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takaful emarat

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Detailed analysis of accumulated losses

(If the accumulated losses 50% and above of the company's capital)

This form has been prepared in accordance with the disclosure requirements included in the SCA Board of Directors' Decision No. (32/R.M.) of 2019 concerning procedures for companies whose shares are listed on the market, and whose accumulated losses amount to (20%) or more of their paid-up capital. Listed Companies are required to comply with the provisions of the decision as soon as their accumulated losses reach (50%) or more of their paid-up capital.

Date:	15th November 2024
Name of the Listed Company:	Takaful Emarat Insurance (PSC)
Define the period of the financial statements:	Q3 2024
Value of the Accumulated losses:	AED 185,335 (in Thousands)
Accumulated losses to paid-up capital ratio (%):	124%
The main reasons for accumulated losses and the period in which these losses began. (Determine the period in which these losses began to appear in the company's financial statements):	1. The Company faced accumulated losses since 2019 due to higher-than-expected medical claims and lower investment returns. 2. Additional losses were incurred from declining business due to a merger and acquisition project between 2020 till 2022, revaluation of assets, and restating financial statements for equity investment impairments.
Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	1. The General Assembly, in its meeting held on 14th June 2024, approved a capital increase of AED 185 million. 2. Building up long term achievable business plan which will recover the accumulated losses through writing solid profitable business. 3. On the investment side, the Company has revamped its investment strategy to achieve steady and long-term returns which reflected in the current year financial performance. 4. The company demonstrated remarkable growth in performance, achieving Takaful revenue of AED 293.6 million, an increase of 89% compared to AED 155.2 million in the same period last year. 5. Net Takaful income also rose to AED 77.3 million, compared to AED 38.4 million last year, representing a 101% increase.

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The date on which the company's general assembly approved the plan for dealing with accumulated losses:	27 February 2024 and 14 June 2024

The Measures that will be taken to deal with the accumulated losses and the approved plan				
Actions	**The time frame for implementing the action according to approved plan**	**The implemented action and the percentage of implementation**	**Reasons for not implementing the action or delaying**	**Any modifications or changes made to the action**
Action 1	During 2024	On 28 October 2024, the Company announced the Capital Increase as per the resolutions of the General Assembly Meetings passed on 27 February 2024 and on 14 June 2024, which included the approval of the increase of the Company's issued share capital from AED 25,652,000 (twenty-five million six hundred fifty-two thousand), up to and not exceeding an amount of AED 185,000,000 (one hundred eighty five million) by way of a rights issue (the "Rights Issue") at an issue price of AED 1.00 per New Share (the "Issue Price"),which is equal to the nominal value of the Company's ordinary shares, so that the share capital of the Company following the Capital Increase becomes AED 210,652,000 (two hundred and ten million and six hundred and fifty two thousand) instead of AED 25,652,000 (twenty-five million and six hundred fifty-two thousand). Trading in the Rights started on 11 November 2024 and will continue till 22 November 2024. The subscription will open on 14 November and will continue till 26 November 2024. Refer to attached report from Dubai Financial Market which shows trading volume of 31.8 million within two days of Rights trading. Also, please refer to the attached Invitation to Shareholders to Subscribe for Capital Increase on the Dubai Financial Market which is also published in the newspapers.	The time frame for the capital increase will be implemented in accordance with legal procedures	Not applicable

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The Name of the Authorized Signatory	Mohammad Abu Quora
Designation	Chief Executive Officer
Signature and Date	15 Nov 2024
Company's Seal	Signed by: