For the Year Ended 31 December 2025

Management Discussion and Analysis Report

Group Overview

Liva Group SAOG (the "Group" or the "Company") 2025 fiscal results highlight a period of targeted growth and technical refinement. By focusing on operational efficiency and the stabilisation of core business lines, the Group successfully converted strategic goals into a solid financial foundation, after facing a challenge of weather claims in 2024.

Revenue and Market Reach: Insurance Revenue reached OMR 408.3 million, a 24% increase over the previous year. This trajectory was largely supported by increased business volumes across our core markets, the Sultanate of Oman (Oman), the United Arab Emirates (UAE), and the Kingdom of Saudi Arabia (KSA). This geographic diversity allowed the Group to benefit from regional growth trends while maintaining a balanced risk profile across different regulatory environments.

Investment Strategy: The Group's investment portfolio generated OMR 17.2 million, marking a 20% rise from the OMR 14.3 million recorded in 2024. Performance was supported by disciplined asset allocation and tactical rebalancing across debt and equity exposures, enhancing risk-adjusted returns while preserving capital resilience amid market volatility.

Technical Underwriting and Recovery: Driven primarily by the reversal in the insurance service result, which swung from a loss of OMR 5.6 million in 2024 to a profit of OMR 13.7 million in 2025. This OMR 19.3 million turnaround is attributed to:

- Enhanced Underwriting: Strengthened risk selection and pricing discipline.
- Claim Stabilisation: Favourable claims environment following the high-severity weather events that impacted the prior period.
- Risk Frameworks: Integration of more robust risk management protocols across all subsidiaries.

Bottom Line: The culmination of these operational improvements resulted in a Net Profit After Tax of OMR 14.2 million. This outcome confirms the Group's ability to navigate complex market conditions while successfully strengthening its regional footprints.

Financial Performance

Profit and Loss (OMR millions)

Profit and Loss (OMR millions)	FY 2025	FY 2024	Change
Insurance Revenue	408.3	329.5	24%
Insurance Service Result	13.7	(5.6)	343%
Investment Income (Net)	17.2	14.3	20%
Profit After Tax	14.2	(5.0)	383%

Insurance Revenue

The Group reported a 24% year-on-year increase in Insurance Revenue in 2025, reflecting continued momentum across its GCC footprint. The Group remains focused on optimising its business mix to support sustainable expansion, prioritising segments aligned with long-term value creation. Through disciplined portfolio management and a customer-centric approach, Liva continues to strengthen its strategic position and build a resilient platform for enduring growth.

Insurance Service Result

The Group delivered an Insurance Service Result of OMR 13.7 million in 2025, a turnaround from the OMR (5.6) million loss recorded in 2024. This improvement reflects stronger underwriting discipline, enhanced risk selection and more effective claims management, alongside the successful remediation of legacy portfolio issues and tighter operational controls.

Investment Income

Investment income increased by 20% to OMR 17.2 million, reflecting improved portfolio yields and active asset allocation management. The Group continues to maintain a diversified portfolio across fixed income and equity instruments, operating within a robust governance framework and in compliance with regulatory and internal risk limits.

Profitability

The Group achieved a Net Profit After Tax of OMR 14.2 million for the year. This performance was supported by disciplined risk selection, robust claims oversight, periodic pricing reviews, focused expense optimisation, as well as a well-diversified and prudently managed investment approach that balances risk and return.

Capital Position (OMR millions)

Capital Position (OMR millions)	Dec 2025	Dec 2024
Total Assets	472.5	435.6
Share Capital	69.0	69.0
Total Shareholder's Equity	117.3	101.6
Net Asset per Share	0.294	0.255

Portfolio Mix Relative to Geography

Portfolio Mix - Geography	FY 2025	FY 2024	% Change
Oman	22%	23.7%	(1.7%)
UAE	62%	60.4%	1.6%
KSA	14.5%	13.9%	0.6%
Kuwait	1.2%	1.5%	(0.3%)
Bahrain	0.3%	0.5%	(0.1%)

The Group’s continued drive to diversify and rebalance its portfolio across markets and business lines has further reinforced its resilience and long-term value creation potential.

Looking ahead, the Group will continue advancing this rebalancing strategy through the expansion of its Life insurance offerings, the development of growth-oriented

partnerships, and the scaling of key initiatives that support disciplined, fundamentals-driven growth.

Market Conditions

Economic Impact

GCC economies remain resilient, supported by strong domestic demand, government investment and population growth, particularly in the UAE and KSA. These dynamics continue to expand the insurance market across health, motor, property, specialty and life as workforce participation and asset formation increase. Inflation across the GCC is expected to remain broadly stable in 2026, supporting affordability and retention. Structural pressures remain in medical inflation, claims severity, wage expectations and vendor costs, reinforcing the need for pricing discipline, portfolio segmentation, automation and operational efficiency to sustain margins and competitiveness.

Investment and Infrastructure Development

Government-led investment remains a key driver of growth across the GCC, anchored in national transformation agendas. Oman’s Vision 2040, KSA’s Vision 2030, Kuwait’s national development plan and Bahrain’s reform and digitisation initiatives continue to advance diversification and infrastructure, while the UAE’s long-term strategy sustains investment across transport, utilities, clean energy, real estate, tourism and logistics.

These programmes are expanding the scale and complexity of insurable assets across construction, engineering, property, energy, marine, casualty and specialty lines, while reinforcing the need for disciplined underwriting and risk selection.

Mandatory Health

Mandatory health reform remains a structural growth driver across the GCC, as governments expand coverage and strengthen system sustainability. Oman’s Vision 2040-linked Dhamani platform is progressing toward phased rollout, while Qatar and Bahrain continue advancing broader implementation. In the UAE, expansion beyond Dubai and Abu Dhabi is increasing penetration, and KSA and Kuwait continue refining and strengthening their established frameworks.

These developments are expanding the insured population and reshaping pricing and regulatory dynamics. While creating growth opportunities, they also heighten competition and reinforce the need for strong claims governance, provider network optimisation, fraud detection and scalable operating models, supporting the Group’s continued investment in technology to enhance efficiency and customer experience.

Strengthening Government Regulation

Regulatory reform across the GCC continues to enhance transparency, governance and consumer protection within the insurance sector. The adoption of IFRS 17 has strengthened comparability and investor confidence through standardised insurance contract accounting. In KSA, regulatory measures in the motor insurance sector, including stricter enforcement of third-party mandates, have reduced uninsured exposure and supported demand growth. Across the region, ongoing regulatory refinement is raising market standards and reinforcing disciplined underwriting and conduct.

Looking ahead, regulatory developments are expected to further promote customer-centric practices, product innovation, and sustainable market growth.

Outlook and Growth Plans

Financial & Strategic Outlook

Building on the momentum of 2025, the Group strategy for 2026 prioritises sustainable, high-quality earnings. With a fortified balance sheet and validated reserves, the Group aims to outpace regional market growth by leveraging its composite licence to diversify into higher-margin segments, while maintaining strong technical discipline and driving expense efficiency through targeted AI-led automation.

The successful transfer of NLGIC's United Arab Emirates portfolio to Liva in September 2025 marks the completion of the Group's UAE integration, enabling Liva UAE to offer its full product suite under a single brand and further reinforcing Liva's position as a leading multi-line insurer in the region. In parallel, KSA remains a core pillar of the GCC growth strategy, with ongoing merger discussions with Malath, supporting the Group's ambition to strengthen its presence and scale in the Kingdom.

Personal Lines

Growth in Personal Lines will focus on scaling non-motor lines while leveraging partnerships and embedded distribution channels. Continued investment in digital experience and advanced analytics will support retention and targeted acquisition, shifting engagement from price-led competition to value-driven positioning.

Commercial Lines

We aim to expand our footprint in high-value segments by capitalising on infrastructure investments and economic diversification projects across the region. The Group will continue to leverage strategic reinsurance partnerships and data-driven risk selection to drive profitable growth while maintaining rigorous underwriting standards

Health & Life

Health & Life will remain a key engine of diversified earnings, supported by regulatory developments and the expansion of individual Life propositions. The strategy includes strengthening clinical-led claims management and deeper integration with provider ecosystems. We are actively capturing the region's significant protection gap by scaling digital Life platforms and bancassurance partnerships

We are poised to capitalise on our newly acquired Participating Insurer status in the United Arab Emirates. Secured at the close of 2025, this allows Liva to enter the Low Salary Band (LSB) health segment, providing a scalable new revenue stream while improving healthcare accessibility for a vital part of the workforce.

Digital Transformation and Innovation

The Group is accelerating its digital transformation to embed AI-led precision into the core of our operations, specifically within underwriting and claims processing. Building on the success of ecosystem integrations like the Salik partnership, we will further scale our embedded insurance capabilities across banking, mobility, and payment sectors to lower the cost-to-serve. Continued investment in our enterprise data architecture will ensure real-time decision-making and seamless service delivery, reinforcing our position as a future-ready regional powerhouse.

Corporate Recognition

We entered 2025 with an AM Best 'A-' (Excellent) financial strength rating, supported by a robust balance sheet, a prudent investment strategy, and a diversified GCC presence. During the year, AM Best assigned Financial Strength Ratings of 'A-' (Excellent) and Long-Term Issuer Credit Ratings of 'a-' (Excellent) to Liva Bahrain and Liva Oman, including their branches.

Liva Oman was named 'Insurance Company of the Year' at the AIWA Awards and received the 'Rebranding Campaign of the Year' award at the Oman Leadership Awards, serving as an encouraging indicator that our identity and strategic direction are resonating within the market.

Environmental, Social, and Governance (ESG): Building Sustainable Value

In 2025, Liva aligned its Corporate Social Responsibility initiatives with its core pillars including health and wellbeing, innovation and education, environmental stewardship, and community advancement. The Group also advanced our ESG strategy, established a robust framework, and prepared our inaugural ESG report. In creating this framework, we aligned ESG priorities with our purpose while reflecting national objectives such as Oman Vision 2040 and regulatory expectations.

In 2026, Liva will focus on enhancing measurable social impact and expanding opportunities for people and communities by fostering youth potential, strengthening community wellbeing, and establishing a unified CSR value exchange across the GCC.

Risk & Controls

The Group operates a comprehensive risk management framework covering strategic, operational, financial, and regulatory risks, including emerging risks and IT security governance. The framework establishes clear processes for risk identification, assessment, mitigation, monitoring, and reporting.

Management maintains a robust internal control environment to safeguard assets and protect shareholder interests, with controls embedded across the organisation to prevent, detect and address irregularities. Oversight is provided by the Audit Committee and the Risk Committee.

The Audit Committee reviews the effectiveness of internal controls following internal and external audit reviews and reports to the Board. The Enterprise Risk Management framework, under Board and Risk Committee oversight, supports compliance with established risk standards and effective risk management across the Group.

Acknowledgements

On behalf of the Company and all our staff, I express our sincere gratitude and appreciation to His Majesty Sultan Haitham bin Tarik on his dynamic leadership as he leads the Sultanate towards sustainable development, the achievement of Vision 2040, growth, and prosperity.

I would like to thank all the regulators, government bodies and ministries in the Sultanate of Oman and the GCC for their ongoing support, specifically the unwavering commitment related to our integration efforts.

I would like to express my gratitude and appreciation to our investors, the Board of Directors, customers, business partners, reinsurers, and staff of the Company for their unwavering support.

David Healy
Group Chief Executive Officer