



Domty is expanding into the bakery business

Cairo, 7 September 2021

Domty signed two contracts with AMF to supply the fourth line of baked goods and the first line for the production of croissants, with a total investment of 2.5 million euros.

In this context, Mohamed El-Damaty, CEO of the company, commented on this contract, "Thank God, we were able to overcome the difficult time/circumstances that occurred in the first half of 2021. The company is ready to expand with full force. We are producing with capacity utilization rate of 90% of the three bakery production lines and we are expecting to reach the maximum capacity utilization in the bakery segment with the start of the academic year of schools & universities.

In addition to the expansion of sandwiches production through the fourth line, the company will start to engage in the croissants and pies market. We will enter this market with a different quality hence we will remain in the high tier price segment by offering a short shelf life high quality products only, we believe our edge with our consumer is our high quality short shelf life products which we will adhere to in the bakery market.

It is expected that the new lines will be operating by mid next year, and we will discuss ways of financing, whether from our own resources or through bank facilities. The company is also negotiating to expand its juice factory capacity, we are expecting to reach an agreement soon with Tetra Pak, as with the launch of the milk plus the increase of juice sales, we have reached the maximum capacity utilization of our manufacturing facility consequently we are facing obstacles to reach the optimal utilization of the filling capacities, which is what we are facing. Based on the above we are planning to invest in our juice facility to enter the summer of 2022 with full force.

The next step, God willing, with the continued growth rates, we believe that will be taking actual steps to establish a third factory for the company, as the cheese category will also need to increase its production capacities if the partnership with FrieslandCampina succeeds, which we are optimistic about.

We are optimistic about the future and expect an improvement in raw materials prices at the beginning of next year.

About Arabian Food Industries Company Domty S.A.E.



Domty, founded in 1988 and headquartered in Egypt, is a leader in the growing Egyptian cheese and juice market. The Company manufactures, markets and distributes a range of branded white and processed cheeses and juice products, with a family of nearly 200 SKUs under a brand portfolio including Domty, Damo, Gebnety and Bravo. Domty is a household name and the number-one cheese producer in the nation by market share. The Company sells to tens of thousands of retail and business customers as well as to more than 46 export destinations. Learn more about Domty by visiting Domty.org

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