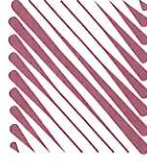


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| شركة الاستثمارات الوطنية | |
| صادر خارجي | |
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| 11/04/2022 | تاريخ المراسلة |
| NIC - 3-25/104/8021 | رقم المراسلة |



شركة الاستثمارات الوطنية
NATIONAL INVESTMENTS COMPANY

Date: 11 APR 2022

التاريخ: 11 APR 2022

To: Boursa Kuwait Company
Dear Sirs,

السادة/ شركة بورصة الكويت
المحترمين
تحية طيبة وبعد،،،

**Subject: Analysts Conference Transcript
For the Year ended 31 December 2021**

**الموضوع: محضر مؤتمر المحللين
للسنة المالية المنتهية في 31 ديسمبر 2021**

With reference to the above subject, and in line with requirements stipulated in article No. (7-8) of Boursa Rulebook, kindly find attached the Analysts Conference Meeting Transcript for the year ended 31 December 2021, held on 06/04/2022.

بالإشارة إلى الموضوع أعلاه، والتزاماً بالمتطلبات الواردة بالمادة رقم (7-8) من كتاب قواعد البورصة، نرفق لكم محضر مؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2021، المنعقد بتاريخ 2022/04/06.

Sincerely Yours,

وتفضلوا بقبول فائق الاحترام،،،

فهد عبدالرحمن المخيزيم - Fahad Abdulrahman Al Mukhaizim

الرئيس التنفيذي – Chief Executive Officer



CC: Capital Market Authority

نسخة إلى: السادة هيئة أسواق المال



شركة الاستثمار الوطنية
NATIONAL INVESTMENTS COMPANY

Performance . Commitment . Trust
Since 1987

**Transcript of the Analysts Conference
Meeting for Year ending
31 December 2021**



National Investments Company
Earnings Call for Year ending 31 December 2021

Wednesday, 6 April 2022

Edited transcript of National Investments Company (K.S.C.P) earnings conference call that took place on Wednesday, 6 April 2022 at 14:00 (Kuwait time).

Corporate Participants:

Mr. Girish S. Nair - Chief Financial Officer.

Mr. Mr. Bashar Khan – Senior Vice President – Investment Banking Sector

Mr. Almuthana Al Maktoum - Executive Vice President – Wealth Management Sector

Chairperson:

Elena Sanchez – EFG – Hermes



Elena

Good afternoon everyone.

This is Elena Sanchez and on behalf of EFG Hermes, I would like to welcome you all to NIC's earnings briefing for the year ended 31 December 2021. It is a pleasure to have with us in the call Mr. Girish Nair, Chief Financial Officer, Mr. Bashar Khan, SVP, Investment Banking Sector and Mr. Almuthana Al Maktoum, EVP, Wealth Management Sector. The call will begin with a presentation from NIC's management on the financial performance during the 12 months of 2021 and then we will open the floor for Q&A. At this time, I would like to hand over the call to Mr. Al Muthana, please go ahead.

Al Muthana

Thank you, Elena.

Good afternoon and welcome to NIC earnings call where we will be discussing our financial results for the year ending 31 December 2021. With us today is our CFO, Mr. Girish Nair, who will be covering the financial highlights and performance of the quarter ended and Mr. Bashar Khan, SVP - Investment Banking Sector, who will be discussing business updates as well as the strategy of NIC.

I would like to bring to your attention the disclosure on slide 2 of the presentation, with respect to the forward-looking statement and confidential information. This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. These statements may be identified by such words as "may", "plans", "expects", "believes" and similar expressions or by their context. These statements are made on the basis of current knowledge and assumptions. Various factors could cause future results, performance or events to differ materially from those described in these statements. NIC is not obligated to update any forward-looking statements. By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

I would like to hand over the call now to Mr. Girish, CFO of NIC.

Girish

Thank you Mr. Muthana.



Good afternoon everyone. My name is Girish Nair, CFO at National Investments Co and I welcome you all to yet another earnings briefing for the year ending 31 December 2021.

The 2021 year-end financial statements have been uploaded onto our website and also on to Boursa Kuwait portal and you should be able to access the full set of the financial statements from there.

Without further ado, let us move on to the Key financial highlights of our performance during 2021.

For the 12 months ending 31 December 2021, NIC reported a Net profit of KWD 24.4 million and an Earning per share of 31 fils through the income statement and a gain of KWD 25.6 million as other comprehensive income through Shareholders equity. The total comprehensive income for the period was KWD 50 million.

During the comparative period of 2020, the company had reported a loss of KWD 2.7 million through income statement with loss per share of 3 fils and a gain of KWD 3.75 million through Other comprehensive income (OCI). The Total comprehensive gain was KWD 1.1 million.

Return on average equity and Return on average assets were 12.5% and 10.7% respectively during 2021. The leverage ratio as at 31st December 2021 was only 0.23:1 and our quick ratio was a healthy 68.7%.

Total assets and shareholders' equity attributable to the parent company increased to KWD 290.6 million and KWD 216.8 million respectively, as compared to KWD 221.4 million and KWD 175 Million as on the previous year-end.

The charts on the slide indicate the growth trajectory of NIC's performance during the last 5 quarters. You will notice, NIC's performance improved drastically during the four quarters of 2021 after a difficult 2020 fraught with covid related setbacks. NIC was able to generate a net profit through the income statement of KWD 2.04 million during the 4th quarter of 2021. The total comprehensive income during this period was KWD 6.74 million.



NIC's earning per share for the current year is 31 fils. In line with our commitment to deliver consistent and superior returns to our shareholders, the Board of Directors have recommended the distribution of 45 fils per share for the year ended 31 December 2021 out of Retained Earnings and partly out of Voluntary Reserves, subject to approval of the General Assembly and other regulatory authorities.

This distribution for 2021 will be one of the highest ever distribution by NIC during the last 15 years.

As you can see from the chart, NIC has a strong and consistent history of dividend payouts for the past years. NIC has paid out dividends ranging from 5 fils per share in 2016 to 45 fils per share proposed for 2021.

NIC's dividend yield for the past five years increased from 5.3% in 2016 to 20.5% proposed for 2021, which is higher than the average for the broad market and more specifically the financial sector.

Let's now move on to the income drivers of NIC's performance during 2021. The total income for the 12 months ended 31 December 2021 was KWD 39.8 million as compared to total income of KWD 9 million during the comparative period, ie an increase of 342%.

A major contributor to NIC's total income for 2021 was the gain on Investments at Fair value through Profit or loss (FVTPL) of KD 23 million. Similarly, the major contributor to the OCI during this period was the appreciation in value of Kuwaiti quoted Investments at fair value through other comprehensive income (FVOCI), of KWD 23 Million.

Total expenses for 2021 including Impairments and provisions was KD 11.1 million, which is similar to KD 11.2 million for 2020. Administrative expenses of KWD 9.7 million for 2021 are higher by 44% as compared to 2020, which is in line with an increase in operations and total income during 2021. This increase was offset by a decrease in Impairment losses and other provisions from KD 3.9 million in 2020 to only KD 0.5 million in 2021.



During the 12 months ending 31 December 2021, the Management, Incentive, Brokerage and Advisory fee income recorded a growth of 47.5% from KWD 6.2 million during 2020, to KWD 9.1 million during the current year. The growth was across 2 main categories of fee income namely, brokerage revenue from one of our subsidiaries, Al Waseet Financial Business Co. increased by 59% and client portfolio and Fund management fee income increased by 76%.

Our total proprietary assets have registered a growth of 31.2% during 2021, from KWD 221.4 million at the end of 2020 to KWD 290.6 million at 31 December 2021, mainly on account of appreciation in value of investments at FVTPL and financial assets at fair value through other comprehensive income (FVOCI) and also partly due to increase in leveraged assets.

Our Assets under management (AUM) in a fiduciary capacity as on 31 December 2021 was KWD 1.09 billion as compared with KWD 1.01 billion as on 31 December 2020. An increase of 8.3%. It has been our constant endeavor to offer a range of portfolio management solutions and services with robust execution capabilities and provide above average risk adjusted returns to our portfolio clients and fund unit holders.

The Appendices 1 & 2 to the presentation contain the detailed income statement and OCI movement. Appendix 3 contains the consolidated statement of financial position.

We now move on to highlights during 2021 for certain key sectors within NIC.

First MENA Securities Sector

- ❖ Capitalized on investment opportunities, by tactically shifting our funds and client portfolios towards attractive sectors/companies. This contributed to a positive return in FY 2021 across our investment funds, investment portfolios and proprietary portfolio.
- ❖ Developed and updated a detailed plan to utilize all new investment instruments authorized by Boursa Kuwait in the most efficient manner.



- ❖ Provided market maker service to major players in Boursa Kuwait such as Gulf Cable and Electrical Industries, Boursa Kuwait and Asiya Investment Company and we aim to expand our services further.
- ❖ We continue to enhance our comprehensive databases and in-house analytical systems to provide investment insights and timely investment recommendations.

Second Investment Banking sector:

Advisory Department:

- ❖ We completed a financing mandate for a leading fitness and lifestyle business.
- ❖ We assisted a health-tech VC client in obtaining seed financing.
- ❖ We also completed Listing of Al Safat Investment Company.
- ❖ We are currently in the process of executing several mandates:

Buy-side transactions for: (i) a leading logistics company; (ii) one of Kuwait's largest multi-sector businesses; and iii) a tech-enabled healthcare products distributor.

Sell-side transaction for a civil and mechanical engineering company based in Kuwait.

Debt financing transactions:

- Obtain acquisition financing for new transactions.
- Obtain project financing.
- Bank debt restructuring.
- ❖ Working on two flagship pre-IPO mandates (expected completion in 2022).

Alternatives Department

- ❖ Successfully executed three mezzanine investments during the year including a student housing development in the United States and two logistics projects in Europe.



- ❖ Invested in (or committed to invest in) several direct venture capital opportunities, including:
 - A leading international fin-tech firm;
 - A pioneer in food-tech;
 - A regional e-commerce platform;
 - Kuwait based company specializing in last mile delivery; and
 - An international direct to consumer premium apparel company.
- ❖ Exploring new mezzanine investments and direct investment opportunities.
- ❖ Exited a legacy investment and are evaluating other exits.

Third Real Estate Sector.

- ❖ We continue to increase the collection rate and revenues of our RE portfolio.
- ❖ We have restructured the sector and updated policies and procedures to achieve client satisfaction and company strategy.
- ❖ We managed to achieve full occupancy rates in AL Wataniya Resort through a strong marketing campaign.
- ❖ We are in the final stages of signing a contract for implementation of an automated Real Estate system.
- ❖ We started a new campaign for developing and improving all the assets in our portfolio to increase revenues and property values.
- ❖ Achieved rental collection rates of 96% in 2021 (compared to 72.7% in 2020); this was supported by the recovery of most corporates as pandemic-related measures were lifted.

With this I conclude my part of the presentation and wish to hand you over to Mr. Bashar Khan , Senior Vice President - Investment Banking Sector for the next part.



Bashar

Thank you Girish. And good afternoon everyone.

My name is Bashar Khan and I am the Senior Vice President - Investment Banking Sector – at National Investments Company. It is my privilege to speak with you. I wanted to take some time today to provide you with a summary of the key elements of our strategy going forward.

There are four key elements of our strategy. These are: 1. Build Assets Under Management (AUM), 2. Enable Technologies and Efficiencies, 3. Enhance Governance, and 4. Build Investment Banking leadership in the mid-market segment. I will talk about each of these separately.

First: Building AUM

we are working on three key initiatives here. We are driving product development in an organized manner, with an initial focus on Venture Capital (VC) and international real estate products. We are building a strong placement team by adding qualified private bankers to support growth. In addition, we are building a reputation for bringing excellent co-investment opportunities for our investors. Five key examples are Boursa Kuwait, Kuwait Foundry, VINCO, FedEx Italy, and Kitzingen which we will discuss on the next page.

Second: Enabling Technologies and Efficiencies

We are focusing our efforts here on digital resilience. In other words, we continue to invest and digitally transform our business processes and develop collaborative work environments. In line with this, we have successfully launched new client digital channels such as Online Trading, Client Portal and WhatsApp CRM Messaging. An additional component of this is business continuity initiatives, utilizing the best available technologies. And finally, we are focusing on harnessing operating efficiencies by outsourcing processes and working with co-advisors to leverage their capabilities and knowledge.

Third: Enhancing Governance. We have upgraded to Premier Market status on Boursa Kuwait, showing our commitment for increased transparency and



governance. In addition, we have upgraded our risk-management framework to include quantitative and qualitative measures in line with global best practices.

Finally: Mid-market leadership in Investment Banking

In order to strengthen our position, we have been building our capabilities and developing our track record by executing mandates with the highest quality, focusing on mid-sized clients. 2021 despite being a challenging year, we were able to successfully onboard new key clients and complete several flagship transactions. We continue to build specialist teams in Equity Capital Markets (ECM), Mergers and Acquisitions (M&A) and Venture Capital (VC), which we have identified as key growth areas.

I would like to end this section by talking about several case studies, which serve as examples of our ability to identify and execute unique opportunities in our market and provide interesting co-investments to our clients.

The first case study is Boursa Kuwait. The investment thesis here was to acquire a strategically important asset with strong, recurring and sustainable cash flows due to its market leadership position and improving prospects. We formed a consortium to acquire a controlling stake of Boursa Kuwait in February 2019. Our direct stake was 14.4%. Since acquisition, Boursa Kuwait has undergone through an IPO and listing process. The market price today is several multiples of our acquisition cost. To date, the investment has generated a total return multiple of 9.24 times (based on market values).

The second case study is Kuwait Foundry. The investment thesis here was the acquisition of a mispriced asset with intrinsic value significantly greater than the prevailing market value. The investment offered an identifiable path to realization of true value. Towards this, we acquired a 20% stake in January 2019 and have been taking measures to realize value. So far, we have recaptured most of our equity in the transaction already and the total return multiple based on market values is 1.38 times.

Another noteworthy example is the VINCO Tesco transaction. The objective here was to deliver attractive cash yields to our investors by acquiring real estate



properties tenanted by credit-worthy tenants. The transaction has delivered consistent quarterly distributions, while appreciating in value. We had increased the annual distribution rate from 9% to 10% in 2021 despite the challenging economic conditions. Moreover, we exited the invested at the end of 2021 resulting in an IRR of 16.2% and 1.46 multiple.

A similar case study is the FedEx Italy project, whereby we made a mezzanine investment with a leading developer in a built-to-suit warehousing development project in Italy. The project was being developed by one of the leading global developers and has been pre-leased to FedEx for 15 years. The project is expected to generate a cash yield of 8% and a net IRR of 9% over an 18-month term.

During 2021, we successfully exited another mezzanine investment that was for development of a logistics hub in Kitzingen, Germany. The investment generated an IRR of 12.3%.

In addition to the co-investment case studies, I want to spend a couple of minutes on our recent track record of successfully executing advisory mandates. One example of this is the private placement and listing of Al Safat Investment, which was executed in October 2021. Our objective was to support our client in executing a private placement and meeting listing requirements of the Main Market at Boursa Kuwait. We successfully completed the placement process and launched the listing, which has delivered excellent post-listing performance.

Another important example is the M&A mandate involving the sale of Al Faysal Bakery. Despite the short-term challenges, we supported the client in successfully executing the sale of the company to a leading regional acquirer through a rigorous sell-side process.

With this I will hand you over to Mr. Almuthana, who will lead the Q&A session.

Almuthana



We are now ready to take your questions. If you would like to send us a question, please write it in the designated area of the website. We will now pause for a few minutes to allow you time to send your questions. *PAUSE*

Almuthana

We have a question from Mr. Haytham: The question is what contributed to the increase in net profit from a loss of 2.7 million in 2020 to a profit of 24.4 million for the current year 2021?

Girish

The primary reason is due to increase in realized and unrealized gain on financial assets at fair value through profit or loss, dividend income and fee income. NIC was able to convert opportunities that presented itself due to the improvement in equity markets during 2021 in comparison to a decline in markets witnessed during 2020 owing to COVID 19 pandemic.

Almuthana

Al Muthana: Thank you. Question from Mr. Mohammed: As per Note 13 to the financial statements, NIC has invested in 3 new associates during 2021. Can you provide more details on the nature of these investments?

Girish

As mentioned earlier, NIC has invested in certain mezzanine investments including a student housing development in the United States and logistics projects in Europe, during 2021.

Almuthana

We have no further questions at this time and therefore we will be concluding our call. I would like to thank you all for participating in our call today. If you have further queries, please do not hesitate to send them to our investor relations e-mail and we will get back to you as soon as possible.

Thank you everyone, have a good day.



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National Investments Company Analyst Conference YE 2021

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Presented By



Mr. Almuthana M. Al Maktoum
Executive Vice President
Wealth Management Sector



Mr. Girish S. Nair
Chief Financial Officer
Finance & Accounts Sector



Mr. Bashar Khan
Senior Vice President
Investment Banking Sector

Agenda

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FINANCIAL HIGHLIGHTS

شركة الاستثمار الوطنية
NATIONAL INVESTMENTS COMPANY

YE 2021 Key Financial Highlights

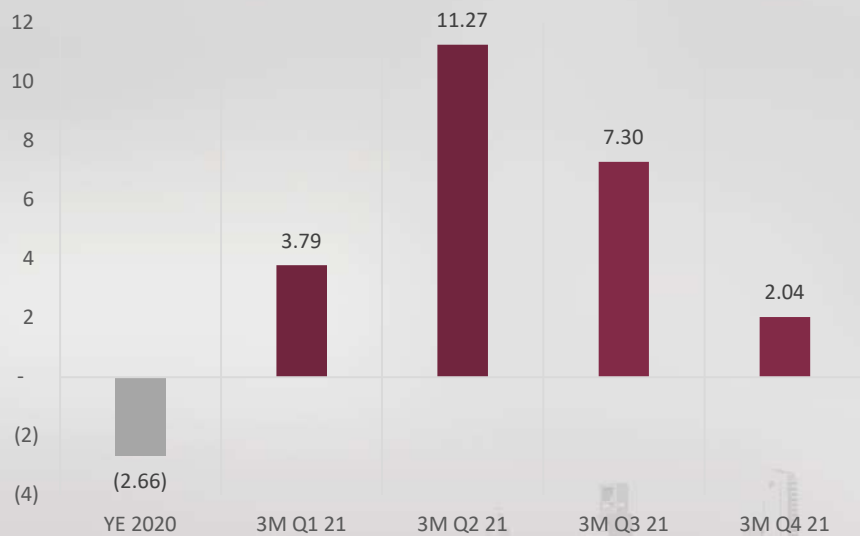
- ❖ Strong recovery during 2021.
- ❖ Net profit of KWD 24.4 million during 2021 as compared to a net loss of KWD 2.7 million during 2020.

| Key Financial Metrics | | |
|---|-----------|-----------|
| | YE 2020 | YE 2021 |
| Income statement | | |
| Net profit (loss) - million | -KWD 2.7 | KWD 24.4 |
| Earnings (loss) per share | -3 fils | 31 fils |
| Total comprehensive (loss)/income - million | KWD 1.1 | KWD 50.0 |
| Financial position | | |
| Total assets - million | KWD 221.4 | KWD 290.6 |
| Total liabilities - million | KWD 30.0 | KWD 55.0 |
| Shareholders equity - million | KWD 175.0 | KWD 216.8 |
| Key Ratio | | |
| Return on average equity (%) | -1.5% | 12.5% |
| Return on average assets (%) | -1.0% | 10.7% |
| Leverage ratio (%) | 15.7% | 23.3% |
| Quick ratio (%) | 40.3% | 68.7% |

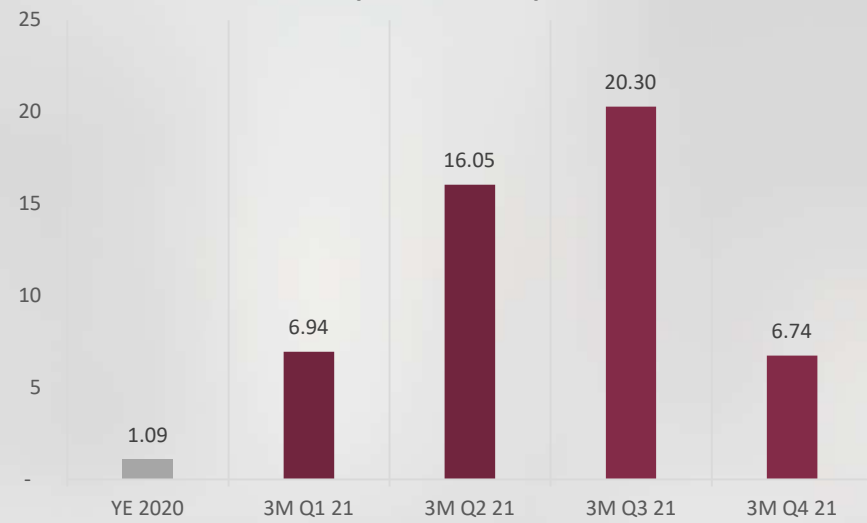
YE 2021 Financial Performance

❖ Trajectory of NIC's quarterly performance since Dec 2020.

Net Profit (Loss)
(KWD Million)

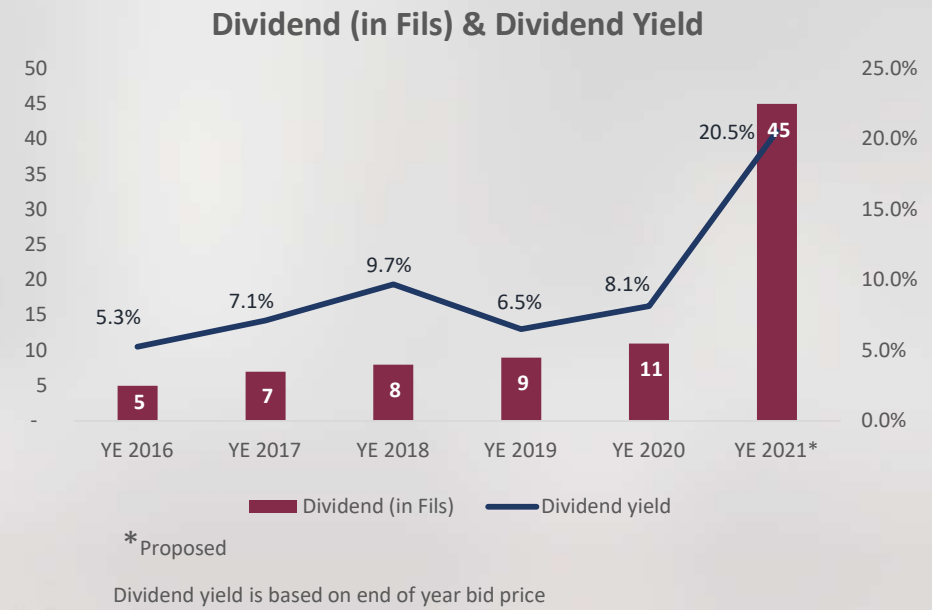
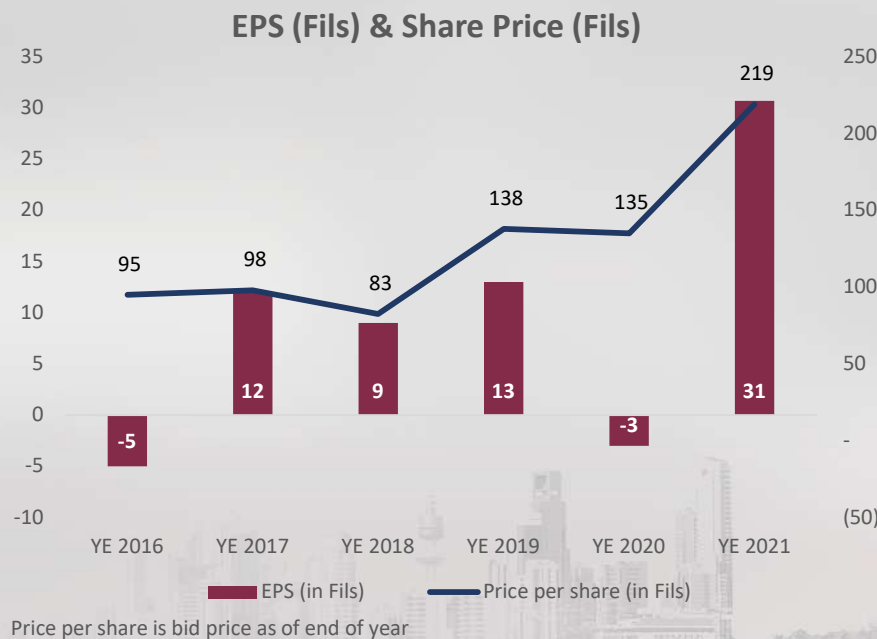


Total Comprehensive Income (Loss)
(KWD Million)



YE 2021 Earnings and Dividend

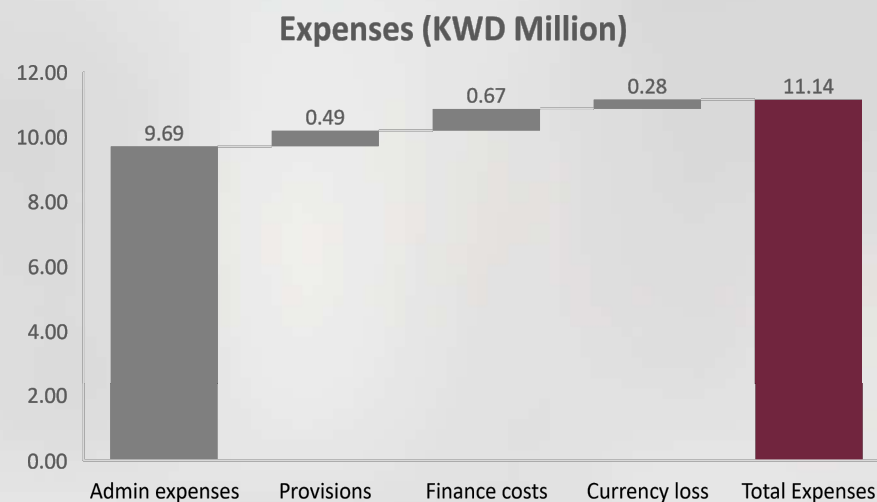
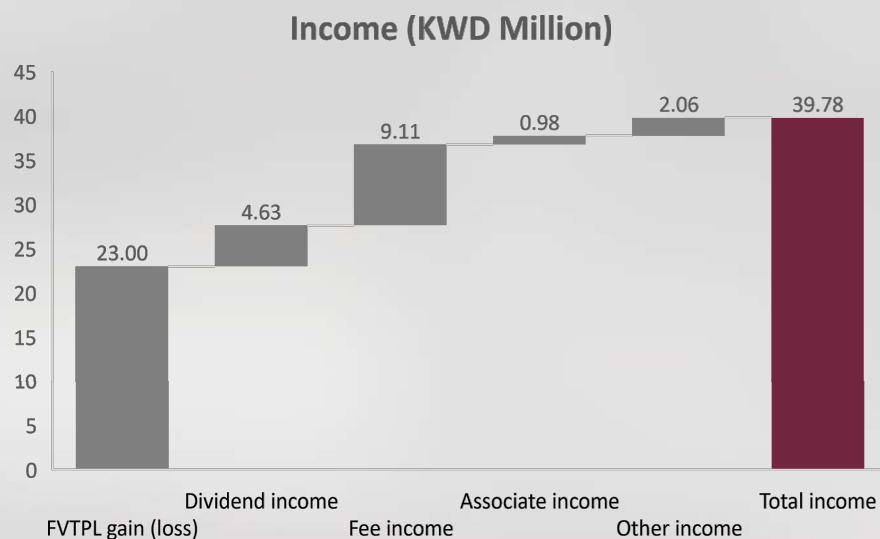
- ❖ Earnings Per Share of 31 fils per share. Board is recommending a cash dividend of 45 fils per share.
- ❖ Strong and consistent history of dividend payouts for past years, ranging from 5 fils per share for 2016 to 45 fils per share proposed for 2021.
- ❖ Dividend yield from 5.3% in 2016 to 20.5% in 2021.
- ❖ NIC's dividend yield has exceeded the yield of Bursa Kuwait and of the financial services sector.



YE 2021 Income Drivers and Expenses

Income of KWD 39.8 Million and Expenses of KWD 11.1 Million.

- ❖ Gain on financial assets at fair value through profit or loss (FVTPL), dividend income and fee income contributed 58%, 12% and 23% respectively to the total income.
- ❖ Total expenses of KWD 11.1 million for 2021 are in line with 2020 total expenses.

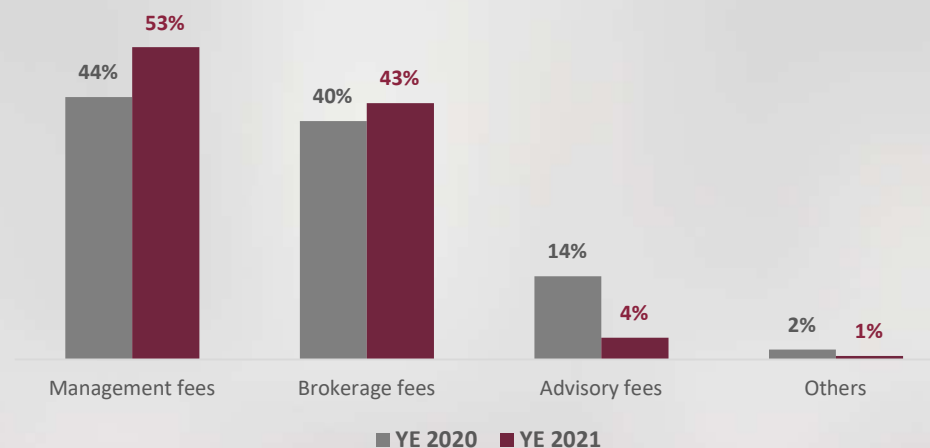


YE 2021 Fee Income Analysis

- ❖ 47.5% increase in total fee income.
- ❖ Growth across main categories:
 - Brokerage revenue from Al Waseet Financial Business K.S.C.C.
 - Management fees (from funds and portfolios) rose by 75.7%.

| Breakdown of fee income | YE 2020 KWD'000 | YE 2021 KWD'000 |
|-------------------------|--------------------|--------------------|
| Management fees | 2,727 | 4,790 |
| Brokerage fees | 2,479 | 3,933 |
| Advisory fees | 866 | 336 |
| Others | 105 | 55 |
| Total fee income | 6,177 | 9,114 |

% Contribution to Total Fee Income



YE 2021 Profile of Assets

- ❖ Total assets witnessed a YTD growth of 31.2% during 2021 mainly on account of increased valuation of FVTPL and financial assets at fair value through other comprehensive income (FVOCI).
- ❖ Assets Under Management grew by 8.3% during 2021.



Sectors

| MENA Securities | Investment Banking | | Real Estate |
|---|--|--|--|
| | Advisory | Alternatives | |
| <ul style="list-style-type: none"> ❖ Capitalized on investment opportunities, by tactically shifting our funds and client portfolios towards attractive sectors/companies. This contributed to a positive return in FY2021 across our investment funds, investment portfolios and proprietary portfolio. ❖ Developing and updating a detailed plan to utilize any new investment instruments authorized by Boursa Kuwait in the most efficient manner. ❖ Providing a market maker service to major plays in Boursa Kuwait such as Gulf Cable and Electrical Industries, Boursa Kuwait and Asiya Investment Company. Aiming to expand our services further. ❖ We continue to enhance our comprehensive databases and in-house analytical fully fledged systems to provide investment insights and timely investment recommendations. | <ul style="list-style-type: none"> ❖ Completed a financing mandate for a leading fitness and lifestyle business. ❖ Assisted a health-tech VC client in obtaining seed financing. ❖ Completed Listing of Al Safat Investment Company. ❖ Currently in the process of executing several mandates: <ul style="list-style-type: none"> • Buy-side transactions for: (i) a leading logistics company; (ii) one of Kuwait's largest multi-sector businesses; and (iii) a tech-enabled healthcare products distributor. • Sell-side transaction for a civil and mechanical engineering company based in Kuwait. • Debt financing transactions: <ul style="list-style-type: none"> ○ Obtain acquisition financing for new transactions. ○ Obtain project financing. ○ Bank debt restructuring. ❖ Working on two flagship pre-IPO mandates (expected completion in 2022). | <ul style="list-style-type: none"> ❖ Successfully executed three mezzanine investments during the year including a student housing development in the United States and two logistics projects in Europe. ❖ Invested in (or committed to) several direct venture capital opportunities, including: <ul style="list-style-type: none"> • A leading international fin-tech firm; • A pioneer in food-tech; • A regional e-commerce platform; • Kuwait based company specializing in last mile delivery; and • An international direct to consumer premium apparel company. ❖ Exploring new mezzanine investments and direct investment opportunities. ❖ Exited a legacy investment and evaluating other exits. | <ul style="list-style-type: none"> ❖ Continue to increase the collection rates and revenues of our portfolio. ❖ Updated policies and procedures for real estate operations. ❖ Managed to achieve full occupancy rates in Al Watania Resort and other company properties through a strong marketing campaign. ❖ In the final stages of signing a contract to install an automated real estate system. ❖ Achieved rental collection rates of 96% in 2021 (compared to 72.7% in 2020); this was supported by the recovery of most corporates as pandemic-related measures were lifted. ❖ Maintained occupancy rates of 88% for 2021 (compared to 86.2% in 2020), despite the pandemic conditions. |








OUR STRATEGY FOR THE FUTURE

Key Elements of our Growth Strategy

| Key Element | |
|---|---|
| Build AUM | <ul style="list-style-type: none"> ❖ Drive product development: The objective is to add AUM going forward. Key product areas include Venture Capital (VC) and International Real Estate products. ❖ Build strong placement team: Add highly capable private bankers to support Asset Management and Investment Banking (IB) activities. ❖ Offer unique co-investment opportunities to our clients by leveraging our own balance sheet and sourcing networks, ex: Boursa Kuwait, Kuwait Foundry, etc. |
| Enable Technologies and Efficiencies | <ul style="list-style-type: none"> ❖ Digital Resilience: NIC continued to invest and work diligently to embrace digital business technology to fast forward productivity, drive efficiency and agility to secure sustainable business growth. In line with our digital first commitment, we have successfully launched new client digital channels such as Online Trading, Client Portfolios/Funds Portal and WhatsApp 1 821 112 CRM messaging. ❖ Business Continuity: The accelerated adoption of cutting edge digital technologies granted NIC a competitive advantage in future crises management. ❖ Drive other operating efficiencies in other areas, including outsourcing processes and working with co-advisors to leverage their capabilities and know-how, while continuously review and optimize operating expenses on year to year basis. |
| Enhance Governance | <ul style="list-style-type: none"> ❖ Strengthened governance and transparency post upgrade to Premier Market. ❖ Risk management framework: Updated our risk management framework incorporating quantitative and qualitative measures in line with global best practices. |
| Mid-market IB Leadership | <ul style="list-style-type: none"> ❖ Build capabilities: We continue to build strong capabilities, expertise and track-record by engaging in a large number of small mandates in order to create repeat business with our client base. ❖ Grow IB team and develop functional leaders for ECM, DCM and VC. |

Case Studies: Co-investments

| Case Study | Boursa Kuwait | Kuwait Foundry | VINCO | FedEx Italy | Kitzingen Germany |
|----------------------------|--|---|--|---|---|
| |  |  |  |  |  |
| Investment Thesis | Acquisition of a strategically important asset with sustainable long-term cash flows based on market leadership position and improving long-term growth prospects. | Acquisition of a mispriced asset with intrinsic / liquidation value considerably greater than the prevailing market value (with a clear path to realization). | Acquisition of a property tenanted by Tesco supermarket in Manchester, UK, targeting to deliver a cash-on-cash yield of 9%-10% per year. The property was sold in 2021 generating an IRR of 16%. | Mezzanine investment in a built-to-suit warehouse development project in Italy, leased to FedEx. The investment targets an annual cash yield of 8% over an 18 month term. | Bridge Investment in an IndustriePark Logistics Hub in Kitzingen, Germany. The investment was exited in November 2021 generating an IRR of 12.3%. |
| Initial Investment Date | February 2019 | January 2019 | March 2019 | May 2021 | July 2021 |
| Stake Acquired | 14.4% | 21.3% | 11.4% | 12.7% | 43.3% |
| Acquisition Value | KWD 6.5 million (237 fils / share) | KWD 8.0 million (251 fils / share) | £ 2.3 million | \$ 2.3 million | \$ 5.5 million |
| Value Realized To Date | KWD 1.9 million | KWD 5.5 million | £ 3.4 million | \$ 0.1 million | \$ 5.8 million |
| Market Value (31-Dec-2021) | KWD 58.4 million* | KWD 5.6 million** | Exited | \$ 2.3 million* | Exited |
| Return on Investment (x) | 9.24x | 1.38x | 1.46x | 1.03x | 1.04x |

*Actual carrying value differs from market values based on accounting treatment.

** There is considerable upside based on monetization of existing leasehold assets.

Case Studies: Advisory Assignments

Advisory Case Study: Placement and Listing Al Safat Investment (October 2021)

Project description: NIC delivered a successful transaction for all stakeholders (the client and the investors) through the private placement and listing of Al Safat Investment Company in October 2021.

Scope of Work:

- **Goals and objectives:** initial understanding of client objectives and desired results.
- **Valuation:** initial valuation of the company. This included a value optimization exercise to enhance the overall profile.
- **Gap analysis and listing readiness:** Listing-readiness to ensure that the company meets the criteria for listing on the Main Market of Boursa Kuwait.
- **Placement process:** supported the client in placing the shares in order to meet listing requirements.
- **Regulatory filings:** completed regulatory filings.
- **Listing:** obtained approvals for listing.

Results: successful IPO + excellent post-listing performance.



Advisory Case Study: M&A Al Faysal Bakery (January 2021)

Project description: NIC delivered a successful transaction for the shareholders of Al Faysal Bakery through selling the business to an international acquirer, seeking to increase their regional footprint and operations.

Scope of Work:

- **Goals and objectives:** initial understanding of client objectives and desired results.
- **Valuation:** initial valuation of the company. Developed a detailed business plan for the company.
- **Sell-side process:** supported the client in developing investor documents, establishing a data room and taking the opportunity to market.
- **Negotiations:** supported client in negotiations with the short-listed counter-parties.
- **Due diligence oversight:** provided support to client throughout the due diligence process.
- **Closing:** executed the transaction to meet objectives.

Results:

- Successful sale process: ✓
- Achieved client requirements: ✓
- Minimized transaction risks: ✓
- Created alignment: ✓

THANK YOU Q&A

1821112 | +965 2226 6676 | +965 2226 6666

nickuwait | nic_kuwait | nic.kuwait | National Investments Company (NIC)

شرق - شارع جابر المبارك - قطعة 7 - مجمع الخليجية
Sharq - Jaber Al Mubarak Street - Block 7 - Al khaleejiya Tower

www.nic.com.kw



Appendix 1:

YE 2021 Consolidated Income Statement

| | 2021 KWD'000 | 2020 KWD'000 | Change % |
|---|-----------------|-----------------|--------------|
| INCOME | | | |
| Realised gain (loss) on financial assets at FVTPL | 3,905 | (1,725) | 326% |
| Unrealised gain (loss) on financial assets at FVTPL | 19,093 | (1,570) | 1316% |
| Change in fair value of investment properties | (365) | (2,321) | 84% |
| Gain on sale of investment property | 140 | - | N/A |
| Rental income | 1,740 | 1,721 | 1% |
| Dividend income | 4,631 | 3,222 | 44% |
| Management, incentive, brokerage and advisory fees | 9,114 | 6,177 | 48% |
| Interest income | 89 | 51 | 75% |
| Share of results / liquidation of associates and joint venture | 977 | 1,727 | -43% |
| Gain on foreign exchange trading | 459 | 628 | -27% |
| Other income | - | 1,085 | -100% |
| Total Income | 39,783 | 8,995 | 342% |
| EXPENSES | | | |
| Finance costs | 673 | 516 | 30% |
| Administrative expenses | 9,694 | 6,718 | 44% |
| Impairment losses and other provisions | 493 | 3,925 | -87% |
| Loss (gain) on foreign currency translation | 284 | 74 | 284% |
| Total Expenses | 11,144 | 11,233 | -1% |
| Profit (loss) for the year before taxation | 28,639 | (2,238) | 1380% |
| Taxation | (1,221) | - | N/A |
| Directors' remuneration | (150) | - | N/A |
| Net Profit (loss) for the year | 27,268 | (2,238) | 1318% |
| Attributable to: | | | |
| Equity holders of the Parent Company | 24,390 | (2,658) | 1018% |
| Non-controlling interests (NCI) | 2,878 | 420 | 585% |
| Total | 27,268 | (2,238) | 1318% |
| BASIC AND DILUTED EPS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY | 31 fils | -3 fils | |

Appendix 2:

YE 2021 Consolidated Comprehensive Income

| | 2021 | | | 2020 | | |
|---|----------------------------|--------------|--------------------|----------------------------|------------|--------------------|
| | Attributable to Parent Co. | NCI | Total Consolidated | Attributable to Parent Co. | NCI | Total Consolidated |
| | KWD'000 | KWD'000 | KWD'000 | KWD'000 | KWD'000 | KWD'000 |
| Profit (loss) for the year | 24,390 | 2,878 | 27,268 | (2,658) | 420 | (2,238) |
| Other comprehensive income (loss) for the period : (Includes Change in fair value of FVOCI investments, Share of OCI from Associates and Foreign currency translation reserve) | 25,641 | 92 | 25,733 | 3,746 | (171) | 3,575 |
| Total comprehensive income (loss) for the year | 50,031 | 2,970 | 53,001 | 1,088 | 249 | 1,337 |

Appendix 3:

YE 2021 Consolidated Financial Position

| | 2021 KWD'000 | 2020 KWD'000 | Change % |
|--|-----------------|-----------------|-------------|
| ASSETS | | | |
| Bank balances and cash | 39,365 | 13,569 | 190% |
| Financial assets at FVTPL | 111,209 | 89,238 | 25% |
| Trading properties | 284 | 284 | 0% |
| Financial assets at FVOCI | 82,048 | 58,478 | 40% |
| Investment in associates and joint ventures | 21,206 | 21,065 | 1% |
| Investment properties | 29,671 | 32,054 | -7% |
| Intangible assets | 958 | 1,148 | -17% |
| Other assets | 5,833 | 5,556 | 5% |
| Total Assets | 290,574 | 221,392 | 31% |
| LIABILITIES AND SHAREHOLDERS' FUNDS | | | |
| Bank borrowings | 40,483 | 19,521 | 107% |
| Accounts payable and accruals | 14,519 | 10,446 | 39% |
| Total Liabilities | 55,002 | 29,967 | 76% |
| Non-Controlling interests | 18,794 | 16,443 | 14% |
| | | | |
| SHAREHOLDERS' FUNDS: | | | |
| Issued and fully paid up share capital | 79,786 | 79,786 | 0% |
| Share premium | 49,593 | 49,593 | 0% |
| Statutory reserve | 10,285 | 7,709 | 33% |
| Voluntary reserve | 22,693 | 25,408 | -11% |
| Treasury shares reserve | 520 | - | N/A |
| Other reserves | 440 | 419 | 5% |
| Foreign currency translation reserve | 456 | 494 | -8% |
| Cumulative changes in fair value | 27,286 | 5,512 | 395% |
| Retained earnings | 25,719 | 6,061 | 324% |
| Total Shareholders Funds | 216,778 | 174,982 | 24% |
| Total Liabilities and Shareholders' Funds | 290,574 | 221,392 | 31% |