

### Detailed analysis of accumulated losses


(If the accumulated losses between 20% to less than 50% of the company's capital)

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:	16-08-2023
Name of the Listed Company:	Watania International Holding PJSC
Define the period of the financial statements:	H1 2023
Value of the Accumulated losses:	AED 54.8mn
Accumulated losses to paid-up capital ratio (%):	21.07%
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 AED 55mn in FY22 due to one-off merger costs, the increased hospital utilization post covid and market driven pricing pressure during the pandemic.
Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	2022 was the year of transition whereby we made concerted efforts towards executing and implementing the merger. Post the completion of the merger the first priority was to set a new strategic direction of the Company towards profitability. The Company has taken initiative in 3 main areas – savings through cost synergies, improvement in underwriting performance through healthy product pricing and improving yield on investment. We are confident that our business is well positioned to achieve normalized sustainable net profit levels and a return to growth in FY23 with our focus as always on delivering long-term positive returns to our shareholders.

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
Realignment of product pricing.	FY23	We have realigned our product pricing for our major segments in Medical and Motor. We believe we will start seeing its impact on the reported Financials by the end of the year.	Not Applicable	Not Applicable
Realignment of underwriting	FY23	We have realigned our underwriting parameters for our major segments in Medical and Motor. We believe we will start seeing its impact on the reported Financials by the end of the year.	Not Applicable	Not Applicable
Focus on improving investment yield.	FY23	We have de-risked our investment portfolio and moved majority of investments into fixed yield generating assets. We have seen an improvement of 200-bps in our investment yield for H1-23. 100% achieved.	Not Applicable	Not Applicable
Realization of cost synergies of merger	FY23	We have started realizing the cost synergies of the merger where we expect to save around AED 20mn on an annual basis. Half of the annual savings have already been realized in H1-23.	Not Applicable	Not Applicable

The Name of the Authorized Signatory	Gautam Datta
Designation	Chief Executive Officer
Signature and Date	16 <sup>th</sup> August 2023 
Company's Seal	