

TROLLEY GENERAL TRADING COMPANY

Boursa Kuwait | Ticker: TROLLEY

Trolley General Trading Company Earnings Call Transcript

Q1 2026

Hosted by Arqaam Capital

Alex (Operator)

Hello, and welcome to the Trolley General Trading Company First Quarter 2026 Earnings Call. My name is Alex, and I will be coordinating today's call. If you would like to ask a question at the end of the presentation, please join online and type your question into the Q&A text box at the top of your screen. I will now hand over to Ali Afifi – Arqaam Capital (Moderator) from Arqaam Capital to begin. Please go ahead.

Ali Afifi – Arqaam Capital (Moderator)

Thank you. Good afternoon, everyone, and welcome to Q1 2026 Earnings Call of Trolley General Trading Company hosted by Arqaam Capital. We have with us today from the management team:

Mr. Mohammed Boodai, Vice Chairman and Group CEO

Mr. Peter Gabra, Group Deputy CEO and Managing Director of Trolley KSA

Mr. Amgad Fikry, Group CFO

and Mr. Tarek Shalabi, Group Director of Regulation Compliance

As a reminder, all participants are in listen-only mode, and there will be an opportunity to ask all of your questions once the presentation concludes. Please note that the conference is being recorded. I will now hand over the call to Mr. Mohammed Boodai. Please go ahead.

Mohammed Boodai (Vice Chairman and Group CEO)

Good afternoon, and welcome to the very first earnings call of Trolley General Trading Company following our recent successful listing in Boursa Kuwait. We are pleased to report a strong start in 2026, sustained revenue growth and continued execution of our multi-format strategy. Before we begin, please note that this presentation may include forward-looking statements that involve risks and uncertainties, and actual results may differ due to factors beyond our control. We will commence with an overview of the company and the investment case; Trolley operates a convenience retail platform built around high-frequency nondiscretionary consumer behavior.

The business serves everyday essentials and other key products where consumers prioritize speed, accessibility, and reliability. This focus on necessity-driven demand gives the model a high degree of resilience across economic cycles. Trolley is not just a leading convenience store operator. We run a high-frequency retail platform, monetizing proximity, speed, and necessity with data-driven insights acting as accelerators. The business is structured around 2 complementary brands.

The flagship, **Trolley** format, is a premium convenience concept located in high-traffic and strategic locations. It delivers industry-leading average daily sales and acts as a growth primary engine for profitability and cash generation. **Baqala Bodega**, the group neighborhood convenience format, is designed to address a large and historically fragmented retail segment. It is intentionally capital-light and focused on everyday essentials and groceries targeting the mass audience.

Revenue quality continues to strengthen as the business diversifies beyond core retail. Rental shop-in-shop income provides recurring cash flows while digital and online sales are incremental and marginally accretive. Online sales reached KWD 1.3 million, supported by our mobile application with loyalty registration reaching 339,000 customers and active users surpassing 100,000 customers. The app is fully integrated with store systems and delivery platforms, enabling higher visit frequency, improved basket size, and more efficient promotions through personalization.

Our growth story over the last 15 years, the group has systematically built the capabilities required to scale the business in a strategic and efficient manner. Early expansion focused on validating demand and refining store formats. Subsequent phases concentrated on location strategy, operational discipline, and category optimization. More recent emphasis has shifted towards monetization avenues such as private label, centralized sourcing, rental income, and digital integration. This long operating history explains why current growth is translating into profitability rather than simply top line expansion.

This is in addition to regional expansion into KSA, the acquisition and rollout of Baqala Bodega format and ultimately, the recent successful listing in Bursa Kuwait. In summary, Trolley has evolved from a single location concept into a scaled convenience retail platform through key milestones, including store network expansion, entry into gas stations and mall formats, launch of private label and centralized sourcing.

So why invest in Trolley? The investment case for Trolley rests on a combination of defensive demand characteristics, and structural growth drivers. Convenience retail benefits from high-frequency nondiscretionary consumption. Customers visit frequently and demand remains resilient through economic cycles. This provides downside protection. At the same time, Trolley has clear offensive growth levers, store rollouts in unpenetrated locations, improving store productivity, revenue mix, and digital monetization.

This slide summarizes the core reasons why we believe Trolley represents a compelling long-term investment opportunity. First, our business is entirely focused on high-frequency nondiscretionary consumer spending, which allows management to optimize every aspect of the operational model such as location strategy, assortment, pricing, and digital engagement. Second, we benefit from strong brand positioning and differentiated offering, the Trolley brand is positioned at the premium end of convenience retail, emphasizing

quality, speed, and reliability, while Baqala addresses everyday neighborhood needs in capital-light format.

Third, our stores are deliberately located in high-traffic locations and strategic locations. These include gas stations, residential neighborhoods, and other captive demand catchments where footfall is predictable and recurring. This location strategy reduces sensitivity to discretionary spending cycles and supports consistent average daily sales across the network. Fourth, Trolley benefits from favorable macro tailwinds such as increasing urbanization, population growth, and growth in retail market in the GCC overall. Fifth, the group has built an efficient procurement and supply chain platform, centralized sourcing, growing private label penetration and increasing scale enable margin optimization and cost control.

Sixth, Trolley delivered solid financial performance with visible operating leverage as the store base matures. Fixed costs are absorbed across a larger revenue base, driving margin expansion. Finally, the group benefits from a well-defined growth strategy led by a seasoned management team. Expansion plans are disciplined, return-driven, and supported by a strong balance sheet and cash-generating. Management has demonstrated the ability to scale the business while preserving profitability and financial flexibility. Taken together, these factors position Trolley as a business with defensive demand characteristics, multiple internal growth levers, and the ability to consistently convert growth into cash and shareholder returns. I will now hand over to Peter, our Deputy CEO, to discuss the strategic road map of Trolley.

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Thank you, Mohammed. We will now turn to our strategic review, which reflects the evolution of Trolley from scale-building phase into a period focused on optimizing returns and earnings quality. With a strong platform now firmly in place, our strategy is centered on leveraging scale, improving mix, and driving disciplined, value-accretive growth. With the scale firmly established, our focus is now optimizing earning mix, deepening customer engagement, and expanding selectively in ways that enhance returns.

In Kuwait, the priority is now to optimize the core business, leveraging our established network to improve store focus and prioritizing store rollout and maturity in order to unlock operating leverage and steadily improve margins. Baqala Bodega represents a measured growth avenue where we are building reach and frequency while maintaining strict discipline on capital and store performance. Across all markets, digital and analytics are critical enablers. Our loyalty program, mobile app, and data capabilities are being used to increase customer lifetime value, diversify revenues, and enhance profitability without materially increasing fixed costs.

Earnings mix optimization focuses on increasing the contribution of higher-margin recurring and digital and, sorry, capital-light revenue streams such as rental income, private label, and digital channels to enhance profitability and earnings visibility as the platform scales. Trolley's growth engine includes our integrated asset-light franchise model, distribution channels, and central kitchens. This enables us to expand rapidly by shifting growth away from capital intensity, embedding operational control, and converting data-led sourcing and centralized production into structurally higher margins.

Digital is embedded in the core of Trolley operating model, extending convenience before the physical store while improving store performance. End-to-end integration across app, in-store systems, and loyalty enables a seamless customer journey and centralized control of pricing, promotion, and assortment. Meanwhile, data and AI engagement allows personalized offers, targeted promotions, and optimized loyalty rewards at an individual customer level. The digital ecosystem enhances scalability, enabling incremental revenue streams such as app-exclusive offers, subscription, dark stores, click and collect without proportional CapEx. Overall, digital acts as productivity multiplier, strengthening customer stickiness, improving revenue visibility, and supporting margin expansion as the network scales. I will now hand over to our Group CFO, Mr. Amgad, for the financial review.

Amgad Fikry (Group CFO)

Thank you, Peter. We will now turn to the financial review where the results for the quarter demonstrate how our strategy is translating into stronger revenue growth, margin expansion, and improved cash generation. This quarter reflects a marked improvement in the group's financial performance. Revenue increased to KWD 25.9 million, up 29% year-on-year, driven by higher store productivity, continued network expansion, and the growing contribution from rental and other recurring income streams.

Operating leverage is clearly evident with post-IFRS 16 EBITDA up 47% year-on-year to KWD 5 million and the margin expansion, reflecting improved earnings mix and scale efficiencies. Net profit was up 83% to KWD 2.4 million, underpinned by EBITDA growth, a high-quality earnings profile and a strong balance sheet position. Importantly, performance was supported by significant improvement in operation cash flow, which reached KWD 4.7 million. At the same time, capital discipline remains intact with CapEx of KWD 0.5 million, reflecting both timing and increased efficiency measures.

In this slide, we can see revenue and the growth drivers. We delivered KWD 25.9 million in revenue, up 29% year-on-year, driven by balanced combination of store network expansion, strong like-for-like growth, and continued mix improvement. The opening of 16 new stores during the quarter supported the scale, while mature stores have continued to grow the revenue, confirming resilient demand and improved store productivity.

Digital channels continue to gain traction with e-com transactions up 11.9% year-on-year, supported by higher app engagement and omnichannel execution. In addition, shop-in-shop, and shelf monetization more than doubled year-on-year, reflecting proactive contract repricing and the stronger supplier partnership. Overall, growth remains broad-based and high-quality, underpinned by disciplined expansion, solid organic performance, and a revenue mix that supports margin expansion going forward.

Moving to revenue performance, Q1 '26 clearly demonstrates the strength and the scalability of our platform. We delivered revenue of KWD 25.9 million, representing 29% growth, which marks a very strong start to the year and reinforcing the momentum we exited 2025 with. This growth was not driven by a single factor, but rather by a combination of scale, improved mix, and disciplined execution, across the business. As the core retail revenue increased by 26% to KWD 23.5 million, this reflects higher footfall, better assortment optimization, and the continuing increase in average basket size, supported by faster ramp-up of new stores and the resilient consumer demand across core categories. Rental revenue more than doubled year-on-year, growing by 108% to KWD 2.1 million, driven by revised shop-in-shop contracts and the recognition of KWD 1 million as a processing fee, which is normal part of our operations in Kuwait, although the timing and the amount may vary.

On this slide, we can see the breakdown of retail revenue performance by geography and format. Starting with Kuwait, which remains our core profit engine, retail revenue increased to KWD 19.1 million in Q1, reflecting strong like-for-like performance and improved store productivity. Our average daily sales continued to improve, supported by better assortment optimization and the resilient customer demand across key categories.

Moving to KSA, we are seeing the benefits of scale beginning to emerge. Retail revenue grew to KWD 4.1 million in Q1, driven primarily by new store rollouts and the faster ramp-up of recently opened locations, while average daily sales remained below Kuwait levels, they are still strong, reflecting improved site selection and increasing brand awareness in the market. Turning to Baqala Bodega, this segment is still in an investment and integration phase, but momentum is clearly building. Retail revenue increased to KWD 0.4 million, supported by early operational improvement and selective network expansion. While absolute contribution remains modest, this represents robust growth rate off a low base.

So, turning to Kuwait, our targeted network rationalization and the like-for-like results helped achieve solid revenue growth, underscoring the strength of our core fundamentals despite temporary disturbance stemming from regional geopolitical events. The primary contributor was a strong like-for-like performance, reflecting resilient customer demand and consistent execution at the store level.

This highlights the durability of the Trolley brand and the effectiveness of our operating model in mature locations. In parallel, new store openings and opened store delivered meaningful incremental revenue. Importantly, the contribution from these new sites more than offset revenue losses from store closure, demonstrating the scalability of our rollout strategy and the rapid productivity ramp-up of newly launched locations. While a small number of stores were closed, the impact was fully mitigated by underlying growth and selective expansion. This reflects disciplined portfolio management and operational flexibility in reallocating resource to higher return opportunities.

In this slide, we can see total Kuwait store evolution. Looking at the store evolution in Kuwait, Trolley continued selective store openings in high-traffic locations, strengthening network quality, and reinforcing its presence in strategic catchment area. Revenue impact from store closures, which we referred to just now, was completely offset by the rapid ramp-up of the new stores and the flexibility of the operational model. Overall, disciplined portfolio management and operational agility enabled Trolley to sustain performance and maintain strong brand visibility despite localization disruption.

This slide explains the seasonal pattern that influence retail trading in Kuwait throughout the year, highlighting how customer behavior and external factors affect quarterly performance. Retail sales typically started the year strongly, supported by residents returning from holidays and the more favorable weather conditions that drive higher footfall and consumption. During Ramadan, sales experienced a temporary decline due to fasting, reduced daytime consumption, and restrictions on public food consumption. The summer break, festive, and travel season tend to weigh on sales as extreme heat, school holidays and outbound travel reduced local footfall.

Turning to KSA. Like-for-like performance was a primary driver of revenue growth, indicating improving store productivity, stronger customer traction, and resilient underlying demand rather than growth being purely volume driven. More new stores opened during the few months back and this year delivered a meaningful incremental contribution, reflecting faster ramp-up and the benefit of disciplined selection of the sites as the brand gained visibility in the market. Revenue loss from store closure was marginal and more than absorbed by organic growth and the new store performance, reinforcing the strength of the overall growth mix.

When it comes to Baqala Bodega, revenue was temporarily constrained by regulatory restrictions, including the suspension of energy drink sales in Baqala stores, which impacted approximately 4% of sales despite continued consumer demand. A short-term government directive in March further affected selected product categories, creating a one-off sales drag on around 11% of revenue rather than indicating any structural weakness in demand. Some customers temporarily reallocated spending towards hypermarkets for bulk

essential purchases, which disproportionately affected a smaller-format neighborhood stores during the period. What is key to highlight is that these impacts were external and temporary in nature, our underlying fundamentals remain robust, and the performance is expected to normalize.

Gross profit performance in Q1 '26 remained strong and resilient, supported by solid revenue growth and a favorable earnings mix. Gross profit increased to KWD 9.1 million with consolidated gross margin rising more than 100 basis points to 35%. Margin continued to benefit from higher-margin revenue streams, particularly shop-in-shop and shelf monetization, alongside strong premium product mix, innovative concepts, and the key software solutions. Wastage and the shrinkage remained well-controlled at below 1% of retail sales, supported by improved inventory management and data-driven replenishment.

Looking to EBITDA performance, in Kuwait, EBITDA increased meaningfully year-on-year with margin expansion, reflecting strong like-for-like growth, strong demand, and scale benefits, reinforcing Kuwait's role as the group's core earnings engine. In KSA, EBITDA continued to improve from a low base with a margin turning positive as higher revenue, better store productivity, and the operating leverage begin to offset the fixed cost structure inherent in an early-stage rollout. Baqala EBITDA remained negative but showed improvement in margin, indicating early signs of cost normalization and the benefit of operational integration, even as the business remains in an investment phase. Overall, we can see here a clear earnings progression with mature markets expanding, growth markets moving towards the breakeven, and the group profitability supported by disciplined cost management and scalable growth.

Net profit increased to KWD 2.4 million in quarter 1, up 83% year-on-year, reflecting strong EBITDA growth and disciplined capital deployment. Margin performance was impacted by brand investments, including workforce expansion to support new store openings, the build-out of central functions and ongoing expansion in KSA and Baqala. These investments were deliberate and the strategic positioning Trolley for scale, operational leverage, and margin normalization over time. Overall, profitability trends remained healthy and improving, reinforcing confidence in sustained earnings growth as newer formats mature and the scale benefits continue to materialize.

CapEx declined to KWD 0.5 million in Q1 '26, equivalent to 1.8% of revenue, reflecting improved capital efficiency as the business scales. Spending continues to be highly targeted, focused primarily on new store rollouts, selective refurbishments, and limited intangible investments, while benefiting from bulk procurement and the standardized store formats. CapEx intensity remains structurally higher in KSA due to larger store size, while Baqala maintained a low CapEx profile, supporting rapid, cost-efficient expansion. Overall,

capital allocation remains disciplined and return focused, positioning the group to sustain growth while supporting strong free cash flow generation.

Free cash flow improved substantially in Q1, supported by stronger operating cash flow and lower CapEx, driving a solid free cash flow conversion of over 80%. In Q1 '25, we witnessed a decline in free cash flow due to the payments made to the suppliers and increase in related party balances. The business continues to generate attractive returns with return on equity improving year-on-year, reflecting the higher profitability and efficient capital deployment. Trolley maintained a net cash position with net debt to pre-IFRS 16 EBITDA of minus 1.5x, underscoring balance sheet resilience and financial flexibility. I will now hand over to our CEO, Mr. Mohammed.

Mohammed Boodai (Vice Chairman and Group CEO)

This brings us to the end of the presentation for today. To summarize, Q1 2026 performance reflects the strength of our core Kuwait operation, the accelerating scale of operations in KSA, and the continued progress towards profitability at Baqala. We remain confident in our strategy, optimizing our earnings mix, leveraging our digital platform and expanding selectively through high-return locations and asset-light models. With a robust balance sheet, clear growth visibility, and a well-defined capital allocation framework, we are well positioned to create sustainable long-term value for our shareholders. Thank you for listening in, and we will open the floor for your questions. Thank you.

Alex (Operator)

Thank you. As a reminder if you would like to ask a question, please join the call online and type your question in to the Q&A text box at the top of your screen.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. So, we have our first question from Rajat Bagchi from NBK Wealth. So, he is thanking you for the call, and he wanted to ask if you could comment on the margin trends in Kuwait and KSA, and what do you expect going forward?

Amgad Fikry (Group CFO)

So, as we can see in the margin in Q1, margin was very strong in all. As we referred back, was increased by 100 points compared to quarter 1 last year. And we can see the gross margin, 34% in Q1 '25 and 35.1% in '26, and this improvement in gross margin reflects a favorable combination of revenue mix and operational improvement. Revenue mix shift the substantial growth of rental income contributed meaningfully to aggregate gross margin expansion.

As the rental income scales, it is related to group level profitability. Also, in this quarter, we collected recurring income from renewal our shop-in-shop contracts contributed to margin also by KWD 1 million. This is one of the reasons that margins have improved. And we are expecting this to recurring once we open a store. It varies from time to time based on opening plan.

Mohammed Boodai (Vice Chairman and Group CEO)

Just to add to what my colleague just said, Mr. Amgad, regarding the contracts, once they end, they get renewed. So, the processing fees also get renewed based on the timing of the contract. And as he also said, once we get new locations, we tend to also rent them out and get the processing fees too. So, the processing fees are recurring, but irregular and their magnitude tends to change based on various factors.

Amgad Fikry (Group CFO)

One main factor I would add here is the supplier service. As our network scale increases, we are extracting progressive rebates, and we are collecting better rebates from our suppliers in both KSA and Kuwait.

Mohammed Boodai (Vice Chairman and Group CEO)

So, in addition to that, also, we believe that our margins, both in Kuwait and KSA will continue to improve based on the targeted sales that we have with our suppliers as an incentive scheme between us and the suppliers.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. The second question from Rajat would be, do you have any guidance on margins in terms of either gross profit, EBITDA, or EBIT for 2026 and 2027 on a group level?

Amgad Fikry (Group CFO)

Yes. We are confident that the performance during quarter 1 and the resilience of the company during the political issues that we faced in quarter 1 and even in those circumstances, but we exceeded the results. We are confident that throughout the year, we will be aligned with the guidance that is provided in the early stages, and we are confident that we will deliver the results that we shared early session.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. The next question comes from Hamad from Kamco Invest. Can you please touch on the plan for the franchising model? Is it still intact? And what is the progress/plan going forward?

Mohammed Boodai (Vice Chairman and Group CEO)

So, regarding the franchise, we believe we are still preparing the franchise model. We believe that the franchise has to be a successful story from the first sign-off with the first person or company that we will sign with them. Therefore, we are still enhancing and stress testing the franchise agreement. Currently, our franchise team are testing the model in-house to see where are the loopholes. And we believe that we are closing these loopholes and we are getting closer. But hopefully, soon, we are very excited about the franchise program.

We cannot promise a specific date. But what we can say is we want to make sure that we measure twice and cut once as the saying goes in order to perfect the recipe of the franchise because the franchise, we believe that if we don't perfect the recipe in the beginning, it might have a very bad reputation. It will be harder for us to sign further agreements. Therefore, going slowly and steadily perfecting the recipe will give us an edge in order to expand very rapidly in the market.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. The second question is, can you please shed some color on the business in Saudi? How is the progress in terms of store openings, margin expansion, and also the store maturity?

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

See, what we have done in the first quarter, we opened 12 locations in Q1, majority of the locations were coming from the deal we signed last year -- end of last year of -- with Metro stations. Some of the locations opened in the middle of Ramadan and again, the disruption happened in the region because of the geopolitical challenges affected slightly there. But now after Ramadan, again, to highlight, we are different from the hyper format. So, in Ramadan we experience a slowdown in business during the Ramadan time as a season, and we recover after Ramadan when people get back to their normal consumption behavior. So, in margins, we grow with volumes, we are able to get a better supply, as Amgad mentioned a few minutes ago, and it is reflecting in Saudi as the volume grows year-on-year.

Mohammed Boodai (Vice Chairman and Group CEO)

And to add to that, in Saudi, the margins, the offtake of margins is far better than Kuwait's beginning. So, in Kuwait, in the early days, in the 2010 and 2011, we could not match the margins that today Saudi is getting. So, the offtake in Saudi is much better than Kuwait compared to the beginning. And we believe better margins are coming up ahead for both Kuwait and Saudi.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. The next question comes from Dana AlAnjari from Markaz. She is thanking you for the call and wondered if you could please explain the OpEx dynamics between the new and existing stores, especially in light of the fact that there has been an 11% like-for-like growth in terms of revenue and only 2.8% in terms of profitability. So, she was wondering what is weighing on the underlying Kuwait profitability.

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

You are talking about OpEx, correct?

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Exactly, yes.

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Yes. So OpEx, we can see a different trend in Kuwait and KSA where KSA still -- and Baqala as well, still in the investment phase where we are growing in number of stores and opening trend is different in both countries. So, we can see the percentage in Kuwait is maintained and controlled. And while in KSA maybe it varies because of investment in some expenses, some staff costs and while the stores did not reach the maturity and rollout of stores were very recent. I mean the manpower, all operating expenses that affect the maintenance of the store, while the store is still not yet operating or maybe operate for a few months and did not reach the maturity to recover these expenses. That's why we are monitoring this percentage. And when the store reaches the maturity, then the percentage comes to normal like in mature country in Kuwait.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. Our next question comes from Nishit from SICO Bank. What is the most recent update on the MOU signed with Aldrees?

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Yes. We received a couple of locations this quarter, which will open in quarter 2. But again, we are now working with Aldrees to screen the whole location in the whole Kingdom and prepare which can fit for Trolley in the coming few years. And this study will take a few months to conclude. Meanwhile, we will strengthen our capability to operate more locations in the future. That is something which will go in parallel with hiring the right consultant to screen and make this massive work. We are talking about 1,000-plus locations in the whole Kingdom.

And in order to expedite that process, we will get some help from some consultancy to help us to scout and clear these all locations and get an answer which is fit for Trolley brand in the near future. Meanwhile, the other locations, to recap the others we signed with Aramco, we are about to take another handover from Aramco locations. We have a few locations now under screening, and we will decide about them very soon as well.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. We have another question from Rajat from NBK Wealth. Can you please talk about the expansion in KSA? And when do you expect to arrive at a breakeven point on a net profit level?

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Yes. Again, we are sticking to the plan, what is delivered in the guidance, and we are still confident that what we have shared during the preparation before the listing, we will deliver as we announced before.

Mohammed Boodai (Vice Chairman and Group CEO)

So, if you refer back to the guidance, you will find the date that we have tied up with our investors to deliver. And we believe that we will be delivering on the same date.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. We have the next question from Mohamed from Ajeej Capital. How has the closure of the Hormuz Strait impacted your procurement of inventory and did the increased cost of distribution impact gross margin?

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

See, we were prepared for such situation by moving away from a model called direct sales delivery, where we rely more on the suppliers. We moved away from this model to a warehousing model where we stock for almost 1.5 months in average from majority of the top 80-20 range. So, from day 1, we did not experience a big problem with availability, which shows clearly on our performance in quarter 1. Meantime, we did not see a massive change on the prices yet. Again, that is something where I think Kuwait is taking actions to stable the prices across the country. So, we did not experience a massive change on prices yet.

Mohammed Boodai (Vice Chairman and Group CEO)

And in addition to that, Peter, and the team, they had a very strong plan also as a contingency plan to start supplying from Trolley KSA to Kuwait in case we have major out of stocks, but we did not experience major out of stocks. And if we do, in any case, we will be supplying from Trolley KSA.

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

I am highlighting the majority of the retail supplies in Saudi coming from the Western region, especially Jeddah Airport, sorry, Jeddah Port. So, we did not face any problem in KSA from what is happening now.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. Our next question comes from Harish from Behbehani Group. He is asking about your strategy on the Baqala and in terms of your targets for profitability.

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Okay. Baqala nature of business is a high-volume, low-margin business. So, by scaling Baqala to -- as we mentioned in our prospectus earlier, the business has to scale a lot before it goes to profitability. We are here targeting change in a massive change in consumer behavior. We are talking about standardizing and modernizing the whole business of Baqala in Kuwait, and that needs 100-plus stores to start seeing that the consumer reacting to a new model of Baqala and replacing the old behavior of targeting the old Baqala in the market and start building engagement with the new brand. So, it will

take time to build this awareness. We are looking closely of our expansion in Baqala, and we are monitoring it to guide the growth in Baqala as well.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. We have another question from Dana from Markaz. Could you please share the store count and ADS splits by format in terms of gas stations versus stand-alone across Kuwait and KSA?

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Yes. It is as we mentioned in the presentation, the average basket, its value between Kuwait and Saudi. It is higher in Kuwait and less in Saudi. The reason is it is a different segment of the customer. And we believe that average daily sales in Kuwait remained during this quarter at the level of KWD 1,518, higher than the same quarter last year, KWD 1,395, while the average daily sales in Saudi are KWD 565 compared to KWD 521 last year same period. So, both are different in the spending. However, we are still showing very good positive in terms of growth for the average basket and the penetration as well. And we can see also Kuwait still has good room to increase in terms of average daily sales. This is delivered through a number of transactions.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. The next question from Dana is whether you are planning to expand the gas station footprint in Kuwait, whether, for example, any stores are being in process already to open?

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Yes, we have some gas stations which will be opened this year from Oula and Alfa. Then there is one bid offered by KNPC a few weeks ago, but still the result of this bid is not announced yet.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. We have another question from Rajat from NBK. Can you please comment on how you are able to import the goods in Kuwait, KSA? And is this entirely through road transportation?

Mohammed Boodai (Vice Chairman and Group CEO)

In case of the geopolitical pressure, we will be delivering from KSA to Kuwait by road in case this happens, if I understand the question clearly.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Yes, exactly. And the further comment on this question is, does this impact your margins going forward based on the higher logistics costs?

Mohammed Boodai (Vice Chairman and Group CEO)

Yes. It will have a slight impact on the margins, but business continuity has to be our main focus in such situation, just to make sure that we do not lose the customers and then find other ways in order to get better margins if these situations escalate.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. The next question comes from Zubair from Vergent Asset Management. At the time of the IPO, KSA guidance was opening of 22 stores in 2026. Will you be revising the guidance given that you have already opened 12 stores in Q1?

Mohammed Boodai (Vice Chairman and Group CEO)

We actually cannot comment on that, but we will stick to the guidance. And if there is any improvement on the guidance, we will be announcing it formally.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. The next question is from Hamad from Kamco Invest. How can you view the rental income going forward? And is there any expected increase? And how often does it get renewed?

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Rental contract of our stores or...

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Shop-in-shop

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Shop-in-shop, yes. So, our contracts with the shop-in-shop current, it is just renewed recently, and they continue for around 5 to 8 years. And we have this incremental income related to the rent increase, will continue for upcoming period as they announced in the business plan for the upcoming 5 years and reflected as well in our business plan.

Mohammed Boodai (Vice Chairman and Group CEO)

So, to add to that, some of our rental agreements for shop-in-shops are contracted for 5 years. Some of them are for 8 years, and they tend to improve based on negotiations. And we always like to make sure that it is a win-win situation between us and our tenants. So, we do conduct a study of their traffic in order to understand if their sales are improving in order for us to start negotiating on better terms. So, it always depends on the case and the traffic flows to their stores. And what happened in the previous years, we have seen a clear

stronger traffic and growth for the stores. That is what led us into renegotiating these deals to make them higher.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you. As a reminder, if you would like to ask a question, please type your question into the Q&A text box at the top of your screen.

Alex (Operator)

Okay. At this time, we currently have no further questions. I will hand it back to the management team for any further remarks.

Amgad Fikry (Group CFO)

Thank you.

Peter Gabra (Group Deputy CEO and Managing Director of Trolley KSA)

Thank you.

Mohammed Boodai (Vice Chairman and Group CEO)

Thank you very much.

Alex (Operator)

This concludes today's conference call. Thank you all for joining. You may now disconnect your lines.

Ali Afifi – Arqaam Capital (Moderator) (Moderator)

Thank you.

Trolley General Trading Company

شركة تروولي للتجارة العامة



Earnings Presentation

Q1 2026





Mohammed Boodai

Vice Chairman and Group CEO



Peter Gabra

Group Deputy CEO and MD Trolley KSA



Amgad Fikry

Group CFO

This communication may contain certain forward-looking statements. This applies to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements.

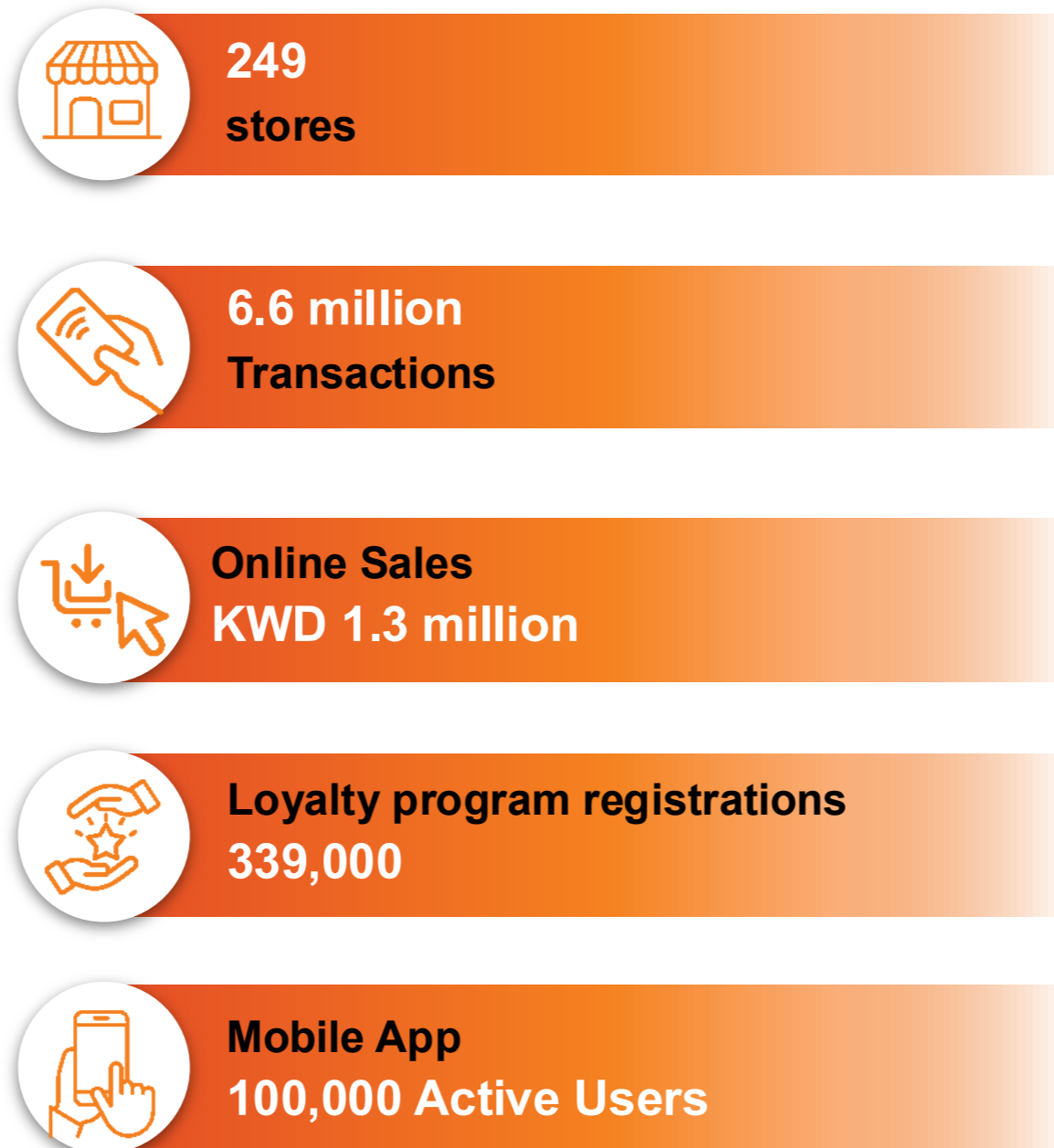
Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include but are not limited to fluctuations in prices and costs, ability to compete successfully, changes in social, legal or economic conditions in our markets of operation, worldwide economic trends, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.



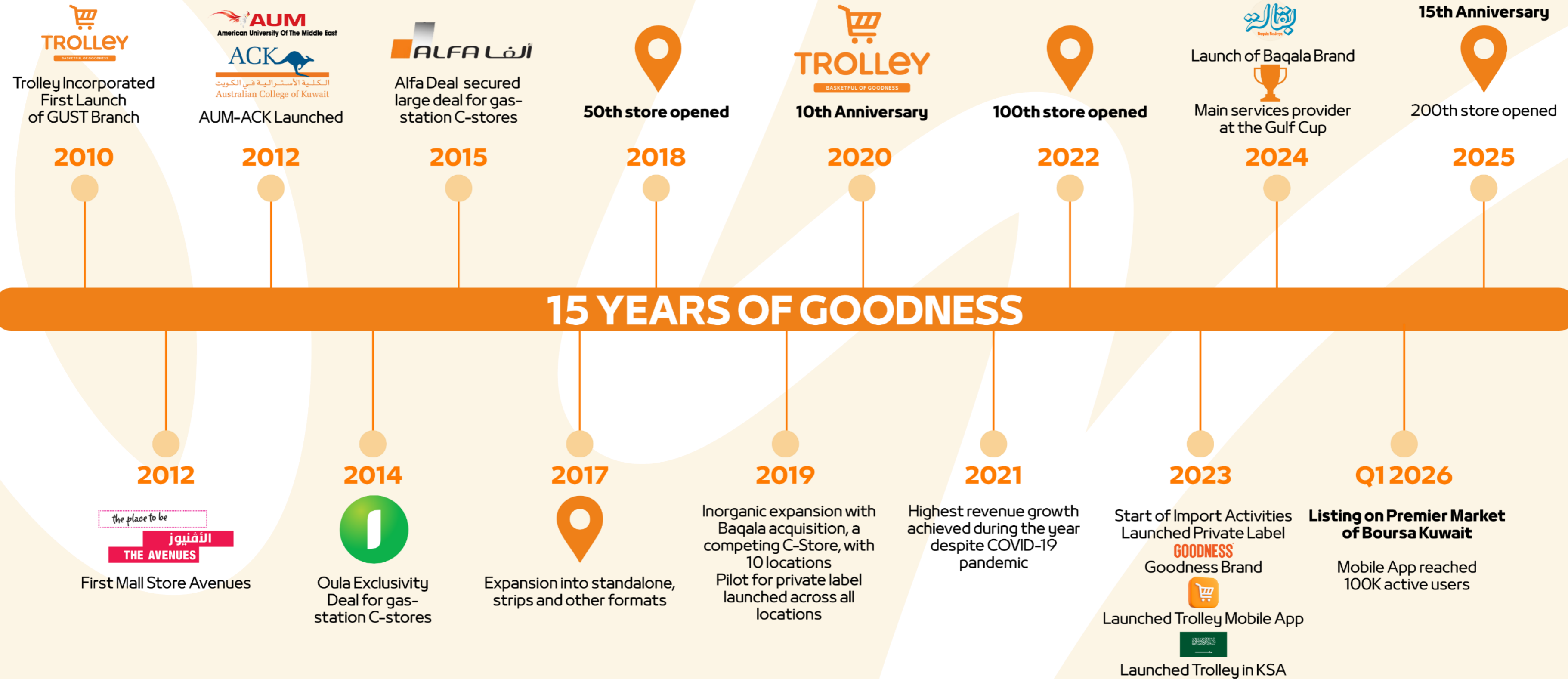
Introduction to Trolley

Kuwait's Leading C-Store — Where Premium Convenience Meets Exceptional Customer Experience

2 Key Brands



Our Growth Story





Why Invest in Trolley

▲ +50.545

▲ +62.974

▼ -90.034

▼ -41.303

▲ +91.106

▼ -40.794

▲ +98.991

▼ -60.493

▲ +11.579

▲ +50.858

▲ +20.285

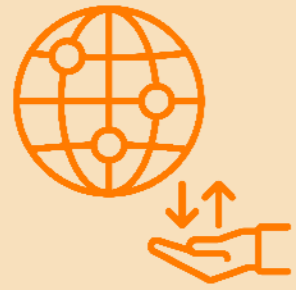
▲ +37.191

▲ +85.579

▲ +58.185

▼ -61.195

1



Favorable Macro
Tailwinds

2



Pure-Play
C-Store Player

3



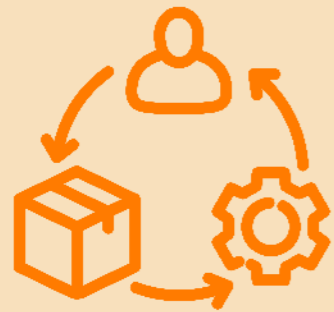
Brand Positioning
& Offering

4



Strategic
High-Traffic Locations

5



Efficient Procurement
& Supply Chain

6



Robust Financial
Performance

7



Well Defined
Growth Strategy

8



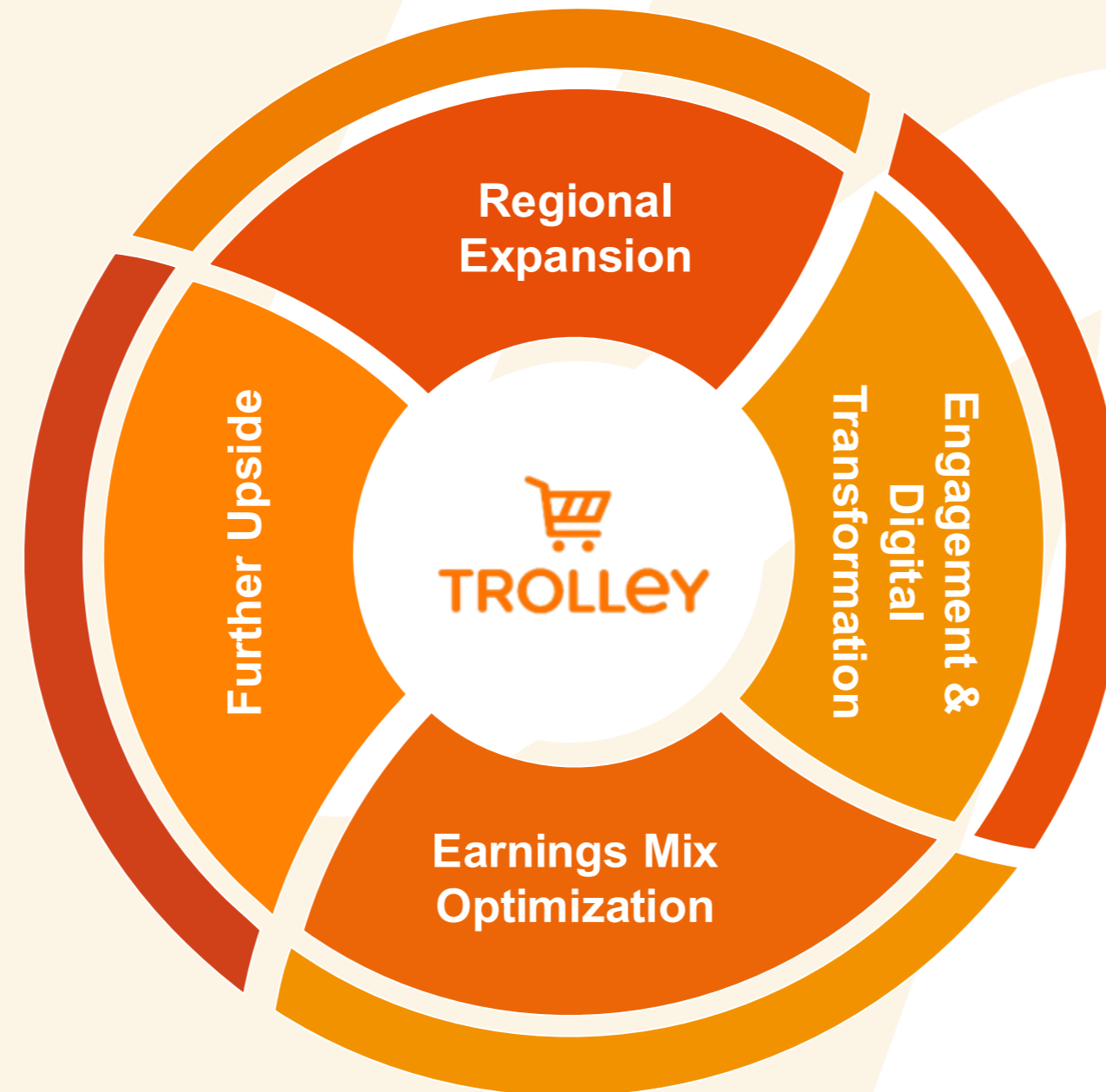
Seasoned Leadership
Team



Strategic Review

- ✓ Core Kuwait Operations
- ✓ Growth in KSA
- ✓ Significant Store Runway for Baqala

- ✓ Asset Light Franchise Model
- ✓ Distribution Channel
- ✓ Central Kitchen



- ✓ Loyalty Program
- ✓ Trolley App
- ✓ Leveraging Analytics

- ✓ Clear Path to Revenue Diversification
- ✓ Further Enhancement to Current Healthy Profitability Mix

Mobile App Powering Omnichannel Reach & Personalized Convenience



Digital Convenience At Your Fingertips: Enabling Anytime, Anywhere Access



Seamless Omnichannel Access

Launched across iOS and Android to extend Trolley's reach beyond physical stores, enabling 24/7 convenience and doorstep delivery



Personalized Engagement

AI-driven analytics to tailor promotions, optimize loyalty rewards, and create predictive shopping journeys across digital & physical touchpoints



Integrated Customer Journey

Connected to in-store and aggregator systems, providing consistent brand experience across platforms



Scalable Digital Ecosystem

Engineered to support revenue streams like click & collect, dark stores, and app subscriptions — unlocking long-term digital monetization



Enhanced Customer Stickiness

Drives higher order frequency and repeat purchases through loyalty incentives, app-exclusive offers, and personalized shopping journeys



Financial Review

Revenue

KWD **25.9** mn

▲ +29% YoY

EBITDA ⁽¹⁾

KWD **5.0** mn

▲ +47% YoY

Net Profit

KWD **2.4** mn

▲ +83% YoY

Capex

KWD **0.5** mn

▼ -47% YoY

Net Debt to EBITDA ⁽²⁾

-1.5 x

▲ vs -1.7x as of 31 Mar 2025

Operating Cash Flow

KWD **4.7** mn

▲ vs KWD 0.1 mn in Q1 2025

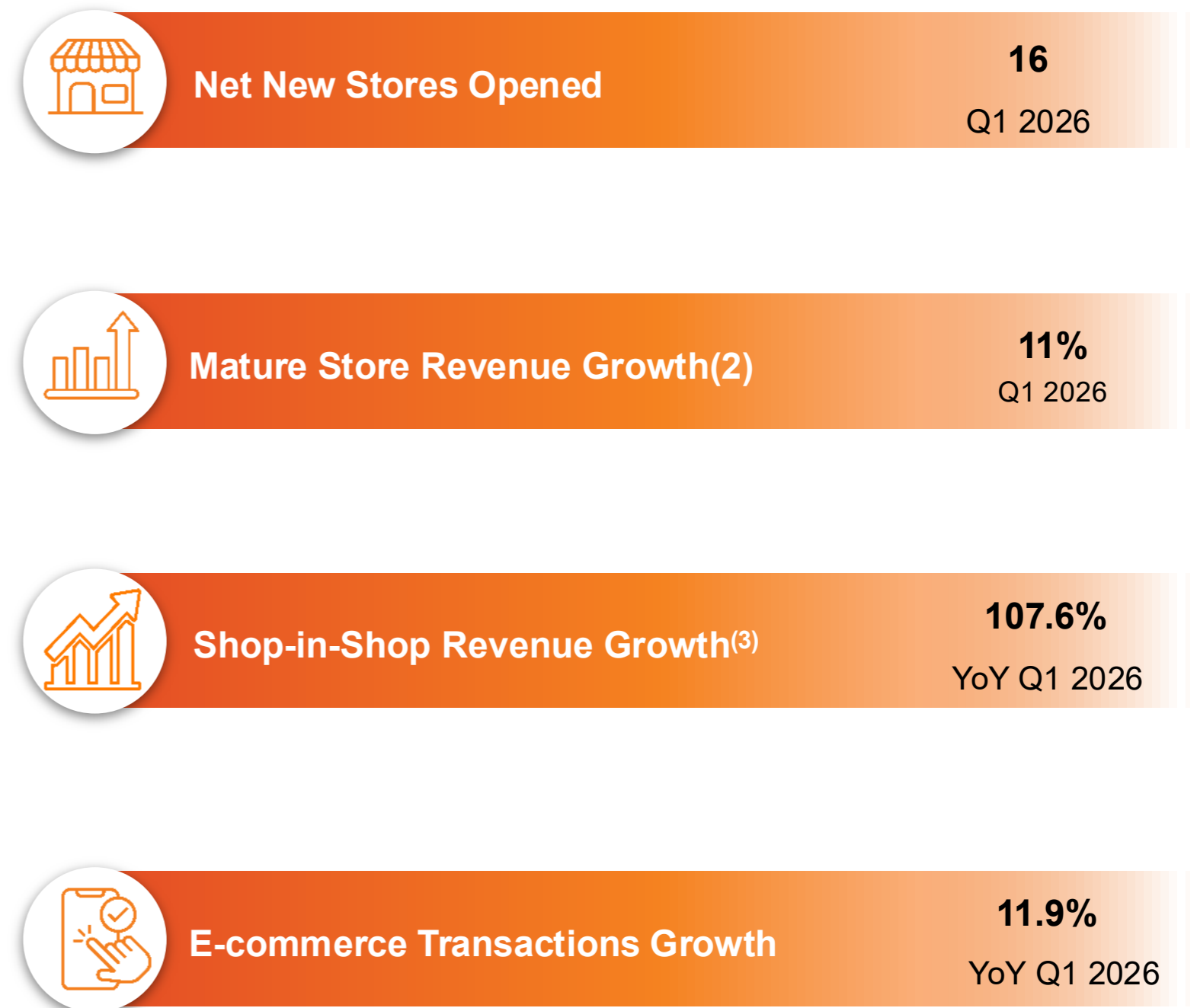
Note: (1) Post IFRS 16 EBITDA; (2) EBITDA = Pre-IFRS 16 (Adjusted for lease liabilities)

Strong and Diversified Growth Driven by Store Expansion, Shelf Monetization & Digital Scale-Up

Total Revenue(1) (KWD Mn) | Store Evolution



Key Drivers

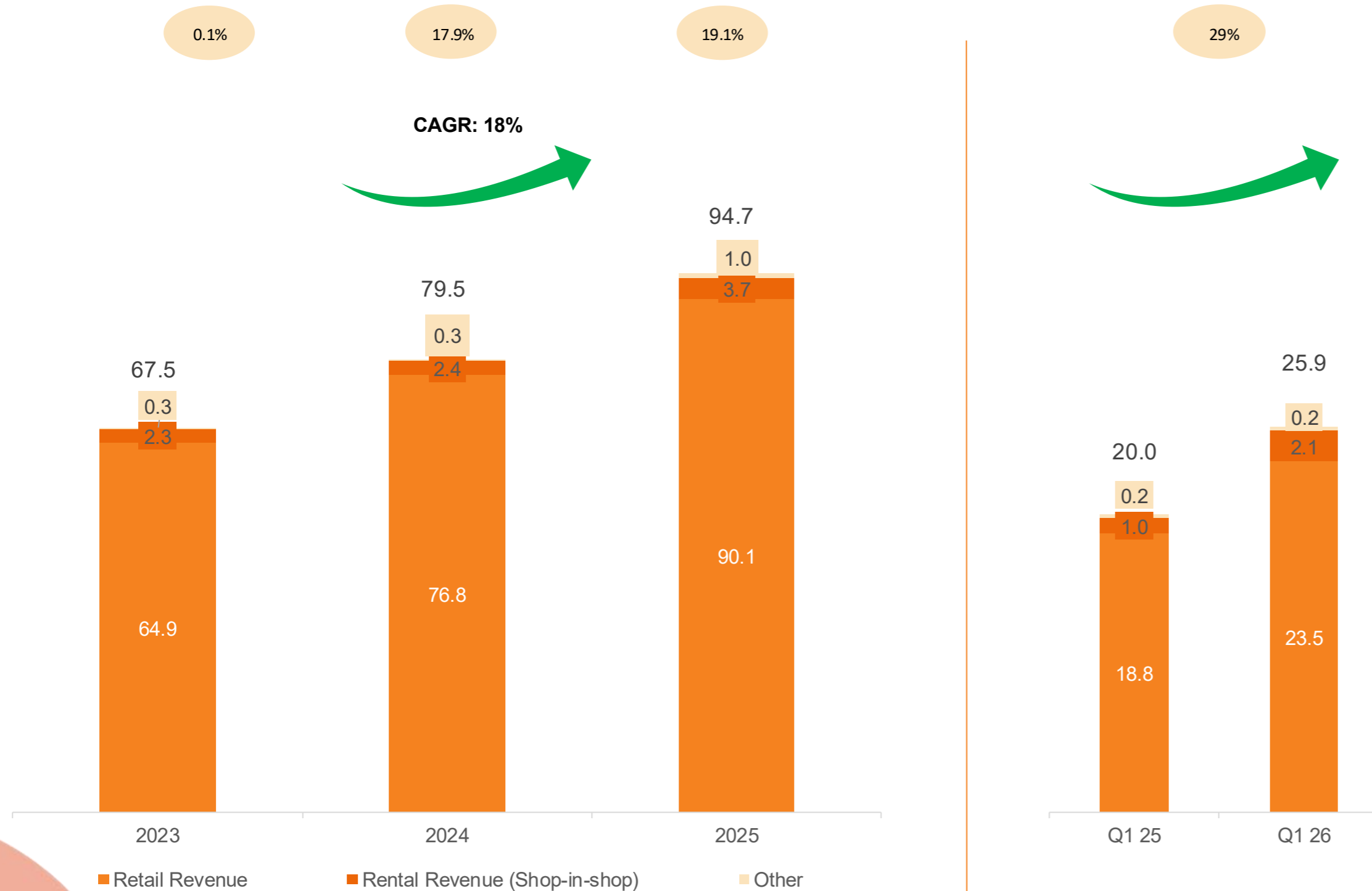


(1) Total revenue = Retail revenue (product sales) + Rental income (shop-in-shop) + Other income; (2) Mature stores refer to locations that have been operational for at least 12 months

Continued Revenue Growth, Supported by Scale and Mix



Revenue⁽¹⁾ (KWD Mn) | YoY Growth



Highlights

Driven by Scale & Mix Q1 2026 Momentum: Robust Revenue Growth

- Trolley commenced the year with strong momentum, generating retail revenue of KWD 23.5 million (+26% YoY) and rental revenue of KWD 2.1 million (+108% YoY), reflecting solid execution across the platform.
- Top line performance was underpinned by enhanced store productivity, continued network expansion, and resilient consumer demand across core categories.
- Retail revenue increased 26% YoY, reflecting stronger footfall, enhanced assortment optimization, and higher average basket, as well as faster ramp-up of new stores and stronger-than-expected consumer demand.
- In Kuwait, rental (shop-in-shop income) improved to KWD 2 million. This exceptional growth is driven by revised shop-in-shop contracts and the recognition of KWD 1 million (vs KWD 310K in Q1 2025), as processing fees. This is a normal part of our operations in Kuwait, arising from contract renewals and store network expansion, although the timing and amounts may vary.

Note: (1) Post IFRS 16 EBITDA; (2) EBITDA = Pre-IFRS 16 (Adjusted for lease liabilities)

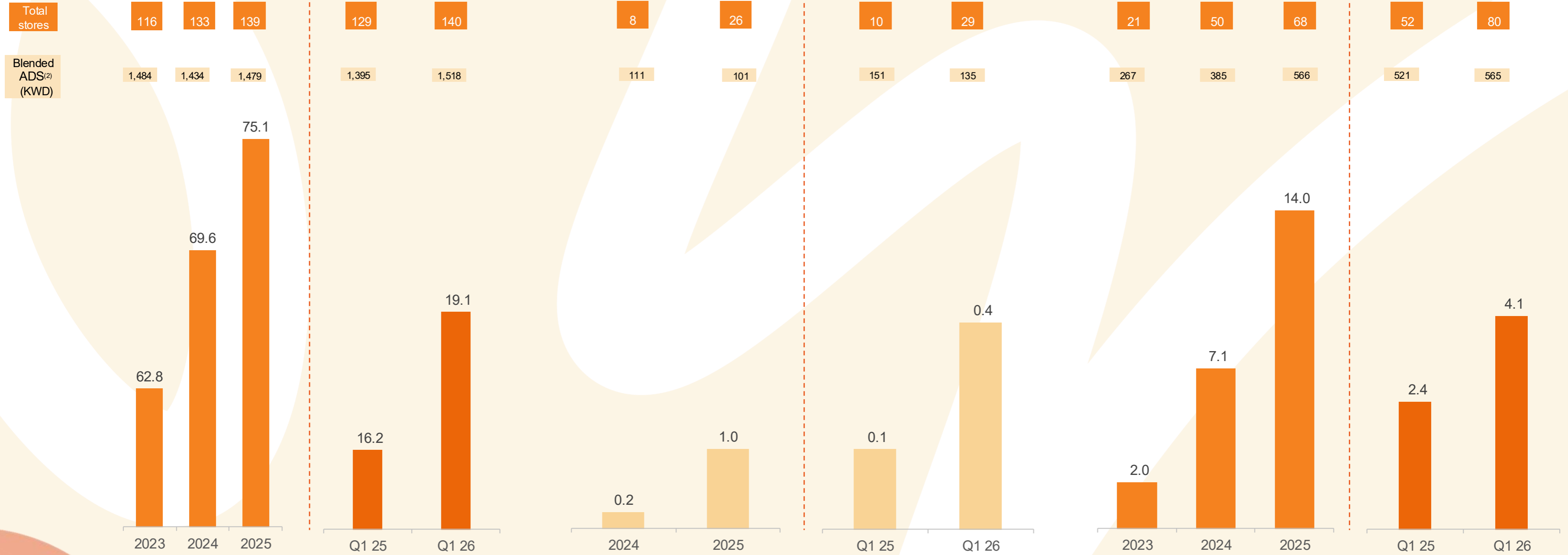
Retail Revenue Analysis by Market and Format



Retail Revenue⁽¹⁾ (KWD Mn) – Trolley Kuwait

Retail Revenue⁽¹⁾ (KWD Mn) – Baqala

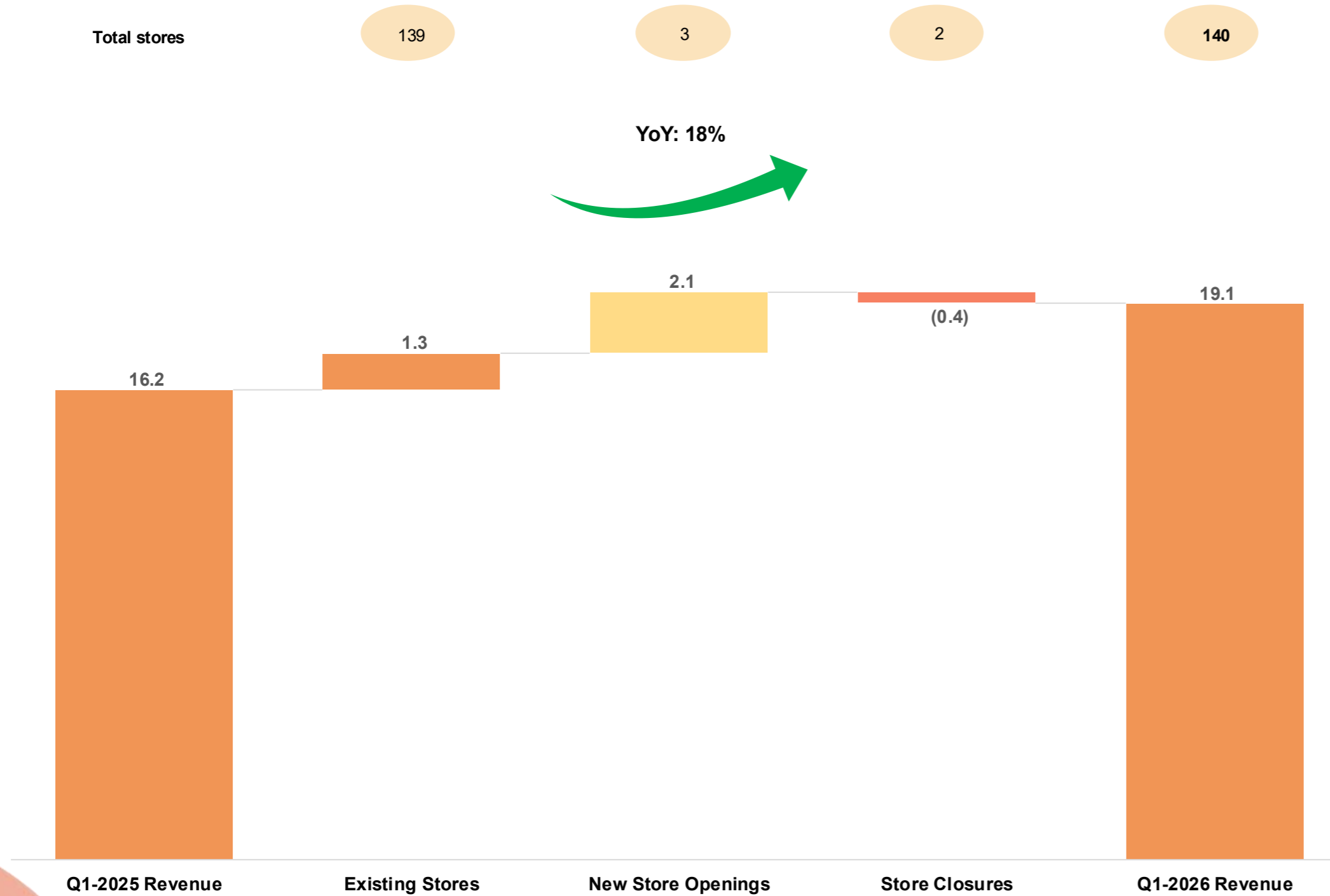
Retail Revenue⁽¹⁾ (KWD Mn) – Trolley KSA



Note: (1) Retail revenue = Product sales; (2) Blended ADS = Retail revenue / Total stores / 365 days operational in a year



Revenue Bridge (1) (KWD Mn)



Highlights

Resilient Growth Driven by LFL Performance & Network Expansion

Existing Stores

- Underlying growth fundamentals remained strong, with robust Like-for-Like performance, underscoring the durability of customer demand and the strength of store-level execution.

New Stores

- Growth from new store openings more than offset lost revenues, demonstrating the scalability of Trolley's rollout model and the rapid productivity ramp-up of newly launched sites.

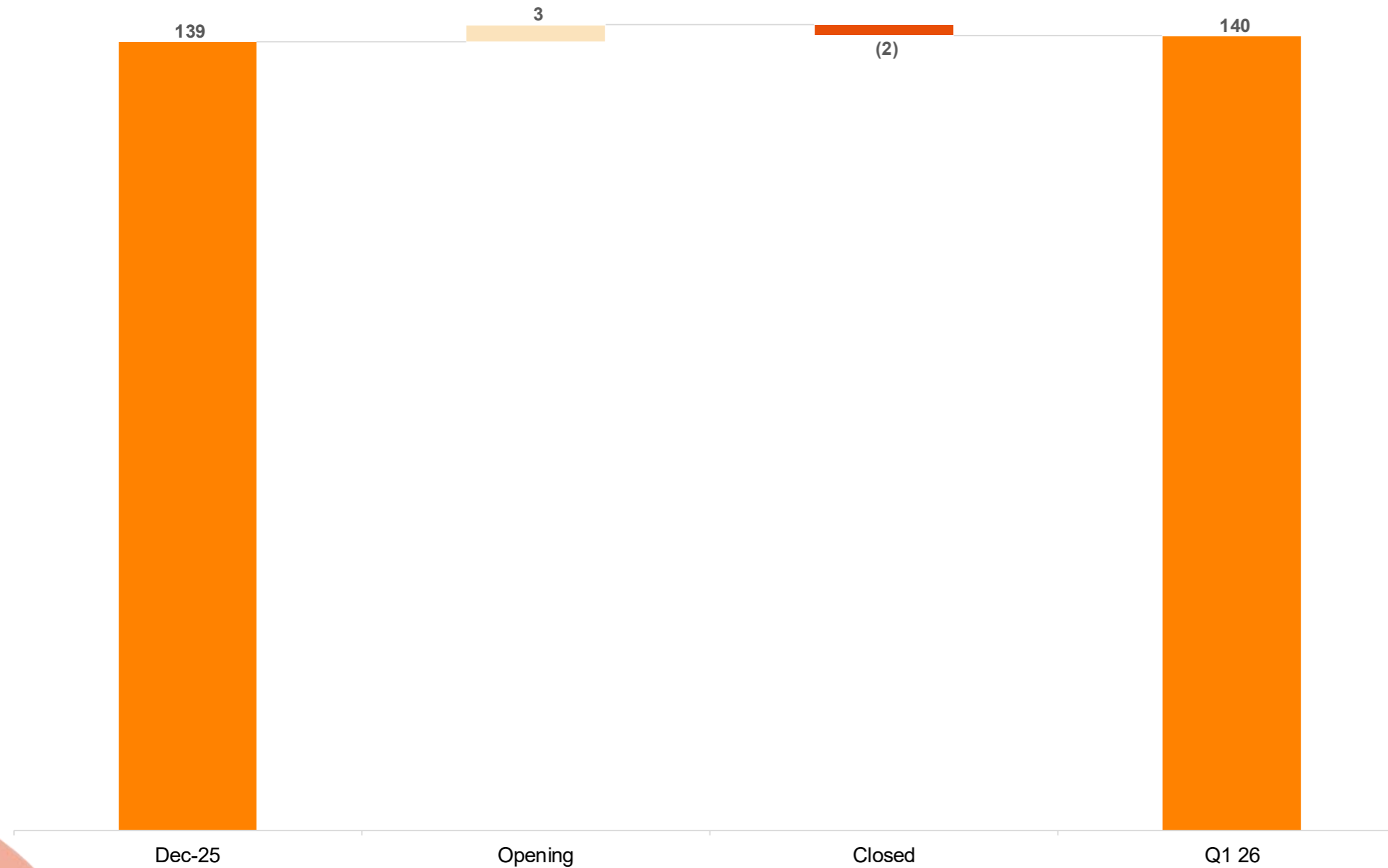
Store Closures

- Resilient performance delivered despite targeted network rationalization and temporary disruptions, stemming from the broader regional events.

Operational flexibility and disciplined portfolio management enabled continuity of earnings performance, reinforcing the resilience of the business model in navigating disruptions while sustaining top-line growth.



Store Portfolio Evolution



Highlights

Effective Portfolio Management Offsets Localized Disruptions

- **Selective store openings and focus on networks expansion** strengthened the performance in Kuwait, including a new gas-station store at Oula Adan and a standalone store at Al-Arabi Sports Club and Al-Riggae Court Complex, thus reinforcing Trolley's presence in high-traffic, strategic catchments.

Regulatory Closures:

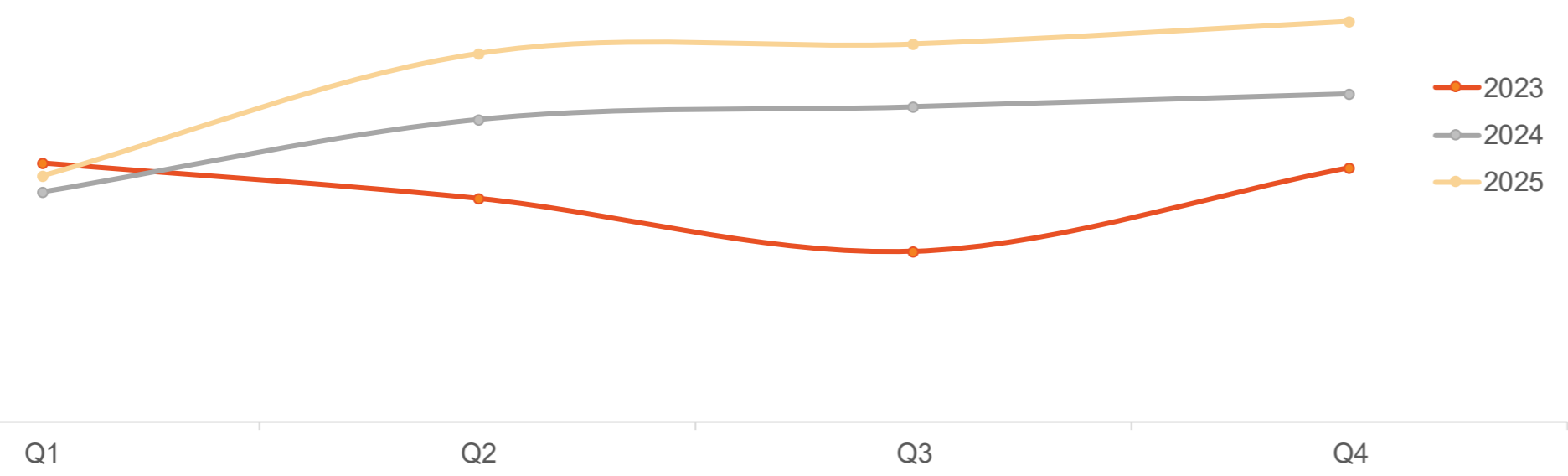
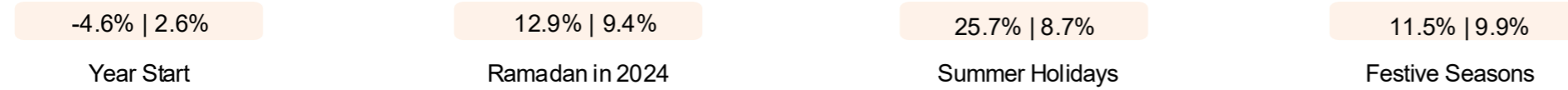
- Bayan Alfa-61: Permanently closed following a regulatory dispute between the gas-station operator and the Municipality.
- Platinum Sharq: Permanently closed due to the full shutdown of the Sharq market area.
- Revenue dilution from closures was fully mitigated by the rapid ramp-up of new stores and operational flexibility, underscoring the resilience and adaptability of Trolley's rollout model.

Overall, this performance demonstrates disciplined capital allocation and operational agility, with selective expansion and rapid mitigation fully offsetting externally driven disruptions.



Retail Revenue(1) Seasonality

YoY growth (%) 2024 | 2025



| Year | Q1 | Q2 | Q3 | Q4 |
|------|-------|-------|-------|-------|
| 2023 | 26.3% | 24.9% | 22.7% | 26.1% |
| 2024 | 22.7% | 25.3% | 25.8% | 26.3% |
| 2025 | 21.6% | 25.7% | 26.0% | 26.8% |

Quarterly revenue contribution

Highlights

Trolley Store Sales Are Influenced By The Impact Of Seasonal Trends

- **At the start of the year**, sales benefit from a seasonal uplift as residents return from holidays, supported by favorable weather conditions.
- **Ramadan**: Lower consumption during Ramadan, driven by fasting among the majority Muslim population and government restrictions on public food consumption, resulting in a temporary decline in sales
- **Summer**: Excess summer heat combined with school and university vacations prompts residents to travel abroad, leading to weaker sales during this season
- **Festive seasons** drive outbound travel by citizens and residents seeking holidays with family, creating a dip in sales
- In 2023, Trolley moved to a centralized warehouse system which would enable it to manage operations more efficiently. During the implementation of this system Trolley faced a technical issue which impacted the in-store availability of products and reduced sales

Note: (1) Revenue = Retail revenue (Product sales) + rental income (Shop-in-shop)



Revenue Bridge (1) (KWD Mn)



*Note: 3 stores were closed during 2025

Highlights

KSA Scaling Successfully with Clear Operating Leverage

Existing Stores

- Like-for-Like performance was the primary engine of growth during the quarter, demonstrating robust organic momentum, improving store productivity, and resilient underlying demand.

New Stores

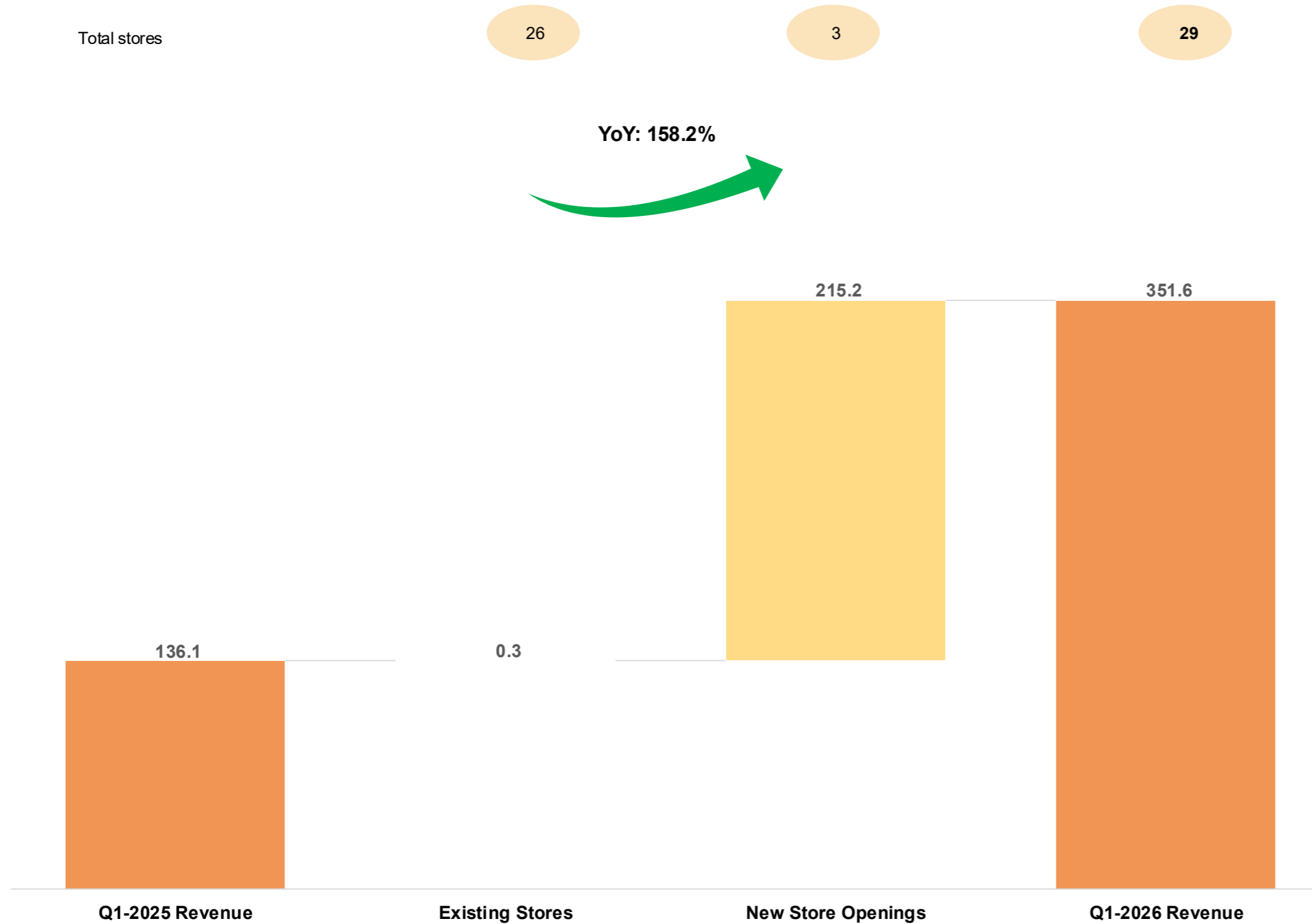
- New stores delivered a significant incremental uplift to revenues, reflecting both rapid contribution from newer sites and a favorable revenue mix.
- This was supported by strategic site selection and accelerating operating leverage as scale builds.

Store Closures

- Closures reduced revenue marginally, as a result of intentional portfolio rationalization, with lost contribution more than absorbed by LFL growth and new store ramp-up.

Overall, the growth mix underscores a high-quality earnings profile, anchored in organic performance, enhanced through scalable expansion, and reinforced by disciplined portfolio optimization.

Revenue Bridge (1) (KWD 000s)

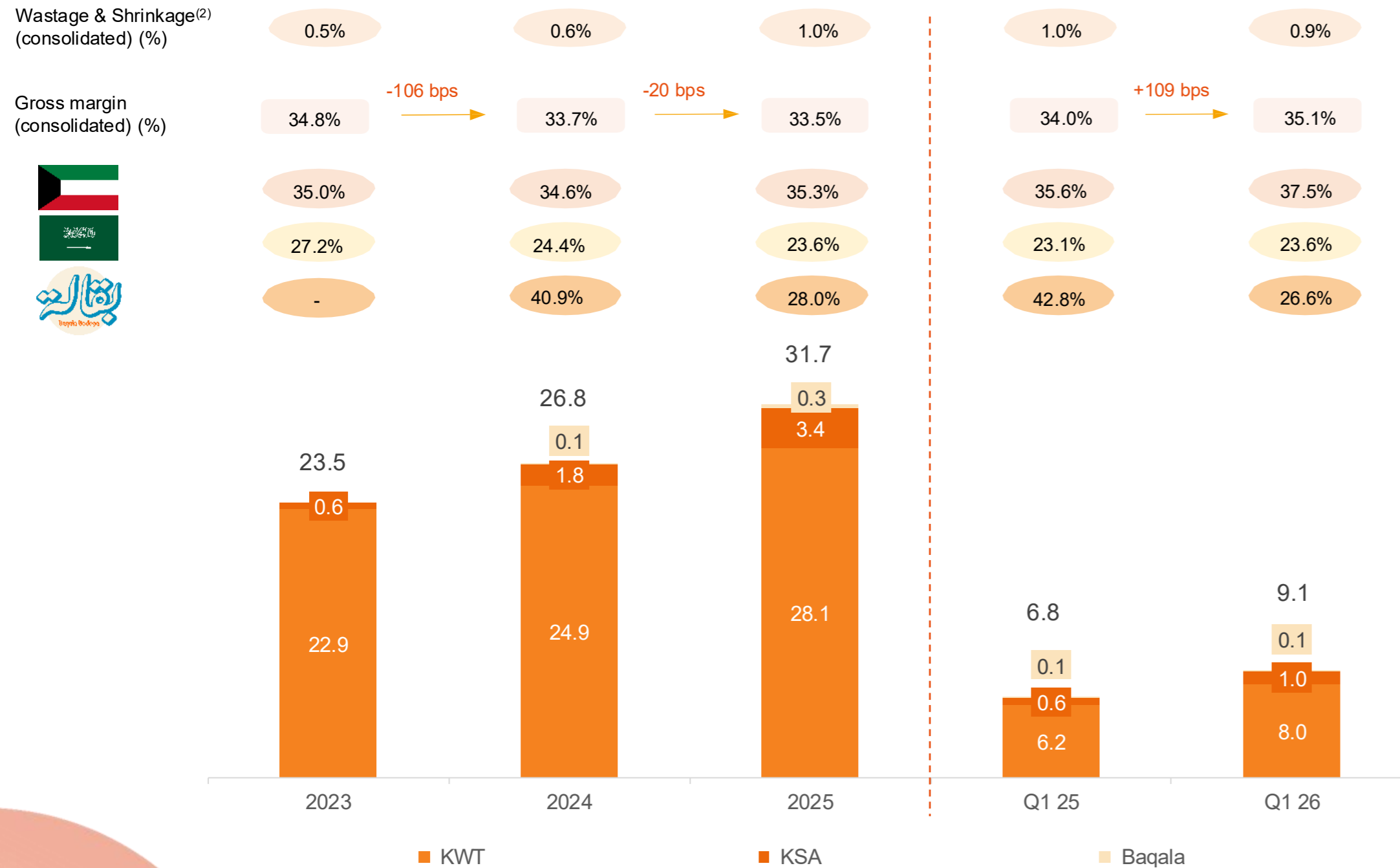


Highlights

Underlying Fundamentals Remain Intact Despite Temporary Pressures

- Regulatory restrictions temporarily constrained sales in core categories, with the suspension of energy drink sales in neighborhood grocery stores impacting approximately 4% of sales, despite underlying demand.
- Short-term government directives disrupted part of the offerings, as a temporary halt on selected product sales in March affected approximately 11% of sales, creating a one-off drag rather than a structural demand shift.
- Footfall reallocation reflected temporary consumer behavior changes, with regional events driving customers toward hypermarkets for bulk essential purchases, thus disproportionately impacting smaller-format neighborhood stores.
- Localized traffic declines near educational institutions weighed on sales, as school closures reduced footfall in catchment areas with a high reliance on student-driven demand.

Gross Profit(1) (KWD Mn)



Trolley's Pathway to Consistent Profitability



50+ integrated software solutions enable Trolley to optimize inventory levels, enhance in-store product placement, track product trends, and provide suppliers with real-time dashboards



Trolley's product mix is primarily composed of premium products targeted at mid- to high-income households, supporting higher margins. Notably, 85% of these products are supplied on a consignment basis, reducing inventory risk



Innovative concepts such as Slush and Free Ice offerings contribute additional high-margin revenue streams



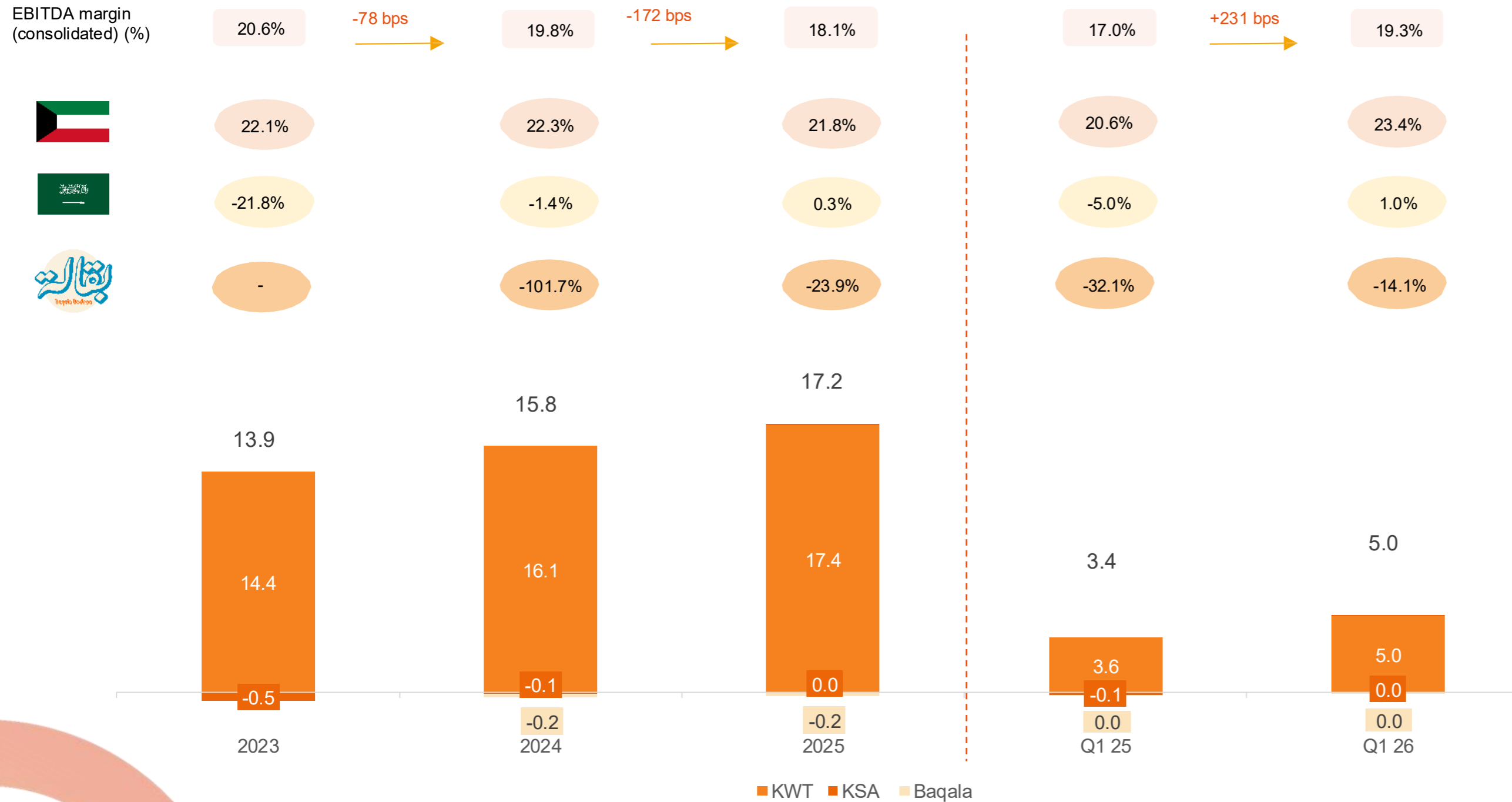
Trolley's strong supplier base supports favorable pricing terms, rebate arrangements, and an additional 5% discount through the provision of warehouse space to suppliers



Shop-in-shop arrangements and shelf-space rentals generate stable, contractually secured income streams that reinforce consistency in gross margins

Note: (1) Gross Profit includes revenue from retail revenue, rental income, other income and cost of goods sold (including commission)
 (2) Wastage/Shrinkage as a % of Retail revenue (Product sales)

EBITDA(1) (KWD Mn) | EBITDA Margin(2) (%)



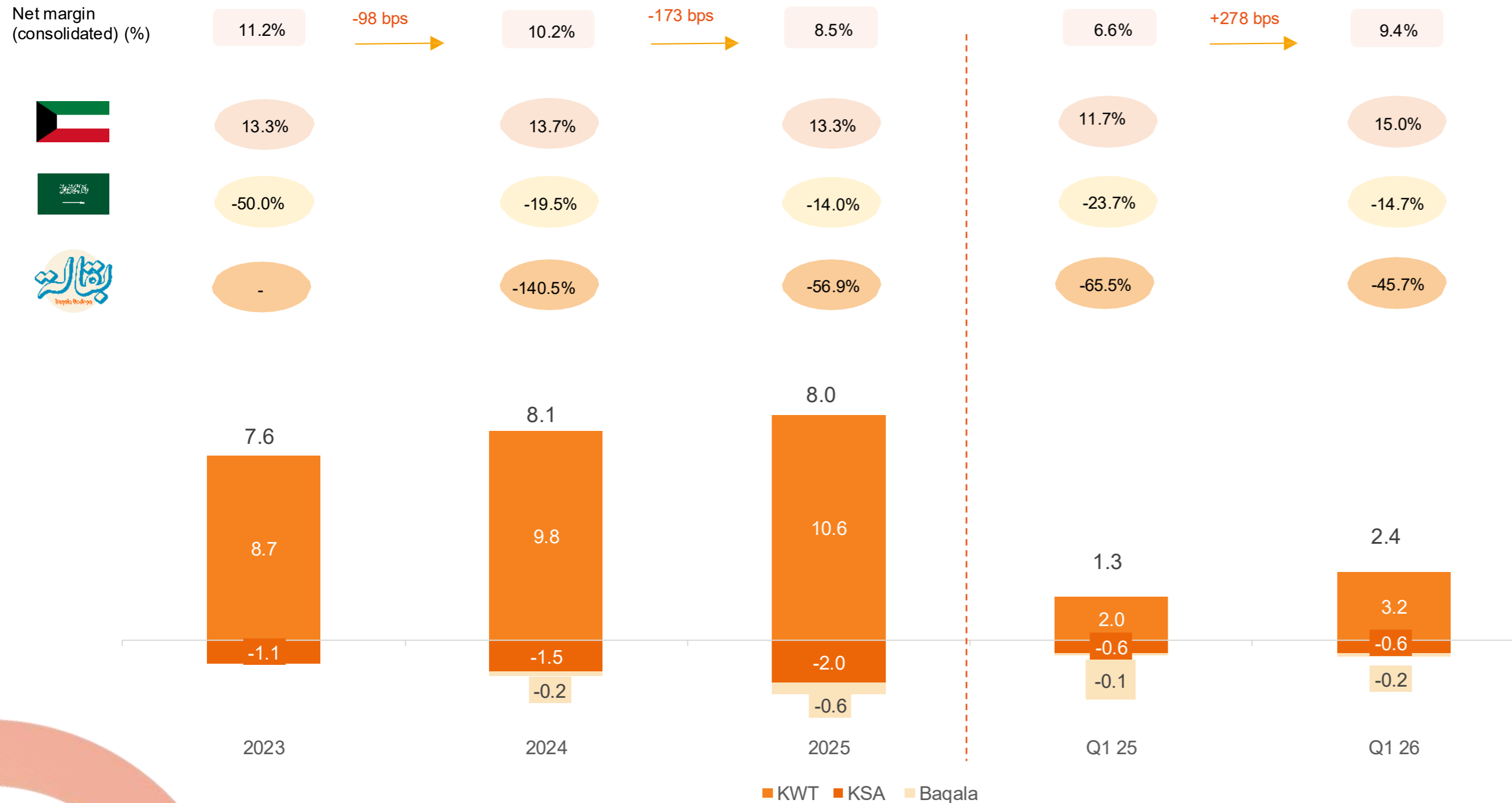
Highlights

Operating Leverage Materializing: EBITDA Scaling with Discipline

- EBITDA grew at a CAGR of 11% between 2023 and 2025, supported by strong revenue growth and the expansion of Trolley stores.
- Historically, the overall EBITDA is impacted by Trolley's expansion activities in both Kuwait and KSA, as the positive contribution from Trolley Kuwait is offset by the negative EBITDA generated by Baqala.
- Operating leverage is clearly evident, with post-IFRS 16 EBITDA up 47% year on year to KWD 5.0 million, and margin expansion reflecting improved earnings mix and scale efficiencies.
- Baqala is still in its early expansion phase, with large upfront and pre-opening costs recognized in the P&L before revenues fully ramp up.

Note: (1) Post IFRS 16 EBITDA after consolidation adjustments. (2) Standalone EBITDA margins include consolidation adjustments

Net Profit(1) (KWD Mn) | Net Profit Margin (%)



Highlights

Disciplined Investment Lays the Foundation for Sustained Profit Growth

- Net Profit grew at a CAGR of 3% between 2023 and 2025, as the performance of Trolley Kuwait outweighed losses incurred by Trolley KSA and Baqala.
- For Trolley KSA, loss is driven by the ongoing expansion of the store network, with many locations not yet mature, resulting in operating costs being incurred ahead of normalized sales.
- Staff costs increased 23% YoY primarily due to the store network expansion and workforce scaling to support new openings.
- Increase in operating costs was driven by deliberate investments in platform-building initiatives, including the establishment of Value Creation and Franchise functions, routine salary progression, and selective expansion of operational and support capabilities.

Note: (1) Standalone net profit figures are before adjustments for eliminations and adjustments required for consolidation

Capital Expenditure Overview



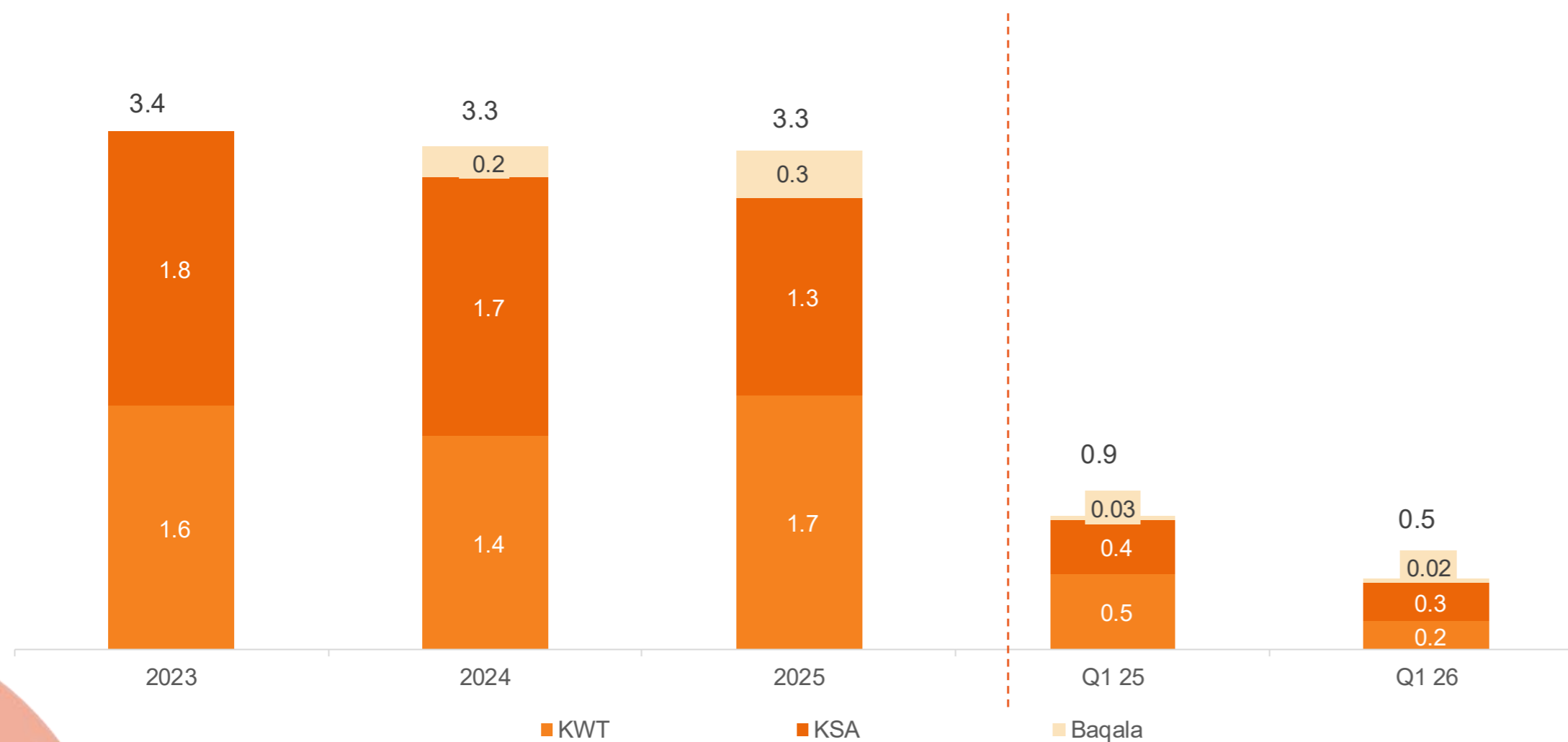
| Capex (KWD mn) | 2023 | 2024 | 2025 | Q1 25 | Q1 26 |
|------------------------|------|------|------|-------|-------|
| Property and Equipment | 3.2 | 3.0 | 3.1 | 0.7 | 0.4 |
| Intangible Assets | 0.2 | 0.3 | 0.1 | 0.2 | 0.02 |
| Total | 3.4 | 3.3 | 3.3 | 0.9 | 0.5 |

| Capex as a % of Revenue | 2023 | 2024 | 2025 | Q1 25 | Q1 26 |
|-------------------------|------|------|------|-------|-------|
| Consolidated | 4.9% | 4.2% | 3.5% | 4.4% | 1.8% |

Highlights

Capital Expenditure Reflects Phased Expansion and Operational Optimization

- Capex varies by store location type and size for Trolley stores as certain stores may feature additional facilities such as self check-out kiosks, Goodness bakery, etc. depending on the size of the store.
- Capex as a % of revenue for KSA is relatively high due to the larger size of Trolley's stores in KSA and limited existing relationships with local contractors in KSA.
- Baqala has a relatively lower capex as all Baqala stores have a standard layout with a smaller area and more affordable fittings. The average capex per store for Baqala is approximately KWD 16k.
- Consistent roll-out of new stores allows for items to be purchased in bulk to receive a better pricing. Store fittings price is negotiated with contractors as Trolley launches approx. 50 stores per year across Kuwait and KSA.

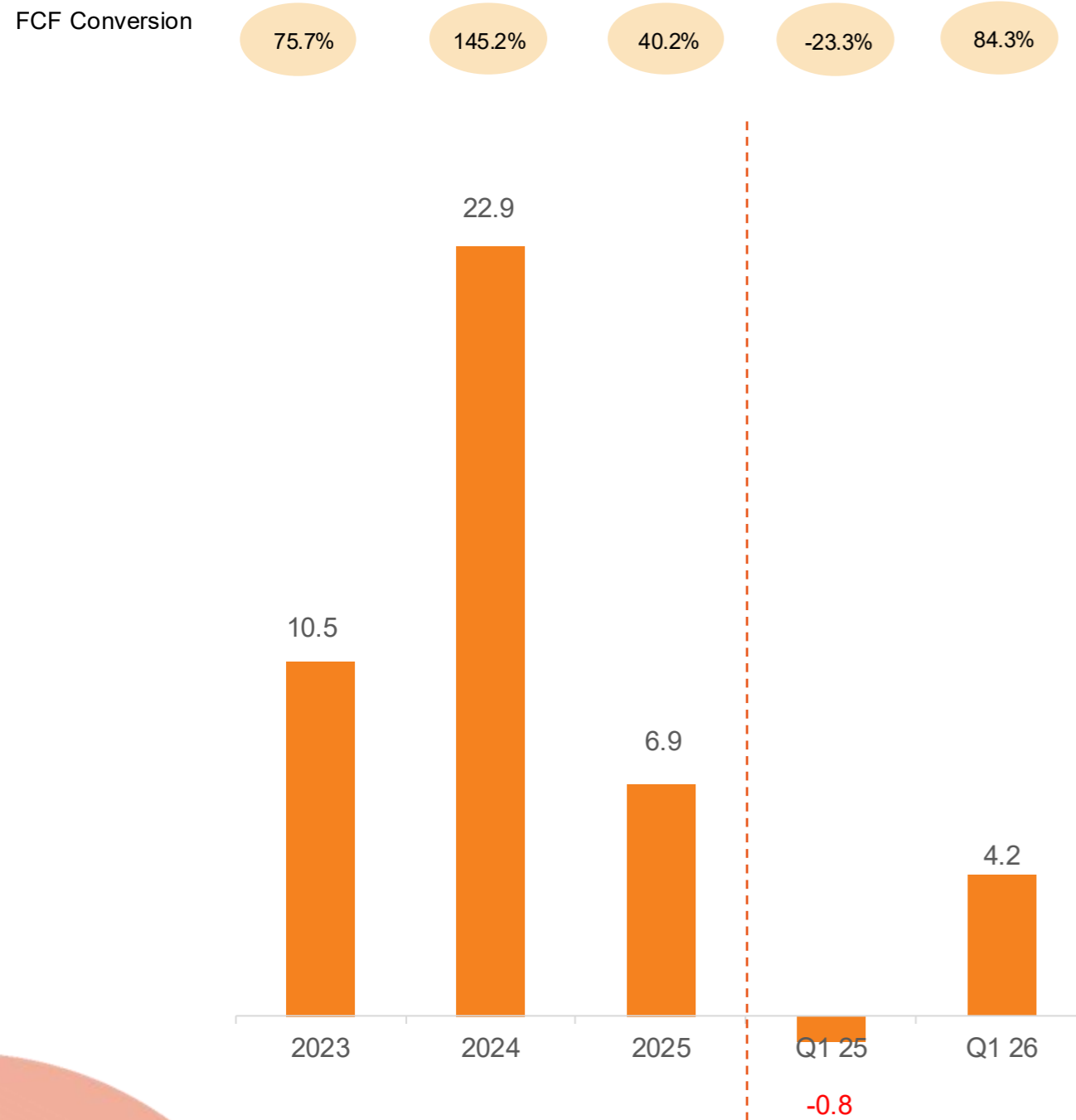


Note: (1) Capital expenditure includes acquisition of property and equipment and intangible assets (including processing fee additions)
 * KWD 8.6 million was recorded in 2025, as property acquired from a related party

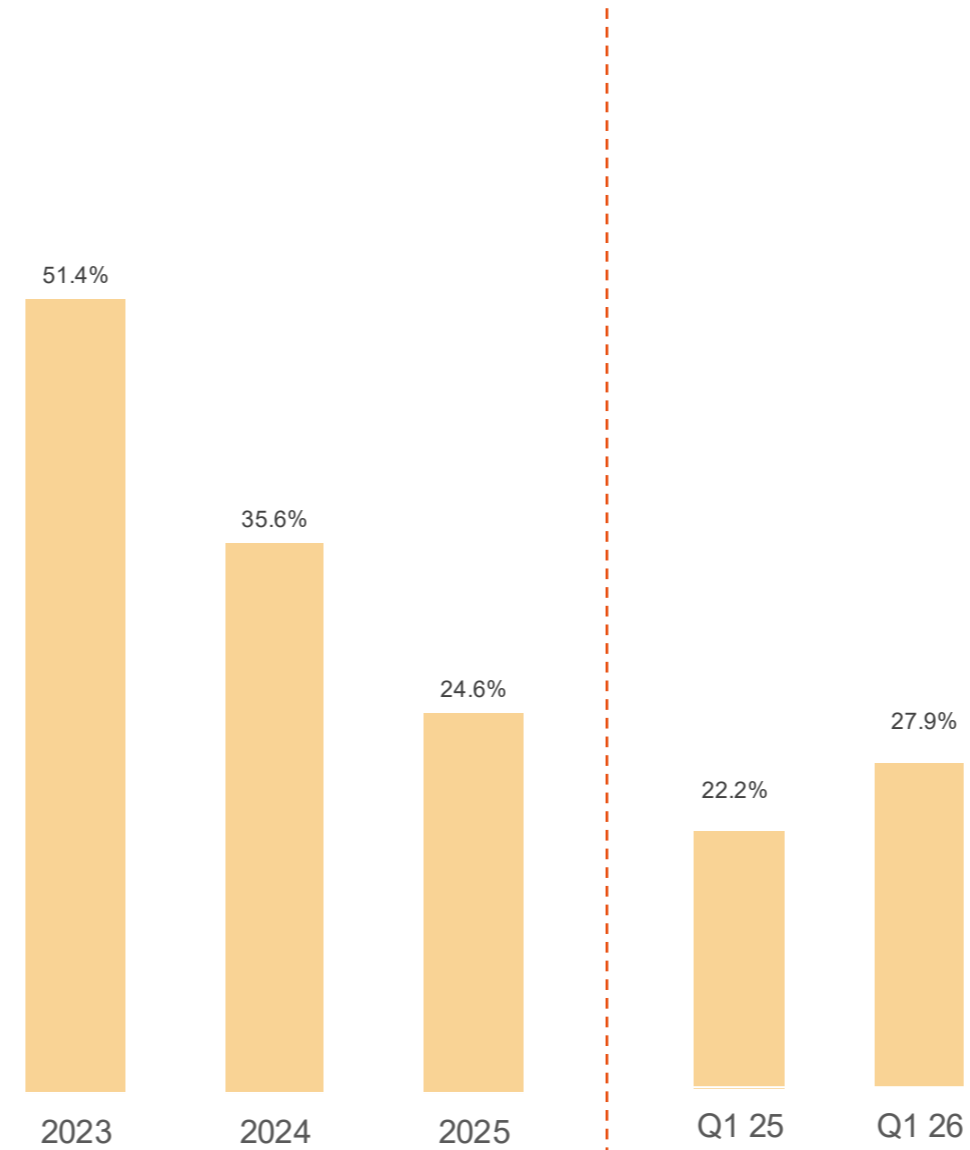
Efficient FCF Conversion and Leverage With Strong Shareholder Returns



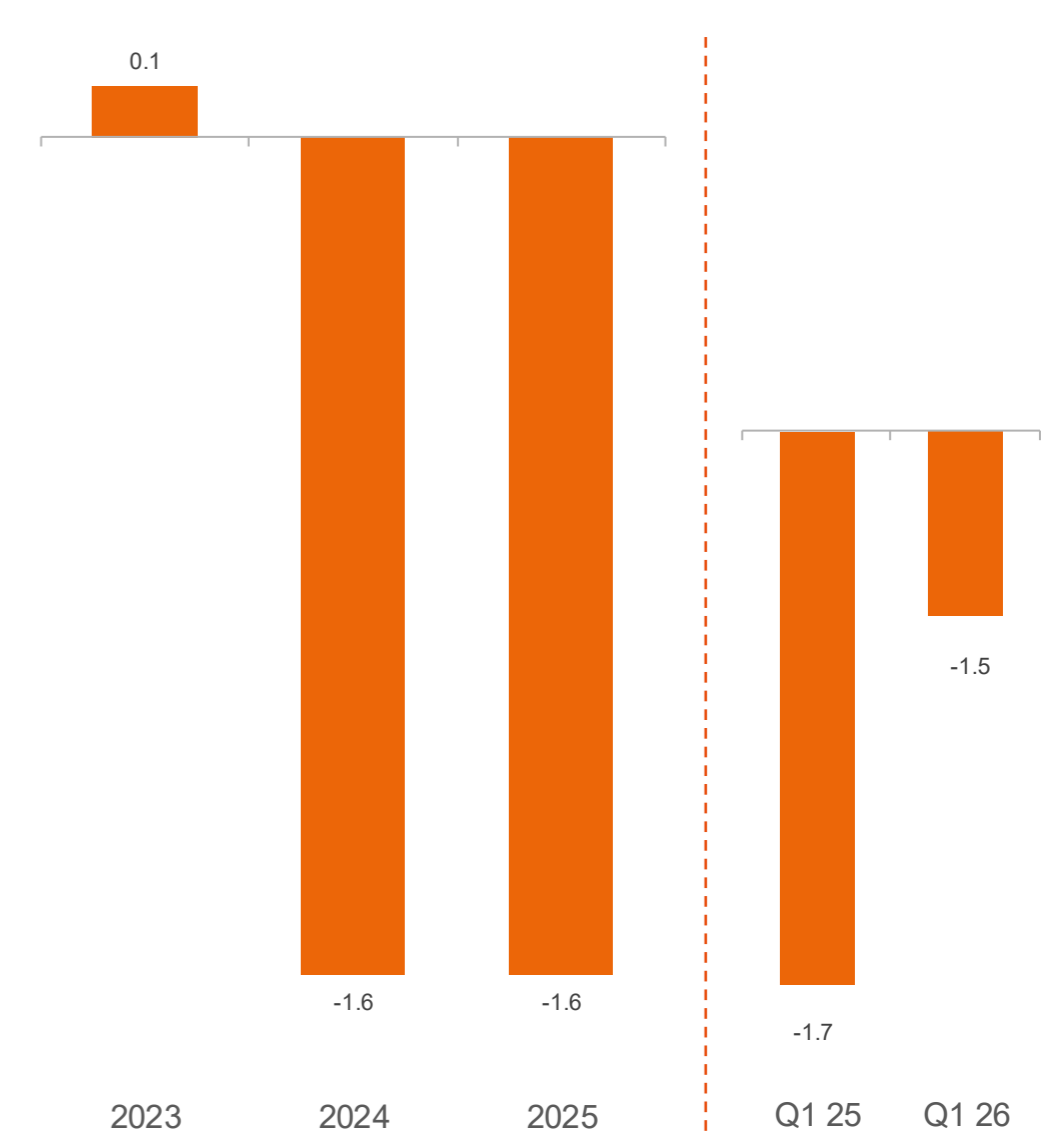
FCF (1) (KWD Mn) | FCF Conversion



Return on Total Equity (2) (%)



Net Debt (3) to EBITDA (4) (x)



Note: (1) Cash Conversion = (Cash flow from operating activities – capital expenditure) / post IFRS 16 EBITDA;
 (2) Annualized net income; (3) Net debt excluding lease liabilities (4) EBITDA = pre-IFRS 16 EBITDA



Closing Remarks



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TROLLEY

ESSENCE OF GOODNESS

مركزنا بسوق الكويت المركزي

THANK YOU