

**Discussion report and analysis of the Board of Directors
of the listed public shareholding company**

Date	26 March 2024
Name of the Listed Company	Watania International Holding (PJSC) (formerly Dar Al Takaful (PJSC))
The period of the financial statements covered by the report	For the financial year ended 31 December 2023
Overview of the main results during the financial period	Watania International Holding (PJSC) reported a net profit of AED13.2 million demonstrating the highly successful turnaround strategy to recover from the net loss of AED53.1 million in FY 2022.
Securities issued during the financial period	None
Summary of the most important non-financial events and developments during the financial period	<ul style="list-style-type: none"> The name of the listed company changed to Watania International Holding PJSC in March 2023 and its business object changed following the cancellation of its insurance license as it became an investment holding company. The Company's trading symbol on Dubai Financial Market became WATANIA in July 2023. The trade names of the Company's fully owned subsidiaries were changed from Noor Takaful General PJSC (Motor and Technical) to Watania Takaful General and from Noor Takaful Family PJSC (Medical and Family) to Watania Takaful Family. This brought all business lines under the Watania moniker following a comprehensive brand architecture review initiated after the merger.
Summary of operational performance during the financial period	<ul style="list-style-type: none"> 16.4% increase in Takaful revenue year on year (y-o-y) reaching AED954 million versus AED820 million in FY 2022. 162.1% increase (y-o-y) in net investment income to AED36.1 million compared to AED13.8 million in the previous year.

Summary of profit and loss during the financial period	in AED Mn	FY 2023	FY 2022 Restated*	Var
	Total takaful income	954.4	820.2	16.4%
	Investment income	36.1	13.8	162.1%
	Net Profit/ (loss) for the year	13.3	(53.1)	na
	Earnings/ (loss) per share	0.051	(0.204)	na
*Comparative information has been restated due to adoption of IFRS 17.				
Summary of financial position as at the end of the financial period	In AED Mn	FY 2023	FY 2022 Restated*	Var
	Total Assets	1,211.1	1,284.4	-5.7%
	Total Liabilities	981.5	1,066.0	-7.9%
	Total Shareholders' Equity	229.6	218.5	5.1%
*Comparative information has been restated due to adoption of IFRS 17.				
Summary of cash flows during the financial period	in AED Mn	FY 2023	FY 2022 Restated*	
	Net cash generated from/ (used in) operating activities	(63.3)	4.1	
	Net cash generated from investing activities	60.7	85.1	
	Net cash used in financing activities	(22.0)	(19.9)	
*Comparative information has been restated due to adoption of IFRS 17.				
Main performance indicators	The company reported net profit for the period with earnings per share of 0.051 as compared to loss per share of (0.204) for the same period last year.			
Expectations for the sector and the company's role in these expectations	We are optimistic about the outlook in 2024 and beyond for the insurance industry, particularly the Takaful sector. This is due to the significant growth opportunities driven by advanced technologies, the expansion of mandatory areas of coverage, higher demand for better products at more competitive prices from an increasingly wealthier and more sophisticated population, underpinned by a continuously improving regulatory framework and strong economic indicators.			

Expectations regarding the economy and its impact on the company and the sector	The management holds a cautious outlook. The UAE's economic outlook is strong and positive notwithstanding the fluidity in global economic and political situation. This is countered by a hardening reinsurance market (especially in non-performing areas) and greater need for financial discipline. The market continues to be fragmented and needs further consolidation to create a strong and sustainable insurance industry in UAE.
Future plans for growth and changes in operations in future periods	The turnaround that has taken place in the Company's financial performance has been due to a simple motto – go back to the basics and do it right! We will continue to build our products and services around our customers using technology, data analytics, active feedback mechanism, well trained and motivated group of members who will collaborate to exceed the expectations of our stakeholders.
The size and impact of current and projected capital expenditures on the company	The expected net capital expenditure for the coming year is AED 8.3 million.
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	The Board provides ongoing oversight of the execution of the company's strategy, through a combination of direct meetings and board committees.

The name of the chairman of the company or the authorized signatory

Gautam Datta,
Chief Executive Officer



Signature and Date

26th March 2024

Company's Seal

