



بيت الأوراق المالية
THE SECURITIES HOUSE

Board of Directors Report 2024

In the name of Allah, the Most Gracious, the Most Merciful. Praise be to Allah, the Lord of all worlds, and blessings and peace be upon the best of messengers, our Prophet Muhammad, and upon his family, companions, and all those who follow them with righteousness until the Day of Judgment.

Dear Shareholders,

It gives me great pleasure to welcome you, on my own behalf and on behalf of my fellow members of the Board of Directors of Securities House Company and all its employees, to the 41st Annual General Assembly Meeting of the company to review the most important events during 2024 and the expected outlook for the year 2025, God willing.

Results and financial position,

In terms of results, management and consulting fees income increased by 24% during 2024 reaching KD 2.9 million compared to KD 2.3 million for 2023, Additionally, revenues from brokerage activity in securities trading in the US market increased to KD 660 thousand, and despite achieving a net investment loss of KD 129 thousand, total revenues increased by 5% compared to last year reaching KD 3.7 million up from KD 3.5 million for 2023. On the other hand, total expenses increased by 8% compared to last year, reaching KD 4.4 million for 2024 compared to KD 4.1 million for 2023 due to an increase in marketing expenses related to brokerage activity and expenses related to an international real estate project.

Share in results of associates rose by 45% during 2024, were share of results resulting in a profit of KD 786 thousand compared to a profit of KD 542 thousand as of last year, financing costs of KD 389 thousand were recorded, amortization of intangible assets of KD 400 thousand, and amortization of goodwill of a subsidiary of KD 250 thousand. Furthermore, the company earned a profit from selling its stake in a joint venture worth KD 2.4 million, leading to a net profit for the parent company shareholders of KD 1.5 million in 2024, which equals 3.8 fils per share, compared to a net profit of KD 552 thousand equals 1.4 fils per share last year.

The company's financial position rose by 4% during the year with assets reaching KD 52.2 million as of 31 December 2024 compared to KD 50.2 million as of 31 December 2023, This growth was primarily due to an increase in credit Murabaha by KD 1.5 million to invest in the company's international real estate projects, Shareholders' equity of the parent company also rose, reaching to KD 39.9 million, equivalent to 100 fils per share as of 31 December, 2024, compared to KD 39.5 million, equivalent to 95 fils per share, as of 31 December, 2023.



Highlights of 2024,

During fourth quarter of 2024, the company divested its entire stake in the joint venture, First Kuwait Education Company, and achieving a net profit of KD 2.4 million.

To strengthen its core focus on asset management and marketing activity and in terms of international real estate projects, the Group continued to market and manage industrial real estate projects, whether development or income-generating during 2024, as it completed the acquisition of its 12th development project in the US with a marketing value of USD 26 million. Additionally, the company acquired its 12th and 13th income generating real estate projects in the US and Germany, with a combined marketing value of USD 81 million. These projects are expected to provide outstanding returns for investors commensurate with the studied risks as well as generate good fees for the company.

With respect to financial technology (FinTech), the company's business in securities online trading brokerage and Robo-advisory investment consulting services grew significantly and competitively, with exceptional fee arrangements and innovative solutions through "Zad" application, which uses modern technology developed in-house by its subsidiary, Zad Financial and Economic Consulting Company. As of the end of 2024, the company had 44 thousand active clients, generating KD 660 thousand in revenues for the year.

In terms of associates, Gatehouse Bank in the UK continued to achieve profits for the fifth consecutive year, thanks to the stability of its business model as a specialized financing arm for investments in the single-family residential sector with assets totaling £1.4 billion as at 31 December 2024.

Looking to the future,

The vision for the future stems from strengthening the company's position as a distinguished investment and advisory entity, primarily relying on its accumulated skills and experience in revenue development, especially management, acquisition, brokerage and financial technology fees in the company's business segments represented in managing investments listed in the local and GCC markets, managing private equity investments in the local and GCC operational sectors, and managing international real estate investments. Whether developmental or income-generating in addition to FinTech services, the activities of the subsidiary, Gatehouse Capital, have already been consolidated with its own activities in the first quarter of 2025, Furthermore, efforts are underway for its subsidiary, Zad Financial and Economic Consulting Company, which developed the "Zad" application, to obtain independent licenses from the Capital Markets Authority for securities brokerage and Robo-investment advisory services in 2025, with the will of Allah.



Dear Shareholders,

The company affirms its continuous commitment to following the principles of good governance and applying the instructions and rules of corporate governance in accordance with the provisions of Law No. 7 of 2010 regarding the establishment of the Capital Markets Authority and regulating securities activities and its amendments, as stated in the corporate governance report for the year ended 31 December 2024 presented to your esteemed assembly. We assure you of the integrity and accuracy of all financial statements and related with respect to the Company's activities in the annual report presented to you.

We hope that we have succeeded in presenting a clear overview of the key milestones in our company's journey in 2024, along with our further plans, all aimed at enhancing shareholder value.

In conclusion, I can only thank Allah Almighty for all that has been achieved and challenges faced, and I express my gratitude for your presence and continued support for the company and its management. We ask Allah to grant success in achieving our goals for the good of our beloved country under the wise leadership of His Highness the Emir, His Highness the Crown Prince, and His Excellency the Prime Minister, may Allah preserve them.

I would also like to extend our sincere gratitude to the official authorities for their positive cooperation and ongoing support. On behalf of the Board of Directors, I would like to thank the executive management and all the employees of the company for their dedication and hard work in serving the company.

We pray to Allah to preserve our country.

Peace and blessings be upon you.

Abdullatif Mohamed Al Shaya
Chairman

