

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:	03 April 2026
Name of the Listed Company:	Islamic Arab Insurance Company – SALAMA (PJSC)
Define the period of the financial statements:	31/12/2025
Value of the Accumulated losses:	AED 18,818,138
Accumulated losses to paid-up capital ratio (%):	3.90%
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):	<p>As at 31 December 2025, accumulated losses amount to AED 18,818,138, representing 3.9% of paid-up capital, well below the 20% regulatory threshold. The reported balance primarily represents the excess of cost over the nominal value of treasury shares, which is not permitted to be adjusted as part of the capital reduction, net of profit attributable for the financial year 2025.</p> <p>Losses prior to the capital reduction arose from non-recurring items in 2023–2024 including litigation provisions, reinsurance provisions, goodwill impairment, and investment losses. These have been addressed and are not indicative of ongoing performance.</p> <p>Accordingly, the Company is fully compliant and considers the accumulated losses position resolved.</p>

Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	The company has successfully completed the requirements and procedures to reduce the Capital and offset the accumulated losses amounting to AED 443,861,155 (through the cancellation, on a pro rata basis of cancellation of 439,737,326 shares and the utilization of an amount of AED 4,123,829 from the statutory reserves to offset the remaining portion of the accumulated losses).
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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	Capital reduction completed	100%		

Forward Outlook:

Management expects the accumulated losses ratio to remain comfortably below the regulatory threshold, with no indication of approaching the 20% level.

Conclusion:

All corrective actions completed. No further measures are needed.

The Name of the Authorized Signatory	Mohamed Ali Bouabane
Designation	Group Chief Executive Officer
Signature and Date	03 April 2026 
Company's Seal	 <p>سلامة SALAMA الشركة الإسلامية العربية للتأمين (ش.م.ع.) ISLAMIC ARAB INSURANCE CO.(P.S.C.) DUBAI - U.A.E. (CEO)</p>