

Management Discussion and Analysis	
<b>Date</b>	29 January 2026
<b>Name of the Listed Company</b>	Sukoon Insurance PJSC
<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 2025 - 31st December 2025
<b>Overview of the main results during the financial period</b>	<p>Gross written premium: AED 7.11 billion</p> <p>Insurance revenue: AED 6.39 billion</p> <p>Insurance service result: AED 260.7 million</p> <p>Net investment income: AED 298.1 million</p> <p>Profit before tax: AED 427.9 million</p>
<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>	None
<b>Summary of operational performance during the financial period</b>	<p>Insurance revenue grew by 18% to reach AED 6.39 billion in 2025 compared to AED 5.41 billion in 2024.</p> <p>Insurance service expenses reached AED 4.78 billion in 2025 compared to AED 4.29 billion in 2024.</p> <p>Insurance service result before reinsurance contracts held reached AED 1.60 billion in 2025 compared to AED 1.12 billion in 2024.</p> <p>Net expense from reinsurance contracts held reached AED 1.34 billion in 2025 compared to AED 887.9 million in 2024.</p>
<b>Summary of profit and loss during the financial period</b>	<p>Profit before tax: AED 427.9 million</p> <p>Profit after tax: AED 364.9 million</p>
<b>Summary of financial position as at the end of the financial period</b>	<p>Total Assets as at 31-Dec-2025: AED 11.18 billion</p> <p>Total Liabilities as at 31-Dec-2025: AED 7.81 billion</p> <p>Total Equity as at 31-Dec-2025 - AED 3.37 billion</p>
<b>Summary of cash flows during the financial period</b>	<p>Net cash generated from operating activities: AED 725.9 million</p> <p>Net cash used in investment activities: AED 538.3 million</p> <p>Net cash used in financing activities: AED 104.3 million</p> <p>Cash and cash equivalents at the end of the year: AED 415.7 million</p>
<b>Main performance indicators</b>	<p>Retention ratio: 47.2%</p> <p>Combined ratio: 95.9%</p> <p>Return on equity(pretax): 13.4%</p> <p>Return on shareholders' equity: 11.5%</p>

<b>Expectations for the sector and the company's role in these expectations</b>	Amid increasingly complex risk dynamics, tighter regulatory requirements, and rising customer expectations for efficiency and digital service, Sukoon 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.
<b>Expectations regarding the economy and its impact on the company and the sector</b>	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 is well-positioned to deliver superior risk-adjusted returns.
<b>Future plans for growth and changes in operations in future periods</b>	None
<b>The size and impact of current and projected capital expenditures on the company</b>	Investments in digitization and technology platforms is expected to continue, where we expect a net capital expenditure in 2026 of AED 20 million approximately.
<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>	None



Hammad Raza Khan  
 Interim Chief Executive Officer  
 29 January 2026