Management Discussion and Analysis	
Date	28 January 2025
Name of the Listed Company	**Sukoon Takaful PJSC**
Example: Annual Financials, First Quarter, Second Quarter, Third Quarter, or Preliminary Annual Financials	Annual Financials
The period of the financial statements covered by the report	1st January 2024 - 31st December 2024
Overview of the main results during the financial period	**Takaful revenue** - AED 121.62 million in 2024 vs AED 126.58 million in 2023 **Takaful service result** – AED (5.13) million in 2024 vs to AED (70.25) million in 2023 **Net investment income** - AED 25.77 million in 2024 vs AED 4.71 million in 2023 **Total Assets** as at 31-Dec-2024 - AED 429.77 million vs AED 372.94 million as at 31-Dec-2023 **Total Equity** as at 31-Dec-2024 – AED 194.80 million vs AED 175.32 million as at 31-Dec-2023
Securities issued during the financial period	None
Summary of the most important non-financial events and developments during the financial period	The Company was acquired by Sukoon Insurance PJSC with a majority shareholding of 93.04% on 18 May 2023. An additional 1.57% of shares was purchased from minority shareholders in 2Q 2024. Sukoon Insurance PJSC holding in Sukoon Takaful is now 94.61% as at end of Q4 2024.
Summary of operational performance during the financial period	Takaful revenue reduced by 3.92% to reach AED 121.62 million in 2024 compared to AED 126.58 million in 2023. Takaful service expenses reached AED 84.11 million in 2024 compared to AED 152.27 million in 2023. Takaful service result before reinsurance contracts held reached AED 37.51 million compared to AED (25.69) million in 2023. Net expense from reinsurance contracts held reached AED 3.22 million compared to AED 16.08 million in 2023.
Summary of profit and loss during the financial period	Net profit for the year: AED 18.99 million

Summary of financial position as at the end of the financial period	Total Cash & bank balances : AED 141.83 million Total Assets as at 31-Dec-2024 : AED 429.77 million Total Equity as at 31-Dec-2024 : AED 194.80 million
Summary of cash flows during the financial period	Net cash generated used in operating activities: AED (7.14) million Net cash used in investment activities: AED 2.57 million Net cash used in financing activities: AED (0.53) million Cash and cash equivalents at the end of the year: AED 8.42 million
Main performance indicators	**Retention ratio: 52.40%** **Combined ratio: 107.59%**
Expectations for the sector and the company's role in these expectations	Our pricing strategies have been refined to better reflect the risk profiles. By leveraging advanced analytics and market insights, we have achieved more accurate pricing, ensuring competitiveness while maintaining profitability.
Expectations regarding the economy and its impact on the company and the sector	In 2024, corporate tax regime will be implemented, which is expected to cement UAE's position as a leading global hub for business and investment and accelerate the UAE's development and transformation to achieve its strategic objectives. Inflationary risks are expected to persist coupled with a high interest rate environment. Cost discipline and effective claims managements are core objectives for the Company.
Future plans for growth and changes in operations in future periods	None
The size and impact of current and projected capital expenditures on the company	None
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	None

May God; the Almighty; guide our steps.

On behalf of the Board,

Saood AbdulAziz Al Ghurair
Chairman
28 January 2025