كيبكو
KIPCO

Ref: KIPCO/DGCEO 63/25 dated November 22, 2025

Capital Markets Authority
Boursa Kuwait Company
KUWAIT

Subject: KIPCO's Analyst/Investor Conference call Minutes for Q3/2025

With reference to the above subject, and the requirements of article No. (2-4-8) "Continuing Obligations in the Premier Market" of Boursa Kuwait rule book issued via resolution No. (1) of year 2018, and since KIPCO has been classified in the premier market, Kindly note that the analyst/investor conference was conducted through a conference call at 2:00 PM (local time) on Thursday 20/11/2025.

Kindly note that no material information has been discussed during the conference. Please find attached the minutes of the conference (Arabic & English) and the investors presentation for Q3-2025.

Sincerely,

Samer Khanachet
Deputy Group CEO

السادة / هيئة اسواق المال المحترمين
السادة / شركة بورصة الكويت المحترمين
دولة الكويت

الموضوع: محضر مؤتمر المحللين/المستثمرين لشركة مشاريع الكويت القابضة "كيبكو" للربع الثالث من السنة المالية 2025

بالإشارة الى الموضوع اعلاه، والى متطلبات المادة (2-4-8) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أن كيبكو تم تصنيفها ضمن مجموعة "السوق الأول"، نود ان نحيطكم علما بأن مؤتمر المحللين/المستثمرين قد انعقد عبر مكالمة هاتفية جماعية في تمام الساعة الثانية عصراً (التوقيت المحلي) من يوم الخميس الموافق 2025/11/20.

كما يرجى العلم بأنه لم يتم تداول أي معلومة جوهرية خلال المؤتمر، وتجدون مرفق طيه محضر المؤتمر باللغتين العربية و الإنجليزية والعرض التقديمي للمستثمرين عن الربع الثالث لعام 2025.

وتفضلوا بقبول فائق الاحترام ،،

سامر خنشت
نائب الرئيس التنفيذي للمجموعة

كيبكو
KIPCO
13

شركة مشاريع الكويت (القابضة) ش. م. ع. ك.
Kuwait Projects Company (Holding) K.S.C.P.

رقم السجل التجاري: 23118
Commercial register: 23118

+965 2294 3400
+965 2244 4356

kipco@kipco.com
www.kipco.com

رأس المال المصرح به والمصدر والمدفوع
504,847,626.900 دينار كويتي

Authorized, Issued and Paid up
Capital: KD 504,847,626.900

برج كيبكو، شرق، مدينة الكويت
ص.ب. 23982 الصفاة، 13100 الكويت

KIPCO Tower, Sharq, Kuwait City
P.O. Box 23982 Safat, 13100 Kuwait

Investor Call Transcript

9M 2025

KIPCO

KIPCO 9M 2025 Investor Call Transcript

Introduction: Good afternoon, everyone. This is Ahmed El Shazly and on behalf of EFG Hermes, I welcome you all to the 9M 2025 Earnings Call for Kuwait Projects Company (Holding) – KIPCO. It is a pleasure to have with us on the call today Mr Sunny Bhatia (Group CFO), Mr Moustapha Chami (Deputy Group CFO) and Ms Eman Al Awadhi (Group Senior Vice President, Corporate Communications & IR) at KIPCO. I would like to hand over the call to Ms Eman Al Awadhi. Thank you.

Eman Al Awadhi: Thank you, Ahmed. Good afternoon, everyone. We welcome you to our earnings call for the first nine months of 2025. Please note that today's presentation is also available on our website along with financial statements for the first nine months of 2025.

Moving on to the presentation, please refer to the brief disclaimer on slide 2. Some of the statements that we will be making today and information available in the presentation can be forward-looking. Such statements are based on KIPCO's current expectations, predictions and estimates and are subject to risks and uncertainties which may adversely or otherwise affect the future outcome. They are not a guarantee of future performance, achievement or results.

I will now hand over to Sunny to take you through some of the highlights for the period.

Sunny Bhatia: Thank you Eman. Good afternoon, everyone.

Let us move to slide 4, where we cover KIPCO's consolidated financial performance for 9M 2025. KIPCO Group consolidated total revenue increased 5.8% to US$ 3.79b compared to US$ 3.58b reported for the same period of 2024. This is primarily due to higher revenues from our businesses in energy, hospitality & real estate and industrial & logistics sectors and an increase in interest & investment income, partially offset by the reduction in the share of results of associates and net fees & commission income.

KIPCO's total assets at the consolidated level stood at US$ 44.3b at the end of 9M 2025, which is a 4.2% increase from the US$ 42.5b reported at year-end 2024. KIPCO Group reported a net profit of US$ 44.0m in 9M 2025, representing a 7.3% increase compared to the net profit reported in 9M 2024.

Slide 5 shows that most revenue line items saw healthy growth during 9M 2025 compared to 9M 2024.

Interest income from banking operations saw an increase of 8.9%, reaching US$ 1.92b compared to US$ 1.76b for the same period last year, primarily stemming from a 10bps increase in Net Interest Margin (NIM) which increased from 2.2% in 9M 2024 to 2.3% in 9M 2025 in Burgan Bank Group and also the growth in the loan book.

Media & digital satellite income increased marginally by 1.0% to US$ 178.7m, whereas hospitality and real estate income saw an increase of 22.7% to US$ 233.1m. Income from the energy sector increased by 52.9% to US$ 155.8m. The industrial and logistics sector income saw an increase of 6.1% to US$ 752.5m.

Whereas the net fee & commission income declined to US$ 206.3m in 9M 2025 compared to US$ 288.7m in 9M 2024 primarily attributable to reduction in fee and commission income in JKB consolidated banking operations.

Furthermore, the Group's interim condensed consolidated financial information includes the effects of hyperinflation in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" stemming from our Turkish operations. As a result, the Group recorded a net monetary loss of US$ 42.0m during 9M 2025 compared to a loss of US$ 54.1m in 9M 2024 due to Burgan Bank's operations in Turkey. For further details, please refer to Note (2.4) of the published interim condensed consolidated financial information.

During Q3 2025, KIPCO parent launched and successfully completed cash tender offers made to purchase in cash, on any and all basis, of the US$ 500m 4.229% notes due on

29 October 2026 (2026 Notes) and US$ 500m 4.5% notes due on 23 February 2027 (2027 Notes), representing an aggregate principal amount of US$ 1.0b. The company had not set any caps on the bond buyback amounts and expressed its willingness to accept for repurchase in cash, any and all, of the notes validly offered. At the expiration of the deadline of the tender offers, an aggregate nominal amount of US$ 304.1m of bonds were validly tendered for purchase. The company accepted all the offers, and this enabled KIPCO to reduce its debt position by US$ 153.3m in 2026 Notes and US$ 150.8m in 2027 Notes, aggregating to US$ 304.1m (30.4%) of total outstanding notes. The tender offers for the buyback on any and all basis, about 1 to 1.5 years ahead of their maturity, reiterates the company's commitment to proactively manage its debt maturities and optimize its debt portfolio by selective deleveraging at the KIPCO parent level and taking out near term maturities. For further details, please refer to Note 7 of the published interim condensed consolidated financial information.

I will now hand over to Moustapha to provide details on the financial performance of the Group's principal operations.

Moustapha Chami: Thank you, Sunny and good afternoon, everyone.

Let us move to slide 7, where we cover key performance highlights of our banking operations.

We start with Burgan Bank Group's results for 9M 2025. I would like to note that Burgan Bank held its earnings call on November 10, and you can refer to the transcript for more details.

Net operating income for 9M 2025 came to US$ 630.1m, up 16.3% from US$ 542.0m reported in 9M 2024. Net profit dropped 2.5% to US$ 106.4m versus US$ 109.1m in 9M 2024. Burgan Bank's loan book went up 5.9% to US$ 15.5b, while deposits increased 5.8% to US$ 17.0b in 9M 2025 when compared to year-end 2024.

The bank reported a strong liquidity coverage ratio of 229% and a net stable funding ratio of 112%, above the regulatory requirements of 100% for both metrics.

The NPL ratio increased to 3.1% for the period compared to 1.9% for the same period last year. The bank reported a CET1 Ratio of 11.4% and CAR of 17.1% for 9M 2025, well above regulatory requirements of 10.5% and 14.0% respectively.

In October 2025, Burgan Bank announced the successful issuance of a US$ 500m five-year Senior Unsecured Bond under its US$ 1.5b EMTN Program. The issuance supports strengthening the bank's long-term liquidity profile and regulatory liquidity ratios.

We move on to slide 8 to cover JKB's performance in 9M 2025. JKB's net profit for 9M 2025 came to US$ 108.4m, down 11.8% from the US$ 122.8m reported for 9M 2024. Total income dropped 12.8% to reach US$ 360.1m versus US$ 413.2m in 9M 2024.

At the end of 9M 2025, JKB's loan book remained at US$ 2.8b and deposits decreased 10.4% to US$ 5.0b from year-end 2024. The bank's total assets came to US$ 7.5b at the end of the period 2025, down 5.3% from the US$ 8.0b reported at 2024 year-end.

On slide 9, we can see the performance of SADAFCO. The foodstuff company reported a 6.3% increase in revenue for 9M 2025 at US$ 632.1m compared to US$ 594.5m for 9M 2024. Operating profit was up 11.2% to US$ 113.2m compared to US$ 101.8m for 9M 2024. SADAFCO's net profit increased 9.4% to US$ 114.2m, compared to US$ 104.4m in 9M 2024.

SADAFCO continues to dominate the market in its three main product lines; UHT milk, tomato paste and ice cream. In Q3 2025, YoY sales in dairy increased 4.1% and ice cream remained steady. Market share remained firm at 57.7% for UHT milk, 53.9% for tomato paste and 30.2% for ice cream.

United Gulf Holding Company (UGH) is featured on slide 10. UGH incurred a loss of US$ 11.1m in 9M 2025 compared to a net loss of US$ 27.1m in 9M 2024, representing an improvement of 59%. Total income dropped from US$ 90.4m reported in 9M 2024 to US$ 73.0m at the end of 9M 2025. Meanwhile, total assets dropped 16.7% to US$ 2.2b in 9M 2025 compared to US$ 2.6b at the end of 2024. Liabilities also saw a 12.8% drop from US$ 2.2b at the end of 2024 to US$ 2.0b in 9M 2025. The reduction in total assets and total liabilities was primarily driven by deconsolidation of UGB on its sale to Burgan Bank in Q1 2025.

Last month, UGH announced that it is in talks to sell its 80.4% stake in FIMBank (Malta) to JKB. The transaction is subject to regulatory approvals in both Jordan and Malta, as well as that of the European Central Bank.

On slide 11 we have the results of United Real Estate Company (URC). Across its key income streams of the business, the company reported a 7.5% increase in rental and hospitality income, and a 42.9% increase in the contracting and services revenue, resulting in a 21.5% increase in total revenue in 9M 2025 to US$ 246.2m.

Operating profit went up 1.9% to reach US$ 59.7m versus US$ 58.6m in 9M 2024. URC's net profit posted a decrease of 7.5% in 9M 2025 at US$ 16.1m versus US$ 17.4m in 9M 2024. The company's total assets went up 1.7% at the end of the first nine months of 2025 to reach US$ 2.24b, compared to US$ 2.20b at the end of 2024.

Moving on to slide 12. Starting with our logistics and power rental business, JTC, which reported a total revenue of US$ 78.5m for 9M 2025, 14.2% higher than the US$ 68.8m reported in 9M 2024. The increase is attributed to enhanced revenue from the port division, alongside equipment leasing and warehousing. Net profit for 9M 2025 amounted to US$ 17.1m, 0.8% higher than the reported US$ 17.0m in 9M 2024.

Onto the National Petroleum Services Company (NAPESCO), our oilfield services provider. NAPESCO's revenue for 9M 2025 went up 52.8% to reach US$ 150.9m versus US$ 98.7m in 9M 2024. NAPESCO posted a net profit of US$ 41.6m for the nine months of the year, 49.5% up from US$ 27.8m for the corresponding period of the previous year. The increase in net profit was primarily driven by increased revenue and improved gross margin.

Moving on to the healthcare sector with Advanced Technology Company. ATC witnessed a 12.2% decrease in revenue to reach US$ 395.0m compared to US$ 449.7m in 9M 2024. ATC reported a net loss of US$ 14.8m in 9M 2025 compared to a profit of US$ 5.2m in 9M 2024.

Finally, slide 13 shows the recent business updates on OSN. As you know, last year OSN successfully closed the merger between Anghami and OSN+. The deal, involving an injection of US$ 38m, has created a media tech company with AI at its core. The MENA streaming powerhouse now has 120 million users, more than 3.4 million subscribers, and US$ 100m combined revenue.

This year, Warner Bros. Discovery announced a strategic minority investment of 30% in OSN Streaming Ltd., a subsidiary of OSN Group, for a value of US$ 57m. The investment reinforces WBD's commitment to the region's rapidly growing streaming landscape. The transaction was completed after obtaining all regulatory approvals.

This investment builds on OSN's strong growth trajectory and market leadership in MENA's streaming industry, strengthening its competitive position as one of the region's premier entertainment destinations. As part of this partnership, both OSN and Warner Bros. Discovery will invest in high-quality, locally produced content to ensure a richer and more diverse offering for viewers.

I will now hand over the call to Ahmed to invite our listeners to raise any questions they may have.

Moderator: We will now open the floor for questions. If you would like to ask a question, you can click on the raise hand button and we will unmute your microphone. We also kindly ask you to keep your questions to a maximum of three questions per participant to get a chance for everyone to participate. We will take the question from Rakesh Tripathi. Please unmute your mic and go ahead.

Rakesh Tripathi: Hi. Thank you very much for the opportunity. My first question was about the cash that was used to bring the tender for the two bonds. I just wanted to understand what was the source of this cash for the Parent Company and how much was the total cash receipts. That's my first question. My second question was on cash on books of the parent itself which has increased sizably in Q3. So I'm assuming some of the cash that the company received from whatever source was also kept with the company itself. Despite this, term loan increased by about KD 42m. So I wanted to understand what was the driver behind the increase in this bank debt when the cash balance had already gone up. And my last question is if you can give us some sense of the LTV as on date with respect to how the rating agencies see. It used to be 45% to 50% in the past and 40% to 45% as of last year as per your confirmations, just wanted to get a sense of where that number is now.

Sunny Bhatia: Thank you, Rakesh, for your questions. As you can see from the notes to the financial statements, the total cash at the Parent level, which includes the bank deposits is KD 300.9m. We conducted a liability management exercise in the month of September primarily facilitated through a tactical monetization of certain assets intra Group. This liability management exercise actually covered the tender offer, the settlement of all the bonds which were tendered to us and also setting aside liquidity, so that we have sufficient cash for the maturities which are in 12 to 15 month period. So, as we have said in the past, this all reflects our commitment to proactively address the maturities well ahead of their due dates, and at the same time keeping the liquidity structure of the company conservative.

Rakesh Tripathi: Right. Can you clarify what was the total cash that was raised through this monetization exercise? And if you can give some sense of which assets were monetized in this exercise.

Sunny Bhatia: Due to the private nature of the transaction, we shall not be in a position to share any further details, but as you can see from the notes to the financial statements on cash and cash equivalents, at the end of September 30 we had KD 300.9m cash on our balance sheet.

Rakesh Tripathi: Can you also refer to the other questions I had around LTV, if it's possible to talk a little bit about that?

Sunny Bhatia: Sure. As far the LTV is concerned, as we discussed in the past, the ccompany's focus remains on reducing its LTV in a medium-to-long-term basis through a two-pronged strategy. One side of it is making our operating companies produce better financial and operational performance, so that in the medium term, improved performance can lead to a better valuation of these companies. That addresses the value side of the LTV equation. On the other side, we continue to selectively manage our debt profile, prioritize the extension of maturities, diversify our funding sources, and at the same time selectively address the parent level debt reduction wherever feasible and that you can see from the net debt reduction at the Parent level on September 30 when you compare it with the year end 2024. So directionally, we expect the Loan to Value ratio to remain on a path of reduction, but specifically we do not disclose the LTV apart from the rating agencies which they make their computations and disclose it in their rating reports, because LTV is a non-IFRS number. So, we do not specifically comment on it, but as and when a new rating is published you can see the last computed LTV as per the specific rating companies assigned policy.

Rakesh Tripathi: That is very clear. Thank you. And the increase in bank borrowings was the last thing.

Sunny Bhatia: You have to look at the whole thing in totality and not picking up elements of the capital structure, because our aim always remains is to diversify our pools of liquidity within our capital structure. I would suggest that the better measure would be to look at the capital structure in totality, which means the Net Debt is the right measure we would like you to look at rather than specifically looking at one element of it or other.

Rakesh Tripathi: Thank you very much. Nothing further.

Moderator: Thank you, Rakesh. Ali Dhaloomal, please unmute your microphone and go ahead.

Ali Dhaloomal: Thank you for the call. Just to follow up on the question about this massive deleveraging that we have seen in third quarter. I mean your net debt has reduced by US$ 916m over just a quarter. I can understand that you don't want to disclose the nature of this transaction intra Group and we'll have to wait for the full year's results to look at your position within the Group. But can you just give us a sense of the maturities that you have in 2026 and 2027, with this cash position now that is very healthy, will you address it just with your cash at hand or are you still aiming to come back maybe at some point with a dollar Sukuk, a dollar or a local currency transaction or do you think that it will be fully funded with the cash at hand?

Sunny Bhatia: Ali, excellent question. Effectively, as we always aim to diversify our source of funding within our capital stack and we always attempt to ensure that every pool of liquidity, whether it is international DCM, Kuwait bond market, conventional or Islamic or our relationship or syndicated loan markets, at some point or another we tap into all of these pools. So specifically, whether we would address these maturities directly with the liquidity available or we would approach the international or local DCM markets, either conventional or Islamic, is something which we would be evolving in the coming days and then conclude. But one way or another, we should not expect any significant increase in net debt. In the event we tap into DCM, it should mean that liquidity would go to reduce the borrowings from other pools of liquidity. So to answer your question, by and large with respect to the net debt, we don't expect any major increase even if we were to approach the International DCM market, unless in the coming months on our asset side there is a major capital deployment or a new investment, which as a holding company we are always looking at either exits or investments or bolt-ons or capital deployment into our companies. But there is no specific information to share at this stage. So as and when we have any material information, whether it relates to our asset side, which means that the utilization of the liquidity, or on our funding strategy, which involves whether to address the maturity from the available liquidity or to approach the international DCM market, we would make requisite disclosures.

Ali Dhaloomal: Understood on that front and just a last follow up, in the second quarter earnings, I think you discussed the fact that UGH was in the plan to acquire this 49% stake in Al Rawabi Holding. Can you update us on that one? Has it been completed? Any color you can provide on this transaction in terms of size.

Sunny Bhatia: The transaction has been completed. Moustapha, would you like to add any further details on that.

Moustapha Chami: Yes, the transaction has been completed. The main idea is that UGH is looking at diversifying. We have a plan for the Group to have banking, which is outside Kuwait or outside Burgan, under a certain Holdco entity. So it goes within that direction, starting with strategic stake in Al Rawabi that has underneath it a majority control of JKB, our bank in Jordan that also has underneath Iraqi component as well (Bank of Baghdad). They also have a strategic stake of 52% in Burgan Bank Turkey. With the already existing stake of FIMBank in UGH, the aim is to have a certain networking of all these banks together and to connect, to create added value and synergies.

Ali Dhaloomal: Ok. And then the transaction value, is it something that you can disclose?

Moustapha Chami: At consolidated Group level that has no material impact. The aim behind this transaction is strategic and directional rather than any material impact at the consolidation level.

Ali Dhaloomal: Thank you. Understood.

Moderator: Thank you, Ali. We will pause for a moment just to make sure that we have no final questions. We have no further questions, so I'd like to hand back the call to KIPCO's management for any concluding remarks.

Eman Al Awadhi: Thank you very much Ahmed, and thanks to everyone who joined us today. You will hear from us on our next call.

Sunny Bhatia: Thank you so much. Thank you everyone. Goodbye!