

Date: 05 August 2025

التاريخ: 05 أغسطس 2025

To: Issuers and Development Services Department

السادة/ إدارة خدمات وتطوير الإصدار المحترمين

Dear Sirs,

تحية طيبة وبعد،،،

Subject: Analysts Conference Transcript – Q2 of FY2025

**الموضوع: محضر مؤتمر المحللين – الربع الثاني من السنة
المالية 2025**

With reference to the above, and in line with Boursa Kuwait's in adhering to Article (7-8-1/4) of the Boursa Kuwait Rulebook regarding the Listed Companies Obligations (Analysts Conference Transcript), attached is the Analysts Conference Transcript covering Q2 of FY2025.

بالإشارة إلى الموضوع أعلاه، وحرصاً من بورصة الكويت على الالتزام بمتطلبات المادة (7-8-1/4) من كتاب قواعد البورصة بشأن التزامات الشركات المدرجة (محضر مؤتمر المحللين)، نرفق لكم محضر مؤتمر المحللين للربع الثاني من السنة المالية 2025.

Sincerely Yours,

وتفضلوا بقبول فائق الاحترام والتقدير،،،

Mohammed Naim Azad Din
Chief Financial Officer



محمد نعيم آزاددين
رئيس قطاع الشؤون المالية





H1
2025

ANALYSTS CONFERENCE

July 31st, 2025

Boursa Kuwait Securities Company (K.P.S.C.)

Analysts Conference Call Transcript on Boursa Kuwait Earnings Briefing H1 - 2025

Thursday, 31st July 2025

Edited transcript of Boursa Kuwait Securities Company's (K.P.S.C.) earnings briefing that took place on Thursday, 31st July 2025 at 14:00 Kuwait time.

Corporate participants:

- | | |
|---------------------------|--|
| Mr. Naim Azad Din | - Chief Financial Officer |
| Miss Noura Al-Abdulkareem | - Executive Director of Markets Sector |
| Mr. Abdulla Al-Mishari | - Strategic Financial Planning and Management Director |

Chairperson:

- | | |
|--------------------|--------------|
| Miss Elena Sanchez | - EFG Hermes |
|--------------------|--------------|

Elena Sanchez

Good afternoon, everyone. This is Elena Sanchez from EFG Hermes, and I would like to welcome you all to Boursa Kuwait's H1 2025 Earnings Call. We have with us from Boursa Kuwait. Mr. Naim Azad Din, Chief Financial Officer, Miss Noura Al-Abdukareem, Head of Markets Sector, and Mr. Abdulla Al-Mishari, Strategic Financial Planning and Management Director.

I would like to hand over the call now to Mr. Abdulla Al-Mishari to begin the presentation. Thank you.

Abdulla Al-Mishari

Thank you, Elena. Good afternoon, and welcome to Boursa Kuwait's H1 2025 Earnings Call. We will begin with Boursa Kuwait's business updates to be presented by our Head of Markets Sector, Miss Noura Al-Abdulkareem. This will be followed by a review of the financial highlights and performance of Boursa Kuwait Securities Company and its subsidiaries as outlined in the consolidated financial statements for the period ended 30 June 2025, to be presented by our CFO, Mr. Naim Azad Din.

As per previous calls, we would like to draw your attention to the "Disclaimer" on Slide 2 of the presentation regarding the forward-looking statements and confidential information. During our presentation, we will not repeat the currency when referring to specific amounts, unless it's a currency other than Kuwaiti Dinars (KWD). Once the presentations are concluded, we'll open the floor for a Q&A session. You may also send us any follow-up questions to our designated Investor Relations' email.

Please note that we're only able to comment on matters and information that are publicly disclosed. The presentation will also be made available on our website following the call.

Now, I would like to hand over the call to Miss Noura Al-Abdulkareem, Head of Markets Sector, to begin the presentation.

Noura Al-Abdulkareem

Thank you. Good afternoon, everyone. Thank you for joining us today. These slides were prepared to provide an overview of the market performance for the 1st half of 2025, highlighting key developments and strategic initiatives moving forward.

As part of our ongoing development strategy, the Central Counterparty (CCP) became operational on 13th July 2025. Meanwhile, the rules and the bylaws governing ETFs and fixed-income instruments are expected to receive the necessary approvals by late August or early September, and the technical infrastructure has already been prepared for the launch. The successful launch of the CCP represents a major step forward in strengthening Kuwait's capital market infrastructure. Building on this significant milestone, we are now entering the 4th phase of our Market

Development (MD) plan, which will expand our product offerings through the introduction of standardized derivatives, which include options and futures, creating new opportunities for investors while enhancing market depth. With these milestones in place, let us now turn to the performance of the market and how these developments were reflected in the trading activity.

Traded values increased by 90.4% year-on-year to KWD 12.63 billion, up from KWD 6.63 billion, while traded volumes increased by 83%. As for the frequency of the trades, that also increased by 45.2%. As for the market splits, while the “Premier” market continued to lead with 58% of the total traded value, its share has declined from 75% last year, reflecting a growing investor appetite and improved liquidity in the “Main” market, which represented 42%, up from 25%. The increase in the “Main” market’s activity was primarily driven by local Retail Investors. Currently, the “Premier” market comprises 33 listed companies with a combined market cap of KWD 42.27 billion, compared to KWD 8.27 billion in the “Main” market. Overall, this represents a 23.2% growth year-on-year in market capitalization.

Turning to indices performance for the 1st half of 2025, we've seen a clear and broad-based improvement across all key market segments compared to the same period last year. The “Premier” market index led the gains, delivering a strong 17.21% increase in the 1st half, compared to just 0.89% during the same period in 2024. The All-Share index also posted a significant gain of 14.84%, up sharply from 1.76% in the 1st half of 2024. The “Main” market index was still in the positive territory, registering a more moderate gain of 4.16% versus 6.15% in the 1st half of last year. Meanwhile, BK Main 50 index recorded a 6.09% return, slightly above last year's 5.01%, highlighting momentum among the more active mid-cap names within the “Main” market.

Shifting to investor turnover, we've observed notable trends in both investor geography and investor type during the 1st half of 2025. On the geographic breakdown, local investors accounted for 86% of the total traded value, up from 82% in the 1st half of 2024. This increase in local participation was accompanied by a slight decline in international and GCC investors activity, which decreased from 18% to 14%. The change reflects the return of local liquidity to the market, likely driven by retail participation and growing comfort with the current market environment. From the types of investor perspective, the split between Retail and Institutional Investors turnover has remained relatively stable year-on-year. Institutional Investors maintained a dominant share of 65%, up slightly from 63% last year, while Retail Investors accounted for 35% compared to 37% in the 1st half of 2024. This indicates continued institutional confidence and engagement, while Retail Investors remain actively present, especially in the “Main” market, as highlighted earlier.

Consequently, the active accounts in the market increased by almost 12%, with the total now standing at approximately 22,400 active accounts. In terms of the markets, the average traded value during the 1st half stood at KWD 110.5 million versus KWD 55.5 million for the same period last year. And to conclude my part of the presentation, we had a total of 3 de-listings since the beginning of the year, two of which were due to regulatory non-compliance. We currently stand at 140 listed companies with no confirmed companies in the IPO pipeline, as of this date.

Now, I hand the floor over to Mr. Naim Azad Din.

Naim Azad Din

Thank you, Noura. Good afternoon, everyone. Thank you for taking the time out of your busy schedule to join us on this call today. As we believe that you have become more well-versed with our company and its operations, I will get on with the presentation from where it was left off.

During the quarter, we continued to witness improved trading activities, a trend that started sometime during the middle of last year. Trading activities' indicators showed strong improvement, supported by sustained momentum year-to-date, recording a 90.39% increase in value traded year-on-year, 82.95% increase in volume traded year-on-year, and 45.24% increase in total trades year-on-year.

Market capitalization also recorded an increase of 23.20%, surpassing the KWD 50 billion mark, at KWD 50.53 billion. Overall, we continue to experience volatility driven by macro factors, including geopolitical uncertainties. However, the sentiment around future interest rate hikes has shown signs of improvement. In hindsight, our year-to-date performance highlights the resilience of our business model and underscores the ongoing benefits we derive from the diversification of our revenue streams.

Market makers continued to contribute a sizable traded value, which stood at KWD 2.14 billion versus KWD 1.31 billion in 2024, further diversifying key market participants in Boursa Kuwait, while providing the market with depth and liquidity to other participants.

Value traded almost doubled at 90.39% increase, reaching KWD 12.63 billion from KWD 6.63 billion recorded in 2024. The total number of trades also recorded an increase of 45.24%, reaching 2.46 million compared to 1.70 million trades last year.

As a result, all trading-related revenue constituents improved notably, led by Trading commission, Settlement operations, and Clearing operations, which I will discuss in more detail as we go along.

In aggregate, operating revenues improved significantly by 41.13%, reaching approximately KWD 24.20 million compared to KWD 17.15 million last year. The corresponding increase in the operating expenses of 2.88% was modest, approximately KWD 160,000 in absolute value terms. This further contributed to the improved cost-to-income ratio's performance of 23.68% versus 32.48% in 2024, and it remains below the attachment point of the guided range.

The operating profit improved markedly by 59.53%, reaching KWD 18.47 million from KWD 11.58 million achieved last year. Correspondingly, the operating profit margin increased by almost nine percentage points, reaching 76.32% versus 67.52% recorded in 2024.

Non-operating incomes recorded a marginal increase of 2.99%, rising to approximately KWD 2.10 million from KWD 2.04 million in 2024. Excluding Other income, all other components showed improvements, led by Rental income, which grew by 9.52%, followed by Investment income with a 1.18% increase.

Lastly, the net profit attributable to shareholders of Parent Company improved by 61.12%, rising to KWD 15.11 million from KWD 9.38 million in 2024. Earnings per share stood at 75.27 fils versus 46.71 fils. Overall, this represents a strong performance to-date, and we would like to express our sincere appreciation to our shareholders and analysts for their continued support.

The slide charts the quarterly trends of operating revenues, operating expenses, operating profit and net profit attributable to shareholders of Parent Company from Q2 2024 to Q2 2025. Operating revenues continue to trend upward, showing a year-on-year increase of 37.1%, although they declined marginally by 1.2% on a quarter-on-quarter basis.

Operating expenses have edged higher, rising by 8.5% year-on-year and by 10.7% quarter-on-quarter. Operating profit continued its upward trend, increasing by 50.4% year-on-year, while showing a marginal decline of 4.6% quarter-on-quarter. Net profit attributable to shareholders of Parent Company also trended upward, posting a 52.8% increase year-on-year, despite a 9.7% decline quarter-on-quarter.

The slide presents the year-to-date trends in operating revenues, operating expenses, operating profit and net profit attributable to shareholders of Parent Company. Our strong financial performance continues to be driven by a well-diversified operating revenues base, disciplined cost management, and stable non-operating incomes – factors that collectively reinforce our earnings momentum and resilience.

Operating revenues reached KWD 24.20 million, marking a strong increase of 41.1% compared to KWD 17.15 million in the prior period. Operating expenses of KWD 5.73 million showed a slight increase of 2.9%. Operating profit surged to KWD 18.47 million, delivering a notable year-on-year growth of 59.5% from KWD 11.58 million. Net profit attributable to shareholders of Parent Company reached KWD 15.11 million, reflecting a robust increase of 61.1% compared to KWD 9.38 million last year.

The slide illustrates the changes in the consolidated statement of financial position elements from Q2 2024 to Q2 2025. Total assets increased by 9.3% to reach KWD 123.87 million as of 30th June 2025, up from KWD 113.37 million a year earlier. Total liabilities rose by 12.5% to KWD 12.48 million as of 30th June 2025, compared to KWD 11.09 million a year earlier. Shareholders' equity increased by 8.9% to KWD 111.38 million, up from KWD 102.28 million. Equity attributable to shareholders of Parent Company saw an even stronger growth of 12.7%, rising from KWD 58.75 million to KWD 66.20 million.

The quarterly operating revenues showed notable improvement from Q2 2024 of KWD 8.77 million to KWD 12.03 million in Q2 2025, an increase of 37.11%. Subscription fees increased by 10.88% to KWD 1.92 million, up from KWD 1.73 million. This growth was partly attributable to the rise in market capitalization, as well as the recovery of outstanding Subscription fees from prior years.

Trading commission rose significantly to KWD 3.80 million, up from KWD 1.89 million, an increase of 101.57%. This strong performance was supported by the increase in the value traded of 91.29%, which reached KWD 5.91 billion compared to KWD 3.09 billion in the same period last year. The blended trading commission for the quarter stood at 6.14 basis points, slightly higher than 5.93 basis points recorded in Q2 2024. The value traded split was approximately 68% in the "Premier" market and 32% in the "Main" market.

Clearing operations recorded an improved performance, increasing by 14.27% to KWD 1.88 million, up from approximately KWD 1.65 million in the same period last year. This growth was closely tied to the higher value traded during the period, as well as 3.75% increase in the number of foreign trade confirmations, which rose to approximately 337,000, from approximately 325,000 recorded in 2024. As a result, trade confirmation revenue increased by 10.80%, reaching KWD 1.75 million, up from KWD 1.58 million recorded in the same period last year.

Shareholders register services contracted during the period by 12.22%, decreasing from KWD 1.11 million to around KWD 974,000. The decline was mainly due to reduced demand or activity in the following subservice components:

- (a) IPO, Auction, Acquisition and Merge services - It declined by 45.69% to approximately KWD 215,000 from KWD 397,000 during the same period in 2024. This could be attributed to lower activities in the period being analyzed.
- (b) Annual contracts - Listed Companies - It declined by 1.11% to approximately KWD 504,000 from approximately KWD 510,000 during the same period in 2024. This could be attributed to a lower number of listed companies.

Central depository services recorded a notable increase of 24.90%, rising to KWD 1.27 million, up from KWD 1.02 million in 2024. This growth was primarily driven by a higher average value of portfolio of shares and bonds under custody.

Settlement operations outperformed 2024's performance by 62.63%, rising to approximately KWD 1.24 million, up from around KWD 764,000. During the quarter, the number of trades increased by 60.79%, reaching 1.38 million, up from approximately 857,000 trades.

Miscellaneous, which comprises Trustee and Investment controller services, Data, OTC and Brokerage and Other miscellaneous fees, reported a substantial improvement of 51.96%, rising to around KWD 937,000, up from approximately KWD 617,000.

Overall, operating revenues saw a significant improvement of 37.11%, rising to KWD 12.03 million compared to KWD 8.77 million reported last year.

The year-to-date operating revenues recorded a notable increase of 41.13%, rising to KWD 24.20, up from KWD 17.15 million reported last year.

Subscription fees increased by 8.90%, reaching KWD 3.86 million, compared to KWD 3.54 million reported in 2024.

Trading commission more than doubled compared to 2024's revenue of KWD 4.04 million, rising by 110.64% to KWD 8.51 million. During the period, the value traded surged by 90.39%, reaching KWD 12.63 billion, up from KWD 6.63 billion in 2024. The blended trading commission increased to 6.51 basis points, up from 5.93 basis points in 2024. The value traded was divided approximately 58% in the "Premier" market and 42% in the "Main" market.

Clearing operations showed a marked improvement of 20.51%, rising to KWD 3.43 million, up from KWD 2.85 million. The number of foreign trade confirmations grew by 11.79%, reaching approximately 619,000, compared to around 554,000. This led to a 16.01% increase in the trade confirmation revenue totaling KWD 3.14 million, up from KWD 2.70 million in 2024.

Shareholders register services saw a modest increase of 3.45%, rising to KWD 1.87 million, up from KWD 1.81 million in 2024. All components of the revenue recorded increases, with the exception of the following service component:

- (a) Annual Contracts - Listed Companies - This component experienced a slight decline of 0.76%, falling to approximately KWD 1 million.

Central depository services saw a 16.01% increase, reaching KWD 2.47 million, up from KWD 2.13 million in 2024. The declines in the Pledge and Mortgage services for Trading accounts and Shares were offset by the increases in Safekeeping of Shares and Bonds components of the revenue.

Settlement operations outperformed 2024 by 47.71%, rising to KWD 2.23 million, up from KWD 1.51 million in 2024. During the period, the number of trades increased by 45.24%, totaling 2.46 million, up from 1.70 million.

Under Miscellaneous, there was a significant improvement of 44.09%, rising to KWD 1.84 million, up from KWD 1.27 million in 2024. In aggregate, operating revenues increased significantly by 41.13%, reaching KWD 24.20 million, up from KWD 17.15 million last year.

Total costs for the quarter increased by 8.48%, reaching KWD 3.01 million, up from KWD 2.78 million in the same period last year.

Staff costs increased by 8.21%, reaching KWD 1.69 million, up from KWD 1.57 million in 2024. This increase was partly due to the annual review of staff salaries and benefits, which takes effect every April. IT expenses increased by 8.64%, up from KWD 392,000 in 2024, to reach approximately KWD 426,000. The increase was driven by new infrastructure contracts, including the establishment of an offshore disaster recovery site.

Depreciation and amortization saw a higher increase of around 24.60%, reaching KWD 235,000, up from KWD 188,000 in 2024. Building expenses decreased by 5.52%, partially offsetting the previous increases. The expenses fell from KWD 74,000 to KWD 70,000.

Consultancy fees were also lower, reaching KWD 114,000 from KWD 118,000, reflecting a drop of 3.88%. On the back of the strong trading activities, CMA Commission saw a significant increase of 104.90%, reaching KWD 127,000, up from KWD 62,000 in 2024. As for Others, the expenses fell from KWD 375,000 to KWD 345,000, a drop of 7.98%, further offsetting the increases in other expense components during the period.

Based on the above, the cost-to-income ratio improved significantly, standing at 25.03%, compared to 31.64% in 2024.

We continue to benefit from controlled operating expenses with a modest increase of 2.88% in the 1st half of 2025, rising to KWD 5.73 million, up from KWD 5.57 million in 2024. Staff costs increased by 7.40%, driven by the factors mentioned earlier, rising to KWD 3.21 million, up from KWD 2.99 million last year.

IT expenses saw a modest increase of 1.04%, rising to KWD 828,000, up from KWD 819,000 a year earlier. This increase was partly driven by new infrastructure contracts for system improvement and the establishment of an offshore disaster recovery site. Depreciation and amortization increased to KWD 464,000, reflecting an 18.81% rise from KWD 390,000 in 2024.

Building expenses helped offset other increases, reporting a decrease to KWD 140,000, reflecting a 2.35% drop from KWD 143,000. Consultancy fees further helped offset other increases, with a significant decrease of 43.37%, dropping to KWD 190,000 from KWD 336,000 in 2024.

CMA Commission, which was directly correlated with the trading commission, increased by 109.96%, reaching KWD 282,000, up from KWD 134,000 in 2024. No Impairment was reported year-to-date, reflecting a 100% decrease from 2024. As for Others, additional savings were achieved with a 15.84% decrease, reaching KWD 614,000 compared to KWD 729,000 in 2024.

Based on the above, the cost-to-income ratio improved significantly, standing at 23.68% compared to 32.48% in 2024.

The slide presents a clear snapshot of key financial indicators across the last five financial quarters, underscoring the consistent strength and resilience of Boursa Kuwait's performance. The financial data highlights our strong ability to navigate market volatility and sustain growth, underpinned by a well-diversified operating revenues base, discipline cost management and continued growth in non-operating incomes – driven by strategic and efficient utilization of our assets.

Our profitability metrics continue to stand out, expansionary, and show positive momentum. The operating profit margin consistently exceeded 60%, reflecting robust operational efficiency and profitability, with the only exception of Q4, which typically accounts for variable compensation.

Similarly, our net profit margin remains firmly above 50%, reinforcing the strength and stability of our financial performance. Return on average equity, while moderated slightly to 28.99% in Q2 2024, remains a strong indicator of value creation for shareholders – an objective that remains central to our strategy.

These results are a clear testament to the resilience of our business model, the effectiveness of our execution, and our ongoing commitment to delivering sustainable, long-term returns.

With that, I conclude my presentation. Thank you for your attention and your continued support.

- Abdulla Al-Mishari** Thank you, Miss Noura and Mr. Naim. We are now ready to receive your questions. We will pause briefly to allow time for questions to come through and respond accordingly.
- Could you please elaborate on the key factors that contributed to the significant operational leverage observed in H1 2025, where profit growth of 61% substantially outpaced revenue growth of 41%? What specific cost categories saw the most significant efficiencies or remained relatively stable despite increased activity?
- Naim Azad Din** Thank you, Abdulla. One of the main contributors to the growth in the net profit was the lower share of the net profit attributable to the non-controlling interest, representing the remaining 50% shareholders of our subsidiary, KCC. KCC's contribution to the net profit was moderated from 58% to 49% on a year-on-year basis, reflecting the growth originating from the Parent Company, mainly from Trading commission. The Parent Company's contribution during the same period saw an increase of nine percentage points, rising to 51% from 42% year-on-year.
- In addition to this, the sustainability of the operating expenses further helped in increasing the probability of capturing the full value of the top-line growth. The sustained cost efficiency during the 1st half of 2025 was primarily driven by disciplined expense management and targeted savings across several categories. As explained in the presentation, some cost components saw increases, while others improved, resulting in sustainable operating expenses year-on-year.
- Abdulla Al-Mishari** Could you please provide a more detailed breakdown of the 65.08% Institutional Investors participation by type (e.g. sovereign, wealth funds, pension funds, asset managers, hedge funds) and geography (e.g. local, regional, international)?
- Noura Al-Abdulkareem** All right. So, broadly, the investors are categorized either as Retail or Institutional Investors. If you look at the trading volumes according to the Nationality and Category reports, which are available on Boursa Kuwait's website, you'll see further breakdowns on the type of investors, including retail, corporates, funds, or client accounts.
- Currently, Retail Investors represent 35%, corporates 63%, funds 0.5%, and clients account 1.4%. As for the categorization of nationality, we usually bundle GCC and foreign investors together and categorise them as International Investors versus Kuwaiti Investors. Kuwaiti Investors currently represent 85.8%, GCC investors represent 1.5%, and foreign investors represent 12.7%.

Abdulla Al-Mishari	How much of the 41% operating revenue growth in H1 2025 is directly attributable to increased trading volumes/values versus contributions from new or diversified revenue resources?
Naim Azad Din	During the period, all of the operating revenue constituents saw increases, led by the components related to the trading activities, namely, Trading commission (+110.64%), Settlement operations (+47.71%), and Clearing operations (+20.51%). Other components further enhanced the growth in the operating revenues during the period.
Abdulla Al-Mishari	Can management provide specific examples of successful revenue and diversification initiatives that are contributing meaningfully to the top-line, independent of market activity?
Naim Azad Din	Prior to recognizing KCC as a subsidiary, its results were classified as a Share of results of an associate, a non-operating income component. After the step-acquisition during Q2 2020, we started consolidating the results of KCC and reported them as operating revenues and non-operating incomes accordingly, reflecting a wider range of operating revenue streams for the group. Some of the components, which are less correlated with the market activities, include Subscription fees, Shareholders register services, Central depository services, and Collateral services.
Abdulla Al-Mishari	What are the expected quantitative benefits (e.g. capacity increases, transaction speed improvements, cost savings) and qualitative benefits (e.g. improved regulatory oversight, enhanced data security) from these enhancements, and what is the timeline for their full realizations?
Noura Al-Abdulkareem	The primary benefits of these enhancements are qualitative in nature, centered on the risk mitigation and the strengthening of market's resilience. By introducing a broader set of assets and products, we are also enhancing the product diversity, which contributes to a more balanced and sustainable market ecosystem. While capacity and efficiency gains are expected over time, the immediate value lies in reducing systematic risk and providing investors with greater choice and flexibility, as we progress through the various phases of the MD plan.
Abdulla Al-Mishari	Can you shed some light on what's driving the sharp uptick in traded value and volumes on the "Main" market this quarter? Are we seeing this strength primarily from retail flows, or is there a

noticeable pickup in institutional participation? What specific initiatives (e.g., market-making programs, new product listings that attract diverse participants) have contributed most significantly to this enhanced liquidity, and what is the outlook for further improvements?

Noura Al-Abdulkareem The sharp increase in the traded value and volumes in the “Main” market during this quarter and the 1st half of 2025 was driven predominantly by the Retail Investors, as per my earlier explanation. While the Institutional Investors’ participation remains steady, the recent momentum and higher activity levels that we’ve seen were largely the results of renewed Retail Investors’ engagement in the market. Generally speaking, as reflected in recent market performance, the primary driver of liquidity has been the heightened activity within the “Main” market. Beyond this, the broader macroeconomic environment in Kuwait, coupled with renewed confidence following the new government structure, have also contributed positively to the improvement in liquidity.

Abdulla Al-Mishari Are there any costs associated with the MD plan and launch of new products that will drive higher total operating expenses and 2H 2025 versus 2H 2024?

Naim Azad Din In the lead-up to the recent launches, most expenses associated with them have already been incurred. The growth of these products will offer valuable insights for future manpower planning, while other expenses, such as Consultancy fees, are expected to remain discretionary. As for Depreciation and amortization, we are seeing a gradual increase due to the completion and transfer of finished CAPEX, some of which are related to the trading infrastructure.

Abdulla Al-Mishari To what extent do changes in foreign ownership levels impact the company's earnings?

Naim Azad Din The foreign ownership levels and how it impacts the company's earnings are primarily driven by the foreign trade confirmations revenue. The more trading by the foreigners through international custodians, the higher the foreign trade confirmations revenue will be, which saw an increase of 11.79% year-on-year, reaching approximately 619,000, compared to 554,000 trades. Furthermore, this will also have direct impacts on trading-related revenues namely Trading commission, Clearing operations, and Settlement operations.

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- Abdulla Al-Mishari** How should we think about cost to income ratio for 2H 2025, and beyond?
- Naim Azad Din** We have previously provided a guided range of between 38% to 42%, but it is always our intention to try to beat the range, and we have been successful over the last two quarters, and most of the quarters in 2024. However, we do not currently plan to revise the range. In the meantime, the management will strive to sustain the operating expenses level while allowing the business to expand.
- Abdulla Al-Mishari** Now that the cash CCP has been launched, can you give us an update on when qualified brokers will be able to start offering margin trading?
- Noura Al-Abdulkareem** As of now, qualified brokers are permitted to offer margin trading facilities subject to meeting the necessary regulatory licensing requirements.
- Abdulla Al-Mishari** Could you please provide more detail on the increase in staff cost? Specifically, is this attributable to new hires in preparation for upcoming segment launches, such as ETFs, or does it reflect a routine increase in compensation and staffing levels?
- Naim Azad Din** Partly, it was, as explained earlier, increased in compensation, which takes effect every April, and partly was due to recruitments, as we do manpower planning annually. And as previously explained, with the launch of new products, we are gathering data to assess the evolution of these products in providing us with insights that can be used for future manpower planning to support the business.
- Abdulla Al-Mishari** So, we believe we have addressed most of the questions raised during the call. Should you have any follow-up queries, please feel free to contact us at our designated Investor Relations' email IR@boursakuwait.com.kw.
- Thank you for your participation. With that, we conclude today's call.

H1 FY 2025 Earnings Briefing

Naim Azad Din, Chief Financial Officer
Noura Al-Abdulkareem, Head of Markets Sector

31st July 2025

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All figures stated are in KWD unless otherwise stated and may be subject to rounding differences.

AGENDA



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2	Financial Highlights and Performance	11
3	Q&A	21



H1 2025 Business Updates

Noura Al-Abdulkareem, Head of Markets Sector



MARKET DEVELOPMENTS



Diversifying product offerings, increasing accessibility and transparency of our Market while continuing improving infrastructures.

MD1

- Ticks & Price Limits
- Settlement Cycle & Corporate Actions
- Market Makers
- Randomized Closing Auction

MD2

- Market Segmentation
- Circuit Breakers
- OTC Platform
- Boursa Kuwait Rulebook

MD3

- REITs
- Intentional Crossing
- Trade-at-Last
- Closing Auction Amendment
- Tender Offers
- Swaps
- Short-selling & SLB

MD3.2

- Netting
- Tradable Rights Issue (TRI)
- Margin Lending for IC
- Margin Lending for QB
- Cash CCP
- Fixed Income
- ETFs (Equity & Commodity)

MD4

- Derivatives CCP
- Derivatives (SSF & IF)
- Derivatives (Options)

2017

2018

2019

2020-25

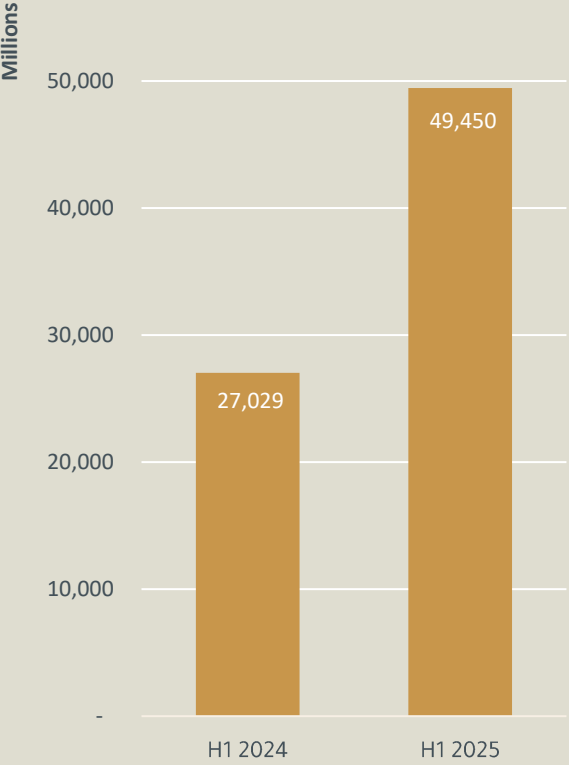
2027+

MARKET PERFORMANCE



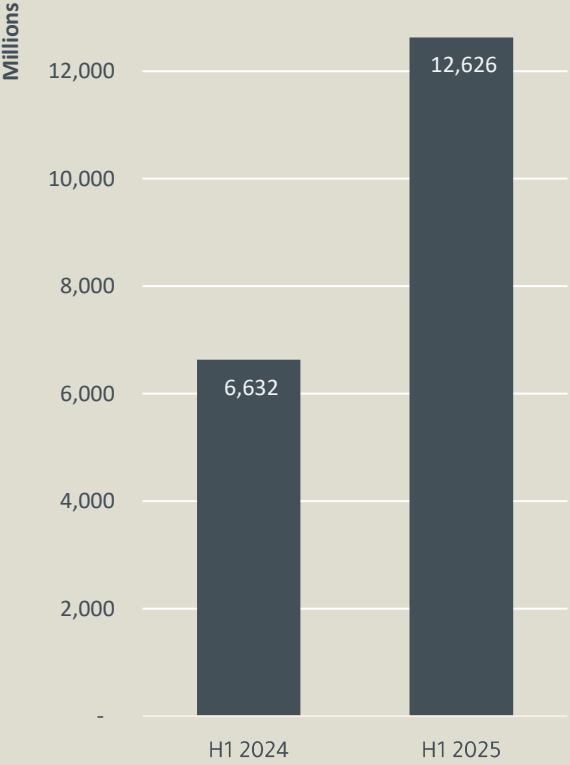
▲ 83.0%

Traded Volumes



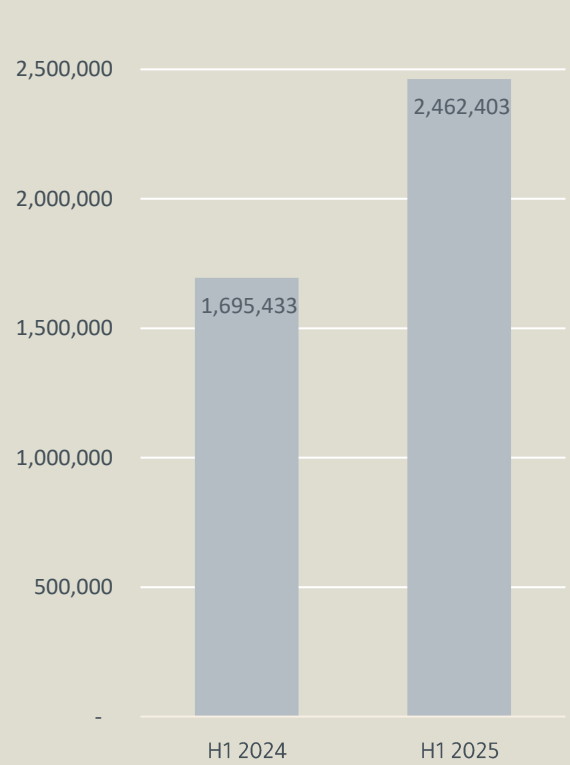
▲ 90.4%

Trading Values



▲ 45.2%

No. of Trades

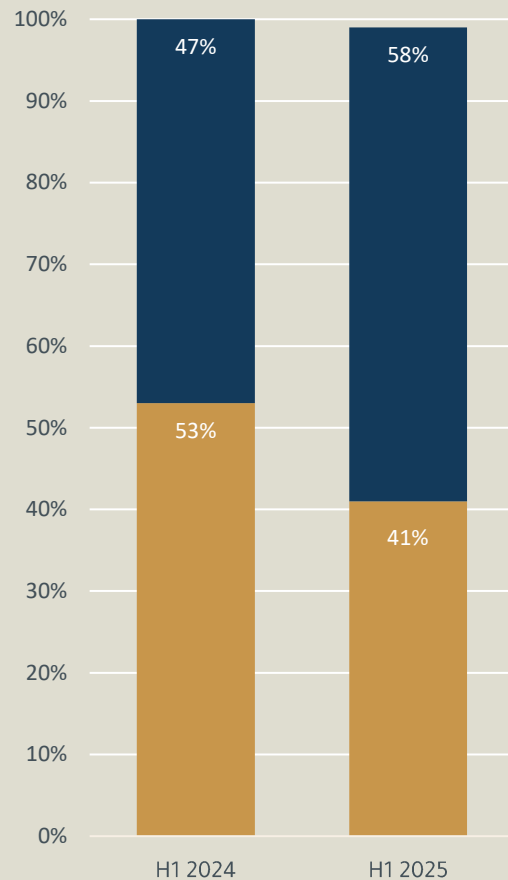


Includes TRI

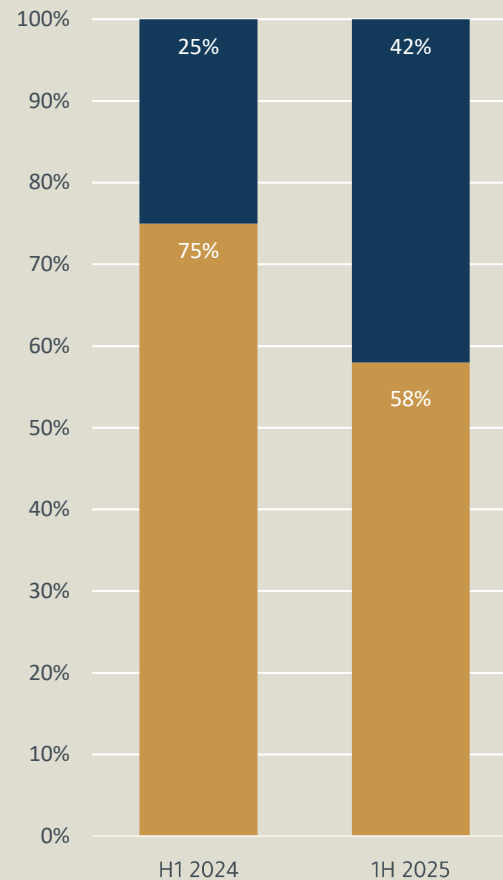
MARKET SPLIT (“Premier” vs. “Main”)



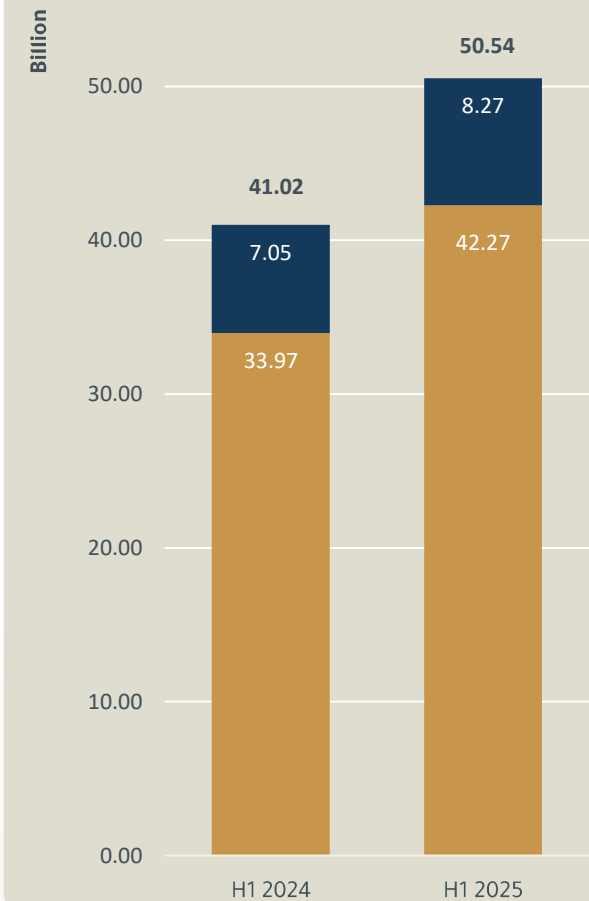
Traded Volumes (%)



Traded Values (%)



Market Cap (KWD)

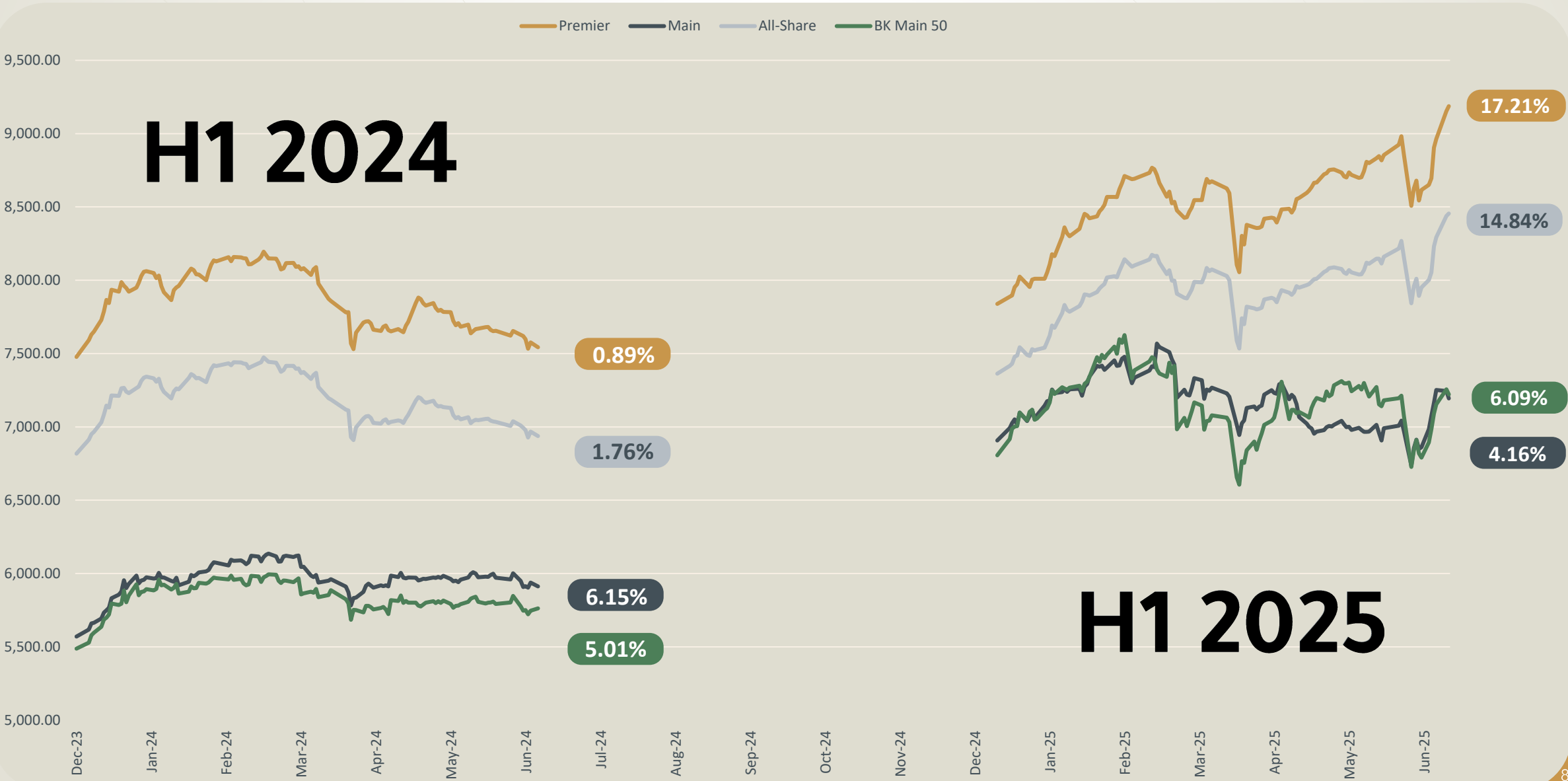


Includes TRI

PREMIER

MAIN

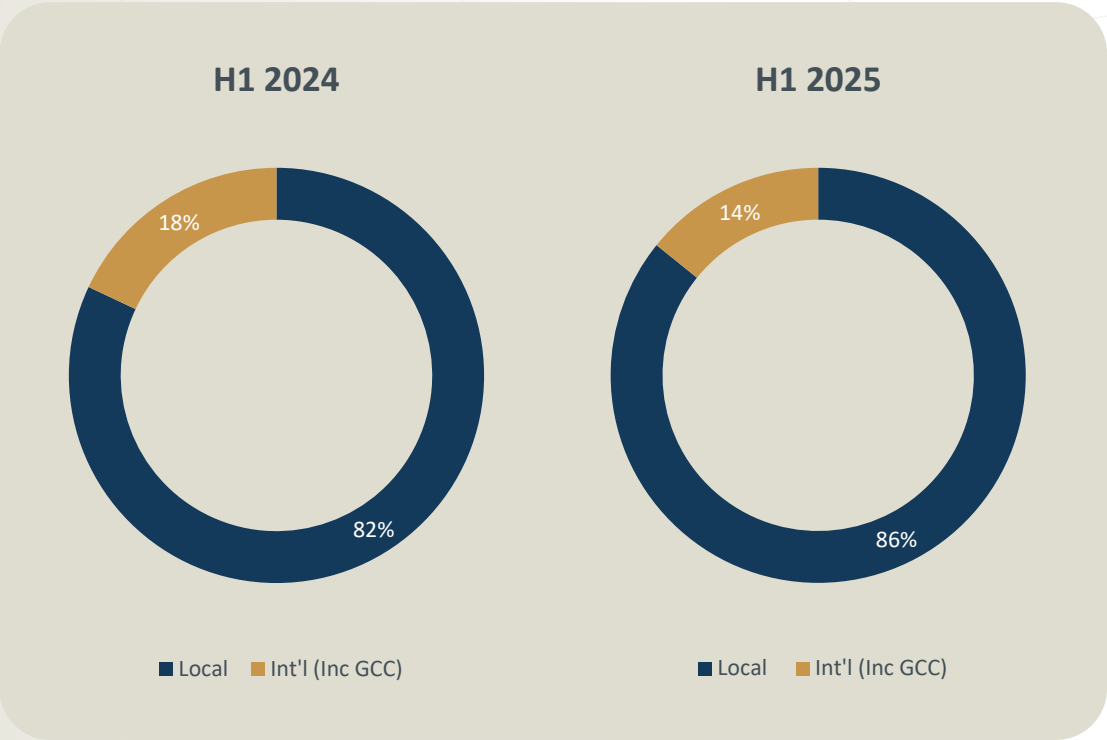
INDEX PERFORMANCE



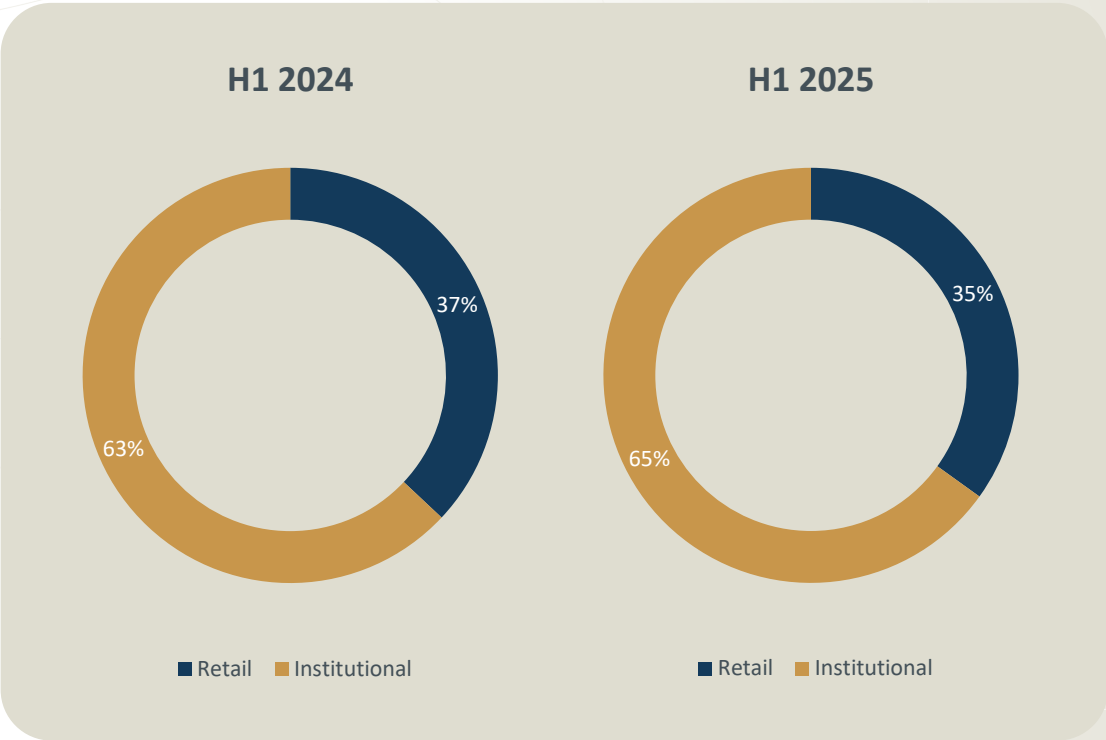
INVESTOR TURNOVER



Breakdown of Value Turnover by Investor Geography



Breakdown of Value Turnover by Investor Type



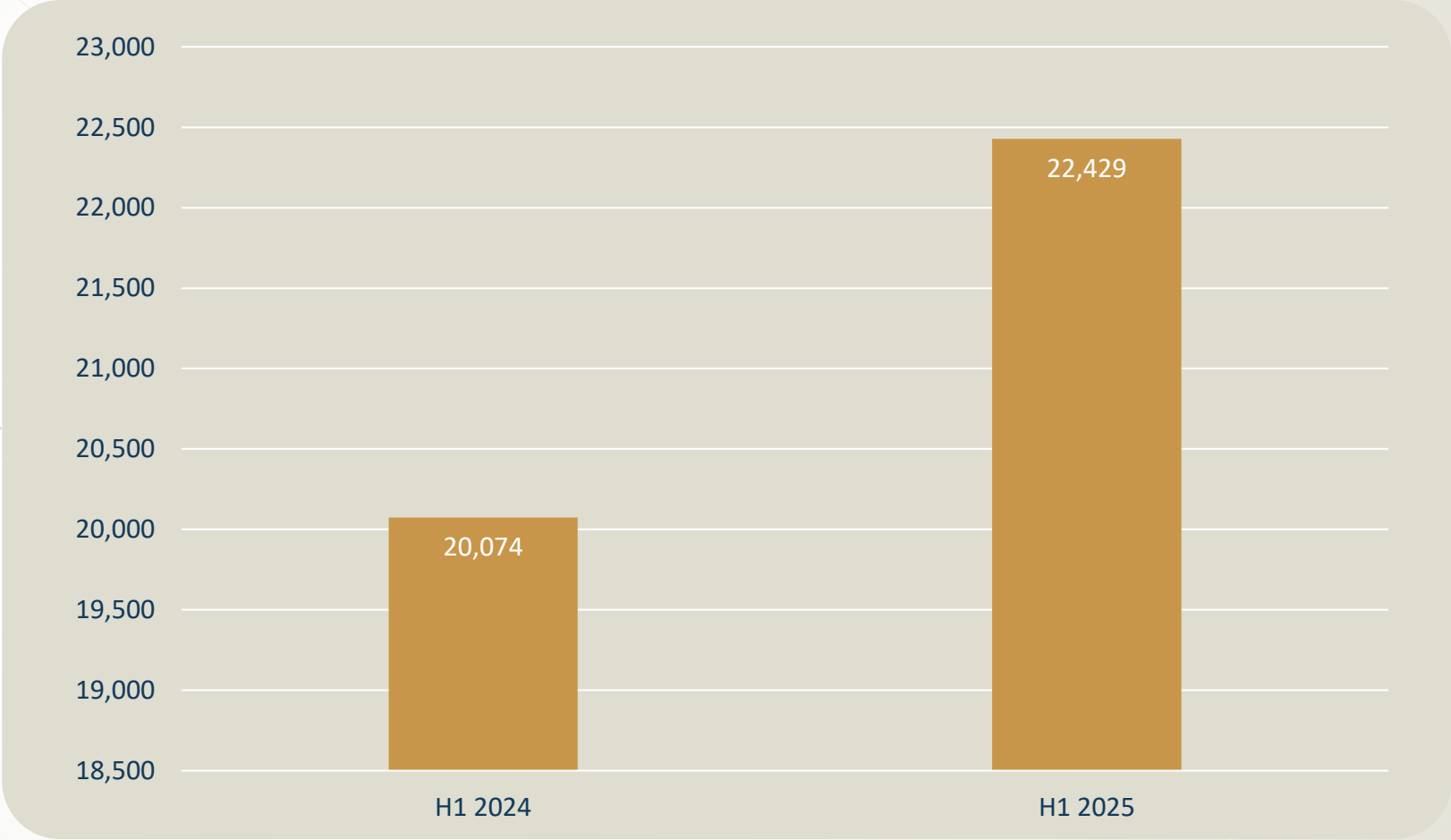
ACTIVE ACCOUNTS



Active
Accounts

11.7%

Active Accounts are those that have executed one trade at least in the last six months





H1 2025







Financial Highlights and Performance

Naim Azad Din, Chief Financial Officer

HIGHLIGHTS ON PERFORMANCE

Strong trading activities and operational efficiency underpin robust financial performance



OPERATING REVENUES	OPERATING EXPENSES	OPERATING PROFIT	NP ATTRI. TO SHAREHOLDERS OF PARENT
 <div>24,198,814</div> <div>41.13%</div>	 <div>(5,730,527)</div> <div>2.88%</div>	 <div>18,468,287</div> <div>59.53%</div>	 <div>15,111,594</div> <div>61.12%</div>
VALUE TRADED	COST TO INCOME RATIO	OPERATING PROFIT MARGIN	EPS ATTRI. TO SHAREHOLDERS OF PARENT
 <div>12,626,448,765</div> <div>90.39%</div>	<div>6M FY2025</div> <div>23.68%</div> <div>6M FY2024</div> <div>32.48%</div>	<div>6M FY2025</div> <div>76.32%</div> <div>6M FY2024</div> <div>67.52%</div>	 <div>75.27 fils</div> <div>61.12%</div>

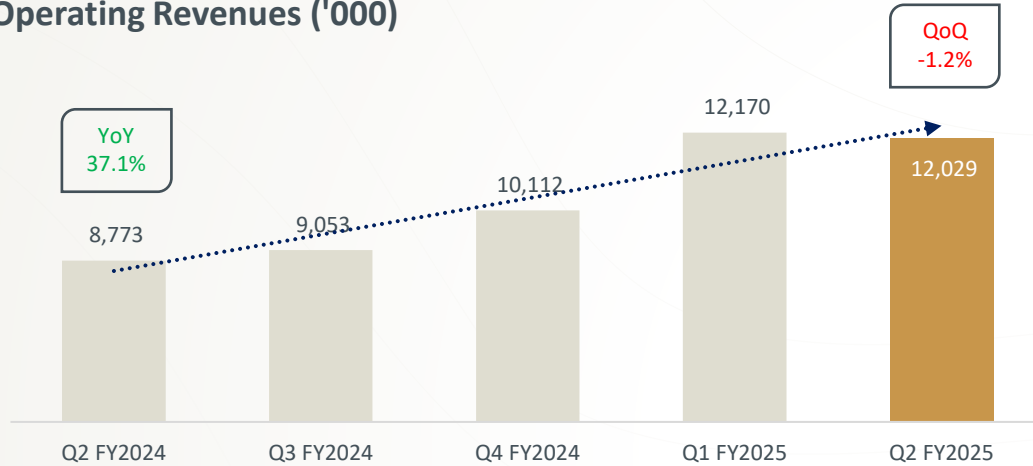
- Value traded and trade count were higher by 90.39% and 45.24%, respectively, at KWD 12.63 bn and approximately 2.46 mn trades, positively contributed to the improved key revenue streams, including Share in trading commission by 110.64% and Settlement operations by 47.71%. Supported by higher foreign investors trade confirmation of 11.79%, Clearing operations improved by 20.51%.
- The increase in Operating Revenues to KWD 24.20 mn or 41.13%, coupled with a marginal 2.88% rise in Operating Expenses to KWD 5.73 mn, drove a notable improvement in the Cost to Income ratio, which was reduced to 23.68% from 32.48% in H1 2024.
- As a result, the Operating Profit margin increased to 76.32%, reaching KWD 18.47 mn, compared to the previous year's margin of 67.52%.
- Non-operating Incomes inched up by 2.99% to reach KWD 2.10 mn.
- In aggregate, the Net Profit surged by 61.12%, reaching KWD 15.11 mn from KWD 9.38 mn.
- EPS stood at 75.27 fils compared to 46.71 fils achieved in H1 2024.

QUARTERLY TREND

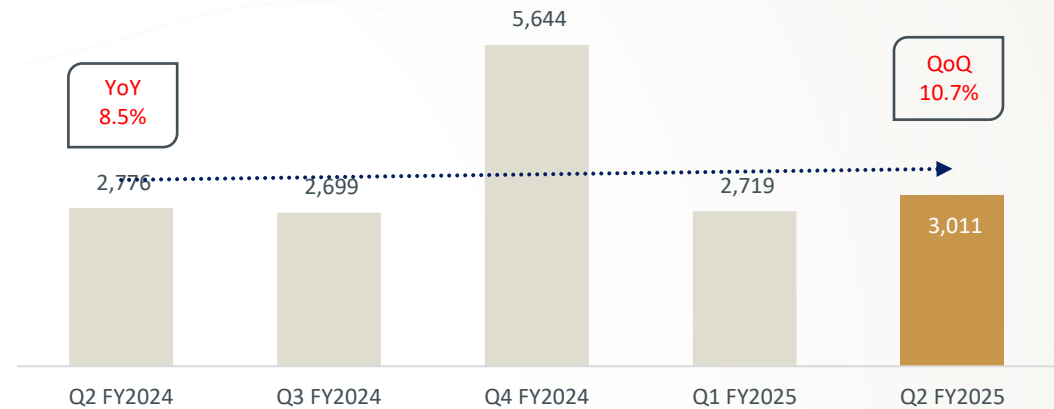
Foster sustainable value creation by optimizing operational efficiency



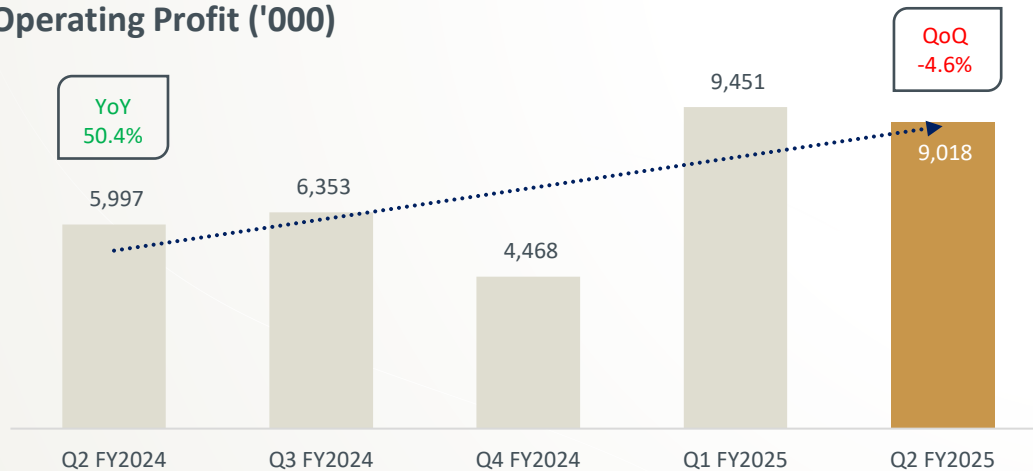
Operating Revenues ('000)



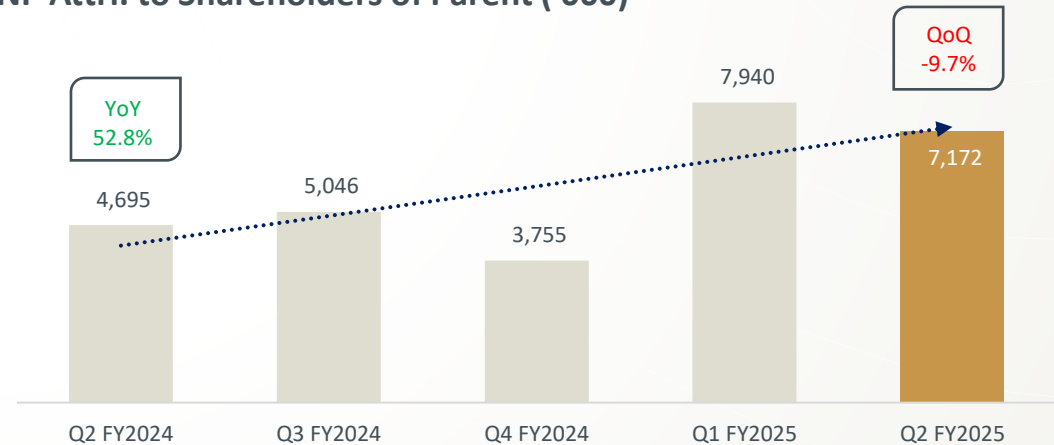
Operating Expenses ('000)



Operating Profit ('000)



NP Attri. to Shareholders of Parent ('000)

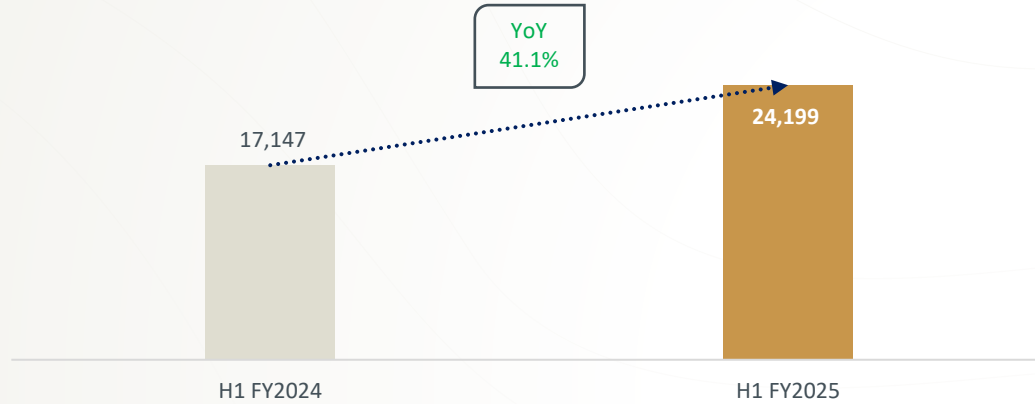


YTD TREND

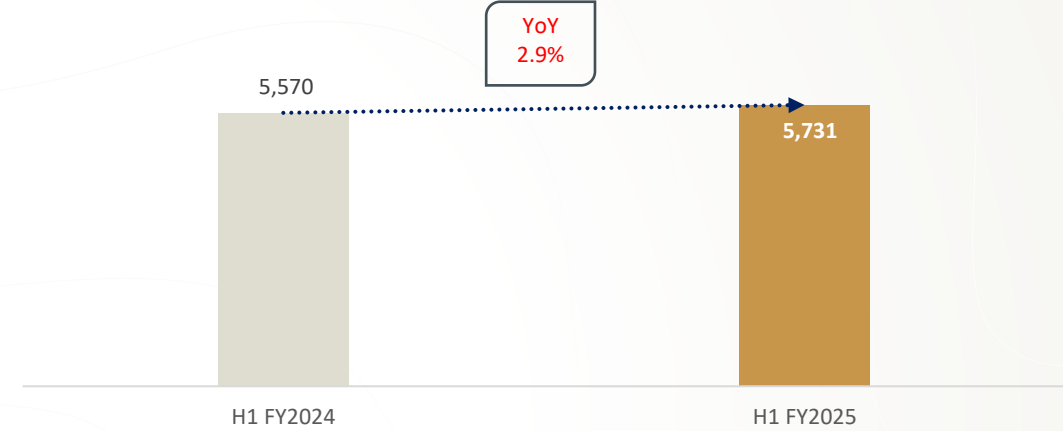
Higher Operating Revenues and improved margin propel net profit growth



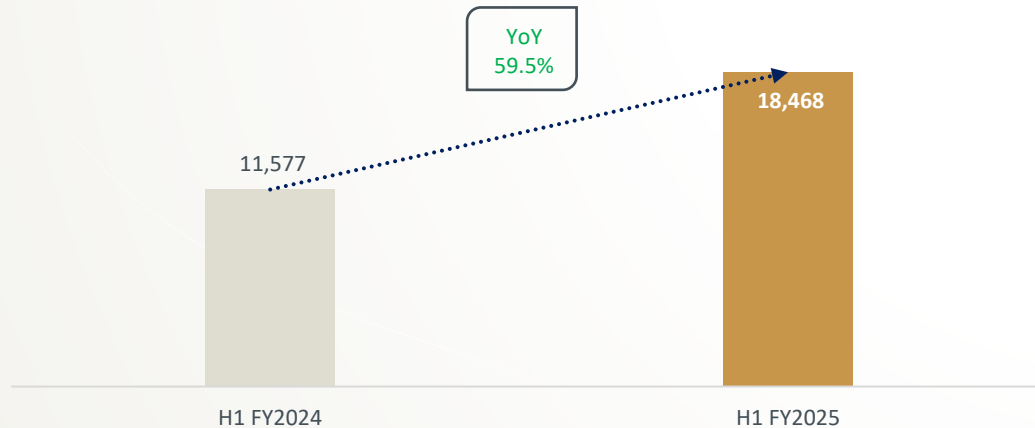
Operating Revenues ('000)



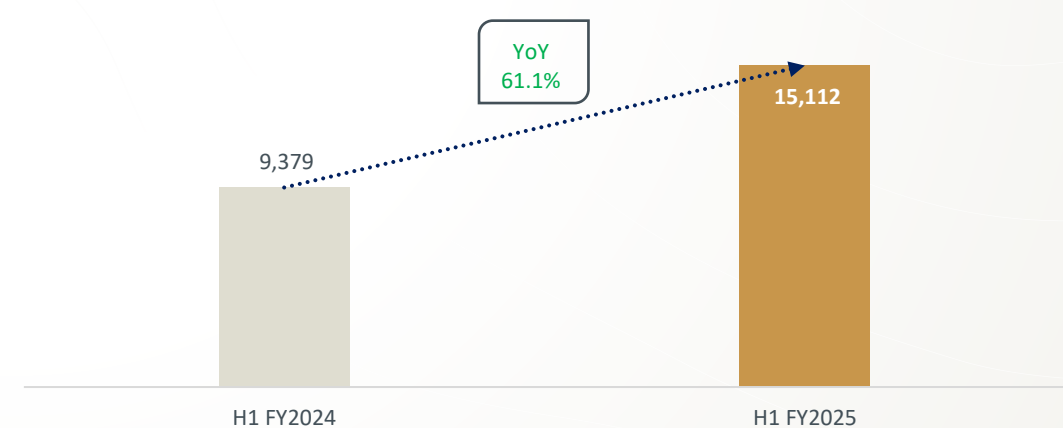
Operating Expenses ('000)



Operating Profit ('000)



NP Attri. to Shareholders of Parent ('000)

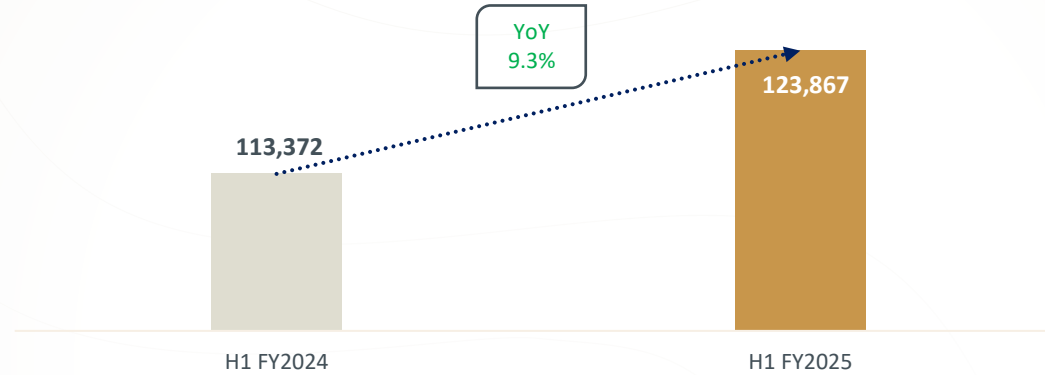


FINANCIAL POSITION

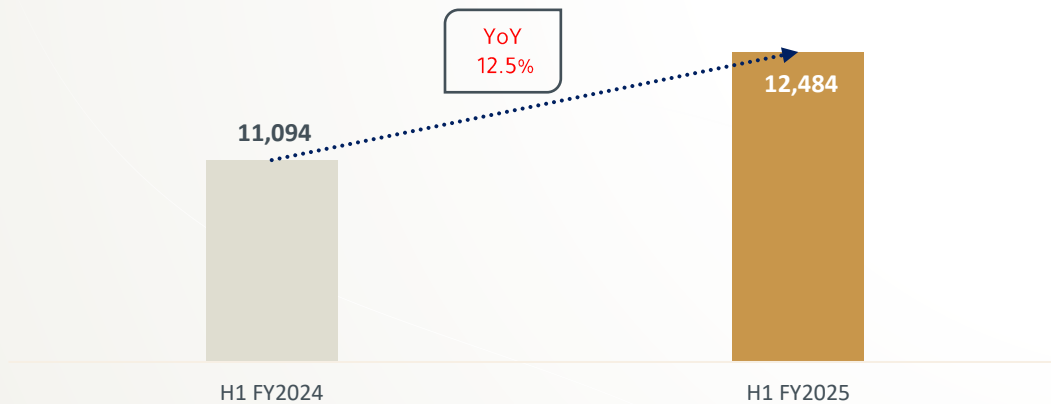
Consistent performance strengthens financial position



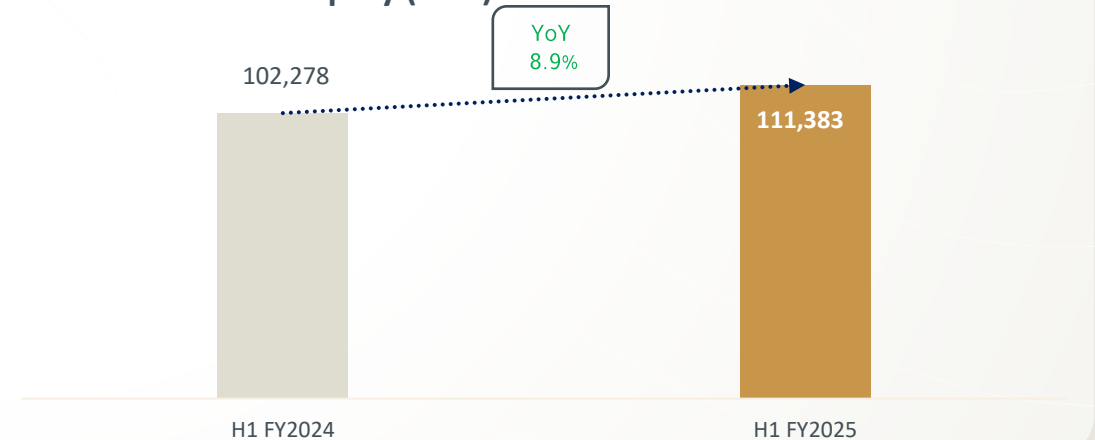
Total Assets ('000)



Total Liabilities ('000)



Total Shareholders Equity ('000)



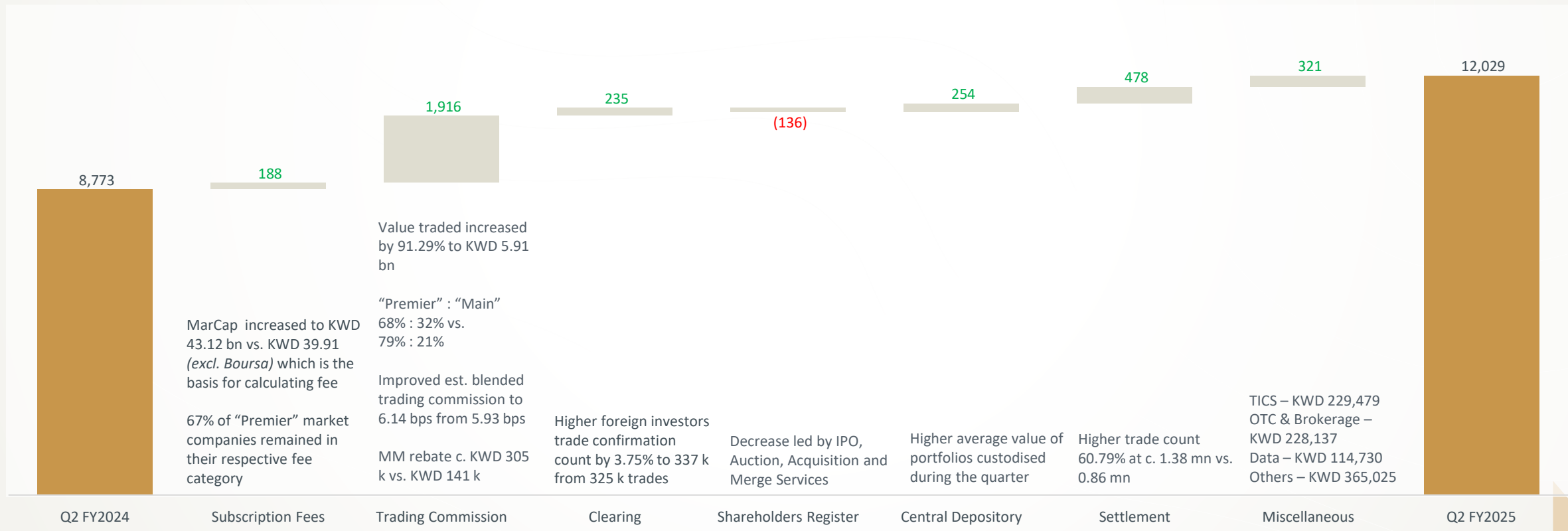
Note: Equity Attributable to Shareholders of the Parent Company stood at KWD 66,200,269 or higher by 12.7% YoY.

Q2 FY2025 OPERATING REVENUES

Positive trading momentum and diversification support resilient value creation



Operating Revenues ('000)																
	Subscription Fees		Trading Commission		Clearing		Shareholders Register		Central Depository		Settlement		Miscellaneous		Total	
Q2 FY2025	1,922	15.98%	3,802	31.60%	1,880	15.63%	974	8.10%	1,272	10.58%	1,242	10.33%	937	7.79%	12,029	
Q2 FY2024	1,733	19.76%	1,886	21.50%	1,645	18.75%	1,110	12.65%	1,019	11.61%	764	8.70%	617	7.03%	8,773	
YoY	10.88%	↑	101.57%	↑	14.27%	↑	(12.22%)	↓	24.90%	↑	62.63%	↑	51.96%	↑	37.11%	↑



Note: Some reclassifications were made to improve the quality of information presented.

H1 FY2025 OPERATING REVENUES

Trading activities growth enhanced overall improvement in Operating Revenues



Operating Revenues ('000)																
	Subscription Fees		Trading Commission		Clearing		Shareholders Register		Central Depository		Settlement		Miscellaneous		Total	
H1 FY2025	3,855	15.93%	8,505	35.14%	3,432	14.18%	1,873	7.74%	2,465	10.19%	2,233	9.23%	1,836	7.59%	24,199	
H1 FY2024	3,540	20.64%	4,037	23.55%	2,848	16.61%	1,811	10.56%	2,125	12.39%	1,512	8.82%	1,274	7.43%	17,147	
YoY	8.90%	↑	110.64%	↑	20.51%	↑	3.45%	↑	16.01%	↑	47.71%	↑	44.09%	↑	41.13%	↑



Note: Some reclassifications were made to improve the quality of information presented.

Q2 FY2025 OPERATING EXPENSES

Executing prudent expense management in support of expansionary business



	Operating Expenses ('000)																	
	Staff		IT		Depn & Amortization		Building		Consultancy Fees		CMA Commission		ECL		Others		Total	
Q2 FY2025	1,694	56.25%	426	14.16%	235	7.79%	70	2.32%	114	3.78%	127	4.23%	0	0.00%	345	11.47%	3,011	
Q2 FY2024	1,565	56.39%	392	14.14%	188	6.78%	74	2.67%	118	4.27%	62	2.24%	0	0.00%	375	13.52%	2,776	
YoY	8.21%	⬆️	8.64%	⬆️	24.60%	⬆️	(5.52%)	⬇️	(3.88%)	⬇️	104.90%	⬆️	-	-	(7.98%)	⬇️	8.48%	⬆️



Note: Some reclassifications were made to improve the quality of information presented.

H1 FY2025 OPERATING EXPENSES

Prudent management of operations



	Operating Expenses ('000)																	
	Staff		IT		Depn & Amortization		Building		Consultancy Fees		CMA Commission		ECL		Others		Total	
H1 FY2025	3,213	56.07%	828	14.45%	464	8.09%	140	2.44%	190	3.32%	282	4.93%	0	0.00%	614	10.71%	5,731	
H1 FY2024	2,992	53.71%	819	14.71%	390	7.01%	143	2.57%	336	6.02%	134	2.41%	26	0.47%	729	13.09%	5,570	
YoY	7.40%	⬆️	1.04%	⬆️	18.81%	⬆️	(2.35%)	⬇️	(43.37%)	⬇️	109.96%	⬆️	(100.00%)	⬇️	(15.84%)	⬇️	2.88%	⬆️



Note: Some reclassifications were made to improve the quality of information presented.

KEY FINANCIAL INDICATORS

Robust business performance and cost discipline strengthen financial position



	Q2 FY2024	Q3 FY2024	Q4 FY2024	Q1 FY2025	Q2 FY2025
Operating Revenues ('000)	8,773	9,053	10,112	12,170	12,029
Operating Expenses ('000)	(2,776)	(2,699)	(5,644)	(2,719)	(3,011)
Cost to Income Ratio	31.64%	29.82%	55.82%	22.34%	25.03%
Operating Profit ('000)	5,997	6,353	4,468	9,451	9,018
Operating Profit Margin	68.36%	70.18%	44.18%	77.66%	74.97%
Net Profit Attributable to Shareholder of the Parent Company ('000)	4,695	5,046	3,755	7,940	7,172
Net Profit Margin Attributable to Shareholder of the Parent Company	53.51%	55.74%	37.13%	65.24%	59.62%
Return on Average Equity	28.99%	28.24%	27.59%	37.91%	38.27%
EPS Attributable to Equity Holder of the Parent Company (Fils)	23.38	25.13	18.70	39.54	35.72
DPS (Fils)	-	-	82.00	-	-
Total Dividends ('000)	-	-	16,464	-	-
Dividend Payout Ratio	-	-	90.56%	-	-
Blended Trading Commission (bps)	5.93	6.20	6.63	6.83	6.14

Note: Blended trading commission considers the "Premier" and "Main" markets only.





- **Legal Name** Boursa Kuwait Securities Company K.P.S.C
- **Date Established** 21 April 2014
- **Regulated By** Kuwait's Capital Markets Authority (CMA)
- **Listing Date** 14 September 2020
- **Exchange Ticker** BOURSA
- **Code** 827
- **Bloomberg Ticker** BOURSA KK
- **Thomson Reuters Ticker** BOURSA.KW
- **ISIN** KW0EQ0607022
- **Sector** Financial Services
- **Paid-Up Share Capital** KWD 20,077,575.000
- **Outstanding Number of Shares** 200,775,750
- **Par-value per Share** KWD 0.100
- **Fiscal Year** 31 December
- **Registrar** Kuwait Clearing Company

Major Shareholders (Over 5%)

Gulf Cables & Electrical Industries Group Co.	Indirect	14.41%
Arzan Financial Group For Financing & Investment	Direct & Indirect	14.41%
National Investments Co. and group (Al-Bawaba Al-Watania General Trading & Contracting Co. and International Infrastructure Holding Company)	Direct & Indirect	12.46%
The Public Institution for Social Security	Indirect	6.00%

ANALYST COVERAGES



Research House	Analysts	Date	Target Price (KWD)	Rating	Previous Rating
KAMCO Invest	Junaid Ansari	27 July 2025	4.061	OUTPERFORM	-
Arqaam Capital	Jaap Meijer, MBA, CFA Janany Vamadeva	6 July 2025	3.80	Core BUY	BUY
EFG Hermes	Elena Sanchez, CFA Ahmed El-Shazly	23 March 2025	3.00	BUY	BUY

AWARDS AND CERTIFICATES



2025



HUMAN CAPITAL REPORTING CERTIFICATION

Boursa Kuwait received the ISO 30414: 2018 certification for Human Capital Reporting
HRCI



Best for Sustaining Communities - Middle East 2025

Boursa Kuwait was awarded "Best for Sustaining Communities" by **Global Finance**

2024



Best ESG & Sustainability Report in the Middle East - Small-Cap

Boursa Kuwait's 2023 Sustainability Report has been recognized as the Best Sustainability and ESG Report at **the Middle East Investor Relations Association Awards**



Best Capital Market ESG Strategy - GCC 2023

Boursa Kuwait won the "Best Capital Market ESG Strategy - GCC" award from **Capital Finance International** magazine.



Outstanding Contribution to Financial Inclusion - GCC 2023

Boursa Kuwait won the "Outstanding Contribution to Financial Inclusion - GCC" award from **Capital Finance International** magazine.



Outstanding Contribution to Female Empowerment - MENA 2023

Boursa Kuwait won the "Outstanding Contribution to Female Empowerment MENA 2023" award from **Capital Finance International** magazine.



Best ESG Development Strategy 2024

Boursa Kuwait was awarded "Best ESG Development Strategy" by **The European**



Best Sustainable Corporate Governance 2024

Boursa Kuwait was awarded "Best Sustainable Corporate Governance" by **The European**

AWARDS AND CERTIFICATES (Cont'd)



2023



Best for Sustainability Transparency - Middle East 2024

Boursa Kuwait was awarded "Best for Sustainability Transparency" by **Global Finance**



Best Sustainable Corporate Governance 2023 - Kuwait

Boursa Kuwait was awarded "Best Sustainable Corporate Governance - Kuwait" by **The European**



Outstanding Financial Leadership in Sustaining Communities - Middle East 2023

Boursa Kuwait was awarded "Outstanding Financial Leadership in Sustaining Communities" by **Global Finance**



Outstanding Leadership in Sustainability Transparency - Middle East 2023

Boursa Kuwait was awarded "Outstanding Leadership in Sustainability Transparency" by **Global Finance**

2022



Leadership in Energy and Environmental Design (LEED) Gold certification

Boursa Kuwait obtained the Leadership in Energy and Environmental Design (LEED) Gold certification for its building from the **U.S. Green Building Council (USGBC)**



Approved Employer for Professional Development

Boursa Kuwait was certified as an Approved Employer for Professional Development by **the Association of Chartered Certified Accountants (ACCA)**



Third Place in the Best Annual Report - Print Category for Small Cap Companies - Middle East 2023

Boursa Kuwait's 2022 Annual Report was voted third best annual report in the print category for Small Cap Companies in the Middle East by **the Middle East Investor Relations Association (MEIRA)**



OUTSTANDING CONTRIBUTION TO FINANCIAL INCLUSION - GCC 2022

Boursa Kuwait won the "OUTSTANDING CONTRIBUTION TO FINANCIAL INCLUSION - GCC" award from **Capital Finance International** magazine.

AWARDS AND CERTIFICATES (Cont'd)



2022



Best Capital Market ESG Strategy - GCC 2022

Boursa Kuwait won the "Best Capital Market ESG Strategy - GCC" award from **Capital Finance International** magazine.



Most Sustainable Company in the Financial Services Industry for 2022

Boursa Kuwait was awarded Most Sustainable Company in the Financial Services Industry of the Year by **World Finance**



Sustainable Stock Exchange of the Year Middle East 2022

Boursa Kuwait was awarded Sustainable Stock Exchange of the Year in the Middle East by **Pan Finance**



Best Investor Relations Company - Kuwait 2022

Boursa Kuwait was awarded "Best Investor Relations Company" by **Global Brands**

2021



Most Sustainable Practices in ESG for 2022

Boursa Kuwait was awarded Most Sustainable Practices in ESG for 2022 by **Global Business Outlook**.



Sustainable Stock Exchange of the Year MENA 2021

Boursa Kuwait was awarded Sustainable Stock Exchange of the Year in the Middle East and North Africa by **Pan Finance**



Best Investor Relations Company - Kuwait 2021

Boursa Kuwait was awarded "Best Investor Relations Company" by **Global Banking & Finance Review**.



Outstanding Contribution to Capital Market Development - Kuwait 2021

Boursa Kuwait was recognized by **Global Business Outlook Magazine** for its "Outstanding Contribution to Capital Market Development" in 2021.

AWARDS AND CERTIFICATES (Cont'd)



2021

cfi.co

**Best Digital Transformation
Strategy - GCC 2021**

Boursa Kuwait won the "Outstanding
Contribution to the SDGs - GCC 2021"
award from **Capital Finance
International** magazine.

 middle east
investor relations
association

**Second Place in the Best Annual Report -
Print Category for Small Cap Companies -
Middle East 2021**

Boursa Kuwait's 2020 Annual Report was voted
second best annual report in the print category
for Small Cap Companies in the Middle East
by **the Middle East Investor Relations
Association (MEIRA)**

 Talent Awards

Best Culture of Learning 2021

Boursa Kuwait was awarded "Best Culture
of Learning" for employers below 500
employees in the Middle East Region 2021
by **LinkedIn**.

cfi.co

**Best Investor Relations Company -
Kuwait 2021**

Boursa Kuwait was awarded "Best Investor
Relations Company" by **Global Banking &
Finance Review**.

2018

Banker
MIDDLE EAST

Most Improved Company 2018

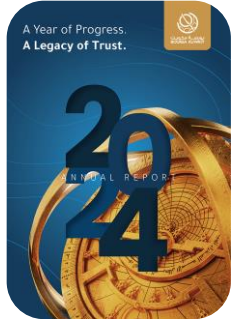
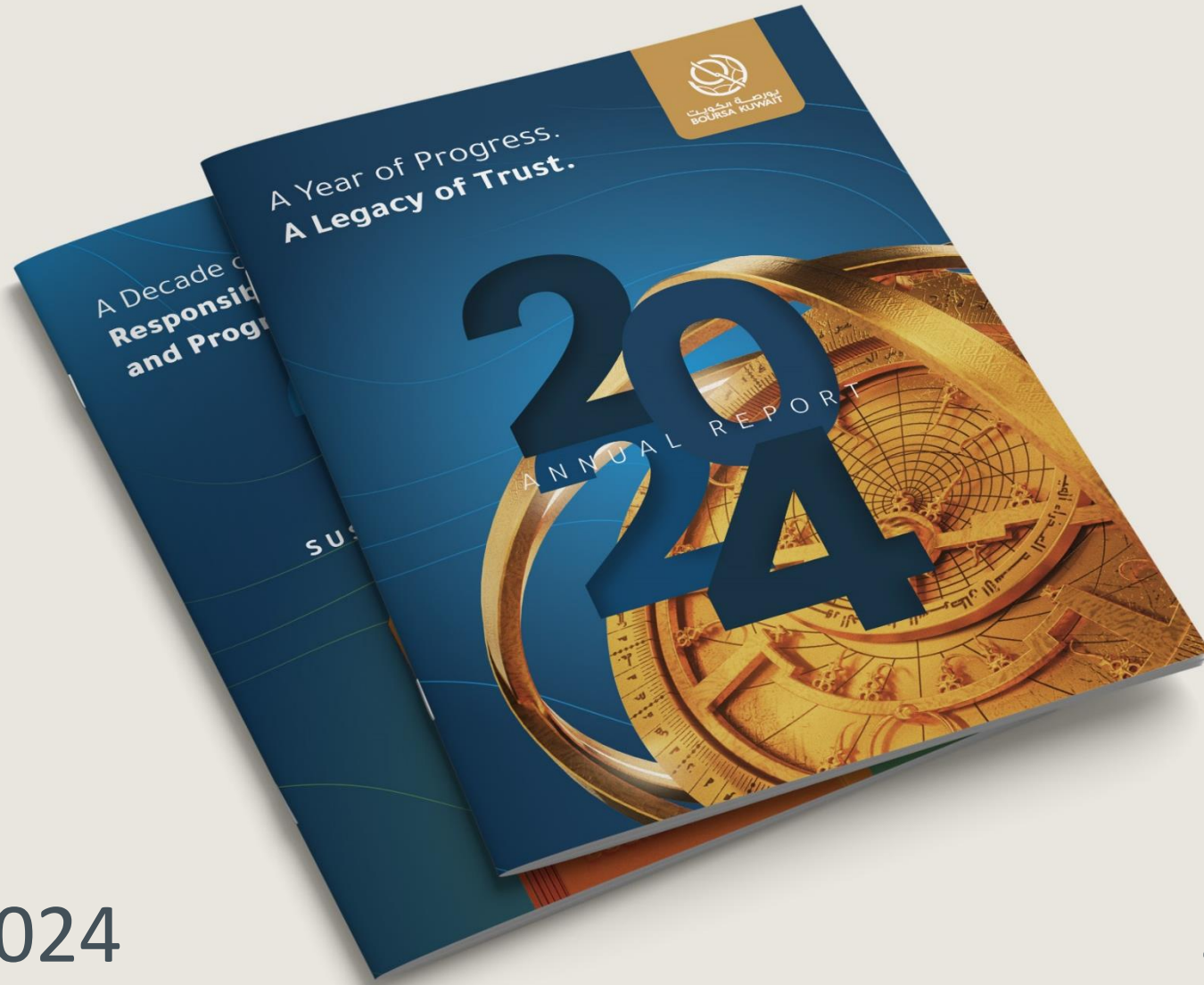
Boursa Kuwait was voted "Most Improved
Company" by the **Banker Middle
East** Magazine.

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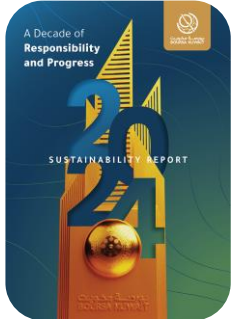
**Best Securities Exchange Corporate
Governance - GCC 2018**

Boursa Kuwait won the "Best Securities
Exchange Corporate Governance - GCC"
award from **Capital Finance
International** magazine.

ANNUAL REPORTS



2024
Annual Report



2024
Sustainability
Report



CONTACT INFORMATION

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Website: www.boursakuwait.com.kw

