Initial Study | **Consumer Goods &**

Baladna Q.P.S.C.

Ticker: BLDN | ISIN: QA000T98R9J4 | Bloomberg Symbol: BLDN:QD

Priced as dairy, built as infrastructure: The quiet compounding of a sovereign food-security platform

Published: 08/04/2026

BUY

Before: -

Target price **QAR 2.43 (+100.8%)**
Stock price* QAR 1.21

* *Last Qatar Stock Exchange closing price*

Source: Qatar Stock Exchange

Baladna is no longer only a Qatari dairy company. FY2025 results, H1 2026 delivery, and the contractual structure of its international expansion show a domestic cash engine beginning to scale into a regional food-security platform.

VASRO ***initiates*** coverage with a ***BUY recommendation*** and target price of QAR 2.43 per share, implying +100.8% upside to the QAR 1.21 ex-rights reference price as of 03 August 2026. The target is built bottom-up from the FY2025 audited accounts and the H1 2026 IAS 34 statements: domestic Qatar at QAR 1.05 per share, the Strategic Investment Portfolio at QAR 0.64, Algeria at QAR 0.22, and Syria at QAR 0.05, plus QAR 0.20 from the rights proceeds and QAR 0.03 from their deployment. This gives a Base value of QAR 2.18 per share, lifted to QAR 2.43 after scenario-weighting.

The Domestic Platform DCF cross-check gives QAR 0.64 per share because it values Qatar only, not the portfolio, Algeria, or Syria. **That gap is the opportunity, and it persists for reasons that have nothing to do with the business:** the market screens a sub-USD-1bn name thinly, reads the FY2025 portfolio gain as a one-off, and sees Algeria as cash outflow rather than a contracted asset. Each is temporary. The H1 2026 print already answers the first, gross profit rose 16.7% on 2.6% revenue growth, and the November 2026 Algeria cattle airlift, followed by clean quarterly delivery, is what converts the rest. We expect the discount to narrow as the market is forced off a single-asset lens onto the parts.

Five points drive the case:

1. **Infrastructure economics, not dairy economics.** A circa 28% FY2025 EBITDA margin, 33.8% in H1 2026, runs about 14 points above the peer median, built on a vertically integrated system that kept Qatar supplied through the 2017 blockade, COVID, and the Red Sea crisis.
2. **International growth without the usual international risk.** The USD 3.49bn Algeria project, USD 873mn of it Baladna's equity, carries a 20-year ONIL state offtake, a 10-year tax holiday, a 20-year bank guarantee, and 49% sovereign co-investment, protecting pricing for two decades and de-risking the ramp years.
3. **A second company hidden on the balance sheet.** QAR 1,303.7mn of marked-to-market equity, including 16.25% of Juhayna, to which the market still assigns little value despite the audited mark.
4. **A fully visible funding path.** Operating cash flow before working capital up 3.3% year on year, a liquid QAR 1,303.7mn investment portfolio, and an undrawn Algeria facility.
5. **The only platform spanning two sovereign food-security mandates.** Qatar and Algeria, bridging into Egypt, with Syria next.

Regional tensions, including around the Strait of Hormuz, only sharpen this: every disruption since 2017 has deepened the Gulf's food-security *drive and Baladna's place in it*. Full points and dated catalysts follow below.

FY End: 31.12.; in QARm	CAGR (25A-28E)	2023A	2024A	2025A	2026E	2027E	2028E
Sales	5.4%	1,057.0	1,145.0	1,268.0	1,360.1	1,421.3	1,485.2
EBITDA		230.9	296.3	358.9	421.7	408.6	412.7
Margin		21.8%	25.9%	28.3%	31.0%	28.7%	27.8%
EBIT	9.1%	87.7	161.5	207.3	274.7	261.5	268.8
Margin		8.3%	14.1%	16.3%	20.2%	18.4%	18.1%
Net result		109.6	185.0	539.7	455.9	240.6	253.7
EPS		0.05	0.09	0.25	0.20	0.09	0.09
Dividend per share		0.001	0.063	0.001	0.018	0.018	0.019
EV/Sales(x)		4.4x	4.1x	3.7x	3.4x	3.3x	3.2x
EV/EBITDA(x)		20.3x	15.8x	13.1x	11.1x	11.5x	11.4x
P/E(x)		23.7x	14.0x	4.8x	6.2x	13.5x	12.8x
Net debt/EBITDA(x)		8.8x	7.3x	5.8x	5.3x	5.9x	6.2x

Source: Baladna, VASRO P/E reflects reported earnings, including portfolio fair-value gains.

Stock Basic Data

QAR m

Initial	FY2025A	FY2026E	FY2027E
Sales	1,268.0	1,360.1	1,421.3
EBIT	207.3	274.7	261.5
Cash	374.8	1,513.6	1,733.7

Stock Basic Data

Number of Shares (in million)	2,680.0
Free Float (in %)	63.3%
Market Cap (in million QAR)	2,594
Trading volume (3 Aug 2026, shares)	13,390,816
High (QAR, 52 weeks)	1.723
Low (QAR, 52 weeks)	1.155

Shareholder Structure

Ramez Al-Khayyat	13.74%
Mohamad Moataz Mohammed Ruslan Al	13.56%
General Retirement & Pension Authority of Qatar	9.38%
Free float	63.32%

Corporate Calendar

H1/Q2 2026 results	Expected early August 2026

Analyst(s)

Dr. Vaseghi, Javad
Lead Equity Analyst, CEO

Roghani, Emad
Analyst

vaseghi@vasro.de
+49 (0)69 90 28 39 81

Contact

VASRO GmbH
Am Hauptbahnhof 16
60329 Frankfurt am Main
Germany

+49 (0)69 90 28 39 81
www.vasro.de

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Investment Thesis

The view and key conditions

Baladna enters FY2026 from operating strength. FY2025 revenue reached QAR 1,267.8m (+11% YoY) and net profit QAR 539.7m (+192% YoY). Both headline figures were lifted by an exceptional QAR 408m gain on FVTPL financial assets; a smaller normalised portfolio return recurs thereafter. Reported EBITDA of QAR 770m reflects that gain. Underlying EBITDA, excluding the gain and non-recurring write-downs, was about QAR 359m, the result of a company building foundations, not chasing short-term lift.

H1 2026 gives a cleaner read. Revenue rose 2.6% to QAR 659.4m, gross profit rose 16.7% to QAR 194.3m as gross margin widened to 29.5% from 25.9%, and net profit rose 9.3% to QAR 361.9m. Underlying EBITDA, excluding the portfolio gain, was QAR 223.2m at a 33.8% margin, roughly twenty points above the regional dairy peer median of 14% (per S&P Capital IQ).

This is a delivery-led year, not a narrative reset. The market needs not a new story but evidence that the engines compound as guided:

- The domestic franchise sustains its margin advantage through normal seasonality.
- Algeria progresses through Phase Two contracts (USD 635m signed) and the 30,000-head dairy cattle airlift commencing November 2026.
- Syria moves from permitting into construction, with the plant at Adra industrial city now being built.
- The strategic investment portfolio is managed for steady through-cycle value, with its fair-value gains recognised in net profit.

If those four hold, the equity has room to re-rate from a Qatar small-cap dairy multiple toward a regional dairy platform multiple. That is the central VASRO thesis.

What matters now

Baladna does not need surprise upside in 2026. It needs visible execution against four markers investors can verify quarter by quarter:

- **Domestic Qatar:** margin defence and category leadership through normal seasonality.
- **Algeria:** Phase Two execution and the planned cattle-airlift commencement.
- **Syria: construction commenced in the second quarter, moving the project from approvals into build.**
- **Strategic Investment Portfolio:** stable value management, with fair-value gains recognised in net profit on a through-cycle basis.

One signal sits outside the income statement but still matters. On 16 March 2026, H.E. Abdullah Bin Hamad Al Attiya, Minister of Municipality, visited Baladna's production facilities, with the visit framed around operational continuity, supply-chain resilience, and national food supply. In a Gulf institutional context, that is not just protocol. It reinforces Baladna's role inside Qatar's food-security architecture and supports our view that the domestic margin advantage is more defensible than a normal dairy margin.

The QAR 2.43 target is not an optimistic point estimate. It is the probability-weighted output of a scenario architecture that explicitly incorporates the risk of execution disappointment (10% Bear weight), the most likely outcome of continued plan delivery (55% Base weight), and the asymmetric upside if the structural contract protections embedded in the Algeria project deliver their full economic potential (35% Bull weight). Each engine is tied to a visible operating or balance-sheet marker. The assumptions are stated clearly.

Baladna enters the second half of FY2026 with a visible operating calendar across four value pools. H1 2026 showed the domestic franchise converting FY2025 efficiency gains into cleaner margin delivery. Algeria moved from planning into execution, completing its first spring cultivation and booking its first feed revenue. Syria moved from permitting into construction. The Strategic Investment Portfolio was marked at QAR 1,303.7m on 30 June, after a QAR 254.5m fair-value gain recognised entirely in the second quarter.

H1 2026 in summary

H1 2026 matters because it separates operating delivery from portfolio noise. Revenue rose 2.6% to QAR 659.4m while gross profit rose 16.7% and gross margin widened by 3.5 points. Net profit rose 9.3% to QAR 361.9m, but QAR 254.5m of that was the portfolio mark, all of it booked in the second quarter. Strip it out and operating net profit was QAR 102.4m. Operating cash flow before working capital rose 3.3%; the reported figure fell 3.0% on receivables timing, not on trading.

H1 2026 indicator	Value	Δ YoY
Revenue	QAR 659.4 mn	+2.6%
Gross profit	QAR 194.3 mn	+16.7%
Gross margin	29.5%	+3.5 pp
Operating profit (ex-FVTPL)	QAR 143.7 mn	+12.0%
EBITDA (underlying, ex-gain)	QAR 223.2 mn	+10.6%
EBITDA margin	33.8%	+2.4 pp
Net profit	QAR 361.9 mn	+9.3%
EPS (QAR)	0.170	+10.4%
Operating cash flow (net)	QAR 201.6 mn	-3.0%

Source: Baladna

FY2026E base case forecast, domestic engine

Our FY2026E Base case is built bottom-up from the core dairy engine. We forecast about +7.3% revenue growth to QAR 1,360m, gross profit of QAR 381m, EBITDA of QAR 422m at a 31% margin, and net profit of QAR 456m, QAR 196m from the operating business and QAR 260m from investment income (portfolio fair-value gain and dividends). That sits above management's own 2026 guidance on revenue, EBITDA and net profit.

Net profit steps down in 2027: 2026 carries the guided ~25% portfolio mark, while later years carry only a normal through-cycle return. Operating profit grows every year regardless. FY2025's higher reported profit included an exceptional one-off portfolio mark; the lower FY2026 headline reflects that mark normalising, not a weaker operating business.

The +7.3% revenue assumption sits above the first-half run-rate, deliberately so. Q1 printed flat against a comparative quarter carrying the one-off FIFA Arab Cup hospitality tailwind; Q2, on a clean comparative, grew 5.6%. The second half carries a full period of the renewed government evaporated milk tender, the new ice cream and yoghurt lines, and the first feed revenue from Algeria, which management's own category guidance does not include.
Growth is led by the core dairy franchise: milk-powder revenue more than doubled year on year, and sixteen new SKUs across two expansion categories are scaling. The lower-margin livestock and by-product lines, which the company is deliberately shrinking, are not the driver. Any EBITDA margin above the 31% Base case is captured as upside in the Bull case.

International expansion is valued separately. Algeria enters the Sum-of-Parts through a probability-weighted Discounted Cash Flow, while Syria is treated as probability-weighted optionality. This keeps the domestic profit and loss forecast clean: current Qatar earnings are not mixed with project value still moving through execution.

The three scenarios

Baladna is best read through three scenarios across four value pools: domestic Qatar, the Strategic Investment Portfolio, Algeria, and Syria. We assign 55% to Core Execution, 35% to Stronger Execution, and 10% to Weaker Execution. The skew reflects three points: each value pool has visible support in the company’s reported figures, project structure or market data; the project is contractually documented with sovereign offtake, fiscal protection and payment guarantees, and Algeria's contractual protections reduce the realistic downside range.

Core Execution, Base case, 55% weight, QAR 2.18 per share

Baladna delivers the visible 2026 plan without needing a surprise. Qatar sustains approximately +7.3% revenue growth and an EBITDA margin around 31%. The Strategic Investment Portfolio contributes recurring investment income, reflecting the circa 25% mark management guided for 2026 and a steady through-cycle return thereafter. Algeria progresses through disclosed milestones at 70% probability weighting, while Syria moves from construction toward commissioning. Total Sum-of-Parts equity value is QAR 5,847.3m, or QAR 2.18 per share on the enlarged (post-rights) share count.

Stronger Execution, Bull case, 35% weight, QAR 3.28 per share

The upside case is driven by cleaner international execution, not a sudden change in the domestic business. Qatar retains category leadership, the domestic engine re-rates to a 13x forward EBITDA multiple, the portfolio appreciates further, Algeria moves through Phase Two, cattle airlift, and plant commissioning at 85% probability weighting, and Syria advances toward operational reality by 2030. Total Sum-of-Parts equity value is QAR 8,794.6m, or QAR 3.28 per share. This is a re-rating path, not a one-day re-rating event.
Inorganic growth optionality, not in our estimates. Baladna's cash generation, its QAR 1,303.7m listed investment portfolio, the undrawn Murabaha facility and the approved QAR 541m rights issue give it real capacity to grow by acquisition. We include none in our base or bull case. As an illustration, each QAR 100m of acquired EBITDA at our 12.0x multiple would add about QAR 0.45 per share on the enlarged share count, before synergies. Any disclosed transaction is therefore upside to the figures in this report.

Weaker Execution, Bear case, 10% weight, QAR 0.82 per share

The downside case assumes several stresses at once: domestic multiple compression to 8.5x, the Strategic Investment Portfolio held flat after the first-half mark, Algeria delays and cost overruns, and Syria deferred to zero. Algeria contributes negative net optionality of QAR 202m on a probability-weighted basis. Total Sum-of-Parts equity value is QAR 2,203.6m, or QAR 0.82 per share. The 10%

weight recognises execution risk without ignoring the downside protection built into the Algeria structure.

Scenario	Weight	Per Share	Total SoP Equity (QAR mn)
Bear (Weaker Execution)	10%	QAR 0.82	2,203.6
Base (Core Execution)	55%	QAR 2.18	5,847.3
Bull (Stronger Execution)	35%	QAR 3.28	8,794.6
Selected Fair Value	**100%**	**QAR 2.43**	-
Reference price (03 August 2026, ex-rights)	-	QAR 1.21	-
Implied upside vs reference		**+100.8%**	-

Source: VASRO

How Baladna Creates Value: The Domestic Engine

Baladna's domestic engine is the cash and proof point behind the wider investment case. In Qatar, the company controls the chain from herd genetics and farming through processing, packaging, cold-chain distribution and customer delivery. That control matters: it supports cost discipline, product availability, category leadership and a margin profile that regional peers struggle to match.

The engine rests on five connected levers: biological productivity, processing scale, product mix, route density, and operating efficiency. None is theoretical. Each is visible in the numbers, the channel data, and the company's market-share position.

Position in the value chain

Baladna has few visible gaps in the domestic value chain. Upstream, two large-scale farms (Umm Al-Hawaya and the secondary expansion farm) provide the biological base, supported by internal breeding capabilities that became strategically important during the 2017 blockade. Midstream, production, processing and packaging are co-located at Umm Al-Hawaya across fluid milk, fermented dairy, aged dairy, beverages, cream and milk powder.
In Q1 2026 the portfolio reached 268 SKUs, with 16 new products in the quarter. Downstream, Baladna runs its own cold-chain network across 149 sales routes and about 3,821 commercial customers, a route density difficult to replicate in a market Qatar's size.

Market position, six #1 categories

Category leadership defines the structural earnings architecture. Six dairy categories carry #1 market share positions per Nielsen MAT measurement, and two additional categories represent the active expansion opportunity.

Category	Market Share (MAT 2025)	Q1 2026 Revenue (QAR mn)	YoY Growth
Fresh Milk	90.4%	74	+1%
UHT Milk	88.3%	77	+8%
Creams	63.0%	39	+14%

Category	Market Share (MAT 2025)	Q1 2026 Revenue (QAR mn)	YoY Growth
Laban	48.2%	15	0%
Yoghurt	45.2%	27	+13%
Labneh	35.5%	5	-17%
Juice (growth category)	34.9%	16	-7%
Cheese (growth category)	23.1%	46	+4%
Milk Powder (emerging)	n/m	11	>+100%

Source: Baladna

Two points matter from the category mix. First, Baladna's leadership in Fresh Milk and UHT Milk is not just brand strength; it reflects local production, cold-chain control, route density, food-security relevance and consumer trust, a full system imported product can compete against at the margin but cannot easily replicate. Second, milk powder is already a domestic learning curve for Algeria: Q1 2026 revenue reached QAR 11m from almost zero a year earlier, giving Baladna early operating experience ahead of a project designed for 198,000 tons of annual milk-powder capacity at full ramp.

Channel architecture and Q1 2026 channel performance

Q1 2026 also shows a balanced revenue base rather than dependence on one channel:

- **Retail Key Accounts:** QAR 141m, 43% of revenue, +4% year on year.
- **Hotels, Restaurants and Catering:** QAR 109m, 33% of revenue, -9% year on year, mainly reflecting the absence of the FIFA Arab Cup tailwind.
- **Retail Traditional Trade:** QAR 66m, 20% of revenue, +10% year on year.
- **Other revenue:** QAR 14m, 4% of revenue, -8% year on year.

The mix matters because it cushions volatility. In H1 2026 retail continued to carry the load, with key accounts up 5% and traditional trade up 7%, while hospitality was broadly flat under regional travel disruption. The shift toward retail was also margin-accretive, helping Baladna lift gross profit 16.7% on 2.6% revenue growth.

Five operating-level earnings drivers

1. Vertical integration cost advantage. Baladna's about 28% FY2025 EBITDA margin sits about 14 points above the peer median, rising to 33.8% in H1 2026, structural cost-base control (feedstock, processing, distribution all retained internally), not transient performance.

2. Operational efficiency programme. In Q1 2026 an 8% cut in cost of sales on flat revenue drove a 22% gross-profit expansion, and the pattern held through the half: H1 cost of revenue fell 2.3% while revenue rose 2.6%, lifting gross profit 16.7%. FY2025 attributed about QAR 19m of operational-excellence benefit, partly offset by QAR 5m of compensation increases, evidence the margin gain is operational, not a one-off.

3. Category mix and product innovation. The shift to higher-margin categories (milk powder, cream, yoghurt) and 16 new SKUs adds unit economics without needing revenue growth, a margin lever independent of volume.

4. Channel density and route economics. The 149-route / 3,821-customer network is a distribution-margin moat competitors cannot easily replicate in a market Qatar's size, high velocity per route, low cost per delivery.

5. Working capital and cash conversion. Operating cash flow before working capital rose 3.3% in H1 2026, the cleanest sign profitability is converting to cash, the internal funding source for international deployment. Reported operating cash flow fell 3.0% on a receivables and payables timing swing, not on trading.

Why the domestic engine matters for the valuation

The domestic Qatar engine carries QAR 2,801.0m of Base case Sum-of-Parts equity value, or 53.6% of the total. At the QAR 1.21 reference price, the domestic engine alone accounts for about 86% of the company's market capitalisation on the enlarged share count, meaning the market is effectively paying for Qatar and assigning limited value to the Strategic Investment Portfolio, Algeria and Syria.

We value the domestic engine using a 12.0x forward EBITDA multiple applied to forward EBITDA, less FY2025A net debt, a modest re-rating from Baladna's about 10x forward EBITDA at the 31 March 2026 close. The Domestic Platform Discounted Cash Flow cross-check gives QAR 0.64 per share because it excludes the Strategic Investment Portfolio and Algeria by design. That difference is not a problem in the model; it is the reason Sum-of-Parts is the right primary valuation method.

The International Expansion Engine

International expansion is the medium-term re-rating lever in the Baladna case. It is what moves the company from a Qatar cash generator into a regional food-security platform with more than one operating geography.

Two disclosed international commitments matter. Algeria is the larger and more advanced, with a USD 3.49bn total project cost, a USD 873m Baladna equity contribution and 51% ownership. Syria is earlier-stage: Baladna has approved a USD 341m integrated industrial project, construction commenced in the second quarter of 2026, and the April 2026 IFC engagement focuses on dairy-sector viability, supply conditions and bankability.
We value Syria conservatively as probability-weighted optionality, not a full operating forecast. Both are large enough to change the equity story, but not mature enough to blend into the domestic operating forecast.

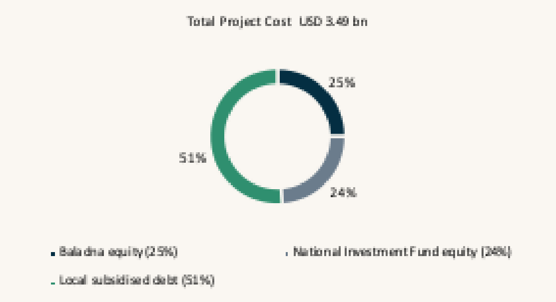
This is not a loose growth story. Algeria is structured around a 20-year state offtake commitment, a 10-year tax exemption, a 20-year bank payment guarantee and sovereign co-investment.
In our Sum-of-Parts, Algeria contributes QAR 830m of net economic value in the Base case (QAR 581m after 70% probability weighting) and QAR 2,532m net in the Bull case (QAR 2,152m after 85% weighting). Syria is valued at QAR 136m in the Base case and QAR 341m in the Bull case.
In the Bull case Algeria becomes a market-capitalisation-scale value pool, not a side project. That is not our Base case, but it defines the asymmetry and explains why execution milestones matter.

BALADNA ALGERIA S.P.A. — PROJECT ECONOI

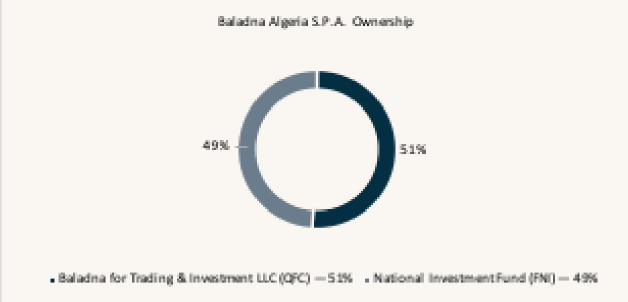
USD 3.49 bn total project cost | USD 875 mn Baladna equity | 51% project ownership | 20-year ONIL offt

CAPITAL STRUCTURE & OWNERSHIP

RING A · Project funding · Total Project Cost USD 3.49 I



RING B · Project entity equity ownership · Baladna Algeria S.P.A.



OPERATIONAL SCALE · Project parameters as disclosed by Baladna

117,000	2.5	240,000
ha	mn tons	head
Total leased land	Forages production	Dairy herd
1.7	198,000	3
bn litres	tons	clusters
Milk production	Milk powder	Operational structure

TRIPLE-GUARANTEE STRUCTURE · State-backed protections underpinning the project

20-YEAR	**ONIL OFFTAKE** Sovereign-backed buyer commitment for full milk powder output
10-YEAR	**TAX EXEMPTION** Fiscal protection during post-commissioning ramp
20-YEAR	**BANK PAYMENT GUARANTEE** Project financing structure protection

SCENARIO VALUE SUMMARY · Algeria engine — net economic value

BEAR · 25% probability	BASE · 70% probability	BULL · 85% probability
Net economic value	Net economic value	Net economic value
QAR (810) mn	QAR 830 mn	QAR 2,532 mn
Probability-weighted	Probability-weighted	Probability-weighted
QAR (202) mn	QAR 581 mn	QAR 2,152 mn

Baladna Algeria, project overview

Baladna Algeria S.P.A. is 51% owned by Baladna and 49% owned by the Algerian National Investment Fund. It is a vertically integrated milk-powder platform spanning arable farming, dairy herd management and processing.

Scale is the point: 117,000 hectares of leased land, 2.5m tons of forage capacity at full ramp, a 240,000-head dairy herd target, 1.7 billion litres of annual milk production capacity and 198,000 tons of annual milk-powder capacity. The project is designed to cut Algeria's reliance on imported milk powder. That national food-security role is why the contractual structure is unusually protective.

Triple-guarantee contractual structure

The Algeria project is not ordinary greenfield dairy risk. Three protections sit around the economics:

a 20-year offtake agreement with ONIL for the project's milk-powder production;
a 10-year tax exemption during the critical post-commissioning ramp;
a 20-year bank payment guarantee supporting the project-financing structure.

These protections do not remove execution risk, but they materially change the downside profile. In our own probability-weighted valuation, Algeria contributes QAR 581m in the Base case after applying conservative milk-powder pricing, a 29% steady-state margin, and a 70% execution-probability weighting. The contract structure is what allows us to assign that 70% rather than the lower weighting an unprotected greenfield would justify.

Execution progress through H1 2026

The project has moved from planning into visible execution. FY2025 disclosure recorded 186 drilling permits, 45 completed wells, irrigation and pivot systems installed, the first crop cycle initiated and a USD 570m Murabaha financing secured.

H1 2026 added the next layer: Phase Two contracts above USD 635m, the U.S. cattle-airlift programme for approximately 30,000 Holstein cows starting in November 2026, further groundwater and irrigation work, and a first spring cultivation of corn silage, sorghum, barley and wheat. Algeria booked its first external revenue in the half, QAR 1.1m of feed sales, and its segment assets rose from QAR 55.7m at year-end to QAR 1,425.1m.

The next 12 to 18 months are the real test: cattle-airlift execution, farm civil works, processing-plant build-out and first milk-powder production. Those are the milestones that will decide whether the market begins to price Algeria as value creation rather than capital outflow.

Project economics and scenario architecture

Our Base case applies USD 3,400 per ton milk-powder pricing, a 29% steady-state EBITDA margin, 85% capacity utilisation and a 9% project discount rate. On Baladna's 51% economic interest, this produces approximately QAR 830m of net value, or QAR 581m after 70% probability weighting.

On VASRO's own modelling (built from the disclosed capital stack, the 20-year ONIL offtake and a 29% steady-state margin), Algeria moves through its funding J-curve into a materially profitable asset over the offtake life. This is our analysis of the structure, not company guidance. It is why Algeria swings from QAR 581m in our Base case to QAR 2,152m in our Bull case, and why it is the single largest variable in the equity story.

The Bull case assumes stronger pricing, higher utilisation, cleaner commissioning and a lower discount rate. The Bear case assumes lower pricing, weaker margins and delayed commissioning, giving negative probability-weighted optionality of QAR 202m. The spread is wide because Algeria is the largest re-rating variable in the model.

Syria, the next international platform

Syria is the next international platform, but it should be treated differently from Algeria. The project is earlier stage and therefore valued as probability-weighted optionality, not as a full Discounted Cash Flow case.

The disclosed plan is a USD 341m integrated dairy investment targeting 20 to 25% of Syria's domestic dairy needs. It includes one manufacturing facility, one dairy farm with 3,000 milking cows at initial commissioning, planned annual capacity of 206m litres of dairy products and 19m litres of juice, and 51 dairy SKUs plus 6 juice SKUs. Baladna also signed a Memorandum of Understanding with Al Dahra Holding during the half, covering global farming collaboration and long-term animal feed supply, which is intended to support these international operations including Syria.
The key external validator is the IFC engagement agreement signed on 17 April 2026, covering supply diagnostics, market analysis and bankability assessment. That process is still running, but the project has since moved past it in practice: construction began in the second quarter of 2026 with the main contractor mobilised on site.

We value Syria at zero in the Bear case, QAR 136m in the Base case and QAR 341m in the Bull case. Construction began in the second quarter at Adra industrial city, with the main contractor mobilised and QAR 119.1m already paid to it, which is why we lift the Base case probability from 25% to 40%.

Smaller international platforms

Baladna's smaller platform in Egypt is not a material valuation contributor and is excluded from the Sum-of-Parts. It supports the regional operating footprint, but it should not drive the investment case.

IFRS treatment of the international engine

The accounting treatment supports the valuation structure. Baladna Algeria is consolidated under IFRS 10, with QAR 530.6m of non-controlling interest recognised at 30 June after the Algerian National Investment Fund injected QAR 143.1m of fresh equity during the half. Advances to suppliers rose from QAR 395.8m at FY2025 year-end to QAR 1,036.2m at 30 June, showing active capital deployment. Syria is now visible on the balance sheet as well, with QAR 119.1m paid to the main contractor. One further disclosure matters for funding cost: the state covers any financing charge above 2.5% on qualifying Islamic facilities, worth QAR 16.7m in the half, which is why Baladna's effective cost of funds sits near 3%.

The Strategic Investment Portfolio

The Strategic Investment Portfolio is one of the most underpriced parts of the Baladna case. At 30 June 2026 it carried QAR 1,303.7m at fair value through profit or loss, equal to approximately 18% of total assets and 34% of consolidated equity. This is not optionality or a future commitment. It is marked-to-market balance-sheet value.

That matters for valuation. A single-asset Domestic Discounted Cash Flow cannot capture the portfolio by design, which is one reason Sum-of-Parts is the right primary method. The portfolio also has strategic value: Baladna's 16.25% stake in Juhayna Food Industries gives the company exposure to Egypt, the largest Arab dairy market by population, and reinforces the shift from domestic producer to regional platform.

Composition and IFRS treatment

Per H1 2026 Note 23, the portfolio consists entirely of quoted equity investments on the Qatar Stock Exchange and the Egyptian Exchange, all Level 1. The carrying value rose from QAR 994.5m at year-end to QAR 1,303.7m, on a QAR 254.5m fair-value gain and QAR 54.8m of additions. The entire gain fell in the second quarter; the first quarter carried none. Our model recognises the portfolio's fair-value gains in earnings, consistent with Baladna's FVTPL treatment, while valuing the portfolio once as a distinct pool in the Sum-of-Parts. One risk marker: a margin facility is secured against the portfolio, the only secured borrowing in the group.

The IFRS 9 fair value through profit or loss classification gives investors a clean read. The securities are quoted on active markets, so the valuation is externally observable IFRS 9 Level 1 inputs, not dependent on Level 2 or Level 3 estimates.

The Juhayna investment, strategic anchor

Juhayna Food Industries is the anchor position. Baladna's 16.25% stake gives it exposure to one of Egypt's leading dairy and juice producers and a strategic foothold in a market of roughly 110m people. Juhayna's FY2025 results showed strong operating momentum, with full-year revenue of approximately EGP 30 billion and net profit of EGP 1.9 billion. Based on Juhayna's market capitalisation of approximately EGP 33 billion, Baladna's stake represents roughly USD 107m, or QAR 390m.

The stake serves two purposes: financial exposure through a quoted market asset, and strategic positioning in Egypt without requiring a full operating acquisition. Together with Baladna's Egyptian support-services entity, it gives the company a practical Egyptian footprint while preserving balance-sheet flexibility.

Valuation methodology, gradual growth, not extrapolation

We value the portfolio with discipline, not extrapolation. The Bear case holds it flat after the first-half mark, at QAR 1,254.0m. The Base case values the portfolio at QAR 1,709.1m, and the Bull case at QAR 2,030.3m. We recognise a measured, recurring portfolio return rather than a repeat of the exceptional FY2025 mark.

> *The QAR 1,709.1m Base case reflects management's guided circa 25% mark on the portfolio in 2026, normalising to a steady through-cycle return thereafter. These gains are recognised in earnings, consistent with Baladna's FVTPL reporting, while the portfolio is valued once as a distinct pool in the Sum-of-Parts.*

Why SDIP is in SoP but cannot be in DCF

The Strategic Investment Portfolio is not an operating cash-flow generator. It is a balance-sheet value pool, recovered through future disposals or mark-to-market appreciation. Adding it into the operating Domestic Discounted Cash Flow would distort the model, either by double-counting assumed portfolio cash flows or by treating portfolio appreciation as operating margin.

That is why the Sum-of-Parts framework is the right primary method. The domestic business is valued separately, and the portfolio is valued at its IFRS-marked fair value with conservative gradual-growth assumptions. The QAR 0.64 per share Base case SDIP contribution is one of the main reasons the Sum-of-Parts valuation stands above the Domestic Platform DCF. At the reference share price, the market is effectively assigning limited value to a QAR 1,303.7m portfolio carried at fair value.

Shareholder Structure and Governance

Baladna's ownership structure supports the investment case because it gives management room to execute a multi-year expansion plan. Identified cornerstone holders account for 36.7% of the register, including the founder family at 27.3%, leaving an economic free float of 63.3%. The foreign ownership limit is 49%.

That matters. Baladna is executing a large international expansion programme while managing a material strategic investment portfolio. A fragmented or short-term shareholder base would make that harder. Here, the ownership structure supports patient capital deployment.

The strategic-investor block also reinforces Baladna's alignment with Qatar's food-security agenda, including investors such as the General Retirement and Social Insurance Authority, Power International Holding, Mwani Qatar, Al Meera Consumer Goods Company and Hassad Food. Founder ownership through the Al-Khayyat family adds continuity at Board and management level. The register itself is broad but almost entirely domestic: 29,120 shareholders at the half, of whom 27,149 are Qatari individuals, 157 Qatari corporates and only 1,814 foreign investors. For investors, the point is simple: the shareholder base is aligned with the long-duration nature of the strategy, and the international ownership gap is an opportunity rather than a defect.

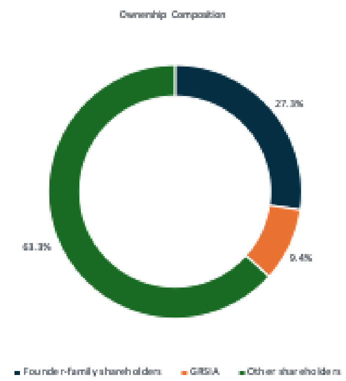
Shareholder Structure Baladna Q.P.S.C. · QSE: BLDN

Founder-family stake	Identified cornerstone holders	Economic free float	Foreign ownership limit
27.301%	36.684%	63.3%	49%

Shareholder	Stake	Ownership bar	Classification
Ramez Mohamed Al Khayyat	13.74%		Founder family
Mohamed Moutaz Al Khayyat	13.56%		Founder family / Chairman
GRSIA (Civil + Military Funds)	9.4%		Domestic institution
Total identified cornerstone holders	36.68%		Reference block
Other shareholders / economic free float	63.3%		Market ownership

Baladna has a visible founder-family anchor and domestic institutional ownership, while the residual shareholder base remains broad. For analysis, economic free float should be separated from QSE technical free float.

Shares issued: 2,680.0m · QSE technical free float: ~100%



Reflects the 1-for-4 rights issue, offered pro-rata, so ownership percentages are unchanged on full take-up.

Source: Baladna; VASRO analysis

VASRO projection, forward capital structure evolution

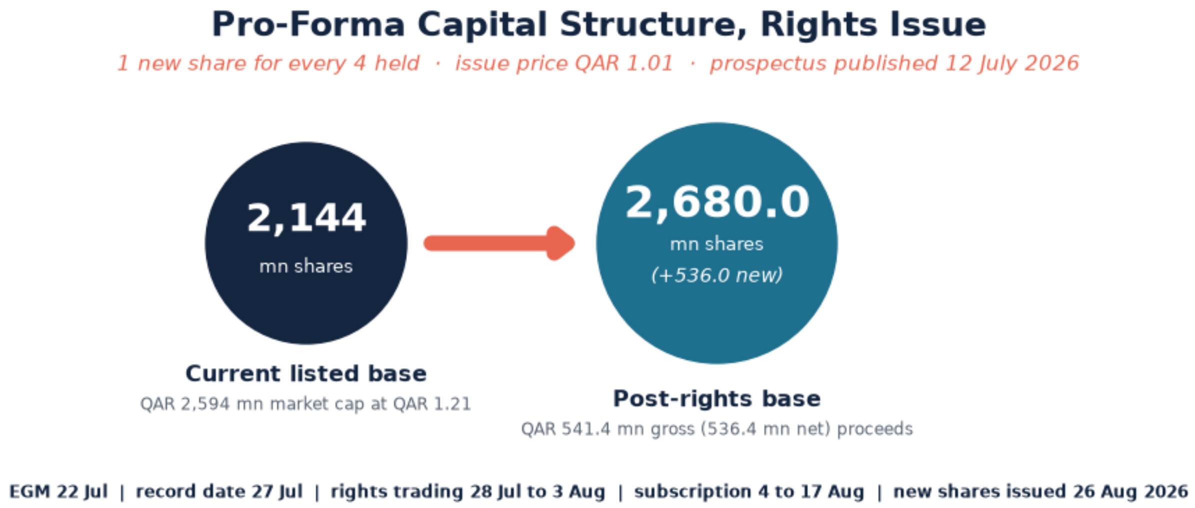
The rights issue funds Baladna's international expansion broadly, not just Algeria. Proceeds are general growth capital, principally for Qatar and regional dairy and agriculture, including a Syria agri-food platform, with the Board setting final allocation.

An Extraordinary General Assembly approved the 25% capital increase on 22 July 2026, at the adjourned assembly held after the 19 July meeting did not carry: 535,996,240 new shares at QAR 1.01 (QAR 1.00 nominal, QAR 0.01 premium), raising nominal capital from QAR 2,143,984,962 to QAR 2,679,981,202 (QAR 2.14bn to QAR 2.68bn). Rights are one-for-four, Edaa record date at close of trading 27 July 2026.

The prospectus was published 12 July 2026, QFMA-approved 15 June 2026. Rights traded 28 July to 3 August, subscription runs 4 to 17 August, and the new shares are issued 26 August 2026. Net proceeds are QAR 536.4m (gross QAR 541.4m less QAR 5.0m costs). The increase had not taken effect at 30 June: share capital still stood at QAR 2,143,984,962, so our per-share figures are stated on a pro-forma enlarged basis.

VASRO reflects the issue in full on the enlarged base of 2,680 million shares. Commitments are only partly deployed, and operating cash flow plus the undrawn Murabaha facility cover part, not all, of the funding need over the next three to four years.

On these terms (535,996,240 new shares at QAR 1.01) the enlarged share count is about 2,680.0m. Including the proceeds and their deployment value, our Sum-of-Parts Selected Fair Value is QAR 2.43 per share, our 12-month target, implying +100.8% upside to the QAR 1.21 reference price. Total equity value rises by the capital raised, so the per-share move reflects the larger share count, not a change in the business.



Source: VASRO analysis; disclosed commitments and Phase II contracts

Board of Directors and corporate governance

Baladna's Board of Directors consists of nine members, combining founder alignment, strategic ownership and independent oversight. Founder representation at Chairman and President level through Moutaz Al-Khayyat and Ramez Al-Khayyat keeps strategic direction close to the ownership base. Independent directors, including Sheikh Suhaim Bin AbdulAziz Al Thani, Nasser Hassan Al Ansari and Aidan Tynan, provide the oversight expected from a listed Qatari company of Baladna's scale.

This governance mix matters because Baladna is no longer managing only a domestic dairy operation. Its growth platforms now span Algeria, Syria and Egypt. The Board therefore needs local anchoring, founder continuity and enough institutional oversight to support cross-border capital deployment.

Audit and disclosure quality support that framework. The H1 2026 interim statements were prepared under IAS 34, reviewed by Ernst & Young, approved by the Board on 27 July 2026 and signed by President Ramez Al-Khayyat, Group Chief Executive Officer Marek Warzywoda and Group Chief Financial Officer Saifullah Khan. One governance feature investors should note: the State of Qatar holds a single special share carrying rights to appoint certain directors and to veto particular decisions. The level of disclosure, revenue disaggregation, subsidiary structure, Islamic financing terms and fair-value classification, gives investors enough detail to test the valuation architecture rather than simply accept the story.

Senior management

Management depth is central to the investment case because Baladna's next phase is an execution test, not only a financial forecast. The structure separates Group-level strategy from operating-company execution, which is the right setup for a company moving from one domestic market into a regional platform.

The key recent appointment is Marek Warzywoda as Group Chief Executive Officer, effective 7 August 2025. His background at Lactalis, across Poland, Brazil, Croatia, South Africa and Saudi Arabia, is directly relevant to Baladna's Algeria build. The company is attempting a large dairy greenfield in an emerging-market setting; a Chief Executive Officer with multi-country dairy operating experience is not cosmetic, it is functionally important.

The operating layer also matters. Paul Kenny, Chief Executive Officer of Baladna Qatar, brings long regional and international FMCG experience, including senior roles at Almarai, Al Safi Danone and NADEC. That is why the H1 2026 margin profile should be read as managed execution, not just market structure. Group Chief Financial Officer Saifullah Khan anchors reporting, capital deployment and funding discipline, while Chief Operations Officer Julian Marcolini is tied to the supply-chain work behind the H1 2026 cost improvement. A dedicated Syria General Manager signals that Syria is being built as an operating platform, not a memorandum-level option.

The founder layer adds another execution angle. Moutaz Al-Khayyat and Ramez Al-Khayyat are also linked to Power International Holding and UCC Holding, groups with experience in large-scale construction and infrastructure delivery. For Baladna, this matters because Algeria is not only a dairy strategy; it is a complex industrial build. Founder-shareholders with large-project delivery experience reduce, though do not eliminate, the execution gap between ambition and implementation.

Industry Context and Peer Positioning

Baladna sits across three connected markets: the protected Qatari domestic dairy market, the wider GCC dairy peer set, and the emerging MENA food-security platform space. This matters because Baladna should not be read as a pure dairy commodity producer. It is a domestic champion in Qatar, a margin outlier against regional peers, and an early regional platform through Algeria, Syria and the Juhayna stake.

The Qatari domestic market

The 2017 blockade was the turning point for Qatar's food-security strategy. Before then, Qatar relied heavily on imported dairy, much of it from Saudi Arabia and the wider GCC. When that supply route was disrupted, domestic production moved from policy ambition to national necessity. Baladna became the operating vehicle for that shift.

That history still matters. The company's scale, 268-stock-keeping-unit portfolio, 149 sales routes, category leadership and margin structure all trace back to a system built to secure domestic dairy supply under crisis conditions. COVID-19 disruptions, the Red Sea shipping crisis and continued regional tension have only reinforced the logic of local production. This is why Baladna's domestic position should be treated as structurally defended, not as a normal market-share cycle.

The GCC and MENA dairy market

The wider GCC dairy market is larger, more competitive and increasingly shaped by food-security policy. Saudi Arabia remains the largest market, while the UAE, Kuwait, Bahrain, Oman and Qatar add further regional demand. Across the region, cold-chain requirements, distribution density and vertical integration favour scaled operators.

MENA adds the next layer. Egypt is relevant through Baladna's Juhayna stake; Algeria is one of the largest milk-powder import markets; Syria represents early recovery optionality. This is the geography Baladna is positioning into. The company is not trying to become global dairy. It is building around regional food-security gaps where its domestic operating model has direct relevance.

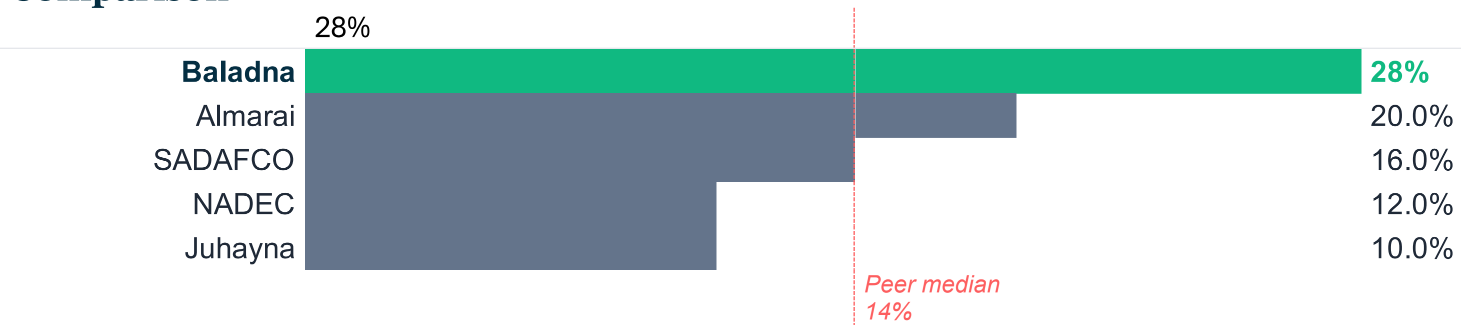
Peer set, operational and valuation metrics

Baladna should be benchmarked against listed regional dairy and food platforms with vertical integration, strong domestic positions and distribution scale. *The peer set is useful for two questions: whether Baladna's margin premium is structural, and whether the market is valuing it as a domestic dairy producer or as a regional food-security platform*:

PEER COMPARISON: Public Dairy Peers, Profitability & Scale

Peer	Country	Market Cap (USD mn)	Revenue (USD mn, TTM)	EBITDA Margin	Net Profit Margin
Baladna	**Qatar**	**713**	**348**	**28%**	**10%**
Almarai	KSA	11,430	5,890	20.0%	11.1%
SADAFCO	KSA	1,920	786	16.0%	12.0%
NADEC	KSA	1,420	858	12.0%	7.0%
Juhayna	Egypt	660	600	10.0%	6.4%
Peer median		-	-	14%	9.1%

EBITDA Margin Comparison



Baladna's structural margin advantage of approximately 14 percentage points above the peer median (FY2025 basis) reflects vertical integration, market concentration, and Qatari national food security policy alignment.
Sources: VASRO analysis, Tadawul, EGX, Baladna. All figures are FY2025/TTM for like-for-like comparability with peers; Baladna's underlying EBITDA margin was 33.8% in H1 2026 on mix shift toward branded dairy (see narrative).

Where Baladna sits in the landscape

Baladna's FY2025 EBITDA margin of around 28% already sits roughly fourteen points above the regional peer median, and was 33.8% in H1 2026 excluding the portfolio gain. We do not treat that as a one-half accident. It reflects vertical integration, category leadership, route density and alignment with Qatar's food-security policy. That gives the Base case 31% EBITDA margin assumption a meaningful buffer.

Baladna's market capitalisation remains much smaller than the main GCC dairy peer set. That helps explain why the company may still be missed by institutional investors looking at regional dairy exposure. The Sum-of-Parts framework changes the frame: it captures not only the domestic business, but also the Strategic Investment Portfolio and the international expansion engines.

The Juhayna stake is a useful external reference point. Juhayna's market capitalisation implies a value of approximately USD 107m, or QAR 390m, for Baladna's 16.25% stake. That is market-validated value inside the QAR 1,303.7m Strategic Investment Portfolio, not a management estimate.

No regional peer is a perfect match. Almarai has far greater scale, SADAFCO and NADEC remain more Saudi-focused, and Juhayna is Egypt-led without a comparable greenfield platform. Baladna sits in a different position: smaller today, but with a domestic cash engine, a material quoted investment portfolio, and sovereign-backed international expansion. That combination supports a regional platform framework rather than a narrow small-cap dairy framework.

Financial Analysis and Forward Capital Profile

Baladna's FY2021 to FY2025 audited history and H1 2026 interim disclosure show a company moving from domestic scale-up into capital deployment. Revenue has compounded gradually, while margin recovery and portfolio value have done the heavier lifting.

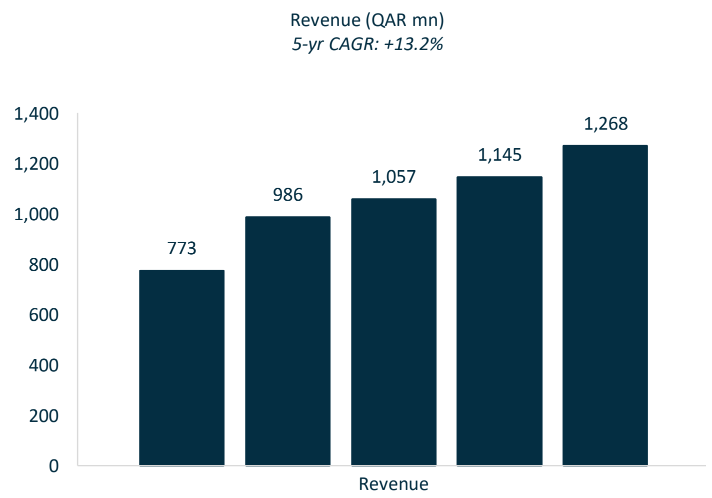
The financial profile reads as a domestic compounder funding a regional build-out. H1 2026 operating cash flow before working capital rose 3.3%, the equity ratio remains solid at 54%, cash and bank balances stood at QAR 284.2m, and the Strategic Investment Portfolio adds marketable liquidity. Forward funding comes from four sources: operating cash flow, portfolio liquidity, the Algeria Murabaha facility and the rights issue.

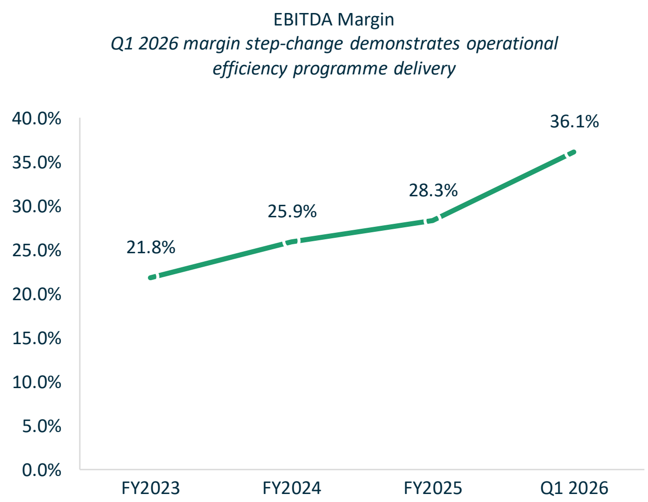
Five-year revenue and margin trajectory

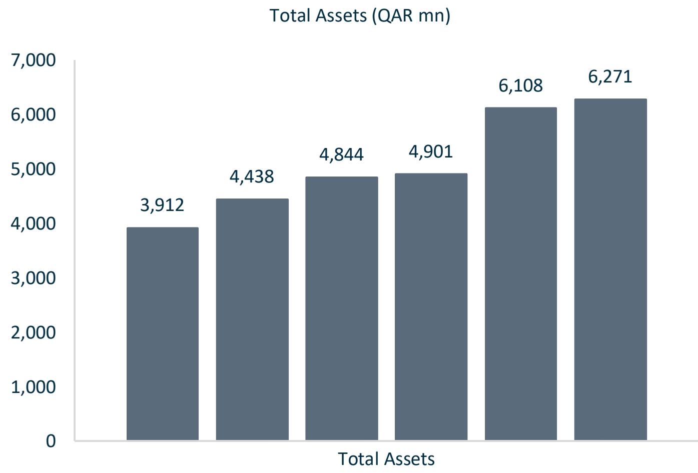
The revenue trajectory tells the story of operational maturation. FY2022 saw the largest single-year revenue expansion (+27%) as Baladna scaled production capacity following the 2017 blockade. The subsequent three years showed more gradual, measured growth in the 7-11% range, consistent with a mature domestic market combined with category leadership defence.

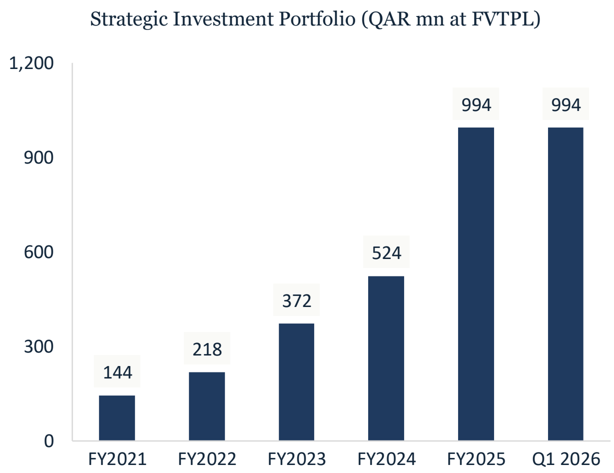
The more informative trajectory is the gross margin, which has improved steadily as the business scaled and the efficiency programme took hold: 19.8% (FY2023) to 22.7% (FY2024) to 26.0% (FY2025) to 29.5% (H1 2026). That is the cleanest single indicator that the operational efficiency programme is delivering measurable, sustainable results.

Baladna Q.P.S.C., Five-Year Financial Trajectory









Total assets +17% in the first half to QAR 7,146m, driven by the Algeria and Syria build and the portfolio mark

Portfolio +31% in the first half to QAR 1,303.7m as the fair-value mark ran through Q2

Sources: Baladna; VASRO analysis. FY2025 EBITDA margin shown on an underlying basis (excl. non-recurring write-downs).

H1 2026 cash flow and capital deployment

H1 2026 net operating cash flow was QAR 201.6m, 3.0% below the prior half, while operating cash flow before working capital rose 3.3% to QAR 220.1m. The reported decline is a receivables and payables timing swing, not a trading deterioration. Cash and bank balances fell from QAR 374.8m at year-end to QAR 284.2m, with QAR 871.2m deployed into investing activities, chiefly the Algeria and Syria build. Regional military conflict during the half raised logistics and transport costs across the GCC; Qatar introduced support measures and Baladna has submitted claims for the incremental cost. We treat that as a temporary cost, not a structural one.

Balance sheet positioning and Algeria-related exposure

Total assets reached QAR 7,146m at 30 June 2026, up from QAR 6,108m at year-end, driven by property, plant and equipment expansion, the Strategic Investment Portfolio, and Algeria-related supplier advances. Total equity stood at QAR 3,825m, equal to a 54% equity ratio. Equity attributable to shareholders was QAR 3,295m, or QAR 1.54 per share on the current share count, against a QAR 1.21 reference price, so the shares trade at about 0.79 times book.

That price-to-book relationship matters because book value already includes the Strategic Investment Portfolio at audited fair value, while the market still appears to assign limited value to the international engines.

Algeria is now visible on the balance sheet through three items: QAR 1,036.2m of advances to suppliers, Islamic financing drawn under the USD 570m facility, and QAR 530.6m of non-controlling interest for the Algerian National Investment Fund's 49% stake. Algeria segment assets rose from QAR 55.7m at year-end to QAR 1,425.1m over the half. This is no longer a distant commitment. It is an active capital deployment programme.

Forward capital profile through FY2026E-FY2027E

We project Algeria-related equity deployment to reach approximately USD 480m by end-FY2027, with the remaining USD 393m of Baladna's USD 873m commitment deployed through FY2028 and FY2029 ahead of project commissioning.

The funding stack is clear: forecast operating cash flow of around QAR 315 to 360m a year, the QAR 1,303.7m Strategic Investment Portfolio as marketable liquidity, the Algeria Murabaha facility with capacity still undrawn, and the QAR 541m rights issue. Against that sits QAR 2,848.5m of capital commitments at 30 June, up from QAR 847.9m at year-end. That step-up is what the rights issue is for. One item to diarise: the fixed government grant, QAR 31.7m in the half, runs only through 2027.

Valuation

VASRO derives a 12-month target price of QAR 2.43 per share for Baladna Q.P.S.C., implying +100.8% upside to the QAR 1.21 reference price. That reference is the ex-rights market price; the QAR 1.33 used earlier in our work was a cum-rights quote, and the theoretical ex-rights price on the one-for-four terms is QAR 1.27. The target is based on a Sum-of-Parts framework across four value pools, domestic Qatar, the Strategic Investment Portfolio, Algeria and Syria, scenario-weighted at 55% Base, 35% Bull and 10% Bear.

Sum-of-Parts is the right primary method because Baladna is no longer a single-engine story. The four engines are the domestic Qatar dairy platform (valued on a forward EBITDA multiple), the Strategic Investment Portfolio (at IFRS 9 fair value), the Algeria project (a probability-weighted DCF) and Syria optionality, each tied to a visible operating or balance-sheet marker. A Domestic Platform DCF captures Qatar only; it cannot capture the QAR 1,303.7m Strategic Investment Portfolio, Algeria or Syria without forcing non-operating assets and early-stage project value into operating cash flows.

We therefore use the Domestic Platform Discounted Cash Flow as a cross-check, not as the valuation anchor. It produces QAR 0.64 per share. The Base Sum-of-Parts value is QAR 2.18 per share, leaving a QAR 1.54 per-share gap. That gap is analytically useful: it shows the value of the separate pools that a single-asset domestic model misses.

The four-engine framework

Engine	Bear (QAR mn)	Base (QAR mn)	Bull (QAR mn)	Per Share Base	Contribution % Base
Domestic Qatar platform	532.5	2,801.0	3,651.5	QAR 1.05	47.9%
Strategic Investment Portfolio	1,254.0	1,709.1	2,030.3	QAR 0.64	29.2%
Algeria net optionality	(202.5)	581.3	2,152.2	QAR 0.22	9.9%
Syria / other optionality	0.0	136.4	341	QAR 0.05	2.3%
Rights proceeds & deployment	619.6	619.6	619.6	QAR 0.23	10.6%
Total SoP equity value	**2,203.6**	**5,847.3**	**8,794.6**	**QAR 2.18**	**100.0%**
Shares outstanding (mn)	2,680	2,680	2,680		
Per Share	**QAR 0.82**	**QAR 2.18**	**QAR 3.28**		

Source: VASRO.

Domestic Platform DCF cross-check

The Domestic Platform Discounted Cash Flow values Qatar only and is used as a cross-check, not as the target-price anchor. It applies a 7.4% Weighted Average Cost of Capital, based on a CAPM build with a 5.1% risk-free rate, 0.6% Qatar country risk premium, 4.9% total equity risk premium, 0.65 bottom-up beta, 8.2% cost of equity and 6.5% after-tax cost of debt. The Base case uses 2.0% terminal growth; the Bull case uses 2.5%.

DCF VALUATION: BASE CASE

Baladna Q.P.S.C. | QAR millions | Mid-year convention | Excludes SDIP and Algeria

Operating Free Cash Flow											
Unit		**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**	**FY2031E**	**FY2032E**	**FY2033E**	**FY2034E**	**FY2035E**
QAR mn	EBIT	274.7	261.5	268.8	274.9	282.2	288.7	298.3	303.7	310.4	312.6
QAR mn	Less: Taxes on EBIT	(2.3)	(1.5)	(2.0)	(2.7)	(3.4)	(4.4)	(5.5)	(6.3)	(7.2)	(8.4)
QAR mn	NOPAT	272.4	260.1	266.8	272.3	278.8	284.4	292.8	297.4	303.2	304.2
QAR mn	Plus: D&A	147.0	147.1	143.9	144.7	141.7	142.8	144.0	145.4	147.0	148.7
QAR mn	Less: Capital Expenditure	149.6	156.3	163.4	162.2	168.3	174.2	180.0	185.4	190.6	195.3
QAR mn	Plus/(Less): Change in NWC	9.7	(26.3)	(14.1)	(19.8)	(9.9)	(20.5)	(14.7)	(8.1)	(13.5)	(16.1)
QAR mn	**Unlevered Free Cash Flow**	**279.5**	**224.5**	**233.1**	**235.0**	**242.3**	**232.4**	**242.1**	**249.2**	**246.0**	**241.4**

Discounted Cash Flows											
Unit		**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**	**FY2031E**	**FY2032E**	**FY2033E**	**FY2034E**	**FY2035E**
Years	Discount period	0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5
	Discount factor	0.965x	0.898x	0.836x	0.779x	0.725x	0.675x	0.629x	0.585x	0.545x	0.507x
QAR mn	PV of Explicit FCFF	269.7	201.7	195.0	183.0	175.7	156.9	152.2	145.9	134.1	122.5
QAR mn	PV of Terminal Value										2,559.4

QAR mn	PV of Explicit FCFF	**1,736.5**
QAR mn	PV of Terminal Value	**2,559.4**
QAR mn	**Enterprise Value**	**4,295.9**
%	Terminal Value as % of Enterprise Value	**59.6%**

EV-to-Equity Bridge		
QAR mn	Enterprise Value	4,295.9
QAR mn	Less: Gross Debt	(2,468.4)
QAR mn	Less: Lease Liabilities	(87.3)
QAR mn	Add: Cash & Cash Equivalents	374.8
QAR mn	Less: Non-Controlling Interests	(390.3)
QAR mn	**Equity Value**	**1,724.7**
mn	**Shares Outstanding**	**2,680.0**
QAR/share	**Domestic Platform DCF Cross-Check per Share**	**QAR 0.64**

Source: VASRO

The ten-year Free Cash Flow to Firm projection plus terminal value gives a Base case Enterprise Value of QAR 4,296m. Deducting gross debt of QAR 2,468m, lease liabilities of QAR 87m and non-controlling interests of QAR 390m, and adding QAR 375m of cash, equity value is QAR 1,725m, or QAR 0.64 per share.

On the same framework, the Bull case gives an Enterprise Value of QAR 5,484m and equity value of QAR 2,913m, or QAR 1.09 per share, confirming that the domestic engine alone, on a pure cash-flow basis, sits well below the Sum-of-Parts target. That is intentional: the cross-check isolates the domestic engine's standalone DCF value, which is exactly why it cannot be the primary method for a four-engine company.

DCF VALUATION: Bull CASE

Baladna Q.P.S.C. | QAR millions | Mid-year convention | Excludes SDIP and Algeria

Operating Free Cash Flow											
Unit	**Line Item**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**	**FY2031E**	**FY2032E**	**FY2033E**	**FY2034E**	**FY2035E**
QAR mn	EBIT	305.5	304.7	324.5	340.7	357.1	373.2	386.2	400.9	409.0	413.0
QAR mn	Less: Taxes on EBIT	(2.5)	(1.9)	(2.8)	(3.7)	(4.8)	(5.1)	(6.4)	(7.5)	(8.6)	(10.0)
QAR mn	NOPAT	303.0	302.8	321.8	337.0	352.3	368.1	379.8	393.4	400.4	403.0
QAR mn	Plus: D&A	143.4	143.8	140.9	142.1	139.5	141.0	142.8	144.8	147.0	149.3
QAR mn	Less: Capital Expenditure	152.7	161.9	170.8	171.2	179.4	187.5	195.0	202.4	209.5	215.8
QAR mn	Plus/(Less): Change in NWC	31.5	(24.7)	(21.8)	(14.5)	(19.7)	(15.4)	(15.7)	(16.6)	(8.6)	(21.5)
QAR mn	Unlevered Free Cash Flow	325.2	260.0	270.1	293.4	292.7	306.3	312.0	319.2	329.3	315.1

Discounted Cash Flows											
Unit	**Line Item**	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**	**FY2031E**	**FY2032E**	**FY2033E**	**FY2034E**	**FY2035E**
Years	Discount period	0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5
	Discount factor	0.965x	0.898x	0.836x	0.779x	0.725x	0.675x	0.629x	0.585x	0.545x	0.507x
QAR mn	PV of Explicit FCFF	313.7	233.5	225.9	228.5	212.2	206.8	196.1	186.8	179.4	159.9
QAR mn	PV of Terminal Value										3,340.8

QAR mn	PV of Explicit FCFF	**2,142.9**
QAR mn	PV of Terminal Value	**3,340.8**
QAR mn	**Enterprise Value**	**5,483.7**
%	Terminal Value as % of Enterprise Value	**60.9%**

EV-to-Equity Bridge		
QAR mn	Enterprise Value	5,483.7
QAR mn	Less: Gross Debt	(2,468.4)
QAR mn	Less: Lease Liabilities	(87.3)
QAR mn	Add: Cash & Cash Equivalents	374.8
QAR mn	Less: Non-Controlling Interests	(390.3)
QAR mn	**Equity Value**	**2,912.5**
mn	**Shares Outstanding**	**2,680.0**
QAR/share	**Domestic Platform DCF Cross-Check per Share**	**QAR 1.09**

Source: VASRO

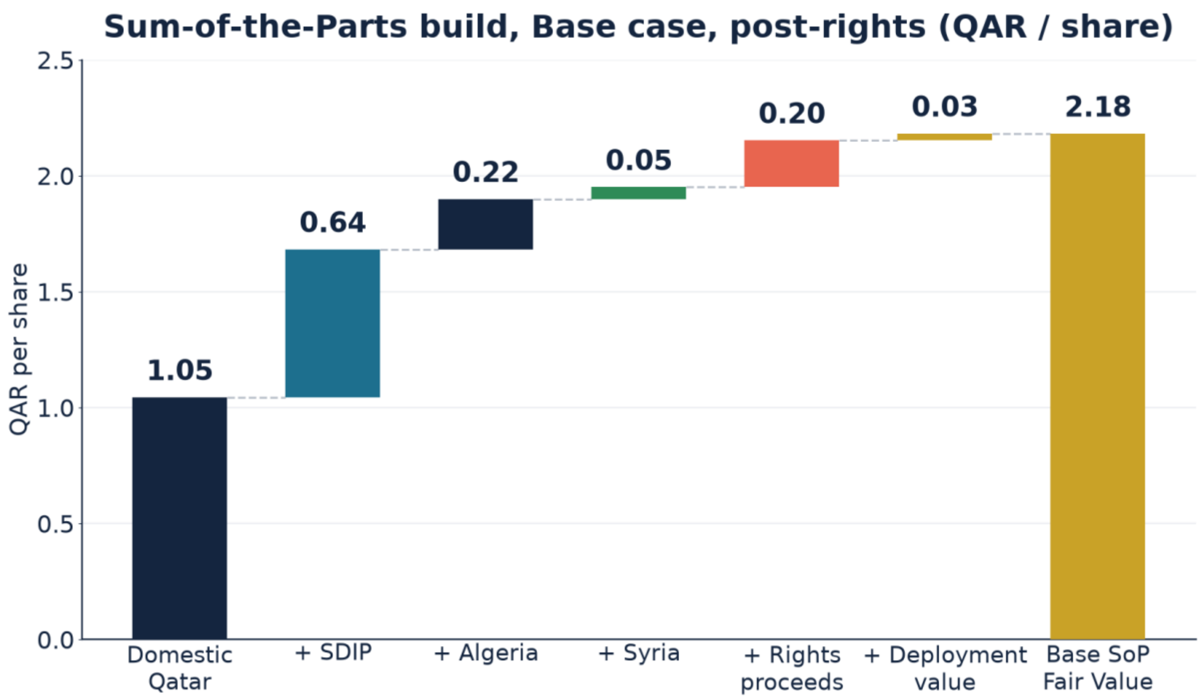
SoP vs DCF reconciliation

The Base case Sum-of-Parts value of QAR 2.18 per share sits QAR 1.54 above the Domestic Platform DCF value of QAR 0.64 per share. The gap is decomposable: QAR 0.64 from the Strategic Investment Portfolio, QAR 0.22 from Algeria, QAR 0.05 from Syria, QAR 0.20 from the rights proceeds and QAR 0.03 from their deployment, and QAR 0.40 from the domestic multiple-versus-DCF difference.

This is not a valuation inconsistency. It shows why a single domestic Discounted Cash Flow cannot be the primary method for Baladna. It captures Qatar, but not the separate portfolio and international value pools.

SoP vs Domestic Platform DCF, Per-share reconciliation, Base case

Component	QAR / share
Domestic Platform DCF	0.64
+ SDIP (IFRS 9 FVTPL)	0.64
+ Algeria optionality	0.22
+ Syria optionality	0.05
+ Rights proceeds, deployment and domestic multiple premium	0.63
Sum-of-Parts Base case	2.18



Source: VASRO

The Domestic DCF values only the Qatar operating business. Sum-of-Parts adds three pools the single-asset DCF excludes by construction, SDIP at audited fair value, Algeria probability-weighted DCF, and Syria optionality. The remaining QAR 0.63 combines the rights proceeds and their deployment with the platform's structural multiple premium over a pure cash-flow discount.

Scenario weighting rationale

The 55% Base, 35% Bull and 10% Bear weighting reflects three factors: audited line-item support for the main value pools, our own probability-weighted DCF for Algeria and the IFRS 9 mark for the

Strategic Investment Portfolio, and the contractual protections around Algeria. A standard greenfield project would deserve a heavier Bear weight. Here, the offtake agreement, tax exemption and bank payment guarantee shift more probability toward Base and Bull without removing execution risk.

Sensitivity analysis, Selected Fair Value robustness

The sensitivity matrix tests the Selected Fair Value against two variables: the domestic forward EBITDA multiple, from 8.0x to 16.0x, and the Algeria Base case probability weighting, from 40% to 100%. The selected QAR 2.43 fair value sits at the centre of the matrix, using 12.0x EBITDA and 70% Algeria probability.

The important point is downside resilience. Even at the most conservative corner of the matrix, 8.0x EBITDA and 40% Algeria probability, the Selected Fair Value remains above QAR 2.04 per share, still well above the QAR 1.21 reference price. At the upper corner, 16.0x EBITDA and 100% Algeria probability, the value reaches QAR 2.82 per share.

SUM-OF-PARTS FAIR VALUE, POST-RIGHTS DILUTED BASIS, QAR/share

Domestic forward EBITDA multiple ↓ / Algeria Base case probability →	40%	55%	70%	85%	100%
8.0x	QAR 2.04	QAR 2.06	QAR 2.09	QAR 2.12	QAR 2.14
10.0x	QAR 2.21	QAR 2.23	QAR 2.26	QAR 2.29	QAR 2.31
12.0x	QAR 2.38	QAR 2.41	QAR 2.43	QAR 2.46	QAR 2.48
14.0x	QAR 2.55	QAR 2.58	QAR 2.60	QAR 2.63	QAR 2.65
16.0x	QAR 2.72	QAR 2.75	QAR 2.77	QAR 2.80	QAR 2.82

> *The sensitivity work supports the BUY recommendation. Even under the most conservative sensitivity corner, the Selected Fair Value remains above the current reference price. To fall back to QAR 1.21, the QAR 2.43 Selected Fair Value would need to compress by around 50%, which would require several value pools to disappoint at the same time.*

Why the Selected Fair Value is QAR 2.43 and not higher

A more aggressive framework could produce a higher fair value, but we deliberately avoid that. The 35% Bull weighting captures asymmetry without making the Bull case the centre of the recommendation. The Strategic Investment Portfolio is valued on a measured through-cycle return in line with management's guidance, not on a repeat of the exceptional FY2025 mark. Algeria is valued through our own probability-weighted DCF, not at the project's potential full economic return.

The result is a balanced institutional target: high enough to reflect the value not priced by the market, but disciplined enough to recognise execution risk across Algeria, Syria and portfolio mark-to-market exposure.

Risk Framework and Monitoring

Baladna's main risks fall into five areas: Algeria execution, Strategic Investment Portfolio mark-to-market volatility, Syria geopolitical and project risk, domestic margin pressure in Qatar, and macro or commodity exposure across operating markets. Each risk is real, but each is also observable through specific quarterly markers.

The QAR 2.43 target already embeds risk through three layers:

- **Scenario weighting:** 55% Base, 35% Bull and 10% Bear.
- **Project probability weighting:** Algeria is discounted within each scenario, and Syria is treated as early-stage optionality.

- **Conservative parameters:** the domestic multiple is not stretched, the portfolio is marked at management's guided rate rather than an aggressive one, and Algeria uses a Base milk-powder price below the Bull assumption.

The point is simple: QAR 2.43 is not a blue-sky number. It is a risk-adjusted output built from separate engines, each discounted before reaching the final target.

The five risks

Algeria execution risk

Algeria is the largest single risk in the equity story because it is the largest re-rating variable. The main failure modes are cattle-airlift delay, capex overrun, plant commissioning slippage beyond 2028, milk-powder pricing below the Bear case assumption, ONIL framework modification, or local operational disruption.

The risk is partly mitigated by the project structure: a 20-year ONIL offtake agreement, 10-year tax exemption, 20-year bank payment guarantee, 49% sovereign co-investment through the Algerian National Investment Fund, and project-level financing. These protections do not remove execution risk, but they reduce the probability of permanent value loss versus an ordinary greenfield dairy project.

This is why Algeria is treated with a wide valuation range: from a negative QAR 202m Bear contribution to a materially higher Bull contribution. The key monitoring points are cattle-airlift execution, civil works progress, processing-plant timeline, capex discipline, milk-powder pricing and any change to the ONIL framework.

Strategic Investment Portfolio mark-to-market volatility

The Strategic Investment Portfolio can move materially with quoted equity markets. The main risks are Juhayna underperformance, Egyptian macro pressure, Egyptian pound weakness, Qatar-listed securities declines, regional equity-market weakness, or poorly timed disposals.

The mitigants are the strategic-hold posture, Juhayna's underlying category position, and the IFRS 9 fair-value through profit or loss treatment, which gives investors a transparent quarterly mark. Still, this is not a fixed-value asset. If quoted markets fall, the portfolio value can fall with them.

Our valuation does not assume a repeat of FY2025's unrealised gain. The Bear case holds the portfolio flat after the first-half mark, while Base and Bull assume measured appreciation. The monitoring points are Juhayna operating performance, Egyptian currency movement, Qatar Stock Exchange direction, and the margin facility secured against the portfolio.

Syria geopolitical and execution risk

Syria is the highest-risk project in the portfolio and is treated accordingly. The main failure modes are geopolitical deterioration, regulatory delay, currency and capital-control constraints, macro instability, supply-chain disruption, or construction overrun now that capital is committed on the ground.

The main mitigants are a still-modest QAR 119.1m committed to date, separate local structuring, staged project progression, and the IFC engagement covering supply diagnostics, market analysis and bankability assessment. Construction has started, which removes approval risk but replaces it with execution risk, and our Base case reflects that at a 40% probability weighting rather than full success.

This is why Syria stays a measured part of the valuation: zero in the Bear case, QAR 136m in the Base case and QAR 341m in the Bull case. Construction has begun, but until the plant is commissioned Syria should be read as optionality moving toward reality, not a core valuation pillar.

Domestic competitive and margin pressure

Qatar is structurally protected, but Baladna's domestic margin is not risk-free. The main risks are share loss in core categories, feedstock or energy inflation, channel mix deterioration, sustained HORECA weakness, or weaker returns from new product launches.

The mitigants are strong category positions in Fresh Milk and UHT Milk, vertical integration, route density, national food-security alignment, the Bel Group partnership, and the cost-of-revenue improvement visible in H1 2026, where cost of revenue fell 2.3% on revenue up 2.6%. These factors support the Base case 31% EBITDA margin assumption.

In the Bear case, margin pressure is reflected through domestic multiple compression to 8.5x, reducing the domestic engine value to QAR 532.5m. The monitoring points are EBITDA margin, gross margin, Nielsen market shares, channel mix, feedstock costs and new product traction.

Macroeconomic, FX, and commodity exposure

Baladna's base currency is QAR, but the company has growing international exposure through USD-linked project commitments, Egyptian pound-linked portfolio exposure, and potential Algerian and Syrian operating risks. The main risks are Egyptian pound depreciation, Algerian dinar pressure, global milk-powder price weakness, feedstock inflation, regional demand softness, and, as a remote tail risk, stress on the USD/QAR peg.

The mitigants are the long-standing USD/QAR peg, vertical integration, partial USD-linked exposure through international milk-powder economics, and the strategic importance of food security in Qatar. These factors reduce risk transmission, but they do not eliminate commodity or currency exposure.

The macro risk is most relevant when several engines come under pressure at once: lower portfolio marks, weaker milk-powder economics, higher costs and softer regional demand. That is why macro exposure is captured through the Bear scenario rather than through one isolated line item.

RISK FRAMEWORK & QUARTERLY MONITORING: BALADNA Q.P.S.C.

FIVE-RISK MAP

ALGERIA EXECUTION	SDIP VOLATILITY	SYRIA GEOPOLITICAL	DOMESTIC MARGIN	MACRO / FX / COMMODITY
Prob. meaningful slippage	Prob. sustained negative marks	Prob. of delay	Prob. sustained EBITDA <28%	Prob. material macro shock
30 to 35%	**15 to 20%**	**40 to 50%**	**15 to 20%**	**10 to 15%**
Prob. catastrophic failure		Prob. full execution by 2030		
5%		**40%**		
CAPTURED IN	CAPTURED IN	CAPTURED IN	CAPTURED IN	CAPTURED IN
(QAR 202mn) Bear / +QAR 2,152 mn Bull	**Bear held flat at QAR 1,254.0mn after the first-half mark**	**Bear 0 / Base QAR 136mn / Bull QAR 341mn**	**Bear 8.5x multiple compression**	**Bear milk powder USD 2,800/t · multiple compression**
KEY MITIGANTS	KEY MITIGANTS	KEY MITIGANTS	KEY MITIGANTS	KEY MITIGANTS

Triple-guarantee · NIF co-investment · USD 470m undrawn facility	IFRS 9 FVTPL discipline · Strategic-hold posture	Construction commenced Q2-26 · QAR 119m deployed · Conservative valuation	#1 share in 6 categories · Vertical integration	USD/QAR peg · Food security policy · Channel diversity

QUARTERLY MONITORING DASHBOARD

ENGINE	CRITICAL KPI	CURRENT STATE	WATCH TRIGGER
Domestic	EBITDA margin	**33.8% H1 2026**	Sustained <28%
Algeria	Cattle airlift commencement	**Target Nov 2026**	Delay >Q1 2027
Syria	Plant construction	**Commenced Q2 2026**	Stalled or suspended
SDIP	Quarterly FVTPL mark	**QAR 1,303.7mn at 30 Jun**	Sustained negative marks
Macro	Milk powder USD/ton	**~3,400 reference**	Sustained <2,800

Note: Probability ranges reflect VASRO's scenario assessment and are not statistical default probabilities.

Source: VASRO

Quarterly monitoring framework

The dashboard converts the risk framework into a quarterly monitoring tool. Each engine has a defined current state, a watch trigger, and a valuation treatment already embedded in the model. The BUY recommendation does not assume a risk-free path; it assumes that the main risk indicators remain within the tested sensitivity range.

We would revisit the recommendation if one or more triggers move from isolated pressure to sustained thesis deterioration, particularly Algeria execution delay, domestic EBITDA margin below the warning level, material Strategic Investment Portfolio mark-downs, or a formal weakening of the Syria investment path.

Investment Rationale

The case for BUYing Baladna at the current reference price rests on five connected points. None requires a heroic assumption. *The market still prices Baladna close to a domestic dairy stock, while the company is becoming a regional food-security platform with four value engines.*

1. This is food-security infrastructure priced as a dairy stock.

Baladna is valued against dairy peers, but its domestic role is different. In Qatar, the company operates as strategic food-security infrastructure: vertically integrated, category-leading, and aligned with national self-sufficiency policy. Its 90.4% share in Fresh Milk and 88.3% in UHT Milk, the 149-route distribution network, and uninterrupted supply through the 2017 blockade, COVID-19 disruption and Red Sea shipping pressure support that view.

The financial evidence is visible in the margin profile. FY2025 EBITDA margin of about 28% already ran around fourteen points above the regional peer median, and H1 2026 reached 33.8% excluding the portfolio gain. Our Base case still assumes a lower 31% EBITDA margin, leaving room for normalisation without breaking the thesis.

2. International growth without normal international risk.
Algeria is the main re-rating variable. The project gives Baladna access to a large milk-powder import market, but with a structure that is not typical greenfield risk: a 20-year ONIL offtake agreement, a 10-year tax exemption, a 20-year bank payment guarantee, and 49% sovereign co-investment through the Algerian National Investment Fund.

That structure does not remove execution risk. It does, however, reduce the downside profile compared with an ordinary emerging-market dairy project. This is why Algeria carries a wide scenario range in our Sum-of-Parts framework and why execution milestones, cattle airlift, civil works, plant build-out and first milk-powder production, matter directly for valuation.

3. A materially undervalued quoted-equity portfolio.
Baladna carries QAR 1,303.7m of quoted equity investments at fair value through profit or loss, including a 16.25% stake in Juhayna Food Industries. This is reviewed, marked-to-market balance-sheet value, not a narrative asset.

The portfolio contributes QAR 0.64 per share in our Base case and is one reason a pure Domestic Discounted Cash Flow understates Baladna's equity value. We assume a measured, recurring portfolio return rather than a repeat of the exceptional FY2025 mark. The Bear case holds the portfolio flat after the first-half mark, while the Base case assumes measured appreciation. That keeps the framework disciplined while still recognising value the market appears to underprice.

4. A fully visible funding path, ambition the company is growing into, not borrowing against.
Baladna's expansion plan is capital-intensive, but the funding path is identifiable. H1 2026 net operating cash flow was QAR 201.6m, with operating cash flow before working capital of QAR 220.1m. The company also had QAR 284.2m of cash and bank balances, QAR 1,303.7m in quoted equity investments, and capacity still undrawn under the Algeria Murabaha facility.

The rights issue is part of that forward capital structure, approved on 22 July and in subscription through 17 August. The key point is not that expansion is costless. It is that Baladna has multiple funding levers: domestic cash generation, portfolio liquidity, project financing and equity capital. That reduces the risk that Algeria becomes an unfunded ambition.

5. The only platform spanning two sovereign food-security mandates, and the region is only at the beginning.
Almarai is a strong Saudi company; SADAFCO a strong UHT operator; Juhayna a strong Egyptian producer. None of them is, or is becoming, what Baladna is becoming: a single integrated platform anchored simultaneously to Qatar's and Algeria's national food-security agendas, bridging into Egypt through the Juhayna stake, with Syria's reconstruction market next.

The Qatari alignment is locked in through the 2017 blockade legacy, the strategic investor base (GRSIA, Power International Holding, Mwani Qatar, Al Meera, Hassad Food), and ongoing ministerial-level engagement, the March 2026 visit by the Minister of Municipality was endorsement, not protocol. The Algerian alignment is locked in through the ONIL offtake, the fiscal protection, and the sovereign fund's 49% co-investment. Across the Middle East, food security has moved from policy aspiration to sovereign priority, and Baladna is positioned as an operating vehicle at the centre of that shift.

Regional tensions, including periodic pressure around the Strait of Hormuz, are part of why this matters rather than a reason for caution: every disruption since 2017 has deepened the Gulf's commitment to domestic food security and strengthened Baladna's position within it. This is a gradually compounding regional platform in its early innings, **and it is why, in our view, Baladna is a BUY at the reference price rather than a HOLD.**

Appendix

The statements present Baladna's domestic operating platform on an IFRS basis, covering FY2023 to FY2025 actuals and FY2026E to FY2028E forecasts. Figures are in QAR millions unless stated otherwise. EBITDA and EBIT are shown on an operating basis and exclude Strategic Investment Portfolio fair-value movements (including the QAR 408m FY2025 unrealised gain on FVTPL investments), the Algeria project and Syria optionality, all valued separately in the Valuation section.
This isolates the dividend-supporting, cash-generating domestic business and avoids consolidating early-stage or non-capitalised international initiatives. EBITDA reflects total depreciation add-back and ties to the audited cash-flow statement; revenue, operating profit, cash and balance-sheet lines match Baladna's reported figures. Net profit, by contrast, includes the recurring fair-value gain and dividend income on the portfolio, consistent with Baladna's IFRS reporting.

P&L, IFRS-based forecast (QAR m)

	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E
Revenue	1,057.0	1,145.0	1,268.0	1,360.1	1,421.3	1,485.2
Revenue Growth (%)	0.07	0.08	0.11	7.3%	4.5%	4.5%
Cost of Revenue	924.6	930.2	994.5	979.2	1,047.5	1,099.1
Gross Profit	**132.4**	**214.8**	**273.5**	**380.8**	**373.8**	**386.2**
Gross Margin (%)	0.13	0.19	0.22	28.0%	26.3%	26.0%
Selling, General & Administrative Expenses	162.3	167.4	176.7	180.9	189.0	196.0
Other Operating Income / (Expense), net	(117.6)	(114.1)	(110.5)	(74.8)	(76.7)	(78.7)
Total Operating Expenses	**44.7**	**53.3**	**66.2**	**106.1**	**112.3**	**117.3**
				-	-	-
EBITDA	**230.9**	**296.3**	**358.9**	**421.7**	**408.6**	**412.7**
EBITDA Margin (%)	0.22	0.26	0.28	31.0%	28.7%	27.8%
Depreciation & Amortization	143.2	134.8	151.6	147.0	147.1	143.9
Operating Income / EBIT	**87.7**	**161.5**	**207.3**	**274.7**	**261.5**	**268.8**
EBIT Margin (%)	0.08	0.14	0.16	20.2%	18.4%	18.1%
EBIT / Interest expense (interest coverage)	1.29	2.74	2.42	3.4x	3.0x	3.2x
Net debt / EBITDA	8.76	7.26	5.83	5.3x	5.9x	6.2x
FCF conversion (FCF / EBITDA)	-0.28	0.37	0.03	48.2%	39.5%	42.3%
				-	-	-
Finance Income	2.3	-	-	5.6	22.7	26.0
Finance Cost	(68.1)	(58.9)	(78.5)	(81.7)	(86.0)	(84.5)
Net Finance Income / (Cost)	**(65.8)**	**(58.9)**	**(78.5)**	**(76.0)**	**(63.3)**	**(58.5)**
Investment Income / Non-Operating Income, net	88.2	83.6	411.2	259.5	43.9	45.4
Profit Before Tax	**110.0**	**186.2**	**540.1**	**458.2**	**242.1**	**255.8**
Income Tax Expense	0.6	0.9	1.3	2.3	1.5	2.0
Effective Tax Rate (%)	0.01	0.00	0.00	0.50%	0.60%	0.80%
Profit for the period	**109.4**	**185.3**	**538.8**	**455.9**	**240.6**	**253.7**
Non-controlling interests	0.2	(0.3)	1.0	-	-	-
Profit attributable to owners of the parent	**109.6**	**185.0**	**539.7**	**455.9**	**240.6**	**253.7**
Net Margin (%)	0.10	0.16	0.43	33.5%	16.9%	17.1%
				-	-	-
Shares Outstanding Basic (mn)	2,144.0	2,144.0	2,144.0	2,322.7	2,680.0	2,680.0
Shares Outstanding Diluted (mn)	2,144.0	2,144.0	2,144.0	2,322.7	2,680.0	2,680.0
EPS Basic (QAR/share)	**0.05**	**0.09**	**0.25**	**QAR 0.20**	**QAR 0.09**	**QAR 0.09**
EPS Diluted (QAR/share)	**0.05**	**0.09**	**0.25**	**QAR 0.20**	**QAR 0.09**	**QAR 0.09**
				-	-	-
Dividends Paid	**(1.5)**	**(134.4)**	**(1.1)**	**(49.1)**	**(49.2)**	**(52.1)**
Dividend Payout Ratio (%)	**0.01**	**0.73**	**0.00**	**10.8%**	**20.4%**	**20.5%**

Source: Baladna; VASRO

Balance sheet, IFRS-based forecast (QAR m)

	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E
ASSETS						
Cash & Cash Equivalents	59.7	27.6	374.8	1,513.6	1,733.7	1,866.3
Short-Term Investments	-	-	-	-	-	-
Accounts Receivable	178.7	128.3	151.2	164.0	171.3	175.0
Other Receivables	125.5	115.0	96.4	95.2	98.1	101.0
Inventory	400.3	430.1	400.5	391.7	416.1	433.6
Prepaid Expenses & Other Current Assets	186.4	185.8	118.6	119.7	123.6	127.7
Total Current Assets	**950.6**	**886.8**	**1,141.4**	**2,284.2**	**2,542.8**	**2,703.6**
Property, Plant & Equipment	3,507.0	3,476.0	3,585.0	3,587.6	3,596.9	3,616.4
Right-of-Use Assets	-	-	-	-	-	-
Long-Term Investments	371.8	523.7	994.5	1,254.0	1,297.9	1,343.3
Goodwill & Intangible Assets	14.3	14.7	11.7	11.7	11.7	11.7
Advance to suppliers & other non-current assets	-	-	376.1	376.1	376.1	376.1
Total Non-Current Assets	**3,893.1**	**4,014.4**	**4,967.3**	**5,229.4**	**5,282.6**	**5,347.5**
Total Assets	**4,843.7**	**4,901.2**	**6,108.7**	**7,513.6**	**7,825.4**	**8,051.1**
LIABILITIES						
Accounts Payable	174.8	111.6	88.1	96.6	103.3	111.4
Accrued Expenses & Other Current Liabilities	90.9	104.4	120.1	125.1	130.8	136.6
Short-Term Debt	184.6	260.4	355.9	409.1	425.6	428.4
Current Portion of Long-Term Debt	176.3	211.2	173.4	204.5	212.8	214.2
Current Lease Liabilities	10.1	0.1	0.1	10.0	10.0	10.0
Current Tax Payable	-	1.5	1.8	1.8	1.8	1.8
Total Current Liabilities	**636.6**	**689.1**	**739.4**	**847.1**	**884.3**	**902.5**
Long-Term Debt	1,721.0	1,708.0	1,939.0	2,308.4	2,401.6	2,417.4
Revolver Balance (Short-Term)	-	-	-	-	-	-
Long-Term Lease Liabilities	111.9	78.0	87.3	66.9	56.9	46.9
Pension / Post-Retirement Obligations	16.0	19.1	22.2	22.2	22.2	22.2
Deferred Tax Liabilities	-	-	-	-	-	-
Other Non-Current Liabilities	1.0	1.0	0.5	0.5	0.5	0.5
Total Non-Current Liabilities	**1,850.0**	**1,806.1**	**2,048.9**	**2,397.9**	**2,481.1**	**2,486.9**
Total Liabilities	**2,486.6**	**2,495.2**	**2,788.3**	**3,245.0**	**3,365.4**	**3,389.4**
EQUITY						
Share Capital / Common Stock	1,901.0	1,901.0	2,144.0	2,680.0	2,680.0	2,680.0
Retained Earnings	253.6	301.9	585.2	992.0	1,183.4	1,385.1
Other Reserves / Comprehensive Income	200.1	200.1	200.9	206.3	206.3	206.3
Treasury Shares	-	-	-	-	-	-
Equity Attributable to Shareholders	**2,354.8**	**2,403.0**	**2,930.1**	**3,878.3**	**4,069.7**	**4,271.4**
Non-controlling interests	2.4	3.0	390.3	390.3	390.3	390.3
Total Equity	**2,357.1**	**2,406.0**	**3,320.4**	**4,268.6**	**4,460.0**	**4,661.7**
Total Liabilities & Equity	**4,843.7**	**4,901.2**	**6,108.7**	**7,513.6**	**7,825.4**	**8,051.1**

Source: Baladna; VASRO

Cash flow statement, IFRS-based forecast (QAR m)

	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E
OPERATING ACTIVITIES						
Profit for the period	109.6	185.0	539.7	455.9	240.6	253.7
Depreciation & Amortization	143.2	134.8	151.6	147.0	147.1	143.9
Gain / Loss on Investments and Assets	(30.3)	(38.1)	(408.2)	(259.5)	(43.9)	(45.4)
Other Non-Cash Items	(77.7)	(86.0)	(46.4)	78.3	64.8	60.5
Change in Accounts Receivable	(71.8)	6.7	17.3	(12.8)	(7.4)	(3.6)
Change in Inventory	45.8	(35.2)	28.6	8.8	(24.4)	(17.5)
Change in Accounts Payable	27.1	2.6	(7.3)	8.5	6.7	8.1
Change in Other Working Capital	(46.9)	53.3	(1.8)	5.1	(1.2)	(1.1)
Interest Received	2.3	-	-	5.6	22.7	26.0
Interest Paid	(110.0)	(123.2)	(116.6)	(81.7)	(86.0)	(84.5)
Tax Paid	(0.6)	(0.2)	(1.0)	(2.3)	(1.5)	(2.0)
Net cash from operating activities	**99.1**	**223.2**	**273.3**	**353.0**	**317.6**	**338.0**
Algeria_Project memo only — excluded from domestic cash flow	-	-	-	-	-	-
INVESTING ACTIVITIES						
Capital Expenditure	(163.8)	(113.0)	(262.1)	(149.6)	(156.3)	(163.4)
Investment Purchases / Sales	(123.5)	(113.9)	(62.8)	-	-	-
Algeria funding exposure — excluded from domestic cash flow	-	-	-	-	-	-
Other Investing Activities	28.3	52.3	(309.8)	-	-	-
Net cash used in investing activities	**(259.0)**	**(174.6)**	**(634.7)**	**(149.6)**	**(156.3)**	**(163.4)**
FINANCING ACTIVITIES						
Cash Before Debt Financing	(110.6)	(8.6)	(31.9)	1,060.0	1,615.7	1,846.3
Debt Issued / (Repaid), net	170.3	36.2	406.7	453.6	118.0	20.0
Lease Payments	-	-	-	(10.5)	(10.0)	(10.0)
Dividends Paid	(1.5)	(134.4)	(1.1)	(49.1)	(49.2)	(52.1)
Equity Issuance Proceeds	-	-	243.0	541.4	-	-
Revolver Draw / (Repayment)	-	-	-	-	-	-
Other Financing Activities	14.3	(9.9)	14.1	-	-	-
Net cash from financing activities	**183.2**	**(108.1)**	**662.7**	**935.4**	**58.8**	**(42.1)**
NET CASH FLOW						
Foreign Exchange Effect	-	-	(0.2)	-	-	-
Net Change in Cash	**23.3**	**(59.6)**	**301.1**	**1,138.8**	**220.0**	**132.6**
Beginning Cash	36.5	87.2	73.7	374.8	1,513.6	1,733.7
Ending Cash	**59.7**	**27.6**	**374.8**	**1,513.6**	**1,733.7**	**1,866.3**

Source: Baladna; VASRO

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The following details recall such legal aspects and complete them as far as they refer to equity analyses with quarterly updates.

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2. Further mandatory details
a) First publication: 08/04/2026
b) Publisher: Dr. Vaseghi, Javad, Mr. Roghani, Emad
c) Time conditions of expected updates: quarterly
d) Previous analyses: No analysis was published in the 12 months before publication of this analysis that contains a recommendation for a specific investment decision which contradicts this analysis.
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Company	Disclosure (s)
Baladna Q.P.S.C.	h)

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9. Recommendation History for the Last 12 Months:

Date	Recommendation	Stock Price at Publication (QAR)	Price Target (QAR)	Change
08/04/2026	BUY	1.21	2.43	-

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