Creditors' Announcement

Reduction of the Capital of

Islamic Arab Insurance Company (PJSC)

21 October 2025

Islamic Arab Insurance Company PJSC (the "**Company**") announces that the general assembly of the Company, in its meeting held on Thursday, 16 October 2025, has approved by way of a special resolution to (i) reduce the Company's share capital, and (ii) following the completion of the capital reduction process, to increase the Company's share capital, and authorized any member of the board of directors individually to take all the necessary steps to implement the following:

1. **Capital Reduction**

The reduction of the Company's issued share capital from AED 939,588,998 (nine hundred thirty-nine million, five hundred eighty-eight thousand, nine hundred ninety-eight UAE dirhams) to AED 483,021,183 (four hundred eighty-three million, twenty-one thousand, one hundred eighty-three UAE dirhams), based on the external auditor's report regarding the capital reduction, which was presented to the General Assembly at its aforementioned meeting.

The capital reduction shall be effected on 8 December 2025 by:

a) the extinction of all the accumulated losses amounting up to AED 443,861,155 (four hundred forty- three million, eight hundred sixty one thousand, one hundred fifty five UAE dirhams) through the cancellation, on a pro rata basis, of up to 439,737,326 (four hundred thirty-nine million, seven hundred thirty seven thousand, three hundred twenty six) shares at a value of AED (1) per share and the utilisation of an amount of AED 4,123,829 (four million, one hundred twenty-three thousand eight hundred twenty-nine UAE dirhams) from the statutory reserve to offset the remaining portion of the accumulated losses; and

b) the cancellation of up to 16,830,489 (sixteen million, eight hundred thirty thousand, four hundred eighty-nine) treasury shares as reflected in the audited financial statements of the Company as of 31 December 2024

Accordingly, the Company's Board of Directors has resolved to start the submission to the competent authorities an application to reduce the Company's share capital from AED 939,588,998 (nine hundred and thirty-nine million, five hundred and eighty-eight thousand, nine hundred and ninety-eight) to AED 483,021,183 (four hundred and eighty-three million, twenty-one thousand, one hundred and eighty-three), as set out in this announcement.

Therefore, the share capital of the Company shall become on the said date AED 483,021,183 (four hundred eighty-three million, twenty-one thousand, one hundred eighty-three UAE dirhams), divided into 483,021,183 (four hundred eighty-three million, twenty-one thousand, one hundred eighty-three) shares of AED 1.00 (one UAE dirhams) each. All of the Company's shares are of the same class and equal to one another in rights and obligations.

2. **Issuance of Mandatory Convertible Sukuk ("MCS") and Related Capital Increase**

   Subject to completing the capital reduction process and obtaining all required regulatory approvals (including the approval of the Central Bank of the UAE), the issuance of MCS with an aggregate value of up to AED 175,000,000 (one hundred seventy-five million UAE dirhams) through a special purpose vehicle to be established by the Company in an appropriate jurisdiction. The MCS shall be mandatorily convertible into new shares. For the purposes of converting/exchanging the MCS into ordinary shares, the share capital of the Company shall be increased by up to AED 175,000,000 through the issuance of up to 398,633,257 shares at a discount to nominal value, and a negative equity reserve of up to AED 223,633,257 shall be created in the Company's balance sheet in respect of such discount, in accordance with Article 198(1)(b) of UAE Federal Law by Decree No. 32 of 2021 for Commercial Companies (the "**Commercial Companies Law**").

Therefore, the Company invites all of its creditors to present to the Company, within thirty (30) days from the date of this announcement (no later than Thursday 20 November 2025), all documents evidencing their debts, by submitting them in person at the Company's headquarters located at Sheikh Rashid Road, Spectrum Building, 4th Floor, Block A, Oud Metha, Dubai, United Arab Emirates, for the attention of Mr. Ahmad Abdelrahim, Senior Manager, Legal & Compliance.

Islamic Arab Insurance Company PJSC