SUKOON TAKAFUL P.J.S.C

REVIEW REPORT AND INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2026 (UNAUDITED)

Report of the Board of Directors

Dear Shareholders,

We are pleased to present the financial results of **Sukoon Takaful PJSC ("the Company")** for the six-month period ended 30 June 2026.

Strong Financial Performance

The Company achieved an outstanding performance in the first half of 2026, underpinned by disciplined underwriting practices, effective expense management, and resilient investment income, reflecting the strength of its operating model and strategic execution.

- Takaful revenue increased to **AED 152.02 million**, representing a **44% year-on-year growth**.
- Takaful service result rose by **36% to AED 42.37 million**, driven primarily by strong technical performance.
- Net investment income increased by **20% to AED 11.08 million**, reflecting steady yields and the Company's effective deployment of free cash flows towards income-generating assets.
- Profit before tax of **AED 16.74 million**, representing a **52% increase year-on-year**.

Our exceptionally strong **solvency ratio of 208%** (minimum requirement of 100%) reflects the resilience of our balance sheet and our steadfast commitment to safeguarding the interests of policyholders providing them peace of mind.

We are proud to operate in the UAE, a leading global hub for business, investment, and innovation. The nation's forward-looking vision, commitment to economic diversification, and rapid adoption of technology continue to create significant opportunities for growth across industries.

In this dynamic environment, Sukoon Takaful remains focused on providing sharia compliant Takaful products, enhancing customer experience, strengthening operational capabilities, and delivering sustainable profitable growth. We remain committed to innovation, excellence, and building lasting stakeholder relationships s and fulfilling our promise of **peace of mind**.

We sincerely thank our stakeholders for their continued trust and support, and our management and employees for their dedication and contributions, which continue to drive Sukoon Takaful's growth and 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 six-month period ended 30 June 2026

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Shape the future
with confidence

ERNST & YOUNG MIDDLE EAST
(DUBAI BRANCH)
P.O. Box 9267
ICD Brookfield Place, Ground Floor
Al-Mustaqbal Street
Dubai International Financial Centre
Emirate of Dubai, United Arab Emirates

Tel: +971 4 701 0100
+971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
https://www.ey.com

P.L. No. 108937

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 30 June 2026 which comprise the interim condensed statement of financial position as at 30 June 2026 and the related interim condensed statements of profit or loss, interim condensed statement of comprehensive income for the three-month and six-month period then ended, and the interim condensed statement of changes in equity and cash flows for the six-month 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 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.

Ernst & Young Middle East (Dubai Branch)

Ashraf Abu-Sharkh
Registration No.: 690

29 July 2026

Dubai, United Arab Emirates

SUKOON TAKAFUL P.J.S.C.

Interim condensed statement of financial position

	Notes	**At 30 June 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	**6,357**	4,489
Financial assets at amortised cost	8	**20,670**	23,217
Takaful contract assets	9	**161**	-
Retakaful contract assets	9	**78,049**	77,129
Prepayments and other receivables		**5,616**	3,285
Due from shareholders		**65,882**	55,816
Bank balances and cash	6	**145,180**	115,487
Total participants' assets		**322,840**	281,107
Shareholders' assets			
Financial assets at FVTOCI	8	**20,583**	16,426
Financial assets at FVTPL	8	**529**	529
Financial assets at amortised cost	8	**162,948**	144,941
Investment properties		**78,885**	78,885
Deferred tax asset		**225**	174
Property and equipment		**1,363**	899
Deferred policy acquisition cost		**22,020**	18,519
Prepayments and other receivables		**3,898**	4,479
Bank balances and cash	6	**31,362**	30,336
Statutory deposits		**10,000**	10,000
Total shareholders' assets		**331,813**	305,188
TOTAL ASSETS		**654,653**	586,295
PARTICIPANTS' LIABILITIES AND DEFICIT			
Participants' liabilities			
Takaful contract liabilities	9	**301,560**	265,263
Retakaful contract liabilities	9	**2,983**	169
Investment contract liabilities	18	**5,358**	3,941
Other liabilities		**12,939**	11,734
Total participants' liabilities		**322,840**	281,107
Participants' deficit			
Qard Hassan against deficit in participants' fund		**(163,757)**	(164,406)
Less: Provision against Qard Hassan to participants' fund		**163,757**	164,406
		-	-
Total participants' liabilities and deficit		**322,840**	281,107

The accompanying notes form an integral part of these interim condensed financial statements.

SUKOON TAKAFUL P.J.S.C.

Interim condensed statement of financial position (continued)

	Notes	At 30 June 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		**2,378**	2,102
Due to participants		**65,882**	55,816
Other liabilities		**19,302**	16,911
Total shareholders' liabilities		**88,586**	75,853
Shareholders' equity			
Share capital	10	**154,000**	154,000
Statutory reserve	11	**77,000**	77,000
Retakaful reserves	11	**2,166**	1,860
Finance income and expenses reserve	11	**24**	-
Cumulative changes in fair value of FVTOCI investments		**(5,832)**	(5,242)
Retained earnings		**15,869**	1,717
Total shareholders' equity		**243,227**	229,335
Total shareholders' liabilities and equity		**331,813**	305,188
TOTAL LIABILITIES, PARTICIPANTS' FUND AND EQUITY		**654,653**	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 30 June 2026 (unaudited) AED '000	For the three-month period ended 30 June 2025 (unaudited) AED '000	For the-six month period ended 30 June 2026 (unaudited) AED '000	For the-six month period ended 30 June 2025 (unaudited) AED '000
Attributable to participants					
Takaful revenue	13	**76,695**	59,586	**152,018**	105,933
Takaful service expenses		**(47,441)**	(33,425)	**(79,810)**	(51,105)
Takaful service result before retakaful contracts held		**29,254**	26,161	**72,208**	54,828
Allocation of retakaful contributions		**(35,716)**	(29,949)	**(66,500)**	(47,968)
Amounts recoverable from retakaful for incurred claims		**27,872**	18,929	**36,664**	24,273
Net expenses from retakaful contracts held	9	**(7,844)**	(11,020)	**(29,836)**	(23,695)
Takaful service result		**21,410**	15,141	**42,372**	31,133
Takaful finance expenses for takaful contracts issued	9	**(693)**	(570)	**(1,890)**	(1,799)
Retakaful finance income for retakaful contracts held	9	**294**	283	**812**	870
Net takaful income		**21,011**	14,854	**41,294**	30,204
Investment income	14	**1,512**	1,337	**2,775**	2,554
Other income		**500**	148	**546**	423
Wakala fee	19	**(20,803)**	(27,107)	**(43,135)**	(46,764)
Mudarib share	19	**(453)**	(401)	**(832)**	(765)
Profit/ (loss) for the period attributable to participants		**1,767**	(11,169)	**648**	(14,348)
Attributable to shareholders					
Investment income	14	**4,340**	3,287	**8,304**	6,713
Wakala fee	19	**20,803**	27,107	**43,135**	46,764
Mudarib share	19	**453**	401	**832**	765
		25,596	30,795	**52,271**	54,242
Expenses					
Policy acquisition costs		**(8,579)**	(6,022)	**(16,189)**	(10,786)
General and administration expenses		**(9,760)**	(8,262)	**(18,536)**	(16,316)
Other expenses		**(1,339)**	(612)	**(1,450)**	(1,754)
Income for the period before Qard Hassan		**5,918**	15,899	**16,096**	25,386
Recovery / (provision) against Qard Hassan to participants		**1,767**	(11,169)	**648**	(14,348)
Profit before tax		**7,685**	4,730	**16,744**	11,038
Income tax expense	22	**(1,116)**	(612)	**(2,286)**	(1,500)
Profit for the period		**6,569**	4,118	**14,458**	9,538
Earnings per share (AED)	12	**0.043**	0.027	**0.094**	0.062

The accompanying notes form an integral part of these interim condensed financial statements.

SUKOON TAKAFUL P.J.S.C.

Interim condensed statement of comprehensive income

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	(Unaudited) AED '000	(Unaudited) AED '000	**(Unaudited) AED '000**	(Unaudited) AED '000
Attributable to shareholders				
Profit for the period	**6,569**	4,118	**14,458**	9,538
Items that will not be reclassified subsequently to profit or loss:				
Unrealised loss of equity investments designated at FVTOCI – net of tax	**399**	-	**(518)**	(582)
Items that may be reclassified subsequently to profit or loss:				
Finance income from takaful contracts issued	**39**	-	**39**	-
Finance expense from retakaful contracts held	**(15)**	-	**(15)**	-
Unrealised gain on sukuk instruments designated at FVTOCI	**8**	20	**(72)**	82
Other comprehensive income / (loss) for the period attributable to Shareholders	**431**	20	**(566)**	(500)
Total comprehensive income for the period attributable to Shareholders	**7,000**	4,138	**13,892**	9,038

SUKOON TAKAFUL P.J.S.C.

Interim condensed statement of changes in equity

	Share capital AED'000	Statutory reserve AED'000	Finance income and expenses reserve AED'000	Retakaful reserve AED'000	Cumulative changes in fair value of FVTOCI investment AED'000	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	-	-	-	-	-	9,538	9,538
Other comprehensive income for the period	-	-	-	-	(500)	-	(500)
Total comprehensive income for the period	-	-	-	-	(500)	9,538	9,038
Transfer to re-takaful reserve (note 11)	-	-	-	392	-	(392)	-
At 30 June 2025 (Unaudited)	154,000	77,000	-	1,497	(4,968)	(23,691)	203,838
Balance at 1 January 2026 (Audited)	154,000	77,000	-	1,860	(5,242)	1,717	229,335
Profit for the period	-	-	-	-	-	14,458	14,458
Other comprehensive loss for the period	-	-	24	-	(590)	-	(566)
Total comprehensive income for the period	-	-	24	-	(590)	14,458	13,892
Transfer to re-takaful reserve (note 11)	-	-	-	306	-	(306)	-
At 30 June 2026 (Unaudited)	**154,000**	**77,000**	**24**	**2,166**	**(5,832)**	**15,869**	**243,227**

The accompanying notes form an integral part of these interim condensed financial statements.

SUKOON TAKAFUL P.J.S.C.

Interim condensed statement of cash flows

	For the six-month period ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	AED ’000	AED ’000
Cash flows from operating activities		
Profit before tax	**16,744**	11,038
Adjustments for:		
Depreciation	**162**	408
Profit on wakala deposits & sukuks	**(7,417)**	(6,087)
Amortization of intangible assets	**132**	100
Provision for employees’ end of service indemnity	**434**	851
Rental income	**(3,155)**	(2,951)
Dividends income from financial assets	**(207)**	(229)
Operating cash flows before changes in working capital and payment of employees’ end of service benefits	**6,693**	3,130
Changes in working capital		
Change in retakaful contract assets	**(1,080)**	(13,866)
Change in prepayments and other receivables	**(764)**	183
Change in deferred acquisition costs	**(3,501)**	(6,643)
Change in takaful & retakaful contract liabilities	**40,528**	49,219
Change in other liabilities	**1,272**	4,353
Net cash generated from operations	**43,148**	36,376
Employees’ end of service benefits paid	**(158)**	(299)
Net cash generated from operating activities	**42,990**	36,077
Cash flows from investing activities		
Purchase of investments securities	**(21,254)**	(39,616)
Purchase of property and equipment - net of disposal	**(757)**	(875)
Rental income received	**2,989**	2,992
Profit received on sukuk and wakala deposit	**6,563**	5,715
Dividend received	**189**	229
Change in wakala deposit with maturity more than 3 months	**(19,235)**	117
Net cash used in investing activities	**(31,505)**	(31,438)
Cash flows from financing activities		
Payment of lease liability	-	(662)
Net cash used in financing activity	-	(662)
Net increase in cash and cash equivalents	**11,485**	3,977
Cash and cash equivalents at the beginning of the period	**17,344**	8,417
Cash and cash equivalents at the end of the period (note 7)	**28,829**	12,394

SUKOON TAKAFUL

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements
for the six month period ended 30 June 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 interim condensed financial statements

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.

New and revised IFRSs	***Effective for annual periods beginning on or after***
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

New and revised IFRS	***Effective for annual periods beginning on or after***
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. Except for IFRS 18, 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.

3 Basis of preparation and material accounting policy information

3.1 Basis of preparation

These interim condensed financial statements for the six month period ended 30 June 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 interim condensed 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 six month period ended 30 June 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;
- to provide an adequate return to shareholders by pricing takaful contracts commensurately with the level of risk; and
- 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 year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

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 period's solvency position is not yet finalised.

	At 31 March 2026 AED '000 (Unaudited)
Minimum Capital Requirement (MCR)	**100,000**
Solvency Capital Requirement (SCR)	**57,213**
Minimum Guarantee Fund (MGF)	**39,964**
Own Funds:	
- Basic Own Funds	**208,002**
- Minimum Capital Requirement Surplus (over MCR)	**108,002**
- Minimum Capital Requirement Surplus (over SCR)	**150,790**
- Minimum Capital Requirement Surplus (over MGF)	**168,039**

Based on the regulatory requirements, the minimum regulatory capital required is AED 100 million as at 30 June 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 30 June 2026 AED'000 (Unaudited)	At 31 December 2025 AED'000 (Audited)
Cash in hand	**14**	3
Bank balances:		
- Wakala deposits	**155,599**	128,479
- Call accounts	**27**	6,961
- Current accounts	**20,902**	10,380
	176,542	145,823
Attributable to:		
Participants	**145,180**	115,487
Shareholders	**31,362**	30,336

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements
for the six month period ended 30 June 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 30 June 2026 AED'000 (Unaudited)	At 30 June 2025 AED'000 (Unaudited)
Cash and bank balances	**176,542**	145,691
Less: Wakala deposits with maturity over 3 months	**(147,713)**	(133,297)
	28,829	12,394

The profit rates on fixed deposits and call accounts with banks range from 3.30% to 4.40% (30 June 2025: 4.15% to 5.43%) per annum.

8 Financial investments

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

	At 30 June 2026 (Unaudited)			At 31 December 2025 (Audited)		
	Inside UAE AED'000	**Outside UAE AED'000**	**Total AED'000**	Inside UAE AED'000	Outside UAE AED'000	Total AED'000
Investments at FVTPL						
Unit linked investments	**1,368**	**4,989**	**6,357**	1,010	3,479	4,489
Unquoted equity securities	**529**	**-**	**529**	529	-	529
	1,897	**4,989**	**6,886**	1,539	3,479	5,018
Attributable to:						
Participants	**1,368**	**4,989**	**6,357**	1,010	3,479	4,489
Shareholders	**529**	**-**	**529**	529	-	529
Investments at FVTOCI						
Unquoted equity securities	**337**	**6,306**	**6,643**	337	6,367	6,704
Quoted equity securities	**6,679**	**-**	**6,679**	-	-	-
Quoted sukuks	**8,186**	**-**	**8,186**	11,406	-	11,406
	15,202	**6,306**	**21,508**	11,743	6,367	18,110
Attributable to:						
Participants	**925**	**-**	**925**	1,684	-	1,684
Shareholders	**14,277**	**6,306**	**20,583**	10,059	6,367	16,426
Investments at Amortised Cost						
Quoted Sukuks	**107,748**	**75,946**	**183,694**	102,242	65,977	168,219
Less: expected credit losses	**(41)**	**(35)**	**(76)**	(34)	(27)	(61)
	107,707	**75,911**	**183,618**	102,208	65,950	168,158
Attributable to:						
Participants	**20,670**	**-**	**20,670**	23,217	-	23,217
Shareholders	**87,037**	**75,911**	**162,948**	78,991	65,950	144,941

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.

9 Takaful and retakaful contract assets and liabilities

	At 30 June 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	**161**	**(69,768)**	**(69,607)**	-	(58,746)	(58,746)
Medical & family takaful	**-**	**(80,554)**	**(80,554)**	-	(70,213)	(70,213)
General	**-**	**(148,740)**	**(148,740)**	-	(134,698)	(134,698)
Takaful contracts – PAA	**161**	**(299,062)**	**(298,901)**	-	(263,657)	(263,657)
Takaful contracts – Non PAA	**-**	**(2,498)**	**(2,498)**	-	(1,606)	(1,606)
Total takaful contracts issued	**161**	**(301,560)**	**(301,399)**	-	(265,263)	(265,263)
Retakaful contracts held						
Motor	**1,717**	**(75)**	**1,642**	4,051	-	4,051
Medical & family takaful	**17,976**	**(2,811)**	**15,165**	20,195	-	20,195
General	**58,317**	**(97)**	**58,220**	52,864	(169)	52,695
Retakaful contracts – PAA	**78,010**	**(2,983)**	**75,027**	77,110	(169)	76,941
Retakaful contracts – Non PAA	**39**	**-**	**39**	19	-	19
Total retakaful contracts held	**78,049**	**(2,983)**	**75,066**	77,129	(169)	76,960

SUKOON TAKAFUL P.J.S.C.

Notes to the interim condensed financial statements
for the six month period ended 30 June 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 30 June 2026 (Unaudited)	LRC			LIC for contracts under PAA		
	Excluding loss component AED '000	Loss component AED '000	LIC for contracts not under PAA AED '000	Estimates of the present value of future cash flows AED '000	Risk adjustment AED '000	Total 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	(152,018)	-	-	-	-	(152,018)
Takaful service expenses						
Incurred claims and other expenses	-	-	767	172,173	2,364	175,304
Losses on onerous contracts and reversals of those losses	-	229	-	-	-	229
Changes to liabilities for incurred claims	-	-	-	(50,850)	(1,739)	(52,589)
Takaful service expenses*	-	229	767	121,323	625	122,944
Takaful service result	(152,018)	229	767	121,323	625	(29,074)
Takaful finance expenses	95	1	-	1,757	(2)	1,851
Total amount recognised in the statement of profit or loss and other comprehensive income	(151,923)	230	767	123,080	623	(27,223)
Cash flows						
Contributions received	155,327	-	-	-	-	155,327
Claims and other expenses paid	-	-	(767)	(91,200)	-	(91,967)
Total cash flows	155,327	-	(767)	(91,200)	-	63,360
Takaful contract assets at end of the period	-	-	-	(156)	(5)	(161)
Takaful contract liabilities at end of the period	136,842	14,919	-	145,444	4,355	301,560
Net balance at end of the period	136,842	14,919	-	145,288	4,350	301,399

*Takaful service expense of AED 122,945 thousand consist of AED 79,810 thousand pertaining to Participants' operations and AED 43,135 thousand relating to Wakala charged by Shareholders to Participants.

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)	LRC			Liabilities for incurred claims for contracts under PAA		
	Excluding loss component AED '000	Loss component AED '000	LIC for contracts not under PAA AED '000	Estimates of the present value of future cash flows AED '000	Risk adjustment AED '000	Total 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

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Notes to the interim condensed financial statements
for the six month period ended 30 June 2026 (continued)

9 Takaful and retakaful contract assets and liabilities (continued)

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

At 30 June 2026 (Unaudited)	**ARC**			**AIC for contracts under PAA**		
	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**	**Total AED '000**
Retakaful contract liabilities at start of the period	**(446)**	**-**	**-**	**267**	**10**	**(169)**
Retakaful contract assets at start of the period	**8,110**	**1,787**	**-**	**65,452**	**1,780**	**77,129**
Net retakaful contract assets at start of the period	**7,664**	**1,787**	**-**	**65,719**	**1,790**	**76,960**
Retakaful expenses	**(55,961)**	**(1,784)**	**-**	**-**	**-**	**(57,745)**
Amounts recoverable for incurred claims	**-**	**-**	**-**	**52,806**	**1,231**	**54,037**
Changes that relate to past service changes in the FCF relating to incurred claims recovery	**-**	**-**	**-**	**(25,691)**	**(875)**	**(26,566)**
Loss-recovery on onerous underlying contracts and adjustments	**-**	**437**	**-**	**-**	**-**	**437**
Amounts recoverable from retakaful for incurred claims	**-**	**437**	**-**	**27,115**	**356**	**27,908**
Net income or expense from retakaful contracts held	**(55,961)**	**(1,347)**	**-**	**27,115**	**356**	**(29,837)**
Retakaful finance income	**2**	**-**	**-**	**795**	**(1)**	**796**
Total amount recognised in the statement of profit or loss and other comprehensive income	**(55,959)**	**(1,347)**	**-**	**27,910**	**355**	**(29,041)**
Cash flows						
Contributions paid net of ceding commissions	**50,637**	**-**	**-**	**-**	**-**	**50,637**
Recoveries from Retakaful	**-**	**-**	**-**	**(23,493)**	**-**	**(23,493)**
Total cash flows	**50,637**	**-**	**-**	**(23,493)**	**-**	**27,144**
Retakaful contract liabilities at end of the period	**(7,126)**	**-**	**-**	**3,897**	**246**	**(2,983)**
Retakaful contract assets at end of the period	**25,902**	**442**	**-**	**49,807**	**1,898**	**78,049**
Net retakaful contracts assets at end of the period	**18,776**	**442**	**-**	**53,704**	**2,144**	**75,066**

9 Takaful and retakaful contract assets and liabilities (continued)

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

At 31 December 2025 (Audited)	ARC			Assets for incurred claims for contracts under PAA		
	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**	**Total AED '000**
Retakaful contract liabilities at start of the year	(324)	-	-	81	4	(239)
Retakaful contract assets 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 liabilities at end of the year	(446)	-	-	267	10	(169)
Retakaful contract assets at end of the year	8,110	1,787	-	65,452	1,780	77,129
Net retakaful contracts assets at end of the year	7,664	1,787	-	65,719	1,790	76,960

10 Share capital

	At 30 June 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	Finance income and expense reserve AED '000	Total AED '000
At 1 January 2025 (Audited)	77,000	1,105	-	78,105
Transfer from retained earnings	-	392	-	392
At 30 June 2025 (Unaudited)	77,000	1,497	-	78,497
At 1 January 2026 (Audited)	**77,000**	**1,860**	**-**	**78,860**
Transfer from retained earnings	**-**	**306**	**24**	**330**
At 30 June 2026 (Unaudited)	**77,000**	**2,166**	**24**	**79,190**

* 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 306 thousand for the six month period ended 30 June 2026 (30 June 2025: AED 392 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 30 June		For the six month period ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	**2026 (Unaudited)**	2025 (Unaudited)
Profit for the period attributable to the Shareholder of the Company (AED'000)	**6,569**	4,118	**14,458**	9,538
Weighted average number of shares	**154,000,000**	154,000,000	**154,000,000**	154,000,000
Basic and diluted earnings per share (AED)	**0.043**	0.027	**0.094**	0.062

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.

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Notes to the interim condensed financial statements
for the six month period ended 30 June 2026 (continued)

13 Takaful revenue

The following table presents an analysis of takaful revenue ecognized in the period.

	For the three month period ended 30 June		For the six month period ended 30 June	
	2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)	**2026 AED'000 (Unaudited)**	2025 AED'000 (Unaudited)
Amounts relating to changes in LRC:				
Expected incurred claims and other directly attributable expenses	**563**	683	**1,170**	727
Change in risk adjustment	**10**	13	**18**	5
CSM recognised	**147**	51	**284**	90
Contracts not measured under PAA	**720**	747	**1,472**	822
Contracts measured under PAA	**75,975**	58,839	**150,546**	105,111
Total takaful revenue	**76,695**	59,586	**152,018**	105,933

14 Investment Income

	For the three month period ended 30 June		For the six month period ended 30 June	
	2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)	**2026 AED'000 (Unaudited)**	2025 AED'000 (Unaudited)
Profit on sukuk	**2,199**	1,420	**4,379**	2,886
Income from investment properties	**1,598**	1,477	**3,155**	2,950
Income from wakala deposits	**1,594**	1,567	**2,924**	3,109
Dividend from other financial assets	**101**	115	**207**	229
Dividend from FVTOCI	**299**	-	**299**	-
Profit on call account	**61**	45	**115**	93
	5,852	4,624	**11,079**	9,267
Attributable to:				
Participants	**1,512**	1,337	**2,775**	2,554
Shareholders	**4,340**	3,287	**8,304**	6,713
	5,852	4,624	**11,079**	9,267

15 Related party balances and transactions

Related parties represent the companies under common control, shareholders, 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 30 June 2026 AED'000 (Unaudited)	At 31 December 2025 AED'000 (Audited)
Amounts due from related parties:		
Related parties due to common ownership	**3,429**	3,814

All amount due from related parties are attributable to participants

Amounts due to related parties:		
Related parties due to Shareholding	**6,147**	11,490

	For the three month period ended 30 June		**For the six month period ended 30 June**	
	2026 AED '000 (Unaudited)	2025 AED '000 (Unaudited)	**2026 AED '000 (Unaudited)**	2025 AED '000 (Unaudited)
Retakaful share of ceded business	**3,567**	9,151	**7,662**	12,961
Gross written contribution	**3,636**	4,747	**6,742**	7,667
Discount on retakaful share of ceded business	**293**	378	**587**	828
Recovery claims	**1,328**	852	**2,492**	1,369
Policy acquisition costs	**277**	387	**560**	669
Claim settlement	**182**	976	**647**	1,434
Other transactions	**474**	-	**557**	-
Compensation of key management personnel:				
Short term benefits	**411**	193	**665**	413
Long term benefits	**9**	9	**15**	15

16 Contingent liabilities and commitments

	At 30 June 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
Letters of guarantee – In favor of CBUAE	**10,000**	10,000
Letters of guarantee – Others	**364**	505
	10,364	10,505

17 Segment information

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

	Six months period ended 30 June 2026 (Unaudited)			Six months period ended 30 June 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	**152,018**	**-**	**152,018**	105,933	-	105,933
Takaful service expenses	**(79,810)**	**-**	**(79,810)**	(51,105)	-	(51,105)
Allocation of retakaful contributions	**(66,500)**	**-**	**(66,500)**	(47,968)	-	(47,968)
Amounts recoverable from retakaful for incurred claims	**36,664**	**-**	**36,664**	24,273	-	24,273
Takaful finance expenses for takaful contracts issued	**(1,890)**	**-**	**(1,890)**	(1,799)	-	(1,799)
Retakaful finance income for retakaful contracts held	**812**	**-**	**812**	870	-	870
Net takaful income	**41,294**	**-**	**41,294**	30,204	-	30,204
Wakala fees	**(43,135)**	**43,135**	**-**	(46,764)	46,764	-
Mudarib share	**(832)**	**832**	**-**	(765)	765	-
Other income	**546**	**-**	**546**	423	-	423
Investment income	**2,775**	**-**	**2,775**	2,554	-	2,554
	648	**43,967**	**44,615**	(14,348)	47,529	33,181
Investment						
Investment income	**-**	**8,304**	**8,304**	-	6,713	6,713
Other expenses	**-**	**(1,450)**	**(1,450)**	-	(1,754)	(1,754)
Policy acquisition cost	**-**	**(16,189)**	**(16,189)**	-	(10,786)	(10,786)
General and administration expenses	**-**	**(18,536)**	**(18,536)**	-	(16,316)	(16,316)
Profit/(loss) before tax	**648**	**16,096**	**16,744**	(14,348)	25,386	11,038

Other Information:	**Takaful**		**Investment**		**Total**	
	At 30 June 2026 AED'000 (Unaudited)	At 31 December 2025 AED'000 (Audited)	**At 30 June 2026 AED'000 (Unaudited)**	At 31 December 2025 AED'000 (Audited)	**At 30 June 2026 AED'000 (Unaudited)**	At 31 December 2025 AED'000 (Audited)
Segment assets	**322,840**	281,107	**331,813**	305,188	**654,653**	586,295
Segment liabilities	**322,840**	281,107	**88,586**	75,853	**411,426**	356,960

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 8 of these interim condensed financial statements.

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:

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)

	Fair value as at 30 June 2026 AED'000 (Unaudited)	Fair value as at 31 December 2025 AED'000 (Audited)	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets measured at FVTPL						
Unit linked investments	**6,357**	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	**6,306**	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	**6,679**	-	Level 1	Quoted bid prices in an active market	None	Not applicable
Quoted sukuk	**8,186**	11,406	Level 1	Quoted bid prices in an active market	None	Not applicable
Financial assets at amortised cost						
Quoted Sukuk	**182,161**	169,688	Level 1	Quoted bid prices in an active market	None	Not applicable
Financial liabilities measured at FVTPL						
Investment contract liabilities	**5,358**	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.

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 30 June 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 period/year	**7,186**	-
Disposals during the period/year	**-**	(266)
Changes in fair value recognised in other comprehensive income	**(640)**	(873)
Maturities / redemption	**(3,148)**	-
Balance at the end of the period/year	**21,508**	18,110

18.3 Investment contract liabilities

	At 30 June 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	**1,258**	3,941
Changes in fair value during the year	**159**	-
Balance at the end of the period/year	**5,358**	3,941

19 Wakala fees and Mudarib's share

Wakala fees
Wakala fee for the period ended 30 June 2026 amounted to AED 43,135 thousand (30 June 2025: AED 46,764 thousand). The fee is calculated based on each line of business of gross contribution of AED 160,687 thousand (2025: AED 174,858 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 30 June 2026 amounted to AED 832 thousand (30 June 2025: AED 765 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.

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 six months period ended 30 June 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 30 June 2026 is AED 2,286 thousand (30 June 2025: AED 1,500 thousand). The Effective Tax Rate ("ETR") is 13.65% (30 June 2025: 13.57%).

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 July 2026.