



AQARAT

عقارات

Date: 25/05/2025
KREC/FIN/2025/17

التاريخ: 2025/05/25
KREC/FIN/2025/17

To: Boursa Kuwait Company

السادة / شركة بورصة الكويت المحترمين

Subject: Transcript of the Analyst / Investor Conference (Q1 2025) for Kuwait Real Estate Company

الموضوع: محضر مؤتمر المحللين / المستثمرين لشركة عقارات الكويت عن الربع الأول لعام 2025

Reference to the above mentioned subject, and the requirements of article No. (8-4-2) "Continuing Obligations in the Premier Market" of Boursa Kuwait rule book issued as per resolution No. (1) of year 2018, kindly note that the analyst/investor conference was conducted through a Live Webcast at 01:30 PM on Wednesday 21/05/2025.

بالإشارة إلى الموضوع أعلاه، وإلى متطلبات المادة (8-4-2) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، نود أن نحيطكم علماً بأن مؤتمر المحللين / المستثمرين قد انعقد عن طريق بث مباشر في تمام الساعة 01:30 من ظهر يوم الأربعاء 2025/05/21.

Please find attached the transcripts of the conference in Arabic & English along with the investors' presentation for Q1 2025.

وتجدون مرفق طيه محضر المؤتمر باللغتين العربية والإنجليزية والعرض التقديمي للمستثمرين عن الربع الأول لعام 2025.

Best Regards

وتفضلوا بقبول فائق الاحترام والتقدير،،،



طلال جاسم البحر
نائب رئيس مجلس الإدارة
والرئيس التنفيذي

*CC:

* نسخة إلى:

CMA – Disclosure Dept.

السادة / هيئة أسواق المال – إدارة الإفصاح



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شركة عقارات الكويت ش.م.ك.ع
Kuwait Real Estate Company K.P.S.C

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أع

شركة عقارات الكويت ش.م.ك.ع Kuwait Real Estate Company K.P.S.C.

تأسست عام 1972 Established in

صندوق بريد 1257، الصفاة 13013، الكويت، مبنى سوق الكويت، الدور الثامن

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سجل تجاري 64 CR No.



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Investors Relations Conference Call

Wednesday 21 May 2025

At 1:30pm (Kuwait Time)

2025

SPEAKERS

Mr.Talal Jassem Al Bahar

Vice Chairman & CEO

Mr.Maher S. Khalaf

Vice President – Finance Department

Ms. Awrad Al Anezi

Vice President – Investor Relations

AQARAT – Q1 2025 Analysts/Investors Earnings Call Transcript

Moderator: Shaza Shaker, EFG Hermes

Good afternoon, everyone. Thank you for joining AQARAT's Q1 2025 results call. We are pleased to have with us today Mr. Talal Al Bahar, Vice Chairman & CEO, Mr. Maher Khalaf, VP - Finance, and Ms. Awrad Al Enezi, VP -Investor Relations.

Awrad Al Enezi – Good afternoon everyone and thank you for joining us today. I'm pleased to walk you through AQARAT's financial and operational performance for the first quarter of 2025.

Before we begin, please note that today's presentation may include forward-looking statements. These reflect the Company's expectations and are subject to risks and uncertainties that could cause actual results to differ. Kindly refer to the full disclaimer in this presentation.

Let's begin with some key highlights:

Key Highlights

The first quarter of this year marked a pivotal milestone in AQARAT's growth journey with the official launch of **Al Tay Hills** in Sharjah—our largest and most ambitious development to date. This project is a turning point in AQARAT's story, and once delivered, is expected to set a new baseline for profitability in the years to come. While our operating performance posted year-on-year growth, our net profit came in lower compared to Q1 2024. This is primarily due to the timing of project delivery. In Q1 2024, we recognized fair value gains linked to the reclassification of certain Dubai assets from "under development" to "trading properties", which boosted the bottom line in that period. In contrast, the delivery and revenue recognition for our current pipeline, including Al Tay Hills, will take place later in the year, particularly in Q3 and Q4. Despite this accounting timing difference, the full-year outlook remains unchanged, and we are confident in the company's trajectory and earnings visibility.

Financial Performance

Let me now walk you through our financial results for the quarter.

Revenue recorded was KD 9.5 million for the quarter, up from KD 8.2 million in Q1 last year, representing a 15.3% increase. This growth reflects continued strength in our income-generating portfolio, particularly from our assets in Kuwait and the UAE. In addition to that, you will notice we added a new line item in our P&L this year - Revenue from contracts with customers – this is related to our gym business, Active, a fully owned subsidiary.

On a net basis, our gross profit stood at KD 6.7 million, posting a double-digit growth of 26.1% versus last year, reflecting healthy margins and operational efficiency.

At the EBITDA level, our earnings remained solid despite the absence of fair value revaluation gains that contributed significantly in the prior-year quarter. Our finance costs were reduced by 5.1% compared to last year and the impact on net profit was expected and temporary as I explained earlier, due to the timing of project delivery in the Q1 last year.

Balance Sheet Position

Our total assets grew by 15.2% year-on-year to reach KD 479.4 million as of March 31, 2025, up from KD 416.3. This growth reflects continued capital deployment across ongoing developments and investments. At the same time, our total debt rose moderately by 6.2% to KD 229 million. As a result, our debt-to-asset ratio improved to 47.8%, down from 51.8% a year ago. This demonstrates that our asset base is expanding at a faster rate than our liabilities.

Total shareholders' equity increased to KD 200.9 million, a 17.2% increase compared to Q1 2024. Based on annualized net profit our Return on Assets (ROA) stood at 3.4 % and Return on Equity (ROE) came in at 8.8%.

Business Updates

Starting in Kuwait, we continue to benefit from a stable operating environment. Our income-generating portfolio in the country maintained high occupancy levels across key residential, commercial, and hospitality assets.

Progress continues on the **Sabhan Labor Housing Project**, developed under a 20-year BOT contract. The project reached 50% completion and remains on track for delivery in the beginning of 2026.

We have also launched leasing activity for **41 retail units at the Riggae Commercial Complex**, enhancing the utility of our local assets.

In the UAE, we continued to make strong progress across both development and income-generating platforms.

Our largest project, **Al Tay Hills in Sharjah**, launched at the beginning of this year, has already achieved over 85% sell-through, including full sales of Phases 1 and 2. Phased handovers are scheduled to begin in Q1 2028, and enabling works and infrastructure procurement are currently underway.

Moving to our staff accommodation assets, Domus. Domus 1 to 4 continued to operate at full occupancy, reflecting consistent demand for such assets. **Domus 5** construction reached 50% with completion scheduled for Q4 2025.

To capitalize on this demand, we have committed AED 100 million as a strategic investor in the newly launched **AIM Residential Fund**. The fund is designed to rapidly scale a pipeline of purpose-built housing assets across the UAE.

Shifting to our US portfolio, our **501 First Residences project in Miami** reached 87% completion as of March 2025. Interior works and commissioning are progressing smoothly, and we remain on schedule for final delivery by the end of this year.

This concludes all our key updates for the first quarter of 2025. I'll now open the floor for your questions, please submit them via the chat function, and we will address as many as possible.

Shaza Shaker –Yes, we have a question. How is the progress with the massive project in Sharjah?

Talal Al Bahar – Well, the progress is good. We almost finished the land leveling and we've awarded the infrastructure last week, the infrastructure contract, and we're progressing well on plan.

Shaza Shaker – What kind of earnings can be expected in 2025, 2026 and 2027?"

Talal Al Bahar – Well, the earnings from the Al Tay Hills project, we're expecting between KD 85 million to KD 90 million profitability as publicly announced. I think quarter three and quarter four, we can recognize some of the profit, but very little. We expect the bulk will come '26, '27 and the first half of '28 in line with handover timelines and percentage-of-completion revenue recognition.

Shaza Shaker – So, he's saying that he was wondering about the group earnings expectations.

Talal Al Bahar – Well as per CMA requirement, I cannot give a forward-looking earnings projections, but our aim is to see continued growth and positive progress compared to last year. But due to the CMA rules, we cannot give forecast numbers. But I gave you, which we've announced, the profitability of the project, and we've announced that we've sold almost 85% of the project, so you should be able to make reasonable assumptions regarding the financial impact.

Shaza Shaker – You have another question. How does the pipeline of new projects look like?

Talal Al Bahar – The pipeline is interesting. We have two or three projects right now that are under review, and our aim is with the capital increase that we've announced to launch a project by end of the year or Q1 '26.

Shaza Shaker – Thank you so much for the questions.

Awrad Al Enezi – Thank you for your time today. We look forward to sharing continued progress in the coming quarters.

Kuwait Real Estate Company

21 May 2025

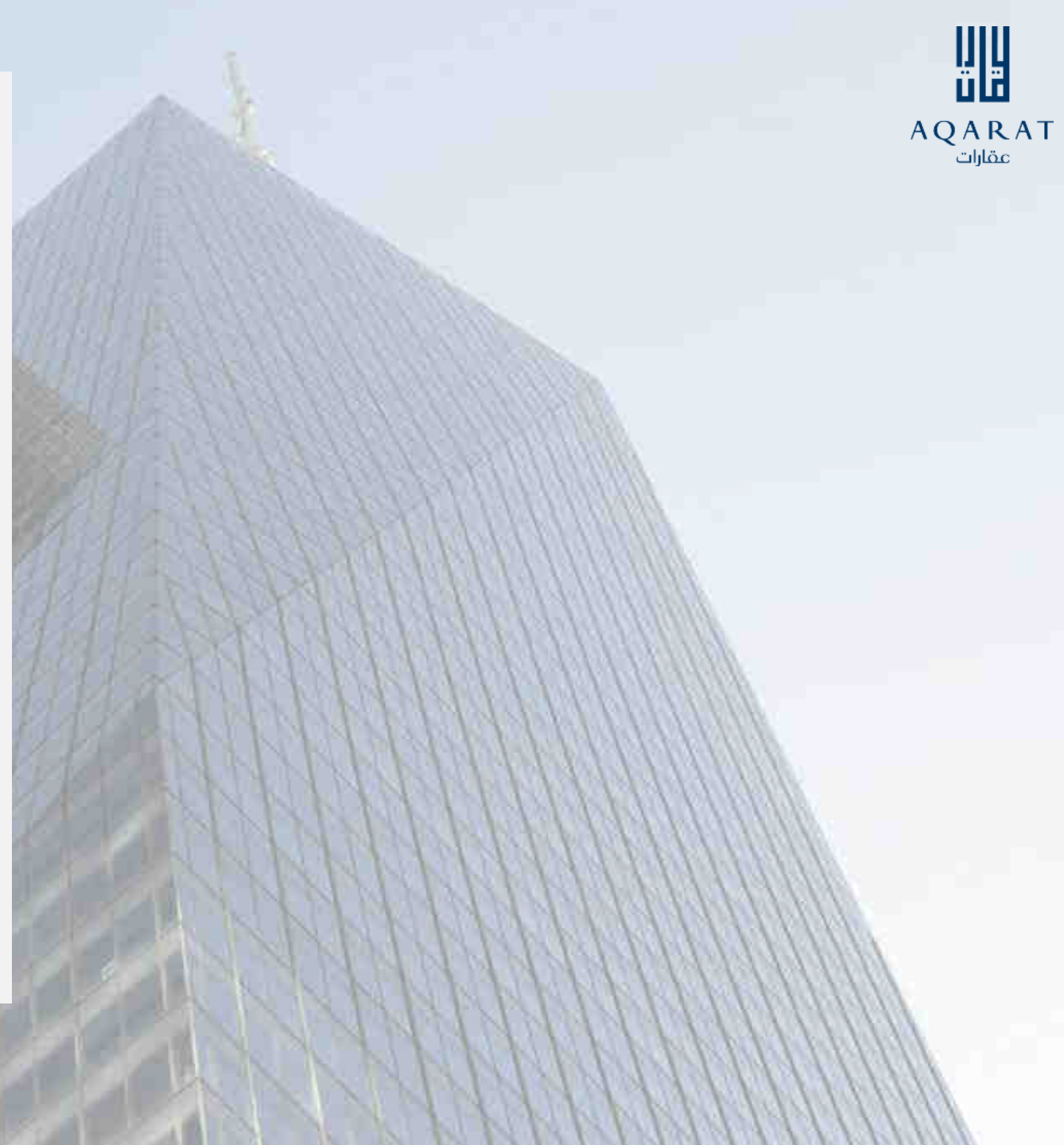
FIRST QUARTER 2025 EARNINGS PRESENTATION



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Forward-Looking Statements Disclaimer

Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Company's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The company does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein



AGENDA

01 COMPANY OVERVIEW

02 KEY HIGHLIGHTS

03 FINANCIAL
PERFORMANCE

04 BUSINESS UPDATES

05 Q&A

06 KEY PROPERTIES

COMPANY OVERVIEW

AQARAT (Kuwait Real Estate Company K.P.S.C), a leading Real Estate development and investment company was established in 1972. It was the first real estate company to be listed on the Kuwait Stock Exchange (Boursa Kuwait) in 1984. The company is classified under the "Premier Market" based on Boursa Kuwait's Market Segmentation.

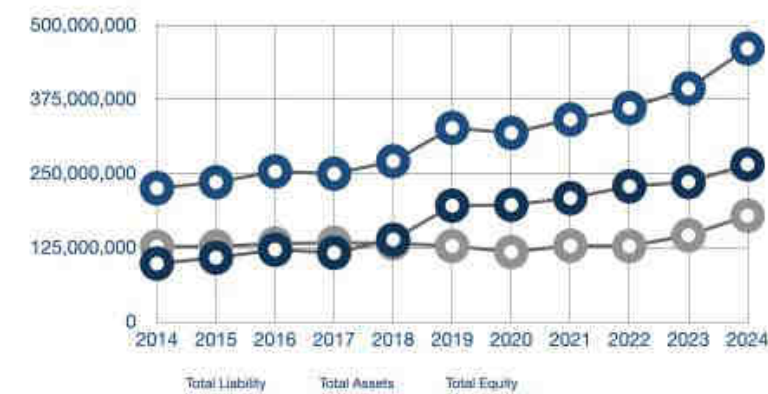
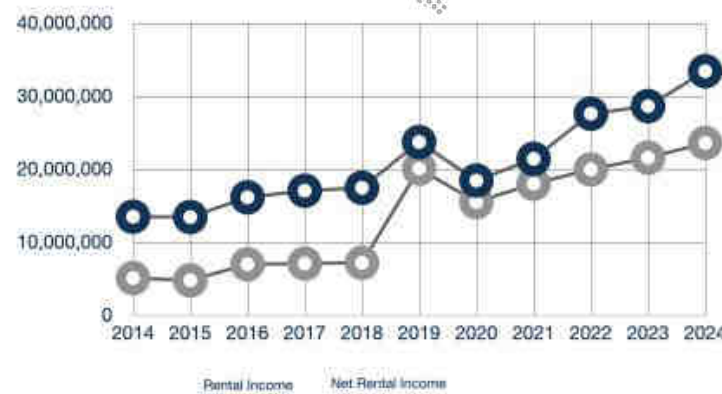
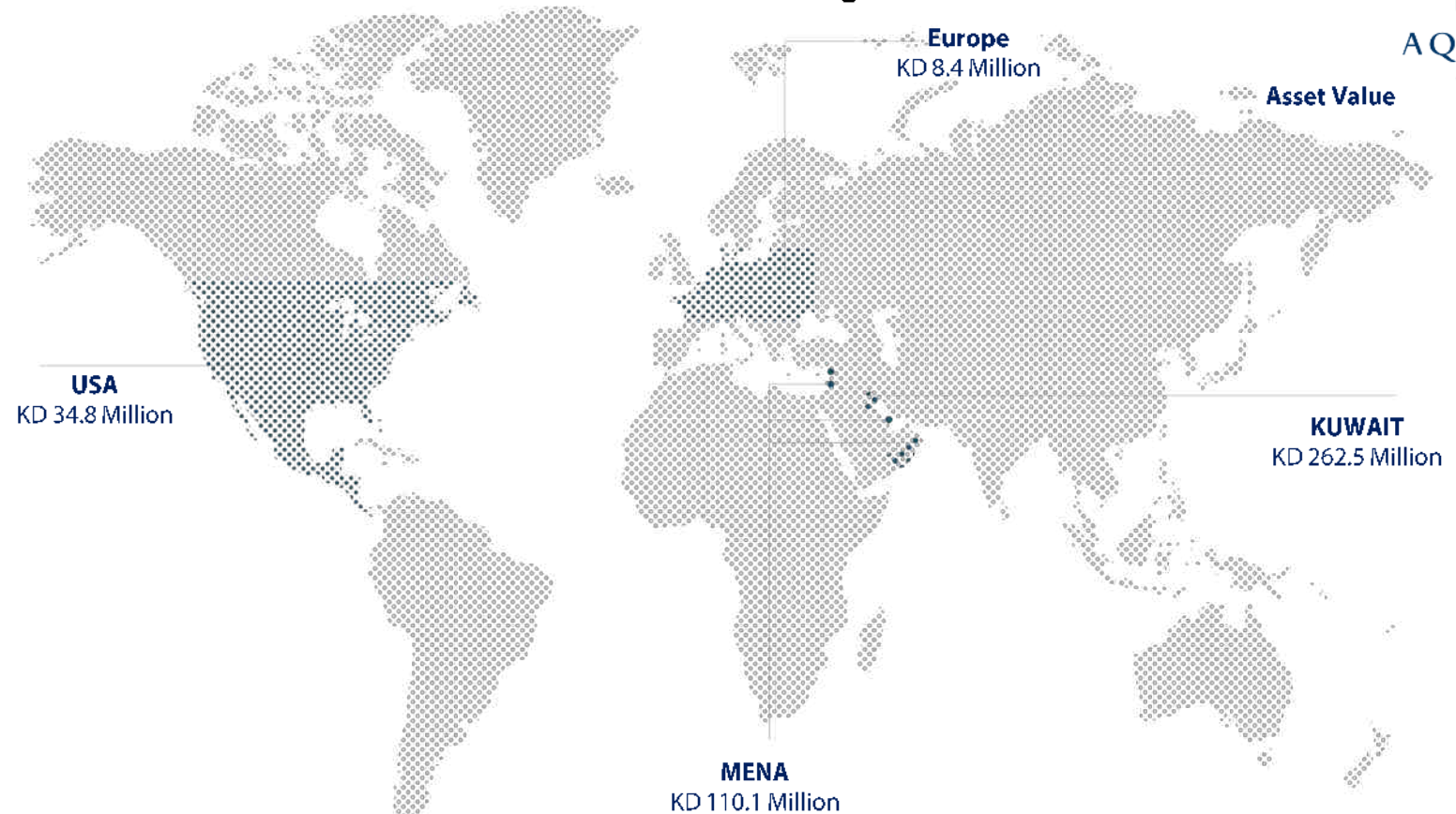
Proven development track record generating significant value creation over 52+ years in the field of Real Estate investment and development locally and internationally. The company's portfolio today consists of notable projects in the premium residential, integrated staff housing, commercial and hospitality sectors.

As pioneers in developing mixed-use assets, integrated communities and luxurious hospitality assets, AQARAT continues to build on the momentum from previous decades while leaving an enduring legacy of excellence in every project developed.

Diverse portfolio of Assets across different sectors and regions



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Key Highlights



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Q1 2025

REVENUE

KD 9.5M

NET PROFIT

KD 4M

TOTAL ASSETS

KD 479.4M

Al Tay Hills – Sharjah

- Largest Project to date
- Setting a new baseline of profitability for the years to come
- 85% sold, including full sales of Phases 1 and 2

Domus Platform Expansion

- Core to our income growth strategy, and hedges against hospitality sector volatility
- AED 100 mln strategic investment in Domus Fund

Resilient operating performance

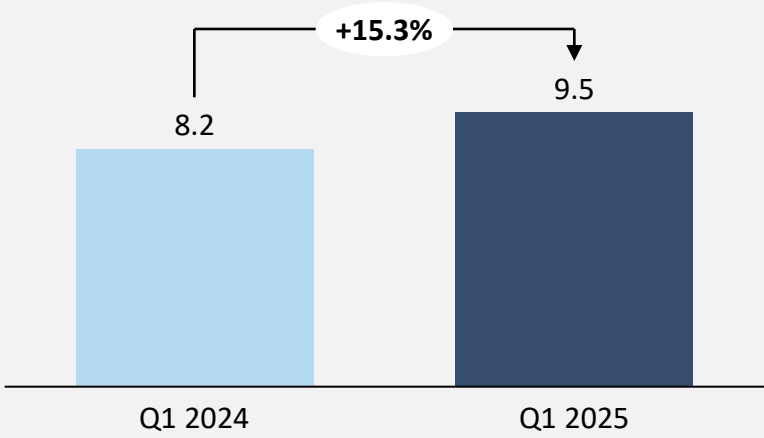
- 26% gross profit increase y-o-y, driven by strong performance from Kuwait and UAE assets
- Temporary dip in NP due to timing of project delivery

Financial Highlights

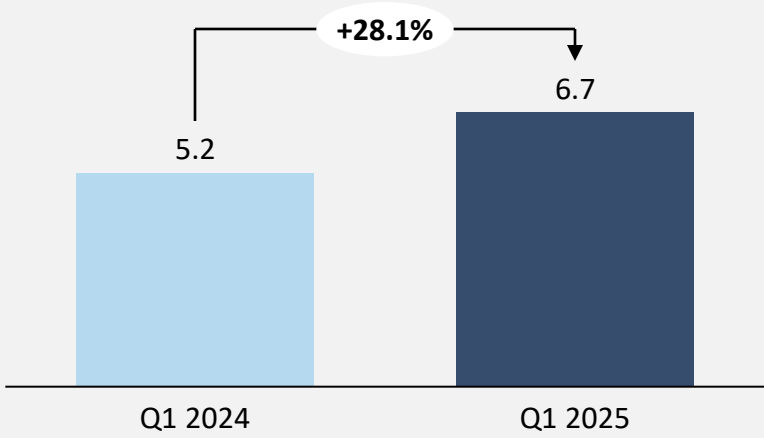
Income Statement Q1 2025

KD Million

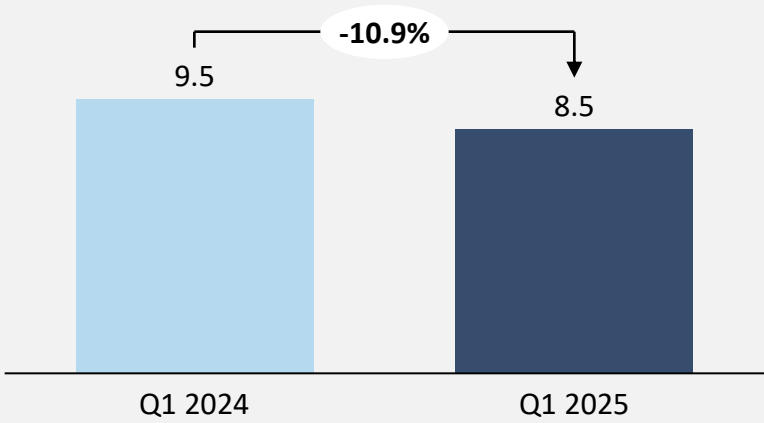
Rental Income



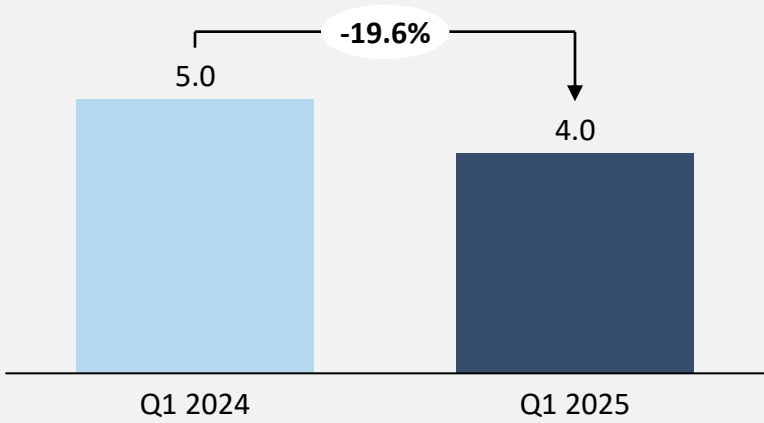
Gross Income



EBITDA



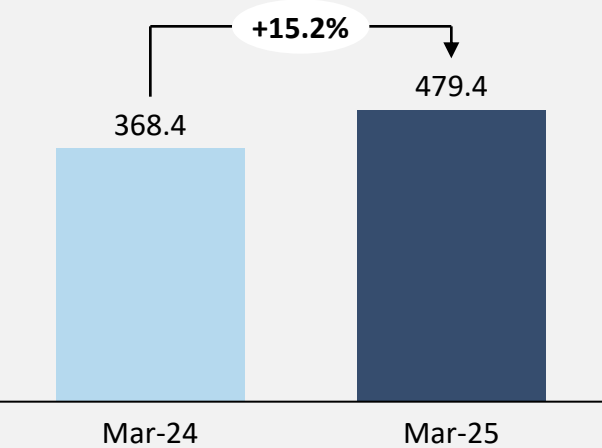
Net Income



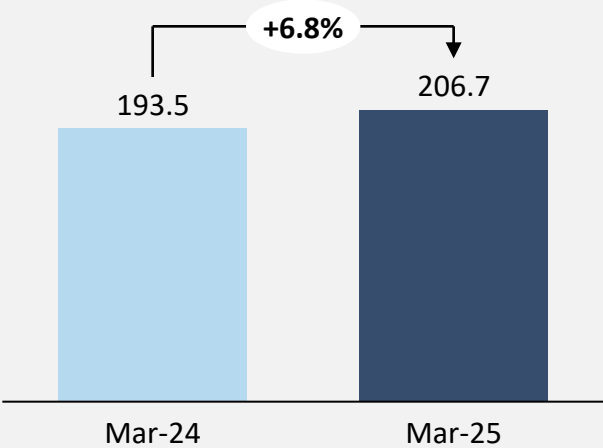
Balance Sheet Q1 2025

KD Million

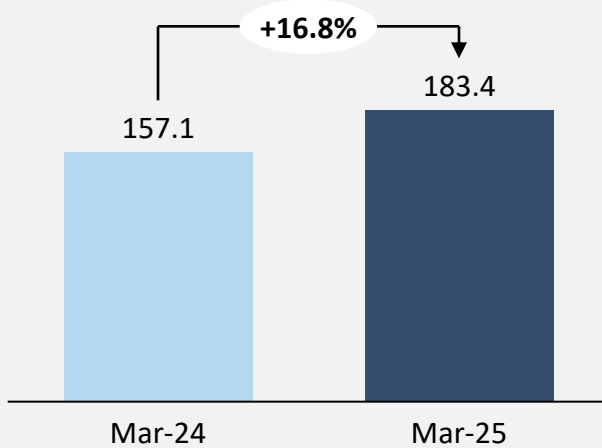
Total Assets



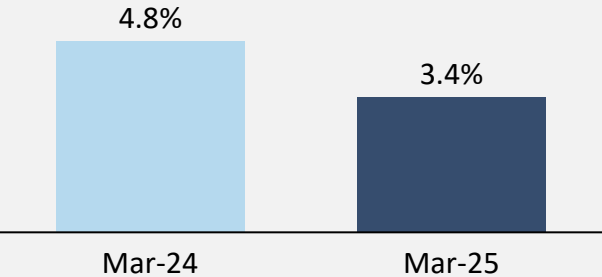
Total Debt



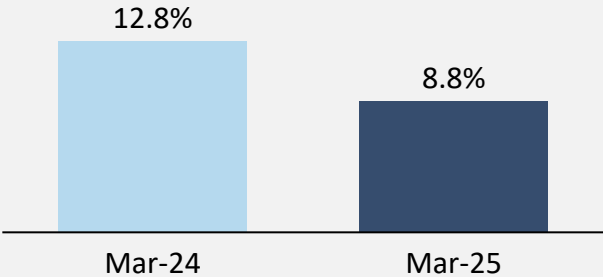
Total Equity



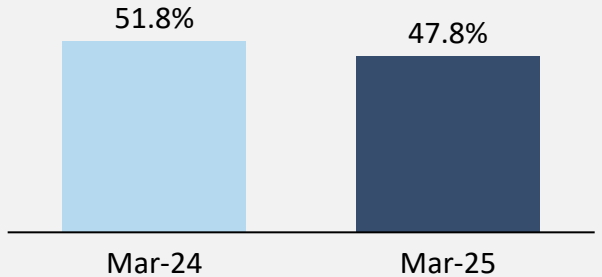
Return on Assets¹



Return on Equity¹



Debt to Assets



¹net profit annualized

Financial Snapshot

Financial Data				
IS		Q1 2025	Q1 2024	% change
	Rental Income	9,490,308	8,231,137	15.3%
	Operating Expenses	-2,771,722	-2,987,049	-7.2%
	Gross Income	6,718,586	5,244,088	28.1%
	Gross Income Margin	70.8%	63.7%	
	EBITDA	8,457,668	9,495,327	-10.9%
	Finance Cost	-2,971,428	-3,132,462	-5.1%
	Net Income	4,036,110	5,018,986	-19.6%
	Net Income Margin	42.5%	61%	
	EPS (Fils)	4.12	5.16	-20.2%
BS	Current Assets	118,433,445	68,540,610	72.8%
	TOTAL ASSETS	479,415,371	416,264,029	15.2%
	Current Liabilities	80,288,953	51,996,806	54.4%
	TOTAL LIABILITIES	278,510,058	246,511,793	13%
	TOTAL DEBT	228,996,923	215,700,795	6.2%
	Share Capital	100,420,696	94,736,506	6%
	Total Equity	183,374,455	157,063,874	16.8%

Business Updates

Real Estate Portfolio Kuwait

Solid performance with high occupancy rates across key properties

- Sabhan Labor Housing Project reached 50% completion and remains on track for delivery in the beginning of 2026.
- Launched leasing activity for 41 retail units at the Riggae Commercial Complex, enhancing the utility of our local assets.

Projects under development

Sabhan (BOT)
Sabhan, Kuwait

Q1 2026
Completion

40,000
sqm

- 16 INTEGRATED RESIDENTIAL COMPLEXES TO ACCOMMODATES 3,000 WORKERS
- 2 COMMERCIAL COMPLEXES
- ADMINISTRATIVE AND GOVERNMENT BUILDINGS
- RECREATIONAL FACILITIES
- 20 YEAR CONTRACT PERIOD

Real Estate Portfolio UAE

Projects under development

Al Tay Hills
Sharjah -UAE

2028
Completion

1,100
Villas/Townhouses

- DESIGN APPROVED & MAJORITY OF PERMITTING OBTAINED
- LAUNCHED IN JAN 2025
- LOCATED IN THE EMIRATE OF SHARJAH WITH CLOSE PROXIMITY TO DUBAI
- SPANS AN AREA OF 552,486 SQUARE METERS OF LAND

AlTay Hills: Redefining Sustainable Living in the Emirate of Sharjah

- Unique investment opportunity in the vibrant real estate market, offering a blend of comfort, prime location, and lifestyle amenities that set it apart from other projects
- First and second phase sold out and signed AED 2.1 billion in sales deals during the first week.

Real Estate Portfolio UAE

Strong market in the leasing and hospitality sector

- Domus 1 to 4 fully leased and operational. Domus 5 construction reached 50%.
- Committed AED 100 million as a strategic investor in the newly launched **Domus Real Estate Fund** to capitalize on the strong demand.

Projects under development

Domus 5
Dubai Production City

Q4 2025
Completion

552
Modules

- PART OF THE 5 BUILDING STAFF HOUSING PROJECT
- 102 UNITS (500 MODULES) PER BUILDING
- LOCATED WITHIN CLOSE PROXIMITY TO SEVERAL OF DUBAI'S MAJOR TOURISM HUBS

Real Estate Portfolio USA

Projects under development

501 First Residences
Miami

Q4 2025
Completion

476
Units

- 40-STORY TOWER OFFERING CONDOMINIUM RESIDENCES
- LOCATED IN DOWNTOWN MIAMI

Solid Performance across our investments in the US

- 501 Residences in Miami reached 87% completion as of the end of March 2025, with final delivery on track for the end 2025
- The project has seen strong demand, positioning it as a landmark addition to AQARAT's U.S. portfolio

Aqarat Key Assets Portfolio

AQARAT Key Properties

KUWAIT

AQARAT's presence locally in real estate evolved with its establishment in 1972 by owning the first luxury seafront residential complex Pearl Al-Marzouq.

AQARAT manages three of the most iconic BOT projects: Souk Al-Kuwait, Souk Al-Kabeer and Souk Al-Safat in Kuwait city. It also owns several other key properties including Arabella, Al-Durrar, Block A, Block 107, Building 84-87 in Al-Riggae, Ibn Khaldoun Complex, Al-Maseel Pearls, Al-Manar Complex, and Pearls Fintas



Souk Al-Kuwait & Souk Al-Kabir

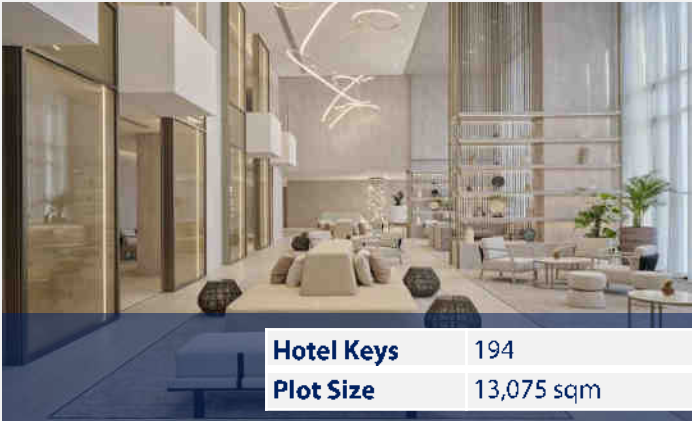
The first BOT ever in existence in Kuwait, Souk Al-Kuwait, was conceived of and developed by AQARAT more than four decades ago. The two properties feature commercial and car parking building located in the busy area of the Kuwait Stock Exchange and the banking center of Kuwait City. The buildings have three main components – a multi level car park, offices and retail.



Pearl Marzouq

Located along the green lawn and promenade of the Scientific Center overlooking the sea. The property enjoys a serene location, secluded from the noise of the city. The luxurious apartments are designed to maximize natural daylight. Wide, sweeping spaces offer a sense of freedom and sanctuary from the world outside. Three apartment types, each uniquely laid out to cater to the clients needs and desires in modern living.

KUWAIT



Hotel Keys	194
Plot Size	13,075 sqm

Arabella Beach Hotel and Complex

Located adjacent to The Palms and SAS hotels on the Al-Bidaa coast strip, Arabella features over an area of 13,000 square meters with 25 indoor/outdoor units to serve as restaurants, cafes and more. Currently the property includes a prestigious five-star Vignette Collection Hotel with a state-of-the-art gym and beach club offering a sophisticated and upscale environment for members.



Hotel Rooms	90
Plot Size	6,000 sqm

Al Riggae Hotel and Complex

AQARAT's development team delivered the new project, a 2-star hotel, Riggae Tower hotel, consisting of 90 units targeted for individuals that seek long stays. The project also consists of a commercial area that was recently renovated. Previously it was the Ministry Justice Complex encompassing a total area of 20,000 square meters. The project location provides easy access to Kuwait's main transportation arteries allowing for efficient transport of staff to their respective employment locations.

AQARAT Key Properties

KUWAIT



Units	140
Plot Size	9,026 sqm

Pearl Marzouq



Units	185
Plot Size	6,000 sqm

Block 107, Riggae



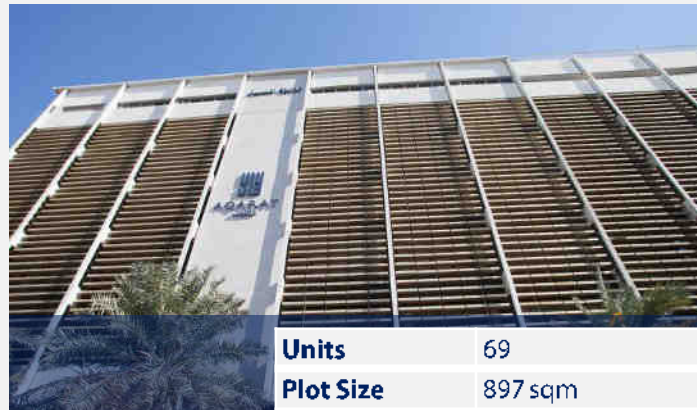
Units	151
Plot Size	4,000 sqm

84-87, Riggae



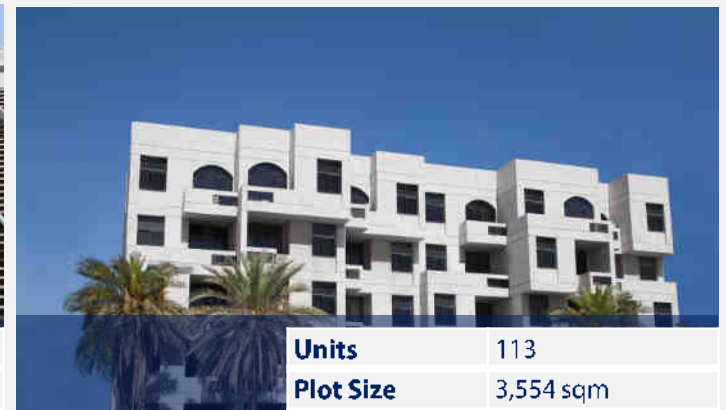
Units	187
Plot Size	3,227 sqm

Ibn Khaldoun



Units	69
Plot Size	897 sqm

AlMaseel



Units	113
Plot Size	3,554 sqm

Pearl AlFintas

AQARAT Key Properties

UAE

Capitalizing on its knowledge and expertise in the market, AQARAT continues to expand its footprint in the UAE through high-performing hospitality and staff housing assets. In 2025, the company launched a large-scale residential development on a prime 6 million sq.ft. land parcel in Sharjah, reinforcing its long-term growth strategy in the region.



Villas	1,100
Plot Size	6 million sqft

AlTay Hills - Sharjah

Al-Tay Hills in Sharjah is AQARAT’s most ambitious UAE project, redefining sustainable living. With AED 3.5 billion and spanning over six million sq. ft., the master planned community includes 1,100 villas and townhouses, a 2.5 km green river, parks, trails, and retail. Phased handovers begin Q1 2028, blending modern living with Emirati heritage.



Units	102 per building
Plot Size	392,000 sqft

Domus Staff Housing

Domus is a purpose-built staff housing community strategically located within 25 minutes of Dubai’s key tourism and hospitality zones. Designed to serve the accommodation needs of leading hotel groups and service providers, the project currently houses over 7,000 hospitality staff across multiple employment levels. Domus fosters a connected, community-oriented environment across five residential buildings—four of which are operational, with the fifth scheduled for completion by end-2025.

AQARAT Key Properties

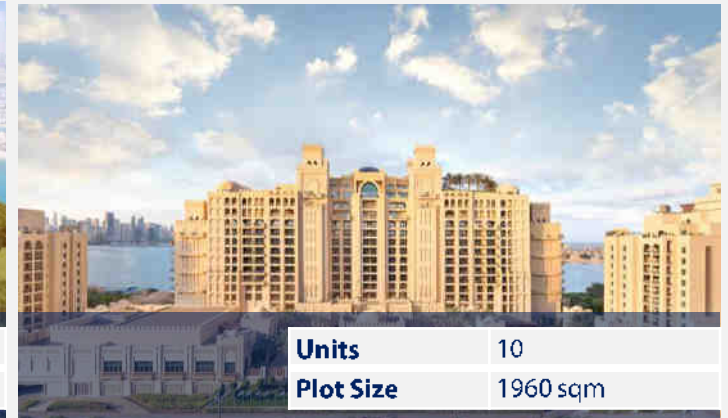
UAE



Hotel Keys	162
Residential Units	110

Th8 Palm Dubai Beach Resort

Th8 is a Vignette Collection Hotel by IHG, inspired by Miami's cool, chic lifestyle. Located on the iconic Palm Jumeirah, the development features light, open architecture and modern finishes across 110 luxury residences and a 162-key hotel apartment complex.



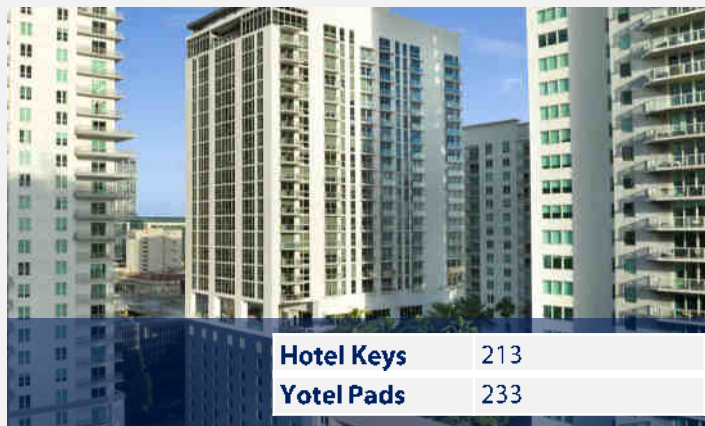
Units	10
Plot Size	1960 sqm

Fairmont Hotel , The Palm

Aqarat owns a portfolio of units in Fairmont Hotel, The Palm. Situated on the western portion of the Palm Jumeirah's trunk in close proximity to the business districts of Dubai Media City and Dubai Internet City. The residences are also just a five-minute drive from the popular restaurants and beaches of Dubai Marina.

AQARAT Key Properties

USA



Hotel Keys	213
Yotel Pads	233

Yotel Miami

The Project consists of a 48- story LEED Silver building containing 213 hotel rooms and approximately 233 YotelPAD condominium residence. Both the YOTEL Miami Hotel and the YotelPAD Condominium Residence are accessed at ground level through separate lobbies and elevator banks. The building will include three passenger elevators serving the hotel, two passenger elevators serving the condominium residences , and two service elevators.



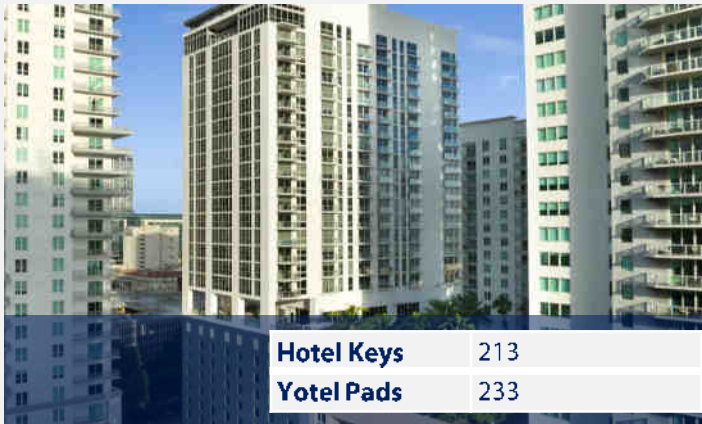
Rooms	713
Floors	27

Yotel New York

The YOTEL development consists of 713 rooms in the heart of Manhattan, New York City. The flagship property design feature 12,000 sqft of dynamic and flexible space known as the Sky Lobby, and the largest outside terrace space featuring a restaurant, lounges, a terrace, exercise room etc. The hotel's 713 rooms offer a beautifully designed space in which to relax, refresh, connect and sleep.

AQARAT Key Properties

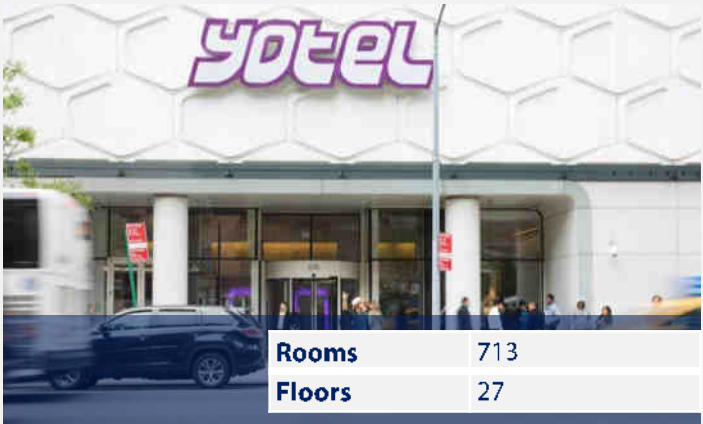
USA



Hotel Keys	213
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