



## **Kuwait Real Estate Company (K.P.S.C) (Aqarat)**

*(A Public Shareholding Company incorporated in the State of Kuwait)*

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### **Public Offering Prospectus to the Shareholders of Kuwait Real Estate Company (K.P.S.C) for the Capital Increase**

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Public Offering of 159,668,906 Ordinary Shares through the issuance of new capital shares in Kuwait Real Estate Company (K.P.S.C) to Existing Shareholders of Kuwait Real Estate Company (K.P.S.C) at an Offer Price of 200 Kuwaiti Fils (Two Hundred Kuwaiti Fils) per Share, representing the nominal value plus a share issuance premium of 100 Kuwaiti Fils (One Hundred Kuwaiti Fils) per Share.

#### **Subscription Period**

From September 30 , 2025 to October 14, 2025

This Prospectus is dated September 2, 2025

ENGLISH TRANSLATION OF THE OFFICIAL ARABIC LANGUAGE PROSPECTUS

#### **Subscription Agent & Issuance Manager:**

Arzan Financial Group K.P.S.C



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## KEY NOTES

Kuwait Real Estate Company (K.P.S.C) is a Kuwaiti Public Shareholding Company incorporated on May 06, 1972, and registered in the Commercial Register in Kuwait under No. 64 (“**Aqarat Kuwait**” or the “**Issuer**” or the “**Issuing Company**” or the “**Company**”). The issued and paid-up capital of the Company on the date of this Prospectus (the “**Prospectus**”) is KD 106,445,937.900 (One Hundred Six Million, Four Hundred Forty-Five Thousand, Nine Hundred Thirty-Seven Kuwaiti Dinars And Nine Hundred Kuwaiti Fils) consisting of 1,064,459,379 ordinary shares with a nominal value of 100 Fils (One Hundred Kuwaiti Fils) per share.

The Prospectus contains information on the ordinary shares to be issued by the **Issuing Company**, amounting to 159,668,906 shares (the “**Shares**” or the “**Issue Shares**”) at an Offer Price of 200 Kuwaiti Fils (Two Hundred Kuwaiti Fils) per share (the “**Offer Price**” or “**Issue Price**”) (representing the nominal value of 100 Fils (One Hundred Kuwaiti Fils) plus an issuance premium of 100 Fils (One Hundred Kuwaiti Fils) with a total nominal value of KD 15,966,890.600 (the “**Issue**” or the “**Offering**”).

The registered Shareholders (hereinafter referred to as “**Eligible Shareholders**” or “**Subscribers**” as the context requires) whose names are registered in the Company’s shareholder register with Kuwait Clearing Company K.S.C.C. (the “**Clearing and Depository Agent**”) as of the Record Date set on **28/09/2025** (hereinafter referred to as the “**Record Date**” or the “**Entitlement Date**”), shall have a Pre-emption Rights to subscribe to the **Issue Shares** in proportion to the shares owned by each of them (hereinafter referred to as the “**Pre-emption Right**”). For clarification, any trading in the shares of the **Issuing Company** before the **Record Date** and whose settlement process has not been completed therefore, it has not been registered in the **Company’s** shareholder register maintained by the **Clearing and Depository Agent** as of the Entitlement Date, it will not be taken into account to determine the **Eligible Shareholders** whose names are entered in the **Company’s** Shareholders register on the **Record Date**. Each **Eligible Shareholder** may exercise their Pre-Emption Rights in subscribing in the **Issue Shares** in proportion to their respective contribution in the **Company’s** capital on the **Record Date**.

The remaining unsubscribed **Issue Shares** (if any) will be allocated to the **subscribers** who applied to subscribe for Additional **Issue Shares** beyond the number allocated to them (see the section “**Offering Terms, Conditions and Instructions**”). The number of shares allocated will be rounded to the closest whole number and the Board of Directors of the **Issuing Company** (the “**Board of Directors**” or the “**Board**”) will have the absolute right to dispose of Fractional **Shares** (if any) without the possibility of issuing Fractional **Shares**. After completion of the **Offering**, the value of the **Company’s** Issued Capital will be KD 122,412,828.500 (One Hundred Twenty-Two Million, Four Hundred Twelve Thousand, Eight Hundred Twenty-Eight Kuwaiti Dinars And Five Hundred Fils) with a number of Issue Shares of 1,224,128,285 shares (One Billion, Two Hundred Twenty-Four Million, One Hundred Twenty-Eight Thousand, Two Hundred Eighty-Five Shares). The total value of the Offering is KD 31,933,781.200 (Thirty-One Million, Nine Hundred Thirty-Three Thousand, Seven Hundred Eighty-One Kuwaiti Dinars And Two Hundred Fils) in cash (“**Offering Proceeds**”). The **Offering Proceeds** from the Offering will be used for to support the Company’s ability to meet its financial obligations in accordance with operational and financial requirements, as well as for the Company’s general corporate purposes (see section “**Purpose of the Offering and Use of Offering Proceeds**”).

The issuance of **shares** was approved pursuant to the decision of the Issuing Company's **Board of Directors** on June 18, 2025 based on the decision of the Extraordinary General Assembly of the **Issuing Company** (the "**Extraordinary General Assembly**") issued on 14 July 2025, which approved the increase of the authorized, issued, and paid-up capital and authorized the Board of Directors to determine the number of **Issue Shares**, the **Offer Price**, and to set its terms and conditions in whole or in part, in one or more Offerings, as well as to dispose of Fractional Shares without the possibility of trading them. The **Board of Directors**, by decision No. 3/2025 at its meeting held on 18/06/2025, also approved the invitation to subscribe to the Issue Shares and the increase of the issued and paid-up capital of the **Issuing Company** from KD 106,445,937.900 (One Hundred Six Million, Four Hundred Forty-Five Thousand, Nine Hundred Thirty-Seven Kuwaiti Dinars and Nine Hundred Fils) to KD 122,412,828.500. This will be achieved through the issuance and allocation of 159,668,906 **Issue Shares** at an Offer Price of 200 Kuwaiti Fils per Share, representing a nominal value of 100 Kuwaiti Fils (One Hundred Kuwaiti Fils) per Issue Share, with an issuance premium of 100 Kuwaiti Fils (One Hundred Kuwaiti Fils). The **Issuing Company** obtained the approval of the Capital Markets Authority of the State of Kuwait (hereinafter referred to as the "**Capital Markets Authority**" or "**CMA**") to increase the capital on 21/08/2025, and on this **Prospectus** on 10 September 2025.

The Subscription Period for the **Issue Shares** will begin on 30/9/2025 (inclusive) and ends at the end of 14/10/2025 (inclusive until 013:00 PM) (hereinafter referred to as the "**Subscription Period**"). If the entire **subscription** for all the **Issue Shares** is fully covered before that date, the Issuing Company has the right to stop and close the subscription before the specified end date. In all cases, in which the **subscription** does not exhaust all the **Issue Shares**, the **Board of Directors** may extend the **Subscription Period** for another similar period or periods or less, in its absolute discretion, provided that the original **Subscription Period** and all extensions combined do not exceed three (3) months.

The **Issue Shares** shall be in the same class as the existing shares of the **Issuing Company**. Each share shall have one vote, and each Shareholder (hereinafter referred to as "**Shareholder**") shall attend and vote at the General Assembly of the **Company's** Shareholders (hereinafter referred to as "**General Assembly**"). No **Shareholder** shall have additional voting rights that distinguish him from other **Shareholders**. Holders of the **Issue Shares** shall be entitled to their share of future dividend distributions, if and when declared by the **Issuing Company**.

The section titled "*Important Notices*" in this **Prospectus** should be carefully reviewed before making any decision to invest in the **Issue Shares**.

For the purposes of this **Prospectus**, the term "**Business Day**" means any on which banks open to conduct their public business in the State of Kuwait (except for Fridays and Saturdays) and with the exception of official holidays.

This **Prospectus** is not considered an offer to sell or a solicitation of any offer to buy securities in any legal system in which offering or selling is not permitted. **Investors'** subscription to any of the securities referred to in this **Prospectus** must also be based solely on the information contained in this **Prospectus**.

## NOTICE TO THE SUBSCRIBERS

**We recommend that you consult a Licensed Person (In accordance with Capital Markets Authority Law No. 7 of 2010 and its Executive Regulations, and their amendments) who specializes in providing advice on the contents of this Prospectus before deciding whether or not to subscribe to the shares.**

This Prospectus has been approved by the Kuwait Capital Markets Authority on 10/9/2025 and this Prospectus was prepared in accordance with the Kuwait Capital Markets Law no. 7 of 2010 regarding the establishment of the Capital Markets Authority and the executive bylaws thereto (each as amended). The members of the Board of Directors, and the individuals whose names appear in the section titled “Individuals responsible for the Prospectus” of this Prospectus, collectively and individually accept full responsibility for the accuracy of all information contained in this Prospectus relating to the Issuing Company and the Issue Shares, and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts or information, the omission of which would make any statement herein misleading.

The Subscription Agent and the Issuing Company accept full responsibility for the inaccuracy of any information and data contained in this Prospectus and confirm that, having made all reasonable enquiries to the best of their knowledge and belief, there are no other material facts and information omitted, and that the Prospectus has been drafted in accordance with information and data that correspond to reality. The Issuing Company acknowledges that all the necessary requirements and procedures have been fulfilled, and all the required documents have been submitted in the prospectus in accordance with the Capital Markets Authority Law.

The legal counsel of the Issuing Company confirms that it has reviewed the Prospectus and any related documents thereto as provided to them by the Issuer, and that to the best of their knowledge and after having made all reasonable inquiries, the Prospectus complies with the relevant legal requirements and that the Issuing Company has obtained the required approvals necessary in order for its obligations to be valid and enforceable.

**CMA assumes no liability for the contents of this Prospectus, does not make any representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Furthermore, it shall not be a party to any claim for damages arising from this Prospectus.**

**Disclaimer for the English version of the Prospectus:**

**This Prospectus is a translation of the Arabic version and in the case of any discrepancies between the Arabic and English versions, the Arabic version prevails.**

## RESPONSIBILITY STATEMENT

### Individuals responsible for the Prospectus

This Prospectus has been prepared by

Name: Maher Samir Khalaf

Title: Vice President – Financial Department

Address: Kuwait – Qibla – Darwaza Al-Abd Al-Razzaq

### Acknowledgement

Each Board member of the **Issuing Company**, whose names appear herein, accepts responsibility for the information contained in this **Prospectus**. To the best of the knowledge and belief of the Board members, who have taken all reasonable care and conducted a full and detailed due diligence to ensure the accuracy of the information, the contents of this **Prospectus**:

- 1- are complete, accurate and correct;
- 2- all information relating to the securities and to the **Issuing Company** has been disclosed to the qualified Shareholders to enable them to make an informed decision as to whether or not to subscribe to the **Issue Shares**; and
- 3- all the relevant provisions relating to the securities as provided in law no. 7 of 2010 regarding the establishment of the Capital Markets Authority and regulating securities activities and its Executive Bylaws with their amendments including Book Eleven of these bylaws, the Companies Law and its Executive Bylaws as well as the regulations and instructions issued by the Capital Markets Authority from time to time, have been fully complied with.

### On behalf of the Board of Director of the Issuing Company

Name: Talal Jassim Al-Bahar

Title: Vice Chairman of the Board of Directors and Chief Executive Officer

Signature:



## CONFIRMATIONS AND NOTICES OF THE ISSUING COMPANY

This Prospectus contains information relating to Kuwait Real Estate Company (K.P.S.C.), a Kuwaiti Public Shareholding Company, as well as the Offering terms and conditions and the **Issue Shares**. The **Issuing Company** has not authorized any party to provide any information or representations regarding the **Issuing Company**, or the **Issue Shares** other than as contained in this Prospectus or as approved for such purpose by the **Issuer**. Any such representation or information emanating from third parties shall not be relied upon as having been authorized by the **Issuer**, the **Issuance Manager** and **Subscription Agent** named on the cover of this **Prospectus**.

While the **Issuing Company** has made all reasonable enquiries as to the accuracy of the information contained in this Prospectus as at the date hereof, some of the general information contained herein are derived from external sources. Although neither the Issuing Company, the Issuance Manager and Subscription Agent, nor any of their respective advisors have any reason to believe that such information is materially inaccurate, this general information has not been independently verified. Accordingly, this Prospectus does not include any undertaking as to the accuracy or completeness of such general information.

The information contained in this Prospectus as at the date hereof is subject to change. In particular, the actual financial status of the Issuing Company and the value of the shares in the Issuing Company may be adversely affected by future developments in inflation, financing charges, taxation, or other economic, political, and other factors, over which the Issuing Company has no control. Neither the delivery of this Prospectus nor any oral, written, or printed statement in relation to the Offering or the Issue Shares shall be interpreted or relied upon in any way as, a promise or guarantee of future earnings, results, or events. In any event, the information contained in this Prospectus related to the Issuing Company or issue of shares shall not be considered correct at any time after the date of this Prospectus. The Issuance Manager and Subscription Agent shall not be obliged to review the financial position or the status of the Issuing Company or to advise any investor about the shares or regarding any information that comes to their knowledge regarding the aforementioned or the absence of a change in the financial position or the status of any party whose name is mentioned in this Prospectus after its date.

This Prospectus is not to be regarded as a recommendation on the part of the Issuing Company, the Issuance Manager and Subscription Agent or any of their advisers or affiliates to participate in the Offering. The information provided herein is of a general nature and has been prepared without taking into account any potential investors' investment objectives, financial situation or particular investment needs. Neither this Prospectus nor any other information contained therein in connection with the issue of shares is intended to provide a basis for granting credit facilities or undertaking any other financing operations. Each recipient of this Prospectus (before taking any investment decision) is responsible for obtaining his own independent professional advice from a person licensed by Kuwait Capital Markets Authority in relation to the Issuing Company the Offering terms and conditions or the Issue Shares and for making his/her own independent valuation of the Issuing Company and investment in the Issue Shares and of the information and assumptions contained herein, using such advice, analysis, and projections as he/she deems necessary in making any investment decision. Prospective investors are not to construe the contents of this document as constituting tax, investment, or legal advice.



Prior to subscribing for any Issue Shares, an eligible investor shall consult a financial advisor who has been duly licensed by CMA and with his, her or its own legal, business and tax advisors to determine the appropriateness and consequences of an investment in the Issue Shares for such investor and arrive at an independent valuation of such investment. The sole purpose of this Prospectus is to provide background information about the Issuing Company to assist each recipient in making an independent valuation of the Offering and any investment in the Issue Shares.

Neither this Prospectus nor any other information provided in connection with the issuance of shares constitutes an offer or invitation by or on behalf of the Issuer, the Issuance Manager and Subscription Agent for any person to subscribe in the shares. The distribution of this Prospectus and the Offering of the Issue Shares in certain jurisdictions is restricted by some laws outside the State of Kuwait. Persons who have this Prospectus are required to recognize and observe these restrictions to meet the subscription conditions contained in this Prospectus by the Issuing Company, Issuance Manager and Subscription Agent.

This Prospectus is not an offer to sell or solicitation of any offer to buy Securities nor is this Prospectus a basis or justification for buying Securities in the United States of America or in any other country where an offer to sell or solicitation of an offer to sell or sale may be considered illegal or illegal. The Issue Shares will not be registered and shall not be deemed to be registered or authorized under the US Securities Act of 1933 or authorized, approved, or accepted by any securities regulator in any state of the United States of America. Securities may not be offered, sold, pledged, or transferred in any way in the United States of America or for the account or benefit of American citizens.

No person has been authorized to give any information or make any undertakings in relation to the Offering or the Issue Shares or its controls and provisions other than the persons mentioned herein. In the event that such information or undertakings are provided, they must not be relied upon and considered as approved by the Issuance Manager and Subscription Agent or the Issuing Company. In no way shall any distribution of this Prospectus, or any sale made under it, create an implied impression that there has been no change in the company's position since the date of this Prospectus.

The Issue Shares may not be an appropriate investment for all shareholders and investors. Therefore, each potential investor in the Issue Shares must determine the appropriateness of such an investment, in light of his/her own circumstances. In particular, each potential investor shall do the following:

1. Have sufficient knowledge and experience to carry out a meaningful valuation of the Issue Shares, the risks of investing in the Issue Shares, and the information contained in this Prospectus.
2. Be able to access and be familiar with the appropriate analytical tools, in order to evaluate any investment in stocks in the context of his own financial position, as well as assess the impact of the shares on his investment portfolio in general.
3. Have sufficient financial resources and liquidity to bear all the risks of investing in the Issue Shares.

4. Have a full understanding of the terms of the Issue Shares, and to be familiar with the conduct of business in the relevant financial markets.
5. Be able (either alone or with the assistance of an investment advisor) to assess the possible scenarios of economic factors and other factors that could affect the investor's investment and their ability to bear potential risks.

None of the contents of this Prospectus or any information communicated by the Issuing Company is intended or shall be construed as advice regarding the purchase or subscription of shares (or earnings per share). If you are in any doubt about the contents of this Prospectus, you shall consult a licensed investment advisor. It must be remembered that the value of the shares may decrease or increase equally.

No other party has been authorized to give any information or make any representations in connection with the Offering other than the parties mentioned in this Prospectus, and in the event that such information or undertakings are provided, it shall not be relied upon and considered as approved by the Issuance Manager and Subscription Agent or the Issuing Company. No distribution of this Prospectus or offer of shares or any sale or presentation of shares made under it may in any way create the implicit impression that there has been no change, or any event that is reasonably likely to include any change in the conditions of the Issuing Company since the date of this Prospectus.

The financial information for the fiscal year ending on 31 December 2024 has been audited by the auditors of the Issuing Company and approved by the Ordinary General Assembly on May 15, 2025 as required by the applicable regulations. The financial information for the financial period ending on June 30, 2025 was also reviewed by the auditor of the Issuing Company, who issued his review report on August 14, 2025. Otherwise, the financial information contained in this Prospectus for any period ending after June 30, 2025 is not subject to review or audit.

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures. Also, the sum of the numbers mentioned in some tables does not represent the actual arithmetic sum of the numbers in that table.

When using the statistical information in this Prospectus, the Issuing Company believes that this information represents the most recent information available from the source of that information.

All references to the “**Kuwaiti Dinar**” in this Prospectus refer to the Kuwaiti Dinar, the official currency of the State of Kuwait.

Some Statements in this Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer’s plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this document, the words "anticipate", “estimates", "expects”, “believes", "intends”, “plans", "aims”, “seeks", "may", "will”, “shall" and any of their derived expressions or any similar expressions

generally identify forward looking statements. The Issuing Company has based these forward-looking statements on the current view of the Issuer's management with respect to future events and financial performance.

Although the Issuing Company believes that the expectations, estimates and projections reflected in the Issuer's forward-looking statements are reasonable as of the date of this Prospectus, if one or more of the risks or uncertainties materialize, including those which the Issuing Company has identified in this Prospectus and those which the Issuing Company could not reasonably identify, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted without any liability on the Issuer. These forward-looking statements are limited to the date of this Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Issuing Company expressly disclaims any binding obligation or undertaking to achieve or fulfill any of the objectives or results contained in any of the expectations, estimations or predictions and to disseminate after the date of this Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations, estimations or predictions thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

Forecasts and future statements are subject to risk factors, instability, and assumptions that could cause actual results to differ materially from expected results. Important factors that could cause actual results to differ materially from our expectations include, among others, the following factors:

- Economic conditions and general business in Kuwait and other countries.
- The Company's ability to implement its strategy, achieve its growth and expansion, its technical changes, and its exposure to market risks that impact its activity, business, and investments.
- A change in the tax and monetary systems in Kuwait, including inflation and the cost of living, fluctuations in interest rates, stock prices or other prices and fees, performing the financial markets in Kuwait and globally, changes in local and international laws and regulations, imposing taxes and a change in competition in the business of the company
- A change in the value of the Kuwaiti Dinar and other currencies.
- The occurrence of natural disasters and disturbances.
- A change in the political and social conditions in Kuwait.
- Loss or cessation of the Company's activity because of labor strike or labor unrest.
- Failure to maintain the main employees and workers in the Company.
- The Company's ability to accept technological changes.

Therefore, Eligible Shareholders shall review the “*Risk Factors*” section properly to evaluate the particular risks. Given their nature, some of the market risk disclosures are only estimates that could differ materially from future results. The actual profits or losses may differ significantly from expectations. The Company is not obligated to update or revise any data that contains information after the date of this Prospectus or to record the occurrence of any cases even if any of the assumptions contained in this Prospectus have not been enforced or completed.

## SUMMARY TERMS OF THE OFFERING

|   |   |
|---|---|
| <b>Issuing Company</b>  | Kuwait Real Estate Company K.P.S.C. incorporated in Kuwait  |
| <b>Issuing Company's Address</b>  | Al Qibla – Oman Street, Souk Kuwait Building, 8th Floor<br>P.O. Box 1257, Safat 13031, Kuwait.  |
| <b>Date of Establishment</b>  | May 6, 1972   |
| <b>Authorized Capital</b>   | KD 122,412,828.500 (One Hundred Twenty-Two Million, Four Hundred Twelve Thousand, Eight Hundred Twenty-Eight Kuwaiti Dinars And Five Hundred Fils)  |
| <b>Issued and Paid-up Capital before Capital Increase</b>               | KD 106,445,937.900 (One Hundred Six Million, Four Hundred Forty-Five Thousand, Nine Hundred Thirty-Seven Kuwaiti Dinars and Nine Hundred Kuwaiti Fils)  |
| <b>Nominal Value of Capital Increase.</b>                               | KD 15,966,890.600 (Fifteen Million, Nine Hundred Sixty-Six Thousand, Eight Hundred Ninety Kuwaiti Dinars and Six Hundred Fils).   |
| <b>The value of the Issuance Premium</b>                                | 100 Kuwaiti Fils.   |
| <b>Total Value of Issue Shares (Nominal Value and Issuance Premium)</b> | KD 31,933,781.200 (Thirty-One Million, Nine Hundred Thirty-Three Thousand, Seven Hundred Eighty-One Kuwaiti Dinars And Two Hundred Fils)  |
| <b>Issued and Paid-up Capital after Capital Increase</b>                | KD 122,412,828.500 (One Hundred Twenty-Two Million, Four Hundred Twelve Thousand, Eight Hundred Twenty-Eight Kuwaiti Dinars And Five Hundred Fils)  |
| <b>Treasury shares held by the Issuing Company as of March 31, 2025</b> | 30,669,809 shares.  |
| <b>Type and Number of Issue Shares</b>                                  | 159,668,906 Ordinary Shares with a nominal value of KD 15,966,890.600, representing 15% of the issued and paid-up share capital of the company prior to the capital increase, with a total value of KD 31,933,781.200 (Thirty-One Million, Nine Hundred Thirty-Three Thousand, Seven Hundred Eighty-One Kuwaiti Dinars And Two Hundred Fils). |
| <b>The number of Issue Shares pledged to be subscribed</b>              | N/A   |
| <b>Value of Issue Shares pledged to be subscribed</b>                   | N/A   |

|   |  |
|---|--|
| <b>In-kind Contributions</b>  | N/A  |
| <b>Eligible Shareholders Who Hold Pre-emption Rights to Subscribe</b>                       | The holders of the Pre-emption Rights and the shareholders whose names are registered on the Issuer's shareholders' register with the Kuwait Clearing Company K.S.C.C. on [28/9] 2025.   |
| <b>Allocation Date</b>  | Within Five (5) Working Days from the closing date of the Subscription Period.   |
| <b>Subscribers</b>  | All <b>Eligible shareholders</b> and other holders of preemptive rights.   |
| <b>Eligible Shareholders / Who Hold Pre-emption Rights to Subscribe to the Issue Shares</b> | Shareholders whose names are registered in the Issuer's Shareholder register with the Kuwait Clearing Company K.S.C. at the end of the <b>Record Date</b> . For clarification, any trading of the <b>Issuer's shares</b> conducted before the <b>Record Date</b> but for which the settlement process has not been completed—and thus not registered in the <b>Issuer's</b> shareholder register maintained by Kuwait Clearing Company K.S.C.C. as of the Record Date (" <b>The Closing Date of Pre-emption Rights</b> ") shall not be considered in determining the <b>Eligible Shareholders</b> whose names are registered in the Company's shareholder register on the <b>Record Date</b> .   |
| <b>Record Date/Registry date</b>  | 28/9/2025  |
| <b>Subscription Method</b>  | <b>Subscribers</b> may submit subscription applications through the electronic Subscription Platform to subscribe to <b>shares</b> , as detailed in the section " <b>Information Related to the Issue Shares</b> " of the <b>Prospectus</b> (the " <b>Subscription Application Form</b> ") only during the <b>subscription</b> period. No amendments or withdrawals of the <b>Subscription Application Form</b> will be accepted after submission. When the Subscription Application Form is submitted by the <b>subscriber</b> , it constitutes a legally binding agreement between the <b>subscriber</b> and the <b>Issuer</b> .   |
| <b>Eligible Shareholders Options for Issue Shares</b>                                       | <ol style="list-style-type: none"> <li>1- Exercise their Pre-emption Rights in the Issue Shares either fully or partially;</li> <li>2- Exercise their <b>Pre-emption Rights</b> to subscribe to the Issue Shares and to subscribe to Additional Issue Shares;</li> <li>3- Trade the whole or part of their Pre-emption Rights, during the Subscription Period and at least five business days before the subscription closing date in accordance with the relevant rules applied by Boursa Kuwait;</li> <li>4- Assign their Pre-emption Rights free of charge (and, as applicable, to the Additional Issue Shares, either fully or partially) to another shareholder or any other person in accordance with the mechanism approved for this at least five days before closing the Subscription Period as regulated by Boursa Kuwait and the Kuwait Clearing Company; or</li> </ol> |

|   |   |
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|   | 5- Refrain from resorting to any of the previous actions and leave subscription rights for unsubscribed shares to other <b>Eligible Shareholders</b> .  |
| <b>Subscription Period</b>                      | The Subscription Period (the "Subscription Period") will commence on the start of Tuesday September June 30/9 /2025 (inclusive) and ends at the end of Tuesday 14/10/2025 (inclusive until 13:00 PM), and if the entire subscription is covered before the final date of the Subscription Period, the <b>Issuing Company</b> has the right to stop and close the subscription before the end of the Subscription Period. In all cases where the subscription of all shares of the <b>Issuing Company</b> is not exhausted, the <b>Board of Directors</b> of the Issuing Company may extend the <b>Subscription Period</b> for a period or other periods of a similar or lesser time such that the original Subscription Period and its total extensions do not exceed three (3) months. |
| <b>Disposition of Pre-emption Rights</b>        | The Pre-emption Rights may be disposed of by trading according to the trading price of the Pre-emption Rights on Boursa Kuwait, or they may be assigned free of charge and without restriction and in accordance with the applicable rules of both Boursa Kuwait and Kuwait Clearing Company.   |
| <b>Timetable for Listing Pre-emption Rights</b> | The approval of this <b>Prospectus</b> constitutes an approval for the listing and trading of the Pre-emption Rights during the Subscription Period and the listing shall be canceled as soon as the Issuing Company discloses the results of the Capital Increase. The listing of the Pre-emption Rights starts from the date of commencement of the Subscription Period for such rights and the listing shall be canceled as soon as the Issuing Company discloses the results of the subscription in the Capital Increase. For the Listing and continuation the trading of the Pre-emption Rights, the Shares of the Issuing Company shall remain in circulation on Boursa Kuwait throughout the Subscription Period.  |
| <b>Issue Price of the Issue Shares</b>          | 200 Kuwaiti Fils (Two Hundred Kuwaiti Fils) per share.  |
| <b>Nominal Value of the Issue Share</b>         | 100 Kuwaiti Fils (One Hundred Kuwaiti Fils) per share   |
| <b>Issuance Premium per Share</b>               | 100 Kuwaiti Fils  |
| <b>Pre-emption Price</b>                        | Boursa Kuwait determines such price at the beginning of the subscription period based on the reference price according to the formula (the closing price of the share on which the Pre-emption Rights are determined on Kuwait Boursa on the day preceding the start of the Subscription Period– Issue Price). The price of the Pre-emption Rights may change during the Subscription Period.   |

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| <b>Pre-emption Rights to Subscribe in Shares</b>                | <p>The regulatory authorities agreed to increase the <b>Issuer's</b> current issued and paid-up capital by KD 31,933,781.200, divided into 159,668,906 ordinary shares, with a value of 100 Kuwaiti Fils per share (including 100 Kuwaiti Fils nominal value plus 100 Kuwaiti Fils issuance premium), which shall be allocated firstly to the shareholders registered in the <b>Issuer's</b> Shareholder Registry on the end of the Record Date in proportion to their share ownership in the <b>Issuer's</b> Capital, during the <b>Subscription Period</b> as set forth in this <b>Prospectus</b> and according to the applicable rules.</p> <p>The holders of the Pre-emption Rights may dispose of their Pre-emption Rights by trading according to the trading price of the Pre-emption Rights at Boursa Kuwait or by assigning these rights free of charge and without restriction, in the manner prescribed in the applicable rules in force at Boursa Kuwait and the Kuwait Clearing Company.</p> <p>In the event that an Eligible Shareholder does not subscribe, it is deemed that he has waived his <b>Pre-emption Rights</b> to subscribe to the Shares of the capital increase for the benefit of <b>existing shareholders</b>.</p> |
| <b>Pre-emption Rights allocated to the Eligible Shareholder</b> | 15% of the total <b>current Issue Shares</b> registered in the name of the <b>Eligible Shareholder</b> on the <b>Record Date</b> .   |
| <b>Results of non -subscription by Eligible Shareholders</b>    | The failure of the <b>Issuer's shareholders</b> to <b>subscribe</b> to the <b>shares</b> that they are entitled to subscribe to in the <b>Issuer's</b> capital increase shares will result in a decrease in the percentage of their shareholding in the <b>Issuer</b> , in addition to a decrease in the market value of the Issue Shares they currently own.  |
| <b>Subscription to Additional Issue Shares</b>                  | <p><b>Subscribers</b> have the right to subscribe for Additional <b>Issue Shares</b> in addition to their entitlement to Pre-emption Rights shares. The subscription price for the Additional Issue Shares ("<b>Additional Issue Shares</b>") shall be 200 Kuwaiti Fils per <b>Additional Issue Share</b>.</p> <p>In the event that the Eligible Shareholder does not subscribe, sell or waive their Pre-emption Rights to subscribe, such inaction shall be deemed a waiver of the Pre-emption Rights to <b>subscribe</b> for the capital increase shares in favor of other <b>Subscribers</b> who wish to subscribe to a number of shares exceeding their allocated entitlement.</p> <p>Holders of Pre-emption Rights to subscribe to the capital increase of the Issuer may sell such rights on Boursa Kuwait up to 5 Working Days prior to the closing of the Pre-emption Rights Subscription Period. They are also entitled to assign these rights without any consideration at the Kuwait Clearing Company K.S.C.C. during the Subscription Period, whether to existing shareholders or others, up to 5 Working Days prior to the closing of the Subscription Period, in accordance with</p>   |

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|   | <p>applicable the rules and procedures of both Boursa Kuwait and the Kuwait Clearing Company, and as set forth in this <b>Prospectus</b>.</p> <p>Any remaining unsubscribed <b>Issue Shares</b>, if any, shall be allocated to the <b>Eligible Shareholders</b> who have applied to subscribe for Additional Issue Shares in excess of their allocated entitlement, in accordance with the applicable rules in this regard, and then to other Shareholders.</p>   |
| <b>Minimum Subscription</b>                     | One (1) share.  |
| <b>Fractional Shares</b>                        | <p>It is not permissible to subscribe to Fractional Shares, and where necessary, the number of <b>Issue Shares</b> to which the <b>Eligible Shareholders</b> is entitled shall be rounded to the nearest whole number. The <b>Issuing Company</b> has the exclusive right to dispose of the Fractional <b>Shares</b>. The <b>Issuing Company</b> has the right to register the Fractional Shares as treasury shares in the shareholders' register, subject to the maximum authorized limit for the <b>Company's</b> ownership of its shares. In all cases, fractions of the <b>shares</b> will not be issued in any way.</p>  |
| <b>Trading of Issue Shares on Boursa Kuwait</b> | <p>After the end of the Subscription Period and the final allocation of shares and the completion of all the necessary regulatory procedures for issuing shares and registering them with the regulatory authorities and the Kuwait Clearing Company K.S.C.C. the Issue Shares will be traded on Boursa Kuwait without restriction and to be in the same rank as all the shares of the Issuer, without discrimination among them.</p>   |
| <b>Allocation of Issue Shares</b>               | <p>The Issue Shares shall be allocated among <b>the Eligible Shareholders</b> who have applied to subscribe for <b>Issue Share</b> on a pro-rata basis, in proportion to their shareholding in the <b>issued shares</b> as of the <b>Record Date</b>. The surplus <b>Issue Shares</b>, exceeding the <b>Pre-emption Rights</b> which may be due to the failure of some <b>shareholders</b> to exercise their <b>Pre-emption Rights</b>, shall be allocated first to <b>Eligible Shareholders</b> who have expressed their interest to <b>subscribe</b> for a number of <b>shares</b> exceeding their allocated entitlement, on a pro-rata basis among them.</p> <p>If any shares remain unallocated thereafter, they shall be allocated to other shareholders, and subsequently to new shareholders who have acquired Pre-emption Rights, in accordance with the applicable rules and regulations in this regard. The number of the allocated <b>shares</b> shall be rounded to the nearest whole number and the <b>Issuing Company</b> has the absolute right to dispose of the Fractional <b>Shares</b>, if any, without the possibility of issuing fractional <b>shares</b>.</p> |
| <b>Offering Provisions</b>                      | <p>The Offering is limited to the <b>Subscribers</b>. The <b>Issuing Company</b>, the <b>Subscription Agent</b> and the <b>Clearing and Depository Agent</b> reserve their right to reject any Subscription Application Form - in whole or in part if the Subscription Application Form does not meet any of the provisions of the <b>Offering</b>. No amendments or withdrawals of the</p>   |



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|  | Subscription Application Form will be accepted after submitting the Subscription Application Form. Upon submission and acceptance of the Subscription Application Form by the <b>Issuing Company</b> and <b>Subscription Agent</b> , the Subscription Application Form shall be a legally binding agreement between the <b>Subscribers</b> and the <b>Issuer</b> .   |
| <b>Dividends</b>   | The <b>shareholder</b> holding the <b>Issue Share</b> will be entitled to receive their share of future dividend distributions declared by the <b>Issuing Company</b> (as Issue Shares).   |
| <b>Refund of Excess Subscription Amounts</b>                                 | The value of the subscription will be paid by the <b>Subscribers</b> during the <b>Subscription Period</b> and in any event before the closing date of the <b>Subscription Period</b> . If there is any surplus in the sums that the <b>Subscribers</b> transferred to the Subscription Account, any such surplus amounts will be refunded, without interest, within a period not exceeding five (5) Working Days from the date of the allocation of <b>shares</b> .   |
| <b>Issue value</b>   | A total value of KD 31,933,781.200 (Thirty-One Million, Nine Hundred Thirty-Three Thousand, Seven Hundred Eighty-One Kuwaiti Dinars And Two Hundred Fils) representing the nominal value of 100 Kuwaiti Fils, in addition, to an Issuance Premium of 100 Kuwaiti Fils.   |
| <b>Purpose of the Issuance and the Use of Proceeds</b>                       | Supporting the Company's ability to meet its financial obligations in accordance with operational and financial requirements, as well as for the Company's general corporate purposes.   |
| <b>Subscription Fees</b>   | No subscription fees will be charged for the <b>shares</b> as the Issuing <b>Company</b> will bear all the costs of the <b>Issuance</b> .  |
| <b>Offering Expenses</b>   | The estimated value of the Offering expenses is KD 200,000. (Two Hundred Thousand Kuwaiti Dinars only). The <b>Issuing Company</b> will be responsible for paying those expenses, which include the costs of managing the <b>subscription</b> , necessary publications, and legal advertisements.  |
| <b>Redemption of Shares Value</b>  | Existing and new shareholders can redeem the value of the shares (whether with profit or loss) through direct selling on the Boursa Kuwait, and there are no differences in any of the new issued and existing share rights.   |
| <b>Measures and procedures in the event of noncompletion of the Offering</b> | In case that the capital increase is not fully completed during the <b>Subscription Period</b> , the Issuer's Board of Directors may decide to extend the <b>Subscription Period</b> for a similar or lesser period(s) so that the original Subscription Period and its extension in total do not exceed three (3) months. In case that the <b>Issue Shares</b> have not been fully depleted at the end of the new <b>Subscription Period</b> , the Issuer's <b>Board of Directors</b> may either (1) withdraw from the <b>Offering</b> or (2) declare that the amount subscribed for at the end of the <b>Subscription Period</b> |

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|  | will be sufficient. Subscribers may not withdraw from the subscribed <b>Issue Shares</b> except in accordance with to the law.                   |
| <b>Taxes</b>   | Payments made by the Issuing Company under the Issue Shares may be subject to tax.   |
| <b>Summary of the Consolidated Financial Position as at 30/6/2025</b>  | Total assets: KD 464,246,793.<br>Total liabilities: KD 277,894,39.<br>Paid up capital: KD 106,445,938.<br>Shareholders' Equity: KD 186,352,397.  |
| <b>Summary of Consolidated Financial Position as at 31/3/2025</b>      | Total assets: KD 479,415,371.<br>Total liabilities: KD 278,510,058.<br>Paid up capital: KD 100,420,696.<br>Shareholders' Equity: KD 183,374,455. |
| <b>Summary of the consolidated financial position as at 31/12/2024</b> | Total assets: KD 460,912,207.<br>Total Liabilities: KD 265,532,278.<br>Paid up capital: KD 100,420,696.<br>Shareholders' Equity: KD 179,077,969. |
| <b>Summary of the Consolidated Financial Position as of 31/12/2023</b> | Total assets: KD 393,401,360.<br>Total Liabilities: KD 235,725,381.<br>Paid up capital: KD 94,736,506.<br>Shareholders' Equity: KD 146,072,545.  |
| <b>Summary of the Consolidated Financial Position as of 31/12/2022</b> | Total assets: KD 360,531,794.<br>Total Liabilities: KD 228,493,206.<br>Paid up capital: KD 94,736,506.<br>Shareholders' Equity: KD 127,674,403.  |
| <b>Previous Issued Financial Securities</b>                            | Except for the issuance of bonus shares, no share issuances or cash capital increases have been carried out by the Company in recent years.      |
| <b>Issuance manager, and Subscription Agent and its Address</b>        | <b>Arzan Financial Group for Finance &amp; Investment</b><br>Sharq Ahmed Al-Jaber Street, Arzan Tower<br>P.O. Box 26442, Safat 13125<br>Kuwait   |
| <b>Clearing Agency</b>   | <b>Kuwait Clearing Company K.S.C.C.</b><br>Mubarak Al-Kabeer Street, Boursa Kuwait Building<br>P.o Box: 22077 Al Safat, 13081<br>Kuwait          |
| <b>Legal Advisor</b>   | <b>Meysan Lawyers and Legal Consultants Company W.L.L.</b>   |
| <b>Applicable law</b>  | Laws of the State of Kuwait.   |

|                               |  |               |
|-------------------------------|--|---------------|
| <b>Jurisdiction</b>           | Courts of the State of Kuwait  |               |
| <b>Working Day</b>            | Any day on which banks are open to conduct general business in the State of Kuwait (excluding Fridays and Saturdays) and excluding official public holidays. |               |
| <b>Issuer's Board Members</b> | Ibrahim Saleh AL- Tharban  | Chairman      |
|                               | Talal Jassim Al-Bahar  | Vice Chairman |
|                               | Naser Abdullatif Al-Manea  | Board Member  |
|                               | Mohamed Essam Al- Bahar  | Board Member  |
|                               | Khaled Saeed Esbita  | Board Member  |
|                               | Marzouq Jassim Al-Bahar  | Board Member  |
|                               | Meshari Abdullah Al-Dakheel  | Board Member  |
|                               | Ahmed Faisal Al-Qatami   | Board Member  |

## INFORMATION RELATING TO THE ISSUE SHARES

### Issue Shares

The Issuing Company will offer 159,668,906 ordinary shares representing 15% of the **Company's** issued and paid-up capital before the increase.

### The Issue Price per share and the issue value

The Issue Price is set at 200 Kuwaiti Fils (Two Hundred Kuwaiti Fils) per share, including 100 Fils (One Hundred Kuwaiti Fils) as a nominal value plus 100 Fils (One Hundred Kuwaiti Fils) as an Issuance Premium. The total nominal value of the Issue Shares is KD 31,933,781.200 (Thirty-One Million, Nine Hundred Thirty-Three Thousand, Seven Hundred Eighty-One Kuwaiti Dinars And Two Hundred Fils).

### Fair Value as per the Asset Valuator Report

The shares of Kuwait Real Estate Company (K.P.S.C.), were evaluated to increase the Company's share capital through issuing ordinary shares to be offered for public subscription under Law No. 7 of 2010 and its executive regulations and their amendments, by BDO for Economic, Administrative, Industrial, Computer and Private Training Institutes Company WLL as the "accredited asset valuator approved by the Capital Markets Authority. Where BDO has independently valued the issuer's shares as of the latest financial statements, and the valuation was submitted as part of the capital increase approval application submitted by the issuer to the CMA. The Issuer has obtained the consent of BDO's consent to include their valuation in this Prospectus as referred to below, and their conclusions are valid according to the valuation report referred to below.

The method of valuating the assets of the Issuing Company was carried out through four methods for valuation:

- Discounted cash flow method
- Price-to-sales (P/S) multiple method
- Volume-weighted average price method
- Price-to-earnings (P/E) multiple method

Accordingly, the valuation of the Issuing Company, according to the approved asset valuator report, amounted to 373 Fils per share. The **Board of Directors** has resolved that the **Subscription Price** for the increase in the authorized, issued, and paid-up capital shall be 200 Kuwaiti Fils per share (comprising a nominal value of 100 Kuwaiti Fils and an Issuance Premium of 100 Kuwaiti Fils). Accordingly, the total value of the increase in the authorized, issued, and paid-up capital will be KD 31,933,781.200 (Thirty-One Million, Nine Hundred Thirty-Three Thousand, Seven Hundred Eighty-One Kuwaiti Dinars And Two Hundred Fils). represented by a nominal value of 100 Kuwaiti Fils (One hundred Kuwaiti Fils) per share.

### Share Market Value data

The market data for the share of Kuwait Real Estate Company (K.P.S.C.), as of December 31, 2024:

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|--|----------------|
| Closing Price of the share (Kuwaiti Fils)                    | 0.386          |
| Company's Market Value (by Million KD)                       | 410,881,320    |
| The highest/lowest market value in 52 weeks (Kuwaiti Fils)   | 0.43700-0.1958 |
| Average market value during the last 52 weeks (Kuwaiti Fils) | 0.307          |
| Average market price during the last 6 months (Kuwaiti Fils) | 0.3175         |
| Book value per share as at December 31, 2024 (Kuwaiti Fils)  | 0.17837        |

### Subscribers

The Offering is available to the existing shareholders registered at the end of the **Record Date**, i.e. the **shareholders** whose names are registered in the **company's shareholder register** as of that date, as well as the holders of Pre-emption Rights. In the event that the **subscriber** does not exercise, sell or assign the Pre-emption Rights in the subscription, this shall be considered as a waiver of their **Pre-emption Rights** to subscribe to the capital increase shares in favor of the **others** with or without consideration. Such waiver may relate to all or part of the Pre-emption Rights attached to the Issue Shares that each shareholder is entitled to subscribe for, in accordance with the rules and procedures applied by both Boursa Kuwait and Kuwait Clearing Company K.S.C.C., and as set forth in this Prospectus.

The person wishing to subscribe shall enter the link related to the following subscription: <https://www.ipo.com.kw> (the “**Subscription Platform**”) and the person wishing to **subscribe** shall enter his/her civil number for individuals and the commercial registration number for companies, as the system will determine the eligibility of the person wishing to **subscribe** to. Each subscriber may exercise their

**Pre-emption Rights** to subscribe for a number of Issue Shares pro rata to their shareholding in the **Company's capital** on the **Record Date**, after taking into consideration the treasury shares held by the **Issuing Company**. Each holder of Pre-emption Rights shall also have the right to subscribe for a number of Issue Shares corresponding to the Pre-emption Rights they hold. The **subscriber** will not receive any monetary benefits from the **issue**

The remaining unsubscribed **Issue Shares**, if any, shall be allocated to the **subscribers** who have requested **Additional Issue Shares** than the number allotted to them, based on the ratio of the number of Additional Issue Shares remaining to the number of Additional Issue Shares that the **subscribers** requested to subscribe to and proportionately among them.

### **Rights Related to the Issue Shares**

The Issuing Company's capital **shares** are of one category. Each **share** has one vote, and each **shareholder** has the right to attend and vote in the **General Assembly**. None of the **shareholders** have privileged voting rights. Upon issuance of the **Issue Shares**, the **shareholder** who owns the **Issue Shares** has the right to receive his share of the dividends when they are announced by **the Issuer** (as issuance shares), in addition to **Pre-emption Rights** to subscribe in any future capital increases by **the Issuer**, in accordance with applicable laws, procedures, and requirements. **Shareholders** are entitled to obtain a share of the proceeds of the liquidation of the assets of the **Issuing Company** upon liquidation, after paying its debts.

In the event that the capital increase is **not fully completed** during the subscription period, **the Board of Directors** of the Issuing Company may decide to **extend the subscription period** for a similar or lesser period(s) so that the original **subscription period and its extension** in total do not exceed three months.

In the event that the Issue Shares have not been **fully depleted** at the end of the **new subscription period**, the **Board of Directors** of the company may either (1) withdraw from the Offering or (2) declare that the subscribed amount will be sufficient at the end of the **subscription period**.

**Subscribers** may not withdraw from the **subscribed Issue Shares** except in accordance with the law.

### **Pre-emption Rights to Subscribe to Shares**

The **Issuing Company** and the regulatory authorities agreed to increase the current issued and **paid-up capital**, with an increase of KD 31,933,781.200, distributed over 159,668,906 ordinary shares, with a value of 200 Kuwaiti Fils per share (representing the nominal value of **each share** of 100 Kuwaiti Fils plus an issue premium of 100 Kuwaiti Fils), allotted to the Eligible **Shareholders** registered in the records of the **Issuing Company** on the **Record Date**, pro rata to their respective shareholdings in the **Company's capital**, during the **Subscription Period** set forth in this Prospectus and in accordance with the applicable laws.

If the **shareholder** does not subscribe, this is considered a waiver in favor of **existing and new shareholders** who hold pre-emption rights, and the **Board of Directors** of the Issuing Company, according to its decision No. 3/2025 issued on June 18, 2025, approves the right of **the shareholders** with the Pre-emption Rights, as well as new investors who hold pre-emption rights, to subscribe to the surplus shares that the shareholders with the Pre-emption Rights did not subscribe to. **The Board of Directors** shall have the right to dispose of Fractional Shares in the manner it deems appropriate, in accordance with the provisions of the law.

The holders of the Pre-emption Rights to subscribe to the shares of the capital increase of the Issuing Company may dispose of the Pre-emption Rights by trading according to the price of the Pre-emption Rights trading at the Boursa Kuwait or assign them without charge and restriction, in the period from the start of the subscription until at least five Working Days before the expiry of the subscription period under the rules in force with the Boursa Kuwait and the Kuwait Clearing Company, during the subscription period for the shareholders of the Issuing Company or others.

### **Transferability of Issue Shares**

The Issue Shares may not be converted into another type of securities.

### **Trading of the Issue Shares**

After the end of the Subscription Period and the final allocation of shares and the completion of all necessary regulatory procedures for the issuance of shares and their registration with the regulatory authorities and the Kuwait Clearing Company, the shares of the issue will be traded on the Boursa Kuwait without Restriction, and to be in the same rank by all the shares of the Issuing Company, without discrimination among them.

### **Uncovered Subscription**

In the case the **Offering** is not **fully subscribed** for during the **original Subscription Period**, the **Board of Directors** of the Issuing Company has the right **to extend** the Subscription Period at its sole discretion as long as the **total extension period** does not exceed three (3) months. If the entire **Offering** is **not depleted** during the extended Subscription Period, then the **Issuing Company** must either withdraw the capital increase or be satisfied with the amount that has been subscribed to, and reduce the capital increase. In both cases, the capital decrease must be registered at the Commercial Registrar based on the **Board of Director's decision**.

### **Voting rights for the Issue Shares**

Each share of **the issuance shares** has one vote, and each **shareholder** has the right to attend and vote in **the General Assembly**. None of the **shareholders** have privileged rights in voting or dividends. When issuing capital increase shares, **the subscribed shareholder** has the right to participate in the meetings



of **the general assembly of the Issuing Company** and to receive his share of the dividends when they are announced by the **Issuing Company**, in addition to **Pre-emption Rights** to subscribe in any future capital increases by **the Issuer**, in accordance with applicable laws, procedures, and requirements. **Shareholders** are also entitled to a share of the proceeds of the liquidation of assets of **the Issuing Company** upon liquidation, after paying its debts.

#### **Results of non-subscription by Eligible Shareholders**

It will result from the failure of the shareholders of **the Issuing Company** to subscribe to the shares in which they are entitled to subscribe in the shares of the capital increase of **the Issuing Company** a decrease in the percentage of their shareholding in the Issuing Company, in addition to a decrease in the market value of the **Issue Shares** currently owned by them.

#### **Exercising Pre-emption Rights and means of disposing of Pre-emption Rights**

**Eligible Shareholders** may resort to the following actions:

- **Eligible Shareholders** may exercise their Pre-Emption Rights to subscribe in **the Issue Shares** in whole or in part.
- **Eligible Shareholders** may exercise their Pre-Emption Rights to subscribe in **the Issue Shares** and subscribe in the **Additional Issue Shares**.
- Eligible Shareholders and others to whom Pre-Emption Rights have transferred may trade in Pre-Emption Rights by selling and/or buying their Pre-Emption Rights during the subscription period and at least five working days before the closing of the subscription period. Trading shall be in accordance with the rules and regulations of Boursa Kuwait.
- Eligible Shareholders and others to whom Pre-Emption Rights have transferred may waive (free of charge) their Pre-Emption Rights to subscribe in the Issue Shares (and to subscribe in additional Issue Shares or part thereof) according to the approved mechanism during the subscription period and up to five Working Days before closing the subscription. Any such waivers shall be made in accordance with the rules and regulations of Boursa Kuwait and the Clearing and Depository Agent.
- **Eligible Shareholders** and others to whom Pre-Emption Rights have transferred may refrain from resorting to any of the options listed above, whether by trading, waiving, or exercising the **Pre-Emption Rights** to subscribe in **the Issue Shares**, and leave the right to subscribe in the unsubscribed Shares to the rest of **the shareholders**.

In all events, Eligible Shareholders who traded or waived their Pre-Emption Rights either in whole or in part are not entitled to subscribe in the Pre-Emption Rights, and their subscription to these rights is considered null and void. However, persons to whom the Pre-Emption Rights have transferred have the right to subscribe in the shares pursuant to their Pre-Emption Rights as per the rules and regulations of the Capital Markets Authority, Boursa Kuwait and the Kuwait Clearing Company K.S.C.C. prior to closing of the subscription period by at least five Working Days.

## Maximum subscription and Ownership

The remaining unsubscribed Issue Shares, if any, shall be allocated to **Subscribers** who have applied for subscription for **Additional Issue Shares** exceeding the number allotted to them. Such allocation shall firstly be offered to the **Eligible Shareholders** based on a pro-rata basis, calculated according to the ratio on the remaining **Issue Shares** to the total **Additional Issue Shares requested** and proportionally among them. Otherwise, the allocation shall secondly be offered to **other shareholders** in proportion to the shares they own in the **Issuer's capital** and the number of remaining **Additional Issue Shares**, proportionally among the number of **shares** requested and the number of remaining **shares**.

**The Issuance Manager, Subscription Agent and Issuer** may also determine any other method for allocating **Additional Issue Shares**, to prevent any holder of **Pre-emptive rights** who is not an **eligible shareholder** from owning more than zero point five percent (0.5%) of the **Issuer's** total share capital at any time, in accordance with the law, ministerial resolutions and regulations of the **Capital Markets Authority** issued from time to time.

## OFFERING TERMS, CONDITIONS AND INSTRUCTIONS

### Subscription Agreement

**The Issuance Manager and Subscription Agent** agreed with the **Issuing Company** under the Subscription Agreement, subject to fulfillment of certain relevant conditions, to take care to offer the **Subscribers** to subscribe for the Issue Shares at **the Offer Price**. The rights and obligations of the Subscription Agent are subject to the terms set forth in the Subscription Agreement entered into between **the Issuer, the Issuing Manager, and the Subscription Agent**. The Issuance Manager and Subscription Agent are not committed to **subscribe** to any of the unsubscribed **Issue Shares** that Subscribers have not subscribed by the shareholders

### Subscription Period

Subscription begins by 30/ 9 / 2025 (inclusive) and ends at the end of 14/ 10 / 2025 (inclusive, until 13:00 PM). However, if the **Subscription** is fully covered and the **Issue Shares** are fully subscribed, then the **Issuing Company** may stop and close the subscription prior to the exact date.

### Subscribers

**The Pre-emption Rights** are available to the **Issuer's shareholders** whose names are registered in the **Issuer's shareholder** register by the date of **Record Date/Registry date**. The remaining unsubscribed Issue Shares, if any, will be allocated to the **Eligible Shareholders** or to transferees of Pre-emption Rights who have applied for subscription with **Additional Issue Shares** exceeding the number allotted to them, in accordance with the applicable rules in this regard. The allocation decision shall be final and with no liability on **the Issuing Company** or the **Subscription Agent and Issuance Manager**.



## Full or partial Subscription to the Issue Shares

**Subscribers** who wish to exercise their full right to **subscribe to the Issue Shares** allocated to them shall submit the Subscription Application Form together with the required documents and pay the full subscription amount for the **Issue Shares** they wish to subscribe to during the **Subscription Period**.

Fractional **shares may not be subscribed**, which will be rounded down to the nearest whole number.

Any surplus subscription amounts (if any) shall be refunded to **subscribers** who subscribed to the Issue Shares without any interest, fees, deductions, or withholdings.

If a **subscriber** does not wish to exercise his right to subscribe for the **Issue Shares**, he does not have to take any action.

If a **subscriber** wishes to subscribe for some but not all of the **Issue Shares** allocated to him, he must submit a Subscription Application Form, according to the subscription methods mentioned below, together with the other required documents and pay the full subscription amount for the **Issue Shares** he wishes to subscribe for during the **subscription period**.

### Undersubscription

In all cases in which the subscription does not exhaust all the **shares** offered during the original **subscription period**, the **board of directors** of the Issuing Company may extend the **subscription** for another period, provided that the original **subscription period** and its extensions do not exceed three months. If the **subscription** did not exhaust all the **shares** during the original **subscription period** and the subsequent extensions, the Issuing Company must either withdraw from the capital increase or suffice with the amount that was subscribed for and reduce the capital in both cases. Such reduction shall be recorded and noted in the register in accordance with **the Issuer's resolution**.

## Documents required to be submitted with Subscription Application Form:

The **Subscription Application Form must be submitted through the Subscription Platform** along with the following documentation, as applicable to the nature of and payment method chosen by the **Subscriber**:

### a) Individual Subscribers

- ☐ Signed Subscription Application Form
- ☐ Copy of personal civil identification card **for subscriber**
- ☐ Copy of passport to verify the signature
- ☐ Copy of the bank transfer receipt
- ☐ Copy of the IBAN number
- ☐ Copy of special legal proxy for subscribing in shares (for proxy **subscriber**)
- ☐ Copy of certificate of guardianship for minors
- ☐ Copy of certificate of guardianship for orphans
- ☐ Copy of a succession/inheritance deed for beneficiaries
- ☐ Copy of guardianship court order

#### **b) Corporate Subscribers**

- ☐ **Signed Subscription Application Form** from the subscription platform
- ☐ Copy of the bank transfer receipt
- ☐ Copy of the IBAN number
- ☐ Copy of the Authorized Signatories Certificate or the Extract of the Commercial Register; as the case requires
- ☐ Copy of the Civil ID of the authorized signatory

#### **Non-Kuwaiti subscribers**

Non-Kuwaiti **Subscribers** (whether corporates or individuals, as the case may be) are required to provide the equivalent of the aforementioned documentation as issued by their jurisdictional authorities if they do not have Kuwaiti issued documentation.

#### **Paying the Subscription Amount**

The subscription value shall be paid in full via the K-NET service or by bank transfer (as a net amount without fees by both the remitting bank and the transferee bank) on **the subscription account** (not producing interest). Subscription amounts will not be accepted in cash, and the full subscription amounts shall be received in an **account Subscription** with **the agent** during the subscription specific period and before the closing date of the **subscription** as a maximum.

#### **Subscription Terms and Conditions**

The Subscription Application is final, and may not be canceled for any reason, even before the closing date of the subscription. The **subscriber** may not add any conditions or restrictions to the **Subscription Application**, the subscription must be serious and it is prohibited to submit fictitious subscriptions under fictitious names or in any other way. Requests must be submitted in accordance with the provisions of this **Prospectus** before the date set for closing the call of **subscription**, and the **Subscription Agent and the Clearing and Depository Agent** have the right to exclude duplicate requests, requests that do not fulfill the required data or that violate the law, unless they are corrected.

If the Subscription Application Form is submitted by someone who legally represents the subscriber under the applicable laws, regulations, and relevant rules, the **shares** will be allocated in the name of the **subscriber** whose name is mentioned in the Subscription Application.

**The Issuer, the Subscription Agent and the Clearing and Depository Agent**, without referring to the **subscriber**, reserve the right to reject any Subscription Application Form for **the Issue Shares**, in whole or in part, without any liability, if it is found to be contrary to the terms and conditions of this **Prospectus** or if it does not provide all required information, or if it is not supported with the documents specified in the **Prospectus** or other documents that may be requested by **the Subscription Agent and the Clearing and Depository Agent** or in the event of failure to fully and accurately comply with the **subscription** instructions.

In case the **subscriber** is a corporate person, it acknowledges that it has fulfilled all procedures and obtained all necessary approvals under its memorandum and articles of association or by law to enable it to submit the Subscription Application Form and fulfill its obligations stipulated in **the Prospectus** or waive its **Pre-Emption Rights to subscribe**, including the approval of the Board of Directors and the General Assembly as applicable for Shareholding Companies and the approval of the General Manager and the General Assembly of Partners as applicable for other companies.

### **Applicant Declarations**

By submitting the Subscription Application Form, the Subscribers undertake the following:

- Agree to **subscribe to the Issue Shares** for the number of **shares** specified in the Subscription Application Form, and that the Subscription Application Form is final and irrevocable.
- Acknowledge that they have read this **Prospectus** and all its contents, studied it carefully and understood its contents.
- Approve the Articles of Association and Memorandum of Association of the **Issuer** and all the terms and conditions of the **subscription** contained in this **Prospectus**.
- Accept the right of **the Issuer** and the **Subscription Agent and the Clearing and Depository Agent** to reject any Application Form in any of the cases specified in this **Prospectus**.
- Accept the **Issue Shares** allocated to them **on a priority basis in proportion to their ownership in the capital of the Issuing Company** and in the Additional Issue Shares, as determined by the Subscription Agent and the Issuing Company, and acknowledge their acceptance of all the terms and instructions of the subscription stated in the Subscription Application Form and in this Prospectus.
- Undertake that they will not cancel or modify the Subscription Application Form after submitting it to the **Clearing and Depository Agent**.
- The corporate subscriber acknowledges – under its full responsibility - that it has completed all procedures and obtained all necessary approvals under its Memorandum and Articles of Association or under applicable law to enable it to submit the Subscription Application Form and fulfill its obligations stipulated in the **Prospectus** or **wave its Pre-emption Rights** to subscribe, including the approval of the Board of Directors and General Assembly - as applicable - for Shareholding Companies.

### **Bank Fees and Commissions**

The subscriber shall be charged with the bank fees and commissions related to the method of paying the subscription amounts of the subscribed shares.

### **Allocation and Refund of Surplus**

Each subscriber may exercise their Pre-emption Rights to subscribe for a number of Issue Shares pro rata to their shareholding in the Company's capital on the Record Date, after taking into consideration the treasury shares held by the **Issuing Company**. Each holder of Pre-emption Rights shall also have the right to subscribe for a number of Issue Shares corresponding to the Pre-emption Rights they hold.

Shares will be allocated to the subscribers within a maximum period of (5) five Working Days after the date specified for closing the call for subscription, and the Board of Directors of the Issuing Company will allocate all the shares subscribed to by **the shareholders**, those who proportionally have the **Pre-emption Right**.

In the event that not all the **Issue Shares** allocated to the **subscribers** are fully subscribed, the **Board of Directors** shall allocate the excess subscribed shares, beyond the **Pre-emption Rights**, which may result from some Shareholders not exercising their **Pre-emption Rights**, firstly, to **Eligible Shareholders** who wish to subscribe for a number of shares exceeding their allocated percentage, and in proportion to each other among themselves. Otherwise, such shares shall be allocated to other **existing Shareholders** and then to new Shareholders, in accordance with the resolution of the **Board of Directors** of the Issuing Company issued in its meeting No. 3/2025 dated June 18, 2025, and pursuant to the resolution of the **Extraordinary General Assembly** dated July 14, 2025, approving the right of both **existing and new Shareholders** to **subscribe** for the surplus shares that were not subscribed for by the **Shareholders** with Pre-emption Rights.

The number of allocated shares will be rounded to the nearest whole number and the **Board of Directors** of the Company reserves the right to classify the number of Fractional **Shares** (if any) as appropriate in accordance with the provisions of the law.

The remaining unsubscribed **Issue Shares**, if any, shall be allocated to **Subscribers** who have applied for subscription for Additional **Issue Shares** exceeding the number allotted to them. Such allocation shall firstly be offered to the **Eligible Shareholders** based on a pro-rata basis, calculated according to the ratio on the remaining **Issue Shares** to the total **Additional Issue Shares** requested and proportionally among them.

Otherwise, the allocation shall secondly be offered to other **shareholders** in proportion to the shares they own in the **Issuer's capital** and the number of remaining **Additional Issue Shares**, proportionally among the number of **shares** requested and the number of remaining **shares**.

**The Issuance Manager, Subscription Agent and Issuer** may also determine any other method for allocating **Additional Issue Shares**, to prevent any **holder of Pre-emptive rights** who is not an **eligible shareholder** from owning more than zero point five percent (0.5%) of the **Issuer's total share capital** at any time, in accordance with the applicable laws, ministerial resolutions and regulations of the **Capital Markets Authority** issued from time to time.

### **Trading of the Issue Shares and Pre-emption Rights**

The Pre-emption Rights may be traded or waived without consideration and without restriction under the applicable rules at Boursa Kuwait and Kuwait Clearing Company. The approval of this Prospectus shall constitute an approval for Eligible Shareholders who do not wish to subscribe to trade and list their Pre-emption Rights during the Subscription Period.

The listing of the Pre-emption Rights shall be cancelled upon the Company's disclosure of the results of the capital increase subscription.

After the end of the Subscription Period and the final allocation of Shares and the completion of all the necessary regulatory procedures, the Issue Shares will be traded on Boursa Kuwait without restriction and will be in the same rank as all the shares of the Issuer, and without any discrimination.

## Refund of Subscription Amounts Surplus

The subscription amounts for the rejected Subscription Application Forms will be paid before closing of the **subscription** at the latest, and if there is a surplus in the amounts that the **subscribers** transferred to the **subscription account** for the **shares** allocated to them, those amounts will be returned without any interest on the date specified by the **Issuing Company** and within a period not more than five Working Days from the date of allocating **the shares**.

If the **Offering** is canceled in whole or in part, the bank will deposit the subscription amounts in a non-interest-bearing bank account until the date of returning the amounts to the subscribers, subject to the approval of the Ministry of Commerce and Industry.

## Expected Timetable

| Event   | Date   |
|---|--|
| <b>Record Date</b>                                  | 28/9/2025  |
| <b>Cum-Dividend Date</b>                            | 23/9/2025– i.e. three trading days before Record Date  |
| <b>Ex-Dividend Date</b>                             | 24/9/2025– i.e. Two trading days before Record Date  |
| <b>Opening of Subscription Period</b>               | 30/9/2025  |
| <b>Pre-emption Rights trading commencement date</b> | 30/9/2025  |
| <b>Pre-emption Rights trading close date</b>        | 7/10/2025  |
| <b>Closing of Subscription Period</b>               | 14/10/2025   |
| <b>Allocation of Issue Shares</b>                   | Within 5 Working Days of the closing date of the Subscription Period   |
| <b>Refund to Subscribers</b>                        | Within 5 Working Days of the announcement of the allocation of the Issue Shares  |
| <b>Trading Issue Shares on Boursa Kuwait</b>        | It will be listed on Boursa Kuwait after completing all the necessary regulatory procedures and registering the increase shares with the regulatory authorities and the Kuwait Clearing Company. |

## Compliance with the laws

**The Issuance Manager and Subscription Agent, and the Issuing Company** are bound by all laws and regulations applicable to the shares of the **Issuing Company's** capital increase, which are applicable in the countries that wish to market, offer, or subscribe to the shares of the **Issuing Company's** capital increase, or distribute the subscription **Prospectus** therein. The **Issuing Company**, as well as the **Issuance Manager and the Subscription Agent**, shall obtain all applicable approvals, approvals, and/or licenses required by those countries to carry out any of the aforementioned activities under the laws and regulations in force in each relevant foreign country.

## **SUBSCRIPTION PROCESS**

### **First: Subscription via the Website or Mobile Application**

The electronic subscription platform allows shareholders to subscribe for the capital increase of up to 50,000 shares, equivalent to 10,000 Kuwaiti Dinars and less, with payment made exclusively through the K-NET service.

The Subscriber shall:

1. Log in through the link <https://www.ipo.com.kw> or download the IPO Kuwait mobile application.
2. Enter the civil id number. The system shall automatically verify the Subscriber's eligibility to exercise subscription rights (verification available only during the Pre-emption Rights subscription period).
3. Enter the number of shares to be subscribed for.
4. Proceed to payment through K-NET, where payment must be made directly from the Subscriber's own account (no other party may pay on behalf of the Subscriber except in cases provided for under the law; otherwise, the Subscriber shall bear all legal consequences).
5. Upon successful payment, the system will display a confirmation containing payment details, and an automatic email (with a PDF receipt) and SMS will be sent to the Subscriber confirming successful subscription.
6. Subscription is only permitted via the website or mobile application. Accordingly, the shareholder must subscribe for himself/herself and pay from his/her own account, or alternatively assign or sell his/her Pre-emption Rights, except as permitted under applicable law. Any violation shall result in full legal liability on the Subscriber.
7. The system allows shareholders to submit multiple subscription requests in the event that they do not subscribe for the full Pre-emption Rights available to him/her.

### **Second: Subscription for Shares Exceeding 50,000 Shares**

1. The Subscriber shall log in via <https://www.ipo.com.kw> to print a Subscription Application Form containing, inter alia, the Subscriber's name, civil id number, number of shares to be subscribed for, and their value.
2. The Subscriber shall then visit his/her own bank, submit a printed copy of the Subscription Application Form, and transfer the required subscription amount (net of any charges by the



transferring and receiving banks) to the designated non-interest-bearing Subscription Bank Account for the capital increase, as detailed below:

- Bank Name: Kuwait International Bank
- Account Number: 011010234587
- IBAN: KW31KWIB00000000000011010234587
- SWIFT: KWIBKWKW
- Beneficiary: Kuwait Real Estate Company
- Reference/Description: Subscription Application Form number + subscriber civil identification (for residents and citizens)/ passport (for non-residents and non-citizens)/ commercial registration number (for corporates) + subscriber contact number

3. The Subscriber must obtain the original deposit slip issued by his/her bank and upload it to the Subscription Platform via the link sent to the Subscriber to complete the remaining procedures.
4. If the subscription is approved, a confirmation will be sent containing the payment details. An automatic email (with a PDF receipt) and SMS will also be sent confirming successful subscription.
5. If the subscription is rejected, an email will be sent explaining the reason for rejection, and the Subscriber may re-submit the application. The system permits multiple subscription requests in the event that the Subscriber does not subscribe for the full Pre-emption Rights available to him/her.

Failure of any Subscriber to duly complete the Subscription Application Form (together with all required supporting documentation) via the website or mobile application within the allowed Subscription Period, after payment of the subscription monies, shall render the Subscription Application null and void. Cash payments will not be accepted.

### **Third: Subscription through the Portfolio Manager (for shares held with licensed portfolio management companies)**

1. The Subscriber shall contact his/her Portfolio Manager to inquire about the subscription process.
2. The Portfolio Manager shall complete the subscription on behalf of the Subscriber in accordance with the procedures stated in Section (2).

### **Subscription Application Form**

Prospective subscribers may submit their Subscription Applications during the applicable Subscription Period through the designated website or mobile application. Each subscriber agrees to the terms and conditions set forth in this Prospectus and shall provide all required information as part of the subscription application. **The Issuing Company and the Clearing and Depository Agent** reserve the right to reject any subscription application, in whole or in part, if the application fails to comply with any provision of the Offering or if it does not strictly and accurately adhere to the subscription instructions. This includes, but is not limited to, non-compliance with applicable laws and regulations, failure by the subscriber to pay the full subscription amount, inaccurate or insufficient information provided in the Subscription Application, or any other inconsistency with the terms and conditions of this Prospectus or the Subscription Application itself. No modifications or withdrawals of the Subscription Application shall be accepted after submission and acceptance by the Clearing and Depository Agent. Upon submission, the Subscription Application shall constitute a legally binding agreement between the subscriber and the Issuer.

The Subscription Application, along with all its terms, conditions, and undertakings, shall be binding upon the subscribers, any assignors and assignees, their asset managers, and beneficiaries, unless otherwise expressly stated in this Prospectus. The subscriber must accept the number of Issue shares allocated to them, provided such number does not exceed the number subscribed for as indicated in their Subscription Application.

All terms and conditions, the receipt of Subscription Applications, and any agreements arising therefrom shall be subject to the laws of the State of Kuwait and shall be interpreted and enforced in accordance therewith.

Subscribers are required to carefully read the subscription instructions prior to submitting the application. Submission of the application through the website shall be deemed a binding contract and an acceptance of all subscription terms and conditions.

### **Submission of the Subscription Application Form**

The Subscriber must indicate in the Subscription Application Form the number of Issue Shares they wish to subscribe to and must transfer the full subscription amount due. The Subscriber shall be responsible for submitting the completed Subscription Application Form within the designated subscription period.

### **Documents Required to Be Submitted with the Subscription Application Form**

The Subscription Application Form must be submitted through the link provided via the electronic system, along with the following documents:

#### **a) Individual Subscribers**

- Signed Subscription Application Form
- Copy of the Subscriber's Civil Identification Card
- Copy of the Subscriber's Passport (for signature verification)
- Copy of the Bank Transfer Receipt
- Copy of the IBAN Number

#### **b) Corporate Subscribers**

- Signed Subscription Application Form
- Copy of the Bank Transfer Receipt
- Copy of the IBAN Number
- Copy of the Commercial Registration Certificate
- Copy of the Authorized Signatories Certificate or the Extract of the Commercial Register, as applicable
- Copy of the Civil Identification Card of the Authorized Signatory
- Copy of the Authorized Signatory's Specimen Signature Certificate issued by the Ministry of Social Affairs and Labor or certified by the Kuwait Chamber of Commerce and Industry
- Official Letter issued by the Authorized Signatory of the legal entity approving the subscription



## Rejection of the Subscription Application

The **Issuer and the Clearing and Depository Agent** reserve the right to reject any Subscription Application for the Issue Shares, whether in whole or in part, without incurring any liability, if the application is found to be in violation of applicable laws, regulations, the terms and conditions of the subscription, or the provisions of the Prospectus. This also applies in cases of non-compliance with the subscription instructions, including, but not limited to, instances where the payment amount does not correspond to the number of shares applied for, or where the application is not accompanied by proof of full payment for the subscribed shares. If the subscriber fails to pay the full subscription amount in a single transaction at the time of application (in cases where payment is made via bank transfer), the application will be cancelled if the transfer is not completed within three business days from the date of submitting the subscription form. Furthermore, an application may be rejected if it contains inaccurate, incomplete, unclear, illegible, or false information, or if it is a duplicate submission, or if it fails to meet any of the requirements and obligations set out in the Prospectus and the Subscription Application Form.

In cases where there is any discrepancy between the subscriber's submitted information and the records maintained by the Public Authority for Civil Information, the Issuer or the Clearing and Depository Agent shall have the right to exclude such applications from the allocation process without any liability, unless a valid justification for the discrepancy is provided along with the supporting documents.

Applications submitted by any means intended to conceal fictitious or fraudulent subscriptions, or by any other unauthorized or misleading methods, will not be accepted and shall be rejected outright, without any liability on the part of the Issuer or the Clearing and Depository Agent.

## PURPOSE OF ISSUE & USE OF THE ISSUANCE PROCEEDS

The total return achieved from the Offering will amount to a total value of KD 31,933,781.200 (Thirty-One Million Nine Hundred Thirty-Three Thousand Seven Hundred Eighty-One Kuwaiti Dinars And 200 Fils), divided into a nominal value of KD 15,966,890.600 (Fifteen Million Nine Hundred Sixty-Six Thousand Eight Hundred Ninety Kuwaiti Dinars And 600 Fils) together with an Issuance Premium of 100 Kuwaiti Fils. The proceeds will be utilized by the **Issuer** in accordance with its operational and financial requirements as well as for the **Company's** general corporate purposes.

## DESCRIPTION OF THE ISSUING COMPANY

### Establishment and Company's History

Kuwait Real Estate Company (K.P.S.C) was established in May 1972.

### Registered Address

Kuwait Real Estate Company (K.P.S.C) is located in the Al Qibla area – Darwaza Abdulrazzaq – Oman Street – Souk Kuwait Building – 8th Floor.

### Corporate activities

The company's activities is the purchase, sale, and leasing of land and real estate properties.

### Share capital:

KD 106,445,937.900

### Major Shareholders:

The following table outlines the major shareholders holding 5% or more of the company's shares as of June 3, 2025:

| Shareholder Name                            | Shareholding Percentage (%) |
|---|-----------------------------|
| Kuwait International Investment Co. Holding | 12.04 %                     |
| Group of Med Al-Bahar Holding Co.           | 12.51 %                     |

## Subsidiary Companies

Below is a list of the **Issuer's** subsidiary company names as of December 31, 2024:

|  |
|--|
| <p><b>Directly owned subsidiaries</b></p> <ul style="list-style-type: none"><li>• <b>Al-Aqdain Kuwaiti for Real Estate Development Co – KSCC</b></li></ul> <p>It is a closed Kuwaiti shareholding company, established in 2013 with a capital of 2,000,000 Kuwaiti Dinars. Its principal activities consist of owning, selling, purchasing, and leasing real estate properties and land, as well as performing maintenance works for properties owned by the Company and by third parties. Furthermore, the Company engages in the direct contribution to establishing the core infrastructure for residential and commercial zones and projects through the operation system, and manages real estate facilities under the BOT (Build-Operate-Transfer) system.</p> |
| <ul style="list-style-type: none"><li>• <b>Financial Group of Kuwait Co. – KSC (Holding)</b></li></ul> <p>It is a Kuwaiti holding shareholding company, established in 1976 with a capital of 1,000,000 Kuwaiti Dinars. Its principal activity is based on owning real estate and investing funds in trading shares, bonds, and other securities. The Company also manages its subsidiary companies and participates in the management of different companies.</p>   |
| <ul style="list-style-type: none"><li>• <b>Habara Pearl Farm Company</b></li></ul> <p>It is a wholly-owned subsidiary of Kuwait Real Estate Company. It was initially established to acquire two almond farms in California, United States of America. Both farms were sold in 2012, and the Company now serves as an investment vehicle for Kuwait Real Estate Company in the United States of America.</p>   |
| <ul style="list-style-type: none"><li>• <b>KREC Meeker Debt Company Limited</b></li></ul> <p>It is an investment subsidiary, 100% owned and registered in the Cayman Islands.</p>  |
| <ul style="list-style-type: none"><li>• <b>KREC Meeker Equity Company Limited</b></li></ul> <p>It is a 100% owned investment subsidiary, registered in the Cayman Islands. The subsidiary holds an ownership stake associated with the Maker Investment, which is a building under construction located at 280 Meeker Street.</p>  |
| <ul style="list-style-type: none"><li>• <b>IFA Hotels and Resorts Co. – S.A.L (Lebanon)</b></li></ul> <p>It is a subsidiary of Kuwait Real Estate Company in Kuwait. It owns three companies in Lebanon, which hold the Al-Abadie Hills project.</p>   |

|   |
|---|
| <ul style="list-style-type: none"> <li>• <b>Al-Fereej International Real Estate Co. – WLL</b></li> </ul> <p>It is a Kuwaiti real estate company owned by Kuwait Real Estate Company. It provides diverse real estate services, encompassing the sale and purchase of properties, property management, and investment services such as the exclusive trading of shares and bonds for the Company.</p>  |
| <ul style="list-style-type: none"> <li>• <b>Al Mottahida General Investment – LLC</b></li> </ul> <p>It was established on November 5, 2018, in the United Arab Emirates with a capital of 100,000 UAE Dirhams. Its activity consists of investing in, establishing, and managing commercial projects.</p>   |
| <p><b>Al Durrar General Investment – LLC</b></p> <p>The Company was established on November 5, 2018, in the United Arab Emirates with a capital of 100,000 UAE Dirhams. Its principal activity involves the investment in, establishment of, and management of commercial projects</p>  |
| <ul style="list-style-type: none"> <li>• <b>International Resorts Company – KSC</b></li> </ul> <p>It is a Kuwaiti company established in 1976, specializing in the development, operation, and management of real estate and tourism and leisure facilities, including hotels, resorts, residential complexes, and commercial markets, in addition to its financial investments in stocks and real estate.</p>  |
| <ul style="list-style-type: none"> <li>• <b>Aqarat th8 Investment LTD</b></li> </ul> <p>It is a wholly-owned subsidiary, registered in the Cayman Islands. The Company holds an ownership stake linked to its investment in the Th8 Hotel Apartments, located on the Palm Jumeirah in Dubai, United Arab Emirates, which is one of the premier projects in the hospitality sector.</p>  |
| <ul style="list-style-type: none"> <li>• <b>Active Holding Company – KSC (Closed)</b></li> </ul> <p>Established in 2023 under the umbrella of Kuwait Real Estate Company. It specializes in developing and expanding the health and fitness sector in Kuwait and the Gulf region by launching diverse brands in the fitness and health fields. The Company focuses on delivering innovative, customer-centric experiences aimed at enhancing quality of life and increasing health awareness.</p> |
| <ul style="list-style-type: none"> <li>• <b>Assjad Al-Kuwait General Trading and Contracting Co. – WLL</b></li> </ul> <p>It is a Kuwaiti company that provides diverse services, including the purchase and sale of shares and bonds for its own account, in addition to the trading of land and real estate. The Company maintains a strategic focus on commercial and investment activities within the real estate and equity sectors.</p>  |

- **KREC Real Estate Company - WLL**

It is a limited liability company established on June 1, 2022, operating in the real estate sector. The Company has a capital of 50,000 Kuwaiti Dinars. Its real estate activity involves the management and development of land and properties, the management and leasing of third-party real estate, and the rental and leasing of resorts.

- **Eradat International Real Estate Co. – KSC (Closed)**

Has a paid-up share capital of KWD 13.2 million and operates in the State of Kuwait. Established in 2006, the Company was restructured into a shareholding company in 2010 and holds assets valued at KWD 54.4 million. Headquartered in Kuwait, it is a real estate investment company specializing in building a diversified portfolio of high-quality properties, with a focus on income-generating assets across the Gulf Cooperation Council (GCC) region.

- **AlKoot Investments LLC**

It is a recently established subsidiary of Kuwait Real Estate Company and will encompass all companies within the United Arab Emirates.

## **Associated Companies**

- Kuwait Building Materials Manufacturing – KSCC
- National Slaughter House Co. - KSCC
- EFS Facilities Services General Trading and Contracting Company - WLL
- KREC Yotel Miami Debt Co. Limited
- KREC Yotel Miami Equity Co. Limited
- Zamzam for Religious Tourism Co. - KSCC
- KREC Debt Company Limited
- KREC Equity Company Limited

## Description of the Issuer's Activities

Kuwait Real Estate Company is considered one of the leading companies in the field of integrated real estate development, management, and investment. The Company's real estate portfolio comprises prominent projects in prime residential sectors, integrated corporate housing, commercial sectors, and hospitality.

Kuwait Real Estate Company enjoys a significant presence across the Middle East, Europe, and the United States.

Among the most notable projects of the Kuwait Real Estate Company within the State of Kuwait:

### ❖ Arabella Beach Hotel – Vignette Collection

In 2024, Kuwait Real Estate Company re-opened the "Arabella Complex," a mixed-use destination located in the Al-Beda'a area. The complex features the luxury five-star "Arabella Beach Hotel," part of the Vignette Collection and managed by United Hospitality.

The hotel comprises 195 rooms, in addition to a rooftop swimming pool, a private beach, and panoramic views of the Gulf, making it a distinguished luxury destination

### ❖ Labor Camp Project

The Labor Camp Project in Sabhan has witnessed significant progress, being implemented under a 20-year BOT agreement with the Ministry of Finance. The project spans an area of 40,000 square meters and will provide modern, fully integrated housing facilities for workers in the industrial areas, with targeted completion in the first quarter of 2026.

### ❖ Active Holding Company – Health and Fitness Sector

In the fitness sector, Kuwait Real Estate Company's subsidiary, **Active Holding**, expanded its **NOW** brand by opening a new sports complex in the Al-Riqqa area, covering an area of 3,000 square meters. The facility includes separate amenities for men and women, as well as the first **NOW Junior** branch for children. Additionally, two new branches were opened in the **Arabella Complex**, further strengthening the Company's presence in the health and wellness sector.

## **B- Projects in the Middle East, Europe, and the United States**

### **United Arab Emirates**

#### ❖ Al-Tai Hills Project

The Al-Tai Hills Project in Sharjah is considered Kuwait Real Estate Company's most ambitious project in the UAE, redefining the concept of sustainable living. The project is valued at AED 3.5 billion and spans over 6 million square feet. Its master plan includes 1,100 villas and townhouses, a 2.5 km green river, gardens, walkways, and commercial areas.

The phased handover is scheduled to commence from the first quarter of 2028, combining modern living with Emirati heritage.

#### ❖ Domus and AIM Residential Fund

AQARAT's Domus residential portfolio in Dubai sustained strong performance in 2024. Domus (1) through (4) maintained full occupancy, and Domus (5) is on track for completion in Q4 2025. To scale this success, AQARAT invested AED 100 million in the AIM Residential Fund, reinforcing its leadership in high-quality staff housing for Dubai's hospitality sector.

## **The United States**

### **❖ 501 First Residences**

In Miami, 501 First Residences, a 40-story tower with 448 smart-enabled units, reached 83% completion by December 2024. With only 21 units remaining, the project is on course to set a new standard for downtown living upon its late-2025 launch.

### **❖ Yotel New York**

YOTEL New York continued to lead AQARAT's global hospitality portfolio, closing December with 97.5% occupancy and delivering 12.9% revenue growth. Strong guest ratings and efficient yield management underpin its outperformance in Manhattan's competitive market.

### **❖ Yotel Miami**

YOTEL Miami remained resilient, maintaining steady occupancy and profitability despite market pressures. Diversified income sources and operational efficiencies protected margins, while efforts in 2025 will focus on targeting premium guests and implementing dynamic pricing.



## **MANAGEMENT**

### **The Issuing Company's Board of Directors:**

As of May 15, 2025, the company's Board of Directors is composed of the following members:

| Name                        | Position      |
|-----------------------------|---------------|
| Ibrahim Saleh AL- Tharban   | Chairman      |
| Talal Jassim Al-Bahar       | Vice Chairman |
| Naser Abdullatif Al-Manea   | Board Member  |
| Mohamed Essam Al- Bahar     | Board Member  |
| Khaled Saeed Esbita         | Board Member  |
| Marzouq Jassim Al-Bahar     | Board Member  |
| Meshari Abdullah Al-Dakheel | Board Member  |
| Ahmed Faisal Al-Qatami      | Board Member  |

### **About the Issuer's Board of Directors**

| Name                             | Designation                    | Qualifications and Experience   | Current Positions in Other Entities  |
|----------------------------------|--------------------------------|---|--|
| <b>Ibrahim Saleh AL- Tharban</b> | <b>Chairman</b>                | Bachelor's Degree in Commerce<br>Over 45 years of experience in investment, Finance, and economics. | Board Member – Arzan Financial Group for Financing & Investment<br>Board Member - United Investment Co.  |
| <b>Talal Jassim Al-Bahar</b>     | <b>Vice Chairman &amp; CEO</b> | Bachelor's Degree in Business Administration<br>Experience in Real Estate Development & Investments | Vice Chairman of IFA Hotels & Resorts — playing a pivotal role in its listing on both the Kuwait Stock Exchange (2006) and Johannesburg Stock Exchange, and driving its global growth.<br>Chairman of Arzan Financial Group for Finance and Investment<br>Board Member of several corporations, including Commercial Real Estate Co. (Al-Tijaria), Boursa Kuwait, Yotel Ltd (UK), United Investments |

|                                    |                     |   |   |
|------------------------------------|---------------------|---|---|
|                                    |                     |   | (Portugal), Kingdom-Beirut (Lebanon), Miami International Securities Exchange (MIAX), and Miami International Holding (USA)   |
| <b>Marzouq Jassim Al-Bahar</b>     | <b>Board Member</b> | Bachelor's Degree in Business Administration<br>Experience in marketing, development, and business management.                                    | Board Member – Al Wafir Marketing<br>CEO – IFA Food Company   |
| <b>Ahmed Faisal Al-Qatami</b>      | <b>Board Member</b> | Bachelor's Degree in Business Administration<br><br>Experience in Finance & Banking Section   | Warba Bank (February 2023 – Present)<br>Chief, Retail Banking Group (RBG)   |
| <b>Meshari Abdullah Al-Dakheel</b> | <b>Board Member</b> | Bachelor's Degree in Business Administration,<br>majoring in Finance<br>Experience in the financial sector, investments, and business management. | Vice CEO of Osoul Investment Company  |
| <b>Naser Abdullatif Al-Manea</b>   | <b>Board Member</b> | Bachelor's Degree in Finance and Financial Institutions<br>Experience in the financial sector, investments, and business management.              | Chief Executive Officer of Almanie Holding Group  |
| <b>Mohamed Essam Al- Bahar</b>     | <b>Board Member</b> | Bachelor's Degree in Business Administration<br>Experience in management and development.   | General Manager, Kuwait – Mohamed Abdulrahman Al-Bahar, Caterpillar.  |
| <b>Khaled Saeed Esbita</b>         | <b>Board Member</b> | Master's and Bachelor's Degrees in Architecture<br>Experience in the real estate sector.  | Chairman (Non-Executive) of IFA Hotels & Resorts KPSC — appointed in April 2023, guiding the Group's regional and international hospitality strategy.<br>Board Member of Kuwait Real Estate Company |

**The nature of any family relations between the members of the Board of Directors:**

| <b>Parties</b>  | <b>Relation type</b>    |
|---|-------------------------|
| Talal Jassim Al Bahar & Marzouk Jassim Al-Bahar         | First Degree (Brothers) |
| Talal Al- Bahar & Marzouk Al- Bahar & Mohamed Al- Bahar | Fourth Degree (cousins) |
| Talal Al- Bahar & Marzouk Al- Bahar & Ahmed Al- Qatami  | Fourth Degree (cousins) |

**Below is the number of shares held by each board member as of June 30, 2025:**

| <b>Name</b>                      | <b>Position</b>       | <b>Number of Shares</b> | <b>Percentage of Share Capital</b> |
|----------------------------------|-----------------------|-------------------------|------------------------------------|
| Ibrahim Saleh Al-Tharban         | Chairman of the Board | 240,111                 | 0.0225 %                           |
| Talal Jassim Al-Bahar            | Vice Chairman         | 13,377,589              | 1.2567 %                           |
| Nasser Abdulatif Al-Manea        | Board Member          | 3,212,360               | 0.3017 %                           |
| Mohammed Essam Mohammed Al-Bahar | Board Member          | 10                      | 0.000 %                            |
| Khaled Saeed Esbeita             | Board Member          | 21                      | 0.000 %                            |
| Marzouq Jassim Mohammed Al-Bahar | Board Member          | 7,543,344               | 0.7086 %                           |
| Meshari Abdullah Al-Dakhil       | Board Member          | 165,392                 | 0.0155 %                           |
| Ahmad Faisal Al-Qatami           | Board Member          | 155,054                 | 0.0145 %                           |

## Executive Management

| Name                 | Designation                    | Nationality | Date of Birth | Civil ID     |
|----------------------|--------------------------------|-------------|---------------|--------------|
| Ibrahim Al-Tharban   | Chairman                       | Kuwaiti     | 1953/06/22    | 253062200038 |
| Talal AL- Bahar      | Vice Chairman & CEO            | Kuwaiti     | 1978/04/29    | 278042900011 |
| Abdulaziz AL- Meajel | VP – Real Estate Development   | Kuwaiti     | 1981/02/11    | 281021100071 |
| Naser Al Bader       | VP – Facility Management       | Kuwaiti     | 1981/05/24    | 281052400229 |
| Bader Al- Hajeri     | VP – Property Management       | Kuwaiti     | 1977/12/17    | 277121700208 |
| Fahad AL- Shamlan    | VP- Investment and Acquisition | Kuwaiti     | 1978/08/15    | 278081501443 |
| Mohammad Al-Hamad    | VP – HR & Administration       | Kuwaiti     | 1969/12/28    | 269122800374 |
| Maher Khalaf         | VP – Finance                   | Syria       | 1976/12/15    | 276121502725 |
| Naji Abu Malek       | VP – IT                        | Lebanon     | 1982/12/15    | 282121503024 |

## CAPITALIZATION AND BORROWINGS

The following table sets out the liabilities and Shareholders' equity of the Issuer, as well as post- Offering pro forma figures. The financial information as of 31 December 2024 (actual) has been extracted from the audited financial statements of the Issuer as of 31 December 2024:

| EQUITY                   |               |               |                                   |
|--------------------------|---------------|---------------|-----------------------------------|
| KUWAITI DINAR IN MILLION | DECEMBER 2024 | SHARE PREMIUM | POST CAPITAL INCREASE (UNAUDITED) |
| SHARE CAPITAL            | 100           | 16            | 116                               |
| SHARE PREMIUM            | 3             | 16            | 19                                |
| TREASURY SHARES          | (7)           | 0             | (7)                               |
| TREASURY SHARES RESERVE  | 10            | 0             | 10                                |

|  |            |           |            |
|--|------------|-----------|------------|
| STATUTORY AND VOLUNTARY RESERVES                 | 30         | 0         | 30         |
| FAIR VALUE RESERVE                               | 16         | 0         | 16         |
| RETAINED EARNINGS                                | 27         | 0         | 27         |
| NON-CONTROLLING INTERESTS                        | 16         | 0         | 16         |
| <b>TOTAL EQUITY</b>                              | <b>195</b> | <b>32</b> | <b>227</b> |
| ACCOUNTS PAYABLE AND OTHER LIABILITIES           | 22         | 0         | 22         |
| DUE TO RELATED PARTIES                           | 6          | 0         | 6          |
| DUE TO BANKS                                     | 5          | 0         | 5          |
| BORROWINGS                                       | 223        | 0         | 223        |
| PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS | 1          | 0         | 1          |
| LEASE LIABILITIES                                | 8          | 0         | 8          |
| <b>TOTAL LIABILITIES</b>                         | <b>265</b> | <b>0</b>  | <b>265</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>              | <b>460</b> | <b>32</b> | <b>492</b> |

## CONFIRMATION OF PAID-UP CAPITAL

As of December 31, 2024, the company's issued and paid-up capital amounted to KWD 100,420,696, consisting of 1,004,206,960 shares with a nominal value of 100 Kuwaiti Fils per share.

## RELATED PARTIES

The ordinary general assembly, held on May 15, 2025, approved the report on transactions with related parties that have been conducted and those that are planned.

## DIVIDENDS FOR PREVIOUS YEARS

The below table sets out the dividends distributed in previous years.

## DIVIDENDS FOR ISSUING COMPANY

Below is the Issuing Company's dividend distribution for the past five years:

| Year | Capital (KWD)   | Bonus Distribution | Cash Distribution | Notes   |
|------|-----------------|--------------------|-------------------|---|
| 2020 | 94,736,505.900  | 5%                 | —                 | Distribution of 5% bonus shares (treasury shares)                         |
| 2021 | 94,736,505.900  | 3%                 | 3%                | Distribution of 3% bonus shares (treasury shares) + 3% cash distribution  |
| 2022 | 94,736,505.900  | 3%                 | 3%                | Distribution of 3% bonus shares (treasury shares) + 3% cash distribution  |
| 2023 | 94,736,505.900  | 6%                 | 4%                | Distribution of 6% bonus shares (capital increase) + 4% cash distribution |
| 2024 | 100,420,696.200 | 6%                 | —                 | Distribution of 6% bonus shares (capital increase)                        |

### Compensation and benefits of the Board of Directors and Executive Management for the year ended on 31/12/2024 and projected for the year ended on 31/12/2025

According to the Company's financial statements for the year ended December 31, 2024, the total benefits and compensation for the Board of Directors (including salaries, board members' remuneration, insurance, and bonuses) amounted to KWD 60,000, while the total for the executive management amounted to KWD 856,672.

The total benefits and compensation for the Board of Directors and executive management for the financial year ending December 31, 2025, are expected to amount to approximately KWD 900,000.

## PREVIOUS SECURITIES ISSUANCES BY THE ISSUER

Over the past five years, Kuwait Real Estate Company KSC (Public) has distributed free bonus shares to eligible shareholders through capital increases, as detailed in the table below. The Company has made no other issuances or Offerings of securities during the past five financial years.

### Capital After Issuance of Shares

| Capital After Share Issuance<br>(KWD) | Increase<br>(%) | Value (KWD)   | Total<br>Number of<br>Shares | Type of<br>Issuance | Date of Issuance<br>(Financial Year) |
|---------------------------------------|-----------------|---------------|------------------------------|---------------------|--------------------------------------|
| 100,420,696.200                       | 6%              | 5,684,190.300 | 56,841,903                   | Bonus Shares        | 2023                                 |
| 106,445,937.900                       | 6%              | 6,025,241.700 | 60,252,417                   | Bonus Shares        | 2024                                 |



## Related Party Transactions

### Breakdown of Amounts due from Related Parties: 31-12-24

|   |                   |
|---|-------------------|
| <b><u>From Kuwait Real Estate Company:</u></b>    | <b>K D</b>        |
| IFA International Financial Consulting Company    | 142,872           |
| IFA Hotels & Resorts                              | 947,708           |
| Yotel Miami                                       | 79,811            |
| Al Deerah Holding                                 | 7,818             |
| Arzan Financial Group                             | 38,323            |
| NOX Investments                                   | 2,077             |
| National Slaughterhouse Company                   | 17,702            |
| EMCOR Kuwait Company                              | 516,252           |
| Zamzam Religious Tourism Company                  | 3,995             |
| Durrat Miami                                      | 132,783           |
| Atlantic  | 1,127,285         |
| Kuwait Holding Company                            | 119,820           |
| Al Wafer Company                                  | 7,157             |
| Al Rana Company                                   | 2,802             |
| Yotel San Francisco                               | 78,859            |
| Arabella Hotels & Studio Company                  | 3,235,188         |
| Others  | 60,696            |
|   | <b>6,521,148</b>  |
| <b><u>From International Resorts Company:</u></b> | <b>K D</b>        |
| IFA Hotels & Resorts                              | 4,696,229         |
| Zamzam Religious Tourism Company                  | 8,471             |
| Al Deerah Holding                                 | 359,469           |
| Kuwait Holding Company                            | 415,042           |
| Others  | 1,750             |
|   | <b>5,480,961</b>  |
| <b><u>From Consolidated Subsidiaries:</u></b>     |                   |
| From Motahida Company                             | 698,445           |
| From Al Durar Company                             | 681,423           |
| From IFA Lebanon                                  | 351,122           |
| From The 8 Real Estate                            | 791,707           |
| <b>Total</b>                                      | <b>14,524,805</b> |

**Breakdown of Amounts due to Related Parties:**

**From Kuwait Real Estate Company:                      K D**

|                                 |         |
|---------------------------------|---------|
| IFA Consulting Services Company | 33,613  |
| Gulf Invest Real Estate Company | 661,537 |
| IFA Food Company                | 7,356   |
| IFA Hotels Company              | 28,098  |
| Marasi One Company              | 50,000  |

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**780,604**

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**From International Resorts Company:                      31-12-24**

|  |           |
|--|-----------|
| Kuwait International Investment Company          | 1,362,732 |
| Arzan Financial Group for Finance and Investment | 148,402   |
| Aim International Consulting Company             | 84,344    |

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**1,595,478**

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|                                |           |
|--------------------------------|-----------|
| From KREC Debt Company         | 114,546   |
| From Motahida Company          | 156,066   |
| From Al-Durar Company          | 114,502   |
| From Eradat Company            | 70,038    |
| From Al-Kout Company           | 2,481,541 |
| From Consolidated Subsidiaries | 359,071   |

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**Total    5,671,846**

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## Litigation and Legal Disputes

The Issuer is not involved in any governmental, administrative, judicial, or arbitration proceedings (whether pending, threatened, or known to the Issuer) that have or may have recently had a materially significant impact on the Company's financial position and earnings.

The most notable legal disputes primarily involve tenants, which is consistent with the Company's real estate business operations. Most cases relate to matters such as rent increases, evictions, or compensation claims, all of which are part of the Company's ordinary operational activities. Accordingly, these disputes are summarized in the table below.

| NO. | CASE  | DESCRIPTION   | DATE       |
|-----|---|---|------------|
| 1   | Case filed by the Kuwait Real Estate company in its capacity as manager of Al-Fareej International Real Estate company against IBV Europe                         | eviction due to non-payment of rent   | 29/09/2020 |
| 2   | A case filed by a Kuwait real estate company in its capacity as manager of Al-Fareej International Real Estate Company against Standard Al-Arabia General Trading | eviction due to non-payment of rent   | 23/04/2019 |
| 3   | A case filed by Kuwait Financial Group Holding Company (a subsidiary) against Adel Safar Abdulhadi  | recovery of amounts received since 2005   | 18/02/2024 |
| 4   | A case filed by the Kuwait Financial Group Holding Company (a subsidiary) against former board members  | claim for compensation for violations related to a previous dispute since 2006, as an extension of a provisional compensation claim from 2006 | 07/03/2024 |

## RISK FACTORS

*Subscribers should carefully review the risk factors outlined below, in addition to all other information contained in this Prospectus, before investing in the shares. The Issuer considers the following to represent the principal risks associated with investing in the shares; however, these risks are not exhaustive. There may be other considerations, some of which may not be known to the Company's management at present or may be deemed immaterial by the Company, which could affect the investment in the shares.*

*Subscribers are advised to read the detailed information provided in other sections of this Prospectus and form their own judgment before making any investment decision.*

### Risks Related to the Issuer's Activities and Operations

#### ❖ Market Risks

##### Foreign Currency Risks

The Company primarily operates in the GCC countries, as well as other countries in the Middle East, Europe, and the United States. Accordingly, it is exposed to foreign currency risks arising from exposure to various currencies. Foreign currency risks arise from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

##### Interest Rate Risks

Interest rate risk arises from the possibility that changes in interest rates may affect future profitability or the fair value of financial instruments. The Company is exposed to interest rate risks in relation to loans and amounts due from banks.

##### Price Risks

The Company is exposed to equity price risks in relation to its investments in equity and debt instruments. These assets are classified either at fair value through profit or loss or at fair value through other comprehensive income.

##### Credit Risk

Credit risk represents the possibility that a counterparty to a financial instrument may be unable to discharge its contractual obligations, thereby resulting in a financial loss to the other party. The Company's policy with respect to exposure to credit risk requires ongoing monitoring of such risks and aims to avoid concentrations of credit risk with individuals, groups of customers, specific locations, or particular sectors. This is achieved through diversification of activities, in addition to obtaining collateral where appropriate.

### **The legal and regulatory systems may create a volatile environment for investments and business activities.**

The Issuer operates in activities subject to regulation in multiple countries, and local regulations may change in a way that adversely affects one or more of its businesses. This could result from increased competition due to the issuance of additional licenses to companies, or changes in licensing conditions affecting specific business activities or profitability. Restrictions could also be imposed on ownership or the scope of activities conducted by the Issuer. There can be no assurance that any government in a country where the Issuer operates will not implement financial or monetary regulations or policies—including new regulations, interpretations of existing regulations, or legal frameworks—affecting or relating to expropriation, nationalization, taxation, interest rates, foreign exchange controls, or other measures that could have a material adverse impact on the Issuer's business, financial position, results of operations, or prospects.

### **Risks Related to Kuwait and the Middle East & North Africa (MENA) Region**

Legal and regulatory frameworks in the MENA region may create an uncertain environment for investment and business activities, as governance institutions and regulatory systems are still developing compared to Western Europe and the United States. Kuwait, along with other GCC countries, has enacted measures to enhance efficiency and legal certainty within its legal and regulatory systems. Among these measures, Kuwait and other GCC countries have undertaken commitments under the General Agreement on Tariffs and Trade ("GATT"), as administered by the World Trade Organization (WTO). Kuwait has also enacted legislation, including the expansion of foreign ownership rights.

However, Kuwait may experience changes in its economy and government policies—including, but not limited to, policies relating to the continued expansion of foreign ownership in accordance with its GATT and WTO obligations—which could affect the Issuer's business.

### **Kuwait and other GCC legal systems continue to develop and this may create an uncertain environment for investment and business activity**

Kuwait and many of the other GCC countries are in various stages of developing their legal and regulatory institutions that are characteristic of more developed markets. As a result, procedural safeguards as well as formal regulations and laws may not be applied consistently. In some circumstances it may not be possible to obtain the legal remedies provided under the relevant laws and regulations in a timely manner. As the legal environment remains subject to continuous development, investors in Kuwait and the GCC countries may face uncertainty as to the security of their investments. Any unexpected changes in the legal systems in Kuwait and the GCC may have a material adverse effect on the investments that the Company has made or may make in the future, which may in turn have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

## **Operational Risks**

Operational risk and related losses may arise from fraud, employee errors, inadequate documentation of transactions, failure to obtain proper internal authorization, non-compliance with regulatory requirements, or failure to implement business conduct rules and systems. They may also result from equipment failures, natural disasters, or disruptions to external systems (such as those of counterparties or suppliers), all of which could affect the performance of the Issuer.

The Issuer has an operational risk framework in place to manage operational risks through the identification, measurement, monitoring, tracking, and reporting of such risks. Notwithstanding the implementation of this framework, it is not possible to eliminate all of these operational risks in their entirety.

## **Cyber Security Risks**

The Issuing Company are dependent on their information and technology systems which are subject to potential cyber-attack. Sophisticated cyber actors exploit vulnerabilities to steal information and money and develop capabilities to disrupt, destroy, or threaten the delivery of services. Such attacks can cause considerable financial and reputational damage to the Issuer. The Issuing Company has systems in place to adequately manage cyber-security risk and continually review and update their current processes in response to new threats. However, given the increasing sophistication and scope of potential cyber-attacks, it is not possible to eliminate entirely the risks to significant breaches of security, which could disrupt business, result in the disclosure of confidential information, create significant financial and/or legal exposure and damage the reputation of the Issuer.

## **Regulatory risks related to the Issuing Company**

Changes in applicable laws or instructions, interpretation or implementation of those laws or instructions, or non-compliance with them may have a negative impact on the business of the Issuer, and in this case, the returns and dividends of the Issuing Company may be negatively affected.

## **Kuwait Bankruptcy Law**

Any claim or rights, by or on behalf of shareholders, in the Shares to be issued, will rank pari passu, without any preference, to the outstanding shares of the Issuer. In the event of the Issuer's insolvency, Kuwaiti bankruptcy rules under the Insolvency Law No. 71 of 2020 and the enforcement procedures over the assets of the Company may adversely affect the Issuer's ability to perform its obligations to the shareholders or return the funds of the shareholders in the event of insolvency. According to the law, shareholders' claims are ranked below preeminence claims, to the benefit of the state, government, tax and labor authorities, secured creditors and other creditors of the Issuer.

Obtaining a final bankruptcy judgment in Kuwait can take several years. There is, therefore, no certainty as to the shareholders receiving, in the event of the Company being pronounced bankrupt, their claims in full or at all.

## **Force Majeure**

Some unpredictable events may happen which in turn may affect the ability of the Issuing Company to meet its obligations with respect to the current and planned activities. Force majeure events include, but are not limited to, accidents, wars, revolutions, riots, civil resurrection, acts of God, natural disasters, strikes or labor disputes. There is no guarantee of steady financial performance for the Issuing Company in the future.

The financial performance of the Issuing Company has been favored by robust economic conditions since inception in Kuwait and GCC states, during such period on the background of relative political stability and steady increase in oil prices. There is no guarantee of steady financial performance of the Issuing Company in the future or growth and stability in the markets in which the Issuing Company operates and invests. In view of the overlapping nature of the global financial markets, investors must be mindful that the activities and financial performance of the Issuing Company may be affected and influenced by the negative effects of other related political economic and other developments within and outside of the GCC states and the Middle East.

The Issuing Company continues to upgrade its systems in keeping with the potential growth, increased complexity, and specialization in various assets and investments management. Although the Issuing Company believes that it has proper financial and administrative controls, any mismanagement, or act of fraud, circumvention, malfunctioning or failure in carrying out the responsibilities of the Issuing Company or the negative publicity caused by such acts, or a charge laid out by any other party may have negative impact on the ability of the Issuing Company to maintain income from various credit portfolios and investments, or its ability to grow such income.

## **Liquidity and volatility in the Share price**

Subscribers may not be able to resell their Shares (including the Issue Shares) at or above the Offer Price, or at all, as the market price of the Issue Shares after the Offering may be adversely affected by factors within and outside the Issuer's control, including, but not limited to, variations in the Issuer's results of operations, market conditions, or changes in Government regulations.

Subscribers shall be aware that the value of an investment in the Issue Shares may go down as well as up. The market price of the Issue Shares could be volatile and subject to significant fluctuations due to a change in sentiment in the market regarding the Issue Shares. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for securities and which may be unrelated to the Issuer's performance or prospects. Furthermore, the Issuer's operating results and prospects from time to time may be below the expectation of market analysts and the market generally. Any of these events could result in a decline in the market price of the Shares.



## **Risks related to the Issue Shares**

### **Investing in securities in developing and emerging markets generally involves a higher degree of risk**

Investors in developing and emerging markets, such as Kuwait, shall be aware that these markets are subject to greater risks than developed markets including, but not limited to, higher volatility, limited liquidity, and changes in the political and economic environment. In addition, there can be no assurance that the market for securities bearing emerging market risk, such as the stocks, will not be affected negatively by events elsewhere, especially in emerging markets.

Specific risks in Kuwait and the Middle East and North Africa region that could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects include the following:

- Political, economic or social instability;
- External acts of warfare, civil clashes or other hostilities or conflict;
- Domestic unrest or violence;
- Increases in inflation and the cost of living;
- Changing tax regimes and tax laws, including the imposition of taxes in tax-free jurisdictions or the increase of taxes in low-tax jurisdictions;
- Government interventions and protectionism;
- Potential adverse changes in laws and regulatory practices, including legal structures and tax laws;
- Difficulties in staffing and managing operations;
- Legal systems which could make it difficult for the Issuing Company to enforce its intellectual property and contractual rights;
- Restrictions on the right to convert or repatriate currency or export assets;
- Greater risk of uncollectible accounts and longer collection cycles;
- Currency fluctuations; and
- Logistical and communications challenges.

Accordingly, prospective investors shall exercise particular care in evaluating the risks involved, and must determine for themselves whether, in light of those risks, an investment in the stocks is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully comprehend the significance of the risk involved.

## **Suitability of Investment**

Each potential Subscriber in the Issue Shares must determine the suitability of that investment in light of its own circumstances. In particular, each Subscriber shall:

- Have sufficient knowledge and experience to make a meaningful valuation of the stocks, the merits and risks of investing in the stocks, and the information contained in this Prospectus;
- Have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the stocks and the impact the stocks will have on its overall investment portfolio;
- Understand thoroughly the terms of the stocks and be familiar with the behavior of any relevant financial markets; and
- Be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

## **Dividend Payments**

The Issue Shares will be entitled to receive any dividends declared by the Issuing Company in the future. (The Issuing Company intends to maintain a dividend policy which has due regard to sustainable levels of dividend distribution and which reflects the Issuer's view on the outlook for sustainable recurring earnings. The Issuing Company does not aim to create reserves that are not available for distribution to Shareholders other than those required by law. The Issuing Company intends to pay dividends when the Board of Directors considers it appropriate). Furthermore, the dividend policy of the Issuing Company may change from time to time.

## **Risks of unprofitability or not exercising Pre-emption Rights**

A higher trading price for the Company's shares does not guarantee profitability for shareholders. Moreover, there is no guarantee of sufficient demand in the market for investors to exercise their Pre-emption Rights or be compensated by the Company for not exercising their Pre-emption Rights. In the event that investors are unable to sell their Pre-emption Rights by the end of the fifth Working Day prior to the closing of the Subscription Period, investors may be losing these rights to subscribe in the Issue Shares. In the event investors do not subscribe, or fail to follow the procedures for subscription in the Issue Shares, there are no guarantees investors will be compensated for failure of exercising their Pre-emption Rights and thus incurring potential losses. Accordingly, investors shall review the information the mechanism for the listing and trading of Pre-emption Rights in Boursa Kuwait rulebook, the Kuwait Companies Law No. 1 of 2016, and the provisions of the executive regulations of the CMA. Investors must be aware of factors that may potentially affect them, to ensure that any investment decision is based on awareness and a full understanding of the nature of the investment and the risks associated with it.

### **Risks of insufficient demand for Pre-emption Rights or the Company's shares, or withdrawal from subscription**

There is no guarantee that there will be sufficient demand for Pre-emption Rights during the Subscription Period in the Issue Shares to allow Pre-emption Rights holders to sell their rights at a profit. Moreover, there is no guarantee there will be sufficient demand for the Company's shares by Subscribers during the Subscription Period, and in this case, Pre-emption Rights holders will not be compensated for failing to exercise their rights. In addition, there is no guarantee of sufficient market demand for the shares acquired by the Subscriber through the exercise of their Pre-emption Rights, or through the remaining shares offered, or through the market, which will in turn negatively affect the share price, the Company's profitability, and the shareholders. Besides, there is no guarantee the Offering will be successful, or is not cancelled, and in the event of a cancellation, the Pre-emption Rights holders will not be able to exercise their right to subscribe in the Issue Shares which may cause the Pre-emption Rights holder to forfeit the purchase price of the Pre-emption Rights, and will not have the right of recourse against the Company or the Subscription Agent or the Clearing and Depositary Agent for any claim or compensation. The listing and trading of the Pre-emption Rights in respect of the Offering is subject to the Company's shares continuing to be listed on Boursa Kuwait during the Subscription Period in the Issue Shares.

### **Risks of speculation in Pre-emption Rights**

Speculation in Pre-emption Rights is subject to risks that could lead to material losses. The daily price trading limits of the Issue Shares are affected by the relative limits the stock is subject to. Additionally, there is a positive relation between the Company's share price and the reference price, and based on the daily price trading limits on the stock. In the event that the speculator does not sell their Pre-emption Rights or exercise it before the end of the trading period, the speculator will be forced to lose these rights and thus be exposed to potential losses.

### **A decrease in the current ownership percentage**

If the Eligible Shareholders do not exercise their right to subscribe before the deadline for receiving applications and pay the full value of the shares required to be subscribed to as described in this Prospectus, their ownership percentage and their ability to vote in the Issuing Company will be reduced, and therefore the percentage that represents their current share in the capital of the Issuing Company will be reduced. In addition, the Eligible Shareholders as at the Record Date who have exercised their full rights may experience a decrease in their percentage of ownership as the number of their shares will be rounded to the nearest whole number of Issue Shares. However, these shareholders will be able to subscribe to Additional Issue Shares, if any, which may enable them to maintain or increase their ownership percentage in the Issuer.

## **Taxation risks on payments of Issue Shares**

The application and enforcement of the Kuwaiti income tax regime is uncertain, and holders of the Issue Shares which are “non-GCC corporate entities” may become subject to the Kuwaiti income tax regime in certain limited circumstances.

The application and enforcement of the Kuwaiti income tax regime to holders of the Issue Shares which are “non-GCC corporate entities” (as defined in “Taxation”) is uncertain. There is a possibility that any holder of the Issue Shares which is a non-GCC corporate entity may become subject to the Kuwaiti income tax regime in the future, shall the Department of Income Tax (the “DIT”) at the Kuwaiti Ministry of Finance and/or the Kuwaiti courts determine that the income received in respect of the Issue Shares constitutes “investment in Kuwait” (and thereby the conduct of business in Kuwait for the purposes of the Kuwaiti income tax regime), even if the holder has no residence or place of incorporation in Kuwait.

As at the date of this Prospectus, there has been no official statement made publicly by the DIT regarding its interpretation of, and/ or application such requirements in the context of a transaction similar to the issuance of the Issue Shares. Similarly, the Kuwaiti courts (who will be the final arbiters on the matter) have not been required to interpret such requirement to date. Although there has been no precedent of the DIT enforcing the imposition of income tax on non-GCC corporate entity shareholders in the circumstances described above, it is not possible to state definitively how the DIT and/or the Kuwaiti courts may implement or enforce the Taxation Laws (**as defined in “Taxation”**) and the exemptions described therein in practice. Furthermore, the DIT has not historically adopted entirely consistent positions in respect of Kuwaiti tax matters.

If the DIT and/or the Kuwaiti courts were to determine that the income received by a holder of Issue Shares which is a non-GCC corporate entity in respect of any Issue Shares held by it is taxable, then such non- GCC corporate entity would become subject to the Kuwaiti income tax regime. This would require the payment of income tax at a rate of 15% on net income and potentially capital gains, as well as compliance with certain reporting and disclosure requirements (including the filing of tax returns in Kuwait). In addition, a 5% deduction on payments made directly by the Issuer to such holders may be applied in certain circumstances pending resolution of their tax position. See “Taxation – Retention” for further details.

Whilst the application and enforcement of the Kuwaiti income tax regime remains uncertain, there can be no assurance that holders of Issue Shares which are “non-GCC corporate entities” will not become subject to such regime in the circumstances described above. Prospective Subscribers for the Issue Shares are advised to consult their tax advisers as to the consequences under Kuwaiti and other applicable tax laws of acquiring, holding and disposing of the Issue Shares and receiving payments under the Issue Shares. See “Taxation” for further details.

## **Kuwait may introduce Corporate Income Tax on Kuwaiti and other Companies, as well as Value Added Taxes**

The Issuing Company is not currently subject to corporation tax on its earnings within Kuwait. However, on 14 March 2016 the Kuwait Cabinet of Ministers approved plans to implement a corporate tax of ten percent (10%) on the annual profits of Kuwaiti incorporated entities (the “Proposed Corporate Income Tax”), which may be applicable to the Issuing Company for future financial years. The Proposed Corporate Income Tax would extend to Partnerships, Funds, Sole Partnership and Trusts,

similar companies established under the laws of a foreign country as well as individuals and enterprises carrying on business in Kuwait. As of the date of this Prospectus, the Proposed Corporate Income Tax does not have the force of law until such time as it has been approved by the Kuwaiti Parliament, signed by the Amir, and published in the Official Gazette. It is currently uncertain as to whether the Proposed Corporate Income Tax will be promulgated into law in the form in which it has been proposed by the Cabinet of Ministers, or at all.

If the Kuwaiti authorities impose new tax regimes on the Issuing Company (whether in the form of the Proposed Corporate Income Tax or otherwise) or introduce any other changes in tax laws which make doing business in Kuwait less attractive, this may have a material adverse effect on the Issuer's business, results of operations, cash flows and financial condition. The Proposed Corporate Income Tax also provides for Withholding taxes (WHT) to be imposed on payments to nonresident entities. Currently the Proposed Corporate Income Tax provides for WHT on royalties, interest and technical fees at ten percent (10%), and insurance premiums at five percent (5%), but not on dividends.

It is expected that the State of Kuwait will implement a value-added tax law in the coming periods, consistent with most other GCC countries. Although the application of this VAT on financial services has not been confirmed, the application may cause economic effects on the Company's financial position, business results and prospects.

### **Change in Law**

No assurance can be given as to the impact of any possible change to Kuwaiti law or to administrative practice after the date of the Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuing Company to make payments and/or make deliveries under the Issue Shares, as applicable.

### **The application of the Kuwaiti income tax regime on stock dividends**

Article 150 (bis) of Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and the Regulating of Securities Activities, provides that, "without prejudice to the tax on profits arising from the disposal of securities issued by companies listed on the Boursa Kuwait, the returns in respect of securities, bonds, financial sukuk and all other similar securities, regardless of the Issuer, are exempt from taxes". Nevertheless, it cannot be confirmed that this provision will apply to the Issuer, nor can there be any assurance that this provision will not be amended in the future. Accordingly, payments made by the Issuer in respect of the Shares may become subject to taxation in the event that the aforementioned provision is amended or a specific tax law is enacted in the State of Kuwait.

### **GCC countries may form a monetary union**

There exists a future possibility of the Kingdom of Bahrain, the State of Kuwait, the Kingdom of Saudi Arabia and the State of Qatar abandoning their national currencies for a single Gulf currency. In the event of adopting a single Gulf currency, the necessary convergence and adjustment of laws, policies and procedures will create profound changes in the basic economic and political structure in every GCC country. So far, no timetable for the development of monetary union has been announced with no details available of new legislations or policies; nevertheless, potential shareholders and investors shall be aware that the new legislations and any resulting change in the monetary policies and procedures in Kuwait can affect the Issuer's ability to fulfill its obligations towards its shareholders as it related to the Issue Shares.

## TAXATION

This summary of taxation in Kuwait is based on the Kuwait Income Tax Decree No. 3 of 1955 (the "Decree"), as amended by Law No. 2 of 2008 "Amending Certain Provisions of Kuwait Income Tax Decree No. 3 of 1955" (the "Amendment"), the Executive Bylaws of the Amendment (the "Regulations"), and various ministerial resolutions and circulars relating thereto issued by the Ministry of Finance (the "MOF") (together, the "Taxation Laws") as interpreted and implemented by the MOF's Department of Income Tax ("DIT") as at the date of this Prospectus. Any subsequent changes in either the Taxation Laws or the interpretation or implementation of the same by the DIT would alter and affect this summary.

### Income Tax

Under the Taxation Laws, income tax at a flat rate of fifteen percent (15%) is levied on, inter alia, the net income and capital gains realized by any corporate entity, wherever incorporated, that conducts business or economic activity in Kuwait. However, the DIT to date has granted a concession to such corporate entities incorporated in Kuwait or in any other GCC country (being referred to in this Prospectus as **GCC corporate entities**) and has only imposed income tax on corporate entities which are not GCC corporate entities (being referred to in this Prospectus as **non-GCC corporate entities**) which, for the avoidance of doubt, includes shareholders of GCC corporate entities which are themselves non-GCC corporate entities, in each case, conducting business in Kuwait. The following paragraphs in this section are therefore applicable only to non-GCC corporate entities.

Pursuant to Article 150 bis, added by Law No. 22 of 2015 amending Law No. 7 of 2010 (the "CMA Amendment"), "the returns on securities, bonds, finance sukuk and all other similar securities, regardless of the Issuing Company, shall be exempt from tax" (the "Dividend Exemption"). This is in addition to the exemption under the Regulations of capital gains arising from the trading of shares of companies listed on Boursa Kuwait (the "Capital Gain Exemption", and together with the Dividend Exemption, the "Tax Exemptions"). The Tax Exemptions have been confirmed by ministerial decree.

Notwithstanding the foregoing, the application and enforcement of the Kuwaiti income tax regime and the Tax Exemptions remains uncertain. Please refer to "Risk Factors – Risks relating to the Legal and Regulatory Environment." Prospective investors in the Issue Shares are advised that there remains a possibility that holders of Issue Shares which are non-GCC corporate entities may become subject to the Kuwaiti income tax regime in the future (which would include an obligation to file an income tax return in Kuwait).

Individuals are not subject to any income tax on their income or capital gains in Kuwait.

For the purposes of this section, the term "**corporate entity**" includes general partnerships, limited partnerships and joint ventures. The current GCC Member States are Kuwait, Bahrain, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

### Retention of Part of the Payments

Under the Regulations, a Kuwaiti-based party making such a payment (being referred to in this section as the "payer") to any other party (being referred to in this section as the "payee"), wherever incorporated, is obliged to deduct five percent (5%) of the amount of each such payment until such



time as the DIT issues a tax clearance certificate approving the release of such amount. The payer is not required to transfer the deducted amount to the DIT immediately, but instead retains such amount and releases it either (i) to the payee upon presentation to the payer by such payee of a tax clearance certificate from the DIT confirming that the payee is not subject to or is exempt from income tax, or has realized a loss, or has paid or guaranteed the payment of its income tax; or (ii) in the absence of such a tax clearance certificate, to the DIT, on demand. According to a literal interpretation of the Regulations, payments which are subject to a deduction as described above would include dividend payments.

Although payments made by the Issuing Company would likely not be subject to retention because of the Tax Exemptions, there is a lack of guidance on this issue currently from the DIT, and as such, there is a remote possibility that retention could apply, in the event of which, the Issuing Company would be required to deduct five percent (5%) from every payment made by it to the holders of Shares, which amount would be released by the Issuing Company upon presentation to it by the relevant holder of Shares of a tax clearance certificate from the DIT.

### **Other taxes**

Save as described above, all payments in respect of the Issue Shares may be made without withholding, deduction or retention for, or on account of, present taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of Kuwait.

### **Stamp Duties**

Under current Kuwaiti taxation laws, no stamp duty, registration fees or similar duties are payable in Kuwait by holders of the Issue Shares in connection with the transfer of the Issue Shares or the issuance of additional shares.

### **Zakat**

The Issuer is required to pay one percent (1%) of its net profits as zakat, pursuant to Law No. 46 of 2006 and Ministerial Resolution No. 58 of 2007, each as amended.

### **National Labour Support Tax**

The Issuer is required to pay two and a half percent. (2.5%) of its net profits as a national labour support tax, pursuant to Law No. 19 of 2000.

## **MAJOR CONTRACTS**

The Issuer (and any of its subsidiaries) has not entered into any material contracts outside the scope of its activities (being real estate activities) during the two years preceding the date of submission of the application for approval of this Prospectus, except as explained in the business description of this Prospectus.



## GENERAL INFORMATION

### Capital Markets Authority (CMA)

The CMA in Kuwait is the regulating authority in charge of, as per the Capital Markets Law No. 7 of 2010 and its executive regulations as amended by Decision No. (72) of 2015 issued on November 10, 2015, regulating the issuance of securities (including shares) in Kuwait and to issue the required licenses and approvals for the Offering.

### The Authority Responsible to issue and offer securities

Capital Markets Authority is the competent authority to issue the necessary licenses and approvals related to the Offering and the issuance of shares in the State of Kuwait.

### Significant or Material Change

Except as disclosed in this **Prospectus**, there has been no significant or material change in the financial position of the **issuing** Company since June 30, 2025.

### Independent Auditors:

The Issuer has appointed Mr. Abdulatif Mohammed Al-Aiban from Grant Thornton Al-Qatami, Al-Aiban & Partners, as an Independent External Auditor for the Company, whose registered business address is P.O. Box 2986, Safat 13030, Kuwait. The firm is an audit office duly licensed in the State of Kuwait by the Ministry of Commerce and Industry and the Capital Markets Authority of Kuwait. It is also listed among the approved and licensed auditors authorized to practice in the State of Kuwait by the Kuwait Accountants and Auditors Association.

The financial statements of the **Issuer** for the financial period ending on 30 June 2025 have been reviewed, and the financial statements for the fiscal years ending on 31 December 2024, 31 December 2023, and 31 December 2022 have been audited by Grant Thornton Al-Qatami, Al-Aiban & Partners, under License No. 94A.

**Ordinary General Assembly & Board of Directors' Resolution:** The issuance of shares was approved pursuant to the resolution of the Board of Directors of the **Issuer** dated 26 March 2025, based on the resolution of the Extraordinary General Assembly of the Issuer (“Extraordinary General Assembly”) dated July 14, 2025, which authorized the Board of Directors to increase the authorized, issued, paid-up, and registered share capital of the Issuer as reflected in the commercial register at the Ministry of Commerce and Industry on July 31, 2025. The Issuer also obtained the approval of the **Capital Markets Authority** for the capital increase on August 21, 2025. Furthermore, the **Capital Markets Authority** approved this Prospectus on 10 September 2025.

### Official Approval

The final version of this Prospectus has been approved by the **Capital Markets Authority** on 10 September 2025.

### **Shareholders' Register**

The Issuer maintains its shareholders' register with the Kuwait Clearing Company K.S.C, in accordance with the provisions of Kuwait Companies Law No. 1 of 2016, its Executive Regulations, and their amendments.

### **Clearing**

The settlement of transactions carried out on the Issuer's shares and the clearing of capital shares is conducted through Kuwait Clearing Company K.S.C.

### **Issuer Oversight**

Kuwait Real Estate Company K.P.S.C., a Kuwaiti public shareholding company incorporated in May 1972 and registered in the Commercial Register of Kuwait under number 64, is subject to the supervision of the Ministry of Commerce and Industry in Kuwait.

### **Dependence of the Issuer on Any Customers or Suppliers**

Given that the principal activity of the Issuer and its subsidiaries is real estate, it is normal for the Company to maintain relationships with suppliers.

## **Appendices**

### **APPENDIX (1): ISSUER'S MEMORANDUM AND ARTICLES OF ASSOCIATION**

### **APPENDIX (2): ISSUER'S FINANCIAL STATEMENTS**

Unaudited financial statements as of 30/06/2025

Unaudited financials statements as of 31/03/2025

Financials statements as of 31/12/2024

Financials statements as of 31/12/2023

Financials statements as of 31/12/2022

### **Issuer**

Kuwait Real Estate Company K.S.C.P.  
Al Qibla – Oman Street, Souk Kuwait Building, 8th Floor  
P.O. Box 1257, Safat 13031  
Kuwait

### **Issuance Manager and Subscription Agent**

Arzan Financial Group for Finance & Investment  
Sharq Ahmed Al-Jaber Street, Arzan Tower  
P.O. Box 26442, Safat 13125  
Kuwait

### **Clearing and Depository Agent**

Kuwait Clearing Company KSCC.  
Mubarak Al-Kabeer Street, Kuwait Stock Exchange Building  
P.O. Box 22077, Safat 13081  
Kuwait

### **Legal Advisor**

Meysan Lawyers & Legal Consultancy Company  
Al-Shuhada Street, Al Hamra Tower, 59th Floor  
P.O. Box 298, Safat 13003  
Kuwait

### **Auditor**

Grant Thornton Al-Qatami, Al-Aiban & Partners  
Al-Souq Al-Kabeer Complex, Tower A, 9th Floor  
P.O. Box 2986, Safat 13030  
Kuwait