FOR IMMEDIATE RELEASE

Salama Shareholders Approve Landmark Capital Restructuring to Strengthen Solvency and Regulatory Capital Position

- Shareholders approve capital reduction to offset accumulated losses and cancel treasury shares during the General Assembly held on 16 October 2025
- Following completion, and subject to final regulatory approvals, Salama will issue, through a special purpose vehicle, up to AED 175 million in Mandatory Convertible Sukuk (MCS) to a select group of strategic investors with confirmed participation interest
- The recapitalisation will reinforce Salama's solvency, regulatory capital position and balance sheet strength in line with requirements of the Central Bank of the UAE
- Strategic investors' participation reflects strong market confidence in Salama's fundamentals, governance and long-term stability

Dubai, UAE – October 17, 2025 – Islamic Arab Insurance Company (Salama) (DFM: "SALAMA"), one of the UAE's leading Takaful providers, has announced that the Company's shareholders have approved a capital reduction and subsequent capital increase as part of a comprehensive plan to restore solvency and reinforce its financial position in line with regulatory requirements of the Central Bank of the UAE.

At the General Assembly held on 16 October 2025, shareholders approved a capital reduction to offset accumulated losses and cancel treasury shares. Following completion and final approval by the Securities and Commodities Authority (SCA), Salama will proceed, through a special purpose vehicle, with the issuance of up to AED 175 million in Mandatory Convertible Sukuk (MCS) to a select group of strategic investors. The Sukuk will be mandatorily converted / exchanged into new shares under the approved terms.

This capital restructuring marks a critical milestone in Salama's ongoing efforts to reinforce solvency, ensure full regulatory compliance and provide a stable foundation for future operations.

Mohamed Ali Bouabane, Group Chief Executive Officer of Salama, commented:
"The approval of our capital restructuring plan marks an important step toward strengthening Salama's balance sheet and meeting all regulatory capital requirements. The continued support of our shareholders and strategic investors reflects strong confidence in the company's fundamentals and long-term stability.

Looking ahead, our focus will remain on generating tangible value for shareholders by maintaining strong underwriting discipline, optimising our expense base, strategically deploying capital and delivering superior claims service ensuring Salama remains a simpler, leaner and more resilient organisation."

The new capital will strengthen Salama's solvency position and ensure compliance with capital requirements of the Central Bank of the UAE, while supporting its well-diversified portfolio across product lines and geographies providing stability and multiple avenues for sustainable growth.

Salama reported steady financial improvement in the first half of 2025, with total equity rising to AED 351.84 million, a 5.2% increase compared to the previous year. The Company also achieved a net profit of AED 8.25 million and Takaful revenue of AED 515.36 million as of 30 June 2025, demonstrating disciplined operations and improved financial performance.

S&P Global Ratings recently affirmed Salama's long-term issuer credit and insurer financial strength rating at 'BBB-' with a Developing outlook, highlighting the Company's improving fundamentals and progress toward a stronger capital position.

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Notes to Editor

About Salama Islamic Arab Insurance Company
Salama Islamic Arab Insurance Company (Salama) is one of the world's largest and longest-established Shariah-compliant Takaful solutions providers listed on the Dubai Financial Market, with paid-up capital of AED 939 million.

Since its incorporation in 1979, Salama has been a pioneer in the Takaful industry, having won many industry awards and accolades. Salama's stability and success can be attributed to its customer-centric approach that keeps its customers and partners at the heart of the business, while staying committed to its Takaful principles. The company is recognised for providing the most competitive and diverse range of family, motor, general and health Takaful solutions that meet the ever-changing demand of its individual and corporate customers in the UAE and, through its extensive network of subsidiaries and associates, in Egypt and Algeria.

As the preferred Takaful provider for its partners and customers, Salama remains committed to shaping tomorrows, together.