

Al Sagr National Insurance Company (PSC)

Condensed interim financial information (Unaudited)

For the nine-month period ended 30 September 2025

**Report on Review of the Condensed Interim Financial Information
To the Shareholders of Al Sagr National Insurance Company (PSC)**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al Sagr National Insurance Company (PSC) (the “Company”) as at 30 September 2025 and the condensed interim statement of comprehensive income for the three-month and nine-month period then ended, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine-month period then ended, material accounting policy information and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard IAS 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of condensed 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.

Basis for Disclaimer of Conclusion

The Company incurred a total comprehensive loss of AED 67.8 million for the period ended 30 September 2025 and accumulated losses of the Company have reached AED 248.8 million as at 30 September 2025, which represents 108% of the share capital and the Company reported a net deficit of AED 12.6 million.



Further, as disclosed in Note 18, the Company is not in compliance with the solvency requirements of Central Bank of the UAE (CBUAE).

We have not been provided with sufficient appropriate evidence to support the Company’s ability to continue as a going concern. These circumstances indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Accordingly, we were unable to conclude on the appropriateness of the going concern basis of preparation of this condensed interim financial information or determine whether any adjustments were necessary in respect of this matter.

Disclaimer of Conclusion

Due to the significance of the matters described in the *Basis for Disclaimer of Conclusion* paragraph, we have not been able to obtain sufficient appropriate evidence to provide a conclusion on the accompanying condensed interim financial information. Accordingly, we do not express a conclusion on this condensed interim financial information as at 30 September 2025.

GRANT THORNTON UAE



Anand Prabhu
Registration No. 5567
Dubai, United Arab Emirates

14 November 2025

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Condensed interim statement of financial position
As at 30 September 2025

| | | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED |
|---|-------|--|---|
| ASSETS | Notes | | |
| Property and equipment | | 7,894,674 | 9,173,720 |
| Investment in associates | 4 | 131,694,572 | 148,474,490 |
| Investment in financial assets at FVTPL | 5 | 21,536,630 | 20,008,354 |
| Investment property | 6 | 157,931,895 | 157,931,895 |
| Insurance contract assets | 7 | 57,971,147 | 125,191,875 |
| Reinsurance contract assets | 7 | 108,519,504 | 70,539,377 |
| Due from related parties | 11 | - | 8,793,779 |
| Other receivables and prepayments | | 19,925,188 | 17,141,454 |
| Cash and bank balances | 8 | 277,354,456 | 280,210,566 |
| TOTAL ASSETS | | 782,828,066 | 837,465,510 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 9 | 230,000,000 | 230,000,000 |
| Statutory reserve | 10 | - | - |
| Reinsurance reserve | 10 | 5,596,894 | 5,596,894 |
| Fair value reserve | | 642,025 | - |
| Accumulated losses | | (248,861,334) | (180,416,594) |
| Total (deficit) / equity | | (12,622,415) | 55,180,300 |
| Liabilities | | | |
| Employees' end of service indemnity | | 6,113,305 | 6,372,861 |
| Bank borrowings | 8 | 233,970,944 | 260,442,592 |
| Other payables | | 29,087,567 | 18,781,305 |
| Insurance contract liabilities | 7 | 384,041,950 | 311,787,072 |
| Reinsurance contract liabilities | 7 | 136,932,948 | 178,228,859 |
| Lease liability | | 5,303,767 | 6,672,521 |
| Total liabilities | | 795,450,481 | 782,285,210 |
| TOTAL EQUITY AND LIABILITIES | | 782,828,066 | 837,465,510 |

The condensed interim financial information were authorised for issue in accordance with a resolution of the Directors on 13 NOV 2025

Majid Abdulla Al Sari
Chairman

Abdel Muhssen Jaber
CEO

The notes from 1 to 19 form an integral part of these condensed interim financial information

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Condensed interim statement of comprehensive income
For the period ended 30 September 2025

| | Notes | Three-month period ended 30 September (Unaudited) | | Nine-month period ended 30 September (Unaudited) | |
|---|-------|--|---------------------|---|----------------------|
| | | 2025 AED | 2024 AED | 2025 AED | 2024 AED |
| UNDERWRITING INCOME | | | | | |
| Insurance revenue | | 181,023,861 | 234,417,791 | 602,484,252 | 714,063,127 |
| Insurance service expenses | 13 | (193,160,961) | (199,099,309) | (617,673,820) | (932,590,563) |
| Insurance service results before reinsurance contracts held | | (12,137,100) | 35,318,482 | (15,189,568) | (218,527,436) |
| Allocation of reinsurance premiums | | (40,434,758) | (66,917,430) | (133,790,768) | (207,864,887) |
| Amounts recoverable from reinsurance for incurred claims | | 18,795,795 | 33,429,104 | 111,794,375 | 339,983,122 |
| Net (expenses)/income from reinsurance contracts held | | (21,638,963) | (33,488,326) | (21,996,393) | 132,118,235 |
| Insurance service result | | (33,776,063) | 1,830,156 | (37,185,961) | (86,409,201) |
| Investment (expense)/income | 14 | (9,429,058) | 6,586,225 | (544,803) | 20,757,092 |
| Insurance finance expense for insurance contracts issued | 14 | (2,727,481) | (4,206,134) | (10,772,090) | (11,640,216) |
| Reinsurance finance income for reinsurance contracts held | 14 | 1,490,018 | 2,540,510 | 5,066,713 | 6,450,381 |
| Net insurance financial result | | (44,442,584) | 6,750,757 | (43,436,141) | (70,841,944) |
| Other operating expenses | | (2,056,547) | (4,411,334) | (19,248,705) | (10,907,499) |
| Finance costs | | (922,915) | (2,331,109) | (5,759,894) | (8,242,314) |
| (Loss) /Profit for the period | | (47,422,046) | 8,314 | (68,444,740) | (89,991,757) |
| Share of other comprehensive income from equity accounted investees | | 80,766 | - | 642,025 | - |
| Total comprehensive (loss) / income for the period | | (47,341,280) | 8,314 | (67,802,715) | (89,991,757) |
| Basic and diluted (loss) / earnings per share | 12 | (0.21) | 0.00 | (0.29) | (0.39) |

The notes from 1 to 19 form an integral part of these condensed interim financial information.

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Condensed interim statement of changes in equity
For the period ended 30 September 2025

| | Share capital AED | Statutory reserve AED | Reinsurance reserve AED | Fair value reserve AED | Accumulated losses AED | Total (deficit)/ equity AED |
|--|-------------------------|-----------------------------|-------------------------------|------------------------------|------------------------------|-----------------------------------|
| Balance as at 1 January 2024 (Audited) | 230,000,000 | 70,848,081 | 4,235,793 | - | (95,708,302) | 209,375,572 |
| Transfer (note 10) | - | (70,848,081) | - | - | 70,848,081 | - |
| Loss for the period | - | - | - | - | (89,991,757) | (89,991,757) |
| Other comprehensive income for the period | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | - | (89,991,757) | (89,991,757) |
| Balance as at 30 September 2024 (Unaudited) | 230,000,000 | - | 4,235,793 | - | (114,851,978) | 119,383,815 |
| Balance as at 1 January 2025 (Audited) | 230,000,000 | - | 5,596,894 | - | (180,416,594) | 55,180,300 |
| Loss for the period | - | - | - | - | (68,444,740) | (68,444,740) |
| Other comprehensive income for the period | - | - | - | 642,025 | - | 642,025 |
| Total comprehensive loss for the period | - | - | - | 642,025 | (68,444,740) | (67,802,715) |
| Balance as at 30 September 2025 (Unaudited) | 230,000,000 | - | 5,596,894 | 642,025 | (248,861,334) | (12,622,415) |

The notes from 1 to 19 form an integral part of these condensed interim financial information.

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Condensed interim statement of cash flows
For the period ended 30 September 2025

| | (Unaudited) Nine-month period ended 30 September 2025 AED | (Unaudited) Nine-month period ended 30 September 2024 AED |
|---|--|--|
| Notes | | |
| OPERATING ACTIVITIES | | |
| Loss for the period | (68,444,740) | (89,991,757) |
| <i>Adjustment for:</i> | | |
| Net unrealised (gain) from investments in financial assets at FVTPL | (1,528,276) | (354,537) |
| Share of losses/(profit) from equity accounted investees | 11,386,479 | (5,426,815) |
| Impairment of investment in associate | 6,035,464 | - |
| Depreciation | 1,279,046 | 1,803,224 |
| Finance costs | 5,759,894 | 8,242,314 |
| Interest income | (8,905,176) | (9,787,017) |
| Dividend income from investment in financial assets at FVTPL | (767,730) | - |
| Gain on sale of investment in financial assets at FVPTL | - | (64,269) |
| Loss on disposal of property and equipment | - | 6,750,806 |
| Provision for employees' end of service benefits | 973,715 | 720,000 |
| Interest on lease liability | 265,422 | 332,976 |
| | <u>(53,945,902)</u> | <u>(87,775,075)</u> |
| <i>Changes in operating assets and liabilities:</i> | | |
| Insurance contract assets and liabilities-net | 139,475,606 | 53,658,036 |
| Reinsurance contract assets and liabilities-net | (79,276,038) | (20,128,195) |
| Due from related parties | 8,793,779 | - |
| Other receivables and prepayments | (2,783,734) | (8,149,691) |
| Other payables | 10,306,262 | 10,737,769 |
| | <u>22,569,973</u> | <u>(51,657,156)</u> |
| Employees' end of service benefits paid | (1,233,271) | (639,494) |
| Net cash generated / (used in) from operating activities | <u>21,336,702</u> | <u>(52,296,650)</u> |
| INVESTING ACTIVITIES | | |
| Purchase of property and equipment | - | (253,659) |
| Net proceeds from sale of investment in financial assets at FVTPL | - | 1,158,100 |
| Net proceeds from sale of property and equipment | - | 70,000,000 |
| Purchase of shares in investment in associates | - | (31,350,400) |
| Dividends received from investment in financial assets at FVTPL | 767,730 | - |
| Interest received | 7,504,721 | 9,787,017 |
| Net cash generated from investing activities | <u>8,272,451</u> | <u>49,341,058</u> |
| FINANCING ACTIVITIES | | |
| Interest paid | (4,359,439) | (8,242,314) |
| Payment of lease liability | (1,634,176) | (1,503,606) |
| Net cash used in financing activities | <u>(5,993,615)</u> | <u>(9,745,920)</u> |
| Net change in cash and cash equivalents | <u>23,615,538</u> | <u>(12,701,512)</u> |
| Cash and cash equivalents, beginning of period | 19,767,974 | 49,275,689 |
| Cash and cash equivalents, end of period | 8 <u>43,383,512</u> | <u>36,574,177</u> |

The notes from 1 to 19 form an integral part of these condensed interim financial information.

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

1 Legal status and activities

Al Sagr National Insurance Company (PSC), (the "Company") was incorporated on 25 December 1979 as a public shareholding company by an Emiri Decree from His Highness, The Ruler of Dubai, and is registered with the Ministry of Economy of the United Arab Emirates under registration No. (16). The Company's address in Dubai is P.O. Box 14614, Dubai, U.A.E. The Company is a subsidiary of Gulf General Investments Co. PSC (the "Parent Company"), a public company incorporated in U.A.E.

The principal activity of the Company is the writing of insurance of all types. The Company operates through its Head Office in Dubai and its branches in Dubai, Sharjah, Abu Dhabi, Al Ain, Ras Al Khaimah and Ajman in the U.A.E.

2 Basis of preparation

This condensed interim financial information is for the nine-month period ended 30 September 2025 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. This condensed interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' and complies with the applicable requirements of the laws in the U.A.E.

This condensed interim financial information has been prepared on the historical cost basis, except for financial assets carried at fair value through profit or loss and other comprehensive income which are carried at fair value and the provision for employees' end of service indemnity which is measured in accordance with U.A.E labour laws.

The Company's condensed interim statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: Cash and bank balances, due from related parties, other receivables and other payables. The following balances would generally be classified as non-current: property and equipment and investment property. The following balances are of mixed nature (including both current and non-current portions): Investment in financial assets at FVTPL, investment in associates, insurance and reinsurance contract assets, insurance and reinsurance contract liabilities, lease liability, due from related parties and provision for employees' end of service indemnity.

The condensed interim financial information does not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2024. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

As disclosed in note 18 of this condensed interim financial information, as at 30 September 2025, the Company did not meet the Solvency Capital Requirement of AED 181 million and solvency margin deficit of AED 427 million. Further, the Company have accumulated losses of AED 249 million (31 December 2024: AED 180 million). Due to significant accumulated losses and non-compliance with solvency requirements as disclosed in Note 18, the Company's ability to continue operations is dependent on developing and implementing a revised solvency plan, subject to approval by the CBUAE and generating sufficient cash flows to meet its obligations.

These conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

During the period, the Parent Company has entered into administration. Trustees have been duly appointed by the Honorable Court to oversee the administration process.

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

3 Material accounting policy information

The accounting policies, significant accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2024, except for application of new standards effective as of 1 January 2025 and several amendments and interpretations apply for the first time in 2025.

Standards, interpretations and amendments to existing and new standards

There are no accounting pronouncements which have become effective from 1 January 2025 that have a significant impact on the condensed interim financial information.

Significant accounting estimates and judgments in applying accounting policies

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that effect 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 interim financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited financial statements as at and for the year ended 31 December 2024.

Insurance and financial risk management

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2024. There have been no changes in any risk management policies since the year end.

Discount rates

The Company use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an illiquidity premium). The risk-free rate was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a AAA credit rating were used. Management uses judgment to assess liquidity characteristics of the liability cash flows.

Discount rates applied for discounting of future cash flows are listed below:

| | 1 year | | 3 years | | 5 years | | 10 years | |
|----------------------------------|--------------|-------|--------------|-------|--------------|-------|--------------|-------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Insurance contract issued | 4.30% | 5.76% | 4.00% | 4.96% | 4.05% | 4.68% | 4.35% | 4.53% |
| Reinsurance contract held | 4.30% | 5.76% | 4.00% | 4.96% | 4.05% | 4.68% | 4.35% | 4.53% |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

4 Investment in associates

| | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED |
|--|---|---|
| Al Sagr Cooperative Insurance Company, K.S.A | 131,694,572 | 148,307,774 |
| Sogour Al Khaleej General Trading L.L.C., U.A.E. | 150,000 | 150,000 |
| Green Air Technology L.L.C., U.A.E. | 16,716 | 16,716 |
| Less: Impairment of investment in associates | (166,716) | - |
| | <u>131,694,572</u> | <u>148,474,490</u> |

The Company holds 50% and the Parent Company holds 25% ownership respectively in Green Air Technology L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates.

The Company holds 50% ownership in Sogour Al Khaleej General Trading L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates. The remaining 50% ownership is owned by the Parent Company.

The impairment of investment in associates includes complete impairment of Sogour Al Khaleej General Trading L.L.C. and Green Air Technology L.L.C., both based in the U.A.E.

As at 30 September 2025, the Company hold 26% shares of Al Sagr Cooperative Insurance Company ("Al Sagr Cooperative"). Out of the 26% shares, the Company holds 4.4% shares for the beneficial interest of other individuals. The Company accounts for the 21.6% holding as an investment in associate as the Company has significant influence over Al Sagr Cooperative under the equity method as follows:

| | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED |
|---|---|---|
| At the beginning of the period/year | 148,307,774 | 110,635,141 |
| Subscription of right shares during the period/year | - | 37,387,729 |
| Company's share of net (loss)/profit for the period/year | (11,386,479) | 4,467,550 |
| Company's share of other comprehensive income for the period/year | 642,025 | - |
| Impairment charged during the period/year | (5,868,748) | (4,182,646) |
| At the end of the period/year | <u>131,694,572</u> | <u>148,307,774</u> |

5 Investment in financial assets at FVTPL

Following is the movement of investments at FVTPL during the year:

| | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED |
|--|---|---|
| At the beginning of the period/year | 20,008,354 | 22,266,295 |
| Disposals during the period/year | - | (1,093,830) |
| Changes in fair value during the period/year | 1,528,276 | (1,164,111) |
| At the end of the period/year | <u>21,536,630</u> | <u>20,008,354</u> |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

6 Investment property

| | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED |
|---------------------|---|---|
| Investment property | <u>157,931,895</u> | 157,931,895 |

Investment property is located in Al Barsha First, Dubai. The fair value of the property is based on valuation performed by accredited independent valuer as at 31 December 2024. Management have reviewed the fair value of investment property as at 30 September 2025 and are of the opinion that there is no significant change in the fair value compared to previous valuation carried at 31 December 2024.

7 Insurance and reinsurance contracts

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

| | 30 September 2025 (Unaudited) | | | 31 December 2024 (Audited) | | |
|---|-------------------------------|----------------------|----------------------|----------------------------|---------------|---------------|
| | Assets | Liabilities | Net | Assets | Liabilities | Net |
| | AED | AED | AED | AED | AED | AED |
| Insurance contracts issued | | | | | | |
| Life and Medical General and Motor | 54,020,411 | (1,846,324) | 52,174,087 | - | (3,201,619) | (3,201,619) |
| | <u>3,950,736</u> | <u>(382,195,626)</u> | <u>(378,244,890)</u> | 125,191,875 | (308,585,453) | (183,393,578) |
| Total insurance contracts issued | <u>57,971,147</u> | <u>(384,041,950)</u> | <u>(326,070,803)</u> | 125,191,875 | (311,787,072) | (186,595,197) |
| Reinsurance contracts held | | | | | | |
| Life and Medical General and Motor | 3,239,586 | (111,530,707) | (108,291,121) | - | (94,966,694) | (94,966,694) |
| | <u>105,279,918</u> | <u>(25,402,241)</u> | <u>79,877,677</u> | 70,539,377 | (83,262,165) | (12,722,788) |
| Total reinsurance contracts held | <u>108,519,504</u> | <u>(136,932,948)</u> | <u>(28,413,444)</u> | 70,539,377 | (178,228,859) | (107,689,482) |

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

The Company disaggregates information to provide disclosure in respect of major product lines separately: Life & Medical and General & Motor. This disaggregation has been determined based on how the company is managed.

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the next page:

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

7 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

| | Life and Medical | | | General and Motor | | | Total |
|---|------------------------------------|--------------------|---|------------------------------------|--------------------|---|--------------------|
| | Liabilities for remaining coverage | | Liabilities for incurred claims | Liabilities for remaining coverage | | Liabilities for incurred claims | |
| | Excluding loss component AED | Loss component AED | Estimates of the present value of future cash flows AED | Excluding loss component AED | Loss component AED | Estimates of the present value of future cash flows AED | |
| 30 September 2025 (Unaudited) | | | | | | | |
| Insurance contract liabilities as at 1 January | (76,943,931) | 3,208,350 | 75,430,894 | 112,219,254 | 9,857,118 | 178,714,868 | 311,787,072 |
| Insurance contract assets as at 1 January | - | - | - | (243,694,222) | 1,363,236 | 113,468,947 | (125,191,876) |
| Net contract liabilities as at 1 January | (76,943,931) | 3,208,350 | 75,430,894 | (131,474,968) | 11,220,354 | 292,183,815 | 186,595,196 |
| Insurance revenue | (182,122,760) | - | - | (420,361,492) | - | - | (602,484,252) |
| Insurance service expenses | 12,586,373 | (3,208,350) | 159,097,055 | 69,216,627 | (974,582) | 378,968,957 | 617,673,820 |
| Incurred claims and other expenses | - | - | 99,193,995 | - | - | 417,810,684 | 534,702,840 |
| Amortisation of insurance acquisition cash flows | 12,586,373 | - | - | 69,216,627 | - | - | 81,803,000 |
| Losses on onerous contracts and reversals of those losses | - | (3,208,350) | - | - | (974,582) | - | (4,182,932) |
| Changes to liabilities for incurred claims | - | - | 59,903,060 | - | - | (38,841,727) | (13,942,858) |
| Insurance service result | (169,536,387) | (3,208,350) | 159,097,055 | (351,144,865) | (974,582) | 378,968,957 | 15,189,568 |
| Insurance finance expenses | - | - | 1,471,299 | - | - | 8,889,421 | 10,772,090 |
| Total changes in the statement of comprehensive income | (169,536,387) | (3,208,350) | 160,568,354 | (351,144,865) | (974,582) | 387,858,378 | 25,961,658 |
| Cash flows | | | | | | | |
| Premiums received | 172,770,932 | 1 | - | 541,722,718 | 1 | - | 714,493,653 |
| Claims and other expenses paid | - | - | (198,382,524) | - | - | (339,429,117) | (537,811,641) |
| Insurance acquisition cash flows | (16,878,171) | - | - | (46,289,893) | - | - | (63,168,064) |
| Total cash flows | 155,892,761 | 1 | (198,382,524) | 495,432,825 | 1 | (339,429,117) | 113,513,948 |
| Net insurance contract liabilities as at 30 September | (90,587,557) | 1 | 37,616,724 | 12,812,992 | 10,245,773 | 340,613,076 | 326,070,802 |
| Insurance contract liabilities as at 30 September | (1,148,568) | - | 2,981,176 | 13,716 | 10,245,773 | 338,092,361 | 384,041,950 |
| Insurance contract assets as at 30 September | (89,438,989) | 1 | 34,635,548 | (6,591,199) | - | 2,520,715 | (57,971,147) |
| Net insurance contract liabilities as at 30 September | (90,587,557) | 1 | 37,616,724 | 12,812,993 | 10,245,773 | 340,613,076 | 326,070,802 |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

7 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

| 31 December 2024 (audited) | Life and Medical | | | General and Motor | | | Total AED |
|---|------------------------------------|-----------------------|--|------------------------------------|-----------------------|--|-----------------|
| | Liabilities for remaining coverage | | Liabilities for incurred claims | Liabilities for remaining coverage | | Liabilities for incurred claims | |
| | Excluding loss component AED | Loss component AED | Estimates of the present value of future cash flows AED | Excluding loss component AED | Loss component AED | Estimates of the present value of future cash flows AED | |
| Insurance contract liabilities as at 1 January | (2,350,304) | - | 130,052,675 | 17,420,537 | 2,327,407 | 123,744,285 | 279,427,369 |
| Insurance contract assets as at 1 January | - | - | - | (108,300,603) | - | 85,664,804 | (19,865,132) |
| Net contract liabilities as at 1 January | (2,350,304) | - | 130,052,675 | (90,880,066) | 2,327,407 | 209,409,089 | 259,562,237 |
| Insurance revenue | (455,859,540) | - | - | (487,195,831) | - | - | (943,055,371) |
| Insurance service expenses | 33,866,040 | 3,208,350 | 481,750,030 | 78,988,404 | 8,892,945 | 615,994,627 | 1,224,201,887 |
| Incurred claims and other expenses | - | - | 378,508,328 | - | - | 626,302,683 | 1,028,345,313 |
| Amortisation of insurance acquisition cash flows | 33,866,040 | - | - | 78,988,404 | - | - | 112,854,444 |
| Losses on onerous contracts and reversals of those losses | - | 3,208,350 | - | - | 8,892,945 | - | 12,101,295 |
| Changes to liabilities for incurred claims | - | - | 103,241,702 | - | - | (10,308,056) | 70,900,835 |
| Insurance service result | (421,993,500) | 3,208,350 | 481,750,030 | (408,207,427) | 8,892,945 | 615,994,627 | 281,146,516 |
| Insurance finance expenses | - | - | 4,477,941 | - | - | 8,459,143 | 13,402,842 |
| Total changes in the statement of comprehensive income | (421,993,500) | 3,208,350 | 486,227,971 | (408,207,427) | 8,892,945 | 624,453,770 | 294,549,358 |
| <i>Cash flows</i> | | | | | | | |
| Premiums received | 372,429,063 | - | - | 481,841,023 | 2 | - | 854,270,088 |
| Claims and other expenses paid | - | - | (540,849,752) | - | - | (541,679,044) | (1,082,528,796) |
| Insurance acquisition cash flows | (25,029,190) | - | - | (114,228,498) | - | - | (139,257,691) |
| Total cash flows | 347,399,873 | - | (540,849,752) | 367,612,525 | 2 | (541,679,044) | (367,516,399) |
| Net insurance contract liabilities as at 31 December | (76,943,931) | 3,208,350 | 75,430,894 | (131,474,968) | 11,220,354 | 292,183,815 | 186,595,196 |
| Insurance contract liabilities as at 31 December | (76,943,931) | 3,208,350 | 75,430,894 | 112,219,254 | 9,857,118 | 178,714,868 | 311,787,072 |
| Insurance contract assets as at 31 December | - | - | - | (243,694,222) | 1,363,236 | 113,468,947 | (125,191,876) |
| Net insurance contract liabilities as at 31 December | (76,943,931) | 3,208,350 | 75,430,894 | (131,474,968) | 11,220,354 | 292,183,815 | 186,595,196 |

**Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)**

Notes to the condensed interim financial information
For the period ended 30 September 2025

7 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

| | Life and Medical | | | General and Motor | | | Total AED |
|--|---------------------------------------|--|---|---------------------------------------|--|---|--------------|
| | Assets for remaining coverage | Amounts recoverable on incurred claims | Estimates of the present value of future cash flows | Assets for remaining coverage | Amounts recoverable on incurred claims | Estimates of the present value of future cash flows | |
| | Excluding loss recovery component AED | Loss component AED | Risk loss recovery component adjustment AED | Excluding loss recovery component AED | Loss component AED | Risk loss recovery component adjustment AED | |
| 30 September 2025 (Unaudited) | | | | | | | |
| Reinsurance contract assets as at 1 January | - | - | - | (18,048,498) | 788,570 | 83,958,418 | 3,840,887 |
| Reinsurance contract liabilities as at 1 January | (132,400,500) | 1,189,780 | 702,260 | (113,068,570) | 204,486 | 28,188,839 | 1,413,081 |
| Net reinsurance contract (liabilities)/ assets as at 1 January | (132,400,500) | 1,189,780 | 702,260 | (131,117,068) | 993,056 | 112,147,257 | 5,253,968 |
| An allocation of reinsurance premiums | (66,243,776) | - | - | (67,546,992) | - | - | - |
| Amounts recoverable from reinsurers for incurred claims | - | (1,189,780) | (328,446) | - | (886,459) | 45,105,067 | (260,108) |
| Amounts recoverable for incurred claims and other expenses | - | - | 512,606 | - | - | 146,182,625 | 6,961,598 |
| Loss-recovery on onerous underlying contracts and adjustments | - | (1,189,780) | - | - | (886,459) | - | - |
| Changes to amounts recoverable for incurred claims | - | - | (841,052) | - | - | (101,077,558) | (7,221,706) |
| Net income or expense from reinsurance contracts held | (66,243,776) | (1,189,780) | (328,446) | (67,546,992) | (886,459) | 45,105,067 | (260,108) |
| Reinsurance finance income | - | - | 14,600 | - | - | 3,978,033 | 196,101 |
| Effect of changes in non-performance risk of reinsurers | - | - | 78,989 | - | - | 68,507 | - |
| Total changes in the statement of comprehensive income | (66,243,776) | (1,189,780) | (313,846) | (67,546,992) | (886,459) | 49,151,607 | (64,007) |
| Cash flows | | | | | | | |
| Premiums paid | 70,929,988 | - | - | 174,966,437 | - | - | - |
| Amounts received | - | - | (86,670,585) | - | - | (63,020,122) | - |
| Total cash flows | 70,929,988 | - | (86,670,585) | 174,966,437 | - | (63,020,122) | - |
| Net reinsurance contract liabilities as at 30 September | (127,714,288) | - | 388,414 | (23,697,623) | 106,597 | 98,278,742 | 5,189,961 |
| Reinsurance contract assets as at 30 September | 739,094 | - | 11,540 | 10,160,487 | 106,597 | 90,163,295 | 4,849,539 |
| Reinsurance contract liabilities as at 30 September | (128,453,382) | - | 376,874 | (33,858,110) | - | 8,115,447 | 340,422 |
| Net reinsurance contract liabilities as at 30 September | (127,714,288) | - | 388,414 | (23,697,623) | 106,597 | 98,278,742 | 5,189,961 |

**Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)**

Notes to the condensed interim financial information
For the period ended 30 September 2025

7 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

| | Life and Medical | | | | General and Motor | | | | |
|---|---------------------------------------|--------------------|---|---------------------|---------------------------------------|--------------------|---|---------------------|---------------|
| | Assets for remaining coverage | | Amounts recoverable on incurred claims | | Assets for remaining coverage | | Amounts recoverable on incurred claims | | |
| | Excluding loss recovery component AED | Loss component AED | Estimates of the present value of future cash flows AED | Risk adjustment AED | Excluding loss recovery component AED | Loss component AED | Estimates of the present value of future cash flows AED | Risk adjustment AED | |
| 31 December 2024 (audited) | | | | | | | | | |
| Reinsurance contract assets as at 1 January | (16,453,659) | - | 56,237,363 | 1,100,255 | (25,410,098) | - | 100,773,173 | 4,762,499 | 121,009,533 |
| Reinsurance contract liabilities as at 1 January | - | - | - | - | (98,351,155) | - | 20,743,733 | 801,961 | (76,805,461) |
| Net reinsurance contract assets as at 1 January | (16,453,659) | - | 56,237,363 | 1,100,255 | (123,761,253) | - | 121,516,906 | 5,564,460 | 44,204,072 |
| An allocation of reinsurance premiums | (168,552,233) | - | - | - | (105,986,163) | - | - | - | (274,538,396) |
| Amounts recoverable from reinsurers for incurred claims | - | 1,189,780 | 209,374,581 | (445,127) | - | 993,054 | 208,117,781 | (549,934) | 418,680,135 |
| Amounts recoverable for incurred claims and other expenses | - | - | 164,792,666 | 2,056,578 | - | - | 279,725,467 | 9,689,709 | 456,264,420 |
| Loss-recovery on onerous underlying contracts and adjustments | - | 1,189,780 | - | - | - | 993,054 | - | - | 2,182,834 |
| Changes to amounts recoverable for incurred claims | - | - | 44,581,915 | (2,501,705) | - | - | (71,607,686) | (10,239,643) | (39,767,119) |
| Net income or expense from reinsurance contracts held | (168,552,233) | 1,189,780 | 209,374,581 | (445,127) | (105,986,163) | 993,054 | 208,117,781 | (549,934) | 144,141,739 |
| Reinsurance finance income | - | - | 2,177,859 | 47,131 | - | - | 4,984,352 | 239,441 | 7,448,783 |
| Effect of changes in non-performance risk of reinsurers | - | - | 124,094 | - | - | - | 101,456 | - | 225,550 |
| Total changes in the statement of comprehensive income | (168,552,233) | 1,189,780 | 211,676,534 | (397,996) | (105,986,163) | 993,054 | 213,203,589 | (310,493) | 151,816,072 |
| <i>Cash flows</i> | | | | | | | | | |
| Premiums paid | 52,605,392 | - | - | - | 98,630,348 | - | - | - | 151,235,740 |
| Amounts received | - | - | (232,372,131) | - | - | - | (222,573,236) | - | (454,945,367) |
| Total cash flows | 52,605,392 | - | (232,372,131) | - | 98,630,348 | - | (222,573,236) | - | (303,709,627) |
| Net reinsurance contract liabilities as at 31 December | (132,400,500) | 1,189,780 | 35,541,766 | 702,259 | (131,117,068) | 993,054 | 112,147,259 | 5,253,968 | (107,689,482) |
| Reinsurance contract assets as at 31 December | - | - | - | - | (18,048,498) | 788,570 | 83,958,418 | 3,840,887 | 70,539,377 |
| Reinsurance contract liabilities as at 31 December | (132,400,500) | 1,189,780 | 35,541,766 | 702,259 | (113,068,570) | 204,484 | 28,188,841 | 1,413,081 | (178,228,859) |
| Net reinsurance contract liabilities as at 31 December | (132,400,500) | 1,189,780 | 35,541,766 | 702,259 | (131,117,068) | 993,054 | 112,147,259 | 5,253,968 | (107,689,482) |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

8 Cash and bank balances

| | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED |
|------------------------------|---|---|
| Cash in hand | 201,110 | 146,608 |
| Bank balances: | | |
| Current accounts | 5,878,604 | 14,013,998 |
| Fixed deposits | 271,308,723 | 266,083,941 |
| Less: Expected credit losses | (33,981) | (33,981) |
| | <u>277,354,456</u> | <u>280,210,566</u> |

Fixed deposits with banks as at 30 September 2025 include AED 10 million (31 December 2024: AED 10 million) deposited in the name of the Company to the order of the Ministry of Economy and Trade of the United Arab Emirates as required by the Federal Decree Law No. (48) of 2023 (previously Federal Decree Law No. 6 of 2007, as amended), relating to Central Bank of UAE.

Fixed deposits amounting to AED 236 million (2024: AED 236 million) are under lien in respect of bank credit facilities granted to the Company. All fixed deposits with banks mature within different periods not exceeding one year from the date of deposit and carry interest rates between 3.9% to 4.5% (2024: 4% to 5.5%) per annum.

Cash and cash equivalents for the purpose of statement of cash flows is analysed as follows:

| | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED | (Unaudited) 30 September 2024 AED |
|---------------------------|---|---|--|
| Cash and bank balances | 277,354,456 | 280,210,566 | 264,986,620 |
| Bank borrowings | (233,970,944) | (260,442,592) | (228,412,443) |
| Cash and cash equivalents | <u>43,383,512</u> | <u>19,767,974</u> | <u>36,574,177</u> |

The Company has bank facilities in the form of overdrafts payable upon demand and bearing interest ranging from 4.4% to 4.9% per annum (2024: 4.5% to 5.8%). These facilities are secured by lien on fixed deposits amounting to AED 271 million (2024: AED 266 million). The bank overdraft limit provided under the facilities is AED 236 million (2024: AED 236 million).

9 Share capital

| | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED |
|--|---|---|
| Issued and fully paid 230,000,000 shares of AED 1 each (31 December 2024: 230,000,000 shares of AED 1 each) | <u>230,000,000</u> | <u>230,000,000</u> |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

10 Reserves

Statutory reserve

In accordance with the UAE Commercial Companies Law No. 32 of 2021 (the “Law”) and the Company’s Articles of Association, 10% of the profit for the year should be transferred to statutory reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except in the circumstances stipulated by the Law. During the period, no amount was transferred to the statutory reserve (2024: Nil).

During the period ended 30 September 2025, no statutory reserves were transferred to accumulated losses (2024: AED 71 million were transferred with the approval of general assembly and regulatory authority).

Reinsurance reserve

In accordance with CBUAE of Board of Directors’ Decision No. 23, Article 34, an amount of AED 1 million based on reinsurance share of premium at a rate of 0.5% was transferred from accumulated losses to reinsurance reserve during the year ended 31 December 2024. The reserve is not available for distribution and will not be disposed of without prior approval from Central bank of UAE.

11 Related parties

The Company, in the normal course of business, collects premiums from and settles claims of other businesses that fall within the definition of related parties as contained as IAS 24. These transactions are carried out at terms mutually agreed between the parties on an arm’s length basis. Key Management personnel comprise of Chairman and Directors.

Transactions with related parties

| | (Unaudited) Nine-month period ended 30 September 2025 AED | (Unaudited) Nine-month period ended 30 September 2024 AED |
|--|--|--|
| <i>Entities under common control</i> | | |
| Insurance revenue | 3,303,174 | 1,722,134 |
| Insurance service expenses | (924,598) | (428,559) |
| <i>Key managerial personnel remuneration</i> | | |
| Salaries and benefits | 2,192,088 | 2,091,509 |
| <i>Related parties’ balances</i> | | |
| | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED |
| Due from related parties | | |
| Entities under common control | 8,793,779 | 8,793,779 |
| Less: Expected credit losses | (8,793,779) | - |
| | - | 8,793,779 |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

12 Basic and diluted loss per share

Basic loss per share are calculated by dividing the loss for the period, net of directors' fees, by the weighted average number of shares outstanding during the period as follows:

| | Three-month period ended 30-September (Unaudited) 2025 | | Nine-month period ended 30-September (Unaudited) 2025 | |
|--|---|---------------------|--|---------------------|
| | 2024 | 2025 | 2024 | 2025 |
| (Loss) / Profit for the period (AED) | | <u>(47,341,280)</u> | 8,314 | <u>(67,802,715)</u> |
| Weighted average number of shares outstanding during the period | 230,000,000 | 230,000,000 | 230,000,000 | 230,000,000 |
| Basic and diluted loss per share (AED) | | <u>(0.21)</u> | (0.00) | <u>(0.29)</u> |

The Company does not have potentially diluted shares and accordingly, diluted loss per share equals basic loss per share.

13 Insurance service expense

| For the Nine-month period ended 30 September 2025 (Unaudited) | Life and medical AED | General and motor AED | Total AED |
|--|----------------------------|-----------------------------|--------------------|
| Incurred claims and other expenses | 100,221,843 | 434,480,997 | 534,702,840 |
| Amortisation of insurance acquisition cash flows | 12,586,373 | 69,216,627 | 81,803,000 |
| Reversals of losses on onerous contracts | (3,208,350) | (974,582) | (4,182,932) |
| Changes to liabilities for incurred claims | 58,135,497 | (52,784,585) | 5,350,912 |
| | <u>167,735,363</u> | <u>449,938,457</u> | <u>617,673,820</u> |

For the Nine-month period ended 30 September 2024
(Unaudited)

| | | | |
|--|--------------------|--------------------|--------------------|
| Incurred claims and other expenses | 291,906,494 | 476,524,541 | 768,431,035 |
| Amortisation of insurance acquisition cash flows | 27,193,096 | 56,884,020 | 84,077,116 |
| Losses on onerous contracts | - | 79,362 | 79,362 |
| Changes to liabilities for incurred claims | 67,492,720 | 12,510,330 | 80,003,050 |
| | <u>386,592,310</u> | <u>545,998,253</u> | <u>932,590,563</u> |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

13 Insurance service expense (continued)

| For the Three-month period ended 30 September 2025 (Unaudited) | Life and medical AED | General and motor AED | Total AED |
|--|----------------------------|-----------------------------|--------------------|
| Incurring claims and other expenses | 27,772,103 | 149,881,713 | 177,653,816 |
| Amortisation of insurance acquisition cash flows | 3,866,608 | 20,902,105 | 24,768,713 |
| (Reversal of losses) and losses on onerous contracts | (475,130) | 1,114,619 | 639,489 |
| Changes to liabilities for incurred claims | 28,290,798 | (38,191,855) | (9,901,057) |
| | <u>59,454,379</u> | <u>133,706,582</u> | <u>193,160,961</u> |
| | | | |
| For the Three-month period ended 30 September 2024 (Unaudited) | | | |
| Incurring claims and other expenses | 57,900,926 | 176,160,620 | 234,061,546 |
| Amortisation of insurance acquisition cash flows | 7,338,426 | 20,147,767 | 27,486,193 |
| (Reversal of losses) and losses on onerous contracts | (11,615,177) | 2,197,628 | (9,417,549) |
| Changes to liabilities for incurred claims | (10,215,037) | (42,815,844) | (53,030,881) |
| | <u>43,409,138</u> | <u>155,690,171</u> | <u>199,099,309</u> |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

14 Total investment income and net insurance financial result

The table below presents an analysis of total investment income and insurance finance result recognised in other comprehensive income ("OCI") in the period:

For the Nine-month period ended 30 September 2025
(Unaudited)

| | Total | | |
|--|--------------------|--------------------|---------------------|
| | AED | | |
| Investment expense | | | |
| Amounts recognised in the statement of comprehensive income | | | |
| Interest income | | | 8,905,176 |
| Rental income from investment property | | | 5,675,958 |
| Dividend income from investment in financial assets at FVTPL | | | 767,730 |
| Net unrealised gain from investments in financial assets at FVTPL | | | 1,528,276 |
| Impairment of investment in associates | | | (6,035,464) |
| Share of losses from equity accounted investees | | | (11,386,479) |
| | | | <u>(544,803)</u> |
| | Life and | General | |
| | medical | and motor | |
| | AED | AED | Total |
| | | | AED |
| Insurance finance expenses from insurance contracts issued | | | |
| Interest accreted to insurance contracts using current financial assumptions | (1,473,034) | (8,952,416) | (10,425,450) |
| Due to changes in interest rates and other financial assumptions | (28,417) | (318,223) | (346,640) |
| Total insurance finance expenses from insurance contracts issued | <u>(1,501,451)</u> | <u>(9,270,639)</u> | <u>(10,772,090)</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>(1,501,451)</u> | <u>(9,270,639)</u> | <u>(10,772,090)</u> |
| Reinsurance finance income from reinsurance contracts held | | | |
| Interest accreted to reinsurance contracts using current financial assumptions | 730,175 | 4,036,182 | 4,766,357 |
| Changes in non-performance risk of reinsurer | 78,989 | 68,507 | 147,496 |
| Due to changes in interest rates and other financial assumptions | 14,907 | 137,953 | 152,860 |
| Total reinsurance finance income from reinsurance contracts held | <u>824,071</u> | <u>4,242,642</u> | <u>5,066,713</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>824,071</u> | <u>4,242,642</u> | <u>5,066,713</u> |
| Total finance expenses and reinsurance finance income | <u>(677,380)</u> | <u>(5,027,997)</u> | <u>(5,705,377)</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>(677,380)</u> | <u>(5,027,997)</u> | <u>(5,705,377)</u> |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

14 Total investment income and net insurance financial result (continued)

The table below presents an analysis of total investment income and insurance finance result recognised in OCI in the period:

For the Nine-month period ended 30 September 2024
(Unaudited)

| | Total AED | | |
|--|----------------------------|-----------------------------|---------------------|
| Investment income | | | |
| Amounts recognised in the statement of comprehensive income | | | |
| Interest income | | | 9,787,017 |
| Rental income from investment property | | | 5,305,448 |
| Net unrealised gain from investments in financial assets at FVTPL | | | 354,537 |
| Gain on sale of investment in financial assets at FVTPL | | | 64,269 |
| Share of profit from equity accounted investees | | | 5,426,815 |
| Other expenses | | | (180,994) |
| | | | <u>20,757,092</u> |
| | Life and medical AED | General and motor AED | Total AED |
| Insurance finance expenses from insurance contracts issued | | | |
| Interest accreted to insurance contracts using current financial assumptions | (4,387,218) | (7,337,249) | (11,724,467) |
| Due to changes in interest rates and other financial assumptions | 49,558 | 34,693 | 84,251 |
| Total insurance finance expenses from insurance contracts issued | <u>(4,337,660)</u> | <u>(7,302,556)</u> | <u>(11,640,216)</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>(4,337,660)</u> | <u>(7,302,556)</u> | <u>(11,640,216)</u> |
| Reinsurance finance income from reinsurance contracts held | | | |
| Interest accreted to reinsurance contracts using current financial assumptions | 2,115,616 | 4,207,254 | 6,322,870 |
| Changes in non-performance risk of reinsurer | 110,090 | 19,542 | 129,632 |
| Due to changes in interest rates and other financial assumptions | (24,766) | 22,645 | (2,121) |
| Total reinsurance finance income from reinsurance contracts held | <u>2,200,940</u> | <u>4,249,441</u> | <u>6,450,381</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>2,200,940</u> | <u>4,249,441</u> | <u>6,450,381</u> |
| Total finance expenses and reinsurance finance income | <u>(2,136,720)</u> | <u>(3,053,115)</u> | <u>(5,189,835)</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>(2,136,720)</u> | <u>(3,053,115)</u> | <u>(5,189,835)</u> |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

14 Total investment income and net insurance financial result (continued)

The table below presents an analysis of total investment income and insurance finance result recognised in OCI in the period:

| For the Three-month period ended 30 September 2025 (Unaudited) | Total AED | | |
|--|-------------------------------------|--------------------------------------|----------------------|
| Investment expense | | | |
| Amounts recognised in the statement of comprehensive income | | | |
| Interest income | | | 3,070,346 |
| Rental income from investment property | | | 1,435,843 |
| Dividend income from investment in financial assets at FVTPL | | | 135,173 |
| Net unrealised gain from investments in financial assets at FVTPL | | | (592,360) |
| Impairment of investment in associates | | | (5,885,464) |
| Share of losses from equity accounted investees | | | (7,592,596) |
| | | | <u>(9,429,058)</u> |
| | Life and medical AED | General and motor AED | Total AED |
| Insurance finance expenses from insurance contracts issued | | | |
| Interest accreted to insurance contracts using current financial assumptions | (151,906) | (2,498,408) | (2,650,314) |
| Due to changes in interest rates and other financial assumptions | (5,834) | (71,333) | (77,167) |
| Total insurance finance expenses from insurance contracts issued | <u>(157,740)</u> | <u>(2,569,741)</u> | <u>(2,727,481)</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>(157,740)</u> | <u>(2,569,741)</u> | <u>(2,727,481)</u> |
| Reinsurance finance income from reinsurance contracts held | | | |
| Interest accreted to reinsurance contracts using current financial assumptions | 87,654 | 1,274,830 | 1,362,484 |
| Changes in non-performance risk of reinsurer | 2,836 | 81,680 | 84,516 |
| Due to changes in interest rates and other financial assumptions | 3,209 | 39,809 | 43,018 |
| Total reinsurance finance income from reinsurance contracts held | <u>93,699</u> | <u>1,396,319</u> | <u>1,490,018</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>93,699</u> | <u>1,396,319</u> | <u>1,490,018</u> |
| Total finance expenses and reinsurance finance income | <u>(64,041)</u> | <u>(1,173,422)</u> | <u>(1,237,463)</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>(64,041)</u> | <u>(1,173,422)</u> | <u>(1,237,463)</u> |

Al Sagr National Insurance Company (PSC)
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Notes to the condensed interim financial information
For the period ended 30 September 2025

14 Total investment income and net insurance financial result (continued)

The table below presents an analysis of total investment income and insurance finance result recognised in OCI in the period:

| For the Three-month period ended 30 September 2024 (Unaudited) | Total AED | | |
|--|----------------------------|-----------------------------|--------------------|
| Investment income | | | |
| Amounts recognised in the statement of comprehensive income | | | |
| Interest income | | | 3,356,160 |
| Rental income from investment property | | | 1,845,901 |
| Net unrealised gain from investments in financial assets at FVTPL | | | 372,639 |
| Gain on sale of investment in financial assets at FVTPL | | | 64,269 |
| Share of profit from equity accounted investees | | | 2,039,634 |
| Other expenses | | | <u>(1,092,378)</u> |
| | | | <u>6,586,225</u> |
| | Life and medical AED | General and motor AED | Total AED |
| Insurance finance expenses from insurance contracts issued | | | |
| Interest accreted to insurance contracts using current financial assumptions | (1,282,005) | (2,630,938) | (3,912,943) |
| Due to changes in interest rates and other financial assumptions | (41,535) | (251,656) | (293,191) |
| Total insurance finance expenses from insurance contracts issued | <u>(1,323,540)</u> | <u>(2,882,594)</u> | <u>(4,206,134)</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>(1,323,540)</u> | <u>(2,882,594)</u> | <u>(4,206,134)</u> |
| Reinsurance finance income from reinsurance contracts held | | | |
| Interest accreted to reinsurance contracts using current financial assumptions | 675,300 | 1,650,143 | 2,325,443 |
| Changes in non-performance risk of reinsurer | 121,322 | (124,734) | (3,412) |
| Due to changes in interest rates and other financial assumptions | 20,008 | 198,471 | 218,479 |
| Total reinsurance finance income from reinsurance contracts held | <u>816,630</u> | <u>1,723,880</u> | <u>2,540,510</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>816,630</u> | <u>1,723,880</u> | <u>2,540,510</u> |
| Total finance expenses and reinsurance finance income | <u>(506,910)</u> | <u>(1,158,714)</u> | <u>(1,665,624)</u> |
| Represented by: | | | |
| Amounts recognised in statement of comprehensive income | <u>(506,910)</u> | <u>(1,158,714)</u> | <u>(1,665,624)</u> |

Al Sagr National Insurance Company (PSC)
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For the period ended 30 September 2025

15 Segmental information

For management purposes the Company is organised into three operating segments, general insurance, life assurance and investments. These segments are the basis on which the Company reports its primary segment information:

| | For the Nine-month period ended 30 September 2025 (Unaudited) | | | |
|---|--|-----------------------------|--------------------|---------------------|
| | Life and medical AED | General and motor AED | Investments AED | Total AED |
| Insurance revenue | 182,122,760 | 420,361,492 | - | 602,484,252 |
| Insurance service expenses | (167,735,363) | (449,938,457) | - | (617,673,820) |
| Insurance service result before reinsurance contracts held | 14,387,397 | (29,576,965) | - | (15,189,568) |
| Allocation of reinsurance premiums | (66,243,776) | (67,546,992) | - | (133,790,768) |
| Amounts recoverable from reinsurance | 67,835,874 | 43,958,501 | - | 111,794,375 |
| Net income / (expense) from reinsurance contracts held | 1,592,098 | (23,588,491) | - | (21,996,393) |
| Insurance service result | 15,979,495 | (53,165,456) | - | (37,185,961) |
| Investment expense | - | - | (544,803) | (544,803) |
| Insurance finance expenses for insurance contracts issued | (1,501,451) | (9,270,639) | - | (10,772,090) |
| Reinsurance finance income for reinsurance contracts held | 824,071 | 4,242,642 | - | 5,066,713 |
| Net insurance financial result | 15,302,115 | (58,193,453) | (544,803) | (43,436,141) |
| Other operating expenses | | | | (19,248,705) |
| Finance costs | | | | (5,759,894) |
| Loss for the period | | | | (68,444,740) |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

15 Segmental information (continued)

| | For the Nine-month period ended 30 September 2024 (Unaudited) | | | |
|---|--|-----------------------------|--------------------|---------------------|
| | Life and medical AED | General and motor AED | Investments AED | Total AED |
| Insurance revenue | 363,176,821 | 350,886,306 | - | 714,063,127 |
| Insurance service expenses | (386,592,311) | (545,998,252) | - | (932,590,563) |
| Insurance service result before reinsurance contracts held | (23,415,490) | (195,111,946) | - | (218,527,436) |
| Allocation of reinsurance premiums | (134,072,208) | (73,792,679) | - | (207,864,887) |
| Amounts recoverable from reinsurance | 153,786,037 | 186,197,085 | - | 339,983,122 |
| Net income from reinsurance contracts held | 19,713,829 | 112,404,406 | - | 132,118,235 |
| Insurance service result | (3,701,661) | (82,707,540) | - | (86,409,201) |
| Investment income | - | - | 20,757,092 | 20,757,092 |
| Insurance finance expenses for insurance contracts issued | (4,337,660) | (7,302,556) | - | (11,640,216) |
| Reinsurance finance income for reinsurance contracts held | 2,200,940 | 4,249,441 | - | 6,450,381 |
| Net insurance financial result | (5,838,381) | (85,760,655) | 20,757,092 | (70,841,944) |
| Other operating expenses | | | | (10,907,499) |
| Finance costs | | | | (8,242,314) |
| Loss for the period | | | | <u>(89,991,757)</u> |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

15 Segmental information (continued)

| | For the Three-month period ended 30 September 2025 (Unaudited) | | | |
|---|---|-----------------------------|--------------------|---------------------|
| | Life and medical AED | General and motor AED | Investments AED | Total AED |
| Insurance revenue | 53,364,747 | 127,659,114 | - | 181,023,861 |
| Insurance service expenses | (59,454,378) | (133,706,583) | - | (193,160,961) |
| Insurance service result before reinsurance contracts held | (6,089,631) | (6,047,469) | - | (12,137,100) |
| Allocation of reinsurance premiums | (18,869,713) | (21,565,045) | - | (40,434,758) |
| Amounts recoverable from reinsurance | 22,883,758 | (4,087,963) | - | 18,795,795 |
| Net income / (expense) from reinsurance contracts held | 4,014,045 | (25,653,008) | - | (21,638,963) |
| Insurance service result | (2,075,586) | (31,700,477) | - | (33,776,063) |
| Investment expense | - | - | (9,429,058) | (9,429,058) |
| Insurance finance expenses for insurance contracts issued | (157,740) | (2,569,741) | - | (2,727,481) |
| Reinsurance finance income for reinsurance contracts held | 93,699 | 1,396,319 | - | 1,490,018 |
| Net insurance financial result | (2,139,627) | (32,873,899) | (9,429,058) | (44,442,584) |
| Other operating expenses | | | | (2,056,547) |
| Finance costs | | | | (922,915) |
| Loss for the period | | | | (47,422,046) |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2025

15 Segmental information (continued)

| | For the Three-month period ended 30 September 2024 (Unaudited) | | | |
|---|--|-----------------------------|--------------------|---------------|
| | Life and medical AED | General and motor AED | Investments AED | Total AED |
| Insurance revenue | 106,424,584 | 127,993,207 | - | 234,417,791 |
| Insurance service expenses | (43,409,138) | (155,690,171) | - | (199,099,309) |
| Insurance service result before reinsurance contracts held | 63,015,446 | (27,696,964) | - | 35,318,482 |
| Allocation of reinsurance premiums | (41,340,798) | (25,576,632) | - | (66,917,430) |
| Amounts recoverable from reinsurance | 5,024,072 | 28,405,032 | - | 33,429,104 |
| Net (expenses) / income from reinsurance contracts held | (36,316,726) | 2,828,400 | - | (33,488,326) |
| Insurance service result | 26,698,720 | (24,868,564) | - | 1,830,156 |
| Investment income | - | - | 6,586,225 | 6,586,225 |
| Insurance finance expenses for insurance contracts issued | (1,323,539) | (2,882,595) | - | (4,206,134) |
| Reinsurance finance income for reinsurance contracts held | 816,630 | 1,723,880 | - | 2,540,510 |
| Net insurance financial result | 26,191,811 | (26,027,279) | 6,586,225 | 6,750,757 |
| Other operating expenses | | | | (4,411,334) |
| Finance costs | | | | (2,331,109) |
| Loss for the period | | | | 8,314 |

The following is an analysis of the Company's assets, liabilities and equity classified by segment:

| | As at 30 September 2025 (Unaudited) | | | |
|-------------------|-------------------------------------|-----------------------------|--------------------|--------------|
| | Life and medical AED | General and motor AED | Investments AED | Total AED |
| Total assets | 11,806,969 | 459,858,000 | 311,163,097 | 782,828,066 |
| Total equity | 7,346,451 | (19,968,866) | - | (12,622,415) |
| Total liabilities | 4,460,520 | 790,989,961 | - | 795,450,481 |

| | As at 31 December 2024 (Audited) | | | |
|-------------------|----------------------------------|-----------------------------|--------------------|--------------|
| | Life and medical AED | General and motor AED | Investments AED | Total AED |
| Total assets | 8,567,385 | 502,483,387 | 326,414,738 | 837,465,510 |
| Total equity | 7,683,641 | 47,496,659 | - | 55,180,300 |
| Total liabilities | 883,744 | 781,401,466 | - | 782,285,210 |

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

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For the period ended 30 September 2025

16 Fair value measurement

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

| | Level 1 AED | Level 3 AED | Total AED |
|--------------------------------------|-------------------|--------------------|--------------------|
| 30 September 2025 (Unaudited) | | | |
| <i>Financial assets</i> | | | |
| Financial assets at FVTPL (note 5) | 20,184,001 | 1,352,629 | 21,536,630 |
| <i>Non-financial assets</i> | | | |
| Investment property (note 6) | - | 157,931,895 | 157,931,895 |
| | <u>20,184,001</u> | <u>159,284,524</u> | <u>179,468,525</u> |
| | | | |
| 31 December 2024 (Audited) | | | |
| <i>Financial assets</i> | | | |
| Financial assets at FVTPL (note 5) | 19,043,719 | 964,635 | 20,008,354 |
| <i>Non-financial assets</i> | | | |
| Investment property (note 6) | - | 157,931,895 | 157,931,895 |
| | <u>19,043,719</u> | <u>158,896,530</u> | <u>177,940,249</u> |

17 Contingent liabilities and commitments

| | (Unaudited) 30 September 2025 AED | (Audited) 31 December 2024 AED |
|----------------------|---|---|
| Letters of guarantee | <u>11,714,113</u> | <u>11,705,951</u> |

Contingent liabilities

The Company in common with other insurance companies, is involved as defendant in a number of legal cases in respect of its underwriting activities. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Company in terms of an outflow of economic resources and are liable estimate of the amount of outflow can be made.

Al Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

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For the period ended 30 September 2025

18 Capital risk management

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. During the period, the Company has not fully complied with the externally imposed capital requirements as shown in the table below. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. 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 required Solvency Margins.

| | (Unaudited) | (Audited) |
|--|----------------------|----------------------|
| | 30 September | 31 December |
| | 2025 | 2024 |
| | AED | AED |
| Minimum Capital Requirement (MCR) | 100,000,000 | 100,000,000 |
| Solvency Capital Requirement (SCR) | 181,102,000 | 301,535,000 |
| Minimum Guarantee Fund (MGF) | 158,486,000 | 168,756,000 |
| Basic Own Funds | (245,682,000) | (176,060,000) |
| MCR Solvency Margin - Minimum Capital Requirement deficit | (345,682,000) | (276,060,000) |
| SCR Solvency Margin - Solvency Capital Requirement deficit | (426,785,000) | (477,595,000) |
| MGF Solvency Margin – Minimum Guarantee Fund deficit | <u>(404,168,000)</u> | <u>(344,817,000)</u> |

As per Article (8) of Section 2 of the financial regulations issued for insurance companies in UAE, the Company shall at all times comply with the requirements of Solvency Margins. As of 30 September 2025, the Company had minimum capital requirement deficit, solvency capital requirement deficit, minimum guarantee fund deficit of AED 346 million, AED 427 million and AED 404 million as compared to requirements of AED 100 million, AED 181 million and AED 158 million respectively. The Company's ability to comply with the solvency requirements depends on the effective implementation of the solvency recovery plan submitted to the Central Bank of UAE.

19 Comparatives

Comparative figures have been reclassified in order to conform to current period's presentation and improve the quality of information presented. However, there is no effect on previously reported total assets, total equity, total liabilities, and profit for the period.