Detailed Analysis of Accumulated Losses

This form has been prepared in accordance with the disclosure requirements included in the CMA 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:	**12/08/2026**
Name of the Listed Company:	**TAKAFUL EMARAT – INSURANCE (PSC)**
Define the period of the financial statements:	**Q2 2026**
Value of the Accumulated losses:	**AED 18,087 (in Thousands)**
Accumulated losses to paid-up capital ratio (%):	**9%**
The main reasons for the 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):	The accumulated losses to paid-up capital ratio decreased from 21% as at first quarter of 2026 (January to March) to 9% as at second quarter of 2026 (April to June), primarily due to the normalization of equity market valuation movements that had negatively impacted the Company's financial position during the first quarter of 2026. During the second quarter of 2026 (April to June 2026), the accumulated losses ratio improved significantly, supported by the profitability generated during the quarter and the normalization of market-driven equity valuation movements. This improvement reversed a significant portion of the loss impact recorded during the first quarter of 2026 (January to March 2026). The remaining accumulated losses are primarily related to investment fair value movements and do not reflect any deterioration in the Company's underlying core operations, which continue to remain stable.

Summary of the Steps and Initiatives Undertaken by the Company to Address the Losses Accumulated:	As part of the Company's ongoing initiatives to address accumulated losses and strengthen financial performance, the Company recorded a profit before tax attributable to shareholders of AED 13.46 million for the six-month period ended June 2026, representing a 46% increase compared to AED 9.25 million in the corresponding period of 2025. The Company's core Takaful operations also continued to improve, with Takaful Service Result increasing by 31% to AED 84.90 million, while Takaful Revenue grew by 18% to AED 335.20 million compared to corresponding period of 2025. These improvements contributed to the reduction of accumulated losses, during the first quarter of 2026 (January to March), the Company recorded a loss before tax attributable to shareholders of AED 15.85 million. This was followed by a recovery during the second quarter of 2026 (April to June), with profit before tax attributable to shareholders reaching AED 29.31 million. Management continues to implement its business plan to sustain profitability and progressively reduce accumulated losses including: 1. Strengthening technical profitability: Continue improving underwriting discipline and portfolio quality to sustain the growth in Takaful service results and recurring technical income. 2. Cost and investment management: Maintain cost discipline and actively monitor the investment portfolio to manage market volatility and support overall profitability. 3. Recovery of accumulated losses: Continue executing the business plan to strengthen profitability and progressively reduce accumulated losses.

The Measures that will be taken to deal with the accumulated losses				
Actions	**The time frame for implementing the action**	**What has been implemented of the action and the percentage of implementation**	**Reasons for not implementing or delaying**	**Any modifications or changes made**
Strengthening Technical Profitability	2026	The company continues to enhance underwriting discipline and portfolio quality to support sustainable technical profitability and the	N/A	N/A

		recovery of accumulated losses.		
Optimizing cost structure	2026	Improved cost allocation and continued cost discipline have supported revenue growth and higher technical profitability, with further optimization measures ongoing.	N/A	N/A
Active investment portfolio management	2026	Active monitoring of the investment portfolio continues, with equity prices showing recovery following first quarter of 2026 (January to March) The company is continuing to assess and optimize the investment portfolio in line with market conditions.	N/A	N/A

The Name of the Authorized Signatory	**Adnan Sameer Saba El Aish**
Designation	**Chief Executive Officer**
Signature and Date	DocuSigned by: DS 8083B5C349B0479... 8/12/2026
Company's Seal	