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KINAN INTERNATIONAL REAL ESTATE DEVELOPMENT COMPANY ANNOUNCES ITS INTENTION TO PROCEED WITH AN INITIAL PUBLIC OFFERING AND LISTING OF ITS SHARES ON THE PARALLEL MARKET OF THE SAUDI EXCHANGE (“NOMU”)

Overview of the Offering

- Kinan International Real Estate Development Company (“**Kinan**” or the “**Company**”) will offer 3,600,000 shares (the “**Offer Shares**”), representing 3.0% of its share capital on the Parallel Market to Qualified Investors (the “**IPO**” or the “**Offering**”).
- The Offering expenses will be deducted from the Offering proceeds and the net Offering proceeds will be apportioned among the selling shareholders on a pro rata basis according to the number of Offer Shares being sold by each one of them.
- Kinan’s shares are intended to be listed on the Saudi Exchange’s Parallel Market following the successful completion of the Offering and listing formalities with both the CMA and the Saudi Exchange.
- Saudi Fransi Capital has been appointed as Financial Advisor, Lead Manager and Bookrunner.
- All the Offer Shares will be offered to the Qualified Investors (as defined below).

Jeddah, Saudi Arabia, 29/01/2024G: Kinan, known for its distinction in modern construction methods in the sector of commercial and residential real estate in the Kingdom of Saudi Arabia (the “**Kingdom**”), today announces its intention to proceed with an initial public offering of its ordinary shares on the Saudi Exchange’s Parallel Market. On 20 December 2023G, the CMA approved the Company’s application for the offering of 3,600,000 Offer Shares, representing 3.0% of the Company’s total capital. The offer price range for the Offer Shares will be announced on 20/02/2024G, and the final offer price for the Offer Shares will be announced on 10/03/2024G, following the bookbuilding process. The net proceeds of the Offering will be distributed to the selling shareholders on a pro-rata basis according to the number of Offer Shares being sold by each one of them in the Offering.

This IPO is considered a turning point in Kinan's growth journey, as it always aims to raise the needs and the quality of life of the community by offering residential and commercial projects with a distinctive lifestyle.

Company Overview and Business Activities

- The core business segments of the Company and its subsidiaries (the “**Group**”) consist of the following:
 - **Commercial Centres Sector:** This includes the operation and leasing of commercial shopping centres.
 - **Urban Development Sector:** This sector encompasses the construction, development and sale of properties under development (lands, villas and apartments) and includes the development of multi-purpose investment properties. The Group develops residential units and has realised a series of residential projects, beginning with the Masharef Residential Project launched in 2012G, continuing with its successes in the Western Region. The Group then expanded its operations, launching its first project in Riyadh, the Masharef Hills project in 2013G, which received the Best Residential Project Award from the Ministry of Municipal and Rural Affairs and Housing.
- Since its inception, as of 30 June 2022G and 2023G, the Group has developed 0.2 million m² and 0.2 million m² of residential units, respectively, and 3.1 million m² and 4.8 million m² of residential land in Riyadh and Jeddah, respectively.
- The Group operates ten malls in the main cities of the Kingdom, catering to all segments of society. The Group focuses on attracting visitors who shop in stores targeting the middle and upper-middle-income segments, contributing to covering the largest segment of retail consumers in the Kingdom. The Group has received several awards for its malls, including the Best Mall in Asia and the Gulf Award, received by three of its centres: Alia Mall in Madinah, Dana Mall in Yanbu, and Azizia Mall in Riyadh (a former commercial centre of the Group). As of 30 June 2023, 89.0% of the total leasable area in the Group's malls, approximately 1.7 million m², was leased.

Strengths and Competitive Advantages

The following factors are instrumental in enabling the Group to compete effectively with its current and potential competitors, while cultivating attributes and qualities essential for sustainable growth:

- **Focus on Quality of Life:** The Group's projects significantly transform the traditional construction and residential patterns into a modern, integrative concept. This approach prioritizes living in harmony with the surrounding environment, encompassing residential, business, entertainment, health and fitness in the suburbs of the Group's projects. Its services and contributions align with the Kingdom's Vision 2030 and quality of life programs, meeting the aspirations of residents and business entrepreneurs alike.
- **Leveraging Real Estate Financial Resources:** The Group possesses multiple assets in commercial real estate, generating annual income that bolsters the Group's solvency. This financial strength helps navigate the volatility of residential projects and economic cycles. The portfolio of these assets is currently distributed across six major cities in the Kingdom.
- **Experienced Management:** The Group's senior management team boasts extensive experience in real estate development and mall operation, gained through comprehensive client interactions. Furthermore, team members have previously held senior positions in related fields.
- **Distinguished Project Sites:** The Group is committed to fulfilling its promise to customers by securing the best development sites, both residential and commercial. This strategy ensures that the location of the land represents a long-term investment for the customer after acquiring a real estate unit from the Group.
- **Diversification of Properties and Activities:** The Group maintains a diversified portfolio of properties, managing them in commercial centres and residential units. This diversification establishes the Group as a strong, well-established entity in the various sectors it operates in.

Strategy

The three pillars of the Group's competitive strategy include the following:

- **Increasing the Group's Market Share:** The Group strives to continuously grow its market share in the Kingdom by developing residential communities for sale and commercial projects that generate steady income. To maximize returns, the Group utilizes Shariah-compliant bank financing, off-plan sales, long-

term development of commercial projects on leased land and partnerships with residential landowners when mutually beneficial.

- **Promoting a Culture of High-Quality Service:** The Group is dedicated to enhancing the quality of life by consistently providing top-notch products and services. This commitment extends to outstanding design, facilities and services. The Group is continuously working to elevate the quality of its projects and developments. This effort includes the ongoing development of employee competencies and persistent research into quality enhancement. The Group adheres to strict quality controls at all development stages. It is also enhancing several of its malls to improve visitor experiences and meet their aspirations by increasing tenant diversity. This approach allows visitors to enjoy a unique, integrated shopping experience. The Group plans to expand entertainment spaces in its malls to cater to the evolving tastes of visitors, including establishing cinemas in four of its malls in the medium term.
- **Providing an Empowered Workforce with High Saudization Rates and Developing Distinguished Talents:** The Group is focused on attracting and retaining exceptional national talents and competencies by offering numerous benefits. These benefits foster a positive and supportive work environment, ensuring professional growth opportunities. This strategy aims to reinforce the Group's reputation as a premier workplace, evidenced by several awards for being the best work environment. Reflecting its commitment to attracting and retaining national talent, the Company's Nitaqat status has been classified in the "Platinum" category.

Summary of Financial Performance

- The Group generated revenues of SAR 625.7 million, SAR 647.8 million, SAR 466.6 million and SAR 201.0 million in the financial years ended 31 December 2021G and 2022G, and the six-month periods ended 30 June 2022G and 2023G, respectively.
- The Group 's EBITDA was SAR 349.0 million, SAR 378.0 million, SAR 290.4 million and SAR 104.6 million in the financial years ended 31 December 2021G and 2022G, and the six-month periods ended 30 June 2022G and 2023G, respectively.
- The Group 's net income was SAR 234.0 million, SAR 280.0 million, SAR 242.4 million and SAR 63.4 million in the financial years ended 31 December 2021G and 2022G, and the six-month periods ended 30 June 2022G and 2023G, respectively.
- The Group 's total assets were SAR 2,829.1 million and SAR 2,965.4 million as of 31 December 2021G and 2022G, and SAR 2,777.8 million and SAR 2,938.6 million as of 30 June 2022G and 2023G, respectively.

Offering Details

- The Offering, for which the required CMA and Saudi Exchange approvals have been obtained, will consist of 3,600,000 shares, representing 3.0% of the Company's share capital. The Offering is limited to Qualified Investors, namely:
 1. Capital Market Institutions acting on their own behalf;
 2. clients of a Capital Market Institution authorised to perform management activities, provided that the Capital Market Institution has been appointed under terms that enable it to make decisions to accept participation in the Offering and to invest in the Parallel Market on the client's behalf without the need for his prior approval;
 3. the Kingdom's Government, any Government agency, or any international body recognised by the CMA, the Exchange or any other stock exchange recognised by the CMA or the Depository Center;
 4. Government-owned companies whether investing directly or through a portfolio managed by a Capital Market Institution authorised to perform management activities;
 5. companies and funds established in GCC countries;
 6. investment funds;
 7. any other legal persons who may open an investment account in the Kingdom and an account with the Depository Center;

8. natural persons who may open an investment account in the Kingdom and an account with the Depository Center and meet any of the following criteria:
 - a. have made transactions in the securities market with a total value of not less than forty million Saudi Arabian Riyals (SAR 40,000,000) and not less than ten (10) transactions per quarter during the past 12 months;
 - b. have net assets whose total value is not less than five million Saudi Arabian Riyals (SAR 5,000,000);
 - c. are working or have worked in the financial sector for at least three (3) years;
 - d. have a CME-1 approved by the CMA; or
 - e. hold a professional certificate that is related to dealing with securities and accredited by an internationally recognised entity,
 9. any other persons defined by the CMA.
- Subscription to the Offer Shares can be made through the electronic subscription system of the Lead Manger during which the Qualified Investors will be able to subscribe to the Offer Shares during the Offering Period. Subscription Application Forms shall be completed in accordance with the instructions mentioned in this section. Applicants must complete all relevant items of the Subscription Form. The Financial Advisor in coordination with the Company reserves the right to decline any Subscription Application, in part or in whole, in the event that any of the subscription terms and conditions are not met.
 - Kinan's shares will be listed on the Parallel Market ("**Nomu**") following the completion of the Offering and listing formalities with both the CMA and the Saudi Exchange.

Offering Timetable

Offering Period	Commencing for (5) days from Sunday on 15/08/1445H (corresponding to 25/02/2024G), until Thursday 19/08/1445H (corresponding to 29/02/2024G).
Deadline for submission of Subscription Application Forms	3pm Thursday on 19/08/1445H (corresponding to 29/02/2024G).
Deadline for payment of subscription amounts	Thursday on 19/08/1445H (corresponding to 29/02/2024G).
Announcement of final allotment of Offer Shares	Sunday on 29/08/1445H (corresponding to 10/03/2024G).
Refund of excess subscription amounts (if any)	Sunday on 07/09/1445H (corresponding to 17/03/2024G).
Expected date of commencement of trading in the Exchange	Trading of the Company's Shares on the Exchange is expected to commence after the fulfilment of all relevant statutory requirements. Trading will be announced on the Saudi Exchange's website (www.saudiexchange.sa).

Use of Net Offering Proceeds

- The net Offering proceeds will be apportioned among the Selling Shareholders on a pro rata basis according to the number of Offer Shares being sold by each one of them.

For more information, visit www.kinan.com.sa

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Contacts

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This announcement is being distributed subject to the provisions of the Rules on the Offer of Securities and Continuing Obligations (the “**OSCO Rules**”) issued by the CMA, and should not result in any binding undertakings to acquire shares or subscribe in the Offering. This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, or form the basis for a decision, to invest in any securities of the Company. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors may only subscribe in the Offer Shares on the basis of the CMA approved Arabic language prospectus to be issued and published in due course (the “**Prospectus**”). The information in this announcement is subject to change. In accordance with Article 51 of the OSCO Rules, copies of the Prospectus will, following publication, be available on the websites of the Company (www.kinan.com.sa), the CMA (www.cma.org.sa), the Saudi Exchange (www.saudiexchange.sa) and the Financial Advisor (www.sfc.sa).

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"expect," "forecast," "intend," "may," "ought to," "potential," "plan," "projection," "seek," "should," "will," "would," or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth or strategies. Many factors could cause the actual results to differ materially from those expressed or implied by any such forward-looking statements or contained in projections, including, among other things, risks specifically related to the Company and its operations, the development of global economic and industry conditions, and the impact of economic, political and social developments in the Kingdom. These factors will be described in more detail in the Prospectus. Forward-looking statements speak only as of the date they are made. Each of the Company, the Financial Advisor and its respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise. There is no guarantee that the Offering will occur and you should not base your financial decisions on the Company's intentions in relation to the Offering at this stage. This announcement does not constitute a recommendation concerning the Offering nor any declaration or undertaking by any means. Acquiring Offer Shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested.

Persons considering investment should consult an investment advisor or an authorised person specialising in advising on such investments. The Financial Advisor is acting exclusively for the Company and no-one else in connection with the Offering. It will not regard any other person as its client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

The contents of this announcement have been prepared by and are the sole responsibility of the Company. Neither the Financial Advisor nor any of its affiliates or respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offering, the Financial Advisor and any of its affiliates, may take up a portion of the Offer Shares in connection with the Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such Offer Shares and other securities of the Company or related investments in connection with the Offering or otherwise.

Accordingly, references in the Prospectus, once published, to the Company's shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Financial Advisor and any of its affiliates acting in such capacity. In addition, the Financial Advisor and any of its affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which the Financial Advisor and any of its affiliates may from time to time, acquire, hold or dispose of securities. The Financial Advisor does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.
