الامتياز
ALIMTIAZ
GROUP

Date: 21/08/2024
Ref: 2024/CAD/BK/084

Boursa Kuwait Company
Kuwait

Subject: Analysts' Conference Transcript for Q2-2024

As per the requirements stipulated in article No. 7-8 (Listed Company Obligations) of Boursa Kuwait Rule Book – Version two – and in which Al-Imtiaz Investment Group Company has been classified under the "Premier Market" category.

Please find attached a copy of the Analysts' Conference Meeting Transcript for the second quarter of the year 2024, which was held on Monday 19/08/2024.

Sincerely,

Fouzi Khalid Bin Essa
Acting Chief Executive Officer

الامتياز
ALIMTIAZ
GROUP

P.O. BOX 29050
SAFAT 13151 KUWAIT
TEL (+965) 1822282
FAX (+965) 22495511

ALIMTIAZ INVESTMENT GROUP (K.S.C.P.)
CR 106905, DATED 11 APRIL 2005
PAID UP CAPITAL K.D 113,361,735 MILLION

مجموعة الامتياز الاستثمارية (ش.م.ك.ع)
سجل تجاري: 106905 في 11 أبريل 2005
رأس المال المدفوع 113,361,735 مليون دينار كويتي

WWW.ALIMTIAZ.COM

ص.ب. 29050
الصفاة 13151 الكويت
هاتف 1822282 (965+)
فاكس 22495511 (965+)

Al Imtiaz Investment Group Company
Q2 2024 Earnings Call and Webcast

August, 19 2024
01:00 PM - Kuwait Local Time

Yahya Charafeddine Hello everyone, and welcome to Al Imtiaz Investment Group, Second Quarter 2024 Earnings Call. This is Yahya Charafeddine from Arqaam Securities. And we are joined today with Mr Mahmoud Abduljawwad, Senior accountant – Financial Control and Accounting unit, and Mr Wail Al-Aun from the Investor Relations Team. If you have questions, please type them in the chat box and send them to directly Arqaam Capital. Over to you, Mr. Wail.

Wail Al-Aun Thank you Yahya. We'll start off our presentation with Mr Mahmoud Abduljawad covering the financial highlights and performance.

Mahmoud Albdeljawwad Thank you, Wail. Hello, and welcome everybody. We'll start just by reminding everybody of the disclaimer, and you can look at it at your convenience. I will go through the key financial highlights of Q2 2024. We have achieved income from operating activities of KD 9.7 million, EBITDA of KD -1.1 million, and a net loss of KD -3.2 million, which translates to a -3.15 fils per share.

As of June 2024, we had total assets of KD 221.5 million, and total liabilities of KD 58.5 million. And our equity attributable to the Parent Company was KD 145.4 million, which translates to a book value per share of 137 fils.

In terms of the key financial ratios, our gross operating profit increased 21% year-on-year, but income from operating activities declined by 29% year-on-year. Our annualized return on equity was -4.4% and our annualized return on assets was -2.9%.

At this point I'd like to remind everybody that our results are reported on a quarter-lag basis from some of the key portfolio assets.

In terms of financial performance, the income from operating activities decreased to KD 9.7 million in H1 2024, down from KD 13.7 million in H1 2023. Net loss from operating activities was KD -1.6 million in H1 2024 compared to a net operating profit of KD 3.3 million in H1 2023. Our EBITDA is KD -1.1 million in H1 2024, compared to KD 4.5 million in H1 2023. During the period, we recorded net losses attributed to shareholders of the parent company of KD -3.2 million in H1 2024, compared to a profit of KD 1.4 million in H1 2023.

Income from operating activities amounted to KD 9.7 million, and the main contributors were the Pharmaceuticals and the Education sectors, with KD 4.5 million and KD 2.7 million, respectively.

Operating expenses increased by 8.3% year-on-year to KD 11.3 million in H1 2024, while the pharmaceuticals sector continues to dominate operating expenses with a 24% weight.

EBITDA decreased to KD -1.1 million in H1 2024, compared to KD 4.5 million in H1 2023, mainly impacted by weaker performance in the Financial Service sector.

Al Imtiaz portfolio NAV declined 10.4% year-on-year to KD 182 million in H1 2024, compared to KD 203 million in H1 2023.

And now I'd like to ask my colleague Mr Wail Al-Aun to take you through the next slide.

Wail Al-Aun Thank you, Mr Mahmoud. Regarding our key sustainability developments our workforce is at 2,817 employees, of which 25% are females. We also remain highly committed to our initiatives related to ESG which are progressing as per plan.

Mahmoud Abdeljawwad Thank you, Wael. And in the last two slides, you can see our P&L, which shows the segmented reporting, and our income statement, as well as our balance sheet and capital structure. In H1 2024, the debt-to-equity ratio stood flat over the year at 0.2x. With that, we can conclude our presentation. So, Yahya, I'll hand over back to you.

Yahya Charafeddine Thank you Mr. Mahmoud. A reminder for everyone, if you have questions, please type them in the chat box directly to Arqaam Capital.

It appears we don't have any questions today. I would like to thank Mr. Mahmoud and Mr. Wael, and we look forward to having you with us everyone next quarter. Please have a nice day.

PASSION FOR EXCELLENCE
DRIVING GROWTH

Earnings Presentation H1 2024

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H1 2024 Key Financial Highlights

ALIMTIAZ GROUP

Al Imtiaz Investment Group's Gross Operating Profit increased by 21.4% y/y

Key Financial Metrics

KD 9.7 Income from Operating Activities (Mn)	**KD (1.1)** EBITDA (Mn)	**KD (3.2)** Parent Net Loss (Mn)	**(3.15) fils** Loss Per Share
KD 221.5 Total Assets (Mn)	**KD 58.5** Total Liabilities (Mn)	**KD 145.4** Parent Equity (Mn)	**137.0 fils** Parent Book Value Per Share

Key Financial Ratios

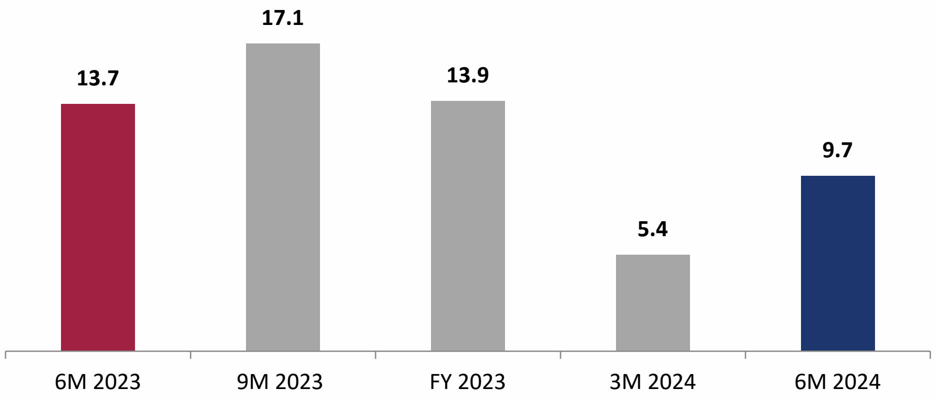
21.4% Gross Operating Profit Growth % (Y-o-Y)	**(4.4)%** Return on Equity[1] %
(29.2)% Operating Income growth % (Y-o-Y)	**(2.9)%** Return on Assets[1] %

- Contributions for some of the key portfolio assets are consolidated in AIIG on a quarter-lag basis

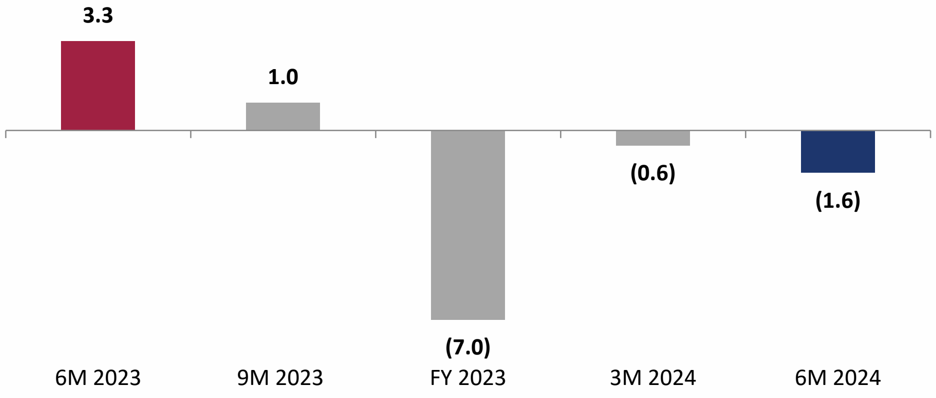
1. Annualized

H1 2024 Financial Performance

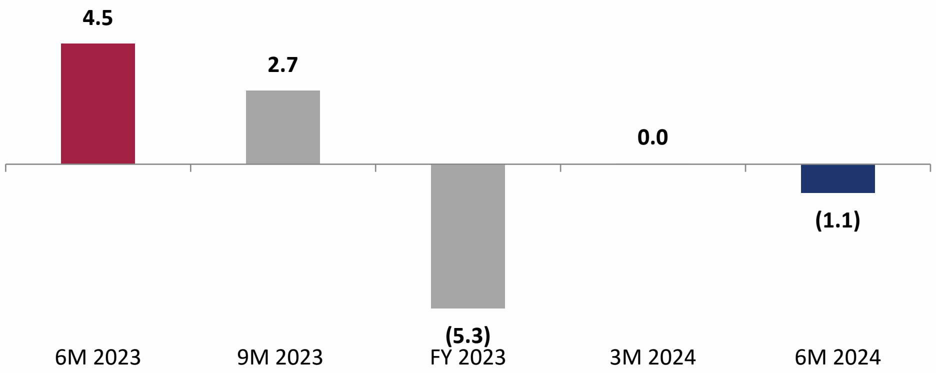
Income from Operating Activities



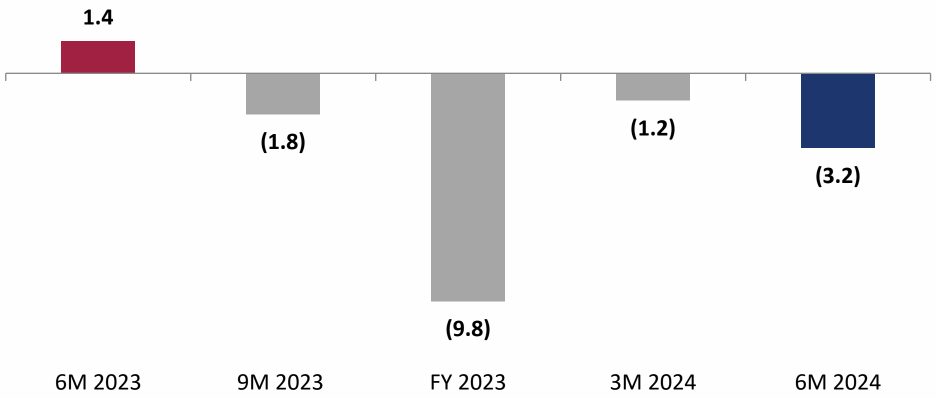
Net (Loss) Income from Operating Activities



EBITDA



Parent Net (Loss) Profit

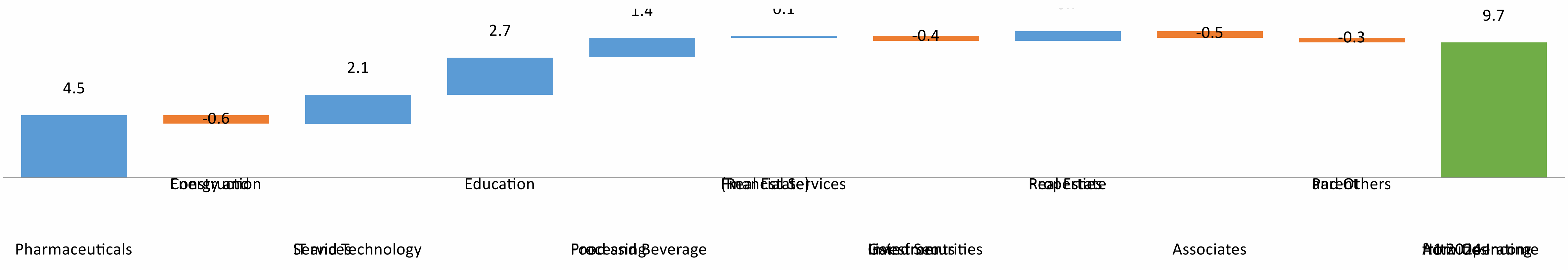


- Contributions for some of the key portfolio assets are consolidated in AIIG on a quarter-lag basis

* All numbers in KD million unless specifically mentioned otherwise

H1 2024 Operating Income Key Drivers

H1 2024 Income from Operating Activities – KD 9.7 Mn



Performance Discussion

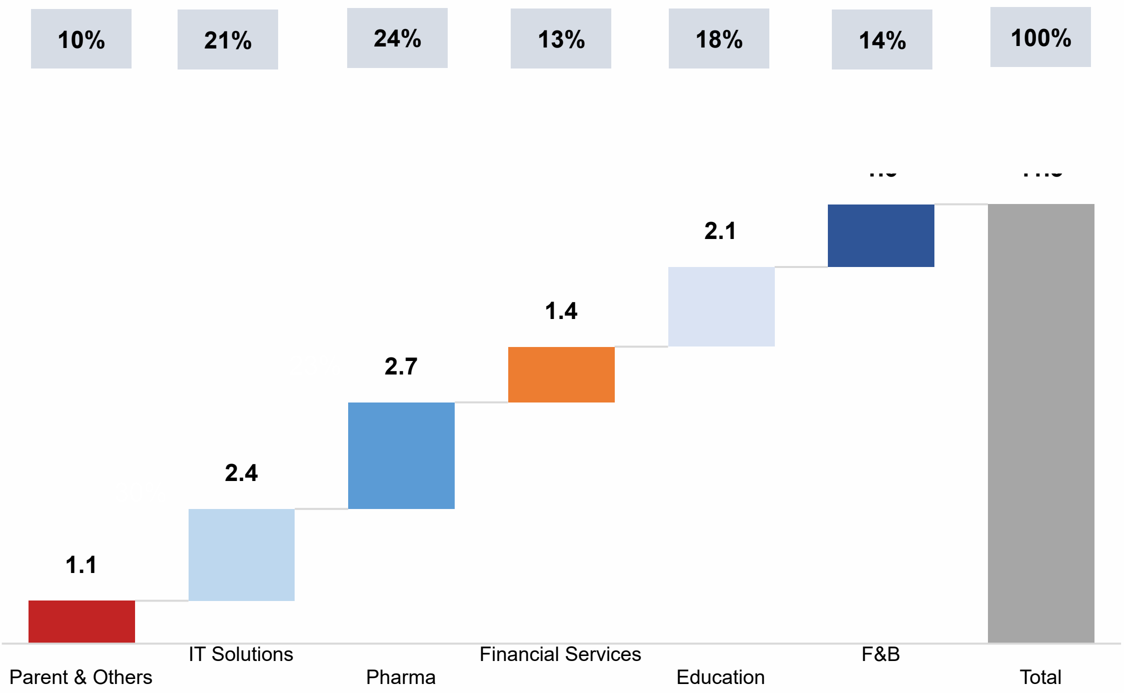
- Total Income from Operating Activities decreased to KD 9.7 Mn in H1 2024, compared to KD 13.7 Mn in H1 2023.
- Net Profit/Loss from Operating Activities reached KD (1.6) Mn in H1 2024, compared to KD 3.3 Mn in H1 2023.
- Al Imtiaz recorded a net Loss attributable to Shareholders of the Parent Company of KD 3.2 Mn in H1 2024, compared to a net Profit of KD 1.4 Mn in H1 2023.

H1 2024 Operating Expenses

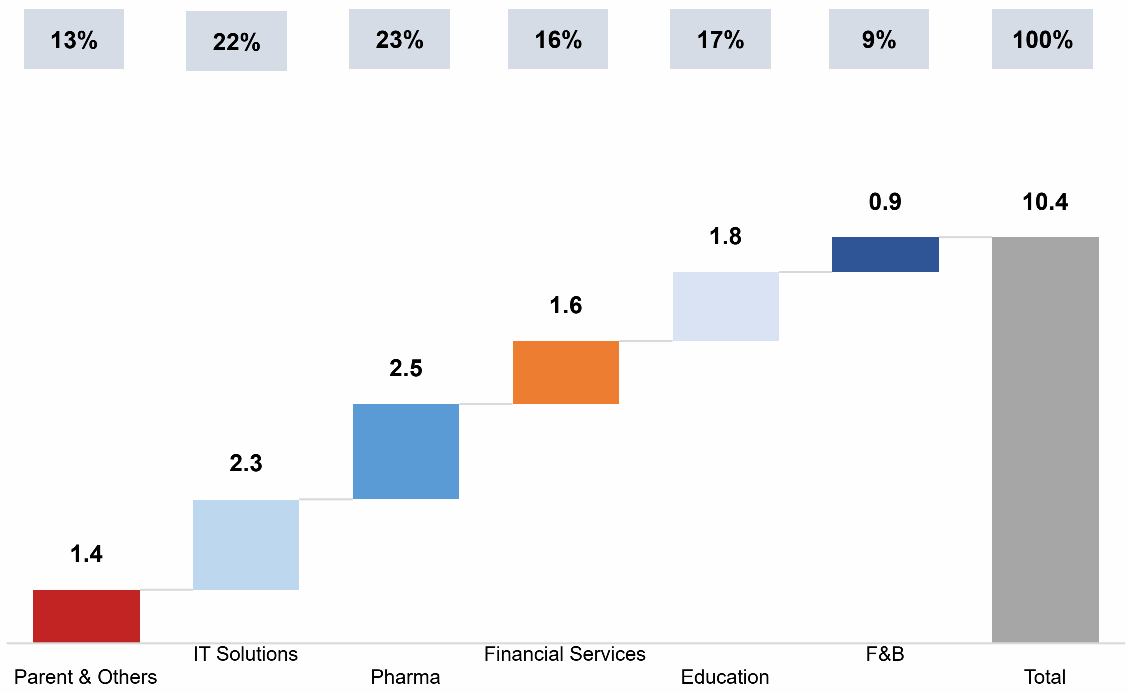
ALIMTIAZ GROUP

Operating Expenses increased 8.3% y-o-y to KD 11.3 Mn in H1 2024

Operating Expenses in H1 2024 KD 11.3 Mn



Operating Expenses in H1 2023 KD 10.4 Mn



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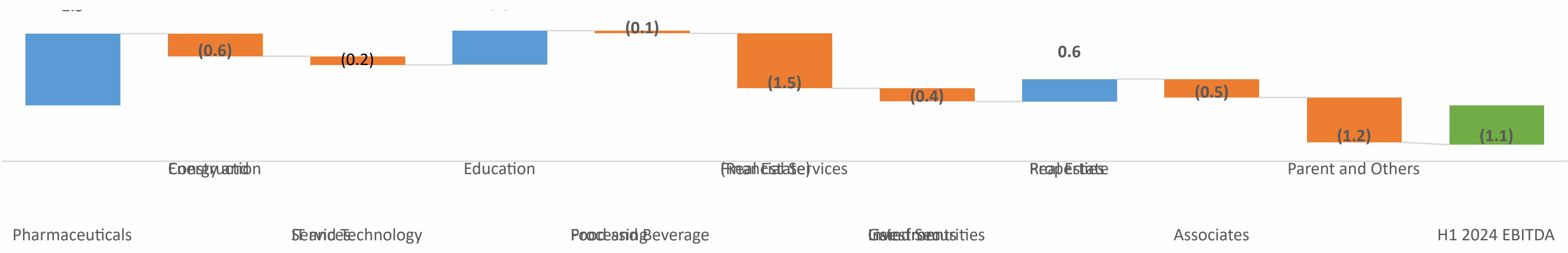
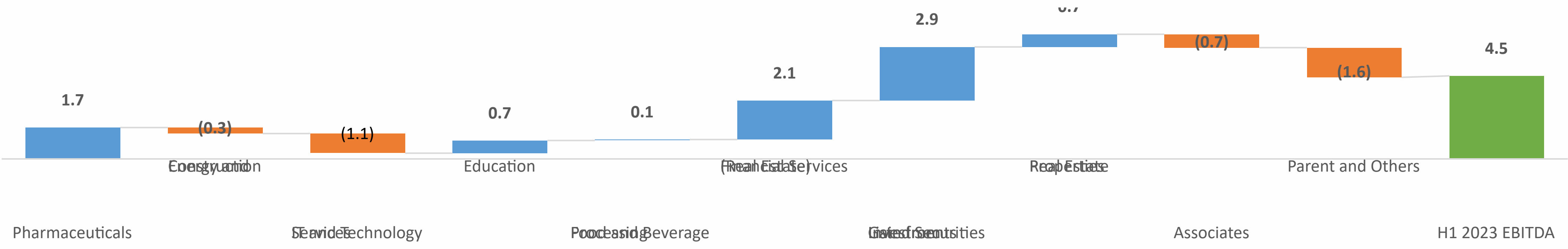
H1 2024 EBITDA

EBITDA decreased to KD (1.1) Mn in H1 2024 compared to KD 4.5 Mn in H1 2023

H1 2024 EBITDA – KD (1.1 Mn)



H1 2023 EBITDA – KD 4.5 Mn



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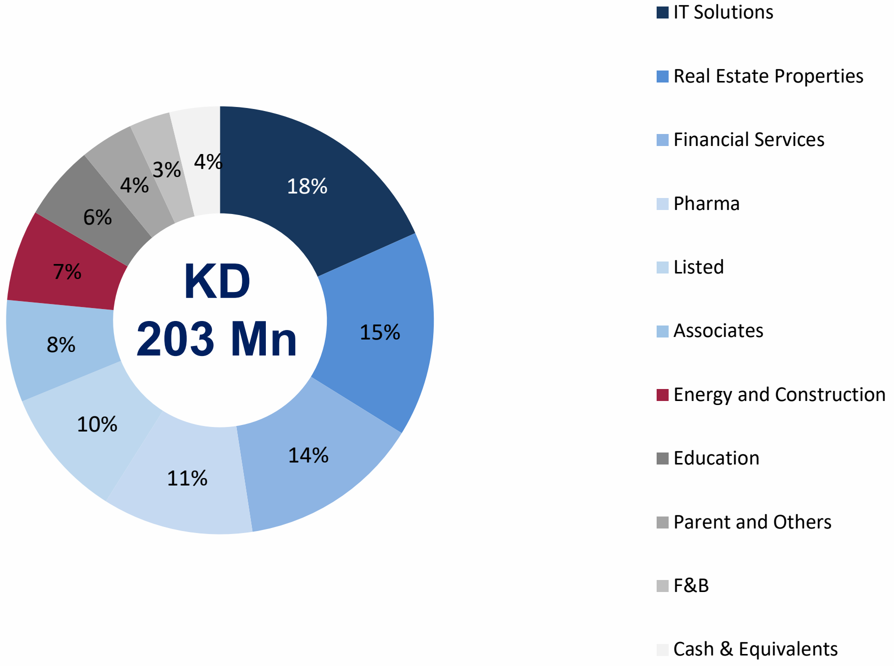
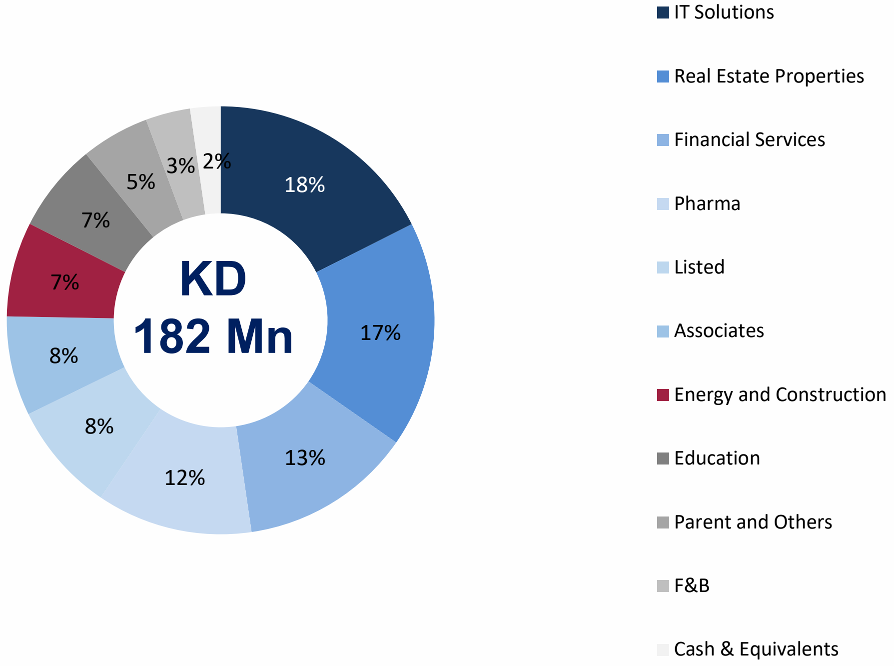
H1 2024 NAV

Balanced Portfolio with Sectorial Diversification

Portfolio NAV as on Jun-23



Portfolio NAV as on Jun-24



NAV decreased 10.4% y-o-y in H1 2024 to KD 182 Mn compared to KD 203 Mn in H1 2023

1. Portfolio NAV is calculated based on a mix of carrying value and book value for listed subsidiaries and fair value for real estate properties

Key Sustainability Achievements

Aligning **values & strategy** with **responsible & ethical** business practices.

2,817 full-time employees

20 different nationalities

723 **(25%)** are female

Key Commitments	Key Initiatives
Environment Achieve business goals and continuity in a way that minimizes harmful effect on the environment	• Continue and enhance our program for **Recycling electronic and plastic waste** across the group • Adopting a new **energy saving lighting system** in Al Dhow Tower (70% - 90% energy consumption savings)
Society Act ethically in accordance with Islamic and general laws & customs to ensure sustainable development of employees & society	• Backing the Kuwaiti **Autism Society** • Backing the Kuwaiti **Heart Association** • Sponsoring the National **Cancer Awareness** Campaign and carrying out **blood donation campaigns** • Supporting **poverty eradication** through Zakat & Tatheer Initiatives • Participating in preparing and distributing Iftar Ramadan • Safe and secure **work environment** • Conducting **motivational lectures** in creating a healthy work environment
Governance Set transparent and clear policies to separate authority between the BOD and Executives, and facilitate decision-making	• 2/7 **Board members are independent** • Non-executive **audit committee members** • Independent **Fatwa / Shari'a Board** • 3/4 nomination & remuneration committee members are **non-executives**, & 1 member is **independent** • Effective **fraud risk control policies**

Profit and Loss

Segment Reporting

(KD Mn)	H1 24 End Jun-24	Jun-23
IT and Technology Services	2.1	1.2
Financial Services (Real Estate)	0.1	3.5
Energy and Construction	(0.6)	(0.3)
Pharmaceuticals	4.5	3.7
Associates	(0.5)	(0.7)
Food and Beverage Processing and Packaging	1.4	0.9
Education	2.7	2.2
Gain from Listed Securities Investment	(0.4)	2.9
Parent and Others	(0.3)	(0.5)
Real Estate Properties	0.7	0.8
Income from Operating Activities	**9.7**	**13.7**
Operating Expenses	(11.3)	(10.4)
Net (Loss) Income from Operating Activities	**(1.6)**	**3.3**
Other Expenses and revenues	(1.6)	(0.8)
Taxes	(0.0)	(0.0)
Non-Controlling Interests	(0.0)	(1.1)
Net (Loss) Income Attributable to Parent Company	**(3.2)**	**1.4**

Income Statement

(KD Mn)	H1 24 End Jun-24	Jun-23
Gross Profit from Subsidiaries	**12.1**	**9.9**
Net investment profit	0.0	4.5
Changes in FV of investment properties	0.0	(0.3)
Gain on sale of investment properties	0.0	0.0
Rental Income	0.7	1.0
Associate	(0.8)	(1.0)
Impairment losses and other net provisions	(2.3)	(0.4)
Income from Operating Activities	**9.7**	**13.7**
General and administrative expenses	(8.4)	(8.3)
Selling and marketing expenses	(2.7)	(2.2)
Other Operating expenses	(0.2)	0.1
Net (Loss) Income from Operating Activities	**(1.6)**	**3.3**
Depreciation and amortization	(0.8)	(0.8)
Finance charges	(1.4)	(1.1)
Other Income	0.5	1.1
(Loss) Income before tax	**(3.3)**	**2.5**
Tax	**0.0**	**0.0**
(Loss) Income for the period	**(3.3)**	**2.5**
Net (Loss) Income Attributable to Parent Company	**(3.2)**	**1.4**
Net Profit Attributable to Non-Controlling interests	0.0	1.1
Basic and Diluted EPS to Parent (fils)	**(3.2)**	**1.4**

* All numbers in KD million unless specifically mentioned otherwise

Balance Sheet

(KD Mn)	Jun-24	Jun-23
Cash and Cash Equivalents	9.8	14.5
Term Deposits	0.1	0.2
Financial Assets at Fair Value through Profit or Loss	25.0	31.9
Accounts Receivable	34.3	27.4
Other Assets	4.9	5.1
Wakala Investments	4.7	6.3
Properties under Development	0.8	0.8
Financial Assets at Fair Value through Other Comprehensive Income (OCI)	17.6	17.0
Investment in Associates	27.1	29.6
Investment Properties	25.9	32.5
Property, Plant and Equipment	20.3	17.4
Intangible Assets	21.6	13.9
Goodwill	29.4	33.3
Assets classified as held for sale	0.0	17.5
Total Assets	**221.5**	**247.4**
Bank Facilities	6.2	3.9
Accounts Payable and Other Credit Balances	26.5	26.4
Finance Lease Obligation	0.5	0.5
Murabaha and Wakala Payable	21.5	25.7
Provision for End of Service Indemnity	3.8	4.3
Liabilities Classified as Held for Sale	0.0	3.4
Total Liabilities	**58.5**	**64.2**
Shareholder's Equity	145.4	162.8
Non-Controlling Interests	17.7	20.4
Total Equity	**163.1**	**183.2**
Total Liabilities and Equity	**221.5**	**247.4**
Book Value Per Share (fils)	137	159

Capital Structure

(KD Mn)	Jun-24	Jun-23
Short Term Debt	16.2	13.1
Long Term Debt	12.0	17.0
Total Debt	**28.2**	**30.2**
Total Equity	163.1	183.2
Total Debt / Equity	**0.2x**	**0.2x**

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AL IMTIAZ INVESTMENT GROUP K.S.C. (PUBLIC)
Al Dhow Tower, Khaled Bin Al Waleed St., Sharq
P.O.Box: 29050, Safat, 13151, Kuwait
Website: www.alimtiaz.com

Investor Relations

AL IMTIAZ INVESTMENT GROUP K.S.C. (PUBLIC)

IR@alimtiaz.com

+965 182 2282