مقيدة تحت الرقم (١٧) بموجب القانون الاتحادي رقم (٦) لسنة ٢٠٠٧.
Registration No. (17) under Federal Law No. (6) of 2007.

Detailed analysis of accumulated losses

This form has been prepared in accordance with the disclosure requirements included in the SCA Board of Directors' Decision No. (32/R.M.) of 2019 concerning procedures for companies whose shares are listed on the market, and whose accumulated losses amount to (20%) or more of their paid-up capital. Listed Companies are required to comply with the provisions of the decision as soon as their accumulated losses reach (20%) or more of their paid-up capital.

Date:	13/11/2025
Name of the Listed Company:	Islamic Arab Insurance Company – SALAMA (p.s.c)
Define the period of the financial statements:	30/09/2025
Value of the Accumulated losses:	AED 440,288,300
Accumulated losses to paid-up capital ratio (%):	46.86%
The main reasons for accumulated losses and the period in which these losses began. (Determine the period in which these losses began to appear in the company's financial statements):	• Provision of AED 288,467,043 taken in 2024 against qualified assets linked to litigation ongoing since 2019. Despite the provision being taken in 2024 by restated opening balance of 2023, Salama will continue to pursue those legal cases to the maximum extent of the law. • Provisions of AED 28.02 taken in 2023million against the irrecoverable reinsurance share related to a large fire claim. • The devaluation of the Egyptian pound in 2023 against the UAE Dirham, coupled with prevailing inflation rates in Egypt, necessitated a goodwill impairment of AED 49 million from its subsidiaries, primarily in Egypt. • The company's 2023 profits were impacted by unrealized losses on shareholder investments amounting to AED 71.2 million, as well as provisions of AED 12.01 million for credit losses on other investments and receivables, in accordance with IFRS 9.

SALAMA
الشركة الإسلامية العربية للتأمين (ش.م.ع.)
ISLAMIC ARAB INSURANCE CO.(P.S.C.)
معاً. لمستقبل آمن.
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Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	The Board approved plan aims to offset accumulated losses through capital reduction which was presented in a General Assembly Meeting after obtaining preliminary regulatory approval. Other measures being taken by the company include asset reallocation and enhanced risk management to strengthen financial stability, improve liquidity, and ensure sustainable long-term growth.

The Measures that will be taken to deal with the accumulated losses and the approved plan				
Procedure / Procedures	**The time frame for implementing the procedure according to the approved plan**	**What has been implemented of the procedure and the percentage of implementation according to the approved plan**	**Reasons for not implementing the procedure or delaying its implementation according to the approved plan**	**Any modifications or changes made to the procedure**
Procedure 1	At the General Assembly held on 16 October 2025, shareholders approved the reduction of the Company's issued share capital.	At the General Assembly held on 16 October 2025, shareholders approved the reduction of the Company's issued share capital from AED 939.6 million to AED 483.0 million through the cancellation of accumulated losses and treasury shares.	-	-
Procedure 2	Shareholders also approved the issuance of Mandatory Convertible Sukuk ("MCS") of up to AED 175 million.	Shareholders also approved the issuance of Mandatory Convertible Sukuk ("MCS") of up to AED 175 million through a special purpose vehicle, mandatorily convertible into new shares. Upon conversion, the Company's share capital will increase by up to AED 175 million, creating a negative equity reserve of up to AED 223.6 million in accordance with Article 198(1)(b) of the UAE Commercial Companies Law.	-	-

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Procedure 3	Asset reallocation and enhanced risk management have already been initiated to strengthen financial stability, improve liquidity, and ensure sustainable long-term growth.	Starting in early 2024, actions have been taken to reallocate assets (55% complete) and enhance risk management (90% complete).	-	-

The Name of the Authorized Signatory	Mohamed Ali Bouabane
Designation	Group Chief Executive Officer
Signature and Date	13/11/2025
Company's Seal	سلامة SALAMA الشركة الإسلامية العربية للتأمين (ش.م.ع) ISLAMIC ARAB INSURANCE CO.(P.S.C.) DUBAI - U.A.E. (CEO)