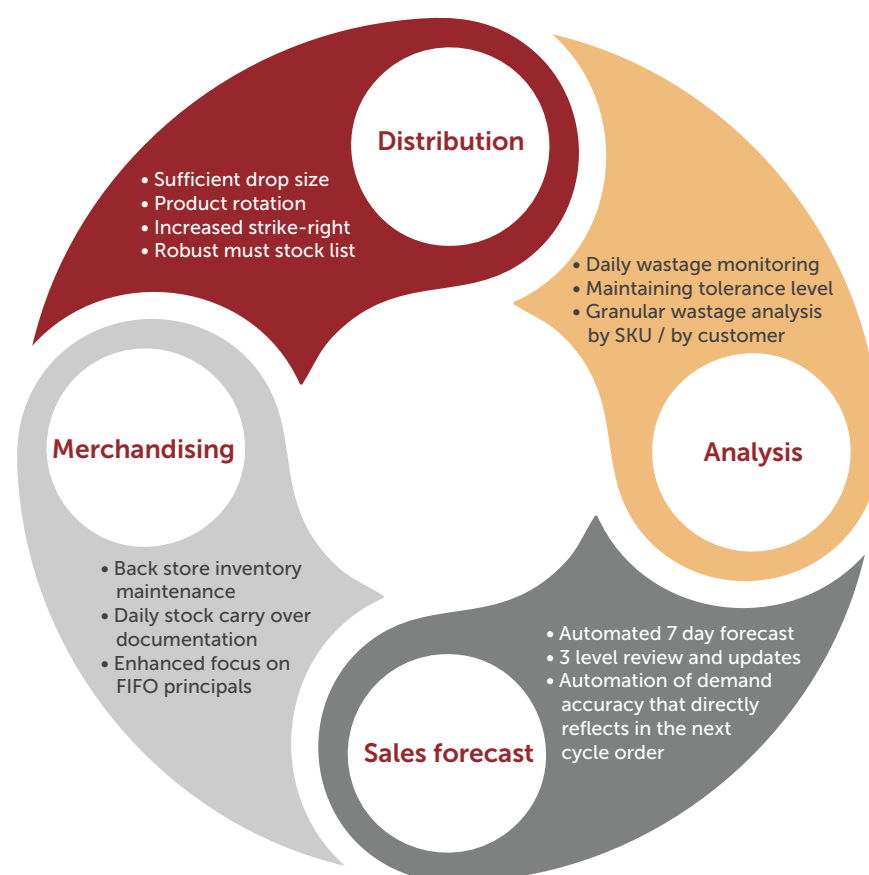


## Operating Review

### Sales and Distribution

**Our multi-channel approach and strategic partnerships once again played a critical role in ensuring widespread product availability and strong market penetration. Supported by our exceptional order fulfilment rate of 99.8%, the Sales and Distribution business demonstrated outstanding efficiency and reliability in meeting customer demands and contributing to the year's outstanding performance. Operating 7 days a week, 365 days a year, we continue to be the number one food manufacturing and distribution company in Qatar offering an unrivalled level of service to both the Retail and HORECA channels.**



In our key channels, we achieved strong growth, with HORECA comprising 34% of total revenue in 2024, representing an increase of 8% year on year. Similarly, our major retail accounts posted a 5% increase in sales to end the year, contributing 44% of total income, while traditional retail trade grew

8% to generate nearly a fifth of revenue.

#### Strategic deployment around key events

During 2024, we identified and capitalised on several key events and initiatives to achieve significant growth on multiple

fronts. The Asian Cup, which was hosted by Qatar this year, was a major highlight, allowing us to benefit from new consumers and drive higher volume.

We expanded our in-store presence with 10 new modern trade stores, complemented by the strategic implementation of below-the-line advertising, including point-of-sale materials, additional placements in both chilled and ambient sections, and retail leaflets. Shelf space in key accounts reached an all-time high, exceeding 7,000 metres. Supporting our in-store activities was our e-commerce platform, which we bolstered during the year by increasing our 3 platforms to 6 in total. This helped mirror Baladna's strong presence in brick-and-mortar retailers, ensuring a seamless transition for our customers from in-store to digital shopping experiences. With this expanded reach, our e-commerce revenue rose substantially by 20% compared to 2023, further solidifying our leadership in the market. The combined effect of e-commerce and online was strong volume growth of 5% and revenue growth of 5% compared to 2023.

Our distribution network was substantially strengthened with the addition of 6 new routes in the second half of the year to support growing volumes across all channels, increasing basket sizes and ensuring that the Sales team is adequately staffed to meet the growing opportunities.

This year's Ramadan accelerated the momentum established in the holy month in the previous 3 years. We furthered our brand alignment with consumer decision-making during this strategic period, supported by Ramadan-themed branding and additional in-store placements. In combination, they stimulated further growth that resulted in volume expansion of 4% and a revenue increase of 7% in line with expectations.

#### Profitable partnerships

Qatar Airways, an important national partner, maintained strong momentum with increased basket sizes and new tenders. In addition, we have formed a close Product Development relationship with Qatar Airways to successfully produce unique products that are suitable for use in recipes consumed both on the ground and in the air for Qatar Airways staff and customers. Our partnership with Widam Food was renewed for a further 3 years, cementing the strength of our contribution to food security and optimising farm profitability.

Baladna has built and commissioned a new plant that can fulfil the total requirement of evaporated milk for the Qatar market. This was built based on Baladna's ability to tender for and win the government's Tamween

tender. This process is lengthy and complicated with various steps along the way commencing with an invitation to tender, bid submission, technical evaluation, competitive pricing and ultimately the prize is awarding of the tender. With team collaboration and constant follow up and negotiation with the government tender committee we have successfully been awarded the 2025 Tamween Evaporated Milk tender worth QAR 100 million. Baladna will commence first delivery in January 2025 and will continue to supply daily up and until December 2025.

Our product basket in HORECA channels was expanded with imported offerings to further improve our service and status as the number one supplier of dairy and juice to the HORECA market. Products such as tomato paste, kashkaval, cheddar and Monterey Jack, amongst others have been successfully launched and we secured 12 additional tenders for previously unsupplied products. These developments made a meaningful contribution to our performance and as a preferred supplier to this growing sector.

#### Meeting the increase in foreign competition

The year had its challenges, however, namely the increased competition from new entrants from the Kingdom of Saudi Arabia, the United Arab Emirates and Kuwait in non-regulated categories like fresh juice, long-life juice and natural and processed cheeses. In addition, with the drop in European milk prices, imports of cheese, organic milk and labneh have intensified in terms of volumes and lower

selling prices. This puts downward pressure on selling prices for local producers. These categories have always been viewed by Baladna as offering substantial growth potential. Accordingly, our immediate priority is to defend our related market share and retail space, followed by the implementation of a plan to continue pursuing growth once we secure our current position.

#### Looking ahead to 2025

Addressing the rise in local GCC imports will be a key focus for Baladna in the coming years. We plan on executing a proactive strategy targeting major customers and key categories. This will involve enhancing product placement, improving in-store presence and boosting e-commerce initiatives, while also leveraging our new Product Developments. Beyond these initiatives, Baladna intends to expand into other markets, enhance existing sales channels and secure strategic partnerships to increase market penetration in key regions.

**We expanded our in-store presence with 10 new modern trade stores, complemented by the strategic implementation of below-the-line advertising, including point-of-sale materials, additional placements in both chilled and ambient sections, and retail leaflets.**