

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

**Review report and condensed consolidated interim financial
information for the nine month period ended 30 September 2026**



Report of the Board of Directors

Dear Shareholders,

We are pleased to present the financial results of **Sukoon Insurance PJSC (the “Company”) and its subsidiaries (the “Group”)** for the nine-month period ended 30 September 2026.

Sukoon continued to build on the strong momentum achieved this year, delivering another period of profitable growth amidst a complex and constantly evolving operating environment. Our focus on underwriting quality, operational agility, and proactive exposure management enabled us to navigate market challenges effectively while capitalizing on growth opportunities across our portfolio.

- **Insurance revenue reached AED 5.4 billion, increasing by 14% year-on-year**, driven by strong business growth and sustained customer demand across the portfolio.
- **Insurance service result reached AED 351.5 million, increasing by 82% year-on-year**, supported by strong underwriting performance, disciplined claims management, and cost control.
- **Net investment income reached AED 230.6 million, increasing by 12% year-on-year**, driven by disciplined asset allocation, demonstrating the continued success of our investment strategy.
- **Profit before tax reached AED 438.4 million, increasing by 45% year-on-year**, driven by strong underwriting, effective claims management coupled with strong investment performance.
- **Total Assets reached AED 12.7 billion, with Total Investments growing 13% year-to-date to reach AED 8.4 billion**, supported by strong operating cash generation and the effective deployment of free cash flows.
- **Total shareholders’ equity reached AED 3.7 billion**, with an exceptionally strong solvency ratio of **260%** (minimum requirement of 100%), ensuring we remain well-capitalized and fully equipped to meet our obligations, even in challenging market conditions.
- Our commitment to prudent capital management and disciplined execution was further validated through the reaffirmation of Sukoon’s **A** credit rating with **Stable** outlook by Standard & Poor’s (S&P) and **A2 Insurance Financial Strength Rating** by Moody’s reflecting the strength of our balance sheet, diversified business profile, and robust risk management framework.

At the same time, we continued to advance our digital and customer experience agenda, marked by the launch of our new website and mobile app Sukoon 2.0, providing customers with a simpler, more intuitive and digitally enabled way to engage with Sukoon. These initiatives reinforce our commitment to combining disciplined growth with innovation, convenience and an enhanced customer experience.

In parallel, we introduced First Notice of Loss (FNOL) solution powered by Agentic AI and advanced Optical Character Recognition (OCR) technology, leveraging intelligent automation to improve claims registration, operational efficiency, and customer service. It is designed to make claims registration faster, easier and more efficient. Customers can now initiate a claim, provide information and submit supporting documents through a streamlined digital process, reducing delays and speeding up the claims journey from the very first interaction.

Additionally, through **Sukoon Advantage**, our **“Beyond Insurance, Value Every Day”** proposition, we are extending meaningful benefits and privileges to our Motor and Health customers, an important step in moving insurance beyond traditional protection to become a more relevant part of customers’ everyday lives, while strengthening engagement, loyalty and the overall Sukoon customer experience.

The UAE economy continues to demonstrate remarkable resilience, supported by ongoing non-oil diversification, infrastructure investment, and stable population growth. As we enter the final quarter of 2026, we remain focused on delivering sustainable profitability, maintaining capital efficiency, and pursuing disciplined growth opportunities. At the same time, the evolving global geopolitical and economic environment is increasing awareness among individuals and businesses of the importance of protection and effective risk management. This is creating opportunities to deepen insurance penetration, strengthen customer engagement, and develop new and innovative products and solutions that respond to emerging and evolving risks. The continued flight to quality across the insurance sector reinforces our competitive position and supports our ability to attract and retain high-quality business. We remain confident in our ability to deliver long-term value for shareholders while continuing to provide our customers with **Peace of Mind**, every day.

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's growth and success.

May God, the Almighty, guide our steps.

On behalf of the Board,



Badr Abdulla Ahmad Al Ghurair
Chairman

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

**Review report and condensed consolidated interim financial information
for the nine month period ended 30 September 2026**

	Pages
Independent Auditor's Review Report	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of profit or loss	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of changes in equity	5
Condensed consolidated interim statement of cash flows	6 - 7
Notes to the condensed consolidated interim financial information	8 - 25

INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors
Sukoon Insurance P.J.S.C.
Dubai
United Arab Emirates**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Sukoon Insurance P.J.S.C. (the "Company") and its Subsidiaries (together the "Group") as at 30 September 2026 and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine month period then ended and a summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information 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 financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Signed by:
Firas Anabtawi
Registration No. 5482
28 October 2026
Dubai, United Arab Emirates



SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of financial position

		At 30 September 2026 (Unaudited) AED'000	At 31 December 2025 (Audited) AED'000
	Notes		
Assets			
Property and equipment		114,824	121,752
Intangible assets		44,300	44,300
Investment properties		183,935	183,935
Deferred tax assets		3,309	4,171
Statutory deposits		200,314	199,261
Financial investments at amortised cost	6	3,568,153	3,112,619
Financial investments at fair value through other comprehensive income (FVTOCI)	6	1,303,302	1,195,201
Financial investments at fair value through profit or loss	6	1,176,699	1,183,059
Insurance contract assets	7	2,079	6,517
Reinsurance contract assets	8	3,810,923	3,242,753
Prepayments and other receivables	9	352,487	322,020
Deposits with banks		1,434,324	1,150,236
Cash and cash equivalents		518,721	415,267
Total assets		12,713,370	11,181,091
Equity and liabilities			
Equity			
Share capital	10	461,872	461,872
Other reserves	11	1,572,868	1,558,904
Cumulative changes in fair value of securities		75,230	35,841
Finance income and expenses reserve		8,109	8,042
Retained earnings		1,559,060	1,292,614
Equity attributable to the owners of the Company		3,677,139	3,357,273
Non-controlling interests		15,628	14,406
Total equity		3,692,767	3,371,679
Liabilities			
Deferred tax liabilities		7,933	7,972
Employees' end of service benefits		53,084	47,871
Insurance contract liabilities	7	6,849,200	5,569,285
Reinsurance contract liabilities	8	25,222	20,250
Investment contract liabilities		922,544	939,219
Other payables		1,076,620	1,138,815
Bank borrowings	12	86,000	86,000
Total liabilities		9,020,603	7,809,412
Total equity and liabilities		12,713,370	11,181,091

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



.....
Badr Abdulla Ahmad Al Ghurair
Chairman



.....
Hammad Raza Khan
Interim Chief Executive Officer

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of profit or loss

	Notes	For the three month period ended 30 September		For the nine month period ended 30 September	
		2026	2025	2026	2025
		(Unaudited) AED'000	(Unaudited) AED'000	(Unaudited) AED'000	(Unaudited) AED'000
Insurance revenue	15	1,850,110	1,649,454	5,360,344	4,703,154
Insurance service expenses		(2,225,859)	(1,333,798)	(4,861,859)	(3,388,371)
Insurance service result before reinsurance contracts held		(375,749)	315,656	498,485	1,314,783
Net income/(expense) from reinsurance contracts held		486,332	(265,782)	(146,943)	(1,121,490)
Insurance service result		110,583	49,874	351,542	193,293
Interest income from financial investments at amortised cost		59,651	50,492	171,511	145,243
Other investment income - net		10,734	10,700	59,069	59,992
Net investment income		70,385	61,192	230,580	205,235
Finance expenses from insurance contracts issued		(24,210)	(27,091)	(96,030)	(114,318)
Finance income from reinsurance contracts held		17,145	21,154	73,192	89,431
Net insurance finance expenses		(7,065)	(5,937)	(22,838)	(24,887)
Net insurance and investment result		173,903	105,129	559,284	373,641
General and administrative expenses		(35,666)	(28,931)	(108,771)	(90,654)
Board of directors' remuneration	16.3	(563)	(688)	(1,688)	(2,013)
Finance costs		(923)	(1,020)	(2,713)	(3,204)
Other (expense)/income - net		(1,130)	10,615	(7,672)	25,393
Profit before tax		135,621	85,105	438,440	303,163
Income tax expenses		(20,257)	(20,066)	(64,294)	(46,256)
Profit after tax for the period		115,364	65,039	374,146	256,907
Attributable to:					
Owners of the Company		114,892	64,548	372,891	255,902
Non-controlling interests		472	491	1,255	1,005
		115,364	65,039	374,146	256,907
Basic and diluted earnings per share (AED)	13	0.25	0.14	0.81	0.55

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of comprehensive income

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2026	2025	2026	2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	AED '000	AED '000	AED '000	AED '000
Profit after tax for the period	115,364	65,039	374,146	256,907
Other comprehensive income / (loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net fair value gains on revaluation of equity investments designated at FVTOCI - net of tax	45,022	28,943	63,759	79,348
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Finance (expense)/income from insurance contracts issued	(787)	(6,581)	4,593	(12,640)
Finance income/(expense) from reinsurance contracts held	1,111	3,768	(4,526)	7,733
Net fair value (losses)/gains on revaluation of debt investments at FVTOCI	(771)	705	(1,416)	643
Total other comprehensive income for the period	44,575	26,835	62,410	75,084
Total comprehensive income for the period	159,939	91,874	436,556	331,991
Attributable to:				
Owners of the Company	159,459	91,398	435,334	331,028
Non-controlling interests	480	476	1,222	963
	159,939	91,874	436,556	331,991

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES



Condensed consolidated interim statement of changes in equity

	Share capital AED'000	Other reserves AED'000	Cumulative changes in fair value of securities AED'000	Finance income and expenses reserve AED'000	Retained earnings AED'000	Equity attributable to the owners of the Company AED'000	Non- controlling interests AED'000	Total equity AED'000
At 1 January 2025 (Audited)	461,872	1,539,239	(47,462)	11,917	1,015,414	2,980,980	12,676	2,993,656
Profit for the period	-	-	-	-	255,902	255,902	1,005	256,907
Other comprehensive income/(loss) for the period	-	-	80,033	(4,907)	-	75,126	(42)	75,084
Total comprehensive income/(loss) for the period	-	-	80,033	(4,907)	255,902	331,028	963	331,991
Transfer to reinsurance regulatory reserve (note 11)	-	14,503	-	-	(14,503)	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	(5,816)	-	5,816	-	-	-
Cash dividend (note 22)	-	-	-	-	(92,374)	(92,374)	-	(92,374)
Transaction with non-controlling interest	-	-	-	-	13	13	(119)	(106)
At 30 September 2025 (Unaudited)	461,872	1,553,742	26,755	7,010	1,170,268	3,219,647	13,520	3,233,167
At 31 December 2025 (Audited)	461,872	1,558,904	35,841	8,042	1,292,614	3,357,273	14,406	3,371,679
Profit for the period	-	-	-	-	372,891	372,891	1,255	374,146
Other comprehensive income/(loss) for the period	-	-	62,376	67	-	62,443	(33)	62,410
Total comprehensive income/(loss) for the period	-	-	62,376	67	372,891	435,334	1,222	436,556
Transfer to contingency reserve (note 11)	-	146	-	-	(146)	-	-	-
Transfer to reinsurance regulatory reserve (note 11)	-	13,818	-	-	(13,818)	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	(22,987)	-	22,987	-	-	-
Cash dividend (note 22)	-	-	-	-	(115,468)	(115,468)	-	(115,468)
At 30 September 2026 (Unaudited)	461,872	1,572,868	75,230	8,109	1,559,060	3,677,139	15,628	3,692,767

The accompanying notes form an integral part of this condensed consolidated interim financial information.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of cash flows

	For the nine month period ended 30 September	
	2026 (Unaudited) AED '000	2025 (Unaudited) AED '000
Cash flows from operating activities		
Profit for the period before tax	438,440	303,163
Adjustments for:		
Depreciation	17,752	18,872
Loss on sale of investment properties	-	50
Provision for employees' end of service benefits	7,567	7,471
Allowance/(release) for impairment of financial investments at amortised cost	750	(52)
Allowance for impairment of bank balances and deposits	189	226
Dividend income from financial investments at FVTPL and FVTOCI	(59,073)	(63,410)
Interest income from financial assets	(169,509)	(140,201)
Net Accretion of financial assets measured at amortised cost	(2,268)	(5,425)
Realised gains on sale of financial investments at FVTOCI	(162)	-
Realised gains on sale of financial investments at amortised cost	(740)	(342)
Finance cost	2,713	3,204
Interest expense on lease liabilities	446	486
Other investment expenses	8,933	12,547
Rental income from investment properties	(8,860)	(8,627)
Operating cash flows before changes in working capital and payment of employees' end of service benefits and income tax	236,178	127,962
Changes in working capital		
Changes in insurance and reinsurance contract assets/liabilities	721,222	419,269
(Increase)/decrease in prepayment and other receivables	(29,159)	81,373
(Decrease)/increase in other payables	(83,388)	33,742
Decrease/(increase) in unit linked investments	6,360	(24,266)
Decrease in investment contract liabilities	(16,675)	(4,985)
Net cash generated from operations	834,538	633,095
Employees' end of service benefits paid	(2,354)	(4,409)
Income tax paid	(40,247)	(22,551)
Net cash generated from operating activities	791,937	606,135
Cash flows from investing activities		
Purchases of financial investments at FVTOCI	(222,168)	(213,935)
Proceeds from sale of financial investments at FVTOCI	177,379	95,626
Proceeds from maturities of financial investments at amortised cost	300,831	230,782
Purchases of financial investments at amortised cost	(744,721)	(450,848)
Dividend received from financial investments at FVTPL and FVTOCI	57,424	58,208
Interest received from deposits and financial investments	149,124	124,500
Rental income received from investment properties	9,156	8,730
Other investment expenses paid	(11,286)	(12,978)
Purchase of property and equipment	(10,824)	(9,157)
Proceeds from sale of investment properties	-	1,550
Increase in term deposits with original maturities of more than three months	(273,044)	(166,888)
Increase in statutory deposits	(1,053)	(1,360)
Net cash used in investing activities	(569,182)	(335,770)

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of cash flows (continued)

	For the nine month period ended 30 September	
	2026	2025
	(Unaudited)	(Unaudited)
	AED '000	AED '000
Cash flows from financing activities		
Dividend paid	(115,468)	(92,374)
Interest element of lease payments	(136)	(183)
Principal element of lease payments	(1,728)	(2,972)
Finance costs paid	(1,780)	(2,235)
Transaction with non-controlling interest	-	(106)
Cash used in financing activities	(119,112)	(97,870)
Net increase in cash and cash equivalents	103,643	172,495
Cash and cash equivalents at the beginning of the period	415,699	332,441
Cash and cash equivalents at the end of the period (note 14)	519,342	504,936

For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents are before the allowance for impairment as disclosed in note 14.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026

1 General information

Sukoon Insurance P.J.S.C. (the "Company" or "Sukoon") is a public joint stock company, which was established by an Amiri Decree issued by His Highness, The Ruler of Dubai. The Company is subject to the regulations of the UAE Federal Decree Law No. (6) of 2025 regarding the Central Bank, Regulation of Financial Institutions and 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 9. The Company is a subsidiary of Mashreq Bank (PSC) which is incorporated in the Emirate of Dubai. The Company's registered head office is at P.O. Box 5209, Dubai, United Arab Emirates. The Group comprises Sukoon Insurance P.J.S.C. and its subsidiaries (note 3.3). The Company's ordinary shares are listed on the Dubai Financial Market ("DFM"), United Arab Emirates.

The licensed activities of the Company are issuing short term and long term insurance contracts and trading in securities. The insurance contracts are issued in connection with property, engineering, energy, motor, aviation, medical, marine risks, personal accident, individual life (participating and non-participating), group life, credit life and investment linked products.

The Company also operates in the Sultanate of Oman, State of Qatar, England and Wales, the United Kingdom.

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

2.1 New and revised IFRS adopted in the condensed consolidated 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 this condensed consolidated interim financial information. The application of these revised IFRS Accounting Standards, did not have any material impact on the amounts reported for the current and prior periods.

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 9 and IFRS 7— Amendment regarding the classification and measurement of financial instrument	1 January 2026
IFRS 9 and IFRS 7— Contracts referencing nature-dependent electricity	1 January 2026
Annual improvements to IFRS Accounting Standards	1 January 2026

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

<u>New and revised IFRS</u>	<u>Effective for annual periods beginning on or after</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

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

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

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

<u>New and revised IFRS</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027, earlier application is permitted
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Translation to a Hyperinflationary Presentation Currency	1 January 2027, earlier application is permitted
Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures (2011)	Effective date deferred indefinitely. Adoption is still permitted.

The Group is currently assessing the impact of these standards, interpretations and amendments on the future consolidated financial statements and intends to adopt these, if applicable, when they become effective.

3 Summary of material accounting policy information

3.1 Basis of preparation

This condensed consolidated interim financial information for the nine month period ended 30 September 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 U.A.E.

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

This condensed consolidated interim financial information has 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, investment properties measured at fair value and insurance and reinsurance contract assets & liabilities which are not measured under historical cost basis and the provision for employees' end of service indemnity which is measured in accordance with U.A.E labour laws.

The Group presents its condensed consolidated 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).

This condensed consolidated interim financial information does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2025. In addition, results for the nine month period ended 30 September 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 material accounting policies information, presentation and methods used in this condensed consolidated interim financial information are consistent with those used in the annual audited consolidated financial statements for the year ended 31 December 2025.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

3 Summary of material accounting policy information (continued)

3.3 Basis of consolidation

The condensed consolidated interim financial information of Sukoon Insurance P.J.S.C. and its subsidiaries (the "Group") incorporate the financial information of the Company and the entities controlled by the Company (its subsidiaries).

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated interim income statement and condensed consolidated interim statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in ownership interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

3 Summary of material accounting policy information (continued)

3.3 Basis of consolidation (continued)

The table below represents the legal ownership of subsidiaries as at 30 September 2026 and 31 December 2025:

Name of subsidiary	Place of incorporation and operation	Proportion of legal ownership interest		Proportion of voting power held	Principal activity
		At 30 September 2026	At 31 December 2025		
Equator Insurance Agency L.L.C.	Dubai - UAE	99.97%	99.97%	100%	Insurance agency.
Synergize Services FZ L.L.C.	Dubai - UAE	100%	100%	100%	Management information technology and transaction processing.
OIC Corporate Member Limited	England and Wales - United Kingdom	100%	100%	100%	A limited liability underwriting member of Lloyd's
Oman Insurance Management Services Limited	Dubai - UAE	100%	100%	100%	Insurance management company
Sukoos Workplace Savings Solutions Limited*	Dubai - UAE	100%	100%	100%	Acting as an administrator of an employee money purchase scheme
Sukoos Takaful P.J.S.C.	Dubai - UAE	94.66%	94.66%	94.66%	General and life takaful insurance

*On 03 April 2026, Sukoon Workplace Savings Solutions Limited established Sukoon Workplace Savings Solutions Fund Administrator L.L.C (SWSSFA) as its wholly owned subsidiary. SWSSFA obtained its license from the Capital Market Authority (CMA) on 22 May 2026.

4 Critical accounting judgements and key sources of estimation of uncertainty

The preparation of condensed consolidated interim financial information 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 this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

5 Risk management

The Group's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited annual consolidated financial statements as at and for the year ended 31 December 2025. There have been no changes in any risk management policies since the year end. The Group is in compliance with the applicable solvency and capital requirements issued by the CBUAE (formerly, the IA) throughout the reporting period.

Heightened geopolitical tensions in the wider Middle East since February 2026, have led to increased economic uncertainty. The Group continues to closely monitor and assesses their potential impact on its operations, insurance portfolio, investment assets, liquidity position, reinsurance arrangements and capital adequacy.

The Group has considered the impact of global inflation and regional economic conditions in its IFRS 9 and IFRS 17 models and continues to assess ECL and technical provisions based on changes in the macroeconomic environment, risk profile, and actual or expected increases in credit risk.

The Group has recorded few admissible claims arising from these events, primarily within the Motor and Commercial insurance portfolios. The impact on net claims costs has been minimal, and no material effect on the Group's financial position or operating results.

The Group will continue to monitor the situation and reassess its position and any related impact on a regular basis as new data becomes available and accordingly determine if any adjustment in its ECL or insurance reserves is required in subsequent reporting periods.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

5 Risk management (continued)

5.1 Capital risk management

The Group's objectives when managing capital are i) to comply with the insurance capital requirements required by the regulators of the insurance industry where the entities within the Group operate, ii) to protect its policy holders' interests, iii) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for other stakeholders; and iv) to provide an adequate return to the shareholders by pricing insurance contracts commensurately with the level of risk.

Section 2 of the Financial Regulations for Insurance Companies (the "Regulations") issued by the CBUAE (formerly, the Insurance Authority (IA)) identifies the required solvency margin to be held in addition to insurance liabilities. The solvency margin must be maintained at all times throughout the year. The Group is subject to the Regulations which has been complied with during the period/year. The Group has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held to meet these solvency margins as defined in the Regulations. In accordance with Circular No. CBUAE/BIS/2025/6143 of CBUAE dated 12 November 2025, the Group has disclosed the solvency position for the immediately preceding period as the current period solvency position is not yet finalised.

	At 30 June 2026 (Unaudited) AED '000	At 31 December 2025 (Unaudited) AED '000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	1,245,133	1,113,085
Minimum Guarantee Fund (MGF)	857,102	778,276
Own Funds:		
Basic Own Funds	3,241,657	2,945,653
Minimum Capital Requirement Surplus (over MCR)	3,141,657	2,845,653
Minimum Capital Requirement Surplus (over SCR)	1,996,524	1,832,568
Minimum Capital Requirement Surplus (over MGF)	2,384,555	2,167,377

Based on the regulatory requirements, the minimum regulatory capital required is AED 100 million as at 30 September 2026 and 31 December 2025 against which the paid-up capital of the Company is AED 462 million.

6 Financial investments

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

	At 30 September 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
At fair value through profit or loss	1,176,699	1,183,059
At fair value through other comprehensive income	1,303,302	1,195,201
At amortised cost	3,570,312	3,114,028
Less: allowance for impairment on investments at amortised cost	(2,159)	(1,409)
	<u>6,048,154</u>	<u>5,490,879</u>

Investments measured at amortised cost are quoted and the fair value of these investments as at 30 September 2026 amounted to AED 3,411,517 thousand (31 December 2025: AED 3,063,618 thousand). These bonds carry coupon rates of 1.7% to 9.4% (31 December 2025: 0.9% to 9.4%) per annum.

As part of Syndicate-in-a-box (SIAB) arrangement, Sukoon on behalf of 'OIC Corporate Member Limited' has pledged certain bonds having nominal value of USD 134,260 thousand (equivalent to AED 493,070 thousand) to be held at Lloyd's deposit with the beneficial ownership remaining with Sukoon Insurance P.J.S.C. The net book value of these bonds was AED 517,162 thousand as at 30 September 2026 (31 December 2025: AED 467,411 thousand).

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the nine month period ended 30 September 2026 (continued)

7 Insurance contract assets and liabilities

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	LRC		LIC for contracts under PAA			Total AED '000
	Excluding loss component AED '000	Loss component AED '000	LIC for contracts not under PAA AED '000	Present value of future cash flows AED '000	Risk adjustment for non-fin-risk AED '000	
Opening insurance contract liabilities	1,543,950	19,147	7,894	3,773,252	225,042	5,569,285
Opening insurance contract assets	(8,695)	-	-	2,063	115	(6,517)
Net balance as at 1 January 2026 (Audited)	1,535,255	19,147	7,894	3,775,315	225,157	5,562,768
Insurance revenue	(5,360,344)	-	-	-	-	(5,360,344)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(747)	30,223	4,506,141	175,347	4,710,964
Changes that relate to past service -adjustments to the LIC	-	-	-	(424,557)	(60,393)	(484,950)
Losses on onerous contracts and reversal of those losses	-	(1,719)	-	-	-	(1,719)
Insurance acquisition cash flows amortization	637,564	-	-	-	-	637,564
Insurance service expenses	637,564	(2,466)	30,223	4,081,584	114,954	4,861,859
Insurance service result	(4,722,780)	(2,466)	30,223	4,081,584	114,954	(498,485)
Finance expenses from insurance contracts issued	594	79	-	85,485	5,279	91,437
Total amounts recognised in comprehensive income	(4,722,186)	(2,387)	30,223	4,167,069	120,233	(407,048)
Investment components	(20,449)	-	20,449	-	-	-
Cash flows						
Premiums received	5,200,085	-	-	-	-	5,200,085
Claims and other directly attributable expenses paid	-	-	(43,907)	(2,882,718)	-	(2,926,625)
Insurance acquisition cash flows	(582,059)	-	-	-	-	(582,059)
Total cash flows	4,618,026	-	(43,907)	(2,882,718)	-	1,691,401
Net balance as at 30 September 2026 (Unaudited)	1,410,646	16,760	14,659	5,059,666	345,390	6,847,121
Closing insurance contract liabilities	1,414,032	16,753	14,659	5,058,488	345,268	6,849,200
Closing insurance contract assets	(3,386)	7	-	1,178	122	(2,079)
Net balance as at 30 September 2026 (Unaudited)	1,410,646	16,760	14,659	5,059,666	345,390	6,847,121

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

7 Insurance contract assets and liabilities (continued)

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

	LRC		LIC for contracts not under PAA AED '000	LIC for contracts under PAA		Total AED '000
	Excluding loss component AED '000	Loss component AED '000		Present value of future cash flows AED '000	Risk adjustment for non-fin-risk AED '000	
Opening insurance contract liabilities	1,162,685	22,700	4,782	3,753,235	261,308	5,204,710
Opening insurance contract assets	(40,661)	-	-	33,564	2,230	(4,867)
Net balance as at 1 January 2025 (Audited)	1,122,024	22,700	4,782	3,786,799	263,538	5,199,843
Insurance revenue	(6,389,447)	-	-	-	-	(6,389,447)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(1,113)	23,885	4,234,249	93,775	4,350,796
Changes that relate to past service -adjustments to the LIC	-	-	-	(131,670)	(141,797)	(273,467)
Losses on onerous contracts and reversal of those losses	-	(2,588)	-	-	-	(2,588)
Insurance acquisition cash flows amortization	710,079	-	-	-	-	710,079
Insurance service expenses	710,079	(3,701)	23,885	4,102,579	(48,022)	4,784,820
Insurance service result	(5,679,368)	(3,701)	23,885	4,102,579	(48,022)	(1,604,627)
Finance expenses from insurance contracts issued	480	148	-	135,203	9,641	145,472
Total amounts recognised in comprehensive income	(5,678,888)	(3,553)	23,885	4,237,782	(38,381)	(1,459,155)
Investment components	(18,384)	-	18,384	-	-	-
Cash flows						
Premiums received	6,810,443	-	-	-	-	6,810,443
Claims and other directly attributable expenses paid	-	-	(39,157)	(4,249,266)	-	(4,288,423)
Insurance acquisition cash flows	(699,940)	-	-	-	-	(699,940)
Total cash flows	6,110,503	-	(39,157)	(4,249,266)	-	1,822,080
Net balance as at 31 December 2025 (Audited)	1,535,255	19,147	7,894	3,775,315	225,157	5,562,768
Closing insurance contract liabilities	1,543,950	19,147	7,894	3,773,252	225,042	5,569,285
Closing insurance contract assets	(8,695)	-	-	2,063	115	(6,517)
Net balance as at 31 December 2025 (Audited)	1,535,255	19,147	7,894	3,775,315	225,157	5,562,768

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the nine month period ended 30 September 2026 (continued)

8 Reinsurance contracts assets and liabilities

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims

	ARC		AIC for contracts not under PAA	AIC for contracts under PAA		Total
	Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adj. for non-financial risk	
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Opening reinsurance contract liabilities	(31,318)	214	-	10,234	620	(20,250)
Opening reinsurance contract assets	394,465	5,959	6,439	2,669,030	166,860	3,242,753
Net balance as at 1 January 2026 (Audited)	363,147	6,173	6,439	2,679,264	167,480	3,222,503
Net (expense)/income from reinsurance contracts held						
Reinsurance expenses	(2,645,162)	(1,784)	-	-	-	(2,646,946)
Incurred claims recovery	-	(1)	11,063	2,715,848	133,615	2,860,525
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	-	(312,112)	(47,428)	(359,540)
Income on initial recognition of onerous underlying contracts	-	-	-	-	-	-
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	(432)	-	-	-	(432)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	(1,276)	-	-	-	(1,276)
Effect of changes in risk of reinsurers' non-performance	-	-	-	654	72	726
Net (expense)/income from reinsurance contracts held	(2,645,162)	(3,493)	11,063	2,404,390	86,259	(146,943)
Finance income from reinsurance contracts held	154	119	-	64,330	4,063	68,666
Total amounts recognised in comprehensive income	(2,645,008)	(3,374)	11,063	2,468,720	90,322	(78,277)
Cash flows						
Premiums paid net of ceding commissions	2,291,814	-	-	-	-	2,291,814
Recoveries from reinsurance	-	-	(6,274)	(1,644,065)	-	(1,650,339)
Total cash flows	2,291,814	-	(6,274)	(1,644,065)	-	641,475
Net balance as at 30 September 2026 (Unaudited)	9,953	2,799	11,228	3,503,919	257,802	3,785,701
Closing reinsurance contract liabilities	(59,694)	-	-	32,406	2,066	(25,222)
Closing reinsurance contract assets	69,647	2,799	11,228	3,471,513	255,736	3,810,923
Net balance as at 30 September 2026 (Unaudited)	9,953	2,799	11,228	3,503,919	257,802	3,785,701

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

8 Reinsurance contracts assets and liabilities (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

	ARC		AIC for contracts under PAA			
	Excluding loss recovery component	Loss recovery component	AIC for contracts not under PAA	Present value of future cash flows	Risk adj. for non-financial risk	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Opening reinsurance contract liabilities	(18,549)	35	-	5,572	349	(12,593)
Opening reinsurance contract assets	247,577	5,330	3,673	2,926,926	208,235	3,391,741
Net balance as at 1 January 2025 (Audited)	229,028	5,365	3,673	2,932,498	208,584	3,379,148
Net (expense)/income from reinsurance contracts held						
Reinsurance expenses	(3,374,855)	(679)	-	-	-	(3,375,534)
Incurred claims recovery	-	-	3,509	2,161,612	64,128	2,229,249
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	-	(86,034)	(112,632)	(198,666)
Income on initial recognition of onerous underlying contracts	-	1,446	-	-	-	1,446
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	(869)	-	-	-	(869)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	686	-	-	-	686
Effect of changes in risk of reinsurers' non-performance	-	-	-	(219)	(34)	(253)
Net (expense)/income from reinsurance contracts held	(3,374,855)	584	3,509	2,075,359	(48,538)	(1,343,941)
Finance income from reinsurance contracts held	422	224	-	103,525	7,434	111,605
Total amounts recognised in comprehensive income	(3,374,433)	808	3,509	2,178,884	(41,104)	(1,232,336)
Cash flows						
Premiums paid net of ceding commissions	3,508,552	-	-	-	-	3,508,552
Recoveries from reinsurance	-	-	(743)	(2,432,118)	-	(2,432,861)
Total cash flows	3,508,552	-	(743)	(2,432,118)	-	1,075,691
Net balance as at 31 December 2025 (Audited)	363,147	6,173	6,439	2,679,264	167,480	3,222,503
Closing reinsurance contract liabilities	(31,318)	214	-	10,234	620	(20,250)
Closing reinsurance contract assets	394,465	5,959	6,439	2,669,030	166,860	3,242,753
Net balance as at 31 December 2025 (Audited)	363,147	6,173	6,439	2,679,264	167,480	3,222,503

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

9 Prepayments and other receivables

	At 30 September 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
Accrued income	3,974	4,311
Prepayments	22,018	21,588
Staff debtors and allowances	4,162	4,905
Other receivables (net of expected credit losses)	322,333	291,216
	<u>352,487</u>	<u>322,020</u>

10 Share capital

	At 30 September 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
Authorised, issued and fully paid 461,872,125 shares of AED 1 each (31 December 2025: 461,872,125 shares of AED 1 each)	<u>461,872</u>	<u>461,872</u>

11 Other reserves

	Statutory reserve AED '000	Strategic reserve AED '000	General reserve AED '000	Contingency reserve AED '000	Reinsurance regulatory reserve AED '000	Total AED '000
At 1 January 2025 (Audited)	230,936	303,750	933,051	20,606	50,896	1,539,239
Transfer from retained earnings	-	-	-	-	14,503	14,503
At 30 September 2025 (Unaudited)	<u>230,936</u>	<u>303,750</u>	<u>933,051</u>	<u>20,606</u>	<u>65,399</u>	<u>1,553,742</u>
At 1 January 2026 (Audited)	<u>230,936</u>	<u>303,750</u>	<u>933,051</u>	<u>21,830</u>	<u>69,337</u>	<u>1,558,904</u>
Transfer from retained earnings	-	-	-	146	13,818	13,964
At 30 September 2026 (Unaudited)	<u>230,936</u>	<u>303,750</u>	<u>933,051</u>	<u>21,976</u>	<u>83,155</u>	<u>1,572,868</u>

11.1 Contingency reserve

In accordance with Article 10 (bis) (2) (c) and 10 (bis) (3)(b) of Regulations for Implementing Insurance Companies Law (Ministerial Order 5/80), as amended, of Sultanate of Oman, 10% of the net outstanding claims in case of the general insurance business and 1% of the gross life assurance premiums for the year in case of life insurance business at the end of the reporting period is transferred from retained earnings to a contingency reserve until the provision is equal to RO 5 million. In case of insufficient retained earnings or accumulated loss position, the deficit in transfer will be adjusted against retained earnings of future years. The reserves shall not be used without the prior approval of the Capital Market Authority of Sultanate of Oman.

11.2 Reinsurance regulatory reserve

In accordance with Article 34 of the CBUAE's Board of Directors Decision No. (23) of 2019, the Group has transferred to the reinsurance regulatory reserve AED 13,818 thousand for the nine month period ended 30 September 2026 (30 September 2025: AED 14,503 thousand), being 0.5% of the total reinsurance premiums ceded by the Group in the United Arab Emirates in all classes of business. The Group shall accumulate such provision year on year and not dispose of the provision without the written approval of the Governor of the CBUAE.

12 Bank borrowings

	At 30 September 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
Short term bank loans	<u>86,000</u>	<u>86,000</u>

Short term bank loans are secured by assignment of certain bonds in favor of financial institutions. These loans carry a fixed interest rate of 4.2% per annum. (31 December 2025: 4.12% per annum). Short term loans are utilised for Group's operational activities.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

13 Earnings per share

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Profit for the period attributable to the Owners of the Company (AED '000)	114,892	64,548	372,891	255,902
Weighted average number of shares	461,872,125	461,872,125	461,872,125	461,872,125
Basic and diluted earnings per share (AED)	0.25	0.14	0.81	0.55

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.

14 Cash and cash equivalents

	For the nine month period ended 30 September	
	2026 (Unaudited) AED '000	2025 (Unaudited) AED '000
Deposits with banks maturing within three months	199,986	219,070
Current accounts and cash	319,356	285,866
Cash and cash equivalents for the purpose of the condensed consolidated interim statement of cash flows	519,342	504,936
Less: allowance for impairment as per IFRS 9	(621)	(507)
Cash and cash equivalents	518,721	504,429

The interest rates on fixed deposits and call accounts with banks range from 0.6% to 5.27% (31 December 2025: 0.6% to 5.9%) per annum. Certain bank balances and deposits with carrying amount of AED 4,228 thousand at 30 September 2026 (31 December 2025: AED 12,935 thousand) are subject to lien in respect of guarantees.

15 Insurance revenue

The following table presents an analysis of insurance revenue recognised in the period.

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2026 (Unaudited) AED '000	2025 (Unaudited) AED '000	2026 (Unaudited) AED '000	2025 (Unaudited) AED '000
Amounts relating to changes in the LRC:				
- Expected incurred claims and other directly attributable expenses	9,600	7,813	26,450	19,754
- Change in risk adjustment for non-financial risk for the risk expired	482	341	1,243	808
- CSM recognised for the services provided	3,336	1,377	6,399	4,336
Insurance acquisition cash flow recovery	3,357	3,539	10,335	10,485
Contracts not measured under PAA	16,775	13,070	44,427	35,383
Contracts measured under PAA	1,833,335	1,636,384	5,315,917	4,667,771
Total insurance revenue	1,850,110	1,649,454	5,360,344	4,703,154

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

16 Related party balances and transactions

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

16.1 Balances with related parties included in the condensed consolidated interim statement of financial position are as follows:

	At 30 September 2026 (Unaudited) AED'000	At 31 December 2025 (Audited) AED'000
<i>Balances with a Major shareholder:</i>		
Cash and cash equivalents	127,950	1,442
Financial investments	226,583	182,182
Statutory deposits	10,000	10,000
Bank borrowings	86,000	86,000
<i>Due from/(to) a Major shareholder:</i>		
Net insurance receivables	16,693	12,025
Net insurance and other payables	(1,708)	(653)
<i>Due from/(to) Directors and businesses over which they exercise significant management influence:</i>		
Net insurance receivables	10,960	5,634
Net insurance and other payables	(2,355)	(2,091)

16.2 Transactions with related parties:

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2026 (Unaudited) AED '000	2025 (Unaudited) AED '000	2026 (Unaudited) AED '000	2025 (Unaudited) AED '000
<i>Transactions arising from insurance contracts with a Major shareholder:</i>				
Insurance premiums	23,004	16,370	144,096	114,224
Claims settled	(18,167)	(13,131)	(51,347)	(37,712)
<i>Other transactions with a Major shareholder:</i>				
Interest income	415	299	886	973
Dividend income	-	-	6,179	12,782
Other expenses	(2,294)	(1,251)	(5,868)	(4,342)
Rental expense	(1,868)	(1,825)	(5,534)	(5,408)
<i>Transactions arising from insurance contracts with Directors and businesses over which they exercise significant management influence:</i>				
Insurance premiums	4,310	2,760	39,240	37,723
Claims settled	(959)	(1,501)	(4,432)	(6,103)
<i>Other transactions with Directors and businesses over which they exercise significant management influence:</i>				
Other investment expenses	(1,810)	(1,666)	(5,272)	(4,995)

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

16 Related party balances and transactions (continued)

The Group has entered into the above transactions with the related parties which were made on substantially the same terms as those prevailing at the same time for the comparable transactions with third parties.

16.3 Compensation of key management personnel

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2026 (Unaudited) AED '000	2025 (Unaudited) AED '000	2026 (Unaudited) AED '000	2025 (Unaudited) AED '000
Directors' fees	(563)	(688)	(1,688)	(2,013)
Salaries and benefits	(5,783)	(5,102)	(14,547)	(15,567)
End of service benefits	(143)	(215)	(547)	(646)
	<u>(6,489)</u>	<u>(6,005)</u>	<u>(16,782)</u>	<u>(18,226)</u>

17 Contingent liabilities

As at 30 September 2026, the Group had contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business amounting to AED 55 million (31 December 2025: AED 59 million).

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Group's condensed consolidated interim financial performance or condensed consolidated interim financial position.

18 Commitments

	At 30 September 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
Commitments in respect of uncalled subscription of financial investments	<u>43,660</u>	<u>48,032</u>
Capital commitments towards acquisitions of property and equipment	<u>25,936</u>	<u>21,192</u>

19 Location of assets

Geographical locations of assets are disclosed below:

	At 30 September 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
Property and equipment	113,574	1,250	114,824	121,607	145	121,752
Investment properties	183,935	-	183,935	183,935	-	183,935
Statutory deposits	61,831	138,483	200,314	60,708	138,553	199,261
Financial investments at FVTOCI	591,092	712,210	1,303,302	551,952	643,249	1,195,201
Financial investments at FVTPL	41,688	1,135,011	1,176,699	28,211	1,154,848	1,183,059
Financial investments at amortised cost	1,692,512	1,875,641	3,568,153	1,322,940	1,789,679	3,112,619
Deposits with banks and cash and cash equivalents	<u>1,620,247</u>	<u>332,798</u>	<u>1,953,045</u>	<u>1,283,046</u>	<u>282,457</u>	<u>1,565,503</u>
	<u>4,304,879</u>	<u>4,195,393</u>	<u>8,500,272</u>	<u>3,552,399</u>	<u>4,008,931</u>	<u>7,561,330</u>

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

20 Segment information

For management purposes, the Group is organised into three business segments: general insurance including medical, life insurance and investments. The general insurance segment comprises property, engineering, energy, motor, general accident, aviation, marine and medical risks. The life insurance segment includes individual life (participating and non-participating), group life and personal accident as well as investment linked products. Investment comprises of investments (financial and non-financial) excluding unit linked investments.

20.1 Segment results by operating segments

	For the nine month period ended 30 September (Unaudited)					
	Non-Life insurance		Life insurance		Total	
	2026 AED '000	2025 AED '000	2026 AED '000	2025 AED '000	2026 AED '000	2025 AED '000
Insurance service result from insurance contracts issued	443,922	1,254,527	54,563	60,256	498,485	1,314,783
Net expense from reinsurance contracts held	(121,243)	(1,083,381)	(25,700)	(38,109)	(146,943)	(1,121,490)
Insurance service result	322,679	171,146	28,863	22,147	351,542	193,293
Net investment income*					230,580	205,235
Net insurance finance expenses					(22,838)	(24,887)
General and administrative expenses					(108,771)	(90,654)
Board of directors' remuneration					(1,688)	(2,013)
Finance cost					(2,713)	(3,204)
Other (expense)/income - net					(7,672)	25,393
Profit before tax					438,440	303,163
Income tax expenses					(64,294)	(46,256)
Profit after tax for the period					374,146	256,907
Attributable to:						
Owners of the Company					372,891	255,902
Non-controlling interests					1,255	1,005
					374,146	256,907

*Net investment income refers to income generated within the investment segment from financial and non-financial investments, excluding unit-linked investments.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the nine month period ended 30 September 2026 (continued)

20 Segment information (continued)

20.2 Segment results by geographical distribution

	For the nine month period ended 30 September (Unaudited)					
	GCC		Non GCC		Total	
	2026 AED '000	2025 AED '000	2026 AED '000	2025 AED '000	2026 AED '000	2025 AED '000
Insurance service result from insurance contracts issued	476,870	1,352,188	21,615	(37,405)	498,485	1,314,783
Net expense from reinsurance contracts held	(96,114)	(1,102,664)	(50,829)	(18,826)	(146,943)	(1,121,490)
Insurance service result	380,756	249,524	(29,214)	(56,231)	351,542	193,293
Net investment income	226,583	200,734	3,997	4,501	230,580	205,235
Net insurance finance expenses	(19,611)	(20,603)	(3,227)	(4,284)	(22,838)	(24,887)
General and administrative expenses	(108,182)	(90,236)	(589)	(418)	(108,771)	(90,654)
Board of directors' remuneration	(1,688)	(2,013)	-	-	(1,688)	(2,013)
Finance cost	(2,713)	(3,204)	-	-	(2,713)	(3,204)
Other (expense)/income - net	(10,140)	24,017	2,468	1,376	(7,672)	25,393
Profit/(loss) before tax	465,005	358,219	(26,565)	(55,056)	438,440	303,163
Income tax expenses	(64,294)	(46,256)	-	-	(64,294)	(46,256)
Profit/(loss) after tax for the period	400,711	311,963	(26,565)	(55,056)	374,146	256,907
Attributable to:						
Owners of the Company	399,456	310,958	(26,565)	(55,056)	372,891	255,902
Non-controlling interests	1,255	1,005	-	-	1,255	1,005
	400,711	311,963	(26,565)	(55,056)	374,146	256,907

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

20 Segment information (continued)

20.3 Segment assets and liabilities by operating segments

At 30 September 2026 (Unaudited)

	Non-Life insurance AED '000	Life insurance AED '000	Investments AED '000	Total AED '000
Segment assets	<u>6,083,307</u>	<u>1,574,143</u>	<u>5,055,920</u>	<u>12,713,370</u>
Segment liabilities	<u>7,579,358</u>	<u>1,441,245</u>	<u>-</u>	<u>9,020,603</u>

At 31 December 2025 (Audited)

	Non-Life insurance AED '000	Life insurance AED '000	Investments AED '000	Total AED '000
Segment assets	<u>5,143,286</u>	<u>1,545,520</u>	<u>4,492,285</u>	<u>11,181,091</u>
Segment liabilities	<u>6,378,732</u>	<u>1,430,680</u>	<u>-</u>	<u>7,809,412</u>

21 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 Group 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.

21.1 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 condensed consolidated 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 6 of this condensed consolidated interim financial information.

21.2 Fair value of financial items carried at fair value

21.2.1 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 consolidated financial statements for the year ended 31 December 2025.

**Notes to the condensed consolidated interim financial information
for the nine month period ended 30 September 2026 (continued)**
21 Fair value measurements (continued)
21.2 Fair value of financial items carried at fair value (continued)
21.2.2 Fair value of the Group's financial assets and liabilities that are measured at fair value on recurring basis

Some of the Group'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:

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	30 September 2026	31 December 2025				
	AED'000 (Unaudited)	AED'000 (Audited)				
Financial assets measured at FVTPL						
Unit linked investments	1,176,169	1,182,529	Level 2	Quoted prices in a secondary market	None	Not applicable
Unquoted equity investments	530	530	Level 3	Net assets as per financial statements	EV/EBITDA Multiple	EV/EBITDA multiple for similar companies will directly impact the fair value calculation
Financial assets measured at FVTOCI						
Quoted equity investments	894,858	803,088	Level 1	Quoted bid prices in an active market	None	Not applicable
Quoted fund	363,281	341,911	Level 2	Quoted prices in a secondary market	None	Not applicable
Quoted bonds	16,220	20,594	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity and private equity fund	28,943	29,608	Level 3	Multiple based approach and net assets as per financial statements	Price to book value multiple	Price to book value multiple for similar companies will directly impact the fair value calculation.
Financial liabilities measured at FVTPL						
Investment contract liabilities	922,544	939,219	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 INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2026 (continued)

21 Fair value measurements (continued)

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

21.2.3 Reconciliation of level 3 fair value measurement of financial assets measured at FVTOCI

	At 30 September 2026 (Unaudited) AED '000	At 31 December 2025 (Audited) AED '000
Balance at the beginning of the period/year	29,608	28,336
Disposals during the period/year	(34)	(120)
Changes in fair value recognised in other comprehensive income	(631)	1,392
Balance at the end of the period/year	<u>28,943</u>	<u>29,608</u>

22 Dividends

At the Annual General Meeting held on 2 March 2026, the shareholders approved a cash dividend distribution of 25% of the share capital amounting to AED 115,468 thousand (AED 25 fils per share) for the year ended 31 December 2025 (At the Annual General Meeting held on 28 February 2025, the shareholders approved a cash dividend distribution of 20% of the share capital amounting to AED 92,374 thousand (AED 20 fils per share) for the year ended 31 December 2024).

23 Other information

- a) The Group established operations in Qatar on 6 January 2008 through an agency agreement entered with a local sponsor valid for an indefinite period. On 25 February 2019, the Qatar Central Bank ("QCB") did not accept the Group's application to open a foreign branch. Accordingly, the Group's management has taken the decision to no longer issue new policies in the State of Qatar. The Group will continue to service the existing policies as per the applicable conditions of the underlying contracts.
- b) The Group's subsidiaries, OIC Corporate Member Limited and Oman Insurance Management Services Limited, resolved to cease active underwriting operations, effective from 31 July 2026.

24 Corporate income tax

The Group 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 tax expense for the period ended 30 September 2026 is AED 64,294 thousand (30 September 2025: AED 46,256 thousand). The Effective Tax Rate ("ETR") of 14.66% (30 September 2025: 15.26%).

25 Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on 28 October 2026.