

SUKOON TAKAFUL P.J.S.C

**REVIEW REPORT AND INTERIM CONDENSED
FINANCIAL STATEMENTS**

31 MARCH 2026 (UNAUDITED)



Report of the Board of Directors

Dear Shareholders,

We have the pleasure in presenting you the financial results of Sukoon Takaful PJSC (“**the Company**”) for the quarter-ended 31 March 2026, demonstrating a strong start to the year and continued positive performance.

Strong Financial Performance

The Company delivered a strong first-quarter performance in 2026, driven by disciplined underwriting, sound risk selection, and stable investment income despite a challenging external environment.

- Takaful revenue increased to AED 75.32 million, representing a 63% year-on-year growth.
- Takaful service result rose by 31% to AED 20.96 million, driven primarily by strong technical performance.
- Net investment income increased to AED 5.23 million, a 13% growth year-on-year growth, driven by our income-oriented investment approach and strong free cash flow generation, reinforcing sustainable returns.
- Profit before tax of AED 9.06 million, a 44% increase year-on-year.
- The Company sustained an exceptional capital and solvency position, evidenced by a 200% solvency ratio as at year-end 31 December 2025.

The Company’s strong first-quarter results set a firm trajectory for the year. It remains focused on delivering sustainable profitable growth, enhancing operational performance, and strengthening its overall financial resilience.

Operational Resilience

We would like to express our deep appreciation and gratitude to the UAE’s leadership for fostering a strong sense of security, protection, and confidence, particularly during times of uncertainty. We are **proud of the UAE** — a nation that consistently demonstrates strength, foresight, and unity in navigating regional and global challenges — and we remain committed to contributing positively to its continued progress. Business continuity frameworks are in place across all functions, ensuring uninterrupted operations, service reliability, and the continued fulfilment of obligations to policyholders and partners, always delivering on our promise of **peace of mind**.

The Board would like to express its sincere appreciation to our customers and business partners for their continued trust, and to the management and employees of Sukoon Takaful for their dedication and commitment, which have been central to the Company’s ongoing success.

May God; the Almighty; guide our steps.

On behalf of the Board,



Saood Abdulaziz Al Ghurair
Chairman

SUKOON TAKAFUL P.J.S.C.

Review report and interim condensed financial statements for the three-month period ended 31 March 2026

	Pages
Independent auditor's review report	1
Interim condensed statement of financial position	2 - 3
Interim condensed statement of profit or loss	4
Interim condensed statement of comprehensive income	5
Interim condensed statement of changes in equity	6
Interim condensed statement of cash flows	7
Notes to the interim condensed financial statements	8 - 24

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SUKOON TAKAFUL P.J.S.C

Introduction

We have reviewed the accompanying interim condensed financial statements of Sukoon Takaful P.J.S.C (the “Company”) as at 31 March 2026 which comprise the interim condensed statement of financial position as at 31 March 2026 and the related interim condensed statements of profit or loss, interim condensed statement of comprehensive income, interim condensed statement of changes in equity and interim condensed statement of cash flows for the three-month period then ended and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Ernst & Young Middle East (Dubai Branch)



Ashraf Abu-Sharkh
Registration No.: 690

29 April 2026

Dubai, United Arab Emirates

SUKOON TAKAFUL P.J.S.C.

Interim condensed statement of financial position

		At 31 March 2026 (Unaudited) AED'000	At 31 December 2025 (Audited) AED'000
ASSETS			
Participants' Assets			
Financial assets at fair value through other comprehensive income ("FVTOCI")	8	925	1,684
Financial assets measured at fair value through profit and loss ("FVTPL")	8	4,985	4,489
Financial assets at amortised cost	8	24,080	23,217
Takaful contract assets	9	151	-
Retakaful contract assets	9	81,798	77,129
Prepayments and other receivables		5,035	3,285
Due from shareholders		58,409	55,816
Bank balances and cash	6	126,524	115,487
Total participants' assets		301,907	281,107
Shareholders' assets			
Financial assets at FVTOCI	8	20,137	16,426
Financial assets at FVTPL	8	529	529
Financial assets at amortised cost	8	151,804	144,941
Investment properties		78,885	78,885
Deferred tax asset		265	174
Property and equipment		883	899
Deferred policy acquisition cost		20,780	18,519
Prepayments and other receivables		4,892	4,479
Bank balances and cash	6	28,727	30,336
Statutory deposits		10,000	10,000
Total shareholders' assets		316,902	305,188
TOTAL ASSETS		618,809	586,295
PARTICIPANTS' LIABILITIES AND DEFICIT			
Participants' liabilities			
Takaful contract liabilities	9	271,969	265,263
Retakaful contract liabilities	9	12,390	169
Investment contract liabilities	18	4,104	3,941
Other liabilities		13,444	11,734
Total participants' liabilities		301,907	281,107
Participants' deficit			
Qard Hassan against deficit in participants' fund		(165,524)	(164,406)
Less: Provision against Qard Hassan to participants' fund		165,524	164,406
		-	-
Total participants' liabilities and deficit		301,907	281,107

SUKOON TAKAFUL P.J.S.C.

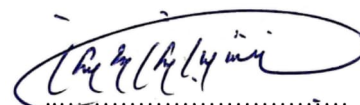
Interim condensed statement of financial position (continued)

		At 31 March 2026 (Unaudited) AED'000	At 31 December 2025 (Audited) AED'000
SHAREHOLDERS' LIABILITIES AND EQUITY			
Shareholders' liabilities			
Deferred tax liabilities		1,024	1,024
Employees' end of service benefits		2,029	2,102
Due to participants		58,410	55,816
Other liabilities		19,212	16,911
Total shareholders' liabilities		80,675	75,853
Shareholders' equity			
Share capital	10	154,000	154,000
Statutory reserve	11	77,000	77,000
Retakaful reserves	11	2,009	1,860
Cumulative changes in fair value of FVTOCI investments		(6,239)	(5,242)
Retained earnings		9,457	1,717
Total shareholders' equity		236,227	229,335
Total shareholders' liabilities and equity		316,902	305,188
TOTAL LIABILITIES, PARTICIPANTS' FUND AND EQUITY		618,809	586,295

To the best of our knowledge, the interim condensed financial statements present fairly in all material respects the financial condition, results of operation and cashflows of the Company as of, and for, the periods presented therein.



.....
Saood Abdulaziz Al Ghurair
Chairman



.....
Ahmed M.A. Abushanab
Chief Executive Officer

SUKOON TAKAFUL P.J.S.C.

Interim condensed statement of profit or loss

	Notes	For the three month period ended	
		31 March	
		2026 (Unaudited) AED '000	2025 (Unaudited) AED '000
Attributable to participants			
Takaful revenue	13	75,323	46,347
Takaful service expenses		(32,369)	(17,680)
Takaful service result before retakaful contracts held		42,954	28,667
Allocation of retakaful contributions		(30,784)	(18,019)
Amounts recoverable from retakaful for incurred claims		8,792	5,344
Net expenses from retakaful contracts held	9	(21,992)	(12,675)
Takaful service result		20,962	15,992
Takaful finance expenses for takaful contracts issued	9	(1,197)	(1,229)
Retakaful finance income for retakaful contracts held	9	518	587
Net takaful income		20,283	15,350
Investment income	14	1,263	1,217
Other income		46	275
Wakala fee	19	(22,332)	(19,656)
Mudarib share	19	(379)	(365)
Loss for the period attributable to participants		(1,119)	(3,179)
Attributable to shareholders			
Investment income	14	3,964	3,426
Other income - net		(111)	-
Wakala fee	19	22,332	19,656
Mudarib share	19	379	365
		26,564	23,447
Expenses			
Policy acquisition costs		(7,610)	(4,764)
General and administration expenses		(8,776)	(9,196)
Income for the period before			
Qard Hassan		10,178	9,487
Provision against Qard Hassan to participants		(1,119)	(3,179)
Profit before tax		9,059	6,308
Income tax expense	22	(1,170)	(888)
Profit for the period		7,889	5,420
Earnings per share (AED)	12	0.051	0.035

SUKOON TAKAFUL P.J.S.C.

Interim statement of comprehensive income

	For the three month period ended	
	31 March	
	2026	2025
	(Unaudited)	(Unaudited)
	AED '000	AED '000
Attributable to shareholders		
Profit for the period	7,889	5,420
Items that will not be reclassified subsequently to profit or loss:		
Unrealised loss of equity investments designated at FVTOCI – net of tax	(917)	(582)
Items that may be reclassified subsequently to profit or loss:		
Unrealised gain on sukuk instruments designated at FVTOCI	(80)	62
Other comprehensive loss for the period attributable to Shareholders	(997)	(520)
Total comprehensive income for the period attributable to Shareholders	6,892	4,900

SUKOON TAKAFUL P.J.S.C.

Interim condensed statement of changes in equity

	Share capital AED'000	Statutory reserve AED'000	Retakaful reserve AED'000	Cumulative changes in fair value of FVTOCI investment AED'000	(Accumulated losses)/retained earnings AED'000	Total equity AED'000
Balance at 1 January 2025 (audited)	154,000	77,000	1,105	(4,468)	(32,837)	194,800
Profit for the period	-	-	-	-	5,420	5,420
Other comprehensive income for the period	-	-	-	(520)	-	(520)
Total comprehensive income for the period	-	-	-	(520)	5,420	4,90
Transfer to re-takaful reserve (note 11)	-	-	141	-	(141)	-
At 31 March 2025 (unaudited)	154,000	77,000	1,246	(4,988)	(27,558)	199,700
Balance at 1 January 2026 (audited)	154,000	77,000	1,860	(5,242)	1,717	229,335
Profit for the period	-	-	-	-	7,889	7,889
Other comprehensive loss for the period	-	-	-	(997)	-	(997)
Total comprehensive income for the period	-	-	-	(997)	7,889	6,892
Transfer to re-takaful reserve (note 11)	-	-	149	-	(149)	-
At 31 March 2026 (unaudited)	154,000	77,000	2,009	(6,239)	9,457	236,227

SUKOON TAKAFUL P.J.S.C.

Interim condensed statement of cash flows

	For the three month period ended 31 March	
	2026 (Unaudited) AED '000	2025 (Unaudited) AED '000
Cash flows from operating activities		
Profit before tax	9,059	6,308
Adjustments for:		
Depreciation and amortization	112	176
Profit on wakala deposits & sukuks	(3,563)	(3,057)
Amortization of intangible assets	59	48
Provision for employees' end of service indemnity	86	219
Rental income	(1,557)	(1,472)
Dividends income from financial assets	(106)	(114)
Operating cash flows before changes in working capital and payment of employees' end of service benefits	4,090	2,108
Changes in working capital		
Change in retakaful contract assets	(4,820)	(12,030)
Change in prepayments and other receivables	(1,232)	(362)
Change in deferred acquisition costs	(2,261)	(2,457)
Change in takaful & retakaful contract liabilities	19,090	21,252
Change in other liabilities	2,869	6,249
Net cash generated from operations	17,736	14,760
Employees' end of service benefits paid	(158)	(140)
Net cash generated from operating activities	17,578	14,620
Cash flows from investing activities		
Purchase of investments securities	(12,199)	(18,454)
Purchase of property and equipment - net of disposal	(155)	(63)
Rental income received	1,557	1,373
Profit received on sukuk and wakala deposit	2,550	2,900
Dividend received	96	114
Change in wakala deposit with maturity more than 3 months	10,580	10,646
Net cash generated from / (used in) investing activities	2,429	(3,484)
Cash flows from financing activities		
Payment of lease liability	-	(659)
Net cash used in financing activity	-	(659)
Net increase in cash and cash equivalents	20,007	10,477
Cash and cash equivalents at the beginning of the period	17,344	8,416
Cash and cash equivalents at the end of the period (note 7)	37,351	18,893

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026

1 General information

Sukoon Takaful PJSC (the "Company") is a public shareholding company and was registered in 1992. The Company is engaged in takaful and retakaful of all classes of business in accordance with the provisions of the United Arab Emirates ("UAE") Federal Decree-Law No. 6 of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, and the Federal Decree Law No. (32) of 2021 concerning the Commercial Companies, as amended. The address of the Company's registered office is P.O. Box 1993, Dubai, United Arab Emirates.

The Shareholders Extraordinary General Assembly Meeting held on 19 March 2014 approved conversion of the Company's business from conventional insurance to Takaful insurance. The Board of Directors appointed an Internal Sharia Supervision Committee for overseeing the compliance with Sharia. The Company started issuing short term takaful contracts from 1 February 2015 in connection with Family Takaful and non-Family Takaful such as motor, marine, fire, engineering, medical and general accident risks (collectively known as general takaful). The Company only operates in United Arab Emirates, through its Dubai and Abu Dhabi offices.

2 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) ('IFRS')

2.1 New and revised IFRS adopted in the condensed interim financial information

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in these interim condensed financial statements. The application of these revised IFRS, did not have any material impact on the amounts reported for the current and prior periods.

<u><i>New and revised IFRSs</i></u>	<u><i>Effective for annual periods beginning on or after</i></u>
IFRS 9 and IFRS 7— Amendment regarding the classification and measurement of financial instrument and contracts referencing nature	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026

2.2 New and revised IFRS in issue but not yet effective and not early adopted

<u><i>New and revised IFRS</i></u>	<u><i>Effective for annual periods beginning on or after</i></u>
IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027, earlier application is permitted
IFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027, earlier application is permitted
Translation to a Hyperinflationary Presentation Currency. Amendments to IAS 21	1 January 2027

Management anticipates that these new standards, interpretations, and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the period of initial application.

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

3 Basis of preparation and material accounting policy information

3.1 Basis of preparation

These interim condensed financial statements for the three month period ended 31 March 2026 has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board ("IASB") and also complies with the applicable requirements of the laws in the UAE.

These interim condensed financial statements are presented in Arab Emirates Dirham ("AED") and all values are rounded to nearest thousand ("AED'000") except when otherwise indicated.

These interim condensed financial statements have been prepared on the historical cost basis, except for the revaluation of financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and investment properties measured at fair value.

The Company presents its statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current).

These interim condensed financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements as at and for the year ended 31 December 2025. In addition, results for the three month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

3.2 Material accounting policy information

The accounting policies, including those pertaining to financial assets, property and equipment and investment properties, applied by the Company in the preparation of These interim condensed financial statements are consistent with those applied by the Company in the annual financial statements for the year ended 31 December 2025.

4 Critical accounting judgements and key sources of estimation of uncertainty

The preparation of interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these interim condensed financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2025.

5 Risk management

The Company's objectives when managing capital are:

- to comply with the capital requirements required by UAE Federal Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business. The Company manages its capital on a basis of its minimum regulatory capital position presented in the table below:
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing takaful contracts commensurately with the level of risk
- Section 2 of the Financial Regulations for Insurance Companies (the "Regulations") issued by the Central Bank of UAE identifies the required solvency margin to be held in addition to takaful liabilities. The solvency margin must be maintained at all times throughout the year. The Company is subject to the Regulations which has been complied with during the period. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

5 Risk management (continued)

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as defined in the Regulations. The Company has disclosed the solvency position for the immediately preceding period as the current year solvency position is not yet finalised.

	At 31 December 2025 AED '000
Minimum Capital Requirement (MCR)	100,000
Solvency Capital Requirement (SCR)	52,172
Minimum Guarantee Fund (MGF)	35,455
Own Funds:	
- Basic Own Funds	199,974
- Minimum Capital Requirement Surplus (over MCR)	99,974
- Minimum Capital Requirement Surplus (over SCR)	147,801
- Minimum Capital Requirement Surplus (over MGF)	164,519

Based on the regulatory requirements, the minimum regulatory capital required is AED 100 million as at 31 March 2026 against which the paid-up capital of the Company is AED 154 million.

The heightened tensions in the Middle East have created regional uncertainty. Given the rapidly evolving nature of the situation, it is not currently possible to reliably quantify any potential financial impact, whether adverse or favourable. Accordingly, no adjustments have been made to the financial statements as of the reporting date. Management will continue to monitor developments and assess potential implications for operations, financial position, and performance.

6 Bank balances and cash

	At 31 March 2026 AED'000 (Unaudited)	At 31 December 2025 AED'000 (Audited)
Cash in hand	7	3
<i>Bank balances:</i>		
Wakala deposits	125,900	128,479
Call accounts	11,490	6,961
Current accounts	17,854	10,380
	<u>155,251</u>	<u>145,823</u>
Attributable to:		
Participants	126,524	115,487
Shareholders	28,727	30,336

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

7 Cash and cash equivalents

For the purpose of interim condensed statement of cash flows, the cash and cash equivalents at each period end are as follows:

	At 31 March 2026 AED'000 (Unaudited)	At 31 March 2025 AED'000 (Unaudited)
Cash and bank balances	155,251	141,661
Wakala deposits with maturity over 3 months	(117,900)	(122,768)
	<u>37,351</u>	<u>18,893</u>

The profit rates on fixed deposits and call accounts with banks range from 3.40% to 4.40% (31 March 2025: 4.20% to 5.55%) per annum.

8 Financial investments

The Company's financial investments at the end of the reporting period are detailed below.

	At 31 March 2026 (unaudited)			At 31 December 2025 (audited)		
	Inside UAE AED'000	Outside UAE AED'000	Total AED'000 0	Inside UAE AED'000	Outside UAE AED'000	Total AED'000
Investments at fair value through profit or loss						
Unit linked investments	1,256	3,729	4,985	1,010	3,479	4,489
Unquoted equity securities	529	-	529	529	-	529
	<u>1,785</u>	<u>3,729</u>	<u>5,514</u>	<u>1,539</u>	<u>3,479</u>	<u>5,018</u>
Attributable to:						
Participants	1,256	3,729	4,985	1,010	3,479	4,489
Shareholders	529	-	529	529	-	529
	<u>529</u>	<u>-</u>	<u>529</u>	<u>529</u>	<u>-</u>	<u>529</u>
Investments at fair value through other comprehensive income						
Unquoted equity securities	337	6,367	6,704	337	6,367	6,704
Quoted equity securities	6,180	-	6,180	-	-	-
Quoted Sukuks	8,178	-	8,178	11,406	-	11,406
	<u>14,695</u>	<u>6,367</u>	<u>21,062</u>	<u>11,743</u>	<u>6,367</u>	<u>18,110</u>
Attributable to:						
Participants	925	-	925	1,684	-	1,684
Shareholders	13,770	6,367	20,137	10,059	6,367	16,426
	<u>13,770</u>	<u>6,367</u>	<u>20,137</u>	<u>10,059</u>	<u>6,367</u>	<u>16,426</u>
Investments at Amortised Cost						
Quoted Sukuks	101,144	74,809	175,953	102,242	65,977	168,219
Less: ECL	(37)	(32)	(69)	(34)	(27)	(61)
	<u>101,107</u>	<u>74,777</u>	<u>175,884</u>	<u>102,208</u>	<u>65,950</u>	<u>168,158</u>
Attributable to:						
Participants	24,080	-	24,080	23,217	-	23,217
Shareholders	77,027	74,777	151,804	78,991	65,950	144,941
	<u>77,027</u>	<u>74,777</u>	<u>151,804</u>	<u>78,991</u>	<u>65,950</u>	<u>144,941</u>

Investment at amortised costs includes the quoted Sukuks which carry profit rates of 1.60% to 6.25% (31 December 2025: 1.40% to 6.25%) per annum.

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements
for the three month period ended 31 March 2026 (continued)

9 Takaful and retakaful contract assets and liabilities

	At 31 March 2026 (unaudited)			At 31 December 2025 (audited)		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
Takaful contracts issued						
Motor	151	(62,853)	(62,702)	-	(58,746)	(58,746)
Medical & family takaful	-	(69,752)	(69,752)	-	(70,213)	(70,213)
General	-	(137,281)	(137,281)	-	(134,698)	(134,698)
	151	(269,886)	(269,735)	-	(263,657)	(263,657)
Takaful contracts – Non PAA	-	(2,083)	(2,083)	-	(1,606)	(1,606)
Total takaful contracts issued	151	(271,969)	(271,818)	-	(265,263)	(265,263)
Retakaful contracts held						
Motor	4,354	(635)	3,719	4,051	-	4,051
Medical & family takaful	23,810	(3,815)	19,995	20,195	-	20,195
General	53,614	(7,940)	45,674	52,864	(169)	52,695
	81,778	(12,390)	69,388	77,110	(169)	76,941
Retakaful contracts – Non PAA	20	-	20	19	-	19
Total Retakaful contracts held	81,798	(12,390)	69,408	77,129	(169)	76,960

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements
for the three month period ended 31 March 2026 (continued)

9 Takaful and retakaful contract assets and liabilities (continued)

Reconciliation of the Takaful liability for remaining coverage (LRC) & liability for incurred claims for takaful contracts (LIC).

At 31 March 2026

	<u>LRC</u>		LIC for contracts not under PAA AED '000	<u>LIC for contracts under PAA</u>		Total AED '000
	Excluding loss component AED '000	Loss component AED '000		Estimates of the present value of future cash flows AED '000	Risk adjustment AED '000	
Takaful contract assets at start of the period	-	-	-	-	-	-
Takaful contract liabilities at start of the period	133,439	14,688	-	113,409	3,727	265,263
Net takaful contract assets at start of the period	133,439	14,688	-	113,409	3,727	265,263
Takaful revenue	(75,323)	-	-	-	-	(75,323)
Takaful service expenses	-	-	-	-	-	-
Incurred claims and other expenses	-	(7)	440	43,999	1,183	45,615
Losses on onerous contracts and reversals of those losses	-	952	-	-	-	952
Changes to liabilities for incurred claims	-	-	-	9,112	(978)	8,134
Takaful service expenses*	-	945	440	53,111	205	54,701
Takaful service result	(75,323)	945	440	53,111	205	(20,622)
Takaful finance expenses	5	1	-	1,194	(3)	1,197
Total amount recognised in the statement of profit or loss and other comprehensive income	(75,318)	946	440	54,305	202	(19,425)
Investment component	(41)	-	41	-	-	-
Cash flows						
Contributions received	70,244	-	-	-	-	70,244
Claims and other expenses paid	-	-	(481)	(43,783)	-	(44,264)
Total cash flows	70,203	-	(440)	(43,783)	-	25,980
Takaful contract assets at end of the period	128,324	15,634	-	124,078	3,933	271,969
Takaful contract liabilities at end of the period	-	-	-	(147)	(4)	(151)
Net balance at end of the period	128,324	15,634	-	123,931	3,929	271,818

*Takaful service expense of AED 54,701 thousand consist of AED 32,369 thousand pertaining to Participants' operations and AED 22,332 thousand relating to Wakala charged by Shareholders to Participants.

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

9 Takaful and retakaful contract assets and liabilities (continued)

Reconciliation of the Takaful liability for remaining coverage (LRC) & liability for incurred claims for takaful contracts (LIC). (continued)

At 31 December 2025 (audited)

	<u>LRC</u>		LIC for contracts not under PAA AED '000	<u>Liabilities for incurred claims for contracts under PAA</u>		Total AED '000
	Excluding loss component AED '000	Loss component AED '000		Estimates of the present value of future cash flows AED '000	Risk adjustment AED '000	
Takaful contract assets at start of the year	-	-	-	-	-	-
Takaful contract liabilities at start of the year	75,922	17,496	-	85,452	3,152	182,022
Net takaful contract assets at start of the year	75,922	17,496	-	85,452	3,152	182,022
Takaful revenue	(248,839)	-	-	-	-	(248,839)
Takaful service expenses	-	-	-	-	-	-
Incurred claims and other expenses	-	-	1,193	273,321	2,932	277,446
Losses on onerous contracts and reversals of those losses	-	(2,808)	-	-	-	(2,808)
Changes to liabilities for incurred claims	-	-	-	(72,328)	(2,363)	(74,691)
Takaful service expenses*	-	(2,808)	1,193	200,993	569	199,947
Takaful service result	(248,839)	(2,808)	1,193	200,993	569	(48,892)
Takaful finance expenses	124	-	4	2,351	6	2,485
Total amount recognised in the statement of profit or loss and other comprehensive income	(248,715)	(2,808)	1,197	203,344	575	(46,407)
Cash flows						
Contributions received	306,232	-	-	-	-	306,232
Claims and other expenses paid	-	-	(1,197)	(175,387)	-	(176,584)
Total cash flows	306,232	-	(1,197)	(175,387)	-	129,648
Takaful contract assets at end of the year	-	-	-	-	-	-
Takaful contract liabilities at end of the year	133,439	14,688	-	113,409	3,727	265,263
Net balance at end of the year	133,439	14,688	-	113,409	3,727	265,263

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

9 Takaful and retakaful contract assets and liabilities (continued)

Reconciliation of the retakaful asset for remaining coverage and the asset for incurred claims (continued)

At 31 March 2026 (unaudited)	<u>ARC</u>		AIC for contracts not under PAA AED '000	<u>Assets for incurred claims for contracts under PAA</u>		Total AED '000
	Excluding loss component AED '000	Loss component AED '000		Estimates of the present value of future cash flows AED '000	Risk adjustment AED '000	
Retakaful contract assets at start of the period	(446)	-	-	267	10	(169)
Retakaful contract liabilities at start of the period	24,543	1,787	-	49,020	1,779	77,129
Net retakaful contract assets at start of the period	24,097	1,787	-	49,287	1,789	76,960
Retakaful expenses	(24,561)	(1,784)	-	-	-	(26,345)
Amounts recoverable for incurred claims	-	-	-	-	-	-
Changes that relate to past service changes in the FCF relating to incurred claims recovery	-	2,381	-	1,974	(1)	4,354
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-	-
Amounts recoverable from retakaful for incurred claims	-	2,381	-	1,974	(1)	4,354
Net income or expense from retakaful contracts held	(24,561)	597	-	1,974	(1)	(21,991)
Retakaful finance income	(6)	-	-	524	(1)	517
Total amount recognised in the statement of profit or loss and other comprehensive income	(24,567)	597	-	2,498	(2)	(21,474)
Cash flows						
Contributions paid net of ceding commissions	20,617	-	-	-	-	20,617
Recoveries from retakaful	-	-	-	(6,696)	-	(6,696)
Total cash flows	20,617	-	-	(6,696)	-	13,921
Retakaful contract assets at end of the period	(18,911)	-	-	6,246	275	(12,390)
Retakaful contract liabilities at end of the period	39,059	2,384	-	38,843	1,512	81,798
Net retakaful contracts liabilities at end of the period	20,148	2,384	-	45,089	1,787	69,408

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

9 Takaful and retakaful contract assets and liabilities (continued)

Reconciliation of the retakaful asset for remaining coverage and the asset for incurred claims (continued)

At 31 December 2025 (audited)	<u>ARC</u>		<u>Assets for incurred claims for contracts under PAA</u>			Total AED '000
	Excluding loss component AED '000	Loss component AED '000	AIC for contracts not under PAA AED '000	Estimates of the present value of future cash flows AED '000	Risk adjustment AED '000	
Retakaful contract assets at start of the year	(324)	-	-	81	4	(239)
Retakaful contract liabilities at start of the year	8,465	679	-	41,130	1,646	51,920
Net retakaful contract assets at start of the year	8,141	679	-	41,211	1,650	51,681
Retakaful expenses	(117,671)	(679)	-	-	-	(118,350)
Amounts recoverable for incurred claims	-	-	-	91,508	1,348	92,856
Changes that relate to past service changes in the FCF relating to incurred claims recovery	-	-	-	(27,594)	(1,212)	(28,806)
Loss-recovery on onerous underlying contracts and adjustments	-	1,787	-	-	-	1,787
Amounts recoverable from retakaful for incurred claims	-	1,787	-	63,914	136	65,837
Net income or expense from retakaful contracts held	(117,671)	1,108	-	63,914	136	(52,513)
Retakaful finance income	3	-	-	1,183	3	1,189
Total amount recognised in the statement of profit or loss and other comprehensive income	(117,668)	1,108	-	65,097	139	(51,324)
Cash flows						
Contributions paid net of ceding commissions	117,191	-	-	-	-	117,191
Recoveries from retakaful	-	-	-	(40,589)	-	(40,589)
Total cash flows	117,191	-	-	(40,589)	-	76,602
Retakaful contract assets at end of the year	(446)	-	-	267	10	(169)
Retakaful contract liabilities at end of the year	8,110	1,787	-	65,452	1,780	77,129
Net retakaful contracts liabilities at end of the year	7,664	1,787	-	65,719	1,790	76,960

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

10 Share capital

	At 31 March 2026 AED '000 (Unaudited)	At 31 December 2025 AED '000 (Audited)
Authorised, issued and fully paid 154,000,000 shares of AED 1 each (31 December 2025: 154,000,000 shares of AED 1 each)	154,000	154,000

11 Other reserves

	Statutory reserve AED '000	*Retakaful reserve AED '000	Total AED '000
At 1 January 2025 (audited)	77,000	1,105	78,105
Transfer from retained earnings	-	141	141
At 31 March 2025 (unaudited)	<u>77,000</u>	<u>1,246</u>	<u>78,246</u>
At 1 January 2026 (audited)	77,000	1,860	78,860
Transfer from retained earnings	-	149	149
At 31 March 2026 (unaudited)	<u>77,000</u>	<u>2,009</u>	<u>79,009</u>

* In accordance with Article 34 of the CBUAE's Board of Directors Decision No. (23) of 2019, the Company has transferred to the Retakaful reserve AED 149 thousand for the three month period ended 31 March 2026 (31 March 2025: AED 141 thousand), being 0.5% of the total retakaful contributions ceded by the Company in the United Arab Emirates in all classes of business. The Company shall accumulate such provision year on year and not dispose of the provision without the written approval of the Director General.

12 Earnings per share

	For the three month period ended 31 March	
	2026 (Unaudited)	2025 (Unaudited)
Profit for the period attributable to the Shareholder of the Company (AED'000)	<u>7,889</u>	<u>5,420</u>
Weighted average number of shares	<u>154,000,000</u>	<u>154,000,000</u>
Basic and diluted earnings per share (AED)	<u>0.051</u>	<u>0.035</u>

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the number of weighted average shares outstanding at the end of the reporting period. Diluted earnings per share is equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

13 Takaful revenue

The following table presents an analysis of Takaful revenue recognised in the period;

	For the three month period ended 31 March	
	2026	2025
	AED'000	AED'000
	(Unaudited)	(Unaudited)
<i>Amounts relating to changes in LRC:</i>		
Expected incurred claims and other directly attributable expenses	608	44
Change in risk adjustment	8	(8)
CSM recognised	137	39
Contracts not measured under PAA	753	75
Contracts measured under PAA	74,570	46,272
Total takaful revenue	75,323	46,347

14 Investment Income

	For the three month period ended 31 March	
	2026	2025
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Income from investment properties - net	1,557	1,473
Profit on sukuk	2,180	1,466
Income from wakala deposits	1,330	1,542
Dividend from other financial assets	106	114
Profit on call account	54	48
	5,227	4,643
Attributable to:		
Participants	1,263	1,217
Shareholders	3,964	3,426
	5,227	4,643

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

15 Related party balances and transactions

Related parties represent the companies under common control, shareholder, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

	At 31 March 2026 AED'000 (Unaudited)	At 31 December 2025 AED'000 (Audited)
Amounts due from related parties:		
Related parties due to common ownership		
Others	<u>4,504</u>	<u>3,814</u>
All amount due from related parties are attributable to participants		
Amounts due to related parties:		
Related parties due to Shareholding		
Others	<u>9,722</u>	<u>11,490</u>
Net due to related parties attributable to:		
Participants	3,824	6,365
Shareholders	1,394	1,311
For the three month period ended 31 March		
	2026 AED '000 (Unaudited)	2025 AED '000 (Unaudited)
Retakaful share of ceded business	<u>4,095</u>	<u>3,810</u>
Gross written contribution	<u>3,106</u>	<u>2,920</u>
Discount on retakaful share of ceded business	<u>294</u>	<u>450</u>
Recovery claims	<u>1,164</u>	<u>517</u>
Policy acquisition costs	<u>283</u>	<u>282</u>
Claim settlement	<u>465</u>	<u>458</u>
Other transactions	<u>83</u>	<u>-</u>
Compensation of key management personnel:		
Short term benefits	<u>254</u>	<u>220</u>
Long term benefits	<u>6</u>	<u>6</u>

16 Contingent liabilities and commitments

	At 31 March 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
Letters of guarantee	<u>10,364</u>	<u>10,505</u>

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

17 Segment information

These segments are the basis on which the Company reports its primary segment information. Segmental information is presented below:

	Three months period ended 31 March 2026 (unaudited)			Three months period ended 31 March 2025 (unaudited)		
	Attributable to Participants AED'000	Attributable to shareholders AED'000	Total AED'000	Attributable to Participants AED'000	Attributable to Shareholders AED'000	Total AED'000
Takaful						
Takaful revenue	75,323	-	75,323	46,347	-	46,347
Takaful service expenses	(32,369)	-	(32,369)	(17,680)	-	(17,680)
Allocation of retakaful contributions	(30,784)	-	(30,784)	(21,525)	-	(21,525)
Amounts recoverable from retakaful for incurred claims	8,792	-	8,792	8,850	-	8,850
Takaful finance expenses for takaful contracts issued	(1,197)	-	(1,197)	(1,229)	-	(1,229)
Retakaful finance income for retakaful contracts held	518	-	518	587	-	587
Net takaful income	20,283	-	20,283	15,350	-	15,350
Wakala fees	(22,332)	22,332	-	(19,656)	19,656	-
Mudarib share	(379)	379	-	(365)	365	-
Other income	46	-	46	275	-	275
Investment income	1,263	-	1,263	1,217	-	1,217
	(1,119)	22,711	21,592	(3,179)	20,021	16,842
Investment						
Investment income	-	3,964	3,964	-	3,426	3,426
Other income	-	(111)	(111)	-	-	-
Policy acquisition cost	-	(7,610)	(7,610)	-	(4,764)	(4,764)
General and administration expenses	-	(8,776)	(8,776)	-	(9,196)	(9,196)
Profit before tax	(1,119)	10,178	9,059	(3,179)	9,487	6,308
Other Information:	Takaful		Investment		Total	
	At 31 March 2026 AED'000 (Unaudited)	At 31 December 2025 AED'000 (Audited)	At 31 March 2026 AED'000 (Unaudited)	At 31 December 2025 AED'000 (Audited)	At 31 March 2026 AED'000 (Unaudited)	At 31 December 2025 AED'000 (Audited)
Segment assets	301,907	281,107	316,902	305,188	618,809	586,295
Segment liabilities	301,907	281,107	80,675	75,853	382,582	356,960

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

18 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

18.1 Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the interim financial information approximate their fair values except for financial investments measured at amortised cost of which fair value is determined based on the quoted market prices and disclosed in note (08) of this condensed interim financial information.

18.2 Fair value of financial items carried at fair value

i. Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2025.

ii. Fair value of the Company's financial assets and liabilities that are measured at fair value on recurring basis

Some of the Company's financial assets and liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined:

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

18 Fair value measurements (continued)

18.2 Fair value of financial items carried at fair value (continued)

iii. Fair value of the Company's financial assets and liabilities that are measured at fair value on recurring basis (continued)

	<u>Fair value as at</u>		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 March 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)				
Financial assets measured at FVTPL						
Unit linked investments	4,985	4,489	Level 2	Quoted prices in a secondary market	None	Not applicable
Unquoted equity investments	529	529	Level 3	Net assets valuation method	Net assets value	EV/EBITDA multiple for similar companies will directly impact the fair value calculation
Financial assets measured at FVTOCI						
Unquoted equity securities	6,367	6,367	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of investees, higher the fair value
Unquoted equity securities	337	337	Level 3	Multiple base approach	Relative value	Higher the multiple based value of investees, higher the fair value
Quoted equity securities	6,180	-	Level 1	Quoted bid prices in an active market	None	Not applicable
Quoted Sukuk	8,178	11,406	Level 1	Quoted bid prices in an active market	None	Not applicable
Financial assets at amortised cost						
Quoted Sukuk	175,884	168,158	Level 1	Quoted prices in a secondary Market	None	Not applicable
Financial liabilities measured at FVTPL						
Investment contract liabilities	4,104	3,941	Level 2	Quoted prices in a secondary Market	None	Not applicable

There were no transfers between levels during the period. There are no other financial liabilities which should be categorised under any of the levels in the above table.

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

18 Fair value measurements (continued)

18.2 Fair value of financial items carried at fair value (continued)

iv. Reconciliation of fair value measurement of financial assets measured at FVTOCI

	At 31 March 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
Balance at the beginning of the period/year	18,110	19,249
Additions during the year	7,186	-
Disposals during the period/year	-	(266)
Changes in fair value recognised in other comprehensive income	(1,116)	(873)
Maturities / redemption	(3,118)	-
	<hr/>	<hr/>
Balance at the end of the period/year	21,062	18,110

18.3 Investment contract liabilities

	At 31 March 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
Balance at the beginning of the period/year	3,941	-
Addition during the period/year	202	3,941
Changes in fair value during the year	(39)	-
	<hr/>	<hr/>
Balance at the end of the period/year	4,104	3,941

19 Wakala fees and Mudarib's share

Wakala fees

Wakala fee for the period ended 31 March 2026 amounted to AED 22,332 thousand (31 March 2025: AED 19,656 thousand). The fee is calculated based on each line of business of gross contribution of AED 82,909 thousand (2025: AED 73,605 thousand) without any deduction of policy acquisition cost. Wakala fee is charged to the statement of profit or loss when incurred.

Mudarib share

The shareholders also manage the participants' investment funds and charge Mudarib share. Mudarib share is charged at 30% of realised investment income. Mudarib share for the period ended 31 March 2026 amounted to AED 379 thousand (31 March 2025: AED 365 thousand).

20 Internal Sharia supervision committee

The Company's business activities are subject to the supervision of its Internal Sharia Supervision Committee consisting of three members appointed by the Shareholders. The Internal Sharia Supervision Committee perform a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Sharia rules and principles.

According to the Company's Internal Sharia Supervision Committee, the Company is required to identify any income deemed to be derived from transactions not acceptable under Islamic Sharia principles, as interpreted by Internal Sharia Supervision Committee, and to set aside such amount in a separate account for Shareholders who may resolve to pay the same for local charitable causes and activities.

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements for the three month period ended 31 March 2026 (continued)

21 Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the interim condensed financial statements as at and for the three months period ended 31 March 2026.

22 Corporate Income tax

The Company is owned by a Group which is in scope of Pillar Two legislation as it operates in jurisdictions that have enacted or substantively enacted Pillar Two legislation and the Group's consolidated revenue exceeds Euro 750 million threshold.

The tax expense for the period ended 31 March 2026 is AED 1,170 thousand (31 March 2025: AED 888 thousand). The Effective Tax Rate ("ETR") of 12.92% (31 March 2025: 14.08%).

23 Approval of the interim condensed financial statements

These interim condensed financial statements were approved and authorised for issue by the Board of Directors on 29 April 2026.