

## Management Discussion and Analysis

<b>Date</b>	28 January 2025
<b>Name of the Listed Company</b>	Sukoon Insurance PJSC (“Sukoon”) (“The Group”) (“The Company”)
<b>Example: Annual Financials, First Quarter, Second Quarter, Third Quarter, or Preliminary Annual Financials</b>	Annual Financials
<b>The period of the financial statements covered by the report</b>	1st January 2024 - 31st December 2024
<b>Overview of the main results during the financial period</b>	<b>Insurance revenue</b> - AED 5.41 billion <b>Insurance service result</b> - AED 231.8 million <b>Net investment income</b> - AED 209.1 million <b>Profit before tax</b> – AED 291.5 million
<b>Securities issued during the financial period</b>	None
<b>Summary of the most important non-financial events and developments during the financial period</b>	<p>Legal name change from Oman Insurance Company PSC to Sukoon Insurance PJSC</p> <p>The Group has acquired the UAE Life portfolio from Chubb Tempest Life Reinsurance Ltd.</p>
<b>Summary of operational performance during the financial period</b>	<p>Insurance revenue grew by 17% to reach AED 5.41 billion in 2024 compared to AED 4.64 billion in 2023.</p> <p>Insurance service expenses reached AED 4.29 billion in 2024 compared to AED 3.71 billion in 2023.</p> <p>Insurance service result before reinsurance contracts held reached AED 1.12 billion compared to AED 0.93 billion in 2023.</p> <p>Net expense from reinsurance contracts held reached AED 887.86 million compared to AED 733.81 million in 2023.</p>
<b>Summary of profit and loss during the financial period</b>	Profit for the year: AED 266.8 million
<b>Summary of financial position as at the end of the financial period</b>	<b>Total Assets</b> as at 31-Dec-2024 - AED 10.42 billion <b>Total Equity</b> as at 31-Dec-2024 - AED 2.99 billion The Group continues to maintain a very strong balance sheet, exceptional capital and solvency. As at 31-Dec-2024, our solvency ratio based on Solvency Capital Requirement before proposed dividend stands at 270%, reaffirming our extremely strong ability to meet our policyholders’ obligations.

<b>Summary of cash flows during the financial period</b>	<p>Net cash generated from operating activities: AED 629.3 million</p> <p>Net cash used in investment activities: AED 349.8 million</p> <p>Net cash used in financing activities: AED 108.4 million</p> <p>Cash and cash equivalents at the end of the year: AED 332.4 million</p>
<b>Main performance indicators</b>	<p>Retention ratio: 44.3%</p> <p>Combined ratio: 95.7%</p> <p>Return on shareholders' equity: 9.3%</p>
<b>Expectations for the sector and the company's role in these expectations</b>	<p>Market rates hardening as insurers and reinsurers continue to adjust their pricing to account for the heightened risks. In 2025, the introduction of mandatory health insurance for northern emirates is expected. We also anticipate the compulsory introduction of the new EOSB scheme, fully replacing the current EOSB Gratuity mechanism initiative.</p>
<b>Expectations regarding the economy and its impact on the company and the sector</b>	<p>In 2025, global geo-political headwinds, an inflationary environment coupled with relatively high interest rates and subdued oil prices may pose recessionary risks. Cost discipline and effective claims managements are therefore core objectives for the Company.</p>
<b>Future plans for growth and changes in operations in future periods</b>	<p>None</p>
<b>The size and impact of current and projected capital expenditures on the company</b>	<p>Investments in digitization and technology platforms is expected to continue, where we expect a net capital expenditure in 2025 of AED 20 million approximately.</p>
<b>The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year</b>	<p>None</p>

May God; the Almighty; guide our steps.

On behalf of the Board,



Badr Abdulla Ahmad Al Ghurair

Chairman

28 January 2025