

NetRoadshow Event Transcript

The Commercial Real Estate Co. (K.S.C) – 2Q/2026 Analyst Conference

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Noura El-Essawy (moderator)

Good afternoon, ladies and gentlemen. This is Noura El-Essawy on behalf of Mai Attia from EFG Hermes Research, and I would like to welcome you all once again to Al Tijaria second Q'26 Results Conference Call. With us on the line today, we have Engineer Abdulmutaleb Marafie, CEO; Mr. Walid Wizani, Finance and Strategic Planning Department Manager; Mr. Fuad Hassan, Accounting Department Manager; Mr. Ahmed Abbas Shakib, Investment Department Manager; and Ms. Farah Maher, Investment Relations Unit Head. Without further delay, I would like to hand over the call to the management.

Farah Maher (Investor Relations Unit Head,)

Thank you, Noura. Good afternoon, everyone, and thank you for attending today's earnings presentation. In this conference, we will discuss the results of the first half of the financial year 2026. And after that we will answer all the questions at the end of the presentation. Today's presentation will provide an overview of our business in the first half and a summary of the financial performance. Following the presentation, we'll have a Q&A session to answer any questions we received throughout the call. The presentation will be available on the website for investors. I'd like to start our call today by reading out the usual brief disclaimer.

The content set out in this presentation and frequent discussions are provided only for information purposes and do not constitute an offer or recommendation. Now we'll start with Slide 5, an overall update on our milestones and strategic projects. In the first half of 2026, despite the ongoing regional geopolitical tensions, Al Tijaria achieved a strong financial and operational performance. The company remains vigilant in monitoring developments that may influence market conditions, supported by a solid balance sheet and agile strategy that enables it to navigate uncertainties and potential risks.

We achieved several key milestones during the first half of 2026. A key recent milestone is our exit from the residential development investment in Miami called First Residence 501 following the completion of the project. And we also entered into a new real estate investment called Almeda Travel Center, which will be discussed in more details in the following sections. Moving to Slide 6. We remain committed to our strategic direction. Regarding the PPP and development project, we continue to work closely with government authorities and strategic partners to evaluate potential opportunities while carefully assessing the financial and operational viability to ensure long-term shareholders' value, while supporting the goals of Kuwait Vision 2040.

Slide 7 shows our presence in the GCC, Europe and USA. Moving to our business overview and financial performance for the first half of 2026. The chart on the top left side shows our rental, hospitality, and sales of land income. Our rental and hotel income reported

respectively at 13.77 million and 1.37 million Kuwaiti Dinars for the first half of 2026. Additionally, we sold land for 0.21 million KDs in first half of 2026. Our rental income increased by 1.87% from the same period last year. This growth is due to the occupancy rate increase in our properties, which is shown on the top right side of the slide, as it reached 94% in H1,2026, compared to 93% in H1,2025. Despite the current challenging economic environment, our well-diversified investment portfolio continued to demonstrate resilience. While net gains on investments decreased by 7.97%, mainly due to appreciation recognized on certain investments in the previous year, this was more than offset by a strong 24% increase in our share of results from associates, reaching KWD 5.08 million in H1, 2026 compared to KWD 4.09 million in H1, 2025. This performance reflects the strength of our diversified portfolio and disciplined investment strategy. Slide 10 shows the highlights of our financial performance for first half of 2026. Our reported net profit for the period is 9.38 million Kuwaiti Dinars, compared to KWD 9.06 mn for H1,2025. This is an increase of 3.45%. It's mainly driven by the increase in rental income, the increase in our share of profit from associates, and the decrease in financing cost by 5% from the same period last year. Our net income from operational activities is KWD 10.53 mn during H1,2026 compared to KWD 10.96 million for H1,2025. As for finance cost, we can see that there is a decline of 5% as we mentioned, from KWD 5.71 million in H1,2025 to KWD 5.41 million in H1, 2026 reflecting the decline that has happened in interest rates.

Moving to Slide 11 With regards to the balance sheet. Our total assets increased to 595.8 million KDs as of June 2026, compared to KWD 589.53 million as of December 2025. This is driven by the increase in Investment Properties by KWD 7.05 million to reach KWD 381.75 million as of June 2026 compared to KWD 374.70 million as of December 2025. And the increase in the overall investment portfolio is mainly from our investment in associates. The overall investments portfolio increased by KWD 3.92 million to reach KWD 170 million in June 2026 up from KWD 166.16 million in December 2025. Other assets decreased from KWD 33.08 million as of December 2025 to KWD 28.5 million as of June 2026, which is comprised of cash, PPE, intangible assets and receivables. As for total liabilities, it increased from KWD 265.10 million in December 2025 to KWD 266.4 million as of June 2026. This is mainly due to the increase in other liabilities from KWD 16.29 million in December 2025 to KWD 21.15 million in June 2026. Regarding the total equity, it increased from KWD 324.41 million in December 2025 to KWD 329.32 million in June 2026. The next slide shows our profitability and performance indicators and return figures.

Regarding the return figures, we have a ROA and ROE (on an annualized basis) reported at 3.71% and 6.17% for the first half of 2026, compared to 3.59% and 6.07% during the same period last year. Our net profit margin has reached 47% for H1 2026 compared to 45% for H1, 2025. Our key performance indicators show that the aggregate occupancy has improved to 94% in H1, 2026 up from 93% in H1, 2025. Our leverage stayed almost at the same level at 1.81 times for H1, 2026 compared to 1.80 times in H1, 2025. And with regards to the total

debt to total assets as well, it stayed almost at the same level at 41.2% in H1,2026 compared to 41.8% in H1,2025. Moving to the next slide, shown on the top left is the graphs of earnings per share. For the first half of 2025, we recorded an EPS of 4.83 fils compared to 4.99 fils in the first half of 2026. Our consolidated net income with the corresponding net profit margin at 47% for H1, 2026 on the top right. And our total assets and the ROA on the bottom left of the slide. The total equity, ROE and the book value per share shown on the bottom right of the slide, book value per share is at 163.17 fils in H1, 2026 compared to 164.72 fils for the same period last year.

With regards to our project under development, our Q1 retail and fitness center project is located in Qairwan area and is being developed by one of our subsidiaries in partnership with the public authority of Housing Welfare. The land of the project was handed over in May 2026, and we are progressing with the construction works in accordance with the agreed timeline. Now I'll just show some of our key properties that are already existing in Kuwait, such as the iconic Al Tijaria Tower, the Symphony Hotel and Mall, Light Complex, the Dome Complex in Mahboula, the Boulevard Mall and the Rehab Complex.

Moving to our key properties located in Bahrain, which is the Symphony Tower that has started construction again this year and the Jawhara Plaza. The next slides are about some of our regional and global investments. For our regional investments, we have Al-Wafir that operates across the food and beverage sector through a diversified portfolio of businesses in manufacturing, retail, restaurants and services. We have Hajar Tower, which is part of the iconic Abraj Al Bait in Makkah and Techno Gas that is specialized in manufacturing of industrial gases.

Moving to our global portfolio. Al Tijaria a Group has entered into a new logistics sector investment in Houston U.S.A, "Almeda" which is an area spanning over approximately 292,000 square feet. The facility is designed to include 75 truck parking spaces, 12 gasoline pumps, 12 diesel pumps and 1 retail outlet. This investment provides diversification into the U.S. real estate market and exposure to the resilient travel center sector. Our global real estate investment portfolio is worth approximately KWD 80 million primarily focused on real estate sector in U.S.A., Europe and GCC.

Next slides will highlight our ESG performance and Al Tijaria's commitment to CSR. Our ESG performance continues to strengthen as Al Tijaria earned a BBB rating from MSCI and obtained ISO certification for the governance of organizations. To date, the group has invested KWD 32.7 million in environmentally responsible properties and contributed KWD 72,500 to CSR initiatives. In addition, the Annual General Meeting has approved the amount of 101,650 for the CSR spending in 2026.

As part of our social responsibility efforts, we've organized and supported several initiatives during the H1,2026, including the most Sustainable Product Award with INJAZ,

the cooking workshop with special needs and the blood donation campaign. Last slide shows a snapshot of our share performance during the first half of 2026. Al Tijaria shares have traded at an average price of 196 fils compared to 206 fils in December 2026. This brings us to the end of the presentation, and we're happy to answer any questions.

Noura El-Essawy (moderator)

Thank you, Farah and Al Tijaria management team for the presentation. We will now open up the floor for questions. It seems like we don't have questions. So I will hand over the call to the management for any closing remarks.

Farah Maher (Investor Relations Unit Head,)

Thank you, Noura, and thank you all for your time.

Noura El-Essawy (moderator)

We would like to thank you all for attending today. This concludes today's call. You may now disconnect.