

Orient Takaful P.J.S.C.

REVIEW REPORT AND UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2026

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

Introduction

We have reviewed the accompanying interim condensed financial statements of Orient Takaful P.J.S.C (the “Company”) as at 30 June 2026, which comprise the interim statement of financial position as at 30 June 2026, and the related interim statements of comprehensive income for the three months and six months period then ended and statements of changes in equity and cash flows for the six-months period then ended and other 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 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)



Emin Mammadov
Registration No 5687

04 August 2026

Dubai, United Arab Emirates

Orient Takaful P.J.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 (Unaudited)

		30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
	Notes		
TAKAFUL OPERATIONS' ASSETS			
Cash and cash equivalents	5	121,580	39,275
Wakala deposits	8	429,840	425,362
Other receivables and prepayments	7	9,366	331
Takaful contract assets	14	8,350	8,737
Retakaful contract assets	14	959,461	741,180
Total takaful operations' assets		1,528,597	1,214,885
SHAREHOLDER'S ASSETS			
Cash and cash equivalents	5	57,398	4,009
Wakala deposits	8	338,270	333,295
Statutory deposit	8	6,000	6,000
Receivable from policyholders	6	111,745	109,823
Other receivables and prepayments	7	13,128	3,572
Receivable from related party		-	5,781
Intangible assets		363	450
Property and equipment		5,490	6,377
Total shareholders' assets		532,394	469,307
TOTAL ASSETS		2,060,991	1,684,192
TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT			
TAKAFUL OPERATIONS' LIABILITIES			
Retakaful contract liabilities	14	8,471	4,314
Takaful contract liabilities	14	1,408,381	1,100,748
Payable to shareholders	6	111,745	109,823
Total takaful operations' liabilities		1,528,597	1,214,885
TAKAFUL OPERATIONS' DEFICIT			
Deficit in policyholders' fund	10	(137,047)	-
Provision against Qard Hassan	10	137,047	-
Total takaful operations' deficit		-	-
Total takaful operations' liabilities and deficit		1,528,597	1,214,885
SHAREHOLDERS' LIABILITIES AND EQUITY			
SHAREHOLDERS' LIABILITIES			
Other payables	9	30,933	27,378
Corporate tax payable	15	19,733	11,457
Related parties payable		422	553
Employees end of service benefits		3,651	3,319
Total shareholders' liabilities		54,739	42,707

The attached notes 1 to 17 form part of these interim condensed financial statements.

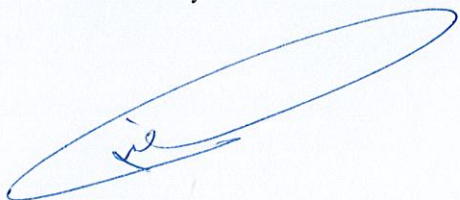
Orient Takaful P.J.S.C.

INTERIM STATEMENT OF FINANCIAL POSITION (continued)

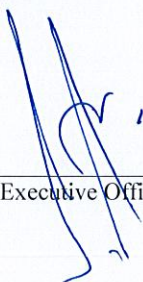
As at 30 June 2026 (Unaudited)

		30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
	Notes		
SHAREHOLDERS' EQUITY			
Share capital	11	200,000	200,000
Share premium	11	1,198	1,198
Statutory reserve	12	24,550	24,550
Retakaful risk reserve	12	19,265	16,067
Retained earnings		232,642	184,785
Total shareholders' equity		477,655	426,600
Total shareholders' liabilities and equity		532,394	469,307
TOTAL TAKAFUL OPERATIONS' LIABILITIES, DEFICIT SHAREHOLDERS' LIABILITIES AND EQUITY		2,060,991	1,684,192

The Financial statements were approved and authorised for issue by Board of Directors on 4 August 2026 and signed on their behalf by



Chairman



Chief Executive Officer



Chief Financial Officer

The attached notes 1 to 17 form part of these interim condensed financial statements.

Orient Takaful P.J.S.C.

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2026 (Unaudited)

	Notes	Three months period ended 30 June		Six months period ended 30 June	
		2026	2025	2026	2025
		AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Takaful contract revenue	14	368,574	296,260	734,895	587,765
Takaful service expenses (excluding commission)	14	(216,465)	(192,180)	(500,752)	(285,240)
Net expense from retakaful contracts held	14	(55,951)	(37,436)	(57,117)	(172,936)
Takaful service result		96,158	66,644	177,026	129,589
Finance expenses from takaful contracts issued	14	(3,921)	(4,781)	(7,510)	(14,992)
Finance income from retakaful contracts held	14	3,324	4,208	6,070	13,158
Net Takaful finance expenses		(597)	(573)	(1,440)	(1,834)
Wakala fees	6	(145,398)	(93,904)	(318,720)	(207,106)
Profit from wakala deposits	8	5,052	4,115	9,365	8,176
Mudarib fee expense		(1,768)	(1,440)	(3,278)	(2,862)
Net Takaful and investment result from Takaful operation		(46,553)	(25,158)	(137,047)	(74,037)
Wakala fees income from policyholders	6	145,398	93,904	318,720	207,106
Profit from wakala deposits	8	4,087	3,858	7,873	7,716
Mudarib income from policyholders		1,768	1,440	3,278	2,862
Other operating expenses		(1,100)	(655)	(1,813)	(1,261)
Takaful service expenses	14	(70,547)	(53,597)	(131,149)	(107,360)
Net expected credit losses on deposits		(430)	(435)	(531)	(335)
Profit for the period before Qard Hassan		79,176	44,515	196,378	108,728
Provision against Qard Hassan to policyholders' fund	10	(46,553)	(25,158)	(137,047)	(74,037)
PROFIT FOR THE PERIOD BEFORE TAX ATTRIBUTABLE TO SHAREHOLDERS'		32,623	19,357	59,331	34,691
Corporate tax expense	15	(4,268)	(2,514)	(8,276)	(4,464)
PROFIT FOR THE PERIOD AFTER TAX		28,355	16,843	51,055	30,227
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		28,355	16,843	51,055	30,227
Earnings Per share (AED)	13	14.18	8.42	25.53	15.11

The attached notes 1 to 17 form part of these interim condensed financial statements.

Orient Takaful P.J.S.C.

INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2026 Unaudited)

	<i>Share capital AED '000</i>	<i>Share premium AED '000</i>	<i>Statutory reserve AED '000</i>	<i>Retakaful risk reserve AED '000</i>	<i>Retained earnings AED '000</i>	<i>Total AED '000</i>
As at 1 January 2025 (Audited)	200,000	1,198	16,827	11,353	119,994	349,372
Total comprehensive income for the period	-	-	-	-	30,227	30,227
Transfer from retained earnings to retakaful risk reserve (Note 12)	-	-	-	2,073	(2,073)	-
As at 30 June 2025 (Unaudited)	<u>200,000</u>	<u>1,198</u>	<u>16,827</u>	<u>13,426</u>	<u>148,148</u>	<u>379,599</u>
As at 1 January 2026 (Audited)	200,000	1,198	24,550	16,067	184,785	426,600
Total comprehensive income for the period	-	-	-	-	51,055	51,055
Transfer from retained earnings to retakaful risk reserve (Note 12)	-	-	-	3,198	(3,198)	-
As at 30 June 2026 (Unaudited)	<u>200,000</u>	<u>1,198</u>	<u>24,550</u>	<u>19,265</u>	<u>232,642</u>	<u>477,655</u>

The attached notes 1 to 17 form part of these interim condensed financial statements.

INTERIM STATEMENT OF CASH FLOWS

For the period ended 30 June 2026 (Unaudited)

		Six months period ended 30 June	
	Notes	2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before tax		59,331	34,691
Adjustment for:			
Depreciation of property and equipment		963	891
Amortisation of intangible assets		87	76
Provision for employees' end of service benefits		480	614
Impairment credit loss		47	335
Finance costs on lease liabilities		132	148
Profit from wakala deposits		(17,238)	(15,892)
Operating cash flows before movements in working capital		43,802	20,863
Change in:			
Retakaful contract assets		(218,281)	(6,564)
Takaful contract assets		387	(12,781)
Other receivables and prepayments		(2,372)	(1,307)
Due from related parties (relating to shareholders)		5,781	(257)
Takaful contract liabilities		307,633	30,921
Retakaful contract liabilities		4,157	20,670
Due to related parties (relating to shareholders)		(131)	5,883
Accruals, provisions and other payables		4,149	6,248
Net cash generated from operating activities		145,125	63,676
Employees' end of service benefits paid		(149)	(48)
Net cash generated from operations		144,976	63,628
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(75)	(724)
Purchase of intangible asset		-	(225)
Profits received from wakala deposit		1,019	697
Deposit with Islamic bank		(23,000)	(25,000)
Maturity of deposits with Islamic financial institution		13,500	25,000
Net cash used in investing activities		(8,556)	(252)
CASH FLOW FROM FINANCING ACTIVITY			
Payment of lease liabilities		(726)	(853)
Net cash used in financing activity		(726)	(853)
NET INCREASE IN CASH AND CASH EQUIVALENTS		135,694	62,523
Cash and cash equivalents at 1 January		43,284	58,834
CASH AND CASH EQUIVALENTS AT 30 June (NOTE 5)		178,978	121,357

The attached notes 1 to 17 form part of these interim condensed financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2026 (Unaudited)

1 LEGAL STATUS AND ACTIVITIES

Orient Takaful P.J.S.C (the “Company”) is a public joint stock company registered under UAE Federal Law No. (32) of 2021, as amended relating to the incorporation of commercial companies in the UAE. The Company is subject to the regulations of the UAE Federal Decree Law No. (6) of 2025 regarding the Central Bank Regulation of Insurance Activities, and Insurance business and is registered in the Insurance Companies Register of the Central Bank of the UAE (“CBUAE”) (formerly, the UAE Insurance Authority (“IA”)) under registration number 92.

The Company was incorporated on 8 November 2016, while the formalities of issuance and allotment of shares to the public were finalised on 28 December 2016. The shares of the Company are listed on the Dubai Financial Market. The Company obtained a commercial license on 23 January 2017 and a license from the Insurance Authority of the UAE (currently the CBUAE) on 16 July 2017.

On 16 September 2025, Federal Decree-Law No. (6) of 2025 regarding the Central Bank, the Regulation of Financial Institutions and Activities, and Insurance Business was issued and came into effect. This new law repealed Federal Decree-Law No. 48 of 2023 concerning the Financial Regulations of Insurance Companies issued by the Central Bank of the United Arab Emirates. The Companies must within a period not exceeding twelve months from the date of the enforcement of its provisions from 16 September 2025 comply with the provisions of the UAE Federal Decree Law No (6) of 2025.

The principal activity of the Company is issuance of short term takaful contracts in connection with accidents and liabilities takaful, fire takaful, transportation risk takaful, other type of takaful and health takaful. The Company also invests its funds in wakala deposits.

The Company holds no investments in stock and shares for the period ending 30 June 2026 (2025: Nil). The Company has also not purchased/sold any shares during the quarter ended 30 June 2026.

As at reporting date the shareholding patterns are as follows:

	30 June 2026 AED'000 (Unaudited)	31 December 2025 AED'000 (Audited)
Orient Insurance P.J.S.C.	95.78%	95.78%
Others	4.22%	4.22%
	100.00%	100.00%

2 BASIS OF PREPARATION**a) Statement of compliance**

These interim condensed financial information have been prepared in accordance with IAS 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 U.A.E. The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption.

The interim condensed financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements as at 31 December 2025, which have been prepared in accordance with IFRS Accounting Standards. In addition, results for the six months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

2 BASIS OF PREPARATION (continued)

b) Basis of measurement

This interim condensed financial information have been prepared on the historical cost basis.

c) Functional and presentation currency

These interim condensed financial information are presented in UAE Dirhams (AED'000), which is the Company's functional currency. Except as otherwise indicated, financial information is presented in AED Thousands and presented in order of liquidity.

d) Use of estimates and judgments

In preparing the interim condensed financial information, management has made judgments and estimates 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2025.

3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS Accounting Standards) ('IFRS')

Application of new and revised International Financial Reporting Standards ("IFRS")

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

- Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted)
- IFRS 18 — Presentation and Disclosure in Financial Statements – (effective for annual periods beginning on or after 1 January 2027. Earlier application is permitted)
- IFRS 19 — Subsidiaries without Public Accountability: Disclosures - (effective for annual periods beginning on or after 1 January 2027. Earlier application is permitted)

The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The above standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Company.

4 FAIR VALUE OF FINANCIAL INSTRUMENTS

'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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

4 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 31 December 2025 and 30 June 2026, all financial assets and liabilities are stated at amortised cost and are classified as Level 3 within the fair value hierarchy.

As at 30 June 2026 (Unaudited)

<u><i>Financial Assets</i></u>	<u><i>Notes</i></u>	<u><i>Amortised cost</i></u> <u><i>AED'000</i></u>
Cash and cash equivalents	5	178,978
Wakala deposits	8	768,110
Statutory deposit	8	6,000
Other receivables and prepayments	7	22,494

<u><i>Financial Liabilities</i></u>		<u><i>Amortised cost</i></u> <u><i>AED'000</i></u>
Accruals, provisions and other payables		49,404
Related parties payable		422
Lease liabilities	9	4,913

As at December 2025 (Audited)

<u><i>Financial Assets</i></u>	<u><i>Notes</i></u>	<u><i>Amortised cost</i></u> <u><i>AED'000</i></u>
Cash and cash equivalents	5	43,284
Wakala deposit	8	758,657
Statutory deposit	8	6,000
Other receivables and prepayments	7	3,903
Receivables from related party		5,781

<u><i>Financial Liabilities</i></u>		<u><i>Amortised cost</i></u> <u><i>AED'000</i></u>
Accruals, provisions and other payables		36,647
Related parties payable		553
Lease liabilities	9	5,507

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

5 CASH AND CASH EQUIVALENTS

<i>30 June 2026 (Unaudited)</i>			
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Cash in hand	-	6	6
Current accounts with banks and Islamic financial institutions	121,580	57,392	178,972
	<u>121,580</u>	<u>57,398</u>	<u>178,978</u>
<i>31 December 2025 (Audited)</i>			
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Cash in hand	-	6	6
Current accounts with banks and Islamic financial institutions	39,275	4,003	43,278
	<u>39,275</u>	<u>4,009</u>	<u>43,284</u>

As at 30 June 2026, the Company has determined that the ECL related to cash and cash equivalents is not material. Therefore, detailed disclosures regarding ECL calculations and assumptions have not been provided in these financial statements.

The Company maintains its cash and cash equivalents with reputable financial institutions and continuously monitors the credit risk associated with these balances. Management believes that the risk of default is low, and as such, only an immaterial amount of ECL has been recognized.

6 RECEIVABLES FROM POLICYHOLDERS AND PAYABLE TO SHAREHOLDERS - TAKAFUL OPERATIONS

		<i>30 June 2026 AED'000 (Unaudited)</i>	<i>31 December 2025 AED'000 (Audited)</i>
	<i>Notes</i>		
As at 1 January		(109,823)	(67,521)
Wakala fees for the period / year	6.1	(318,720)	(465,314)
Other movement in account during the period / year		316,798	423,012
		<u>(111,745)</u>	<u>(109,823)</u>

- 6.1 For all takaful policies, Wakala fees were charged at 35% (31 December 2025: 35%) of gross takaful contributions. Wakala fees are approved by the Sharia'ah Supervisory Board and are charged to the interim statement of profit or loss and comprehensive income when incurred.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

7 OTHER RECEIVABLES AND PREPAYMENTS - (RELATING TO SHAREHOLDERS' OPERATIONS)

<i>30 June 2026 (Unaudited)</i>			
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Accrued profit on wakala deposits	9,366	7,452	16,818
Prepayments Financial institutions	-	2,581	2,581
Other receivables	-	3,095	3,095
	9,366	13,128	22,494
<i>31 December 2025 (Audited)</i>			
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Accrued profit on wakala deposits	331	268	599
Prepayments Financial institutions	-	647	647
Other receivables	-	2,657	2,657
	331	3,572	3,903

8 WAKALA AND STATUTORY DEPOSIT**Wakala Deposit**

This consists of term Wakala deposits with Islamic Banks / Islamic Division of Commercial Banks in United Arab Emirates, at profit rates from 3.7% to 4.10% per annum (31 December 2025: from 3.25% to 4.10% per annum) amounting to gross AED 772 million (31 December 2025: 762.5 million) with maturity in December 2026. This includes an amount of AED 5.68 million (31 December 2025: 5.68 million) under lien against bank guarantees.

Statutory Deposit

This consists of a Wakala deposit with the Islamic Division of a commercial bank in the United Arab Emirates, under lien in favour of the Insurance Supervision Central Bank of the UAE, at profit rate of 4.50% per annum (31 December 2025: 3.75% per annum) amounting to Gross AED 6 million which matures in June 2027.

<i>30 June 2026 (Unaudited)</i>			
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Wakala Deposits	432,000	340,000	772,000
Expected credit losses	(2,160)	(1,730)	(3,890)
Total Deposits	429,840	338,270	768,110
Statutory Deposits	-	6,000	6,000
	429,840	344,270	774,110

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

8 WAKALA AND STATUTORY DEPOSIT (continued)

	<i>As on 31 December 2025 (Audited)</i>		
	<i>Takaful operations AED '000</i>	<i>Shareholders' operations AED '000</i>	<i>Total AED '000</i>
Wakala Deposits	427,500	335,000	762,500
Expected credit losses	(2,138)	(1,705)	(3,843)
Total Deposits	425,362	333,295	758,657
Statutory Deposits	-	6,000	6,000
	<u>425,362</u>	<u>339,295</u>	<u>764,657</u>

Profit from these wakala deposits are included in the statement of comprehensive income as follows:

	<i>Six months period ended 30 June</i>	
	<i>2026 AED '000 (Unaudited)</i>	<i>2025 AED '000 (Unaudited)</i>
Profit from wakala deposit (takaful operations)	9,365	8,176
Profit from wakala deposit (shareholders' operations)	7,873	7,716
	<u>17,238</u>	<u>15,892</u>

9 OTHER PAYABLES (RELATING TO SHAREHOLDERS)

	<i>30 June 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
Accrual and Provision	26,020	21,871
Lease liability	4,913	5,507
	<u>30,933</u>	<u>27,378</u>

10 QARD HASSAN

	<i>30 June 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
Deficit in Policyholders' fund		
As at 1 January	-	(538,089)
Deficit during the period/ year	(137,047)	(177,874)
Written off During the period	-	715,963
	<u>(137,047)</u>	<u>-</u>
Provision against Qard Hassan		
As at 1 January	-	538,089
Provision during the period/ year	137,047	177,874
Written off During the period	-	(715,963)
	<u>137,047</u>	<u>-</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

11 SHARE CAPITAL AND SHARE PREMIUM

	<i>30 June 2026 AED'000 (Unaudited)</i>	<i>31 December 2025 AED'000 (Audited)</i>
Issued and paid up capital		
Issued and fully paid 2,000,000 shares of AED 100 each	200,000	200,000
Share premium reserve	1,198	1,198
	<u>201,198</u>	<u>201,198</u>

12 RESERVES**Statutory reserve**

In accordance with the UAE Commercial Companies Law no. (2) of 2015 ("the Law") and the Company's Articles of Association, 10% of the profit for the year should be transferred to legal reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated by the Law.

Retakaful risk reserve

In accordance with Article 34 of the Insurance Authority's Board of Directors Decision No. (23) of 2019, the Company has created a retakaful risk reserve, being 0.5% of the total retakaful contribution ceded by the Company in all classes of business amounting to AED 3.20 million for Q2 2026 (31 December 2025: AED 4.71 million). The Company shall accumulate such provision year on year and not dispose of the provision without the written approval of the Director General of the Central Bank of UAE.

13 EARNINGS PER SHARE

	<i>Six months period ended 30 June</i>		<i>Three months period ended 30 June</i>	
	<i>2026 AED,000 (Unaudited)</i>	<i>2025 AED'000 (Unaudited)</i>	<i>2026 AED'000 (Unaudited)</i>	<i>2025 AED'000 (Unaudited)</i>
Profit for the period after tax	51,055	30,227	28,355	16,843
Weighted average number of shares outstanding during the period	2,000	2,000	2,000	2,000
Earnings per share (AED)	<u>25.53</u>	<u>15.11</u>	<u>14.18</u>	<u>8.42</u>

There is no dilution impact on basic earnings per share.

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.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES

Reconciliation of the Liability for Remaining Coverage & Liability for Incurred claims for Takaful Contracts

<i>30 June 2026 (Unaudited)</i>	<i>Liabilities for remaining coverage</i>		<i>Liability for incurred claims - PAA</i>		
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flow AED'000</i>	<i>Risk Adjustment for non- financial risk AED'000</i>	<i>Total AED'000</i>
Opening Takaful Contract Liabilities	297,124	11,940	757,669	34,015	1,100,748
Opening Takaful Contract Assets	(2,387)	-	(6,664)	314	(8,737)
Net opening position of Takaful Contracts as at 1 January 2026	294,737	11,940	751,005	34,329	1,092,011
Takaful Revenue	(734,895)	-	-	-	(734,895)
Takaful Service Expenses					
Incurred Claims and Expenses	-	-	604,865	27,129	631,994
Amortization of Acquisition Cashflows	118,914	-	-	-	118,914
Changes in Incurred Claims (Release)	-	-	(104,834)	(8,724)	(113,558)
Changes in Onerous Liability	-	(5,449)	-	-	(5,449)
Takaful Service Expenses	118,914	(5,449)	500,031	18,405	631,901
Takaful Service Result	(615,981)	(5,449)	500,031	18,405	(102,994)
Takaful Finance expense - through profit or loss	-	-	7,697	(187)	7,510
Total changes to statement of comprehensive income	(615,981)	(5,449)	507,728	18,218	(95,484)
Cash flows					
Contribution Received	872,634	-	-	-	872,634
Claims and Other directly attributable Expenses Paid	-	-	(352,871)	-	(352,871)
Acquisition Cost paid	(116,259)	-	-	-	(116,259)
Total Cash Flows	756,375	-	(352,871)	-	403,504
Net Balance as at 30 June 2026	435,131	6,491	905,862	52,547	1,400,031
Closing Takaful Contract Liabilities	431,430	6,491	918,353	52,107	1,408,381
Closing Takaful Contract Assets	3,701	-	(12,491)	440	(8,350)
Net Balance as at 30 June 2026	435,131	6,491	905,862	52,547	1,400,031

Takaful service expense of AED 631,901 thousand consists of AED 500,752 thousand pertaining to Policyholders' operations and AED 131,149 thousand relating to Shareholders' operations.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Liability for Remaining Coverage & Liability for Incurred claims for Takaful Contracts (continued)

31 December 2025 (audited)	Liabilities for remaining coverage		Liability for incurred claims - PAA		
	Excluding loss component AED '000	Loss component AED '000	Estimates of the present value of future cash flow AED '000	Risk Adjustment for non- financial risk AED '000	Total AED '000
Opening Takaful Contract Liabilities	289,421	1,472	738,991	34,318	1,064,202
Opening Takaful Contract Assets	(2,056)	-	-	-	(2,056)
Net opening position of Takaful Contracts as at 1 January 2025	287,365	1,472	738,991	34,318	1,062,146
Takaful Revenue	(1,266,508)	-	-	-	(1,266,508)
Takaful Service Expenses Incurred Claims and Expenses	-	-	500,020	12,279	512,299
Amortization of Acquisition Cashflows	209,786	-	-	-	209,786
Changes in Incurred Claims (Release)	-	-	33,382	(12,347)	21,035
Changes in Onerous Liability	-	10,468	-	-	10,468
Takaful Service Expenses	209,786	10,468	533,402	(68)	753,588
Takaful Service Result	(1,056,722)	10,468	533,402	(68)	(512,920)
Takaful Finance expense through profit or loss	-	-	24,249	79	24,328
Total changes to statement of comprehensive income	(1,056,722)	10,468	557,651	11	(488,592)
Cash flows					
Contribution Received	1,286,731	-	-	-	1,286,731
Claims and Other directly attributable Expenses Paid	-	-	(545,637)	-	(545,637)
Acquisition Cost paid	(222,637)	-	-	-	(222,637)
Total Cash Flows	1,064,094	-	(545,637)	-	518,457
Net Balance as at 31 December 2025	294,737	11,940	751,005	34,329	1,092,011
Closing Takaful Contract Liabilities	297,124	11,940	757,669	34,015	1,100,748
Closing Takaful Contract Assets	(2,387)	-	(6,664)	314	(8,737)
Net Balance as at 31 December 2025	294,737	11,940	751,005	34,329	1,092,011

Takaful service expense of AED 753,588 thousand consists of AED 539,660 thousand pertaining to Policyholders' operations and AED 213,928 thousand relating to Shareholders' operations.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Liability for Remaining Coverage & Liability for Incurred claims for Takaful Contracts (continued)

30 June 2026 (Unaudited)	Assets for Remaining coverage		Amounts recoverable on incurred claims		
			<i>Estimates of the present value of future cash flow</i>		
	<i>Excluding loss recovery component AED'000</i>	<i>Loss component AED'000</i>	<i>AED'000</i>	<i>Risk Adjustment for non-financial risk AED'000</i>	<i>Total AED'000</i>
Opening Balance of Retakaful Contract Assets	99,121	-	615,730	26,329	741,180
Opening Balance of Retakaful Contract Liabilities	(10,867)	-	6,240	313	(4,314)
Net Position of Retakaful contract as at 1 January 2026	88,254	-	621,970	26,642	736,866
Allocation of Retakaful Contribution	(517,933)	-	-	-	(517,933)
Recovery of Incurred Claims and Expenses	-	-	457,208	20,830	478,038
Amortisation of Insurance Acquisition Cash Flows	54,434	-	-	-	54,434
Changes in Incurred Claims Contracts held (increase)	-	-	(67,614)	(4,042)	(71,656)
Claims Recovered (Loss Recovery)	-	-	-	-	-
Net income/ (expenses) from retakaful contracts held	(463,499)	-	389,594	16,788	(57,117)
Retakaful finance income through profit or loss	-	-	6,223	(153)	6,070
Total changes in the statement to comprehensive income	(463,499)	-	395,817	16,635	(51,047)
Cash flows					
Contributions paid	560,029	-	-	-	560,029
Claims received	-	-	(229,955)	-	(229,955)
Acquisition cost received (ceding commission)	(64,903)	-	-	-	(64,903)
Total Cash Flows	495,126	-	(229,955)	-	265,171
Net Balance as at 30 June 2026	119,881	-	787,832	43,277	950,990
Closing Retakaful Contract Assets	136,936	-	779,722	42,803	959,461
Closing Retakaful Contract Liabilities	(17,055)	-	8,110	474	(8,471)
Net Balance as at 30 June 2026	119,881	-	787,832	43,277	950,990

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)

Reconciliation of the Liability for Remaining Coverage & Liability for Incurred claims for Takaful Contracts (continued)

31 December 2025	Assets for Remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED '000	Loss component AED '000	Estimates of the present value of future cash flow AED '000	Risk Adjustment for non- financial risk AED '000	Total AED '000
Opening Balance Retakaful Contract Assets	111,765	913	636,904	29,770	779,352
Opening Balance Retakaful Contract Liabilities	(17,486)	-	-	-	(17,486)
Net position of Retakaful Contracts as on 1 January 2025	94,279	913	636,904	29,770	761,866
Allocation of Retakaful Contribution	(894,604)	-	-	-	(894,604)
Recovery of Incurred claims and Expenses	-	-	350,432	10,371	360,803
Amortisation of acquisition cash flows	111,048	-	-	-	111,048
Changes in Incurred Claims contract held (Release)	-	-	(11,045)	(13,567)	(24,612)
Claims Recovered (Loss Recovery)	-	(913)	-	-	(913)
Net expense from retakaful contracts held	(783,556)	(913)	339,387	(3,196)	(448,278)
Retakaful finance income through profit or loss	-	-	21,438	68	21,506
Total changes to SOPL	(783,556)	(913)	360,825	(3,128)	(426,772)
Cash flows					
Contribution Paid	890,879	-	-	-	890,879
Claims Received	-	-	(375,759)	-	(375,759)
Acquisition Cost Received (Ceding Commission)	(113,348)	-	-	-	(113,348)
Total Cash Flows	777,531	-	(375,759)	-	401,772
Net balance as at 31 December 2025	88,254	-	621,970	26,642	736,866
Closing Retakaful Contract Assets	99,121	-	615,730	26,329	741,180
Closing Retakaful Contract Liabilities	(10,867)	-	6,240	313	(4,314)
Net balance as at 31 December 2025	88,254	-	621,970	26,642	736,866

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

15 CORPORATE TAX

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim statement of profit or loss are:

	<i>Six months period ended 30 June</i>	
	<i>2026 AED'000 (Unaudited)</i>	<i>2025 AED'000 (Unaudited)</i>
<i>Current income tax:</i>		
Current income tax charge	8,276	4,464
Income tax expense reported in the statement of comprehensive income	8,276	4,464

Following is the reconciliation of current income tax expense and accounting profit:

	<i>30 June 2026 AED'000 (Unaudited)</i>	<i>31 December 2025 AED'000 (Audited)</i>
Accounting profit before tax	59,331	88,683
Add/(Less) Tax effect of:		
Adjustments in respect of standard deduction as per the Law	(375)	(375)
Non-deductible expenses	24	244
Taxable income	58,980	88,552
Income tax expense reported in the statement of comprehensive income	8,276	11,455
Effective tax rate	13.95%	12.92%

Reconciliation of Income tax payable:

	<i>30 June 2026 (Unaudited) AED'000</i>	<i>31 December 2025 (Audited) AED'000</i>
As at 1 January	11,457	6,430
Current tax expense through profit and loss	5,308	7,969
Current tax paid during the period	-	(6,428)
DMTT Provision for the period	2,968	3,486
Balance as at 31 December	19,733	11,457

The Company is in scope of Pillar Two legislation as it operates in jurisdictions that have enacted, or substantively enacted Pillar Two legislation and its consolidated revenue exceeds Euro 750 million threshold. The introduction of Pillar 2 represents a significant development in international tax policy, aiming to ensure a fairer distribution of tax revenues among jurisdictions. Our financial statements reflect the impact of these measures, with increased tax expenses, recognition of deferred tax liabilities, and enhanced disclosures. The Company remains committed to complying with the new rules and providing transparent reporting to our stakeholders.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2026 (Unaudited)

15 CORPORATE TAX (continued)

The tax expense for the period ended 30 June 2026 is AED 8,276 thousand (30 June 2025: AED 4,464 thousand) driven by the introduction and adoption of Top-up Tax on Multinational Enterprises with effect from 01 January 2025. The Effective Tax Rate ("ETR") is 13.95% (30 June 2025: 12.92%).

16 CAPITAL 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 issued for Insurance Companies issued by the CBUAE 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 has incorporated in its policies and procedures the necessary procedures to ensure continuous and full compliance with such regulations.

The table below summarises the consolidated Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet the required Solvency Margins in line with the requirements of the CBUAE. The Company has disclosed the solvency position as at 31 March 2026, since the solvency position for current period is not yet finalised.

	<i>31 March 2026 AED'000</i>	<i>31 December 2025 AED'000</i>
Solvency Requirement		
Total capital held by the Company	200,000	200,000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	237,781	212,700
Minimum Guarantee Fund (MGF)	111,760	103,241
Own funds		
Basic own funds	402,264	387,916
MCR solvency Margin - (surplus)	302,264	287,916
SCR solvency Margin - (surplus)	164,483	175,216
MGF solvency Margin - (surplus)	290,504	284,675

Above numbers are based on eforms and are unaudited.

Based on the CBUAE regulatory requirements, the minimum regulatory capital required is AED 100 million (31 December 2025: AED 100 million) against which the paid up capital of the Company is AED 200 million (31 December 2025: AED 200 million).

17 SUBSEQUENT EVENTS

There have been no events subsequent to the interim condensed statement of financial position date that would significantly affect the amounts reported in the interim condensed financial statements as at and for the six-months period ended 30 June 2026.