

BALADNA EXPANSION CONTINUES

A new factory for evaporated milk and new butter processing lines

Highly attractive product segments currently dominated by imported brands

- ■ **Strong profit margins and value accretive return on investment expected**

- ■ **Further contributing to self-sufficiency and Food Security Program in line with Qatar's National Vision 2030**

Baladna Q.P.S.C. Board of Directors approved plans to establish an evaporated milk processing factory and extending current facilities for a butter processing line facility in the State of Qatar. Management together with the Board of Directors diligently assessed and evaluated the feasibility and potential return prospects for the facilities and have decided to pursue this growth opportunity.

Currently both product segments in the State of Qatar are dominated by imported brands. Baladna considers this to be an opportunity to establish its products to become the market leaders in both segments within a period of 1 year following completion of the facilities. Utilising its deep understanding of market trends, consumers' preferences and behavior, as well as the experience of introducing new locally produced products, Management is confident to establish value



accretive new product lines.

The evaporated milk market size in the State of Qatar is estimated to be approximately 17 million liters per year, while the butter market size is estimated to be 2 million kilograms per year.

The establishment of the evaporated milk production facility is anticipated to be completed in 12 to 16 months, while the butter processing facility is expected to require 7 to 8 months respectively.

In addition to the estimated strong revenue and net profit contribution, Management is pleased to provide its customers and all residents of the State of Qatar the opportunity to purchase locally produced products of high quality in these segments, contributing further to the self-sufficiency as well as Food Security Program in the State of Qatar.

Baladna's strategic focus remains on shareholder value creation and further strengthening food security and self-sufficiency in the State of Qatar by delivering superior products, expanding the product portfolios, and focusing on efficiency gains across the entire value chain.

