

Detailed analysis of accumulated losses

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 provision of the decision as soon as their accumulated losses reach (20%) or more of their paid-up capital.

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| Date: | 19 th March 2024 |
| Listed Company Name: | United Fidelity Insurance Company |
| Define the period of the financial statements: | Q4 2023 |
| Accumulated losses: | AED 36,303,139 |
| Accumulated losses to capital ratio: | 22.7% |
| The main reasons leading to these accumulated losses and their history: | <p>UFIC experienced a challenging FY 2023 mainly due to severe market competition in the motor business and higher than expected claims in medical business due to weather changes, flue, etc. resulting in a net loss of AED 17.4m. It is important to note that the total comprehensive loss for FY 2023 amounts to only AED 1.9m vs AED 16.8m in FY 2022, depicting a significant improvement of 88.7% over prior year.</p> <p>UFIC's shareholders and Board of Directors remain committed towards the long-term sustainable growth of the company and would like to share the following measures being implemented to restore the profitability of the company and bring down the losses below the 20% threshold by Q3 2024.</p> |
| Measures to be taken to address Accumulated losses: | <p>The following measures implemented by the management are already showing a positive contribution towards the net bottom-line:</p> <ul style="list-style-type: none"> • Supported by the strong topline growth the Company is working on developing a more balanced portfolio focused towards profitability. • Efforts are being made to bring down the medical claim ratio by up to 5% through stricter review and approval processes. • The motor claims department is working aggressively to find efficiencies in order to reduce incurred claims. So far, we have been able to bring down the claims severity by 10% as compared to last year. |

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| Authorized Signatory: | Bilal Adhami |
| Position: | Chief Executive Officer |
| Signature and Date: | 19 th March 2024 |
| Company Seal: |  |

شركة التأمين فيدلتي المتحدة

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