

## Dear Shareholders,

It's such a pleasure to me, on my own behalf and on behalf of my fellow members of the Board of Directors, to submit to you the annual report of Tijara and Real-estate Investment for the year 2023, which was a positive year despite the challenges that still face the global economy.

### Universal Economy

The world's economies suffered during the year 2023 from continued high inflation rates, as inflation rates approached 6.9%, after this rate approached the 10% barrier in 2022, especially in America and the European Union, and according to International Monetary Fund estimates, there will be a steady decline in global inflation to 5.8%. In 2024 thanks to tight monetary policies, supported by a decline in international commodity prices compared to last year. With the gradual recovery from the Russian-Ukrainian war and the official end of the Corona pandemic, hope remains that inflation rates will return to target levels.

### Kuwaiti Economy

For the first time in 9 years, Kuwait achieved financial surpluses in excess of six billion KWD, and the surpluses were driven by the significant improvement in oil prices, which means Kuwaiti finances are emerging from the distress they suffered during the Corona pandemic. It also means returning to deducting a percentage of the surpluses for the benefit of the Generations Fund, as the total revenues amounted to 28.802 billion KWD, an increase of 54.7 % over the previous year, of which 26.713 billion KWD were oil revenues. The average actual price of a barrel of oil was \$97.1, and the daily average production reached 2.693 million barrels, while actual non-oil revenues amounted to 2.1 billion KWD, a by decreasing the rate of 12.8 % over last year.

As for the real estate sector, the liquidity of the real estate market for the year 2023 was about 2.896 billion KWD, which is 23.1% lower compared to the level of liquidity in 2022, which amounted to about 3.765 billion KWD. The liquidity of the first half of 2023 was about 1.414 billion KWD, and the liquidity of the second half was higher than the liquidity of the first half, as the liquidity of the second half of 2023 amounted to about 1.482 billion KWD, and this is considered within reasonable limits for a difficult year that negatively affected the performance of the Kuwait Stock Exchange as well.

The average value of one transaction for private housing increased in 2023 to reach 469 thousand KWD, from the level of 442 thousand KWD in 2022. The average value of one transaction for commercial activity also rose to about 4.4 million KWD after it was about 3.8 million KWD during the year 2022, while the rate of one transaction for housing investment activity decreased to about 789 thousand KWD from about 803 thousand KWD.

The overall average per transaction in real estate sector trading in 2023 increased by 7.3%.

### Enhancing the value of shareholders

This year's good performance comes as a result of our commitment to implementing the company's long-term strategy, which aims to maximize shareholder value and increase the company's organizational culture. We have resolved to add sustainability to our strategic plan to move forward with steady and deliberate steps to complete our success.

The company enhanced its success in the real estate sector during the year 2023 in light of the unstable economic conditions that we witnessed by achieving net profits amounting to KWD 1,835,531, compared to KWD 2,132.77 during the year 2022.

The results reflect the company's good standing, despite the challenges it faces, driven by the strength of its financial position, the quality of its assets, and the levels of flexibility in its business model, in addition to the dedication of its employees. Our most important goal remains to be among the best real estate institutions in the State of Kuwait.

### **Our staff is extremely dedicated**

The company's strong performance this year is largely due to the efforts made by the company's employees, who are undoubtedly the main reason for our success. Therefore, we are committed to investing in their support and development, and our employees represent one of the basic strength factors in achieving the company's strategic goals, and our employees will be proud when they see the Real Estate Trade and Investment Company is among the best institutions with a good work environment in the State of Kuwait, because we provide training and development programs, and provide access to the best good practices and modern work standards that are consistent with the development witnessed by the State of Kuwait.

The Board of Directors and Executive Management believe that governance is not limited to compliance with regulatory requirements only, but is considered a means of achieving strong implementation of sound governance practices and by focusing on the level of oversight and transparency, investors' perception of the company increases. The company issues a separate report on governance as an appendix to the annual report for the year 2023. The report reflects the company's efforts to comply with the supervisory and regulatory requirements issued by the Capital Markets Authority.

Based on our deep awareness of the importance of establishing a culture of corporate governance within the company, we have been keen to apply the best levels of governance to ensure adherence to these values in all work, systems and procedures. In parallel with our ongoing efforts in this field, we will, God willing, continue our commitment to achieving a balance between the requirements and aspirations of different groups of stakeholders and our goals of enhancing the value of our business and services.

We would like to note that during the year 2023, no penalties or observations were imposed on the company from supervisory and control authorities.

### **Proceeding towards sustainability**

The term "environmental, social and governance practices" represents part of the company's culture and methodology, even before this term appeared in economic institutions. The company had a previous orientation towards paying attention to public safety, and paying attention to social responsibility, which we will continue its path at the present time by supporting segments of society. We believe that successful financial performance follows an organized approach towards sustainability, sustainable operations, non-financial commitments and community investments, and we aspire to increase work on enhancing the real estate sector's contribution to sustainable development in the economic, environmental and social sectors.

### **Appreciation and gratitude**

Finally, I and my fellow members of the Board of Directors express our utmost gratitude and appreciation to the leader of our blessed journey, His Highness the Prince Sheikh Meshaal Al-Ahmad Al-Jaber Al-Sabah, with the highest expressions of thanks and gratitude for the continuous support and sound guidance he provides, and for what our dear country has achieved under his wise leadership and Insightful vision for progress and prosperity in all fields.

I am also pleased, on behalf of the Real Estate Trade and Investment Company, to express my sincere thanks to the Ministry of Commerce and Industry and those in charge of it, in addition to the Capital Markets Authority and the Kuwait Stock Exchange Company, for their understanding of the local market conditions and caring for its interests.

I express my utmost pride in the executive management team and our creative human cadres for their dedication and tireless efforts towards the aspirations of shareholders and serving the company's customers. I also thank my fellow members of the Board of Directors for their tireless efforts and fruitful cooperation, and we affirm our full awareness of the great responsibility that falls on our shoulders and the level of expectations expected, but we, with God's help, We are fully committed to meeting these expectations and continuing the company's success over the coming years.

Peace Be Upon You .....



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Sheikha\ Yasmine Mubarak Al-Jaber Al-Sabah  
CEO