

Watania International Holding (PJSC)

Condensed interim consolidated financial information
(Unaudited)

For the period ended 30 June 2025

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

Review report and consolidated interim financial information for the six-month period ended 30 June 2025

Table of Contents	Pages
Report on Review of Interim Financial Information	1
Condensed interim consolidated statement of financial position	2
Condensed interim consolidated statement of comprehensive income	3
Condensed interim consolidated statement of changes in equity	4
Condensed interim consolidated statement of cash flows	5-6
Notes to the condensed interim consolidated financial information	7-37

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The Shareholders
Watania International Holding (PJSC)
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Watania International Holding (PJSC) (the “Company”) and its subsidiaries (the “Group”) as of 30 June 2025. and the related statements of comprehensive income, changes in equity and cash flows for the six month period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Other matter

The consolidated financial statements of the Group for the year ended as at 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 19 March 2025. The interim financial information of the Group for the six-month period ended 30 June 2024 was reviewed by another auditor who expressed an unmodified conclusion on that information on 13 August 2024.

Deloitte & Touche (M.E.)




Signed by:
Firas Anabtawi
Registration No. 5482
13 August 2025
Dubai
United Arab Emirates

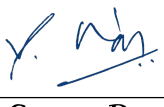
Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of financial position
As at 30 June 2025

	Notes	30 June 2025 (Unaudited) AED'000	31 December 2024 (Audited and restated) AED'000	31 December 2023 (Audited and restated) AED'000
ASSETS				
Investment properties	4	73,069	73,069	67,807
Property and equipment		12,412	14,676	15,131
Intangible assets		39,808	41,411	46,850
Investments at amortised cost	5	16,511	20,915	33,737
Investments at fair value through other comprehensive income (FVTOCI)	5	1,000	1,000	6,197
Investments at fair value through profit or loss (FVTPL)	5	515,126	476,205	427,521
Retakaful contract assets	6	296,927	298,256	103,519
Takaful contract assets	6	84	19	-
Trade and other receivables	7	47,978	52,924	68,438
Cash and bank balances	8	416,149	339,190	409,949
TOTAL ASSETS		1,419,064	1,317,665	1,179,149
EQUITY AND LIABILITIES				
EQUITY				
Share capital	9	260,156	260,156	260,156
Statutory reserve	10	12,390	12,390	9,828
Restricted reserve	10	7,359	7,359	5,383
Cumulative change in fair value of securities		-	-	199
Accumulated losses		(38,747)	(44,177)	(49,410)
Treasury shares	10	(12,788)	(7,554)	-
Reserves for treasury shares	10	4,048	2,282	-
Total equity		232,418	230,456	226,156
Liabilities				
Employees' end of service benefits		20,892	20,025	19,893
Deferred tax liability	15	4,591	4,496	3,909
Lease liability		5,386	6,066	7,557
Takaful contract liabilities	6	952,790	895,576	722,413
Retakaful contract liabilities	6	64,389	51,833	53,171
Trade and other payables	11	38,387	60,315	71,300
Current tax liability		211	23	-
Borrowings	12	100,000	48,875	74,750
Total liabilities		1,186,646	1,087,209	952,993
TOTAL EQUITY AND LIABILITIES		1,419,064	1,317,665	1,179,149

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Group.


Dr. Ali Saeed Bin Harmal Aldhaheri
Chairman


Mr. Gautam Datta
Chief Executive Officer

The notes from 1 to 23 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

		(Unaudited and restated) Three-month period ended 30 June 2025 AED'000	(Unaudited and restated) Three-month period ended 30 June 2024 AED'000	(Unaudited and restated) Six-month period ended 30 June 2025 AED'000	(Unaudited and restated) Six-month period ended 30 June 2024 AED'000
	Notes				
Income					
Takaful revenue	13	204,606	218,029	388,901	389,401
Takaful expenses	14	(200,448)	(215,908)	(383,861)	(380,966)
Investment income		11,186	6,307	14,198	12,270
Net operating income		15,344	8,428	19,238	20,705
Expenses					
General and administrative expenses		(6,321)	(7,235)	(10,967)	(12,467)
Amortisation of intangibles		(692)	(1,327)	(1,437)	(2,434)
Finance cost		(1,756)	(1,228)	(2,664)	(2,423)
Other income		1,293	3,071	1,543	4,134
Profit for the period before tax		7,868	1,709	5,713	7,515
Income tax expense	15	(390)	(179)	(283)	(635)
Profit for the period after tax		7,478	1,530	5,430	6,880
Other comprehensive loss					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Unrealised loss on investments at FVTOCI		-	(199)	-	(199)
		-	(199)	-	(199)
Total comprehensive income for the period		7,478	1,331	5,430	6,681
Earnings per share (AED)					
Basic and diluted	16	0.029	0.006	0.021	0.026

The notes from 1 to 23 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

	Share capital AED'000	Treasury Shares AED'000	Statutory reserve AED'000	Restricted reserve AED'000	Cumulative change in fair value of securities AED'000	Accumulated losses AED'000	Reserve for treasury shares AED'000	Total AED'000
As at 1 January 2024 (As previously reported)	260,156	-	9,828	5,383	199	(45,972)	-	229,594
Prior year adjustment (note 22)	-	-	-	-	-	(3,438)	-	(3,438)
As at 01 January 2024 (Audited and restated)	260,156	-	9,828	5,383	199	(49,410)	-	226,156
BOD remuneration fees	-	-	-	-	-	(1,199)	-	(1,199)
Profit for the period	-	-	-	-	-	6,880	-	6,880
Other comprehensive loss for the period	-	-	-	-	(199)	-	-	(199)
Total comprehensive (loss)/ income for the period (restated)	-	-	-	-	(199)	5,681	-	5,482
As at 30 June 2024 (Unaudited and restated)	260,156	-	9,828	5,383	-	(43,729)	-	231,638
As at 01 January 2025 (As previously reported)	260,156	(7,554)	12,621	7,359	-	(38,660)	2,282	236,204
Prior year adjustment (note 22)	-	-	(231)	-	-	(5,517)	-	(5,748)
As at 1 January 2025 (Audited and restated)	260,156	(7,554)	12,390	7,359	-	(44,177)	2,282	230,456
Total comprehensive income for the period	-	-	-	-	-	5,430	-	5,430
Purchase of Treasury shares (note 10)	-	(5,234)	-	-	-	-	1,766	(3,468)
As at 30 June 2025 (Unaudited)	260,156	(12,788)	12,390	7,359	-	(38,747)	4,048	232,418

The notes from 1 to 23 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

	(Unaudited) Six-month period ended 30 June 2025 AED'000	(Unaudited and restated) Six-month period ended 30 June 2024 AED'000
Cash flows from operating activities		
Profit before tax for the period	5,713	7,515
Adjustments for:		
Depreciation of property and equipment	1,361	1,465
Amortisation of intangibles	2,508	2,511
Write-off of property and equipment	259	234
Amortization of discount on investments at amortized cost	-	(192)
Unrealised (gain)/ loss on financial assets at FVTPL	(2,621)	932
Realised loss/ (gain) on financial assets at FVTPL	632	(360)
Income from dividends	(2,227)	(1,251)
Income from deposits	(5,513)	(8,258)
Income from investments held at amortised cost	(2,081)	(1,608)
Finance cost	2,664	2,423
Finance cost on lease liability	-	172
Rental income	(2,582)	(1,818)
Release on expected credit losses on receivables	(286)	(592)
Release on expected credit losses on investments	(2)	-
Provision for employees' end of service benefits	2,814	754
Operating cash flows before changes in working capital	639	1,927
Change in trade and other receivables	9,587	(7,606)
Change in retakaful contract assets and liabilities – net	13,820	(230,114)
Change in takaful contract assets and liabilities - net	54,707	217,180
Change in trade and other payables	(21,928)	(5,630)
Cash generated from/(used in) operations	56,825	(24,243)
Employee's end of service benefits paid	(1,947)	(326)
Net cash generated from/ (used in) operating activities	54,878	(24,569)
Cash flows from investing activities		
Purchase of property and equipment	(237)	(1,570)
Purchase of intangible assets	(24)	(614)
Proceeds from sale of investments carried at FVTPL	63,939	52,067
Purchase of equity investments carried at FVTPL	(98,364)	(29,175)
Proceeds from sale of investments carried at FVTOCI	-	4,998
Income received on deposits	1,122	3,434
Income received on investment held at amortised cost	1,797	968
Proceeds from redemption of investment held at amortised cost	4,406	5,013
Rental income received	2,902	1,261
Dividend received	2,227	1,250
(Purchase of)/ proceeds from sales of investments in wakala deposits – net	(83,255)	25,474
Net cash (used in)/ generated from investing activities	(105,487)	63,106

The notes from 1 to 23 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of cash flows (continued)
For the period ended 30 June 2024

	(Unaudited) Six-month period ended 30 June 2025 AED'000	(Unaudited and restated) Six-month period ended 30 June 2024 AED'000
Cash flows from financing activities		
Director's remuneration	-	(1,199)
Purchase of treasury shares	(3,468)	-
Proceeds from / (repayment) of murabaha facility	51,125	(12,937)
Lease payments	(680)	(533)
Finance costs paid	(2,664)	(2,423)
Net cash generated from/ (used in) financing activities	44,313	(17,092)
Net change in cash and cash equivalents	(6,296)	21,445
Cash and cash equivalents, beginning of period	123,111	78,350
Cash and cash equivalents, end of period (note 8)	116,815	99,795

The notes from 1 to 23 form an integral part of this condensed interim consolidated financial information.

Watania International Holding (PJSC)

Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information

For the period ended 30 June 2025

1 Legal status and activities

Watania International Holding (PJSC) was incorporated as a public joint stock company. During the year 2023, the Company's insurance license has been cancelled as it will be an investment holding company and changed its name from Dar Al Takaful (PJSC) to Watania International Holding (PJSC). The address of the Company is P.O. Box 235353, Dubai, United Arab Emirates.

The Company obtained its commercial license on 23 July 2008 and commenced operations on 1 September 2008.

The condensed interim financial information has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021.

The primary activity of the company includes investment in subsidiaries and securities such as agricultural, commercial, educational, energy, industrial, technological, and tourist enterprises & management, outer space projects, health care, sports, and water enterprises & development, oil & natural gas projects.

The Company with its subsidiaries is together referred to as the "Group" in this condensed interim consolidated financial information. Set out below are the details of the principal subsidiaries held directly by the Company, in UAE which is the country of their incorporation and principal place of business:

Name of subsidiary	Proportion of ownership interest		Principal activities
	30 June 2025	31 December 2024	
Watania Takaful Family (PJSC)	100%	100%	Family takaful and retakaful activities
Watania Takaful General (PJSC)	100%	100%	General takaful and retakaful activities

2 Basis of preparation

The condensed interim consolidated financial information are for the six-month period ended 30 June 2025 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Group. This condensed interim consolidated financial information have been prepared in accordance with IAS 34 'Interim Financial Reporting' and complies with the applicable requirements of the laws in the U.A.E. The condensed consolidated interim financial information does not include all the information required in annual financial information in accordance with IFRS Accounting Standards ("IFRS") and should be read in conjunction with the consolidated financial statements of the Group 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.

The Group presents its condensed interim consolidated statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current).

Basis of consolidation

The condensed interim consolidated financial information comprise the financial information of the Group and its subsidiaries as at 30 June 2025.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

2 Basis of preparation (continued)

Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Company's voting rights and potential voting rights

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3 Material accounting policy information

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

Standards, interpretations and amendments to existing standards

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

<u><i>New and revised IFRSs</i></u>	<u><i>Effective for annual periods beginning on or after</i></u>
Amendments to IAS 21 Lack of exchangeability	1 January 2025
Amendment to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025

These standards have been adopted by the Group and did not have a material impact on these condensed interim consolidated financial statements.

The Group has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

Critical accounting estimates and judgments in applying accounting policies

The preparation of this condensed interim consolidated 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 consolidated 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 consolidated financial statements as at and for the year ended 31 December 2024.

Insurance and financial risk management

The Group's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited consolidated 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.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

4 Investment properties

Investment properties comprise of buildings which are located in United Arab Emirates.

Management estimates that there has been no change in the fair value of investment properties during the six-month period ended 30 June 2025. The carrying value of the investment properties as at 30 June 2025 is AED 73.07 million (31 December 2024: AED 73.07 million). Investment properties are classified as Level 3 in the fair value hierarchy as at 30 June 2025 (31 December 2024: Level 3).

5 Investment in securities

Investment at amortised cost

Amortised cost investments comprise the following:

	(Unaudited) 30 June 2025 AED'000	(Audited) 31 December 2024 AED'000
Quoted debt securities inside U.A.E.	16,511	20,915
	<u>16,511</u>	<u>20,915</u>

The fair value of the investments at amortised cost amounted to AED 16.3 million as of 30 June 2025 (31 December 2024: AED 20.6 million). These investments yield rates ranging from 1.83% to 4.76% (2024: 1.83% to 4.76%).

Sukuk worth AED 12.8 million (31 December 2024: AED 17.2 million) are held in margin accounts against a guarantee of AED 14.8 million (31 December 2024: AED 14.8 million) and AED 4.4 million (31 December 2024: NIL) is marked against wakala deposit to issue takaful business related performance and tender bonds.

Investments at fair value through profit or loss

Investments at fair value through profit or loss comprises the following:

	(Unaudited) 30 June 2025 AED'000	(Audited) 31 December 2024 AED'000
Investment in mutual funds	342,606	339,011
Investment in debt securities	96,729	83,982
Investment in equity securities	75,791	53,212
	<u>515,126</u>	<u>476,205</u>
Quoted securities inside UAE	172,520	137,194
Unquoted securities inside U.A.E.	15,347	15,321
Unquoted securities outside U.A.E.	327,259	323,690
	<u>515,126</u>	<u>476,205</u>

Investments at fair value through other comprehensive income

Fair value through other comprehensive income comprises the following:

	(Unaudited) 30 June 2025 AED'000	(Audited) 31 December 2024 AED'000
Unquoted debt securities in U.A.E.	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

5 Investment in securities (continued)

The movement in investment in securities is as follows:

30 June 2025 (Unaudited)	Investments at FVTOCI AED'000	Investments at FVTPL AED'000	Investments at amortised cost AED'000	Total AED'000
At 1 January 2025 (Audited)	1,000	476,205	20,915	498,120
Addition during the period	-	98,364	-	98,364
Maturity during the year	-	-	(4,406)	(4,406)
Disposal during the period	-	(63,939)	-	(63,939)
Reversal of expected credit loss	-	-	2	2
Fair value gain recorded in the condensed interim consolidated statement of comprehensive income	-	4,496	-	4,496
At 30 June 2025	1,000	515,126	16,511	532,637
31 December 2024 (Audited)				
At 1 January 2024	6,197	427,521	33,737	467,455
Addition during the year	-	146,187	-	146,187
Maturity during the year	-	-	(13,173)	(13,173)
Disposal during the year	(4,998)	(128,873)	-	(133,871)
Amortisation of premiums	-	-	329	329
Expected credit loss	-	(5)	22	17
Fair value gain for investments recorded in the consolidated statement of comprehensive income (FVTPL investments- unit linked)	-	22,861	-	22,861
Fair value gain recorded in the consolidated statement of comprehensive income	-	8,514	-	8,514
Fair value loss recorded in the consolidated statement of comprehensive income	(199)	-	-	(199)
At 31 December 2024	1,000	476,205	20,915	498,120

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts

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

Takaful contracts issued

	(Unaudited) 30 June 2025			(Audited) 31 December 2024		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
General takaful	84	(380,798)	(380,714)	19	(426,218)	(426,199)
Medical takaful	-	(179,541)	(179,541)	-	(105,071)	(105,071)
Family takaful	-	(392,451)	(392,451)	-	(364,287)	(364,287)
Total takaful contracts issued	84	(952,790)	(952,706)	19	(895,576)	(895,557)

Retakaful contracts held

	(Unaudited) 30 June 2025			(Audited) 31 December 2024		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
General takaful	202,477	(716)	201,761	208,091	(3,307)	204,784
Medical takaful	82,534	(1,486)	81,048	85,087	(1,001)	84,086
Family takaful	11,916	(62,187)	(50,271)	5,078	(47,525)	(42,447)
Total retakaful contracts held	296,927	(64,389)	232,538	298,256	(51,833)	246,423

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
30 June 2025 (Unaudited)					
Takaful contract liabilities as at 1 January 2025 (Audited)	159,376	-	401,255	19,234	579,865
Less: Takaful contract assets as at 1 January 2025 (Audited)	(22)	-	3	-	(19)
Net takaful contract liabilities as at 1 January 2025 (Audited)	159,354	-	401,258	19,234	579,846
Takaful revenue	(382,143)	-	-	-	(382,143)
Takaful service expenses					
Incurred claims and other expenses	-	-	225,159	7,046	232,205
Net takaful acquisition costs	69,220	-	-	-	69,220
Losses on onerous contract	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	28,346	(7,198)	21,148
Takaful service result	(312,923)	-	253,505	(152)	(59,570)
Takaful finance expenses	-	-	5,901	-	5,901
Total changes in statement of comprehensive income	(312,923)	-	259,406	(152)	(53,669)
Cash flows					
Contributions received	408,922	-	-	-	408,922
Claims and other expenses paid	-	-	(225,647)	-	(225,647)
Direct attributable expense	-	-	(5,834)	-	(5,834)
Takaful acquisition cash flows	(75,298)	-	-	-	(75,298)
Total cash flows	333,624	-	(231,481)	-	102,143
Takaful contract liabilities as at 30 June 2025	180,142	-	429,180	19,082	628,404
Takaful contract assets as at 30 June 2025	(87)	-	3	-	(84)
Net takaful contract liabilities as at 30 June 2025	180,055	-	429,183	19,082	628,320

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
31 December 2024 (audited)					
Takaful contract liabilities as at 1 January 2024	175,071	297	236,325	9,577	421,270
Takaful revenue	(855,078)	-	-	-	(855,078)
Takaful service expenses					
Incurred claims and other expenses	-	-	700,503	25,582	726,085
Net takaful acquisition costs	151,338	-	-	-	151,338
Losses on onerous contract and reversals	-	(297)	-	-	(297)
Changes to liabilities for incurred claims	-	-	98,819	(15,925)	82,894
Takaful service result	(703,740)	(297)	799,322	9,657	104,942
Takaful finance expenses	-	-	3,263	-	3,263
Total changes in statement of comprehensive income	(703,740)	(297)	802,585	9,657	108,205
<i>Cash flows</i>					
Contributions received	842,762	-	-	-	842,762
Claims and other expenses paid	-	-	(626,310)	-	(626,310)
Direct attributable expense	-	-	(11,342)	-	(11,342)
Takaful acquisition cash flows	(154,739)	-	-	-	(154,739)
Total cash flows	688,023	-	(637,652)	-	50,371
Net takaful contract liabilities as at 31 December 2024					
Takaful contract liabilities as at 31 December 2024	159,376	-	401,255	19,234	579,865
Less: Takaful contract assets as at 31 December 2024	(22)	-	3	-	(19)
Net takaful contract liabilities as at 31 December 2024	159,354	-	401,258	19,234	579,846

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA

	Liability for remaining coverage		Liabilities for incurred claims	
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Total
30 June 2025 (Unaudited)	AED'000	AED'000	AED'000	AED'000
Takaful contract liabilities as at 1 January 2025 (Audited)	249,117	61,417	5,177	315,711
Takaful revenue	(6,758)	-	-	(6,758)
Takaful service expenses				
Incurred claims and other expenses	-	-	2,403	2,403
Net takaful acquisition costs	4,233	-	-	4,233
Losses on onerous contract and reversals	-	7,152	-	7,152
Changes to liabilities for incurred claims	-	-	(1,781)	(1,781)
Investment components	(23,828)	-	23,828	-
Takaful service result	(26,353)	7,152	24,450	5,249
Takaful finance expenses	2,724	77	20	2,821
Total changes in statement of comprehensive income	(23,629)	7,229	24,470	8,070
Cash flows				
Contribution received	40,757	-	-	40,757
Claims and other expenses paid	-	-	(25,127)	(25,127)
Takaful acquisition cash flows	(15,025)	-	-	(15,025)
Total cash flows	25,732	-	(25,127)	605
Net takaful contract liabilities as at 30 June 2025	251,220	68,646	4,520	324,386

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA (continued)

	Liability for remaining coverage		Liabilities for incurred claims	
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Total AED'000
31 December 2024 (Audited)				
Takaful contract liabilities as at 1 January 2024	262,094	35,688	3,361	301,143
Takaful revenue	(14,507)	-	-	(14,507)
Takaful service expenses				
Incurred claims and other expenses	-	-	3,925	3,925
Net takaful acquisition costs	7,328	-	-	7,328
Losses on onerous contract and reversals	-	25,763	-	25,763
Changes to liabilities for incurred claims	-	-	(2,942)	(2,942)
Investments component	(71,762)	-	71,762	-
Takaful service result	(78,941)	25,763	72,745	19,567
Takaful finance expenses	22,897	(34)	13	22,876
Total changes in statement of comprehensive income	(56,044)	25,729	72,758	42,443
<i>Cash flows</i>				
Contribution received	68,489	-	-	68,489
Claims and other expenses paid	-	-	(70,942)	(70,942)
Takaful acquisition cash flows	(25,422)	-	-	(25,422)
Total cash flows	43,067	-	(70,942)	(27,875)
Net takaful contract liabilities as at 31 December 2024	249,117	61,417	5,177	315,711

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA

	Estimates of present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
30 June 2025 (Unaudited)				
Takaful contract liabilities as at 1 January 2025 (Audited)	290,570	10,545	14,596	315,711
Changes that relate to current services				
CSM recognised for services provided	-	-	(1,190)	(1,190)
Change in risk adjustment for non- financial risk for risk expired	-	(678)	-	(678)
Experience adjustments	(2,896)	1,104	-	(1,792)
Changes that relate to future services				
Contracts initially recognised in the year	(7,679)	1,173	6,506	-
Changes in estimates that adjust the CSM	2,926	(70)	(2,856)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	10,550	141	-	10,691
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(651)	(1,131)	-	(1,782)
Takaful service result	2,250	539	2,460	5,249
Net finance expenses from takaful contracts	2,758	-	63	2,821
Total changes in the statement of comprehensive income	5,008	539	2,523	8,070
Cash flows				
Contributions received	40,757	-	-	40,757
Claims and other directly attributable expenses paid	(25,127)	-	-	(25,127)
Takaful acquisition cash flows paid	(15,025)	-	-	(15,025)
Total cash flows	605	-	-	605
Takaful contract liabilities as at 30 June 2025	296,183	11,084	17,119	324,386

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA (continued)

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
31 December 2024 (Audited)				
Takaful contract liabilities as at 1 January 2024	277,660	9,319	14,164	301,143
Changes that relate to current services				
CSM recognised for services provided	-	-	(1,990)	(1,990)
Change in risk adjustment for non-financial risk for risk expired	-	3,281	-	3,281
Experience adjustments	(8,516)	3,184	-	(5,332)
Changes that relate to future services				
Contracts initially recognised in the year	(13,014)	2,078	11,121	185
Changes in estimates that adjust the CSM	8,655	192	(8,846)	1
Changes in estimates that result in losses and reversals of losses on onerous contracts	30,765	(4,401)	-	26,364
Changes that relate to past services				
Adjustments to liabilities for incurred claims	166	(3,108)	-	(2,942)
Takaful service result	18,056	1,226	285	19,567
Net finance expenses from takaful contracts	22,729	-	147	22,876
Total changes in the statement of comprehensive income	40,785	1,226	432	42,443
Cash flows				
Contributions received	68,489	-	-	68,489
Claims and other directly attributable expenses paid	(70,942)	-	-	(70,942)
Takaful acquisition cash flows paid	(25,422)	-	-	(25,422)
Total cash flows	(27,875)	-	-	(27,875)
Takaful contract liabilities as at 31 December 2024	290,570	10,545	14,596	315,711

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)
Notes to the condensed interim consolidated financial information
For the period ended 30 June 2025

6 Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
30 June 2025 (Unaudited)					
Retakaful contract assets as at 1 January 2025 (Audited)	(422,533)	-	703,278	12,433	293,178
Retakaful contract liabilities as at 1 January 2025 (Audited)	(202,644)	-	147,859	2,952	(51,833)
Net retakaful contract (liabilities)/assets	(625,177)	-	851,137	15,385	241,345
An allocation of retakaful contributions	(145,115)	-	-	-	(145,115)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	133,933	2,380	136,313
Expenses directly attributable to reinsurance	-	-	(1,012)	-	(1,012)
Changes to amounts recoverable for incurred claims and other expenses	-	-	(46,761)	(2,777)	(49,538)
Net income or expense from retakaful contracts held	(145,115)	-	86,160	(397)	(59,352)
Retakaful finance income	-	-	12,197	-	12,197
Total changes in the statement of comprehensive income	(145,115)	-	98,357	(397)	(47,155)
Cash flows					
Retakaful contribution and expenses paid	44,417	-	-	-	44,417
Directly attributable expenses paid	-	-	1,011	-	1,011
Amounts received	-	-	(18,996)	-	(18,996)
Total cash flows	44,417	-	(17,985)	-	26,432
Net retakaful contract (liabilities)/assets as at 30 June 2025	(725,875)	-	931,509	14,988	220,622
Retakaful contract assets as at 30 June 2025	(510,125)	-	782,868	12,268	285,011
Retakaful contract liabilities as at 30 June 2025	(215,750)	-	148,641	2,720	(64,389)
Net retakaful contract (liabilities)/asset as at 30 June 2025	(725,875)	-	931,509	14,988	220,622

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
31 December 2024 (Audited)					
Retakaful contract assets as at 1 January 2024	(194,941)	-	296,385	2,075	103,519
Less: Retakaful contract liabilities as at 1 January 2024	(200,253)	-	157,431	4,337	(38,485)
Net retakaful contract (liabilities)/assets	(395,194)	-	453,816	6,412	65,034
An allocation of retakaful contributions	(359,143)	-	-	-	(359,143)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	319,366	6,676	326,042
Changes in fulfilment cash flows that do not adjust underlying CSM	-	-	-	-	-
Expenses directly attributable to retakaful	-	-	(2,092)	-	(2,092)
Changes to amounts recoverable for incurred claims and other expenses	-	-	134,680	2,297	136,977
Net income or expense from retakaful contracts held	(359,143)	-	451,954	8,973	101,784
Retakaful finance income	-	-	5,380	-	5,380
Total changes in the statement of comprehensive income	(359,143)	-	457,334	8,973	107,164
Cash flows					
Retakaful Contributions and expenses paid	129,160	-	-	-	129,160
Directly attributable expenses paid	-	-	2,136	-	2,136
Amounts received	-	-	(62,149)	-	(62,149)
Total cash flows	129,160	-	(60,013)	-	69,147
Net retakaful contract (liabilities)/assets as at 31 December 2024					
Retakaful contract assets as at 31 December 2024	(422,533)	-	703,278	12,433	293,178
Less: Retakaful contract liabilities as at 31 December 2024	(202,644)	-	147,859	2,952	(51,833)
Net retakaful contract (liabilities)/asset as at 31 December 2024	(625,177)	-	851,137	15,385	241,345

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA

	Assets for remaining coverage		Amounts recoverable on incurred claims	
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Total AED'000
30 June 2025 (Unaudited)				
Retakaful contract assets/(liabilities) as at 1 January 2025 (Audited)	(10,522)	13,849	1,751	5,078
Net retakaful contract assets/(liabilities) as at 1 January 2025 (Audited)	(10,522)	13,849	1,751	5,078
An allocation of retakaful contributions	(696)	-	-	(696)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	(40)	(40)
Changes in fulfilment cash flows that do not adjust underlying CSM	-	4,176	-	4,176
Expenses directly attributable to retakaful	-	-	(358)	(358)
Changes that relate to past services	-	-	1,054	1,054
Net income or expense from retakaful contracts held	(696)	4,176	656	4,136
Retakaful finance (expense) / income	(54)	-	7	(47)
Investment components and premium refunds	(8)	-	8	-
Total changes in the statement of comprehensive income	(758)	4,176	671	4,089
Cash flows				
Contributions paid	2,399	-	-	2,399
Directly attributable expenses paid	-	-	358	358
Amounts received	-	-	(8)	(8)
Total cash flows	2,399	-	350	2,749
Net retakaful contract assets/(liabilities) as at 30 June 2025	(8,881)	18,025	2,772	11,916

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims	
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Total AED'000
31 December 2024 (Audited)				
Net retakaful contract assets/(liabilities) as at 1 January 2024	(15,788)	192	910	(14,686)
An allocation of retakaful contributions	892	-	-	892
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	936	936
Changes in fulfilment cash flows that do not adjust underlying CSM	-	13,657	-	13,657
Expenses directly attributable to retakaful	-	-	(637)	(637)
Changes that relate to past service	-	-	49	49
Net income or expense from retakaful contracts held	892	13,657	348	14,897
Retakaful finance (expense) /income	(353)	-	3	(350)
Total changes in the statement of comprehensive income	539	13,657	351	14,547
<i>Cash flows</i>				
Contributions paid	4,728	-	-	4,728
Directly attributable expenses paid	-	-	639	639
Amounts received	-	-	(150)	(150)
Total cash flows	4,728	-	489	5,217
Net retakaful contract (liabilities)/assets as at 31 December 2024	(10,521)	13,849	1,750	5,078

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
30 June 2025 (Unaudited)				
Net Retakaful contract (liabilities)/assets as at 1 January 2025 (Audited)	(4,364)	4,592	4,850	5,078
Changes that relate to current services				
CSM retakaful for services provided	-	-	623	623
Change in risk adjustment for non- financial risk for risk expired	-	(1)	-	(1)
Experience adjustments	(1,676)	(40)	-	(1,716)
Changes that relate to future services				
Contracts initially recognised in the year	(218)	31	188	1
Changes in estimates that adjust the CSM	(175)	41	134	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	4,176	4,176
Changes that relate to past service	910	143	-	1,053
Net expenses from retakaful contracts	(1,159)	174	5,121	4,136
Net finance (expense)/income from retakaful contracts	(141)	-	94	(47)
Total changes in the statement of comprehensive income	(1,300)	174	5,215	4,089
Cash flows				
Contributions received	2,399	-	-	2,399
Claims and other directly attributable expenses paid	358	-	-	358
Recoveries from reinsurance	(8)	-	-	(8)
Total cash flows	2,749	-	-	2,749
Net retakaful contract (liabilities)/assets as at 30 June 2025	(2,915)	4,766	10,065	11,916

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA (continued)

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
31 December 2024 (Audited)				
Net retakaful contract (liabilities)/assets as at 1 January 2024	(9,002)	3,423	(9,107)	(14,686)
Changes that relate to current services				
CSM retakaful for services provided	-	-	1,519	1,519
Change in risk adjustment for non- financial risk for risk expired	-	982	-	982
Experience adjustments	(1,340)	30	-	(1,310)
Changes that relate to future services				
Contracts initially recognised in the year	(646)	76	570	-
Changes in estimates that adjust the CSM	1,638	25	(1,663)	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	13,657	13,657
Changes that relate to past service	(7)	56	-	49
Net expenses from retakaful contracts	(355)	1,169	14,083	14,897
Net finance expense from retakaful contracts	(224)	-	(126)	(350)
Total changes in the statement of comprehensive income	(579)	1,169	13,957	14,547
<i>Cash flows</i>				
Contributions received	4,728	-	-	4,728
Claims and other directly attributable expenses paid	639	-	-	639
Recoveries from reinsurance	(150)	-	-	(150)
Total cash flows	5,217	-	-	5,217
Net retakaful contract (liabilities)/assets as at 31 December 2024	(4,364)	4,592	4,850	5,078

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

6 Takaful and retakaful contracts (continued)

Reconciliation of the measurement components of takaful and retakaful contract balances measured under both PAA and Non-PAA as at:

30 June 2025 (Unaudited)	PAA AED'000	Non-PAA AED'000	Total AED'000
Takaful contract liabilities	628,404	324,386	952,790
Less: Takaful contract assets	(84)	-	(84)
Less: Retakaful contract assets	(285,011)	(11,916)	(296,927)
Retakaful contract liabilities	64,389	-	64,389
Net contract liabilities	407,698	312,470	720,168
31 December 2024 (Audited)	PAA AED'000	Non-PAA AED'000	Total AED'000
Takaful contract liabilities	579,865	315,711	895,576
Less: Takaful contract assets	(19)	-	(19)
Less: Retakaful contract assets	(293,178)	(5,078)	(298,256)
Retakaful contract liabilities	51,833	-	51,833
Net contract liabilities	338,501	310,633	649,134

7 Trade and other receivables

	(Unaudited) 30 June 2025 AED'000	(Audited) 31 December 2024 AED'000
Trade receivables	35,662	37,999
Other receivables	37,502	40,397
	73,164	78,396
Less: Expected credit losses	(25,186)	(25,472)
	47,978	52,924

8 Cash and bank balances

	(Unaudited) 30 June 2025 AED'000	(Audited) 31 December 2024 AED'000	(Unaudited) 30 June 2024 AED'000
Cash and bank balances	101,293	111,484	96,970
Wakala deposits	314,856	227,706	308,950
	416,149	339,190	405,920
Less: Restricted deposit	(10,000)	(10,000)	(16,000)
Less: Deposits under lien	(11,773)	(7,473)	(24,451)
Less: Deposits pledged against Murabaha facility	(100,400)	(61,900)	(61,900)
Less: Deposits with original maturities of more than three months	(177,161)	(136,706)	(203,774)
Cash and cash equivalents for the purpose of cash flows	116,815	123,111	99,795

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

8 Cash and bank balances (continued)

Wakala deposits

The wakala deposits carried an anticipated profit rate of 3.8% to 4.9% per annum (31 December 2024: 3.80% to 5.20% per annum). Deposits amounting to AED 100 million (2024: AED 100 million) are pledged for a Murabaha facility taken by the Group.

9 Share capital

	(Unaudited) 30 June 2025 AED'000	(Audited) 31 December 2024 AED'000
Issued and fully paid:		
260,156,250 ordinary shares of AED 1 each (31 December 2024: 260,156,250 ordinary shares)	<u>260,156</u>	<u>260,156</u>

10 Reserves

Statutory reserve

In accordance with U.A.E. Law No. (32) of 2021, the Group has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law. No transfer to the statutory reserve has been made during the six-months period ended 30 June 2025 (30 June 2024: Nil), as this will be based on the annual results for the year-end.

Restricted reserve

This reserve pertains to the subsidiaries which are takaful entities, and in accordance with article 34 of Central Bank of UAE' Board of Directors Decision No. 23 of 2019, concerning instructions organising Retakaful operations, the reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of UAE. No transfer to the restricted reserve has been made during the six-month period ended 30 June 2025 (six-month period ended 30 June 2024: Nil), as this will be based on the annual results for the year-end.

Treasury shares

The Group engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 30 June 2025, the Market Maker held 12,788,139 (December 31, 2024: 7,553,607) of Watania International Holding PJSC's shares on behalf of the Company, which are classified under equity as treasury shares at par value of AED 1 at 30 June 2025. During the period, the Company recorded Treasury Shares reserves of AED 4.0 million (December 31, 2024: AED 2.3 million) to reflect the discount on the acquisition of treasury shares.

At the end of the contract term with the Market Maker, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

11 Trade and other payables

	(Unaudited) 30 June 2025 AED'000	(Audited) 31 December 2024 AED'000
Trade payables	2,046	7,028
Other payables	36,341	53,287
	<u>38,387</u>	<u>60,315</u>

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

12 Borrowings

The Group obtained a Murabaha facility of AED 100 million with ENBD group (34.7 million on 30th January 2025 and 65.3 million on 10th Feb 2025) held at amortised cost. The facility was arranged to settle the previous facility balloon payment of 34.7M due in 2025 and intercompany balances of Watania Takaful General PJSC “WTG” and Watania Takaful Family PJSC “WTF”.

Total facility of AED 100 million carrying flexible profit rate of 3 months EIBOR plus 1.75% having a maturity period of 4 years with one year moratorium.

Other Murabaha arrangements are as follows:

Pledged collateral

- Pledger over Wakala deposits valued up to AED 100 million;
- Pledge over the shares of target entities i.e. WTF and WTG;
- A profit service reserve account will be maintained by the Company with bank that holds 6 months of profit service for outstanding facility amount at all the times;
- All proceeds from the operating target entities shall be deposited into a dividend account that the Company maintains with the bank; and
- Pledge over profit service reserve account and dividend account maintained with the bank.

Financial covenants

- A minimum capital requirement of AED 200 million.
- A minimum solvency coverage ratio of 100%.
- A minimum special purpose Liquid Assets Cover (cash plus marketable securities) of 100%; and
- Compliance with minimum guaranteed fund and net admissible assets requirements.

	(Unaudited) 30 June 2025 AED'000	(Audited) 31 December 2024 AED'000
Balance at the beginning of the period/year	48,875	74,750
Proceeds from/(repayment made) during the period/year	51,125	(25,875)
Balance at the end of the period/year	<u>100,000</u>	<u>48,875</u>

13 Takaful revenue

Three-month ended 30 June 2025 (Unaudited)

	General and motor AED'000	Medical AED'000	Group life AED'000	Individual life AED'000	Total AED'000
Contracts not measured under the PAA	-	-	-	3,416	3,416
Contracts measured under the PAA	78,721	109,327	13,142	-	201,190
	<u>78,721</u>	<u>109,327</u>	<u>13,142</u>	<u>3,416</u>	<u>204,606</u>

Three-month ended 30 June 2024 (Unaudited)

	General and motor AED'000	Medical AED'000	Group life AED'000	Individual life AED'000	Total AED'000
Contracts not measured under the PAA	-	-	-	1,426	1,426
Contracts measured under the PAA	85,684	96,548	34,371	-	216,603
	<u>85,684</u>	<u>96,548</u>	<u>34,371</u>	<u>1,426</u>	<u>218,029</u>

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

13 Takaful revenue (continued)

Six-month ended 30 June 2025 (Unaudited)

	General and motor AED'000	Medical AED'000	Group life AED'000	Individual life AED'000	Total AED'000
Contracts not measured under the PAA	-	-	-	6,758	6,758
Contracts measured under the PAA	146,502	194,092	41,549	-	382,143
	146,502	194,092	41,549	6,758	388,901

Six-month ended 30 June 2024 (Unaudited)

Contracts not measured under the PAA	-	-	-	82	82
Contracts measured under the PAA	159,170	172,805	57,344	-	389,319
	159,170	172,805	57,344	82	389,401

14 Takaful expenses

	(Unaudited) Three-month period ended 30 June 2025 AED'000	(Unaudited) Three-month period ended 30 June 2024 AED'000	(Unaudited) Six-month period ended 30 June 2025 AED'000	(Unaudited) Six-month period ended 30 June 2024 AED'000
Takaful service expense	206,602	367,290	334,580	556,776
Allocation of retakaful premiums	71,517	97,379	145,811	158,660
Amounts recoverable from retakaful for incurred claims	(75,934)	(242,907)	(90,595)	(326,284)
Takaful finance expenses/(income) for takaful contracts issued	12,805	(7,699)	8,722	15,288
Retakaful finance income for retakaful contracts held	(3,668)	(566)	(12,150)	(4,634)
Net (gain)/loss on investments at FVTPL (<i>unit-linked</i>)	(10,874)	2,411	(2,507)	(18,840)
	200,448	215,908	383,861	380,966

15 Corporate Tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax ("CT") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. Recently, in order to align with OECD's Global Minimum Tax effort (Pillar Two), the UAE Ministry of Finance (MoF) has introduced a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st January 2025. It is not foreseen that the Group's operations will be subject to the application of the Global Minimum Tax rate of 15%.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

15 Corporate Tax (continued)

The tables below show the details of the provision for current and deferred income tax credit / (expense):

	30 June 2025 (Unaudited) AED'000	30 June 2024 (Unaudited and restated) AED'000
Condensed interim consolidated statement of comprehensive income		
Current tax	188	920
Deferred tax	95	(285)
	283	635

Movement in net deferred tax liabilities:

	2025 AED'000	2024 (Restated) AED'000
<i>Deferred tax liabilities</i>		
Balance at the beginning of the period/year	4,496	3,909
Reversal of deferred tax liability on intangibles	-	(478)
Change in fair value of investments	95	591
Change in fair value of investment properties	-	474
Balance at the end of the period/year	4,591	4,496

16 Earnings per share

Earnings per share are calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	(Unaudited) Three-month period ended 30 June 2025	(Unaudited and restated) Three-month period ended 30 June 2024	(Unaudited) Six-month period ended 30 June 2025	(Unaudited and restated) Six-month period ended 30 June 2024
Profit after tax for the period attributable to shareholders (in AED'000)	7,478	1,530	5,430	6,880
Number of shares	260,156,250	260,156,250	260,156,250	260,156,250
Basic and diluted earnings per share (in AED)	0.029	0.006	0.021	0.026

Diluted earnings per share as of 30 June 2025 and 30 June 2024 are equivalent to basic earnings per share.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

17 Related party transactions

Related parties comprise companies and entities under common ownership and/or common management and control, their partners and key management personnel. The management decides on the terms and conditions of the transactions with related parties.

Related parties represent the major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties

Certain costs such as personnel costs, rent and utilities, advertising, legal and professional expenses, depreciation and other shared costs are incurred by Watania Takaful General (PJSC) (WTG), Watania Takaful Family (PJSC) (WTF) and Watania International Holding (PJSC) (WIH), which are shared on a mutually agreed basis. The shared service costs are allocated based on the approved allocation for the year, with different rates applied to certain expense categories (2024: 42.5% to WTG, 52.5% to WTF and 5% to WIH).

During the period, the Group entered the following transactions with the related parties:

	(Unaudited) Six-month period ended 30 June 2025 AED'000	(Unaudited) Six-month period ended 30 June 2024 AED'000	(Unaudited) Three-month period ended 30 June 2025 AED'000	(Unaudited) Three-month period ended 30 June 2024 AED'000
Takaful revenue/ (expenses)	6,726	7,334	(416)	209
Expenses/ (recoveries) recharged to related parties	11,241	10,425	7,115	(17,957)

Compensation of key management personnel

	(Unaudited) Six-month period ended 30 June 2025 AED'000	(Unaudited) Six-month period ended 30 June 2024 AED'000	(Unaudited) Three-month period ended 30 June 2025 AED'000	(Unaudited) Three-month period ended 30 June 2024 AED'000
Short-term benefits	3,798	3,637	1,899	1,825
Employees' end of service benefits	462	427	231	215
	4,260	4,064	2,130	2,040

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

18 Commitments and guarantees

Commitments

The Group has capital commitments amounting to AED 0.81 million as at 30 June 2025 (31 December 2024: AED 0.87 million).

Guarantees

As at 30 June 2025, the Group has outstanding bank guarantees amounting AED 267,000 (31 December 2024: AED 267,000).

Legal claims

The Group is subject to litigation in the normal course of its business. Based on independent legal advice, except for the provisions already made as at 30 June 2025 the management does not believe that the outcome of these court cases will have a material impact on the Group's consolidated performance or consolidated statement of financial position.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

19 Segment information

For management purposes the Group is organised into two business segments, takaful and investments. The takaful segment comprises of the takaful business undertaken by the subsidiaries of the Group on behalf of the policyholders. Investments comprise investment and cash management for the Group's own account. No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated based on profit or loss which in certain respects is measured differently from profit or loss in the financial information.

Segment income, expenses and results will include those transfers between business segments which will then be eliminated on consolidation as shown on the next page.

Three-month period ended 30 June 2025 (Unaudited)

	Takaful		Investments		
	General takaful AED'000	Group family (employee benefits) AED'000	Family Takaful AED'000	AED'000	Total AED'000
Takaful revenue	188,048	13,142	3,416	-	204,606
Takaful expenses	(185,125)	(12,172)	(3,151)	-	(200,448)
Investment income	8,864	460	-	1,862	11,186
Net operating income	11,787	1,430	265	1,862	15,344
General and administrative expenses	-	-	-	(6,321)	(6,321)
Amortisation of intangibles	-	-	-	(692)	(692)
Finance cost	-	-	-	(1,756)	(1,756)
Other income	-	-	-	1,293	1,293
Profit for the period before tax	11,787	1,430	265	(5,614)	7,868
Income tax expense (unallocated)					(390)
Profit for the period after tax					7,478

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

19 Segment information (continued)

Three-month period ended 30 June 2024 (Unaudited and restated)

	Takaful			Investments	
	General takaful	Group family	Family Takaful		Total
	AED'000	(employee	AED'000	AED'000	AED'000
		benefits)			
		AED'000	AED'000		
Takaful revenue	182,231	34,372	1,426	-	218,029
Takaful expenses	(174,287)	(36,335)	(5,286)	-	(215,908)
Investment income	4,283	-	-	2,024	6,307
Net operating income/(losses)	12,227	(1,963)	(3,860)	2,024	8,428
General and administrative expenses	-	-	-	(7,235)	(7,235)
Amortisation of intangibles	-	-	-	(1,327)	(1,327)
Finance cost	-	-	-	(1,228)	(1,228)
Other income	-	-	410	2,661	3,071
Profit/(loss) for the period before tax	12,227	(1,963)	(3,450)	(5,105)	1,709
Income tax expense (unallocated)					(179)
Profit/(loss) for the period after tax					1,530

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

19 Segment information (continued)

Six-month period ended 30 June 2025 (Unaudited)

	Takaful			Investments	
	General takaful	Group family	Family Takaful		Total
	AED'000	(employee benefits)	AED'000	AED'000	AED'000
Takaful revenue	340,594	41,549	6,758	-	388,901
Takaful expenses	(339,019)	(36,610)	(8,232)	-	(383,861)
Investment income	11,123	795	-	2,280	14,198
Net operating income/(losses)	12,698	5,734	(1,474)	2,280	19,238
General and administrative expenses	-	-	-	(10,967)	(10,967)
Amortisation of intangibles	-	-	-	(1,437)	(1,437)
Finance cost	-	-	-	(2,664)	(2,664)
Other income	-	-	-	1,543	1,543
Profit/(loss) for the period before tax	12,698	5,734	(1,474)	(11,245)	5,713
Income tax expense (unallocated)					(283)
Profit/(loss) for the period after tax					5,430

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

19 Segment information (continued)

Six-month period ended 30 June 2024 (Unaudited and restated)

	Takaful			Investments	
	General takaful	Group family	Family Takaful		Total
	AED'000	(employee	AED'000	AED'000	AED'000
		benefits)			
		AED'000	AED'000		
Takaful revenue	331,975	57,344	82	-	389,401
Takaful expenses	(317,312)	(59,778)	(3,876)	-	(380,966)
Investment income	8,524	-	-	3,746	12,270
Net operating income/(losses)	23,187	(2,434)	(3,794)	3,746	20,705
General and administrative expenses	-	-	-	(12,467)	(12,467)
Amortisation of intangibles	-	-	-	(2,434)	(2,434)
Finance cost	-	-	-	(2,423)	(2,423)
Other income	-	-	-	4,134	4,134
Profit/ (loss) for the period before tax	23,187	(2,434)	(3,794)	(9,444)	7,515
Income tax expense (unallocated)					(635)
Profit/(loss) for the period after tax					6,880

The following tables demonstrate other information related to each business segments:

	Takaful AED'000	Investment AED'000	Total AED'000
30 June 2025 (Unaudited)			
Total assets	1,155,964	263,100	1,419,064
Total liabilities	1,055,566	131,080	1,186,646
31 December 2024 (Audited and restated)			
Total assets	1,085,487	232,178	1,317,665
Total liabilities	1,007,724	79,485	1,087,209

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

20 Fair value measurements

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:

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	(Unaudited)	(Audited)				
	30 June 2025	31 December 2024				
	AED'000	AED'000				
Investments at FVTOCI						
Unquoted debt securities	1,000	1,000	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value.
Investments at FVTPL						
Quoted debt securities	96,729	83,982	Level 1	Quoted bid prices in an active market	N/A	N/A
Quoted equity securities	75,791	53,212	Level 1	Quoted bid prices in an active market	N/A	N/A
Mutual funds units	342,606	339,011	Level 2	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value.
	515,126	476,205				

21. Seasonality of results

No income of seasonal nature was recorded in the condensed interim statement of comprehensive income for the six-month period ended 30 June 2025 and 2024.

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

22. Prior year adjustments and comparative information

The comparative amounts as at 31 December 2024 and 1 January 2024 and for the six month period ended 30 June 2024 have been restated due to correction of prior period errors relating to the insurance portfolios acquired upon business combinations. The IFRS 4 intangibles should have been derecognized and consolidation adjustments eliminating deferred acquisition costs should have been no longer required upon first-time adoption of IFRS 17 that came into effect on the 1st of January 2023. The inaccurate recording of the insurance portfolio resulted in the overstatement of the intangible assets, understatement of the trade and other receivables and overstatement of the deferred tax liabilities.

In accordance with the requirements of 'IAS 1 Presentation of Financial Statements' and 'IAS 8 Accounting policies, Changes in Estimates and Errors', the above items have been corrected retrospectively and accordingly balances in the financial statements as at 31 December 2024 and 1 January 2024 and for the six month period ended 30 June 2024 have been restated as follows:

Impact on the condensed interim consolidated statement of financial position as at 31 December 2024:

	As previously reported	Adjustment	As restated
	AED'000	AED'000	AED'000
Intangible assets	76,636	(35,225)	41,411
Trade and other receivables	24,015	28,909	52,924
Total assets	1,323,981	(6,316)	1,317,665
Accumulated losses	(38,660)	(5,517)	(44,177)
Statutory reserve	12,621	(231)	12,390
Total equity	236,204	(5,748)	230,456
Deferred tax liability	5,064	(568)	4,496
Total liabilities	1,087,777	(568)	1,087,209
Total equity and liabilities	1,323,981	(6,316)	1,317,665

Impact of the condensed interim consolidated statement of financial position as at 1 January 2024:

	As previously reported	Adjustment	As restated
	AED'000	AED'000	AED'000
Intangible assets	83,065	(36,215)	46,850
Trade and other receivables	36,001	32,437	68,438
Total assets	1,182,927	(3,778)	1,179,149
Accumulated losses	(45,972)	(3,438)	(49,410)
Total equity	229,594	(3,438)	226,156
Deferred tax liability	4,249	(340)	3,909
Total liabilities	953,333	(340)	952,993
Total equity and liabilities	1,182,927	(3,778)	1,179,149

Watania International Holding (PJSC)
Condensed interim consolidated financial information (Unaudited)

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

22. Prior year adjustments and comparative information (Continued)

Impact on the condensed interim consolidated statement of comprehensive income for the period ended 30 June 2024:

	As previously reported AED'000	Adjustment AED'000	As restated AED'000
Amortisation of intangibles	(2,888)	454	(2,434)
Other income	5,751	(1,617)	4,134
Profit for the period before tax	8,678	(1,163)	7,515
Income tax expense	(740)	105	(635)
Profit for the period after tax	7,938	(1,058)	6,880
Total comprehensive income for the period attributable to shareholders	7,739	(1,058)	6,681
Earnings per share	0.031		0.026

Impact on the condensed interim consolidated statement of cash flows for the period ended 30 June 2024:

	As previously reported AED'000	Adjustment AED'000	As restated AED'000
Profit before tax for the period	8,678	(1,163)	7,515
Amortisation of intangibles	2,965	(454)	2,511
Operating cash flows before changes in working capital	3,544	(1,617)	1,927
Change in trade and other receivables	(9,223)	1,617	(7,606)

23. Approval of the condensed interim consolidated financial information

The condensed interim consolidated financial information was approved and authorized for issue by the Board of Directors on August 13, 2025.