Operating Review **Dairy**

Almarai's flagship **Dairy division delivered** exceptional performance in 2024, with record breaking revenues and market shares across the GCC, Egypt and Jordan. This outstanding result benefited from a substantial contribution from Ramadan sales. strategic product launches and enhanced market positioning. Additionally, Dairy, which is the single largest contributor to the Group's performance, reaped the rewards of the investments that have been made to drive growth and secure market leadership.

A year of records

Dairy, the largest business unit at Almarai, generated a remarkable J to billion in total GCC revenue in 2024, representing a 6% increase from the previous year. This impressive outcome was complemented by the increase in our share of Almarai's core market, the Kingdom of Saudi Arabia, which grew to 49.6% in full year 2024 vs 48.7% in full year 2023.

A key feature of the year was our Ramadan sales initiative, which delivered our best sales performance ever during the holy month and made a hefty contribution to annual growth.

Innovation remained one of our important growth pillars, and in 2024 we remained focused on enhancing our existing portfolios in our core categories while also pursuing opportunities in adjacent categories organically and inorganically. The successful launch of ice cream in mid-2024, led category innovation with new consumer-tested products such as Mini Bites and Double Sandwich. The response from the market was extremely positive, with sales volumes delivering significantly ahead of our expectations. It also showcased Almarai's ability to qualify, onboard and manage co-manufacturing sites on another continent, to deliver our consistently excellent quality to satisfy our consumer's needs.

Our Fresh Dairy product range will be expanded across trade channels, while our health-conscious consumers will benefit from new product innovations.

Although the Kingdom will always be our primary market, we continued to explore growth potential for our core categories across the MENA region and other markets where Almarai's capabilities can be leveraged to create further value.

49.6%

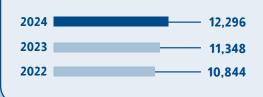
share of Almarai's core market, the Kingdom of Saudi Arabia

Value Share of Saudi Market

Category	Market share	Position
Fresh Milk	63.7%	1
Fresh Laban	65.8 %	1
Zabadi	61.5%	1
Culinary	46.6%	1

Total Dairy Revenue

(歨 million)



New Products in 2024

Zabadi Gold Laban Gold Protein Milk Coffee Protein Drinking Yogurt Strawberry Cheddar Block Whipping Cream Dairy Whipped Topping Premix

Soft Cream Cheese Ice Cream Cone Ice Cream Stick Ice Cream Minis Ice Cream Sandwich Ice Cream Tub

Reinforcing market leadership with outstanding products

The key performer in the Dairy business unit was Fresh Dairy and Food categories, which delivered an exceptional result that contributed to significant growth in market share.

We also secured an outstanding performance in our UHT line following the implementation of an improved formula and market execution. UHT posted an excellent turnaround, reaching its target sales significantly ahead of expectations. By the year end. Almarai's UHT had secured a 20.6% share in Saudi Arabia, and made substantial gains in other GCC markets, including 21.9% and 20.0% in the UAE and Kuwait respectively. Underpinning this success in an increasingly competitive environment was our focus on expanding our consumer base with effective marketing and distribution strategies.

Many of our other products were star performers in their categories this year, reinforcing the efficacy of our overarching business strategy. Protein milk achieved its highest ever market share of 35.3% in Saudi Arabia, reflecting the surging demand for protein-rich dairy options. Our fresh Gishta (cream) added a further two percentage points to its market lead, culminating in 73.8% market share.

The market share, revenue and profit growth in our value-added Dairy products was robust, ending the year 26% higher than 2023. This segment achieved double-digit growth for the second consecutive year.

Sharpening our strategic focus

Intrinsic to our group business strategy is continued investment in growing the core Dairy and Food business while also expanding into new and adjacent categories, untapped markets and new geographies. The stated objective is to become the preferred consumer choice and eventually the market leader in this segment. To date, our investment has included improving distribution, particularly in the wholesale channel. In 2024, we also increased our marketing spend to raise consumer awareness and to support new products.

步 12,296 million Total Revenue in 2024

Driving the customer experience

During the year 2024, we took various steps to raise service levels further, and to expand the distribution of dairy across trade channels. While maintaining our existing footprint, we focused on strengthening brand equity, improving market coverage and increasing product availability across traditional trade channels. Among the strategic changes made was to increase the distribution of larger-sized, multiple-serve SKUs and to highlight our chilled space visibility in traditional trade. The outcome was broader reach and enhanced consumer convenience, which in turn contributed to Almarai's leadership with a 39.1% market share in 2024.

Recognized leadership

The Dairy business unit's impressive showing in 2024, benchmarked on the exceptional performance in 2023, attracted significant attention from industry watchers. We were honored to be recognized by the Kantar Brand Footprint survey in 2024 as one of the "Most Chosen Brands". Additionally, our creative Ramadan advertising and marketing campaigns earned us multiple kudos, including:

- MMA Smarties Award (KSA and UAE)
- · Festival of Media Award
- WARC Award

Setting ambitious targets for 2025

The coming year's strategic direction reflects Almarai's commitment to consumer-focused innovation and geographic market expansion, building on successes achieved in 2024 as we continue growing our market presence across the Gulf region.

We will continue investing in total dairy products, while also building on our brand equity and boosting top-of-mind awareness to encourage consumers to include them in their daily diets and menus.