

Request for Expression of Interest (EOI) Form

EOI for the Kuwait Motor Auction and Auto Showroom Project

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1. General Information

1.1. Purpose of Request for EOI

The Kuwait Authority for Partnership Projects (“**KAPP**”), in collaboration with the Ministry of Commerce and Industry (“**MOCI**”), is planning the design, development, operation, and maintenance of the Kuwait Motor Auction and Auto Showroom Project (the “**Project**”).

The Project will be implemented as a Public-Private Partnership (“**PPP**”) in accordance with Law No. 116 of 2014 and its Executive Regulations (the “**Investment Opportunity**”).

KAPP and MOCI are seeking suitably qualified private sector investors and operators (“**Interested Parties**”) to participate in the design, development, operation and maintenance of an integrated vehicle auction facility that will include both physical and digital auction components, as well as associated support services and infrastructure.

The selected private sector partner, unless otherwise determined by KAPP and MOCI in their absolute discretion, will be required to establish a special purpose company (“**Project Company**”) to undertake the design, finance, construction, operation, and maintenance of the Project in accordance with the PPP framework.

KAPP has appointed a team of transaction advisors led by Dar Al Khaleej Engineering Consultancy (“**DKEC**”) as the Lead and Technical Advisor, supported by Klynveld Peat Marwick Goerdeler Advisory WLL (“**KPMG**”) as the Financial Advisor, and Al-Hamad Legal Group as the Legal Advisor (together, the “**Transaction Advisor**”).

This Request for Expression of Interest (“**EOI**”) aims to invite local, regional, and international companies with relevant experience in vehicle auction management, logistics, automotive trading, and PPP operations to express their interest in participating in this landmark project.

It is anticipated that, following this EOI, KAPP will proceed with the next stage(s) of the procurement process, which may include a Request for Qualification (“**RFQ**”), a Request for Proposal (“**RFP**”), or a combined RFQ/RFP process.

Details of the applicable process and timeline will be announced by KAPP in due course.

The contents of this Request for Expression of Interest do not constitute an offer or invitation to participate in, or to undertake any obligations in connection with, the Project.

This EOI does not, nor does it purport to, commit or bind the KAPP or the MOCI in any manner whatsoever to proceed with any subsequent procurement stages, including, without limitation, the RFQ stage, the RFP stage, or the award of any contract related to the Project.

KAPP and MOCI reserve the right, in their sole and absolute discretion, at any time and for any reason, and without incurring any liability whatsoever, to:

- a. amend the scope or structure of the Project.
- b. modify, cancel, or suspend the EOI process.
- c. waive any defect, technicality, or irregularity in the form or content of any submitted EOI.
- d. re-advertise for new expressions of interest for the Project or for a project of a similar nature.
- e. make any changes to the terms, conditions, or requirements described in this Request for EOI; and
- f. extend, from time to time, any date, period, or deadline specified in this Request for EOI.

All documents and materials submitted in response to this Request for EOI shall become the property of KAPP and MOCI upon submission, without any obligation to return them to the Interested Parties.

Each Interested Party is solely responsible for all costs and expenses incurred in the preparation and submission of its EOI, including, without limitation, any costs related to the provision of information, attending meetings, and/or conducting due diligence.

Under no circumstances shall KAPP, MOCI, or any of their respective directors, officers, employees, agents, or advisors be liable for any costs, losses, or expenses incurred by any Interested Party or its advisors, nor shall they be liable for any damages or consequential losses of any kind arising out of or in connection with this EOI process.

1.2. Disclaimer

All information contained in this Request for the EOI has been provided solely to assist the Interested Parties in making their own independent evaluation of the Project.

The information contained in this EOI is illustrative and indicative only and is not intended to form the basis of any investment decision.

Each Interested Party is solely responsible for conducting its own due diligence, investigations, and assessments, and for forming its own views and conclusions regarding the Project and the potential investment opportunity.

While this EOI has been prepared in good faith, it does not purport to be comprehensive nor to have been independently verified.

Neither KAPP and MOCI, nor any of their respective directors, officers, employees, agents, or advisors make any representation or warranty, express or implied, as to the accuracy, adequacy, reliability, or completeness of the information contained herein or any other written or oral information made available in connection with this EOI (collectively, the “**Information**”).

KAPP, MOCI, and their respective advisors expressly disclaim any liability arising out of or in connection with the Information (including any omission thereof) and any use of, or reliance upon, such Information by any Interested Party or its advisors.

Interested Parties are encouraged to perform their own analysis, obtain professional advice, and independently verify all Information contained in this EOI before submitting their response.

2. Introduction to the Project

The Kuwait Motor Auction and Auto Showroom Project will be developed on a total land area of approximately 500,000 square meters, within a designated commercial zone located in Al Jahra Governorate, 58 km east of Kuwait City and 21 km east of Jahra City.

The site lies near Kuwait International Airport, with direct access to the Sixth and Seventh Ring Roads, and benefits from excellent connectivity to major urban and industrial areas of Kuwait. The Sheikh Sabah Al Salem Al Sabah / Salmi Road (Road 70) provides convenient access from densely populated areas, including Kuwait City, Al Farwaniyah, and surrounding districts.

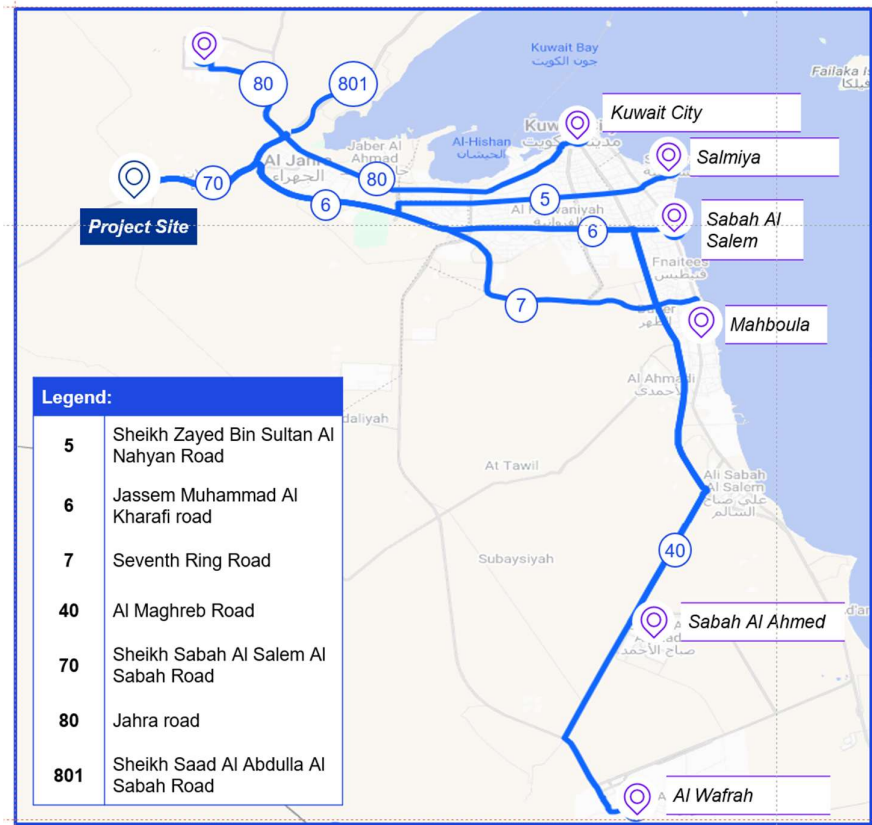
At its western end, Road 70 links to the Salmi border crossing into Saudi Arabia. For reference, the exact geographic coordinates of the Project site are:

Latitude: 29.3129542

Longitude: 47.4888774

The Project aims to establish a modern, integrated state of art car auction and auto showroom complex, designed, financed, constructed, operated, and maintained by the private partner in line with international best practices and adapted to the Kuwaiti commercial and regulatory environment.

2.1. Site location



2.2. Investment Opportunity: Car Auction Market Project

With the steady growth of Kuwait's population and vehicle ownership, the need for a regulated and modern vehicle auction platform has become increasingly evident.

The used-car market in Kuwait is currently fragmented and largely informal, with limited transparency and efficiency in pricing, transfer, and transaction processes.

Recognizing this market gap and the importance of creating a structured secondary automotive market, the Government of the State of Kuwait, through KAPP and the MOCI, is launching the Kuwait Motor Auction and Auto Showroom Project as a Public-Private Partnership (PPP) opportunity.

The Project aims to develop, build, finance, maintain, operate, and transfer a comprehensive vehicle auction and auto showroom complex that will serve as the central marketplace for the sale and purchase of vehicles in Kuwait.

The facility will also integrate a digital auction platform, ensuring accessibility, transparency, and efficiency in both physical and online transactions.

The total land area of the Project is approximately 500,000 square meters, allocated for the development of an integrated facility comprising three main components:

- a. A dedicated car auction area, including inspection and evaluation centers;
- b. A commercial auto showroom complex for dealers and individuals; and
- c. Support facilities and services, such as administrative offices, parking, logistics areas, vehicle storage and holding areas, and customer amenities.

This Investment Opportunity is expected to attract qualified private investors with experience in automotive, logistics, and digital auction systems, capable of bringing international best practices adapted to the Kuwaiti regulatory and commercial environment.

2.3. Scope of Work

The successful Investor will be responsible for the develop, build, finance, maintain, operate, and transfer of the Kuwait Motor Auction and Auto Showroom Project, in accordance with Law No. 116 of 2014 regarding Public-Private Partnerships and its Executive Regulations.

The Project will include the development of a fully integrated vehicle auction and auto showroom complex, comprising the following main components:

- a. Car Auction Area, including inspection, valuation, registration, and transaction facilities;
- b. Auto Showroom Complex, consisting of commercial spaces for vehicle display, sales, and related services; and
- c. Support and Ancillary Facilities, including administrative offices, parking areas, vehicle storage and holding zones, logistics areas, service centers, and customer amenities.

The Investor will also be responsible for ensuring the provision of all necessary operational and facility management services required for the efficient functioning of the auction and showroom.

The Project must comply with all applicable Kuwaiti laws, regulations, and standards, including but not limited to those issued by the Ministry of Commerce and Industry, the Kuwait Municipality, and the Environment Public Authority (EPA).

2.4. Revenue Sources

The Project Company (established by the Investor) is expected to bear the demand and commercial risk of the Project and will be responsible for marketing, operation, and management of the Project.

All revenues generated from the Project shall be identified, collected, and retained by the Project Company in accordance with the terms of the PPP Agreement.

The primary and secondary revenue sources are expected to include, but not be limited to:

- a. Auction revenues (online and offline), including registration fees, participation fees, buyer commissions, and transaction-based commissions from vehicle sales.
- b. Showroom leasing fees, derived from rental of commercial units and display areas to car dealers and agents.
- c. Service charges, including fees for inspection, valuation, vehicle storage, and other operational services.
- d. Advertising and sponsorship revenues, generated through media placements and promotional activities within the auction complex.
- e. Ancillary revenues, including income from parking, food & beverage outlets, and retail services; and
- f. Digital platform revenues, generated from online auction services, subscription plans, and electronic transaction processing.

All revenue streams will be subject to applicable Kuwaiti laws and regulations, including those issued by the Ministry of Commerce and Industry and other competent authorities.

2.5. Contractual and Commercial Structure

A. Contractual Structure

The Project's contractual structure is expected to follow the general framework applied to PPP projects in the State of Kuwait and will include, at a minimum, the following agreements (collectively, the "**Project Agreements**"):

- a. **Public-Private Partnership Agreement ("PPP Agreement")**, defining the rights and obligations of the public and private parties, including performance obligations and operational standards.
- b. **Land Lease Agreement ("Lease Agreement")**, granting the Project Company usufruct rights over the allocated land for the duration of the investment term.
- c. **Direct Agreement ("Step-in Agreement")**, to be entered into between the Project Company, its lenders, and MOCI, establishing the lenders' rights and remedies in case of default.

The Project Company shall be incorporated in the State of Kuwait as a Special Purpose Vehicle (SPV) in accordance with Law No. 116 of 2014 and the Companies Law.

The Project Company will be responsible for the develop, build, finance, maintain, operate, and transfer of the Project, consistent with the PPP model framework, and shall comply with the performance standards and service requirements to be defined in the PPP Agreement throughout the Project's lifecycle.

At the end of the investment term, ownership of all assets and facilities will be transferred to the public authority in accordance with the PPP Law, and the Project Company may be dissolved thereafter.

The definitive commercial and contractual structure of the Project will be finalized by KAPP and MOCI during subsequent procurement stages.

B. Commercial Structure

The anticipated commercial structure for the Kuwait Motor Auction and Auto Showroom Project is outlined below:

The Project Company, to be established by the selected Investor, will be responsible for the design, financing, engineering, procurement, construction, operation, maintenance, and insurance of the Project throughout the term of the Project Agreements.

The MOCI, acting through PPP contracts, will grant the Project Company the rights to design, build, operate, and maintain the facilities within the designated Project land area, and to retain all revenues generated from the Project's operations, subject to applicable Kuwaiti laws and the provisions of the PPP Agreement.

In consideration of these rights, the Project Company will pay the Public Entity:

- a. An ongoing lease payment for the use of the allocated land; and
- b. A premium or revenue-sharing payment structure, to be defined at the RFP stage, representing the Government's financial participation in the Project's returns.

The premium and lease payment arrangements may constitute the key financial bid variables upon which the financial proposals will be evaluated at the RFP stage.

3. Procurement Process and Indicative Timelines

The procurement process has been designed to deliver a fair, transparent, efficient, practical, and timely process for KAPP.

The procurement process is expected to consist of the following stages:

- a. RFQ Issuance
- b. RFP Issuance
- c. Selection of Preferred Investor
- d. Financial Close

4. Legal Environment

The procurement process relating to this Request for Expression of Interest (EOI) will be conducted in accordance with the legal and regulatory framework governing Public-Private Partnership (PPP) projects in the State of Kuwait.

In particular, the process shall comply with:

- a. Law No. 116 of 2014 regarding Public-Private Partnerships (the “**PPP Law**”);
- b. Decree No. 78 of 2015 issuing the Executive Regulations of the PPP Law (the “**PPP Regulations**”);
- c. and all other applicable commercial, environmental, municipal, and regulatory laws of the State of Kuwait relevant to the Project, including those issued by the MOCI, the Environment Public Authority (EPA), and the Kuwait Municipality.

The procurement of the Project will be conducted under the supervision of KAPP, in coordination with MOCI, and in accordance with the procedures approved by the Higher Committee.

4.1. Procurement

The procurement of the Project will be conducted by KAPP in coordination with the MOCI, as the public entity sponsoring the Project.

KAPP is the government body mandated to structure and oversee public-private partnership projects in the State of Kuwait, ensuring transparency, competitiveness, and compliance with the applicable regulatory framework.

The Project will be tendered through a competitive and transparent process that includes the Expression of Interest (EOI), Request for Qualification (RFQ), and Request for Proposal (RFP) stages, leading to the selection of the preferred Investor, financial close, and establishment of the Project Company.

All stages of the procurement process will be carried out in accordance with established PPP principles and procedures, ensuring equal treatment of participants and alignment with international best practices.

4.2. The Land

The Ministry of Commerce and Industry will allocate a designated plot of approximately 500,000 square meters for the development of the Project.

The Project Company will be granted the right to occupy and use the site under a land lease (usufruct arrangement) for the duration of the investment term, in return for consideration to be defined under the PPP Agreement.

At the end of the term, the land and all related assets will revert to the public authority in accordance with the applicable PPP framework.

4.3. Applicable Laws and Regulations

The Project will be developed and operated in full compliance with the laws and regulations in force in the State of Kuwait, and in accordance with the technical, environmental, and commercial standards issued by the competent public authorities.

These include, as applicable, the regulations and guidelines of the Ministry of Commerce and Industry, the Kuwait Authority for Partnership Projects (KAPP), the Environment Public Authority, the Kuwait Municipality, and any other governmental body having jurisdiction over the Project.

5. Request for EOI Submission Instructions

Interested Parties with relevant experience and a proven track record in developing, operating, or managing large-scale commercial, automotive, or logistics facilities are invited to submit an Expression of Interest (EOI) in English, following the letter format set out in Appendix A of this document.

The EOI response shall include a duly executed version of Appendix A, printed on the official letterhead of the Interested Party, signed by an authorized representative (with proof of authorization), and submitted electronically in both PDF and MS Word (2010 or later) formats to the following email address:

✉ kmaas@kapp.gov.kw

The deadline for submission will be communicated in the official announcement of this Request for EOI.

Upon receipt of the EOI submissions, KAPP, in coordination with the MOCI, will notify Interested Parties of the release of the RFQ and announce it.

It should be noted that submission of an EOI is non-binding and is not a precondition for receiving the RFQ.

While it is understood that Interested Parties may ultimately form consortia for participation in subsequent procurement stages, at this EOI stage, companies and firms are requested to submit individually, demonstrating the expertise, experience, and capacity of their primary business activities relevant to the Project.

Appendix A - Form of Expression of Interest

[Interested party letterhead]

[Date]

To: KAPP, Kuwait

Dear Sir,

We hereby express our interest in the Investment Opportunity for the development of the Kuwait Motor Auction and Auto Showroom Project (the “**Project**”).

We have provided the requested information as part of this Expression of Interest (EOI) response as follows:

Interested Party Details
Name of company/ potential consortium members:
Company/ potential consortium (including brief company history, key activities, major projects)
Point of contact: (Name, phone and email address)
Address:
Website:
Legal status: [to include jurisdiction of its incorporation and whether or not listed in stock exchange]

Other details to be provided:

1. Description of key company activities (max 2 A4 pages).
2. A description of the company's interest in the Project, including the role it intends to assume, its relevant experience in similar projects, and a clear outline of the specific components and activities in which it has previously been involved (e.g., auction operations, digital platforms, showroom development, logistics, or facility management).
3. The submission should detail the nature of the work undertaken, the scope of responsibilities, and the company's contribution to comparable projects (maximum 4 A4 pages).

Yours sincerely,

Interested Party representative name:.....

Interested Party representative position:.....

Interested Party representative signature:.....