

Management Discussion and Analysis	
Date	28 January 2026
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 2025 - 31st December 2025
Overview of the main results during the financial period	<p><b>Takaful revenue</b> - AED 248.84 million in 2025 vs AED 121.62 million in 2024</p> <p><b>Takaful service result</b> – AED (0.15) million in 2025 vs to AED (5.13) million in 2024</p> <p><b>Net investment income</b> - AED 22.71 million in 2025 vs AED 25.77 million in 2024</p> <p><b>Total Assets</b> as at 31-Dec-2025 - AED 586.30 million vs AED 429.77 million as at 31-Dec-2024</p> <p><b>Total Equity</b> as at 31-Dec-2025 – AED 229.34 million vs AED 194.80 million as at 31-Dec-2024</p>
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 1.62% of shares was purchased from minority shareholders. Sukoon Insurance PJSC holding in Sukoon Takaful is now 94.66% as at 31-Dec-2025.
Summary of operational performance during the financial period	<p>Takaful revenue increased by 105% to reach AED 248.84 million in 2025 compared to AED 121.62 million in 2024.</p> <p>Takaful service expenses reached AED116.71 million in 2025 compared to AED 84.11 million in 2024.</p> <p>Takaful service result before reinsurance contracts held reached AED 132.13 million compared to AED 37.51 million in 2024.</p> <p>Net expense from reinsurance contracts held reached AED 52.51 million compared to AED 3.22 million in 2024.</p>
Summary of profit and loss during the financial period	Net profit for the year: AED 35.31 million



<b>Summary of financial position as at the end of the financial period</b>	<p>Total Cash &amp; bank balances: AED 145.82 million</p> <p>Total Assets as at 31-Dec-2025: AED 586.29 million</p> <p>Total Equity as at 31-Dec-2024: AED 229.33 million</p>
<b>Summary of cash flows during the financial period</b>	<p>Net cash generated used in operating activities: AED 74.72 million</p> <p>Net cash used in investment activities: AED (65.13) million</p> <p>Net cash used in financing activities: AED (0.66) million</p> <p>Cash and cash equivalents at the end of the year: AED 17.34 million</p>
<b>Main performance indicators</b>	<p><b>Retention ratio: 53.0%</b></p> <p><b>Combined ratio: 86.3%</b></p>
<b>Expectations for the sector and the company's role in these expectations</b>	<p>Amid increasingly complex risk dynamics, tighter regulatory requirements, and rising customer expectations for efficiency and digital service, Sukoon Takaful seeks to take a leadership role in the sector. By accelerating AI adoption, strengthening digital platforms, and enhancing customer journeys, the Company aims to drive a more efficient, data-driven, and customer-centric insurance ecosystem.</p>
<b>Expectations regarding the economy and its impact on the company and the sector</b>	<p>Strong growth is expected into 2026, supported by robust GDP expansion and economic diversification. The UAE continues to attract global capital with Dubai's position as a regional financial hub firmly established, coupled with strong economic fundamentals and regulatory stability, Sukoon Takaful is well-positioned to deliver superior risk-adjusted returns.</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>None</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.



**Ahmed M. A. Abushanab**  
**Chief Executive Officer**  
 28 January 2026