

**Watania International Holding**  
**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 provisions of the decision as soon as their accumulated losses reach (20%) or more of their paid-up capital.

Date:	26 March 2024
Name of the Listed Company:	Watania International Holding PJSC
Define the period of the financial statements:	Full year 2023
Value of the Accumulated losses:	AED 45.9M
Accumulated losses to paid-up capital ratio (%):	17.67%
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):	The company reported an exceptional loss of AED53million in FY22 due to one-off merger costs, the increased hospital utilization post covid and market driven pricing pressures during the pandemic.
Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	2023 was a year of transition whereby we executed a successful turnaround strategy to recover from the significant losses in 2022 and to achieve a profit of AED13.3M at the close of the financial year.  This was mainly driven by concerted efforts to implement the integration process following the merger completed in July 2022, and to achieve a performance turnaround by leveraging the unlocked revenue growth opportunities from our consolidated operations and resetting the Company's business operations to benefit from more normalized market conditions in the post Covid period.

The Measures that will be taken to deal with the accumulated losses.

Actions	The time frame for implementing the action	What has been implemented of the action and the percentage of implementation	Reasons for not implementing or delaying	Any modifications or changes made
<b>Realignment of product pricing.</b>	FY23	We have realigned our product pricing for our major segments in Medical and Motor. The Company achieved a steady result at the end of the financial year 2023 due to significant improvements in the results of the Medical and Motor lines of business.	Not Applicable	Not Applicable
<b>Realignment of underwriting.</b>	FY23	We have realigned our underwriting parameters for our major segments, specifically the Medical and Motor portfolios. The Company achieved a steady result at the end of the financial year 2023 due to significant improvements in the results of Medical and Motor line of business.	Not Applicable	Not Applicable
<b>Focus on improving investment yield.</b>	FY23	We have de-risked our investment portfolio and moved the majority of our investments into fixed yield generating assets. We have seen an improvement of close to 400-bps in our investment yield for FY23. 100% achieved	Not Applicable	Not Applicable
<b>Realization of cost synergies of merger.</b>	FY23	We have started realizing the cost synergies of the merger where we expect to save around AED 20mn on an annualized basis. Cost synergies achieved for FY23 are in-line with the target.	Not Applicable	Not Applicable

**The Name of the Authorized Signatory** Gautam Datta

**Designation** Chief Executive Officer

**Signature and Date** 26 March 2024



**Company's Seal**

