliged to disclose the number of shares they hold within 15 days of their membership, as well as at the end of each financial year, and all trading by the Company's Board members, its executive management and, in compliance with the laws, the regulations and instructions issued in this regard
- The Chairman, members of the Board of Directors with listed securities in the market, its general manager or any employees who are familiar with the Company's material information, are prohibited from trading in the market, whether by himself, or in any other capacity, for the account of third parties in the securities of the same company, the parent company, subsidiary sister or ally of that Company, if any of these companies are listed on the market, during the prohibition periods stipulated in the applicable laws and regulations
- The Company is obliged to disclose information about the dealings of insider persons and their relatives in securities issued by the Company, parent company, subsidiaries or sister companies, including members of the Board of Directors in accordance with the regulations, laws and instructions issued in this regard through the preparation of a special and integrated register for all insider persons, including those who may be considered temporarily insider persons and who have access to the Company's internal information prior to publication. The register also contains prior and subsequent disclosures of insider persons
- Board members and any insider employees shall not use confidential information that may affect the price of securities for personal gain and any such act or transaction shall be null and void

7. Internal Control

Baladna's system of internal control aims to ensure the Board and management are able to fulfil the Company's business objectives. An effective internal control framework contributes to safeguarding the shareholders' investment and the Company's assets. The objective of Baladna's internal control framework is to ensure internal controls are established; that policies and procedures are properly documented, maintained and adhered to and are incorporated by the Company within its normal management and governance processes.

In accordance with the requirements set out in the Governance Code for Companies and Legal Entities Listed on the main market issued by the QFMA's Board pursuant to Decision No. (5) of 2016, management performs an ongoing process of identifying, evaluating and managing the risks faced by Baladna and establishes and maintains effective controls for the risks identified, including those over financial reporting.

The Company carries out the review of its internal controls over financial reporting on an annual basis with respect to all material financial balances, whereby the management assesses the adequacy of design and operating effectiveness of such internal controls over financial reporting. This assessment is reviewed by the Company's independent Auditors.

Management has assessed the adequacy of design and the operating effectiveness of the Company's internal controls over financial reporting as at 31 December 2023. Based on the assessment, management has concluded the internal controls over financial reporting are adequately designed and operating effectively with no material weaknesses identified.

Baladna's operating policies and procedures are considered to be adequate and effective, while recognising that such a system is designed to mitigate rather than eliminate the risk of failure to achieve business objectives and can provide reasonable but not absolute assurance against material misstatement or loss.

The Board of Directors acknowledges its responsibility for Baladna's internal control framework. The Board has delegated responsibility for oversight of the Internal Audit department (IAD) to the Audit Committee. The Head of Internal Audit is appointed by the Audit Committee. The Audit Committee reviews the effectiveness of the IAD function.

The objective of the IAD function is to provide independent assurance and consulting services using a disciplined systematic approach to improve the effectiveness of risk management, internal control, compliance and governance process, and the integrity of Baladna's operations. The function is also responsible for monitoring the compliance of the Company and its employees with the law, regulations and resolutions, as well as internal policies and procedures. Baladna's IAD functions are governed by a charter which sets out the purpose, authority and responsibility of the function, in addition to Baladna's Internal Audit Procedural manual.

During the period 1 January to 31 December 2023, no significant operational internal control failures were identified. However, process level improvements were identified by the IAD and accepted by management for implementation towards the continuous improvement of Baladna's internal controls. On an ongoing basis, the Audit Committee monitors the progress that management has made with respect to remedial actions taken on issues and findings raised by the IAD.

Mr. Reda El Mougi is the Internal Audit Director reporting to the Audit Committee.

Qualifications

Bachelor's degree in Auditing and Accounting, a Certified Internal Auditor (CIA), and Risk Management Assurance and other professional certificates.

8. Risk Management

Risk management is integral to Baladna's strategy and to the achievement of our long term goals. The Board has established a risk and control structure designed to manage the achievement of strategic business objectives. In doing so, we take an embedded approach that places risk management at the core of the leadership team agenda, which is where we believe it should be.

The Board provides oversight of Baladna's risk management strategy and has the overall responsibility for setting the Company's risk appetite. Risk appetite guides the Company in determining the nature and extent of risk it would ordinarily accept, while executing the business model for creating sustainable shareholder value.

Baladna accepts and applies a moderate risk appetite as it seeks a balanced management of opportunities for sustained business growth along with focused identification and exploitation of opportunities generated through its business. The Audit Committee oversees compliance with risk management processes and the adequacy of risk management activities related to Baladna's operations. In addition, management reviews the risk appetite and makes recommendations to the Board through the Audit Committee and actions required to ensure adequate controls/mitigating actions are in place against key identified risks. The Company applies a structured and robust enterprise risk management approach whereby the risk management process is implemented in defined steps: identify, assess, prioritise, mitigate, monitor and report.

9. External Auditors

The appointment and remuneration of the external auditors was approved by the General Assembly meeting of Baladna held on 11 April 2023. The shareholders appointed Moore Stephens and Partners certified Public Accountants – Qatar as the external auditors for the year 2023 for a professional fee of QR 309,000, in accordance with the provisions of Article 141 of the Companies Law.

Moore is a multinational professional services firm headquartered in the United Kingdom. It is one of the recognised audit firms and has been the only external auditor of the Company since it was listed on the Qatar Exchange, since their appointment at the Constitutive General Assembly meeting held on 26 November 2019. Mr. Fathi Abu Farah is the partner issuing the Independent Auditor's Report.

There have been no qualified opinions reported by our external auditors on Baladna's interim semi-annual and annual consolidated financial statements as at 31 December 2023. Please refer to the Independent Auditor's Report in the financial statements for further details.

10. Corporate Social Responsibility

Baladna's approach to corporate social responsibility (CSR) centres on the idea of creating shared value for all of its stakeholders through economic, environmental and social actions. Accordingly, the CSR programme has 4 pillars: Community, Workplace, Nutrition and Wellbeing, and Environment and Sustainability. At Baladna, the heart of the shared value concept rests on the ability of a company to create private value and transform this into public value for the society.

The total amount spent during the period from 1 January to 31 December 2023 on CSR initiatives was QR 13,774,414. One of the key initiatives or sponsorships during the period was the support of the Social and Sports Activities Fund.

11. Protection of Shareholders' and Stakeholders' Rights

Baladna is committed to protecting shareholders' and stakeholders' rights in accordance with the required bylaws, regulations and as part of its corporate governance framework. To accomplish this, Baladna exercises diligence and care in conducting all its operations, including effective and efficient use of resources to maximise shareholder benefits.

Baladna ensures all shareholders are entitled to their rights fairly and equally and that they are protected against any violation to those rights. To ensure shareholders' assets are protected against any misuse that may occur from the Board of Directors, executive management or relevant stakeholders, Baladna maintains a robust Shareholders' and Stakeholder's Rights policy.

The Company adopts the principle of justice and equality. The stakeholders have been equal in rights, and no discrimination is made between them on any basis. They have all the rights resulting from share ownership. In accordance with the provisions of the Company's Articles of Association and the provisions of the Board of Directors' charter, the Company is committed to guaranteeing the rights of shareholders that enable them to exercise their rights. Enjoying these rights includes the following:

- Shareholders' rights related to profits
- The shareholder's right to obtain information
- Shareholder rights related to the general assembly, voting and election of Board members
- Facilitating effective participation in decision-making
- Shareholders' rights related to major transactions
- The right to complain and litigate

12. Dealing with Rumours

Baladna has a policy for disclosure and communication that includes a policy for dealing with rumours. The charter of the Board of Directors also stipulated the appointment of an official spokesperson for the Company, who was responsible for making official statements, responding to rumours and all enquiries, as well as providing the correct information to the public.

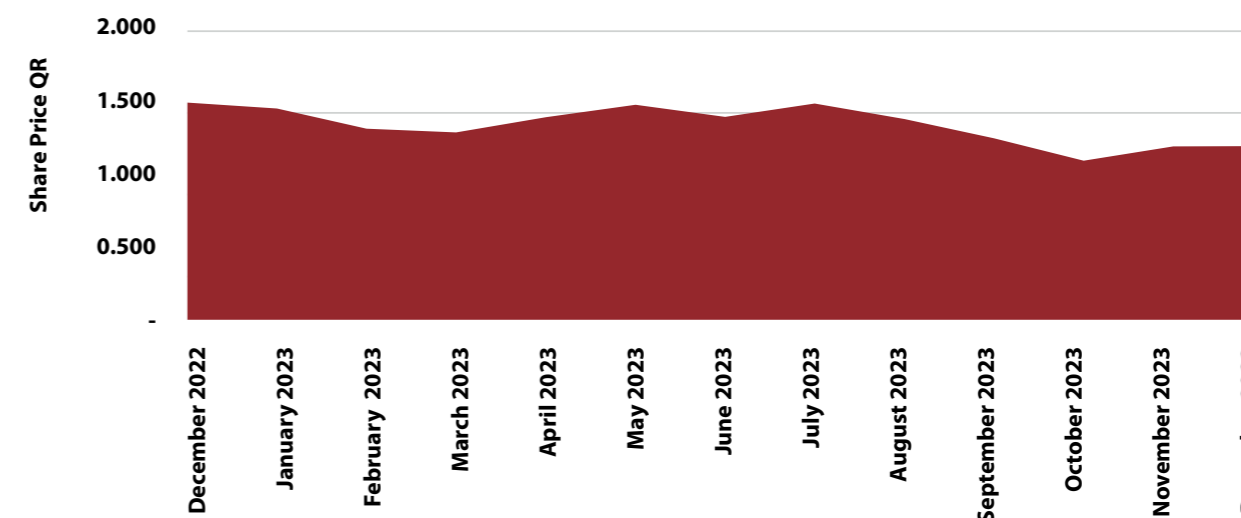
13. Ownership Structure and Share Performance

Share Performance

Baladna share price at the end of each month in 2023 compared with the market and industry index.

Month	Closing Price QR	Max. Price QR	Min. Price QR	Avg. Price QR	Market Index	Sector Index
January	1.490	1.619	1.490	1.543	10,932.29	7,828.05
February	1.346	1.500	1.270	1.345	10,571.00	7,494.62
March	1.320	1.390	1.187	1.316	10,212.61	7,866.39
April	1.428	1.474	1.299	1.358	10,181.23	7,703.54
May	1.515	1.619	1.430	1.531	10,154.81	7,758.22
June	1.430	1.568	1.290	1.509	10,074.60	7,893.79
July	1.524	1.549	1.422	1.510	10,962.95	7,963.87
August	1.414	1.570	1.398	1.503	10,194.74	7,629.20
September	1.278	1.448	1.249	1.319	10,251.95	7,636.06
October	1.121	1.300	1.050	1.184	9,523.53	6,964.47
November	1.221	1.293	1.120	1.232	10,041.72	7,323.37
December	1.224	1.237	1.151	1.202	10,830.63	7,575.67

Baladna Share Price



Shareholder Information

Share distribution as at 31 December 2023

	National		GCC		Arab		Foreign		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Individual	1,149,650,566	60.476%	1,114,336	0.059%	31,193,356	1.641%	25,031,373	1.317%	1,206,989,631	63.492%
Companies	411,746,025	21.659%	2,735,061	0.144%	433,945	0.023%	54,284,110	2.856%	469,199,141	24.682%
Governments	224,637,728	11.817%	-	-	-	-	-	-	224,637,728	11.817%
Institutions	173,500	0.009%	-	-	-	-	-	-	173,500	0.009%
Total	1,786,207,819	93.961%	3,849,397	0.202%	31,627,301	1.664%	79,315,483	4.173%	1,901,000,000	100.000%

Shareholders owning 5% or more shares

Shareholder	No. of Shares as at 31 December 2023	
	No. of Shares	%
Mr. Moutaz Al-Khayyat	257,713,509	13.557%
Mr. Ramez Al-Khayyat	261,278,594	13.744%
General Retirement and Social Insurance Authority (GRSIA)	179,502,465	9.443%
Total	698,494,568	36.744%

Share distribution based on the size of ownership as of 31 December 2023

Ownership of Shares	No. of Shareholders	Shares Owned	Shares as a percentage of Capital
Less than 50,000 shares	28,485	191,471,801	10.072%
50,000 - less than 500,000 shares	1,677	179,422,504	9.438%
500,000 - less than 5,000,000 shares	166	212,560,971	11.182%
More than or equal 5,000,000 shares	37	1,317,544,724	69.308%
Total	30,365	1,901,000,000	100.000%

14. Shareholders' Register

On a monthly basis, Baladna receives updates on its shareholders' register from Central Securities Depository (QCS). Furthermore, Baladna sends updates on its list of insiders to QCS regularly and/or whenever it gets updated.

15. Investor Relations

To comply with the Qatar Exchange rules and controls over investor relations for listed companies, Baladna has implemented the following:

- Appointment of an Investor Relations Officer; Mr. Asanka Kumara is the Investor Relations Officer in addition to his role as Baladna's Accounting Manager. The following are his contact details:
E-mail: a.kumara@baladna.com
Phone: +974 5044 9703
- Maintenance of effective communication with the shareholders: Baladna regularly announces its results to QFMA, Qatar Exchange and shareholders by way of interim statements, quarterly, semi-annual and annual results. Significant matters relating to share trading or business development are disclosed to QFMA, QE and the general public by way of market disclosures and announcements in accordance with the related provisions of applicable laws and regulations, in addition to press releases and postings on Baladna's website

Furthermore, Baladna's investor relations function includes:

- Quarterly conference calls on financial results with the investment community
- Responding to enquiries from shareholders through Baladna's investor relations function
- Meetings between investors, analysts and senior management
- Regular investor conferences organised by the investment community
- A section dedicated to investors on Baladna's website, which comprises of annual reports, quarterly results, corporate governance report, investor presentations, share price and dividend information. (<https://baladna.com/corporate>)

The Company uses the above link to update and publish information and data that has already been disclosed, in addition to other information related to the Company and its shareholders.

16. Disclosure and Transparency

The Board of Directors is committed to the best practices of disclosure and communication in compliance with the principles and rules of governance, integrity and transparency. The Company adheres to all disclosure requirements and issues all financial reports, audit reports, and all essential information related to the Company. This is in line with international best practices.

The Board has adopted a clear policy of disclosure and communication to establish a relationship of transparency and integrity with shareholders, by informing them of the Company's developments on a regular basis with the aim of encouraging investment in the Company's shares, which adopted the following:

- Disclosing the number of shares of Board members, senior executive management, and major or controlling shareholders
- Disclosing any essential information related to current projects, the projects it intends to enter, or any projects or information that affects the stock price
- The Company is committed to publishing financial reports in local newspapers, on the stock exchange's website, and on the website
- Disclosing the names of the members of the committees emanating from the Council, and the framework and systems of their work
- Financial statements are published in 2 local daily newspapers, on the company's website and on the stock exchange's website
- The Company annually publishes a governance report on its website
- The Company has appointed an official spokesperson authorized to issue statements and press releases on everything related to the Company, and he is responsible for responding to rumours and all enquiries
- The Company provides all information that concerns shareholders on its website in a way that ensures easy access, and it is updated periodically

17. General Assembly Meeting

Baladna held its General Assembly meeting on 11 April 2023, and the following decisions were taken:

1. The General Assembly approved the Board of Directors' report on the Company's activities and the financial position for the financial year ended 31 December 2022, and the Company's business plan for the year 2023.
2. The General Assembly approved the External Auditor's report on the Company's financial statements for the year ended 31 December 2022.
3. The General Assembly approved the Company's consolidated and audited financial statements for the financial year ended 31 December 2022, including the profit and loss and balance sheet statements.
4. The General Assembly approved the proposal of the Board of Directors not to distribute dividends to its shareholders for the year 2023 out the profit of the year 2022.
5. The General Assembly approved discharge the Board of Directors from any liability relating to their directorship duties and responsibilities for the financial year ended 31 December 2022 and approved not to pay bonus to the Chairman and Board of Directors.
6. The General Assembly approved the appointment of Moore Stephens as the Company's Auditors for the financial year 2023 and approved their fees as per the Board's recommendation.
7. The General Assembly approved the Company's Corporate Governance Report for the year 2022 and approved the Annual Report for the year ended 31 December 2022.
8. The General Assembly approved the Board of Directors policies (Dividend policy, Board Remuneration policy and Related Party policy).
9. The General Assembly endorsed the Board of Directors decision to donate QR 1 million to M/s. Qatar Charity, as a participation in the relief campaign for those affected by the earthquake that took place in Turkey and Syria.

18. Whistleblowing

Baladna maintains robust guidelines, channels, safeguards and protection mechanisms to encourage whistleblowing in Baladna. The Whistleblowing policy at Baladna encourages employees to raise genuine concerns within the Company without fear of reprisals, rather than overlooking a problem. The Whistleblowing policy at Baladna provides guidelines on the whistleblowing concept and sets minimum standards for these matters within Baladna to ensure any such cases reported by the employees in good faith are properly dealt with. Thus, the objective of this policy is to provide employees with a channel for whistleblowing, to ensure appropriate action is taken on a timely basis and to ensure Baladna's reputation is maintained.

Generally, this misconduct is a violation of law(s), rule(s) and regulation(s): fraud, bribery, health and safety violations, corruption and/or a direct threat to public interest. Whistleblowing encourages employees to report wrongdoings or violations that they are aware of or have suspicions or concerns about, to earmark the responsible and designated internal authority within Baladna, so that appropriate action can be taken immediately to resolve the problem. Furthermore, it serves to minimise the Company's exposure to reputational or financial damage that may occur when employees circumvent internal mechanisms and demonstrates to employees and stakeholders that Baladna is serious about adherence to its Code of Conduct.

19. The Company's Irregularities and Violations

Baladna's Board of Directors and its top management are keen to implement all rules and regulations outlined in the Corporate Governance Code for the companies and legal entities listed on the main market issued by Qatar Financial Markets Authority and Commercial Companies Law No. (11) for 2015 and its amendments.

During the period 1 January 2023 to 31 December 2023, no fines or material penalties were imposed on the Company by the Qatar Financial Markets Authority or any other legal authority in any matter related to the financial markets.

We would also like to point out that the Company does not comply with the provisions of Articles 6 and 18 of the Corporate Governance Code, as the number of independent members on the current Board is less than one-third. This is because the current Board of Directors is the first Board of Directors of the Company. It is a Board appointed by the founders and its term will end at the end of 2024. It was appointed in agreement with the representative of the golden share. This will be remedied in the upcoming councils.

There are no major lawsuits filed against the Company that might affect the Company's activity, its financial statements, or the stock price.

20. Conflict of Interests and Code of Conduct

The Company adopts a policy that ensures the confidentiality and integrity for any reports of illegal actions relating to employees and general performance measures, which are clarified in Baladna's Code of Conduct. The Code includes the expected behaviour of employees, particularly regarding compliance with laws and regulations.

Employees must avoid conflicts of interest, particularly in commercial transactions, business administration and activities, using the Company's assets, records and information, and relationships with related parties outside the Company. No employee may accept or request gifts or bribes, loans or bonuses, prizes or commissions. The Company is resolved to combat all forms of conflicts of interest in addition to other matters.

Furthermore, the Company complies with Articles 108, 109, 110 and 111 of the Commercial Companies Law No. 11 for 2015 and its amendments that states the following:

1. The Chairman or a Board member may not participate/engage in any business that competes with the Company's business, or may not be involved, either on his/her own behalf or on others' behalf, in any type of business or activities in which the Company is engaged, otherwise the Company is entitled to ask him/her for compensation or take the ownership of the activities he/she is engaged in.
2. The Chairman, a Board member or a Director is not permitted to practice any activity that is similar to the Company's activities, or to have any direct or indirect interest in contracts, projects and covenants made in favour of the Company.
3. The Company may not offer a cash loan of any kind to any member of its Board of Directors or to guarantee any loan held by one of them with others or make an agreement with banks or other credit companies to lend money to any of the Board members or open a facility or guarantee a loan with other parties beyond the terms and conditions set by the Central Bank of Qatar. Agreements beyond the provisions of this Article will be considered null and void, and the Company retains its rights to request compensation, when necessary, from the offending parties.
4. It is prohibited for the Chairman and the Board members or the Company's staff to take advantage of any information delivered to his/her knowledge by virtue of his/her membership or position for the benefit of him/herself, his/her spouse, his/her children or any of his relatives to fourth degree either directly or indirectly, as a result of dealing in securities of the Company. Nor may they have any interest, directly or indirectly, with any entity conducting operations intended to make a change in the securities prices issued by the Company. This ban stays in effect for 3 years after the expiry of the person's membership on the Board of Directors or the expiry of his work at the Company.

21. Related Party Transactions

Sales and Purchases

Related Party	Relationship	Nature of the transaction	For the year ended 31 December 2023	
			Sales QR	Purchases QR
Yemek Doha Catering Services W.L.L.	Related party	Dairy and juice sales	26,079,881	-
Aura Hospitality W.L.L.	Related party	Brand income from restaurant: dairy, juice and detergent sales	7,260,670	-
Widam Food Company Q.P.S.C.	Related party	Livestock sales	4,601,282	-
Aura Entertainment W.L.L.	Related party	Brand income from Park: dairy and juice sales/promotional expenses	1,662,044	600,000
Elegancia Group W.L.L.	Related party	Detergent sales	1,506,094	-
QA Aura Restaurant	Related party	Dairy and juice sales	284,147	-
Sazeli Restaurant W.L.L.	Related party	Dairy and juice sales	186,593	-
Orient Pearl Restaurant W.L.L.	Related party	Dairy and juice sales/catering services	165,365	7,200
Damasca Restaurant W.L.L.	Related party	Dairy and juice sales	129,117	-
Urbacon Plant, Machinery and Vehicles (a branch of Urbacon Trading and Contracting Company W.L.L.)	Related party	Equipment rental income/equipment rental expenses	58,650	3,299,533
Elegancia Landscape W.L.L.	Related party	Compost sales/landscaping services	57,395	181,250
Urbacon Trading and Contracting W.L.L.	Related party	Detergent sales/camp and warehouse rentals	38,263	14,164,733
Power International Holding W.L.L.	Related party	Shared service expenses	-	12,638,492
Stark Security W.L.L.	Related party	Security services	-	1,582,701
Joury Tour & Travels W.L.L.	Related party	Staff tickets and business travel expenses	-	1,267,365
Elegancia Facility Management Limited W.L.L.	Related party	Landscaping services	-	540,000
Credo Trading Company W.L.L.	Related party	Chemical supplies	-	533,571
Printshop for Printing Services W.L.L.	Related party	Printing services	-	303,525
General Pension and Social Security Authority	Related party	Employee pension	-	294,787
Arab Builders W.L.L.	Related party	Maintenance works	-	221,162
Retaj Baywalk Residence W.L.L.	Related party	Staff accommodation services	-	60,000
Assets Real Estate Development Co. WLL	Related party	Staff accommodation services	-	8,243
Total			42,029,501	35,702,562

Capital expenditure

Related party	Relationship	Nature of the transaction	For the year ended 31 December 2023
			(QR)
Elegancia Electromechanical Services W.L.L.	Related party	Supply and installation of utilities	6,581,707
Urbacon Trading and Contracting W.L.L.	Related party	Construction work	4,822,786
Joury Tour & Travels W.L.L.	Related party	Travelling expenses of consultants relating to plant under construction	2,804,570
Water Master W.L.L.	Related party	Construction work	195,000
Retaj Baywalk Residence W.L.L.	Related party	Accommodation expenses of consultants relating to plant under construction	124,000
			14,528,063

Directors' Report on Internal Controls Over Financial Reporting (ICOFR)

Due From Related Parties

Related party	Relationship	As at 31 December 2023 (QR)
Urbacon Trading and Contracting W.L.L.	Related party	44,819,060
Aura Hospitality W.L.L.	Related party	14,722,334
Yemek Doha Catering Services W.L.L.	Related party	8,191,759
Elegancia Landscape W.L.L.	Related party	4,751,560
Aura Entertainment W.L.L.	Related party	3,309,046
Widam Food Company Q.P.S.C.	Related party	1,798,459
Sazeli Restaurant W.L.L.	Related party	891,059
Elegancia Group W.L.L.	Related party	749,383
Damasca Restaurant W.L.L.	Related party	271,624
Printshop for Printing Services W.L.L.	Related party	155,475
QA Aura Restaurant	Related party	121,132
Retaj Baywalk Residence W.L.L.	Related party	8,000
		79,788,891

Due To Related Parties

Related party	Relationship	As at 31 December 2023 (QR)
Elegancia Electromechanical Services W.L.L.	Related party	1,957,475
Essa Ahmed Jabor Ali Abdullah	Related party	770,000
Urbacon Plant, Machinery and Vehicles (a branch of Urbacon Trading and Contracting Company W.L.L.)	Related party	712,055
Joury Tour & Travels W.L.L.	Related party	596,235
Power International Holding W.L.L.	Related party	440,000
Elegancia Hospitality Services W.L.L.	Related party	240,001
Ghassan Khalid Al Salama	Related party	148,525
Credo Trading Company W.L.L.	Related party	103,971
Water Master W.L.L.	Related party	68,800
Elegancia Steel Trading W.L.L.	Related party	34,585
Assets Real Estate Development Co. WLL	Related party	9,309
General Pension and Social Security Authority	Related party	5,775
Others	Related party	5,825
		5,092,556

22. Significant Events during 2023

- Successfully launched 23 new SKUs across all categories/channels and increased market share in major product categories
- Acquiring 75% stake of the E-Life Detergent Factory and commencement of operation under Baladna
- Partnering with global cheese producer Bel Group to manufacture La Vache Qui Rit and Jibnet Abu Al Walad in Qatar
- Commissioning operation of evaporated milk and sterilised cream manufacturing facility
- Increased ownership stake to 15% in Juhayna Food Industries, a company listed on the Egyptian Stock Exchange
- Signing a memorandum of cooperation with the Suez Canal Authority (Arab Republic of Egypt) regarding studying the possibility of partnership in establishing a project for raising cows and growing fodder in the Arab Republic of Egypt

Assessment Report on Internal Controls Over Financial Reporting:

The Board of Directors of Baladna (Q.P.S.C.) ("the Company") is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICOFR") as required by Qatar Financial Markets Authority ("QFMA"). Our internal controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR also includes our disclosure controls and procedures designed to prevent misstatements.

We have conducted an evaluation of the design, implementation, and the operating effectiveness of internal controls over financial reporting, as of 31 December 2023, based on the framework and the criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").

We have covered all the material aspects of the business in its assessment of internal controls over financial reporting as at 31 December 2023, for the period from 1 January 2023 to 31 December 2023.

The Company's statutory auditor, Moore Stephens, and Partners Certified Public Accountants (Moore), Qatar has issued a reasonable assurance report on our assessment of ICOFR.

1. Risks in Financial Reporting

The main risks in financial reporting are that either financial statements do not present a true and fair view due to unintentional or intentional errors (fraud) or the publication of financial statements is not done on a timely basis. A lack of fair presentation arises when one or more financial statement amounts, or disclosures contain misstatements (or omissions) that are material.

Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make based on the financial statements.

To restrain those risks of financial reporting, Baladna has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements. The Company conducted an assessment of the effectiveness of Baladna's internal controls over financial reporting based on the framework established in the Internal Control Integrated Framework (2013), issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate adequacy of a control system.

The COSO Framework includes 17 basic principles, and the following 5 components:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

Controls covering each of the 17 principles and 5 components have been identified and documented. As a result, in establishing ICOFR, management has adopted the following financial statement objectives:

- Existence/Occurrence – assets and liabilities exist, and transactions have occurred
- Completeness – all transactions are recorded; account balances are included in the financial statements
- Valuation/Measurement – assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts
- Rights, Obligations and Ownership – rights and obligations are appropriately recorded as assets and liabilities
- Presentation and Disclosures – classification, disclosure and presentation of financial reporting is appropriate

However, any internal control system, including ICOFR, no matter how well conceived and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

2. Organisation of the Internal Control System

Functions involved in the system of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business functions and infrastructure functions with an involvement in reviewing the reliability of the books and records that underlie the financial statements on a quarterly basis. As a result, the operation of ICOFR involves staff based in various functions across the organisation.

Controls to minimise the risk of financial reporting misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimising the risk of misstatement of the financial statements.

Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties
- operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process
- are preventative or detective in nature
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include entity level controls and IT general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorisation of transactions

3. Measuring Design, Implementation and Operating Effectiveness of Internal Control

The Company has undertaken a formal evaluation of the adequacy of the design, implementation and operating effectiveness of the system of ICOFR. This evaluation incorporates an assessment of the design, implementation and operating effectiveness of the control environment as well as individual controls which make up the system of ICOFR taking into account:

- The risk of misstatement of the financial statement line items, considering such factors as materiality and the susceptibility of the particular financial statement item to misstatement
- The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, risk of management override, competence of personnel, and the level of judgement required

These factors, in aggregate, determine the nature and extent of evidence that management requires to be able to assess whether or not the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings.

The evaluation has included an assessment of the design, implementation, and operating effectiveness of controls within various processes including Revenue, Receipts and Receivables, Treasury, procure to pay, Human Resources and Payroll, Fixed Assets and Intangibles, Inventory, General Ledger and Financial Reporting, IT Controls, Entity Level Controls and Disclosure Controls.

As a result of the assessment of the design, implementation and operating effectiveness of ICOFR, management did not identify any material weaknesses and concluded that ICOFR is appropriately designed, implemented and operated effectively as of 31 December 2023.

24. Conclusion and Signature

Baladna's commitment to sustainability and cooperation among various stakeholders will ensure long-term growth and responsible business practices. This strategy serves as a model for companies and other countries prioritising food security.

The 2023 Corporate Governance Report demonstrates and confirms the Company's adherence to corporate governance standards, best practices, and all corporate governance requirements issued by the Qatar Financial Markets Authority, ensuring the sustainability and growth of Baladna, and enhancing the confidence of shareholders, investors and all stakeholders.

As we welcome the new year with a new perspective and positive outlook, we are proud that Baladna continues to fulfill its commitment to supporting Qatar's vision of achieving self-sufficiency and food security.

Accordingly, and in accordance with the provisions of the articles 2 and 4 of the Corporate Governance Code, the Board of Directors has prepared the Corporate Governance Report and disclosed the Company's commitment to implementing the provisions of this code, including all information related to the application of its principles and provisions.

Moutaz Al-Khayyat
Chairman

Independent external auditor's assurance reports



Independent Assurance Report to the Shareholders of Baladna Q.P.S.C in connection with compliance to the Qatar Financial Markets Authority's Law and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016 as of 31 December 2023

To the Shareholders of Baladna Q.P.S.C
Doha – State of Qatar

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over Board of Directors' assessment of compliance of Baladna Q.P.S.C referred as the "Company" with the QFMA's law and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market (the "Code") as of 31 December 2023 as noted in the Board of Director's Corporate Governance Report (Corporate Governance Report), excluding provisions listed under Other information section of this report.

Responsibilities of the directors and those charged with governance

The Board of Directors of the Company are responsible for preparing the accompanying Corporate Governance Report that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Company's compliance with the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 and preparing the 'Report on compliance with the QFMA's law and relevant legislations, including the Code', as set out in the Corporate Governance Report.

Responsibilities of the Assurance Practitioner

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the "Board of Directors' Governance Report on compliance with the QFMA's law and relevant legislations, including the Code" presented in the Corporate Governance Report do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures.

Reporting on compliance with QFMA's law and relevant legislations, including the Code

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole, is not prepared in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Accordingly, we do not express a reasonable assurance opinion about whether the Board of Directors' statement of compliance with the QFMA's law and relevant legislations, including the Code, taken as a whole has been prepared, in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies of the Company, and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA's law and relevant legislations, including the Code (the 'Requirements'); the procedures adopted by management to comply with these Requirements and the methodology adopted by management to assess compliance with these Requirements. This included analysing the key processes and controls for reporting compliance with the Requirements;
- considered the disclosures by comparing the contents of the Corporate Governance Report against the requirements of Article 4 of the Code;
- agreed the relevant contents of the Corporate Governance Report to the underlying records maintained by the legal and compliance department of the Company;
- performed limited substantive testing on a selective basis, when deemed necessary, to assess compliance with the Requirements, and observed evidences gathered by the Company's management and assessed whether violations of the Requirements, if any, have been disclosed by the Board of Directors, in all material respects.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's law and relevant legislations, including the Code.

Our independence and quality management

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the (IESBA) Code.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Governance Report and the methods used for determining such information.



Other information

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report (but does not include the Directors' Report on compliance with QFMA's law and relevant legislations including the Code' presented in the "Directors' Statement" which we obtained prior to the date of this assurance report.

Our conclusion on the Board of Director's Corporate Governance Report on compliance with applicable QFMA's law and relevant legislations including the Code does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the applicable sections of the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Corporate Governance report or our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

Conclusion

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the Board of Directors' report on compliance with QFMA's law and relevant legislations, including the Code, as presented in Board of Director's Corporate Governance Report, do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code as at 31 December 2023.

Moore Stephens and Partners
Certified Public Accountants



Fathi Abu Farah
Member of Qatar Association of
Certified Public Accountant
License No. 294
QFMA Auditor License No. 120189

Doha – Qatar
25 February 2024

Independent Assurance Report to the Shareholders of Baladna Q.P.S.C. on the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of 31 December 2023 in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016

To the Shareholders of Baladna Q.P.S.C.
Doha – State of Qatar

Report on the Directors' assessment of the suitability of the design, implementation and operating effectiveness of internal controls over financial reporting of significant processes as of 31 December 2023 of Baladna Q.P.S.C. hereinafter referred to as the "Company" and its subsidiaries together referred as the "Group" in connection with the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority's (QFMA's) Board pursuant to Decision No. (5) of 2016.

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Management's Internal Control Statement on assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting (Management Internal Control Statement) as of 31 December 2023, based on the framework issued by the Committee of Sponsoring Organisations of the Treadway Commission "COSO framework".

Responsibilities of the directors and those charged with governance

The Board of Directors are responsible for implementing and maintaining effective internal control over financial reporting. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate policies, and making accounting estimates and judgements that are reasonable in the circumstances.

The Group's assessment of its internal control system is presented by the management to the Board of Directors in the form of the management's Internal Control Statement contained in the Corporate Governance Report, which includes:

- the management's assessment of the suitability of design, implementation and operating effectiveness of internal control framework over financial reporting;
- the description of the process and internal controls over financial reporting for the Significant Process of (general IT and application controls, entity level controls, revenues, receivables, inventory management, fixed assets, treasury and cash management, biological assets, payroll, financial reporting and periodic closing of the financial records);
- the control objectives; including identifying the risks that threaten the achievement of the control objectives;
- designing, implementing and maintaining controls to achieve the stated control objectives; and
- identification of control gaps and failures; how they are remediated; and procedures set to prevent such failures or to close control gaps.

The Group has assessed the design, implementation and operating effectiveness of its internal control system as at 31 December 2023, based on the criteria established in the Internal Control- Integrated Framework 2013 issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO framework"). These responsibilities include the design adequate internal financial controls that would ensure the orderly and efficient conduct of its business, including:

- adherence to the Group's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations, including the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016.



Responsibilities of the Assurance Practitioner

Express a reasonable assurance opinion on the fairness of the presentation of Management's Internal Control Statement, based on the criteria established in COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of the Group's internal controls over financial reporting of "Significant Processes" presented in the Corporate Governance Report to achieve the related control objectives stated in that description based on our assurance procedures.

Reporting on internal controls over financial reporting

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Management's Internal Control Statement over assessment of suitability of the design, implementation and operating effectiveness of the Group's internal controls over financial reporting of significant processes of (general IT and application controls, entity level controls, revenues, receivables, inventory management, fixed assets, treasury and cash management, biological assets, payroll, financial reporting and periodic closing of the financial records) in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to impact the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: (revenues, receivables, inventory management, fixed assets, treasury and cash management, investment management, payroll, financial reporting and periodic closing of the financial records).

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the design, implementation and operating effectiveness of the controls in an organisation involves performing procedures to obtain evidence about the suitability of design and operating effectiveness of the controls. Our procedures on internal controls over financial reporting included:

- obtaining an understanding of internal controls over financial reporting for significant processes;
- assessing the risk that a material weakness exists; and
- testing and evaluating the design, implementation and operating effectiveness of internal control based on the assessed risk.

in carrying out our engagement, we obtained understanding of the following components of the control system:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operating effectiveness, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Corporate Governance Report. Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in the Corporate Governance Report were achieved.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion on the Management's Internal Control Statement over their assessment of the suitability of design and operating effectiveness of the Group's internal controls over financial reporting.

Our independence and quality management:

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the (IESBA) Code.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Meaning of internal controls over financial reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. An entity's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the International Financial Reporting Standards, and that receipts and expenditures of the entity are being made only in accordance with authorisations of the management of the entity; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the consolidated financial statements.

Inherent limitations

Because of the inherent limitations of internal financial controls over financial reporting and compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Therefore, internal controls over financial reporting may not prevent or detect all errors or omissions in processing or reporting transactions and consequently cannot provide absolute assurance that the control objectives will be met. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, implemented and operated as of 31 December 2023 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting and compliance with applicable laws and regulations prior to the date those controls were placed in operation.

Other information

The Board of Directors are responsible for the other information. The other information comprises the Corporate Governance Report but, does not include Management's Internal Control Statement.

Our conclusion on the Management's Internal Control Statement does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

If, based on the work we have performed, on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the QFMA.

Opinion

In our opinion the Directors' ICFR Report forming part of the Annual Corporate Governance Report, is fairly stated, in all material respects, based on the criteria established in the COSO Framework, including its conclusion on the effectiveness of design, implementation and operating effectiveness of Internal Control over Financial Reporting as of 31 December 2023.

Moore Stephens and Partners
Certified Public Accountants



Fathi Abu Farah
Member of Qatar Association of
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QFMA Auditor License No. 120189



Baladna strives to contribute to a healthier, tastier and more sustainable future through innovation, transformation and a robust supply chain.

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Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Baladna Q.P.S.C.
Al Khor, State of Qatar

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Baladna Q.P.S.C. (the "Company"), and its subsidiaries (together referred to as the "Group") which comprise the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year ended 31 December 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position, consolidated financial performance and its consolidated cash flows for the year ended 31 December 2023 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the State of Qatar, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue recognition</p> <p>The Group reported revenue of QR 1,056,759,702 from agriculture activities.</p> <p>The Group's sales arrangements are made on the basis of the point of sale, with the provision of return rights for customers in the event that the sold product is expired.</p> <p>We identified revenue recognition as a key audit matter because it is one of the key performance indicators of the Group and given rise to an inherent risk of misstatement to meet expectations or targets.</p> <p>Refer to the following notes of the consolidated financial statements.</p> <ul style="list-style-type: none"> Note 3.2 – Material accounting policies; Note 4 – Critical accounting estimates and judgments; and Note 5 – Revenue 	<p>We tested revenue through a combination of controls testing, data analytics and substantive audit procedures covering, in particular:</p> <ul style="list-style-type: none"> Updating our understanding of the significant revenue processes and identifying the relevant controls (including IT systems, interfaces and reports); Performing automated and manual controls tests and substantive tests, to ascertain accuracy and completeness of revenue; Assessing and testing the Group's revenue accounting policies, including the key judgements and estimate applied by management in consideration of the requirements of IFRS 15; Performing data analysis, and analytical reviews on significant revenue streams; <p>We also assess the overall presentation, structure and content of revenue related disclosures in notes 3.2, 4 and 5 to the consolidated financial statements.</p>

Key Audit Matters	How our audit addressed the key audit matters
<p>Fair valuation of biological assets</p> <p>IAS 41 "Agriculture" requires biological assets to be measured at fair value less costs to sell, unless the fair value cannot be reliably measured. Management has used valuation method developed based on past information, assumptions, market prices of livestock of similar age, pregnancy, lactations and milk production.</p> <p>The calculation of the fair value of biological assets involves a significant degree of judgement, particularly in respect of landed cost, market prices for calves and heifers.</p> <p>Refer to the following notes of the consolidated financial statements.</p> <ul style="list-style-type: none"> Note 3.2 – Material accounting policies; Note 4 – Critical accounting estimates and judgments; and Note 16 – Biological assets. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Understanding management's process for collecting the information to support the key assumptions and inputs adopted in the valuation of biological assets and assessing the information based on our knowledge of the Group and other audit procedures performed. Assessing the methodologies adopted in the valuation of biological assets with reference to the requirements of the prevailing accounting standards with the consultation from our internal technical team. Assessing on a sample basis, the input data used in the valuations of biological assets, including breeding costs, milk production volumes and culling rates, based on available historical data. Evaluating the adequacy of the disclosure in Financial Statements, including disclosures of key assumptions, judgments and sensitivities. <p>We also assess the overall presentation, structure and content of biological assets related disclosures in notes 3.2, 4 and 16 to the consolidated financial statements.</p>

<p>Carrying value of property, plant and equipment</p> <p>The Group's consolidated statement of financial position as of 31 December 2023 includes property, plant and equipment of net book value amounting to QR 3,188,839,696 and it represents 66% of the Group's total assets.</p> <p>Refer to the following notes of the consolidated financial statements.</p> <ul style="list-style-type: none"> Note 3.2 – Material accounting policies; Note 4 – Critical accounting estimates and judgments; and Note 12 – Property, plant and equipment 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Evaluating whether the models used by management to calculate the value in progress of subject assets or applicable cash generating units ("CGU") are complied with IAS 36 Impairment of assets. Evaluating the key controls for recording property, plant and equipment on the database and on fixed assets register. Evaluating the recognition criteria applied for the capitalized and incurred costs during the financial year against the relevant accounting policies. Assessing the reasonableness of Group management's assertions and estimates related to the estimated useful lives and residual value. Evaluating the depreciation methodology used and reasonableness of the underlying assumptions based on our knowledge of these criteria and recalculating the depreciation expense and comparing it with the depreciation expense reported in the consolidated financial statements. <p>We also assess the overall presentation, structure and content of property, plant and equipment related disclosures in notes 3.2, 4 and 12 to the consolidated financial statements.</p>
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Other information

Management is responsible for other information. The other information comprises of Annual report, which is expected to be made available to us after the date of auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, applicable provisions of Qatar Commercial Companies Law and Company's Articles of Association and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors report under law and regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies Law, we report the following:

- We are also in the opinion that proper books of account were maintained by the Group, physical inventory verification has been duly carried out and the contents of the directors' report are in agreement with the Group's accompanying consolidated financial statements.
- We obtained all the information and explanations which we considered necessary for the purpose of our audit.
- To the best of our knowledge and belief and according to the information given to us, no contraventions of the applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Associations, were committed during the period which would materially affect the Group's consolidated financial position or its consolidated financial performance.

Fathi Abu Farah
Partner
Moore Stephens and Partners
License No. 294
QFMA Auditor's Registration No. 120189

25 February 2024
Doha, State of Qatar

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 QR	2022 QR
Revenue	5	1,056,759,702	985,620,392
Cost of revenue	6	(846,354,708)	(775,718,731)
Gross profit		210,404,994	209,901,661
Other income	7	117,662,204	117,447,276
Gain/(loss) on financial investments held at fair value through profit or loss		30,198,217	(23,248,043)
Dividend income		2,284,393	11,454,216
Selling and distribution expenses	8	(85,289,624)	(87,094,441)
General and administrative expenses	9	(93,811,096)	(86,565,664)
Operating profit for the year		181,449,088	141,895,005
Finance cost and bank charges	10	(71,453,524)	(60,268,731)
Profit before income tax		109,995,564	81,626,274
Income tax expense	11	(606,408)	(1,014,548)
Profit after tax for the year		109,389,156	80,611,726
Other comprehensive income		-	-
Total comprehensive income for the year		109,389,156	80,611,726
Net profit attributable to:			
Equity holders of the parent		109,628,571	80,611,726
Non-controlling interest		(239,415)	-
		109,389,156	80,611,726
Other comprehensive income attributable to:			
Equity holders of the parent		-	-
Non-controlling interest		-	-
Basic and diluted earnings per share (Expressed in QR per share)	29	0.058	0.042

The attached notes from 1 to 38 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 QR	2022 QR
ASSETS			
Non-current assets			
Property, plant and equipment	12	3,188,839,696	3,128,084,820
Right-of-use assets	13	121,517,109	21,056,526
Intangible assets	14	7,491,787	6,411,217
Financial investments held at fair value through profit or loss	15	371,841,124	218,124,952
Biological assets	16	196,432,194	219,941,340
Goodwill	17	6,792,635	-
Total non-current assets		3,892,914,545	3,593,618,855
Current assets			
Inventories	18	400,329,395	442,974,185
Trade and other debit balances	19	408,503,392	307,970,755
Biological assets	16	2,278,900	813,800
Due from related parties	30(b)	79,788,891	30,709,498
Cash and bank balances	20	59,711,283	62,367,530
Total current assets		950,611,861	844,835,768
TOTAL ASSETS		4,843,526,406	4,438,454,623
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	21	1,901,000,000	1,901,000,000
Legal reserve	22	48,120,521	37,157,664
Acquisition reserve	23	201,123,011	201,123,011
Retained earnings		205,519,477	109,594,477
Total equity attributable to equity holders of the parent		2,355,763,009	2,248,875,152
Non-controlling interest		2,361,082	-
TOTAL SHAREHOLDERS' EQUITY		2,358,124,091	2,248,875,152
LIABILITIES			
Non-current liabilities			
Islamic financing	24	1,720,822,007	1,634,196,123
Employees' end of service benefits	25	16,001,968	13,589,562
Lease liabilities	26	111,943,670	8,805,361
Total non-current liabilities		1,848,767,645	1,656,591,046
Current liabilities			
Current portion of Islamic financing	24	176,309,615	86,125,000
Short term financing	27	96,904,033	88,206,914
Trade and other credit balances	28	260,563,345	239,693,454
Bank overdrafts	20	87,645,775	99,492,839
Lease liabilities	26	10,119,346	15,186,935
Due to related parties	30(c)	5,092,556	4,283,283
Total current liabilities		636,634,670	532,988,425
TOTAL LIABILITIES		2,485,402,315	2,189,579,471
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		4,843,526,406	4,438,454,623

The attached notes from 1 to 38 are an integral part of these consolidated financial statements.

The consolidated financial statements were approved and authorized for issuance by the Board of Directors on 25 February 2024.

Mr. Ramez Mhd Ruslan Al Khayat
Managing Director

Mr. Malcolm Jordan
Chief Executive Officer

Mr. Saifullah Khan
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital QR	Legal reserve QR	Acquisition reserve QR	Retained earnings QR	Total QR	Non-controlling interests QR	Total QR
As at 1 January 2023	1,901,000,000	37,157,664	201,123,011	109,594,477	2,248,875,152	-	2,248,875,152
Acquisition of subsidiary	-	-	-	-	-	2,349,122	2,349,122
Net movement in non-controlling interest	-	-	-	-	-	251,375	251,375
Profit for the year	-	-	-	109,628,571	109,628,571	(239,415)	109,389,156
Transfer to legal reserve (Note 22)	-	10,962,857	-	(10,962,857)	-	-	-
Transfer to social and sport fund (Note 36)	-	-	-	(2,740,714)	(2,740,714)	-	(2,740,714)
As at 31 December 2023	1,901,000,000	48,120,521	201,123,011	205,519,477	2,355,763,009	2,361,082	2,358,124,091
As at 1 January 2022	1,901,000,000	29,096,491	201,123,011	139,812,217	2,271,031,719	-	2,271,031,719
Profit for the year	-	-	-	80,611,726	80,611,726	-	80,611,726
Dividend declared (Note 31)	-	-	-	(100,753,000)	(100,753,000)	-	(100,753,000)
Transfer to legal reserve (Note 22)	-	8,061,173	-	(8,061,173)	-	-	-
Transfer to social and sport fund (Note 36)	-	-	-	(2,015,293)	(2,015,293)	-	(2,015,293)
As at 31 December 2022	1,901,000,000	37,157,664	201,123,011	109,594,477	2,248,875,152	-	2,248,875,152

The attached notes from 1 to 38 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 QR	2022 QR
OPERATING ACTIVITIES			
Profit before tax for the year		109,995,564	81,626,274
Adjustments for:			
Depreciation of property, plant and equipment	12	127,652,819	125,452,244
Depreciation of right-of-use assets	13	12,817,283	12,901,441
Amortization of intangible assets	14	2,771,323	2,305,776
Provision for employees' end of service benefits	25	4,509,467	4,174,135
Impairment loss allowance on trade receivables	19	816,958	35,862
(Gain)/loss on disposal of property, plant and equipment	7	(57,874)	186,986
(Gain)/loss on financial investments at FVTPL		(30,198,217)	23,248,043
Dividend income		(2,284,393)	(11,454,216)
Gain arising from change in fair value of biological assets	6	(61,496,763)	(68,896,232)
Cost of slaughtered animals transferred and disposed		2,610,895	11,754,934
Loss from death of livestock	6	19,136,416	12,943,460
Finance cost on lease liabilities	26	635,325	1,209,588
Finance cost		70,818,199	59,059,143
Operating cash flow before movement in working capital		257,727,002	254,547,438
Changes in:			
Inventories		45,791,317	(171,037,747)
Due from related parties		(46,849,470)	(15,333,042)
Trade and other debit balances		(71,802,949)	(30,507,170)
Due to related parties		(55,727)	(10,307,156)
Trade and other credit balances		27,048,539	50,039,051
Cash generated from operating activities		211,858,712	77,401,374
Employees' end of service benefit paid	25	(2,204,108)	(1,163,405)
Finance cost paid		(109,376,594)	(65,847,126)
Finance cost on lease liabilities paid		(635,325)	(1,209,588)
Income tax paid		(580,338)	(813,770)
Net cash generated from operating activities		99,062,347	8,367,485
INVESTING ACTIVITIES			
Purchase of property, plant and equipment (i)	12	(163,751,731)	(340,387,904)
Proceeds from disposal of property, plant and equipment		98,271	297,230
Investment in subsidiary		(6,845,721)	-
Purchase of intangible assets	14	(2,019,490)	(1,053,570)
Disposal of investment securities		45,890,827	10,693,314
Acquisition of financial investments at fair value through profit or loss		(169,408,782)	(108,006,291)
Dividend received		2,284,393	9,998,975
Net movement in biological assets		34,793,498	21,728,112
Net cash used in investing activities		(258,958,735)	(406,730,134)
FINANCING ACTIVITIES			
Net movement in financing		185,507,618	485,878,758
Principal elements of lease payments		(15,207,146)	(10,818,480)
Change in non-controlling interest		251,375	-
Dividend paid		(1,464,642)	(92,036,421)
Net movement in restricted cash		14,070,062	11,337,223
Net cash generated from financing activities		183,157,267	394,361,080
Net increase/(decrease) in cash and cash equivalents		23,260,879	(4,001,569)
Cash and cash equivalents at beginning of the year		(56,626,340)	(52,624,771)
Cash and cash equivalents at the end of the year	20	(33,365,461)	(56,626,340)

(i) An amount of QR 16,892,829 (2022: QR 8,027,611) has been excluded from the purchase of property, plant and equipment for the cash flow statement as it represents the finance cost capitalized during the year.

The attached notes from 1 to 38 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Corporate information

Baladna Q.P.S.C. (the "Company") was established in the State of Qatar under commercial registration number 140310, as Qatari Public Shareholding Company. The Company finalized legal documentation for the process of establishment and issuance of the Commercial registration on 2 December 2019 (the "Establishment Date"), pursuant to the provisions of Qatar Commercial Companies Law. The Company's registered office is at P.O Box 3382, Um Alhawayya Farm, State of Qatar.

These consolidated financial statements comprise of the financial statements of the Company and its subsidiaries (collectively, the "Group"), as follows:

Subsidiary Name	Country of incorporation	Type of interest	Percentage of effective control
Baladna Food Industries W.L.L. (Note i)	Qatar	Subsidiary	100%
Baladna Food Trading W.L.L. (Note ii)	Qatar	Subsidiary	100%
Baladna Business and Trading LLC (Note iii)	Oman	Subsidiary	100%
Awafi W.L.L. (Note iv)	Qatar	Subsidiary	100%
Baladna for Trading and Investment W.L.L. (Note v)	Qatar	Subsidiary	100%
Agrocare Development S.R.L (Note vi)	Romania	Subsidiary	100%
E-Life Detergent Factory W.L.L. (Note vii)	Qatar	Subsidiary	75%

Notes:

- i. Baladna Food Industries W.L.L. is a limited liability company established under Commercial Registration No. 64756 and is owned 100% by the Company. The principal activity is production and sales of milk, juice, slaughter of animals and sale of meat.
- ii. Baladna Food Trading W.L.L. is a limited liability company established under Commercial Registration No. 133592 and is owned 100% by Baladna Food Industries W.L.L. The principal activity is trading in the food materials.
- iii. Baladna Business and Trading LLC is a limited liability company established under Commercial Registration No.1343623 and is owned 99% by Baladna Food Industries W.L.L. and 1% by Baladna Food Trading W.L.L. The principal activities are as follow:
 - Retail sale in specialized stores of dairy products, eggs, olive and pickles;
 - Activities of export and import offices; and
 - Wholesale of soft drinks, juices and mineral water.
- iv. Awafi W.L.L. is a limited liability company established under Commercial Registration No. 141419 and is owned 100% by Baladna Q.P.S.C. The principal activity is trading in the food materials, packaging and dairy products.
- v. Baladna for Trading and Investment W.L.L. is a limited liability company established under Commercial Registration no 157435 and is owned 100% by Baladna Q.P.S.C. The principal activity is trading feed, investment and management of agricultural projects and investment outside Qatar.
- vi. Agrocare Development S.R.L. is a limited liability company established under Commercial Registration No. 593753 and is owned 100% by Baladna for Trading and Investment W.L.L. The principal activity of the Company is growing of cereals (except rice), leguminous Crops and Oil Seeds.
- vii. E-Life Detergent Factory W.L.L. is a limited liability company established under Commercial Registration no 106993 and is owned 75% by Baladna Food Industries W.L.L. The Company was acquired by the Group in 2023. The principal activities are as follow:
 - Manufacturing of liquid and powder detergents;
 - Manufacturing of dishwashing liquids, hand sanitizers, hand washing liquids,
 - Manufacturing of cleaning materials for tiles, porcelain, glass and mirrors; and
 - Manufacturing of other detergent materials, soap and cosmetics.

The principal activities of the Group are agricultural activities of production and sales of milk, juice, slaughter of animal and sale of meats and detergent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2. Adoption of new and revised International Financial Reporting Standards (IFRSs)

2.1 New standards and amendments effective in the period on or after 1 January 2023

The consolidated financial statements have been drawn up based on accounting standards, interpretations and amendments effective at 1 January 2023. The Group has adopted the following new and revised Standards and Interpretations issued by International Accounting Standards Board and the International Financial Reporting Interpretations Committee, which were effective for the current accounting period:

- **Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities arising from a Single Transaction**
This amendment requires the Group to recognise deferred tax assets and liabilities gross in relation to their leases which were previously these were recognised net. There is no impact on the amounts disclosed on the consolidated statement of financial position.
- **Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules**
This amendment permits the Group to not recognise deferred tax assets and liabilities related to the Pillar Two tax reforms. Due to the uncertain nature of the tax reforms, the Company cannot quantify the impact that this has had on the amount of Deferred tax assets and liabilities not recognised on the consolidated statement of financial position in the current period. No amounts were recognised in the prior period in relation to the Pillar Two Model Rules, to which this amendment would apply.
- **IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)**
IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

However, the Group does not have any contracts that meet the definition of an insurance contract under IFRS 17.
- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies**
IAS 1 replaces all instances of the term 'significant accounting policies' with 'material accounting policy information, and it clarifies that information is material if, when considered together with other information included in an entity's financial statements, can reasonably influence decisions of primary users of financial statements.
- **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates**
The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

2.2. New standards and amendments issued but not yet effective for years ending 31 December 2023

The Group has not applied the below new or amended standards and interpretations that have been issued by the IASB but are not yet mandatory for the financial year ended 31 December 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

- **Amendments to IAS 7 & IFRS 7 Supplier Financing Arrangements**

This amendment will have no impact on the amounts recognised in the consolidated financial statements but will require additional disclosures to be provided around the Group's use of supplier financing arrangements. This amendment will be effective for the 2024 consolidated financial Statements.

- **Amendments to IAS 1 – Classification of Liabilities as Current or Non-current & Amendments to IAS 1 – Non-current Liabilities with Covenants**

These amendments together impact the classification of liabilities with covenants and any convertible notes that the Group issues with liability classified conversion features. It may impact the classification of some of the Group's debts and will require additional disclosure about the effect of the covenants on the Group. The Group is still currently assessing the impact of these amendments. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, earlier application is permitted.

- **Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

IFRS 16 adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, earlier application is permitted.

3 Basis of preparation and material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

3.1 Basis of preparation

Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB), applicable provisions of Qatar Commercial Companies Law and the Company's Articles of Association, and the applicable provision of the Qatar Commercial Companies Law No. 11 of 2015 and subsequent amendments by Law No. 8 of 2021.

The consolidated financial statements have been prepared in Qatari Riyals (QR), which is the Group's functional and presentation currency and all financial information has been rounded off to the nearest QR, unless otherwise indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial investments held at fair value through profit or loss and biological assets which have been measured at fair value.

When an asset and liability, financial or non-financial, are measured at fair value for recognition or disclosure purposes, are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in relevant notes as summarised in note 4. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries. The control is achieved when the Company:

- has power over the investee
- is exposed, or has rights, to variable returns from its involvement with the investee, and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributable to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra company assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity is controlled. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent company.

Change in interests of a subsidiary

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized gains arising from intercompany transactions are eliminated in preparing the consolidated financial statements.

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated financial position, separately from parent shareholders' equity. Losses applicable to the minority in excess of the minority's interests are allocated against the interest of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover losses.

The interest of the minority shareholders in the acquiree is initially measured at the minority's proportion of net fair value of the assets, liabilities and contingent liabilities recognized.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operational policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognized amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated income statement.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated.

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Represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and is not larger than a segment based on either the Group's primary or the Group's secondary reporting format determined in accordance with IFRS 8 Operating Segment.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognized in income statement.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity.

Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the income statement.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill at year-end.

Where goodwill forms part of a cash-generating unit (group of cash generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

If subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and unamortized goodwill is recognized in the consolidated income statement.

3.2 Material accounting policies

The principal accounting policies that have been applied consistently by the Group to all periods presented in these consolidated financial statements, are set out below.

Revenue recognition

Revenue from contract with customers

"Revenue from contract with customer" outlines a single comprehensive model of accounting for revenue arising from contract with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRS. It establishes a new five-step model that will apply to revenue arising from contract with customers.

Step 1: Identify the contract(s) with customer.

Step 2: Identify the performance obligation in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate transaction price to the performance obligation in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

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The Group is in the business of producing milk from cows for the sale of fresh milk, long life milk, cheese, yoghurt and other dairy products and the slaughter of cows for the sale of meat, production and sale of chilled and long-life juices and production and sale of liquid and powder detergents and other cleaning agents. Revenue from contracts with customers is recognised when goods are delivered to and have been accepted by the customer and are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those products. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the products before transferring them to the customer.

Sale of dairy, livestock for meat, consumables and detergents

Revenues are generally recognised when the goods are delivered to and have been accepted by the customer. Invoices are generated and revenue is recognised at that point in time. Credit invoices are usually payable within 15 - 60 days. Invoice is generated and recognised as revenue net of applicable discounts which relate to the items sold. No customer loyalty points are offered to customer and therefore there is no deferred revenue to be recognised for the items sold.

Right of return

When a contract provides a customer with a right to return the goods within a specified period, the Group estimate the expected returns using expected value method and recognise revenue net of such right of return.

Volume rebates

Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold.

There is no other variable consideration attached to the Group's products as the Group does not operate any loyalty program schemes, no significant financing components are embedded in its contract with customer and warranty obligations are not applicable.

Rental income

Rental income from other property is recognised as other income.

Dividend income

Dividends from investments are recognised when the shareholder's right to receive payment has been established.

Government support

The Group receives government support related to the investments made in the field of dairy production in the State of Qatar. Government support is recognized in the consolidated statement of profit or loss and other comprehensive income when there is reasonable assurance that it will be received and the Group will comply with the conditions associated with the support.

Government support is expected to be received in fixed instalments on a systematic basis to match the losses incurred by the Group during the prior years and to match its future depreciation expenses on the dairy manufacturing facilities.

Cost and expense recognition

Expenses are also recognized in the consolidated statement of profit or loss and other comprehensive income when decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably has arisen. Expenses are recognized in the consolidated statement of profit or loss and other comprehensive income on the basis of a direct association between costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting years and the association can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

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Finance cost

Finance cost that is directly attributable to the acquisition, construction, or production of a qualifying asset is included in the cost of that asset until such time as the assets are substantially ready for their intended use or sale. All other finance cost is reported in the statement of profit or loss and other comprehensive income in the period in which it is incurred.

Income tax

Income tax is computed on the net profit adjusted for the tax purposes in accordance with the provisions of Law no. 24 of 2018 concerning Qatari income tax.

Tax expense

Current taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- A transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- A business combination.

Current taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees, if any.

Where the effect of the assumed conversion of the convertible notes and the exercise of all outstanding options have anti-dilutive effect, basic and diluted EPS are stated at the same amount.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings and structures	5 - 40 years
Machineries	2 - 25 years
Motor vehicles	5 - 12 years
Furniture and fixtures	3 - 5 years

Buildings and structures includes porta cabins, cow barns, factories and buildings due to which the useful life of the assets has been spread over a period of 5 to 40 years. However, individually, it varies.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

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The useful lives are reviewed at each financial reporting date. The change in estimated useful life of assets affects depreciation expense for the period in which the change has occurred and for each future period during the assets' remaining useful life.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as the expense is incurred.

Capital work-in-progress will be transferred to the appropriate classification of property, plant and equipment upon its completion. Capital work in progress is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of profit or loss and other comprehensive income in the year the asset is derecognised.

Finance costs capitalization

Finance cost and other costs that the Group incurs in connection with the finance of funds. A qualifying asset for finance cost capitalization is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group capitalizes finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group recognizes other finance costs as an expense in the period in which it incurs them.

The Group begins capitalizing finance costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalization is the date when the Group first meets all of the following conditions:

- i. Incurs expenditures for the asset;
- ii. Incurs finance costs; and
- iii. Undertakes activities that are necessary to prepare the asset for its intended use or sale.

To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of finance costs eligible for capitalization as the actual finance costs incurred on that finance during the period less any investment income on the temporary investment of those financing, if any.

The financing costs applicable to the financing of the Group that are outstanding during the period, other than those specific financing mentioned above as made specifically for the purpose of obtaining a qualified asset, are capitalized by applying a capitalization rate to the expenditures on that asset. The amount of financing costs that the Group capitalizes during the period is not to exceed the amount of financing costs it incurred during that period.

The Group suspends capitalization of financing costs during extended periods in which it suspends active development of a qualifying asset, and ceases capitalizing financing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Leases

The Group leases land and leasehold building for employee accommodation. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices unless it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the finance rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental financing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of finance on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's investment in the relevant leases. Income from finance leases is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the relevant leases.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and any change in estimate is accounted for on prospective basis.

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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the separate statement of profit or loss and other comprehensive income when the asset is derecognised.

Amortization is charged on intangible assets so as to write off the cost or valuation of assets, over their estimated useful lives, less estimated residual value, using the reducing balance method on the following bases:

Intangible assets represent the cost trade mark and computer software. Useful life of intangibles ranges from 3 to 10 years and carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration transferred over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset as it represents synergies the Group expects to receive from the acquisition. Goodwill is tested for impairment on an annual basis in respect of the cash generating unit to which the goodwill attaches, as it is not subject to amortisation. If the recoverable amount of the cash generating unit is less than the carrying amount of the investment, the impairment to the related goodwill is recognised in profit or loss.

Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate.

Goodwill arising on the acquisition of subsidiaries is presented separately in the statement of financial position.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Where the net fair value of assets acquired exceeds the fair value of consideration transferred (a gain on bargain purchase) such excess is recognised immediately in profit or loss.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments - initial recognition and subsequent measurement

Recognition and derecognition of financial instruments

Financial instruments, other than derivative financial instruments, are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

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Financial assets that are regular way purchased or sold are recognised using the trade date accounting i.e. that is when the Group commits to purchase or sell.

Financial instruments that are not trade receivables are initially measured at fair value, which generally equates to acquisition cost, which includes transaction costs for financial instruments not subsequently measured at fair value.

Trade receivables are recognised at transaction cost if they do not contain a significant financing element (IFRS 15).

Financial assets are derecognised when:

- The contractual rights to cash flows from the financial asset expire, or
- the asset is transferred such that contractual rights to cash flows of the assets and the risks and rewards of ownership are transferred,

On de-recognition, the Group recognised the differences between carrying amount and consideration.

In factoring arrangements and guaranteed receivables, transfer may not result in de-recognition, because the Group retains exposure to risks and rewards to some extent. The Group assesses its extended involvement and recognises a liability, such that the net of asset and liability represents the rights and obligations retained, measured based on the classification of the original asset.

Financial liabilities (or a part of) are derecognised when, and only when the obligation is extinguished — i.e. when the obligation specified in the contract is discharged or cancelled or expires. The gain or loss between the carrying value and amount paid is recognised in profit or loss.

If the terms of an existing financial liability (financings) are substantially modified this will be considered to meet the criteria for derecognition of the original liability, and a new financial liability is recognised.

Classification and subsequent measurement of financial assets

Measurement of financial assets depends on the classification, which is determined by the business model for holding the asset and characteristics of its cash flows.

i) Amortised cost

Assets are held for the purpose of obtaining contractual cash flows, which are solely finance cost and principal, such as vanilla debt instruments, financing and receivables including contract assets. Finance cost is calculated using effective return method and included in finance income in profit or loss. Impairment is presented in a separate line in profit or loss.

ii) Fair value through other comprehensive income (FVOCI)

If in addition to above, if the business model also includes selling the assets, then these assets are measured at fair value with changes in FVOCI. finance income is calculated and presented as above. Impairment is included in profit or loss and reduces/ increases the fair value gain/ loss recognised in OCI reserve.

On derecognition, gains and losses are recycled to profit or loss and included in other gains/ losses.

iii) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria above are measured as FVTPL with changes in fair value presented in other gains/ losses.

For equity investments that the Group considers to be long term strategic investments, the Group has taken the election in IFRS 9 to present the changes in FVOCI. Unlike ii) above however, on sale of investments, the cumulative OCI gain/ loss will be transferred within equity and will not be recycled through profit or loss.

Dividends are recognised as other income when there is a right to receive payment.

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Classification and measurement of financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

i. Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities, which are measured at amortised cost. Financial liabilities are classified at FVTPL if they are either held for trading or they are otherwise designated within this classification. Gains and losses on such financial liabilities are recognised within other gains and losses in the statement of comprehensive income.

A financial liability is classified as held for trading if (a) it has been acquired principally for the purposes of subsequent short-term repurchase; (b) on initial recognition it is part of a portfolio of identified financial instruments which have a pattern of short-term profit taking; or (c) it is a derivative financial instrument that is not designated and effective as a hedging instrument.

A financial liability may otherwise be designated at FVTPL upon initial recognition if such designation eliminates or reduces significantly a measurement or recognition inconsistency that would otherwise arise; or (b) the financial liability forms part of a group of financial assets, financial liabilities or both, which is managed and its performance evaluated on a fair value basis as a part of the Group's documented risk management and investment strategies; and (c) it forms part of a contract containing one or more embedded derivatives and the entire contract can be so designated in accordance with applicable financial reporting standards.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective return method, with finance expense recognised on an effective yield basis, within finance costs in the statement of comprehensive income.

The Group derecognises financial liabilities when the obligations of the Group are discharged, cancelled or have expired.

ii. Embedded derivatives

Derivatives embedded in other financial instruments or non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at FVTPL.

However financial liabilities which contain multiple embedded derivatives are not separated and are treated as FVTPL.

Compound financial instruments issued by the Group comprise convertible financing notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective return method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The finance expense on the liability component is calculated by applying the effective return method. This is obtained by calculating the present value of future cash flows at a market rate for a financing without the convertible component. The difference between the effective finance rate and the finance cost paid is added to the carrying amount of the convertible financing note.

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Finance cost, dividends, losses and gains relating to the financial liability are recognised in profit or loss. Distributions to the equity holders are recognised in equity, net of attributable taxation.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Currently the Group does not offset financial assets and financial liabilities.

Impairment

The following assets have specific characteristics for impairment testing:

Impairment of financial assets

The Group considers bank balances to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective finance rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the customer or issuer;
- a breach of contract such as a default or being more than 360 days past due;
- the restructuring of a loan in advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses related to financial assets are presented under net impairment (loss)/reversal on financial assets in the consolidated income statement.

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Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Biological assets

A biological asset is a living animal or plant. Biological assets consist of cows. Biological assets are measured at fair value less cost to sell, with any change therein recognised in consolidated statement of profit or loss and other comprehensive income.

Where the fair value cannot be measured reliably, in such a case, that biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, an entity shall measure it at its fair value less costs to sell.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition, excluding financing costs. Cost of the inventory is determined by the weighted average cost methods and includes invoiced cost and other expenditures incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Trade receivables

Trade receivables are amounts due from customers for sale performed in the ordinary course of business. Trade receivables are financial assets stated initially at fair value which is taken to be their transaction cost and subsequently at their amortised cost less any loss allowance. Loss allowance is based on lifetime expected credit losses assessed and determined at initial recognition and subsequently adjusted for any changes in expectation.

Trade receivables expected to be received in the next year are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of three months or less that are subject to an insignificant risk of change in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the consolidated statement of financial position.

Shareholders' equity

Share capital represents the total capital per commercial registration which is treated as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Retained earnings include all accumulated profits or losses of the Group less any dividends, legal reserve and social and sports fund.

Dividend

Dividend distributions to the Group's shareholders are recognized as a liability in the consolidated financial statements in the period in which the dividend is approved by the shareholders. Dividend for the year that are approved after the reporting date of the consolidated financial statements are considered as an event after the reporting date.

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Financing

After initial recognition at fair value net of directly attributable transaction costs, Islamic financing, short term financings and bank overdraft are subsequently measured at amortised cost using the effective return rate method. Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised as well as through the effective return rate method amortisation process.

Employees' end of service benefits

The end of service benefits to its employees is in accordance with Qatar Labor Law. The entitlement to these benefits is based upon the employees' final salary and length of service. The expected costs of these benefits are accrued over the period of employment.

Under Law No. 24 of 2002 on Retirement and Pension, the Group is required to make contributions to a Government fund scheme for Qatari employees calculated as a percentage of the Qatari employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Foreign currency transactions

Transactions in foreign currencies are recorded in Qatari Riyals (QR) at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Segmental reporting

An operating segment is a component of the Group that engages in the business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of Group's other components. The segmental results that are reported to the Group's chief operating decision makers ("CODM") to make decision about the resources to be allocated to segment and to assess its performance.

Financial information on operating segments is presented in note 33 to the consolidated financial statements.

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. When measuring fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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The fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from the past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

Contingent liabilities are not recognised but are disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as provision.

Events after the reporting date

Post year-end events that provide additional information about the Group's financial position at reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. Critical accounting estimates and judgements

In preparing the consolidated financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Certain areas of consolidated financial statements require management to make judgements and estimates in application of accounting policies and measurement of reported amounts. These are continuously monitored for any factors that would lead to a change in assumption or lead to a different decision. Any changes in estimates are accounted for prospectively.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below with reference to relevant notes containing further assessment of the nature and impact of the assumptions.

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Satisfaction of performance obligation

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. For sale of goods through retail outlets, hotels, restaurants and cafeteria's revenue recognized by the Group at a point in time when the goods are sold and control is transferred to customer.

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Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the entity assesses the impact of any variable consideration in the contract, due to discounts, rights of return, the existence of any significant financing component and any con-cash consideration in the contract.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how Groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the country in which it sells its goods to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there has been no revision in the lease terms.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue a going concern. Therefore, the financial statements are prepared on a going concern basis.

Classification of investments

Management decides on acquisition of an investment whether to classify it as financial asset at fair value through other comprehensive income or financial asset through profit or loss. The Group classifies investment as financial asset at fair value through profit or loss if the investment is classified as held for trading and upon initial recognition it is designated by the Group as at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

Trade receivables and due from related parties

The Group applies the simplified approach to measuring expected credit losses to its trade receivables and due from related parties, which uses a provision matrix. The provision rates are based on days past due for groupings of various customer segments that substantially share the same risk characteristics or loss patterns. The provision rates are initially based on the Group's historical observed default rates and adjusted with current conditions and the Group's view of economic conditions over the expected lives of the receivables. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Cash and bank balances

Impairment on cash and bank balances has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances and restricted grants have low credit risk based on the external credit ratings of the counterparties. While cash and bank balances are also subject to impairment, the identified impairment loss is considered immaterial.

Useful lives of property, plant and equipment and intangible assets

The Group's management determines the estimated useful lives of its property, plant and equipment and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Use of incremental rate of financing

For measuring the lease liability, the Group discounted the lease payments based on its incremental rate of financing i.e. 4%. The definition of incremental financing rate states that the rate should reflect what the Group would be charged to borrow over a similar term and under similar circumstances. To determine an appropriate rate, the Group has obtained the relevant information from its bankers.

Provision for slow moving inventories

Inventories are held at the lower of cost or net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence.

Measurement of biological assets

Biological assets are measured at fair value less cost to sell, with any change therein recognised in consolidated statement of profit or loss and other comprehensive income. The fair value of immature livestock is determined by reference to meat price of veal, adjusted to reflect the age of the calves and to the landed cost of a heifer by reference to the recent purchases of the Group. The fair value of mature cows is determined by reference to landed cost of a heifer by reference to the recent purchases adjusted to reflect the decline in productivity through the lactation cycles, the meat price at the point of slaughter. Where the fair value cannot be measured reliably, in such a case, that biological asset shall be measured at its cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, an entity shall measure it at its fair value less costs to sell.

Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. Management tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Revenue

The following sets out the disaggregation of the Group's revenue from contracts with customers:

a) Type of goods or services

	2023 QR	2022 QR
Dairy sales	948,205,915	884,982,822
Juice sales	70,882,284	64,004,325
Livestock sales	22,258,152	27,207,063
Plastic sales	3,279,545	2,917,398
Compost and manure sales	1,818,425	4,057,420
Feed sales	1,287,449	2,447,364
Other sales	11,025	4,000
	1,047,742,795	985,620,392
Detergent sales	9,016,907	-
	1,056,759,702	985,620,392

b) Timing of satisfaction of performance obligation

	2023 QR	2022 QR
Goods transferred at point in time	1,056,759,702	985,620,392

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6. Cost of revenue

	2023 QR	2022 QR
Cost of dairy milk and packaging material	279,858,061	242,497,886
Cost of feeds	216,578,734	226,498,682
Depreciation of property, plant and equipment (Note 12)	121,023,262	117,468,905
Direct wages	90,044,618	85,707,619
Rent and maintenance	64,164,037	58,684,557
Cost of sale of livestock	34,793,498	21,728,112
Utilities	28,588,066	24,540,579
Loss from death of livestock	19,136,416	12,943,460
Production related indirect expenses	18,964,582	18,158,253
Cost of medicine	10,970,835	9,442,514
Product disposal and provision for slow moving inventories	10,853,731	6,270,453
Cost of detergent raw material and packaging material	4,547,458	-
Cost of slaughtered animals	2,318,758	10,813,703
Cost of feeds sold	1,294,552	2,042,056
Cost of disposed slaughtered animals	292,137	941,231
Amortization of intangibles (Note 14)	33,264	56,036
Others	4,389,462	6,820,917
	907,851,471	844,614,963
Less:		
Net fair value gain on biological assets (Note 16)	(61,496,763)	(68,896,232)
	846,354,708	775,718,731

7. Other income

	2023 QR	2022 QR
Government support (Note i)	110,079,177	110,883,058
Rental income	2,320,074	2,036,808
Gain/(loss) on disposal of property, plant and equipment	57,874	(186,986)
Miscellaneous income	5,205,079	4,714,396
	117,662,204	117,447,276

Note i:

During the year, the Group's wholly owned subsidiary has recognised a support from the Government amounting to QR 110,079,177. The support is granted to the subsidiary on account of the investment made in the field of dairy manufacturing to ensure the country's food supplies. There are certain conditions that need to be met by the Group in order to be entitled to the government support. As at 31 December 2023, management believes that these conditions have been satisfactorily achieved, accordingly, the support has been recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

8. Selling and distribution expenses

	2023 QR	2022 QR
Staff cost	43,619,376	44,787,568
Advertising and promotion expenses	28,748,408	28,559,085
Utilities and maintenance expenses	6,470,070	7,060,159
Depreciation of property, plant and equipment (Note 12)	4,024,037	3,216,782
Provision for expected credit losses (Note 19)	816,958	35,862
Insurance expenses	448,329	567,747
Amortization of intangibles (Note 14)	383,213	289,639
Communication expenses	301,525	294,142
Transportation expenses	55,275	43,697
Government fees	200	1,760
Others	422,233	2,238,000
	85,289,624	87,094,441

9. General and administrative expenses

	2023 QR	2022 QR
Staff cost	29,620,554	24,899,210
Communication expenses	13,454,240	12,368,651
Depreciation of right-of-use assets (Note 13)	12,817,283	12,901,441
Professional charges	12,535,868	8,835,979
Management fees	9,000,000	9,000,000
Insurance expenses	8,462,758	8,398,422
Depreciation of property, plant and equipment (Note 12)	2,605,520	4,766,557
Utilities and maintenance expenses	2,455,356	2,352,831
Amortization of intangible assets (Note 14)	2,354,846	1,960,101
Governmental fees	282,315	192,068
Stationery and printing expenses	222,356	160,404
Board sitting fee	-	730,000
	93,811,096	86,565,664

10. Finance cost and bank charges

	2023 QR	2022 QR
Finance cost and charges on bank financing	64,739,420	55,655,749
Exchange loss	3,330,408	180,100
Finance cost on bank overdrafts	2,748,371	3,123,461
Finance cost on lease liabilities (Note 26)	635,325	1,209,588
Finance cost on financing transactions	-	99,833
	71,453,524	60,268,731

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FOR THE YEAR ENDED 31 DECEMBER 2023

11. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major component of income tax expense in the consolidated statement of profit or loss are:

	2023 QR	2022 QR
Income tax expense reported in the consolidated statement of profit or loss	606,408	1,014,548
Income tax rate	10%	10%

Note 1:

In December 2019, a new Executive Regulations for the tax was introduced in the State of Qatar, replacing the previous executive regulations. The tax exemption provided under Article 4 (paragraph 13) of the New Tax Law in relation to non-Qatari investors' share in profits in listed entities shall not be extended to subsidiaries/associates of listed entities. Accordingly, if a listed entity holds shares in a non-listed entity, the share of profits in the non-listed entity attributable to the listed entity would be subject to tax to the extent of the profit share attributable to non-Qatari shareholders in the listed entity.

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12. Property, plant and equipment

	Land QR	Building and structures QR	Machineries QR	Motor vehicles QR	Furniture and fixtures QR	Capital work in progress QR	Total QR
Cost:							
As at 1 January 2023	55,200,100	1,936,300,541	1,040,071,091	77,407,620	46,499,647	455,753,560	3,611,232,559
Acquisition of subsidiary	-	8,075,000	1,890,995	109,000	53,233	-	10,128,228
Additions during the year	-	4,020,700	5,528,345	1,630,850	1,872,308	167,592,357	180,644,560
Transfers during the year	-	25,811,895	3,364,664	9,345	545,055	(29,730,959)	-
Disposals during the year	-	-	(62,110)	(292,324)	(820,133)	-	(1,174,567)
Transfer to intangible assets during the year (Note 14)	-	-	-	-	(1,241,068)	(833,882)	(2,074,950)
As at 31 December 2023	55,200,100	1,974,208,136	1,050,792,985	78,864,491	46,909,042	592,781,076	3,798,755,830
Accumulated depreciation:							
As at 1 January 2023	-	235,762,520	187,880,356	31,153,809	28,351,054	-	483,147,739
Acquisition of subsidiary	-	230,714	228,563	19,476	13,540	-	492,293
Reclassification	-	10,082	(12,642)	2,560	-	-	-
Charge for the year	-	58,715,957	52,900,884	7,277,517	8,758,461	-	127,652,819
Related to disposals during the year	-	-	(62,104)	(262,135)	(809,931)	-	(1,134,170)
Transfers to intangible assets during the year (Note 14)	-	-	-	-	(242,547)	-	(242,547)
As at 31 December 2023	-	294,719,273	240,935,057	38,191,227	36,070,577	-	609,916,134
Net book value							
As at 31 December 2023	55,200,100	1,679,488,863	809,857,928	40,673,264	10,838,465	592,781,076	3,188,839,696

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	Land QR	Building and structures QR	Machineries QR	Motor vehicles QR	Furniture and fixtures QR	Capital work in progress QR	Total QR
Cost:							
As at 1 January 2022	55,200,100	1,852,509,694	952,058,102	72,152,676	53,326,611	280,389,494	3,265,636,677
Reclassification	-	(6,035,815)	16,336,026	5,117,843	(15,418,054)	-	-
Additions during the year	-	31,546,942	7,143,937	441,951	6,968,888	302,313,797	348,415,515
Transfers during the year	-	58,279,720	65,131,456	-	1,622,202	(125,033,378)	-
Disposals during the year	-	-	(598,430)	(304,850)	-	-	(903,280)
Transfer to intangible assets during the year (Note 14)	-	-	-	-	-	(1,916,353)	(1,916,353)
As at 31 December 2022	55,200,100	1,936,300,541	1,040,071,091	77,407,620	46,499,647	455,753,560	3,611,232,559
Accumulated depreciation:							
As at 1 January 2022	-	176,098,135	130,864,253	23,026,427	28,125,744	-	358,114,559
Reclassification	-	5,456,256	3,443,767	1,007,248	(9,907,271)	-	-
Charge for the year	-	54,208,129	53,905,338	7,206,196	10,132,581	-	125,452,244
Related to disposals during the year	-	-	(333,002)	(86,062)	-	-	(419,064)
As at 31 December 2022	-	235,762,520	187,880,356	31,153,809	28,351,054	-	483,147,739
Net book value							
As at 31 December 2022	55,200,100	1,700,538,021	852,190,735	46,253,811	18,148,593	455,753,560	3,128,084,820

Notes:

(a) Capital work-in-progress represents expenses incurred by the Group in respect of construction of farm and factories.

Additions and capital work in progress to the property, plant and equipment during the year included the following transactions with related parties:

Related party	Nature of transactions	2023 QR	2022 QR
Urbacon Trading and Contracting W.L.L.	Construction work	4,822,786	25,985,757
Water Master W.L.L.	Construction work	195,000	-
Elegancia Electro Mechanical Services W.L.L.	Supply and installation of utilities	6,581,707	5,610,213
Joury Tour & Travels W.L.L.	Logistics	2,804,570	951,126
Retaj Baywalk Residence W.L.L.	Accommodation	124,000	56,000

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Depreciation expenses charged for the year ended 31 December are allocated as follows:

	2023 QR	2022 QR
Cost of revenue (Note 6)	121,023,262	117,468,905
Selling and distribution expenses (Note 8)	4,024,037	3,216,782
General and administrative expenses (Note 9)	2,605,520	4,766,557
	127,652,819	125,452,244

13. Right-of-use assets

The Group leases land, and leasehold building for employee accommodations. Information about the leases for which the Group is a lessee is presented below:

	2023 QR	2022 QR
Cost:		
As at 1 January	33,593,196	72,627,685
Lease modification during the year (i)	113,277,866	-
Remeasurement	-	(39,034,489)
As at 31 December	146,871,062	33,593,196
Accumulated depreciation:		
As at 1 January	12,536,670	32,760,496
Remeasurement	-	(33,125,267)
Charge for the year (Note 9)	12,817,283	12,901,441
As at 31 December	25,353,953	12,536,670
Net carrying amounts as at 31 December	121,517,109	21,056,526

(i) During the year, the Group and the respective lessor of the leasehold building have agreed to extend the lease period for ten years with an amended lease consideration, while keeping all other terms unchanged.

14. Intangible assets

	2023 QR	2022 QR
Cost:		
As at 1 January	13,111,802	10,141,879
Additions during the year	2,019,490	1,053,570
Transfer from property, plant and equipment (Note 12)	2,074,950	1,916,353
As at 31 December	17,206,242	13,111,802
Accumulated amortization:		
As at 1 January	6,700,585	4,394,809
Charge for the year	2,771,323	2,305,776
Transfer from property, plant and equipment (Note 12)	242,547	-
As at 31 December	9,714,455	6,700,585
Net carrying amounts as at 31 December	7,491,787	6,411,217

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Amortization expenses charged for the year ended 31 December are allocated as follows:

	2023 QR	2022 QR
Cost of revenue (Note 6)	33,264	56,036
Selling and distribution expenses (Note 8)	383,213	289,639
General and administrative expenses (Note 9)	2,354,846	1,960,101
	2,771,323	2,305,776

15. Financial investments held at fair value through profit or loss

	2023 QR	2022 QR
Movement in financial investments:		
As at 1 January	218,124,952	144,060,018
Addition during the year	169,408,782	108,006,291
Cost of disposal during the year	(55,921,223)	(12,683,037)
Net change in fair value of financial investments	40,228,613	(21,258,320)
As at 31 December	371,841,124	218,124,952

As at 31 December 2023, equity investments represent equity shares quoted in Qatar Stock Exchange and Egyptian Exchange.

16. Biological assets

The Group's livestock balance primarily comprises of cows which are used in the production of milk and meat. The Group's biological assets stock comprises both immature and mature livestock.

Immature livestock comprise of calves that are intended to be reared to mature. These calves are held to produce milk, but have not started to produce milk. The fair value of the immature livestock is determined by reference to meat price of veal, adjusted to reflect the age of the calves and landed cost of a heifer.

Mature livestock includes cows, which have begun milk production. The fair value of the matured cows is determined by reference to the latest landed cost over heifer adjusted to reflect the decline in productivity through the lactation cycles and the meat price at the point of slaughter.

The value of livestock as follows:

	2023 QR	2022 QR
As at 1 January	220,755,140	198,285,414
Gain arising from change in the fair value of biological assets (Note 6)	61,496,763	68,896,232
Net movement in livestock	(83,540,809)	(46,426,506)
As at 31 December	198,711,094	220,755,140

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The value of livestock as follows:

	2023 QR	2022 QR
Current livestock	2,278,900	813,800
Non-current livestock	196,432,194	219,941,340
As at 31 December	198,711,094	220,755,140

	2023 QR	2022 QR
Mature livestock	118,584,793	139,426,040
Immature livestock	80,126,301	81,329,100
As at 31 December	198,711,094	220,755,140

The quantity of livestock owned by the Group is as follows:

	2023	2022
Mature livestock	10,253	12,861
Immature livestock	12,062	12,155
As at 31 December	22,315	25,016

17. Goodwill

During the year, the Group acquired 75% shareholding in the subsidiary E-Life Detergent Factory W.L.L for purchase consideration of QR 13,840,000. The net asset value of the subsidiary as of the date of acquisition was QR 9,396,487. The Group has therefore, recognised goodwill of QR 6,792,635 on acquisition.

The Group has considered the newly acquired subsidiary as a single cash-generating unit. The recoverable amount of this cash-generating unit has been determined based on value-in-use calculations. The calculation uses cash flow projections based on forecast revenues and profit margins approved by the management.

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18. Inventories

	2023 QR	2022 QR
Feed inventory	122,760,676	117,680,205
Dairy packaging and raw material inventory	156,653,747	197,593,888
Spare parts	63,567,599	46,359,364
Dairy finished goods inventory	19,327,091	32,421,692
Juice packaging and raw material inventory	12,987,757	22,833,990
Chemical and medicine inventory	11,788,782	5,505,659
Juice finished goods inventory	7,795,237	9,306,566
Plastic inventory	2,405,588	4,365,562
Detergent packaging and raw material inventory	1,094,780	-
Detergent finished goods inventory	796,152	-
Others	10,726,813	10,686,797
	409,904,222	446,753,723
Less: Provision for slow moving inventories	(9,574,827)	(3,779,538)
As at 31 December	400,329,395	442,974,185

Movement in provision for slow moving inventories is recognized in the consolidated statement of financial position as follows:

	2023 QR	2022 QR
As at 1 January	3,779,538	2,759,648
Provision made during the year	5,795,289	1,019,890
As at 31 December	9,574,827	3,779,538

19. Trade and other debit balances

	2023 QR	2022 QR
Trade receivables	115,417,620	112,698,039
Less: Impairment loss allowance	(1,484,636)	(486,678)
	113,932,984	112,211,361
Prepayments, other advances and receivables	127,330,500	35,473,566
Government support (Note 7)	110,079,177	110,883,058
Advance to suppliers	53,532,282	44,631,982
Deferred expenses	3,226,812	4,253,437
Staff receivables	401,637	517,351
As at 31 December	408,503,392	307,970,755

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Movement in impairment loss allowance on trade receivables is recognized in the consolidated statement of financial position as follows:

	2023 QR	2022 QR
As at 1 January	486,678	1,040,099
Provided during the year (Note 8)	816,958	35,862
Written off during the year	-	(589,283)
Other adjustments*	181,000	-
As at 31 December	1,484,636	486,678

(a) Unimpaired receivables are considered collectible based on historic experience and no finance cost is charged on the trade receivables.

(b) The other classes within trade and other receivables do not contain impaired assets.

*Other adjustment amounting to QR 181,000 represent off-set against due to a customer.

20. Cash and cash equivalents

	2023 QR	2022 QR
Cash on hand	931,201	591,782
Bank balances (Note i)	58,780,082	61,775,748
Cash and bank balances	59,711,283	62,367,530
Restricted bank balances	(5,430,969)	(19,501,031)
	54,280,314	42,866,499
Bank overdraft	(87,645,775)	(99,492,839)
Cash and cash equivalents	(33,365,461)	(56,626,340)

Note i:

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 months ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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21. Share capital

	2023		2022	
	No of shares	Amount QR	No of shares	Amount QR
Authorised, issued and paid-up ordinary and special shares QR 1 per each share	1,901,000,000	1,901,000,000	1,901,000,000	1,901,000,000

The Group's authorized, issued and paid-up share capital amounting to QR 1,901,000,000 is divided into 1,900,999,999 ordinary shares and one special share, the nominal value is QR 1 of each share.

Special share

The State of Qatar, represented by the Ministry of Commerce and Industry, has allotted one Special Share, and the Special Share will have specific rights to appoint certain Directors, veto particular decisions of the Company, and other rights. The Special Shareholder, as holder of the Special Share, has the rights set out in Article 28 of Baladna's Article of Association.

22. Legal reserve

In accordance with the provision of the Qatar Commercial Law and Group's Article of Association, a minimum amount of 10% of the profit in each year is required to be transferred to legal reserve until the balance in the legal reserve becomes equal to 50% of the Group's paid up share capital. This reserve is not available for distribution, except in circumstances specified in the above mentioned law.

23. Acquisition reserve

This balance represents the issuance of shares to the Founders against the transferring of ownership in capital of Baladna Food Industries W.L.L. and settling of their current account.

24. Islamic financing

	2023 QR	2022 QR
Islamic financing 1 (Note i)	964,827,522	1,008,327,523
Islamic financing 2 (Note ii)	850,000,000	630,000,000
Islamic financing 3 (Note iii)	82,304,100	81,993,600
As at 31 December	1,897,131,622	1,720,321,123

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Islamic financing is presented in the consolidated statement of financial position as follows:

	2023 QR	2022 QR
Non-current portion	1,720,822,007	1,634,196,123
Current portion	176,309,615	86,125,000
As at 31 December	1,897,131,622	1,720,321,123

Notes:

- (i) This represents Murabaha facility obtained by the Company's subsidiary (Baladna Food Industries W.L.L.) from a local bank to finance the construction of cows' farm and working capital requirements.
(ii) This represents financing facility obtained by the Company's Subsidiary (Baladna Food Industries W.L.L.) from a local bank to support expansion and business development.
(iii) This represents financing facility obtained by the Company's Subsidiary (Baladna Food Industries W.L.L.) from a local bank to support expansion and business development.

25. Employees' end of service benefits

	2023 QR	2022 QR
As at 1 January	13,589,562	10,578,832
Acquisition of subsidiary	107,047	-
Provision made during the year	4,509,467	4,174,135
Payments made during the year	(2,204,108)	(1,163,405)
As at 31 December	16,001,968	13,589,562

26. Lease liabilities

The Group leases land, and leasehold building for employee accommodations. Information about the leases for which the Group is a lessee is presented below:

	2023 QR	2022 QR
As at 1 January	23,992,296	42,421,329
Lease modification during the year (i)	113,277,866	-
Remeasurement	-	(7,610,553)
Finance cost charged (Note 10)	635,325	1,209,588
Repayments during the year	(15,842,471)	(12,028,068)
As at 31 December	122,063,016	23,992,296

- (i) During the year, the Group and the respective lessor of the leasehold building have agreed to extend the lease period for ten years with an amended lease consideration, while keeping all other terms unchanged.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2023 QR	2022 QR
Non-current portion	111,943,670	8,805,361
Current portion	10,119,346	15,186,935
As at 31 December	122,063,016	23,992,296

27. Short term financings

	2023 QR	2022 QR
Financings	96,904,033	88,206,914

This represents document credit facility obtained from a local bank in order to finance the working capital requirements. The facility carries finance rate of 5.75 % per annum (2022: 5.75% per annum).

28. Trade and other credit balances

	2023 QR	2022 QR
Trade payables	172,903,354	144,747,184
Accrued expenses	66,071,966	61,176,101
Provision for social and sports fund (Note 36)	2,740,714	2,015,293
Other liabilities	18,847,311	31,754,876
As at 31 December	260,563,345	239,693,454

29. Basic and diluted earnings per share

	2023	2022
Profit attributable to equity holders of the parent (in QR)	109,628,571	80,611,726
Weighted average number of shares outstanding as of the year end	1,901,000,000	1,901,000,000
Basic and diluted earnings per share (in QR)	0.058	0.042

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30. Related party disclosures

In the normal course of its business, the Group enters into transactions with the parties who fall under the definition of a related party as per IAS 24 "Related party disclosures". Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances and transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group, affiliates and Board of Directors are disclosed below. The details of the transactions and the balances with such related parties during the year are as follows:

a) Related party transactions

	2023		2022	
	Sales	Purchases	Sales	Purchases
	QR	QR	QR	QR
Yemek Doha Catering Services W.L.L.	26,079,881	-	23,634,553	-
Aura Hospitality W.L.L.	7,260,670	-	5,724,417	-
Widam Food Company Q.P.S.C.	4,601,282	-	4,736,762	-
Aura Entertainment W.L.L.	1,662,044	600,000	1,204,903	-
Elegancia Group W.L.L.	1,506,094	-	29,878	-
Sazeli Restaurant W.L.L.	186,593	-	812,611	-
QA Aura Resturant W.L.L.	284,147	-	-	-
Orient Pearl Restaurant W.L.L.	165,365	7,200	256,122	8,260
Damasca Restaurant W.L.L.	129,117	-	229,131	-
Elegancia Landscape W.L.L.	57,395	181,250	1,661,178	681,231
Urbacon Trading and Contracting W.L.L.	38,263	14,164,733	999,969	18,512,949
Urbacon Plant, Machinery and Vehicles (A Branch of Urbacon Trading and Contracting Company W.L.L.)	58,650	3,299,533	140,611	1,380
Power International Holding W.L.L.	-	12,638,492	-	15,347,914
Joury Tour & Travels W.L.L.	-	1,267,365	-	3,581,462
Stark Security W.L.L.	-	1,582,701	-	2,145,610
Credo Trading Company W.L.L.	-	533,571	-	1,816,764
Aalaf Qatar W.L.L.	-	-	-	926,570
Printshop for Printing Services W.L.L.	-	303,525	-	236,547
General Pension and Social Security Authority	-	294,787	-	179,967
Arab Builders W.L.L.	-	221,162	-	-
Elegancia Hospitality Services W.L.L.	-	-	-	116,790
Assets Real Estate Development Co. W.L.L.	-	8,243	-	87,896
Elegancia Steel Trading W.L.L.	-	-	-	70,200
Elegancia Facility Management Limited W.L.L.	-	540,000	-	-
Retaj Baywalk Residence W.L.L.	-	60,000	-	-
	42,029,501	35,702,562	39,430,135	43,713,540

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b) Due from related parties

	2023 QR	2022 QR
Urbacon Trading and Contracting W.L.L.	44,819,060	3,942,427
Aura Hospitality and Food Services W.L.L.	14,722,334	7,612,751
Yemek Doha Catering Services W.L.L.	8,191,759	9,197,873
Elegancia Landscape W.L.L.	4,751,560	4,868,215
Aura Entertainment W.L.L.	3,309,046	2,164,503
Widam Food Company Q.P.S.C.	1,798,459	1,449,396
Sazeli Restaurant W.L.L.	891,059	704,466
Elegancia Group W.L.L.	749,383	29,878
Damasca Restaurant W.L.L.	271,624	142,506
Printshop for Printing Services W.L.L.	155,475	309,620
QA Aura Restaurant W.L.L.	121,132	-
Retaj Baywalk Residence W.L.L.	8,000	92,000
Orient Pearl Restaurant L.L.C.	-	68,695
Urbacon Plant, Machinery and Vehicles (A Branch of Urbacon Trading and Contracting Company W.L.L.)	-	127,168
As at 31 December	79,788,891	30,709,498

c) Due to related parties

	2023 QR	2022 QR
Elegancia Electro Mechanical Services W.L.L.	1,957,475	3,301,774
Essa Ahmed Jabor Ali Abdullah	770,000	-
Urbacon Workshop Department (A Branch of Urbacon Trading and Contracting Company W.L.L.)	712,055	-
Joury Tour & Travels W.L.L.	596,235	564,327
Power International Holding W.L.L.	440,000	-
Elegancia Hospitality Services W.L.L.	240,001	-
Ghassan Khalid Al Salama	148,525	-
Credo Trading Company W.L.L.	103,971	211,786
Water Master W.L.L.	68,800	-
Elegancia Steel Trading W.L.L.	34,585	167,785
Assets Real Estate Development Co. W.L.L.	9,309	1,066
General Pension and Social Security Authority	5,775	30,720
Others	5,825	5,825
As at 31 December	5,092,556	4,283,283

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d) Compensation of key management personnel

	2023 QR	2022 QR
Salaries and short-term benefits	12,967,625	15,094,987
Employees' end of service benefits	1,364,038	497,718
	14,331,663	15,592,705

31. Dividend

On 20 April 2022, the General Assembly approved the final dividend of QR 100,753,000, equivalent to QR 0.053 per share.

There were no dividends declared during the year ended 31 December 2023.

32. Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Capital risk

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board has established a finance committee which is responsible for developing and monitoring the Group's risk management strategy and policies. The committee reports regularly to the board of directors on its activities. There have been no changes to the Group's exposures to risk or the methods used to measure and manage these risks during the year.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in the light of the risks faced by the Group.

The Group's financial instruments consists mainly of due from related parties, trade and other debit balances, cash and bank balances, financings, bank overdrafts, trade and other credit balances, lease liabilities and due to related parties.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity price and finance rates will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

Currency risk

The Group manages its currency risk by regularly assessing current and expected foreign currency exchange rate movements. Management believes that there is minimal risk of significant losses since most of the foreign currency rates are constant against Qatari Riyal.

Finance rate risk

The Group is exposed to finance rate risk as it borrows funds at both fixed and floating finance rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate.

For financings, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting finance rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in finance rates.

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At 31 December 2023, if finance rates on QR denominated financing had been 25 basis point higher/lower with all other variables held constant, profit for the year would have been QR 5,204,204 (2022: QR 4,770,052) lower/higher, mainly as a result of higher/lower finance expense on financings.

The Group's exposures to finance rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty.

Credit risk arises on trade receivables, government support, due from related parties and bank balances.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Bank balances are held with reputed banks in and outside Qatar. Given this, management do not expect these banks to fail on their obligations.

Trade receivables have adopted the same simplified approach and loss allowance is calculated based on lifetime expected credit losses. Contract assets and trade receivables are determined to have the same credit risk exposures as fundamentally based on the same customers.

The Group's maximum exposure to credit risk as at the reporting date is the carrying amount of its financial assets, which are the following:

		12 month or lifetime ECL	Gross carrying amount QR	Loss allowance QR	Net carrying amount QR
2023	Note				
Trade receivables	19	Lifetime ECL	115,417,620	(1,484,636)	113,932,984
Government support	19	Lifetime ECL	110,079,177	-	110,079,177
Due from related parties	30	Lifetime ECL	79,788,891	-	79,788,891
Bank balances	20	12-month ECL	58,780,082	-	58,780,082
			364,065,770	(1,484,636)	362,581,134

		12 month or lifetime ECL	Gross carrying amount QR	Loss allowance QR	Net carrying amount QR
2022	Note				
Trade receivables	19	Lifetime ECL	112,698,039	(486,678)	112,211,361
Government support	19	Lifetime ECL	110,883,058	-	110,883,058
Due from related parties	30	Lifetime ECL	30,709,498	-	30,709,498
Bank balances	20	12-month ECL	61,775,748	-	61,775,748
			316,066,343	(486,678)	315,579,665

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Trade receivables

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as at 31 December.

	Days past due						Total QR
	Upto 30 days QR	31 – 60 days QR	61-90 days QR	91-120 days QR	121-365 days QR	Over 365 days QR	
2023							
Expected credit loss rate	-	-	-	-	29%	100%	
Gross carrying amount	106,507,754	2,629,693	1,734,075	1,089,509	2,784,227	672,362	115,417,620
Loss allowance	-	-	-	-	(812,274)	(672,362)	(1,484,636)
Net trade receivables	106,507,754	2,629,693	1,734,075	1,089,509	1,971,953	-	113,932,984
	Upto 30 days QR	31 – 60 days QR	61-90 days QR	91-120 days QR	121-365 days QR	Over 365 days QR	Total QR
2022							
Expected credit loss rate	-	-	-	-	63%	100%	
Gross carrying amount	93,649,407	13,761,502	3,188,390	1,396,990	588,784	112,966	112,698,039
Loss allowance	-	-	-	-	(373,712)	(112,966)	(486,678)
Net trade receivables	93,649,407	13,761,502	3,188,390	1,396,990	215,072	-	112,211,361

Due from related parties

Management believes that there is no credit risk from the due from the related parties, because these counter parties are under the control of the shareholders of the Group. As a result, they did not record any allowance for impairment loss under the ECL for the current year and previous year.

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Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the maturities of the Group's financial liabilities at 31 December 2023 and 2022:

	Less than 1 year QR	Between 1 and 2 years QR	Between 2 and 5 years QR	Over 5 years QR	Total QR
2023					
Financings	273,213,648	182,100,000	372,300,000	1,166,422,007	1,994,035,655
Bank overdraft	87,645,775	-	-	-	87,645,775
Trade and other credit balances	260,563,345	-	-	-	260,563,345
Due to related parties	5,092,556	-	-	-	5,092,556
Lease liabilities	10,119,346	9,144,479	29,729,769	73,069,422	122,063,016
	636,634,670	191,244,479	402,029,769	1,239,491,429	2,469,400,347

	Less than 1 year QR	Between 1 and 2 years QR	Between 2 and 5 years QR	Over 5 years QR	Total QR
2022					
Financings	174,331,914	133,684,616	346,857,696	1,153,653,811	1,808,528,037
Bank overdraft	99,492,839	-	-	-	99,492,839
Trade and other credit balances	239,693,454	-	-	-	239,693,454
Due to related parties	4,283,283	-	-	-	4,283,283
Lease liabilities	15,186,935	731,110	240,457	7,833,794	23,992,296
	532,988,425	134,415,726	347,098,153	1,161,487,605	2,175,989,909

Capital risk

The Group's objective when managing capital is to ensure its ability to maintain a strong credit rating and healthy capital ratios in order to support its business to provide returns for its shareholders and to provide best returns on capital investment by pricing goods and services commensurately with the level of risk.

The Group sets the amount of capital funds in accordance with the planned level of operations and in proportion to the levels of risk. The Group manages the shareholder's funds and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or realise assets in order to reduce debt. The Group's equity comprises share capital, legal reserve, retained earnings, acquisition reserve, non-controlling interest and is measured at QR 2,358,124,091 (2022: QR 2,248,875,152).

The Group is not subject to externally-imposed capital requirements.

33. Segment reporting

The Group has single significant business operation which is an agricultural activity of production and sales of dairy product in addition to other related products and activities. All other business segments are not significant.

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34. Fair value measurements

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the financial assets held at fair value through profit of loss and biological assets by following valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December, the Group held the following financial and non-financial assets measured at fair value:

	2023 QR	Level 1 QR	Level 2 QR	Level 3 QR
Financial assets				
Financial investments held at fair value through profit or loss	371,841,124	371,841,124	-	-
Non-financial assets				
Biological assets	198,711,094	-	198,711,094	-

	2022 QR	Level 1 QR	Level 2 QR	Level 3 QR
Financial assets				
Financial investments held at fair value through profit or loss	218,124,952	218,124,952	-	-
Non-financial assets				
Biological assets	220,755,140	-	220,755,140	-

Biological assets are measured at fair value less cost to sell, based on local and international market prices, whenever available, of livestock of similar age, breed and genetic merit with adjustments, where necessary, to reflect the differences.

The fair value of immature livestock is determined by reference to meat price of veal, adjusted to reflect the age of the calves and to the landed cost of a heifer by reference to the recent purchases of the Group. The fair value of mature cows is determined by reference to latest landed cost of a heifer by reference to the recent purchases adjusted to reflect the decline in productivity through the lactation cycles, the meat price at the point of slaughter.

During the year ended to 31 December 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements on biological assets. There were no movements within Level 3 fair value measurements.

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35. Commitments and contingencies

As at 31 December 2023, the Group has contingent liabilities in respect of various banks' letters of credit and other guarantees arising in the ordinary course of business from which it is anticipated that no material liabilities will arise are as follows:

	2023 QR	2022 QR
Guarantees and letters of credit	46,069,045	54,799,196

36. Social and sports fund

In accordance with Law No. 13 of 2008, the Group is required to provide a provision for the support of sports, social, cultural, and charitable activities with an amount equivalent to 2.5% of the annual net profit. This social and sports contribution is considered as an appropriation of retained earnings of the Group and presented in the consolidated statement of changes in shareholders equity.

37. Subsequent events

There were no significant events after the reporting date, which have a bearing on these consolidated financial statements.

38. Comparative figure

Certain comparative amounts in the Group's consolidated financial statements and notes to the consolidated financial statements have been reclassified to conform to the current year's presentation. This reclassification does not impact on net assets or equity.



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