

Date: 2nd November 2022

التاريخ: 2 نوفمبر 2022

M/S . / Boursa Kuwait Company

السادة/ شركة بورصة الكويت المحترمين

Greetings,

تحية طيبة وبعد،،

Subject: Analysts/Investors Conference Call for the third Quarter of 2022

الموضوع: انعقاد مؤتمر المحللين/المستثمرين للربع الثالث لعام 2022

Pursuant to the provisions of the Article (8-4-2) "Premier Market Continuous Obligations" of the Boursa Rules issued under resolution No. 1 of 2018, and since Humansoft Holding (KSCP) is classified under the Premier Market.

عملاً بأحكام المادة رقم (8-4-2) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أن شركة هيومن سوفت القابضة (ش.م.ك.ع.) مصنفة ضمن مجموعة "السوق الأول".

Kindly note that the Investor/Analyst Conference Call for the third quarter of the year 2022 was held at 2:00 PM (local time) on **Wednesday 02 November 2022**. No significant material information has been discussed during the Conference Call. Humansoft will disclose the minutes of the Conference Call in line with regulations.

يرجى الإحاطة بأن مؤتمر المحللين/المستثمرين للربع الثالث من العام 2022 قد انعقد يوم **الأربعاء الموافق 02 نوفمبر 2022** في تمام الساعة الثانية ظهراً (وفق التوقيت المحلي)، ولم يتم تداول أي معلومة جوهرية خلاله وأن الشركة سوف تقوم بالإفصاح عن محضر المؤتمر خلال الموعد المحدد وفقاً للقواعد المعتمدة.

Kindly find attached the above-mentioned conference presentation.

مرفق طيه العرض التقديمي للمؤتمر سالف الذكر أعلاه.

وتفضلوا بقبول فائق الاحترام،،،

Yours Sincerely,



دلال حسن السبتي

رئيس مجلس الإدارة

Dalal Hasan Al Sabti
Chairperson of the Board of Directors

سجل تجاري رقم: 71382 رأس المال (د.ك.): 12,223,680 رأس المال المدفوع (د.ك.): 12,223,680
تليفون: 22322588 (965) - فاكس: 22322587 (965) - ص.ب: 305 الصفاة 15454 الكويت

www.human-soft.com

MH NR

Q3 2022



Empowering People Through Knowledge

Humansoft Holding Company KSCP

Investor Presentation

Q3 2022 Results

31 October 2022



Disclaimer: Nothing in this document constitutes an offer to sell or a solicitation of an offer to buy any securities

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Contents

Key highlights	4-8
At a glance	9-10
We are proud of our achievements	11
Board & Executive Management	12-13
Share price performance	14
Consistently High EPS & Dividend payout	15
Research coverage	16
Q3 2022 Converging Towards Normalcy	17-19
Q3 2022 Financial performance	20-21
Student enrollment	22
Key Financials	23-26
Strong Equity Story	27-30



Q3 2022

KEY HIGHLIGHTS



Key Highlights

Launching of the Academic Year 2022-2023 within a welcoming environment

AUM and ACM combined enrolled **3,391** new students in Fall 2022, taking the total enrolled students in Fall 2022 to **13,684**.

The academic year 2022-2023 was launched with a series of activities that provided new students with orientation and guidance about their academic and campus life.

The start of the year was also marked with a vibrant and welcoming environment for all students where in addition to the start of their courses, students enjoyed all aspects of the campus life from arts & music to innovation, since the very beginning of the year.



Key Highlights

AUM First in Kuwait and Advances in the QS Arab Region University Rankings 2023

AUM has been ranked the first university in Kuwait and #26 in the Arab Region in the QS Arab Region University Rankings 2023. The University has advanced in this ranking from #34 in 2022 to #26 in 2023.

In addition to the QS World University Rankings published every year in June, and featuring around 1500 universities across the world, the QS Arab Region University Rankings are regional and include Universities exclusively from Arab countries.

Source: QS Arab Region University Rankings 2023, Quacquarelli Symonds (QS), October 2022.



Key Highlights

Fostering Research and Professional Development is a top priority

Ongoing support for Research and Professional Development plays a significant role in enabling our workforce to exhibit excellence in their academic and research achievements as well as to acquire new skills and knowledge.



Five AUM faculty members are named in Stanford's list of the World's Top 2% Scientists.



Hosting AACSB International Continuous Improvement Review Seminar designed for AACSB accredited business schools



Certificate Award Ceremony for Facilitating Career Development (FCD) Programme in collaboration with National Career Development Association, U.S.



Faculty and Staff involved in Career Guidance awarded with their FCD certificates

Key Highlights

Promoting CSR through Various Initiatives

Various initiatives are held inside the campus and across the local community to tackle and promote Corporate Social Responsibility.

For instance, AIQabas Masterclass in collaboration with AUM included series of sessions that help media and communication enthusiasts to advance their skills and navigate the media landscape through gaining insights from top media experts in Kuwait.



Closing Ceremony of AIQabas Masterclass in collaboration with AUM



AUM Participation in “Natural Gas Value Chain Opportunities and Challenges”



Special event for Faculty & Staff and their families



Awareness is Power, Breast Cancer Awareness Campaign

AT A GLANCE



At a Glance



Leading

private higher education company in the GCC

20+

years of operating experience

13,684¹

enrolled students in AUM and ACM

University of choice

for Engineering and Business

KD 90.8 million

in revenue²

KD 62.8 million

in EBITDA²

37%

2013-2021 net profit CAGR

400 fils

cash dividend per share for FY 2021

¹ enrolled beginning of the Fall 2022 semester

² LTM Q3 2022

We are proud of our achievements

#1 Ranking

University
in Kuwait

#1 Ranking

Green & Sustainable
University in Kuwait

Internationally Accredited

Engineering &
Business Majors

International Relations

Purdue University

UC Berkeley

HEC Montreal

Babson College

CMS – CERN

PRME

Over 700

trees have been
planted in the campus

Over 60%

female
students

Over 70

different staff
nationalities

Over 20

sports achievements
since 2018

Over 130

community engagement
initiatives since 2014

Over 100

academic competitions
since 2014

Q3 2022

Board & Executive Management



Board & Executive Management

Board of Directors

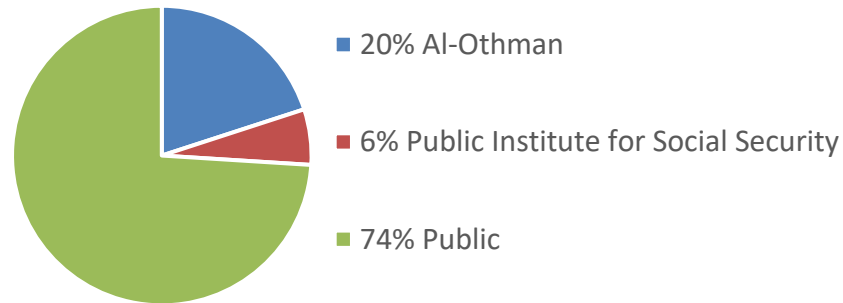
Name	Position
Ms. Dalal Hasan Al Sabti	Chairperson
Mr. Tareq Fahad Al Othman	Vice Chairman
Mr. Mayank Hasmukhlal Baxi	Director
Mr. Hasan Qasim Al Ali	Director
Mr. Abdulrazaq Abdulla Mohammad Ahmed	Director

Executive Management

Name	Position
Dr. Georges Yahchouchi	Humansoft CEO, & President AUM
Mr. Anup Dhand	CFO
Dr. Mohaned Hassanin	President ACM

Share Price Performance

Shareholding (30 September 2022)



	KD
Closing price as at 30 September 2022	3.275
Market Cap (KD mn) ¹	398
Market Cap (USD bn)	1.3
6m avg. daily trading volume (% of shares outstanding)	0.15%
52-weeks high ²	3.699
52-weeks low ²	3.079

Current trading multiples ³

EV/EBITDA (LTM Q3 2022)	5.2X
P/E (LTM Q3 2022)	6.9X
Cash dividend yield (Based on FY 2021 dividends)	12.2%

1-year share price performance

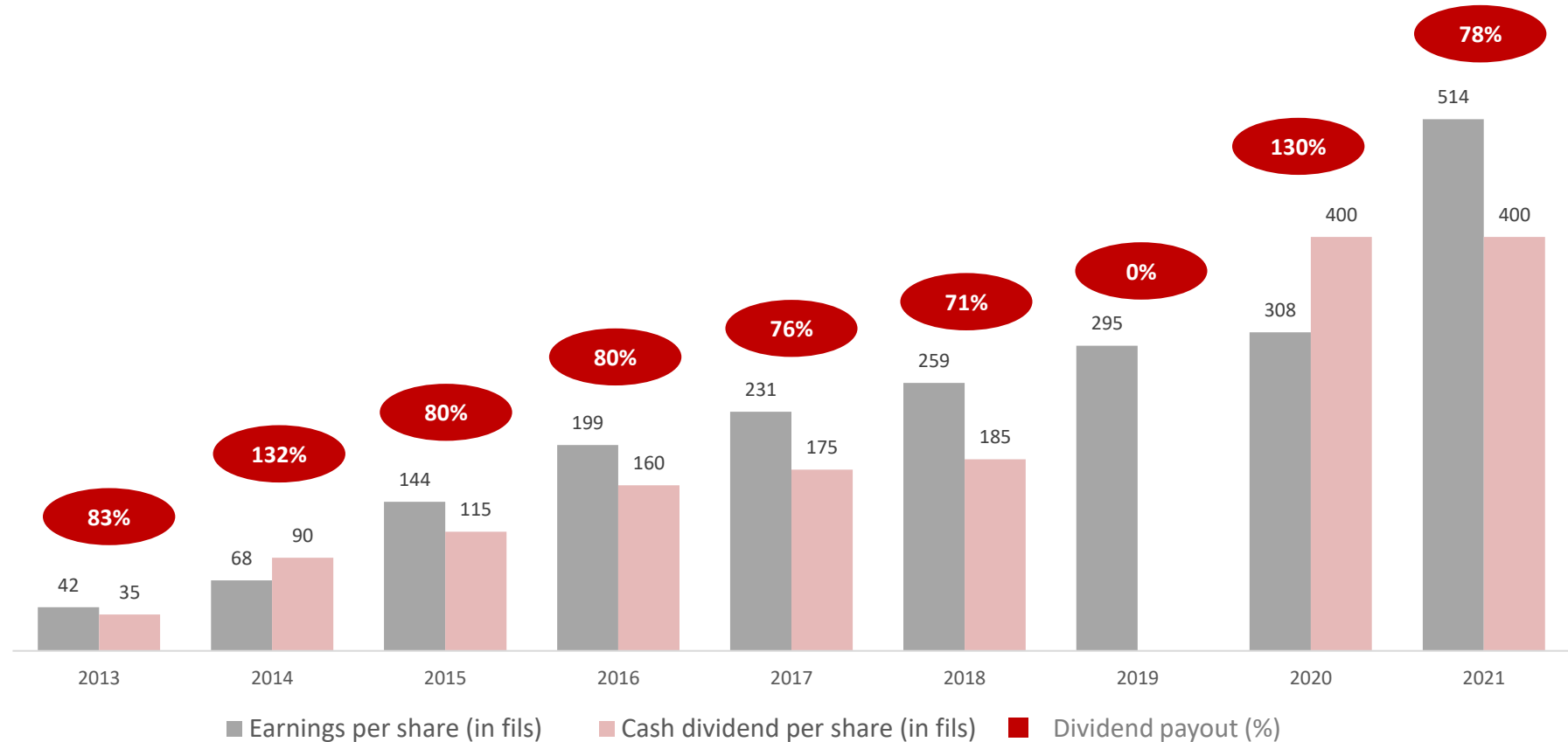


- 1) Based on 121,654,352 shares outstanding
- 2) Based on closing share price
- 3) Based on closing share price of KD 3.275 as at 30 September 2022 and LTM Q3 2022 financials

Consistently high EPS & Dividend payout

- Average dividend payout in last 10 years has been in excess of 70%.
- EPS for 2021 was 514 fils, an increase of 67% over 2020 EPS of 308 fils.
- Cash dividend of 400 fils per share was paid for FY 2021 (payout ratio of 78%).

EPS / Dividend / Dividend payout



Research Coverage

Broker	Target price	Date of report	Analyst
	5.400	15 February 2022	<ul style="list-style-type: none"> • Hatem Alaa • Mirna Maher
	5.300	24 March 2022	<ul style="list-style-type: none"> • Ankur Agarwal
	5.130	10 May 2021	<ul style="list-style-type: none"> • Aly Adel • Toka Elwazery
	4.750	19 October 2022	<ul style="list-style-type: none"> • Christine Kalindjian
	4.300	16 August 2022	<ul style="list-style-type: none"> • Reem Albarri
	3.745	19 August 2021	<ul style="list-style-type: none"> • Thomas Mathew
	3.600	13 July 2021	<ul style="list-style-type: none"> • Nithin Pejaver

Q3 2022

Q3 2022 Converging Towards Normalcy

HUMANSOFT
Empowering People Through Knowledge



Converging towards normalcy

Q3 2022 vs. Q3 2021

- Revenue and profitability for Q3 2021 and Q3 2022 are not comparable.
- Disruptions due to Covid-19 and changes in the Academic calendar in the year 2021, resulted in a lower revenue in Q3 2021.
- Q3 2022 Academic calendar for Summer and Fall 2022 is back to normal.
- Net profit for Q3 2022 (post Covid normal) is up 21% as compared with Q3 2019 (pre Covid normal)

Revenue Recognition

FY 2019 (Normal Year)

Q1

- 20% Fall 2018/2019
- 40% Spring 2019

Q2

- 60% Spring 2019

Q3

- 100% Summer 2019
- 20% Fall 2019/2020

Q4

- 60% Fall 2019/2020

FY 2020 (COVID Year)

Q1

- 20% Fall 2019/2020
- 20% Spring 2020

Q2

- 38% Spring 2020

Q3

- 42% Spring 2020
- 100% Summer 2020

Q4

- 50% Fall 2020/2021

FY 2021 (COVID Year)

Q1

- 50% Fall 2020/2021
- 25% Spring 2021

Q2

- 75% Spring 2021

Q3

- 100% Summer 2021

Q4

- 75% Fall 2021/2022

FY 2022 (Converging to normalcy)

Q1

- 25% Fall 2021/2022
- 40% Spring 2022

Q2

- 60% Spring 2022

Q3

- 100% Summer 2022
- 20% Fall 2022/2023

Q3 2022

Q3 2022 Financial Performance

(converging towards
normalcy)

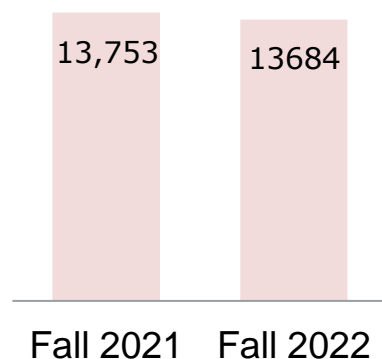


Financial Performance – Q3 2022

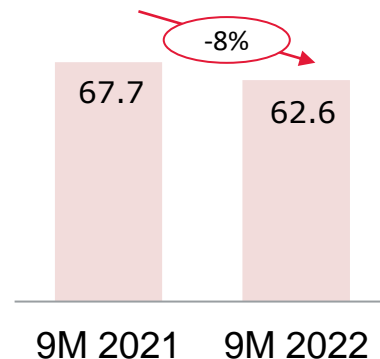
- FY 2020 and FY 2021 academic calendars were COVID impacted and are converging to normalcy in 9M 2022.
- 9M 2022 revenue was 8% lower compared to 9M 2021 mainly because of disruptions due to Covid-19 and changes in the academic calendar, experienced in 2021.
- 9M 2022 EBITDA of KD 41.4 million was 13% lower than 9M 2021.
- 9M 2022 net profit of KD 37.9 million was 11% lower than 9M 2021.
- Total equity and Total assets as at 30 September 2022 was 8% higher and 2% lower respectively than 30 September 2021.

Key figures and ratios	Q3 2021	Q3 2022	Change	9M 2021	9M 2022	Change
Number of students (Fall)	13753	13684	-0.5%	13,753	13,684	-0.5%
Revenue (KD mn)	13.5	18.4	36%	67.7	62.6	-8%
EBITDA (KD mn)	7.3	12.0	64%	47.7	41.4	-13%
EBITDA margin (%)	54%	65%	11%	70%	66%	-4%
Net profit (KD mn)	5.8	10.9	87%	42.7	37.9	-11%
Net margin (%)	43%	59%	16%	63%	61%	-3%
EPS (in fils)	48	90	88%	351	311	-11%
Equity (KD mn)	112.0	121.0	8%	112.0	121.0	8%
Total assets (KD mn)	167.0	163.7	-2%	167.0	163.7	-2%

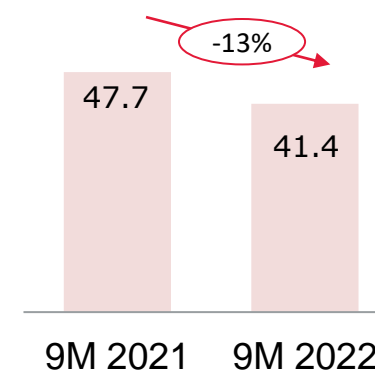
Number of students *



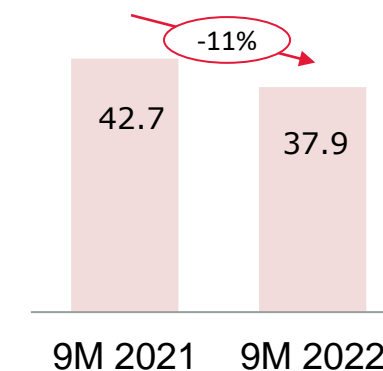
Revenue (KD mn)



EBITDA (KD mn)



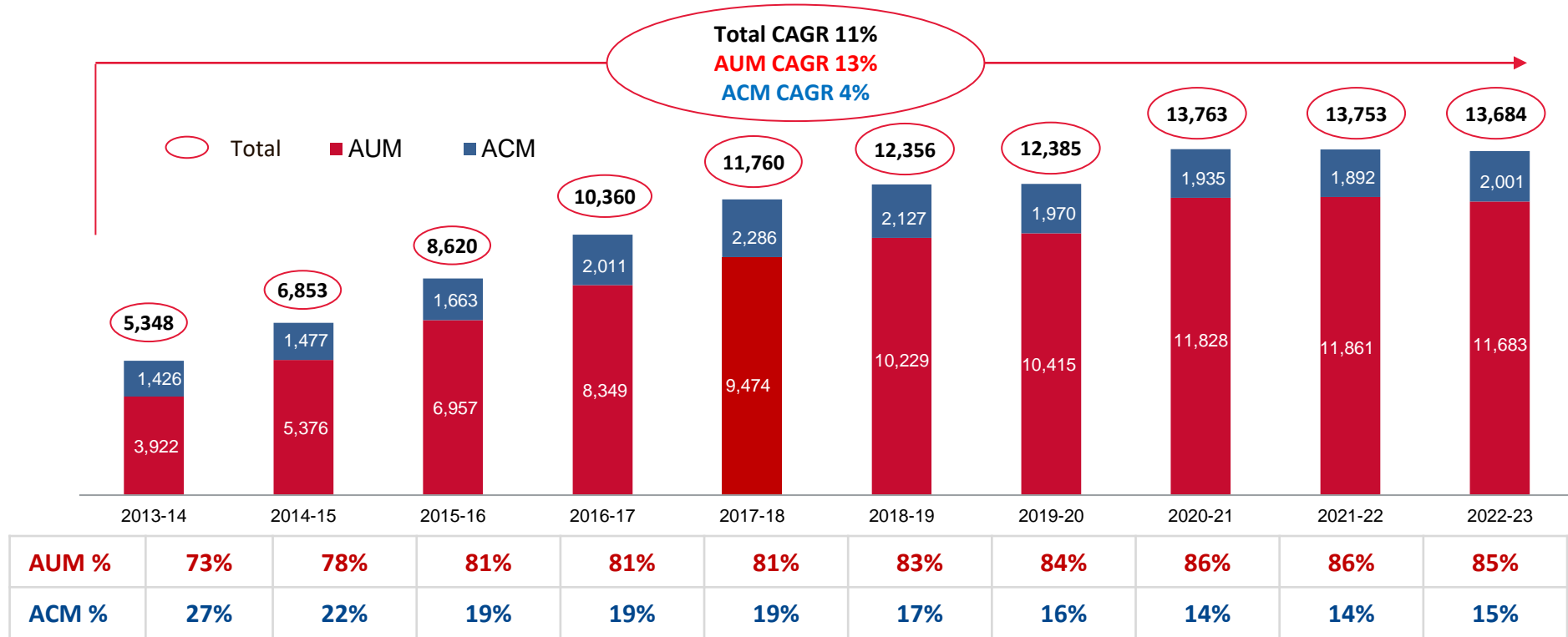
Net profit (KD mn)



* enrolled beginning of the Fall semester

Student Enrollment growing at a CAGR of 11%

Total students enrolled
(beginning of the Fall semester)



Deferred income as of 30 September 2022

- Deferred Income of KD 28.5 million as of 30th September 2022, relates to unrecognised revenue of Fall 2022 semester.

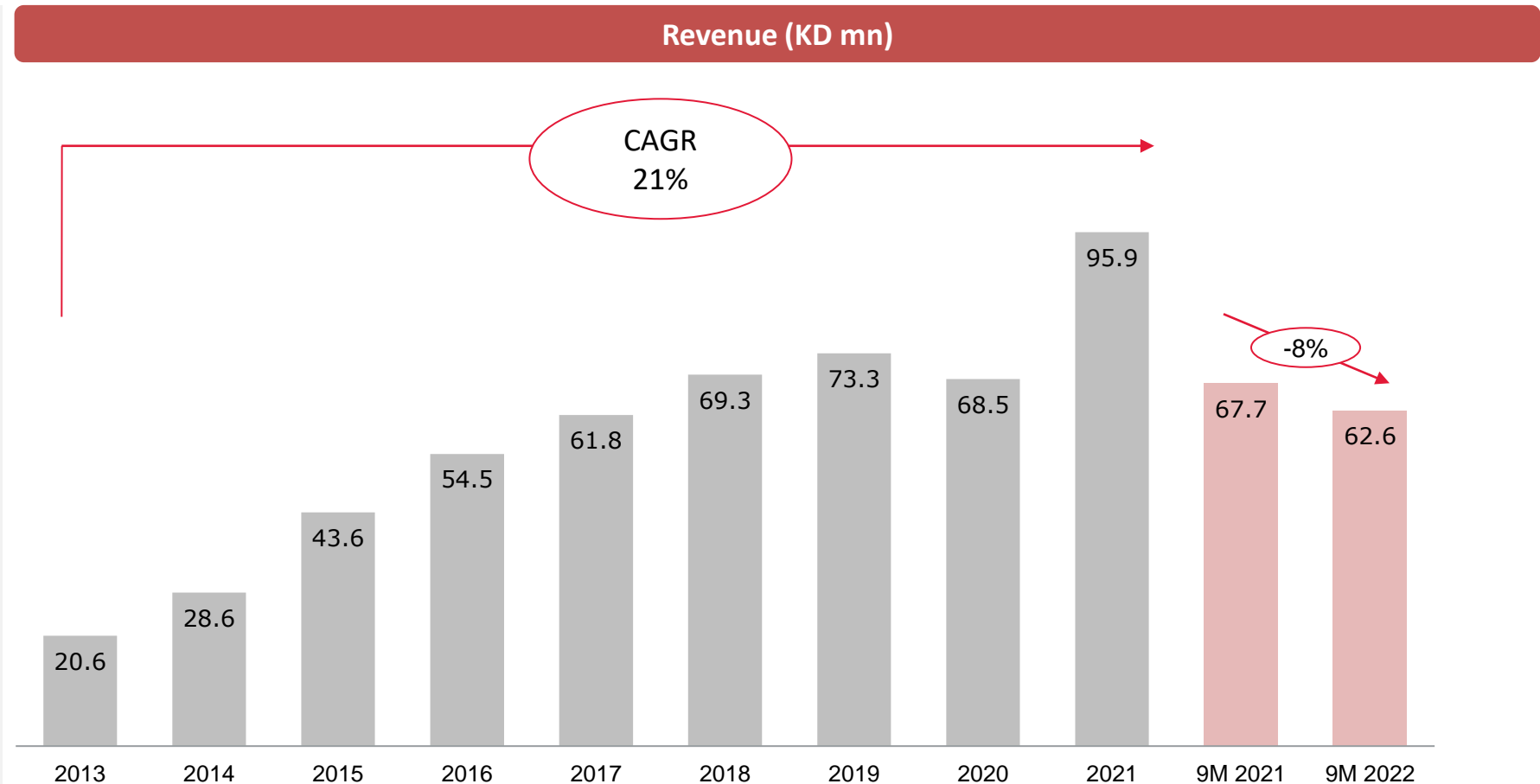
Q3 2022

Key Financials



Key Financials – Persistent Growth in Revenues

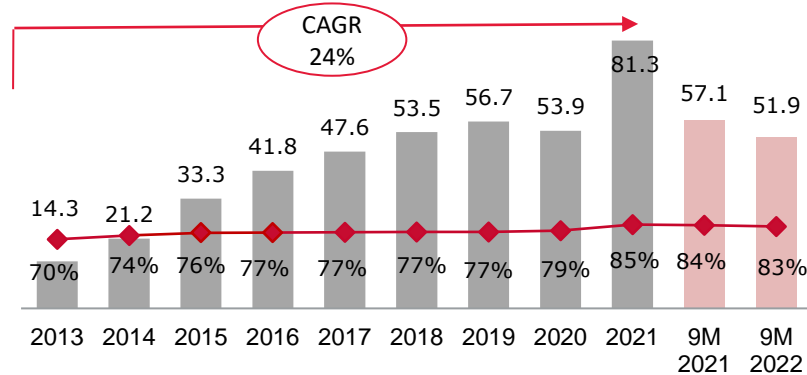
- Revenue grew at a CAGR of 21% in the period 2013-2021 and was KD 95.9 million in 2021.
- 9M 2022 revenue was 8% lower compared to 9M 2021 mainly because of disruptions due to Covid-19 and changes in the academic calendar in 2021.
- 50% of revenue for Fall 2021 semester was recognized in Q1 2021 as against 20% in a regular academic calendar.
- No revenue for Fall 2021 was recognized in Q3 2021, whereas 20% of revenue for Fall 2022 was recognized in Q3 2022, same as in a regular academic calendar.



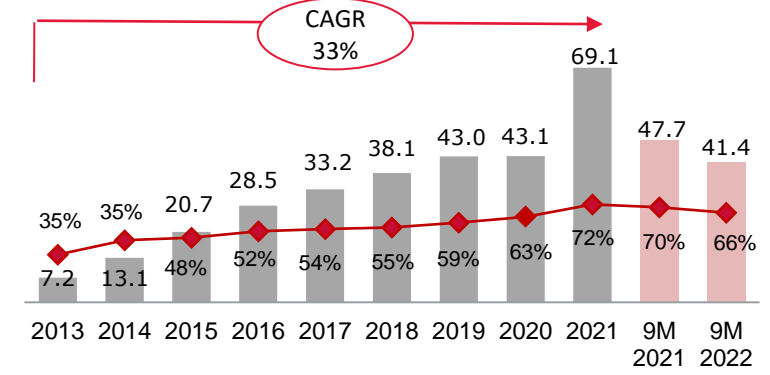
Key Financials – Consistently High Margins

- Gross profit grew at a CAGR of 24% in the period 2013-2021. Gross profit margin was 83% in 9M 2022.
- EBITDA grew at a CAGR of 33% in the period 2013-2021. EBITDA margin was 66% in 9M 2022
- Net profit grew at a CAGR of 37% in the period 2013-2021. Net profit margin was 61% in 9M 2022

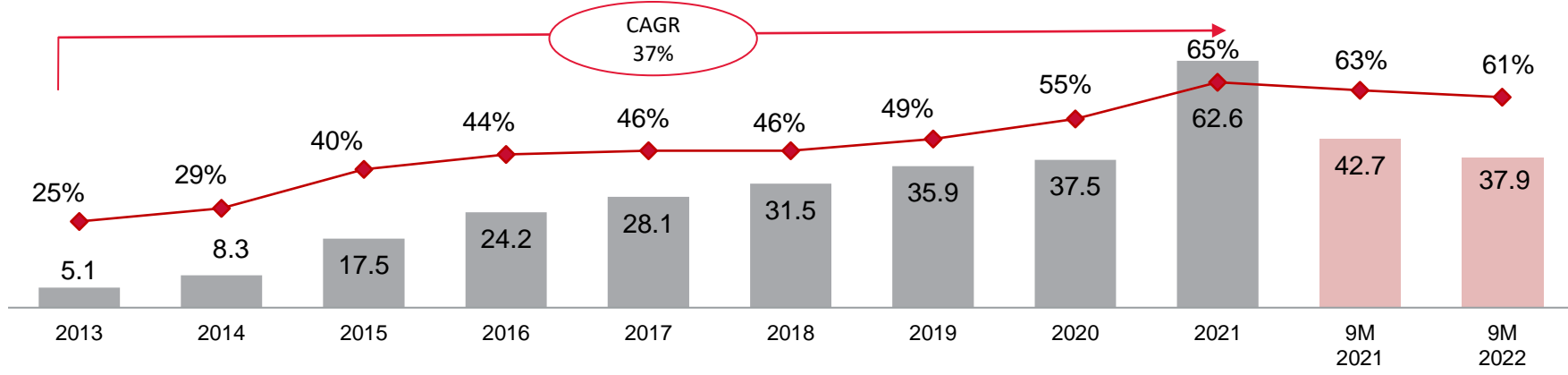
Gross profit (KD mn) and gross profit margin



EBITDA (KD mn) and EBITDA margin



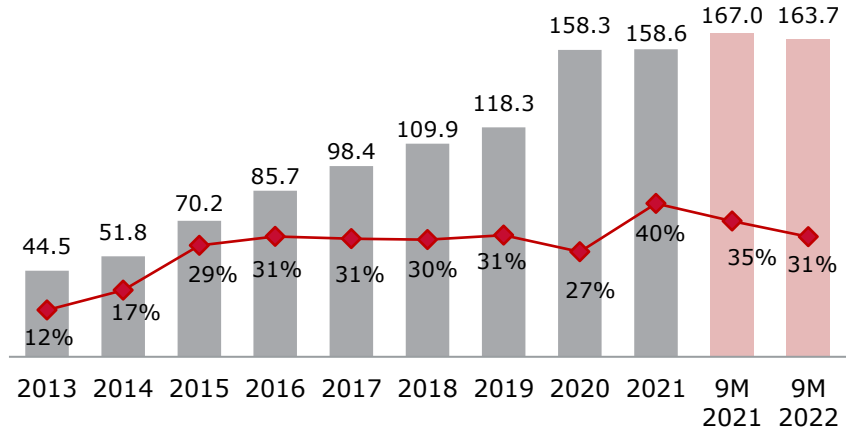
Net profit (KD mn) and net profit margin



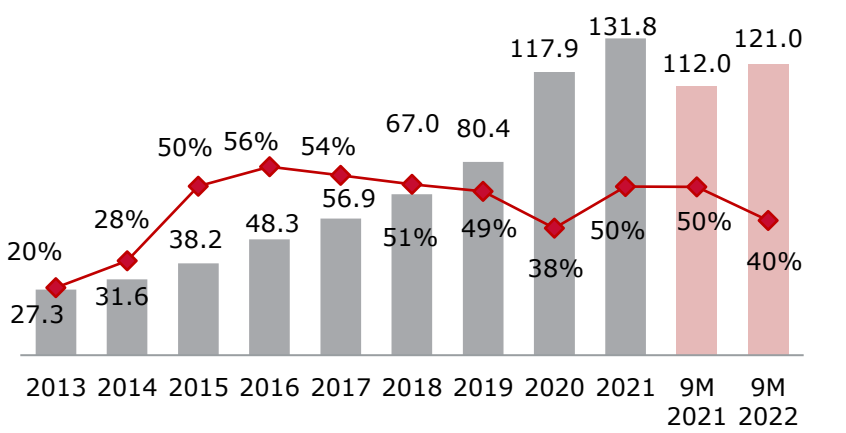
Key Financials – High ROAA and ROAE

- Humansoft’s fortress balance sheet, high ROAA & ROAE provides protection, resilience, and enables Humansoft to withstand stress events like Covid-19
- Humansoft’s earnings have resulted in an annualised ROAE of 40% in 9M 2022
- Humansoft’s annualised ROAA was 31% in 9M 2022
- Humansoft has a net cash position of KD 73.5 million as at 30 September 2022
- KD 44 mn capex was incurred during the year 2015 to 2018 to make significant additions to campus infrastructure

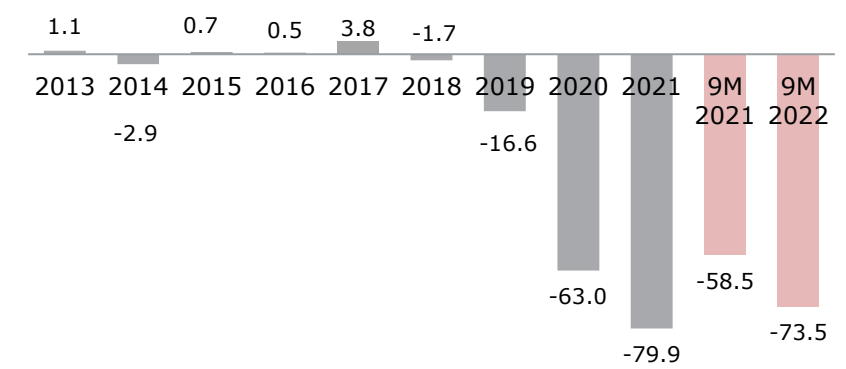
Total assets (KD mn) and ROAA



Total equity (KD mn) and ROAE

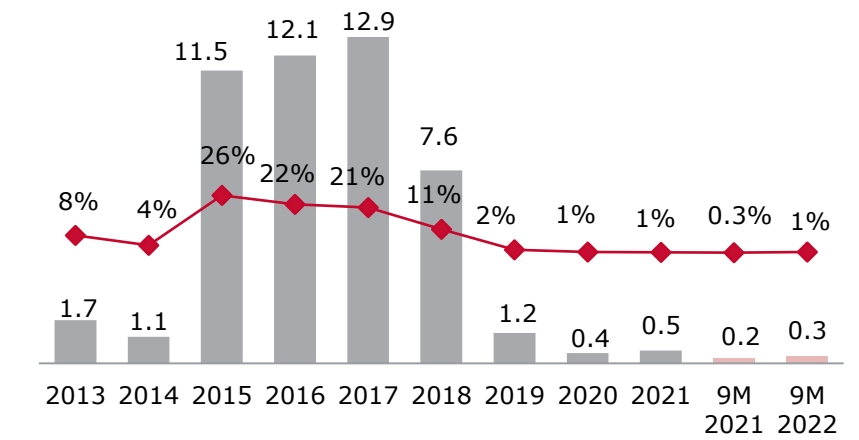


Net Debt ¹ (KD mn)



¹ Debt less cash

Capex (KD mn) and capex as % of revenue



STRONG EQUITY STORY

Solid track record
Strategic pillars
Long term focus



SOLID TRACK RECORD

- ✓ **Top university ranking, high quality learning, state of the art campus**
- ✓ **Highest number of students among private universities in Kuwait**
- ✓ **Internationally accredited Engineering & Business majors**
- ✓ **Solid financial performance, fortress balance sheet**
- ✓ **One of the largest free floats on Boursa Kuwait**

Strategic pillars

1

**Academic
excellence**

2

**Operating
efficiency**

3

**Shareholder
value**

Strategic pillars

1

Academic excellence

We are building new capabilities and continuously developing new offerings to secure our long term prospects. This includes widening the undergraduate offering by introducing new majors, offering new masters programs, expanding international collaborations and accreditations, and continuously developing our research capabilities

2

Operating efficiency

We are always striving to improve our operating performance. Our EBITDA margins have consistently been strong, and we aim to maintain high efficiency levels

3

Shareholder value

- We continue to focus on shareholder value. We have delivered high levels of ROAE and have grown dividend distribution
- We aim to deliver sustainable dividends going forward whilst maintaining financial flexibility