



STRONG FOUNDATIONS FOR SUSTAINABLE GROWTH

Message from the
Group Chief Executive Officer

H1 REPORT

2026

SALAMA AT A GLANCE

From Turnaround to Sustainable Value Creation

SALAMA entered 2026 from a stronger financial position following an 18-month period of restructuring and operational change. H1 2026 showed clear progress: profitability improved materially, core insurance operations returned to profit and regulatory solvency was restored.

The Group is now focused on converting these stronger foundations into disciplined, profitable growth. Our priority is not growth for its own sake. It is sustainable insurance profitability, financial resilience and long-term value creation for shareholders.

“The objective is not simply to make SALAMA larger. It is to make SALAMA increasingly valuable.”



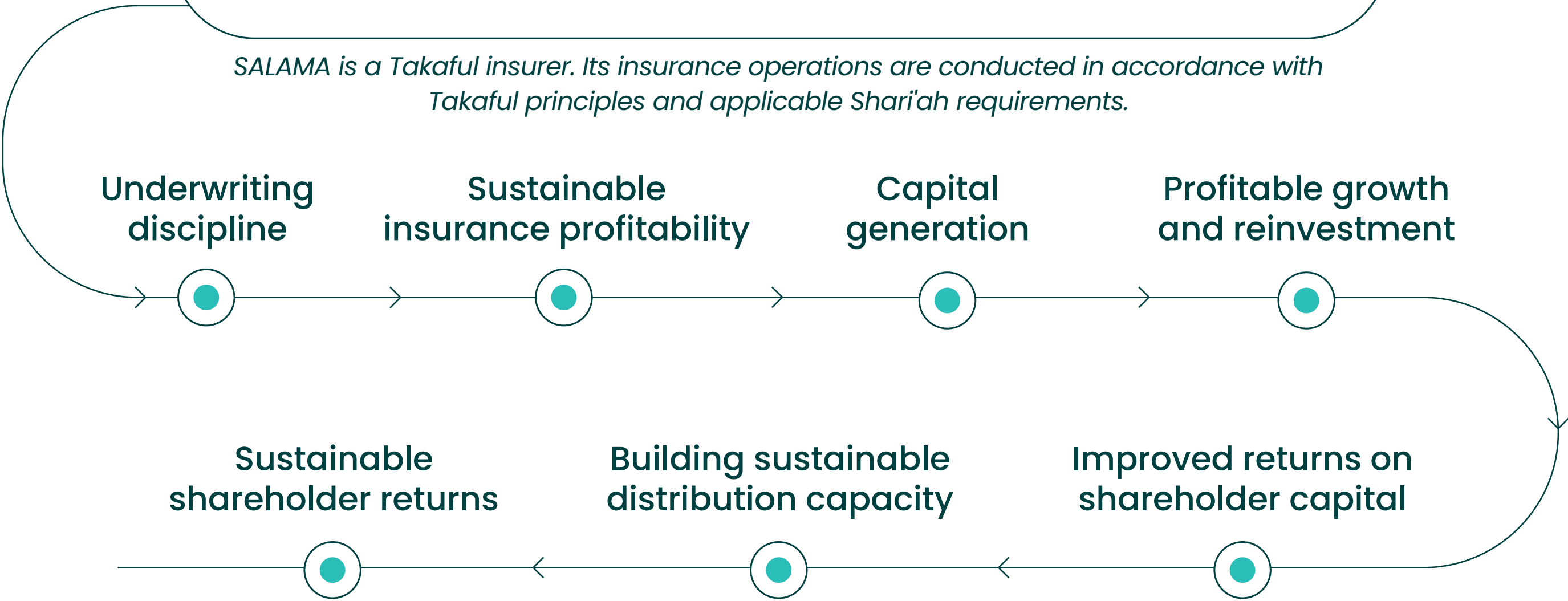
Shareholder Perspective at a Glance

For shareholders, the H1 story can be understood through four areas: profitability, financial strength, growth and the pathway to sustainable shareholder returns.

What changed	Public evidence	What remains to prove
Core insurance economics	H1 2026 Insurance Service Result of AED 28.3m versus a loss of AED 1.9m in H1 2025	Demonstrate that improved technical performance is repeatable across quarters and market cycles
Earnings	Group PAT of AED 28.3m versus AED 8.2m; profit attributable to owners of AED 26.8m versus AED 5.7m	Convert the recovery into consistent owner earnings and attractive returns on equity
Financial strength	154% solvency ratio and AED 111.6m SCR surplus at H1 2026, versus an AED 41.2m SCR deficit at FY2025	Maintain appropriate financial resilience while deploying capital productively.
Shareholder equity	Equity attributable to owners of AED 469.1m at H1 2026 versus AED 300.0m at FY2025	Establish a clean post-restructuring track record for book value and capital productivity
Portfolio quality	Insurance revenue declined 8.9% while Insurance Service Result improved by AED 30.2m	Return to profitable top-line growth without compromising pricing or risk selection
Distribution	Publicly stated expansion across broker, agency, digital and strategic-partnership channels	Translate broader distribution access into profitable and repeatable growth
Shareholder returns	Retained earnings of AED 1.746m at H1 2026 versus accumulated losses of AED 18.818m at FY2025; the Board did not propose a dividend for FY2025	Build sustainable earnings and distribution capacity, subject to legal, regulatory, solvency and corporate-approval requirements

Public disclosure basis: SALAMA FY2024 and FY2025 audited financial statements, H1 2025 and H1 2026 reviewed interim financial statements, and official SALAMA results announcements.

How SALAMA Intends to Create Value



CONTENTS

01	A Message from the Group Chief Executive Officer	06
02	H1 2026 – In Review	10
03	Building a Stronger SALAMA – From Turnaround to Profitable Growth	15
04	Capital Allocation and the Path to Shareholder Returns	18
05	Risk, Resilience and Accountability	21
06	Shareholder Information	23





MOHAMED ALI BOUABANE

Group Chief Executive Officer



A MESSAGE FROM THE GROUP CHIEF EXECUTIVE OFFICER

Dear Shareholders,

The first half of 2026 represents an important milestone in SALAMA's transformation. For the first time since we began the restructuring of the Group, we can see clear evidence in our financial results that the changes made across the business are taking effect.

SALAMA delivered profit after tax of AED 28.3 million in H1 2026, compared with AED 8.2 million in the same period last year. Second-quarter profit after tax reached AED 14.3 million, compared with AED 7.9 million a year earlier, marking our second consecutive profitable quarter.

More importantly, our Insurance Service Result improved to AED 28.3 million from a loss of AED 1.9 million in H1 2025. This improvement was achieved while insurance revenue declined from AED 515.4 million to AED 469.7 million. That distinction matters.

We deliberately exited, reduced or repriced business where it was expected that the return would not adequately compensate SALAMA for the risk assumed.

In insurance, contribution volume by itself does not create value. Profitable underwriting does.

Our objective is therefore not to become the largest insurer by pursuing volume. It is to build a company capable of producing consistent underwriting profits, appropriate returns on capital and sustainable growth across insurance cycles.

That philosophy is increasingly shaping how SALAMA operates.

INSURANCE
SERVICE RESULT

**AED
28.3m**

vs loss of AED 1.9m
H1 2025

INSURANCE
REVENUE

**AED
469.7m**

-8.9% H1 2025

From repair to performance

When I was appointed Group Chief Executive Officer in April 2025, SALAMA faced significant financial, operational and legacy challenges.

At that time, the Group's regulatory solvency position was below required levels and legacy balance-sheet exposures continued to weigh on financial transparency and resilience. Underwriting quality, operating discipline, governance and regional alignment all required strengthening.

Together with the Board and Executive Leadership Team, we established four priorities:

1

Restore financial strength and solvency;

2

Improve underwriting quality and portfolio economics;

3

Strengthen governance and accountability; and

4

Rebuild confidence among shareholders, regulators and the market.

We chose to address these issues directly rather than manage their symptoms.



During 2025 and H1 2026, SALAMA strengthened underwriting discipline, portfolio quality and claims management. The capital restructuring completed in April 2026 reset the balance sheet; we resolved more than AED 420 million of legacy and non-admissible exposures.

Alongside the financial reset, SALAMA strengthened leadership and governance and moved toward a more integrated Group operating model.

We reorganised SALAMA around three businesses where the Group has the ability to develop meaningful long-term franchises:



**Life &
Wealth**



Health



**Property &
Casualty**

This activity was the core of the repair phase of SALAMA's transformation.

“We are now moving into the next phase: performance and disciplined growth.”

Financial strength changes what is possible

During H1 2026, SALAMA completed its capital restructuring programme: an approximately AED 456.6 million capital reduction, which became effective on DFM in January 2026, and the conversion in April 2026 of AED 155 million of Mandatory Convertible Sukuk into new ordinary shares.

At 30 June 2026, the Group's solvency ratio stood at 154%, with a solvency surplus of AED 111.6 million.

This represents a substantial change in SALAMA's financial position.

At 31 December 2024, the audited financial statements disclosed an SCR solvency deficit of AED 58.7 million. At 30 June 2025 that deficit had widened to AED 65.8 million. At year-end 2025, it had improved to AED 41.2 million, with management subsequently disclosing a 76% solvency ratio.

Following the capital actions completed in 2026, the position moved decisively into surplus.

Capital strength is not simply a regulatory measure.

For an insurer, capital determines the amount and quality of risk we can responsibly assume. A stronger balance sheet improves our ability to retain attractive risks, participate in larger opportunities, support our businesses and withstand volatility without compromising long-term strategy.

Our priority is therefore not simply to maintain regulatory solvency. It is to use capital productively.

SOLVENCY RATIO
30 JUN 2026

154%

Surplus of AED 111.6m

FY2025
SOLVENCY

76%

vs deficit of AED 41.2m



The quality of earnings matters more than the quantity of contributions

The UAE insurance market continues to grow, but market growth alone is not our strategy.

Across the 27 UAE-listed insurers analysed for H1 2026, insurance revenue increased approximately 14%, Insurance Service Result increased 16% and aggregate net profit increased approximately 12%.

SALAMA followed a different trajectory.

Revenue declined 8.9%, while profit after tax increased more than threefold and Insurance Service Result moved from a loss of AED 1.9 million to a profit of AED 28.3 million.

We view this as important evidence of improving earnings quality.

We do not expect revenue contraction to define SALAMA's future. We expect profitable growth to do so.

There will be periods when market conditions justify faster growth and periods when discipline requires us to grow more slowly or reduce exposure.

We intend to allocate capacity where pricing, risk and expected return are attractive rather than manage the company to a contribution-volume target.

Building multiple routes to growth

Our transformation has so far concentrated largely on fixing SALAMA's solvency and legacy and restructuring the existing business.

The next opportunity is to expand distribution and deploy our strengthened capabilities more effectively.

SALAMA's H1 2026 results state that the Group is expanding distribution across broker, agency, digital and strategic-partnership channels.

That multi-channel approach gives us more than one route to growth.

The goal is to convert broader customer and intermediary access into profitable business without relaxing underwriting standards.

Our three businesses provide additional sources of growth.

Life & Wealth provides access to long-duration protection, savings and investment-related opportunities and is being strengthened through strategic distribution relationships.

Health is a core strategic division. Our focus is on pricing adequacy, claims management, product capability, service quality and operating efficiency.

Property & Casualty spans SALAMA's general takaful capabilities, including property, motor, marine, engineering, financial lines and other corporate risks. We intend to grow selected segments where technical capability, pricing and risk-adjusted returns justify the capital deployed. Where pricing becomes inadequate, we will be prepared to reduce exposure.

SALAMA's subsidiaries are increasingly operating according to common Group standards for underwriting, governance, capital allocation and return as part of our move towards a more consolidated Group operating model.

This greater alignment is intended to strengthen consistency, oversight and operating discipline across the Group.



How we will measure progress

As SALAMA moves from restructuring towards sustainable growth, shareholders should be able to judge our progress against a consistent set of measures.

- Underwriting profitability — whether the risks we assume generate appropriate insurance returns.
- Earnings quality and consistency — whether profitability can be sustained rather than driven principally by exceptional or temporary factors.
- Capital strength and capital productivity — whether we maintain resilience while using shareholder capital effectively.
- Profitable growth — whether growth creates economic value rather than merely increasing contribution volume.
- Growth in shareholder value — including the development of shareholder equity and, as the post-restructuring capital base establishes a comparable track record, book value per share and return on equity.
- Shareholder distributions — our progress towards building sustainable distribution capacity over time.

Building SALAMA for the long term

We do not regard size by itself as a measure of success. Our opportunity is different.

We have strengthened the balance sheet and addressed significant legacy matters identified to date. We have restored solvency and improved underwriting discipline. We have strengthened governance and leadership. We have also moved toward a more integrated Group operating model and we will continue to address historical matters as they arise and respond to an evolving regulatory environment.

That combination gives SALAMA something it has not had for some time: optionality.

We can choose where we deploy capital. We can choose which risks we write. We can expand distribution without abandoning underwriting discipline. And we can increasingly allocate resources towards the businesses and markets capable of generating attractive long-term returns.

Our ambition is not to optimise SALAMA for a single quarter or year. It is to build an insurance group capable of producing sustainable earnings and increasing shareholder value over many years.

There will be setbacks. Insurance results do not move in a straight line, and SALAMA's transformation is not complete.

We will measure ourselves by our results.

H1 2026 provides encouraging evidence: profitability has strengthened, solvency has been restored, core insurance economics have improved and the Group is operating from a materially stronger capital position.

The next test is consistency.

If we maintain underwriting discipline, allocate capital intelligently and execute against the distribution opportunities available to us, we believe SALAMA has the potential to develop from a turnaround story into a sustainable long-term value-creation story.

That is what we are working to build.

Thank you to our shareholders for your continued confidence, to our Board for its guidance, to our customers and partners for their trust, and especially to our colleagues across SALAMA for their commitment during a period of significant change.

We look forward to reporting our progress against these commitments.



Mohamed Ali Bouabane
Group Chief Executive Officer

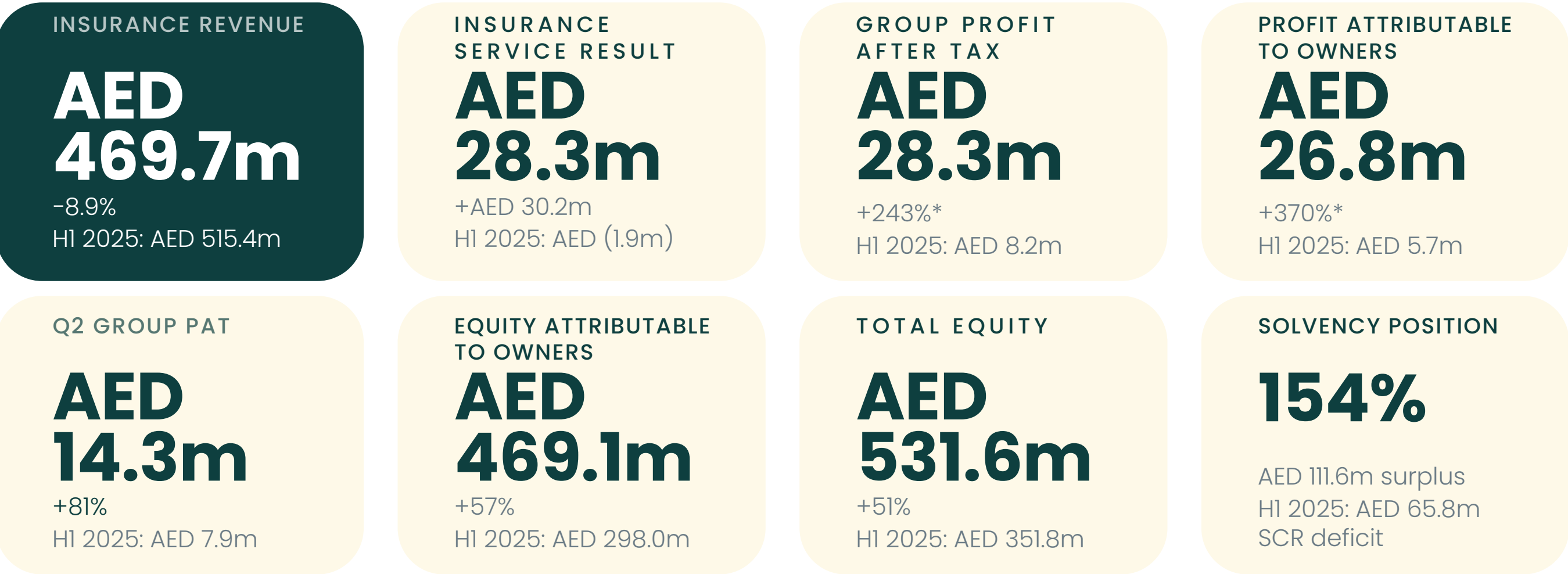


SECTION 2

H1 2026 — IN REVIEW

SALAMA entered 2026 with a clear objective: convert the financial and operational restructuring commenced during 2025 into sustainable insurance profitability. The first half provides evidence that this is beginning to happen.

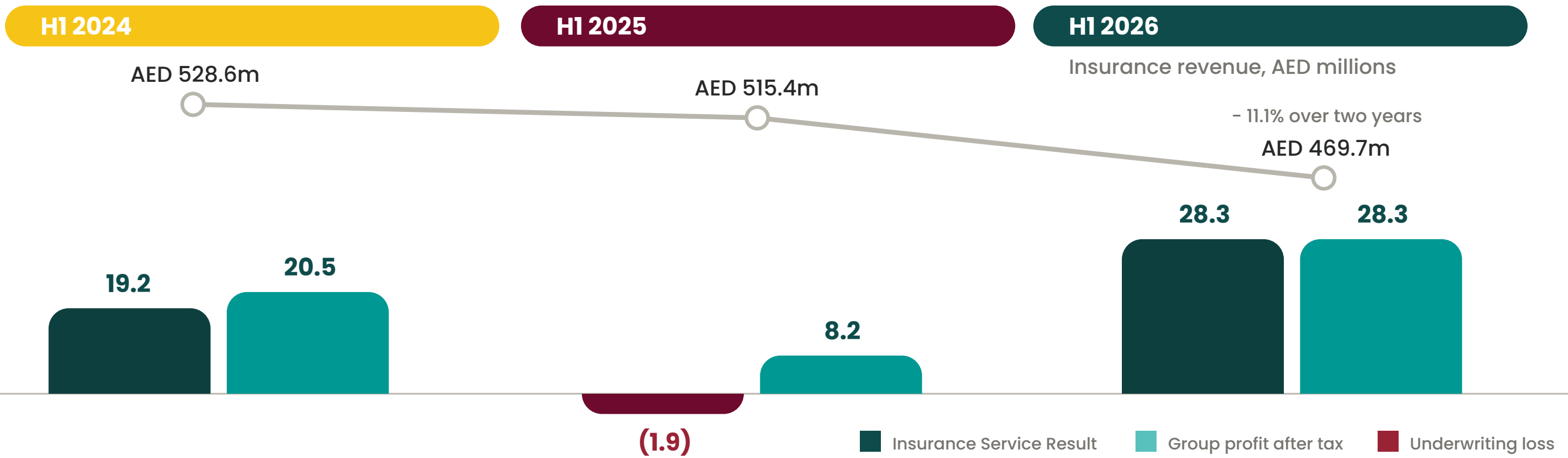
H1 2026 Shareholder Scorecard



*Growth percentages use the precise filed figures. 'Group profit after tax' is consolidated profit including non-controlling interests; profit attributable to owners is shown separately. H1 2026 Group PAT increased approximately 243%, while profit attributable to owners increased approximately 370%.

These numbers should be considered together rather than individually. Revenue declined principally as a consequence of portfolio optimisation, underwriting and distribution actions. At the same time, core insurance profitability improved materially. That combination indicates that earnings improvement is not simply the product of additional premium volume. It reflects changes to the economics of the business.

The Three-Year H1 Journey



Group profit after tax is now 38 per cent above H1 2024, on 11 per cent less revenue.

Measure	H1 2024	H1 2025	H1 2026
Q2 Group profit after tax	AED 3.0m	AED 7.9m	AED 14.3m
Revenue vs prior year	—	-2.5%	-8.9%
Group PAT vs prior year	—	-59.8%	+243%



This longer history is important. A credible shareholder assessment should not depend on presenting every historical period as weak.

H1 2024 was profitable. H1 2025 subsequently showed a material deterioration in core insurance performance.

The significance of H1 2026 is that SALAMA has not only recovered from that deterioration: its AED 28.3m Insurance Service Result exceeds the H1 2024 result by approximately AED 9.1m, while PAT is approximately 38% higher than H1 2024 despite insurance revenue being around 11% lower.

This provides a broader perspective of progress than comparison with the prior-year period alone.

The Journey So Far

Period covered	2024 12 months	2025 12 months	H1 2026 6 months	Direction
Insurance revenue	AED 1,046.4m	AED 1,004.9m	AED 469.7m	Quality before volume
Insurance Service Result	AED 25.6m	AED 0.4m	AED 28.3m	Material recovery
Group profit after tax	AED 24.6m	AED 11.2m	AED 28.3m	H1 2026 already exceeds FY2025
Equity attributable to owners	AED 284.0m	AED 300.0m	AED 469.1m	Materially strengthened
Total equity	AED 334.4m	AED 360.0m	AED 531.6m	Materially strengthened
Regulatory solvency position	SCR deficit AED 58.7m	76% ratio at year-end; SCR deficit AED 41.2m	154% ratio / AED 111.6m surplus	Solvency restored
Issued shares	939.589m	483.021m *	819.978m **	Capital restructuring complete

**The FY2025 audited balance sheet reflects the capital reduction to 483.021 million shares; the reduction became effective on DFM on 9 January 2026. **The DFM capital-increase activation notice dated 24 April 2026 records the exact post-increase share capital and shares outstanding as AED 819,977,704 / 819,977,704 ordinary shares. H1 2026 financial statements present the amount rounded to AED 819.978 million. H1 2026 represents six months and should not be annualised mechanically.*



Shareholder Value and Market Performance

The ultimate measure of value creation for shareholders is not premium growth or accounting profit in isolation. It is the value created on the capital shareholders have entrusted to the Company over time.

SALAMA's share price has appreciated materially since the current management-led transformation and restructuring began. As the H1 2026 results were published after the reporting period, subsequent market performance provides additional context on SALAMA's market position following publication of those results.

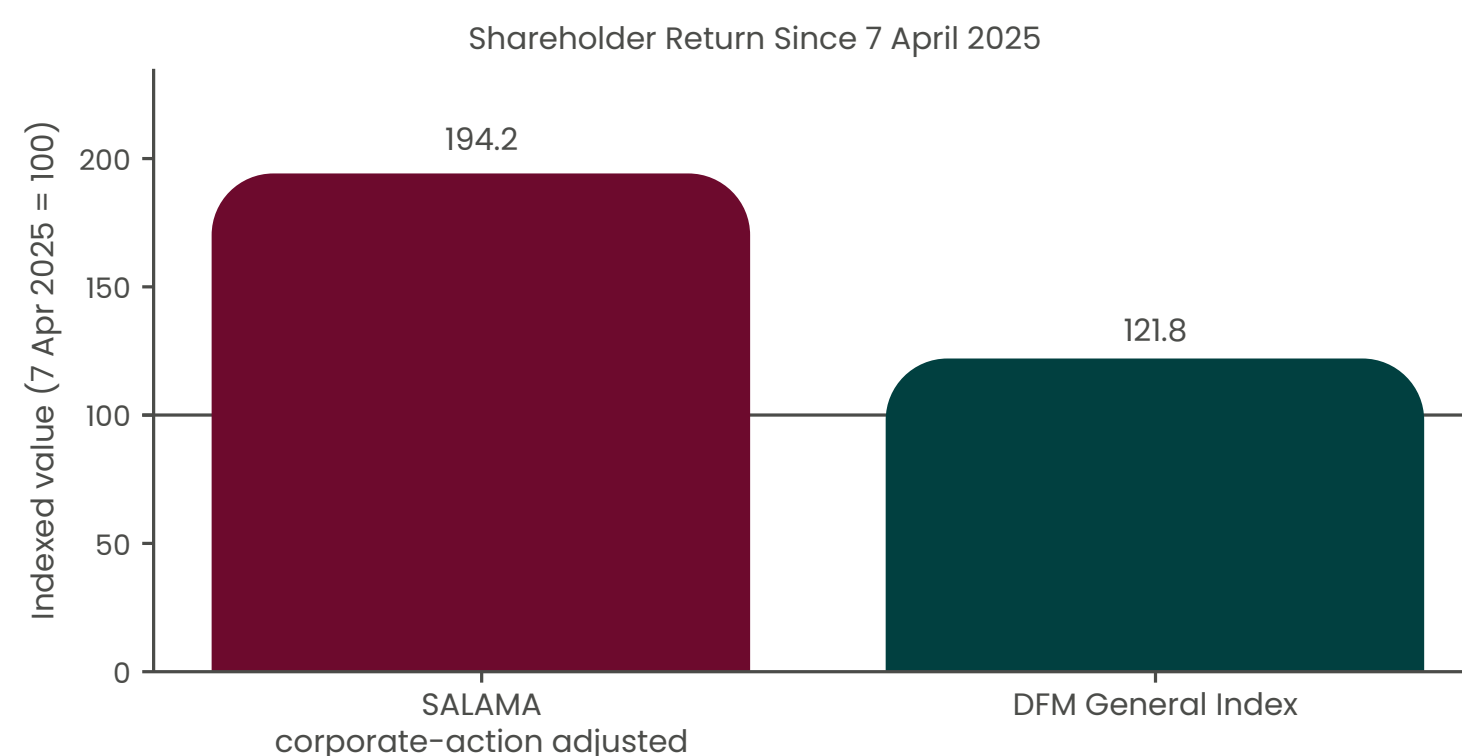
The analysis below is therefore presented as a subsequent market development and is separate from SALAMA's H1 2026 financial performance and position as at 30 June 2026.

The capital reduction reduced issued shares from 939,588,998 to 483,021,183. SALAMA's shareholder circular stated that DFM would adjust the share price to reflect the reduction so that, at implementation, the reduction in the number of shares held would not by itself change the market value of an existing shareholder's holding. The subsequent MCS conversion increased issued shares to 819,977,704.

Corporate-Action-Adjusted Total Shareholder Return

With 7 April 2025 as the reference point for the current management-led transformation and restructuring, SALAMA's closing share price was approximately AED 0.37. The shares closed at AED 1.36 on 3 September 2026. Adjusting for the pro-rata capital reduction, the market value of an existing shareholder's holding increased by approximately 94% over that period. No cash dividend was paid during the measurement period, so the holding-period return and total shareholder return are the same for this calculation.

Over the same period, the DFM General Index increased from 4,799.01 to 5,843.51, a return of approximately 21.8%. On this basis, SALAMA outperformed the broader DFM market by approximately 72.4 percentage points.



Indexed value of 100 from 7 April 2025 to 3 September 2026. SALAMA is adjusted for the January 2026 pro-rata capital reduction. The April 2026 MCS conversion issued new shares to MCS investors and is reflected in the subsequent traded share price.



Shareholder measure	Position / change	Interpretation
SALAMA corporate-action-adjusted TSR	+94%	7 Apr 2025 to 3 Sep 2026; no cash dividends paid
DFM General Index return	+21.8%	Same measurement period
Relative performance	+72.4 pts	SALAMA return less DFM General Index return
Share price — 3 Sep 2026	AED 1.36	Market-price reference
Shares outstanding	819,977,704	Post-restructuring capital base
Implied market capitalisation	AED 1.115bn	Share price × shares outstanding
Equity attributable to owners — H1 2026	AED 469.1m	Reported shareholder equity
Implied market price / book value	~2.38x	Market capitalisation ÷ H1 2026 owners' equity

How We Interpret the Market's Response

The improvement in shareholder value is encouraging, but management does not regard share-price appreciation as a substitute for operating performance. The durable test is whether stronger solvency, improved underwriting results and the reset capital base translate into consistent owner earnings, higher capital productivity and sustainable growth.

Future reporting should therefore build a post-restructuring record around profit attributable to owners, return on equity, book value per share, solvency, capital productivity and total shareholder return.

Full-Year Transformation Context

Measure	2024 (12 Months)	2025 (12 Months)	H1 2026 (6 Months)
Insurance revenue	AED 1,046.4m	AED 1,004.9m	AED 469.7m
Insurance Service Result	AED 25.6m	AED 0.4m	AED 28.3m
Group profit after tax	AED 24.6m	AED 11.2m	AED 28.3m
Profit attributable to owners	AED 13.1m	AED 4.0m	AED 26.8m
Owners' equity	AED 284.0m	AED 300.0m	AED 469.1m
Total equity	AED 334.4m	AED 360.0m	AED 531.6m

SALAMA's February 2026 preliminary FY2025 results communication stated that FY2024 Group net profit included an exceptional foreign-exchange gain of approximately AED 20 million and presented a management-defined normalised FY2024 net profit of approximately AED 4.5 million. That non-IFRS contextual measure is not used in the scorecards above. H1 2026 should not be annualised mechanically; nevertheless, the Insurance Service Result produced in the first six months of 2026 already exceeds the Group's full-year Insurance Service Result in both 2024 and 2025.



SALAMA versus the UAE-listed market

H1 2026 measure	UAE-listed insurance market	SALAMA
Insurance revenue	AED 28.0bn / +14% YoY	AED 469.7m / -8.9% YoY
Insurance Service Result	AED 1.838bn / +16% YoY	AED 28.3m vs AED (1.9)m
Net profit	AED 2.184bn / +12% YoY	AED 28.3m / +243% YoY
Technical context	Weighted gross combined ratio approximately 86%; a small minority of companies remained above 100%	Positive Insurance Service Result; no direct combined-ratio comparison used here

The market comparison covers 27 UAE-listed insurers and is based on publicly reported H1 2026 industry analysis. This does not mean revenue contraction is our strategy. It means we were prepared to forego business where we did not believe the expected economics justified the risk. As portfolio repair matures, our objective is to combine underwriting discipline with renewed growth.

Market Scale Reference Points

Scale reference	H1 2026 market leader	SALAMA H1 2026
Insurance revenue	Orient: approximately AED 5.2bn	AED 469.7m
Insurance Service Result	Daman: approximately AED 550m	AED 28.3m
Net profit	Orient: approximately AED 542m	AED 28.3m

Market data in the two tables above is drawn from BADRI Management Consultancy's H1 2026 preliminary analysis of 27 UAE-listed insurers. BADRI notes that IFRS 17 presentation can vary across companies; the comparison is therefore contextual rather than a statement that every metric is directly comparable.



SECTION 3

BUILDING A STRONGER SALAMA

From Turnaround to Profitable Growth

The first phase of SALAMA's transformation was predominantly defensive. We needed to strengthen solvency, address historical matters, improve underwriting

discipline, simplify the organisation and strengthen governance. The next phase is different. We need to convert stronger foundations into profitable growth.

How We Think About the Insurance Cycle

Insurance markets move through cycles. In a soft market, abundant capacity and competition tend to place downward pressure on pricing and broaden underwriting terms. Premium volumes may grow, but inadequate pricing can ultimately reduce underwriting returns.

In a hard market, capacity becomes more selective, underwriting standards tighten and pricing generally improves as insurers and reinsurers respond to previous losses, claims inflation or changes in their assessment of risk.

The UAE has experienced elements of both environments over the past decade. Market cycles are rarely uniform: property, motor, medical and specialty lines can experience different conditions at the same time.

For SALAMA, this distinction matters. We do not intend to grow simply because market capacity is available, nor retreat simply because a market becomes more competitive.

Our approach is to assess each opportunity according to expected loss cost, pricing, terms, reinsurance requirements and the capital required to support it.

When market pricing appropriately rewards the risk assumed, we should be prepared to deploy capacity and grow. When it does not, protecting underwriting profitability may require slower growth, repricing or reducing exposure.

Why this matters for shareholders

The insurance cycle can create an important distinction between premium growth and value creation. A rapidly growing insurer in a soft market may be accumulating future claims at inadequate prices. Conversely, an insurer that temporarily reduces premium volume may be protecting capital and positioning itself to deploy that

capital when market conditions become more attractive.

This is why SALAMA does not manage the business to a premium-volume target. Our objective is to grow through the cycle while maintaining appropriate underwriting returns.

“Market conditions change. SALAMA's underwriting discipline should not.”



Our Three Growth Platforms

Business	Strategic role	Principal opportunity	Management discipline
Property & Casualty	Underwriting and growth engine	Selected corporate and P&C lines where pricing and technical capability support attractive returns	Pricing adequacy and risk-adjusted return
Life & Wealth	Long-duration customer relationships	Protection, savings and partnership-led distribution	Scalable and attractive distribution economics
Health	Core insurance and service platform	Health solutions, claims discipline and service capability	Claims, pricing and utilisation discipline

Life & Wealth

Life & Wealth provides SALAMA with a different earnings profile from short-duration general insurance. Protection, savings and investment-related solutions can create longer customer relationships and scalable distribution opportunities.

Health

Health remains strategically important to SALAMA. Our focus is on pricing adequacy, claims management, product capability, service quality and operating efficiency. As with every SALAMA business, growth must remain subordinate to sustainable underwriting economics.

Property & Casualty

Property & Casualty represents an important source of future growth. SALAMA intends to grow selected corporate and general takaful segments where technical capability, pricing and risk-adjusted returns justify the capital deployed. Growth will therefore not be uniform across every product or segment. Where pricing becomes inadequate, we will be prepared to reduce exposure. Where market conditions appropriately reward risk, we intend to deploy capacity. This discipline is fundamental to the insurance model we are building.



Distribution – Multiple Routes to Growth

Distribution channel	Publicly stated focus	Strategic role
Brokers	Expanding	Broader intermediary reach
Agency	Expanding	Direct and advised customer reach
Digital	Expanding	Scalable, lower-friction customer journeys
Strategic partnerships	Expanding	Bancassurance and partnership-led customer access

SALAMA's H1 2026 results publicly state that the Group is expanding distribution across broker, agency, digital and strategic-partnership channels. The purpose is not to

maximise channel count; it is to broaden access to customers while preserving underwriting and distribution economics.

One Group

SALAMA's insurance operations span the UAE, Egypt, Bahrain and Algeria. Geographic diversification can strengthen an insurance group where every operation meets appropriate standards for underwriting, governance

and capital productivity. Our objective is to ensure our regional operations contribute effectively to the strength and performance of the wider Group.

Common Group Standards

Standard	What it means
Underwriting discipline	Risks must be appropriately selected and priced
Sustainable profitability	Businesses must demonstrate appropriate economic contribution
Capital productivity	Capital must earn an appropriate risk-adjusted return
Governance	Common Group oversight and accountability
Strategic relevance	Businesses must contribute appropriately to the wider Group



SECTION 4

CAPITAL ALLOCATION AND THE PATH TO SHAREHOLDER RETURNS

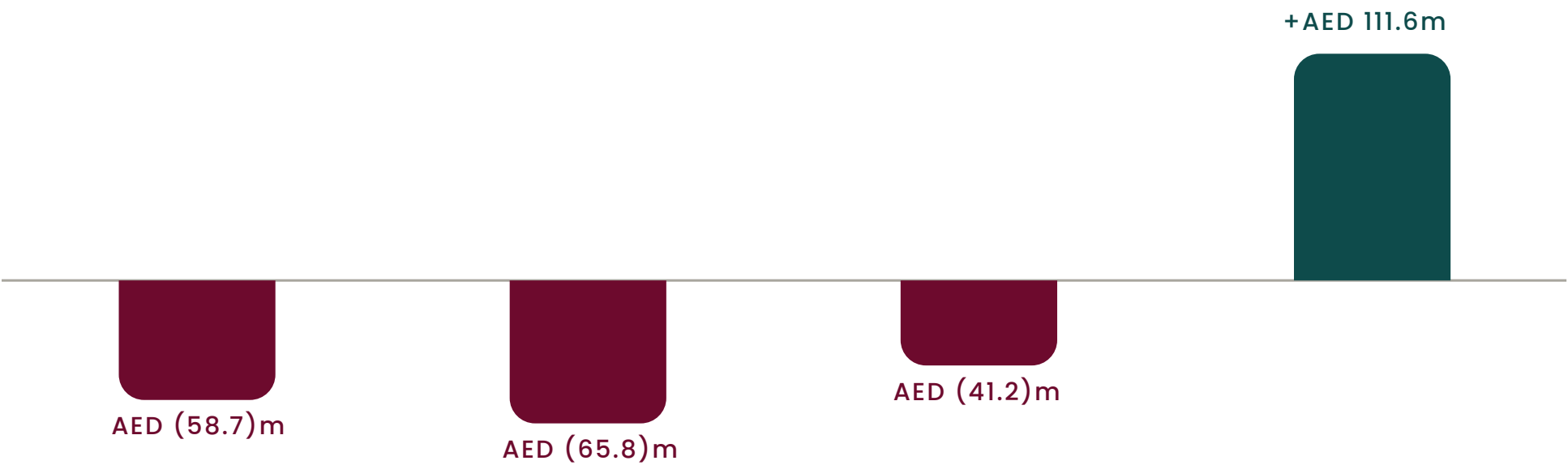
Insurance is a capital business. The way SALAMA allocates capital will therefore be one of the most important determinants of long-term shareholder value. Restoring financial strength was the first objective. Using that strength productively is the next one.

“Our focus is sustainable shareholder value supported by sustainable earnings.”

The Capital Journey

Solvency surplus or deficit against the requirement

Red bars fall short of the regulatory requirement



Capital measure	2024 (12 Months)	H1 2025 (6 Months)	2025 (12 Months)	H1 2026 (6 Months)
SCR	AED 169.5m	AED 188.1m	AED 170.7m	AED 205.6m
SCR surplus / (deficit)	AED (58.7)m	AED (65.8)m	AED (41.2)m	AED 111.6m surplus
Published solvency ratio	Not separately published	Not separately published	76%	154%
Owners' equity	AED 284.0m	AED 298.0m	AED 300.0m	AED 469.1m
Total equity	AED 334.4m	AED 351.8m	AED 360.0m	AED 531.6m

Historical solvency deficit figures are taken from SALAMA’s audited/interim regulatory solvency disclosures. A percentage ratio is shown only where SALAMA publicly disclosed it.

This progression matters because capital strength changes what an insurer can responsibly do.



Our Capital Allocation Hierarchy

Priority	Capital allocation principle
1. Protect financial strength	Maintain appropriate solvency and resilience
2. Fund profitable organic growth	Deploy capacity where expected risk-adjusted returns are attractive
3. Invest in capabilities	Distribution, technology, data, claims and technical expertise
4. Return capital to shareholders	Sustainable distributions when earnings, reserves and capital permit

1. Protect financial strength

SALAMA must maintain capital sufficient to meet regulatory requirements, withstand insurance volatility and preserve the confidence of customers, regulators, counterparties and shareholders. Financial resilience comes first.

2. Support attractive organic growth

Where SALAMA can deploy capital into businesses capable of generating appropriate risk-adjusted returns, organic growth should represent an attractive use of capital. We will not, however, allocate capital simply to achieve premium growth.

“Growth must compete for capital.”

3. Invest in capabilities

Technology, distribution, data, claims capability and specialist underwriting expertise can generate benefits extending beyond a single underwriting year. Investment in these capabilities will therefore be assessed according to their potential to improve growth, margins, efficiency or risk selection.

4. Return capital to shareholders when appropriate

- Restoring sustainable shareholder returns remains an important objective.
- The Group's combined gap to distributable reserves narrowed by AED 20.6 million during H1 2026, from AED 200.8 million to AED 180.2 million. Retained earnings returned to a positive AED 1.7 million position, more than absorbing the AED 18.8 million of carried-forward accumulated losses.
- Management remains focused on sustaining profitability and rebuilding distributable reserves. The progress made during H1 represents an important step towards restoring dividend capacity.
- Any future distributions will remain subject to sustained performance and solvency, compliance with applicable legal requirements, and the necessary regulatory and Board approvals.



The pathway to dividend capacity

Each stage depends on the one before it



Gap to distributable reserves, AED million



Retained earnings returned to a positive AED 1.7 million position.

Source: SALAMA Group H1 2026 results. This sets out a pathway. It is not a forecast or a commitment to any future dividend.

From Absolute Profit to Capital Productivity

As SALAMA moves beyond its transformation and restructuring phase, absolute profit alone will become an insufficient measure of performance. A company can increase earnings while still using shareholder capital inefficiently. We therefore intend increasingly to assess our businesses not only by the profit they generate but also by the capital required to generate that profit. Over time, return on equity and other appropriate measures of capital productivity will become increasingly important components of SALAMA's shareholder scorecard.

The 2025-2026 capital actions materially changed the number of shares outstanding and the composition of equity. Historical EPS, book-value-per-share and return-on-equity comparisons therefore require care. Management believes establishing a clean post-restructuring base before presenting multi-year per-share or annualised ROE trends will give shareholders a more meaningful measure of value creation.

"Our objective is not simply to make SALAMA larger. It is to make SALAMA increasingly valuable."



SECTION 5

RISK, RESILIENCE AND ACCOUNTABILITY

Insurance is the business of managing risk. Our objective is to understand risk, price it appropriately, diversify it intelligently and maintain sufficient capital to absorb outcomes that may differ from expectations.

SALAMA is operating from a materially stronger position than it was at the beginning of its transformation. That does not mean the transformation is complete.

“The objective is not to avoid risk. It is to understand it, price it appropriately and manage it effectively.”

Principal Areas of Focus

Area	Risk	Management response
Underwriting	Pricing, claims inflation and insurance-cycle volatility	Pricing adequacy, portfolio selection and underwriting discipline
Growth execution	Growth undermines recently improved economics	Returns before volume
International operations	Different operating and market conditions	Greater Group oversight and common standards
Legacy matters	Historical matters affect current capital or performance	Continued remediation and stronger controls
Capital	Inadequate resilience or inefficient deployment	Group capital discipline and solvency oversight
Distribution	Growth through uneconomic channels	Channel economics and diversified distribution
Execution	Transformation benefits fail to become recurring	Consistent operating discipline and accountability

Underwriting risk

Insurance markets move through cycles. Competition can place pressure on pricing just as claims inflation, medical costs, repair costs, catastrophe events and reinsurance conditions can place pressure on losses. SALAMA will therefore continue to prioritise pricing adequacy and portfolio quality over premium volume. There may be periods when this results in slower growth than the market. We consider that an acceptable consequence of underwriting discipline.



Execution risk

We are moving from restructuring into growth. Executing that transition requires the organisation to expand distribution and develop new opportunities without relaxing the underwriting and cost discipline established during the turnaround. Management will remain focused on ensuring growth does not recreate the conditions we have worked to correct.

International operations

Diversification across the UAE, Egypt, Bahrain and Algeria provides multiple potential sources of revenue and earnings. It also creates complexity. Our response is greater Group oversight and integration. Common underwriting, governance, risk and capital standards are being increasingly applied across SALAMA.

Legacy matters

SALAMA has made substantial progress in addressing historical balance-sheet matters. In April 2026, the Company publicly disclosed that more than AED 420 million of legacy and non-admissible exposures had been resolved, including disputed assets and historical impairments. We remain focused on identifying and addressing any further historical matters that may arise, while continuing to respond to evolving regulatory requirements.

What Shareholders Should Hold Us Accountable For

Shareholder question	What we intend to demonstrate
Are we underwriting profitably?	Sustainable Insurance Service Result and appropriate underwriting economics
Are earnings becoming more consistent?	Repeatable rather than exceptional profitability
Are we growing appropriately?	Profitable growth rather than premium growth alone
Are we financially resilient?	Maintaining solvency above regulatory requirements with appropriate financial resilience

These are the measures against which management intends increasingly to be judged. SALAMA has moved from financial repair to financial recovery. Our objective now is to move from recovery to sustainable value creation. We do not expect that journey to be linear. But SALAMA today has stronger capital, improved underwriting discipline, clearer governance and greater strategic focus. Our responsibility is to convert those foundations into long-term shareholder value.



SHAREHOLDER INFORMATION

Company	Islamic Arab Insurance Company (SALAMA) PJSC
Legal status	Public Joint Stock Company registered in the Emirate of Dubai, UAE
Listing	Dubai Financial Market
Ticker	SALAMA
ISIN	AEI000301012
Issued share capital	AED 819,977,704
Shares in issue	819,977,704 ordinary shares
Nominal value	AED 1 per share
Registered office	4th Floor, Block A, Spectrum Building, Oud Metha, Sheikh Rashid Road, P.O. Box 10214, Dubai, U.A.E.
Email	info@salama.ae
Telephone	800 725262 / +971 4 357 7000
Website	www.salama.ae



Glossary

Term	What it means
Takaful	A Shari'ah-compliant form of insurance based on mutual protection and shared responsibility among participants.
Contribution	The amount paid by a participant for Takaful coverage. It is broadly equivalent to the term "premium" used in conventional insurance.
Insurance Revenue	Revenue recognised from insurance contracts during the reporting period under IFRS 17.
Insurance Service Result	The profit or loss generated from providing insurance services before investment and financing results and other items.
Underwriting	The process of assessing, pricing and accepting insurance risk.
Solvency Ratio	A measure of an insurer's available capital relative to its regulatory capital requirement.
SCR	Solvency Capital Requirement. The regulatory capital requirement used to assess whether an insurer has sufficient capital to support the risks it assumes.
Solvency Surplus / Deficit	The amount by which available capital is above or below the applicable regulatory requirement.
Return on Equity (ROE)	Profit measured relative to shareholders' equity.
Book Value per Share	Equity attributable to shareholders divided by the number of shares outstanding.
Capital Productivity	How effectively the Group uses its capital to generate sustainable returns.
Total Shareholder Return (TSR)	The change in shareholder value over a period, including share-price movement and any cash dividends.
Distributable Reserves	Reserves legally available for distribution to shareholders, subject to applicable requirements and approvals.
MCS	Mandatory Convertible Sukuk. Sukuk that convert into ordinary shares under specified terms.



Basis of Preparation

Unless otherwise stated, financial information in this letter is drawn from SALAMA's publicly filed audited annual or reviewed interim financial statements and official results announcements. The underlying financial statements use the terms 'Takaful revenue' and 'Takaful Service Result'; this letter also uses 'insurance revenue' and 'Insurance Service Result' where consistent with SALAMA's public 2026 results communications and broader market terminology. The solvency ratio and solvency positions are presented on the applicable regulatory basis.

Industry information is derived principally from BADRI Management Consultancy's H1 2026 preliminary analysis of 27 UAE-listed insurers. BADRI itself notes potential IFRS 17 presentation inconsistencies across companies; market comparisons in this letter are therefore contextual and not presented as fully standardised peer accounting.

Where SALAMA's public financial statements disclose a solvency surplus or deficit but not a percentage solvency ratio, this letter presents the disclosed surplus or deficit rather than reverse-engineering an unpublished ratio. Group profit after tax is consolidated profit including non-controlling interests; profit attributable to owners is separately identified where relevant. H1 results are six-month figures and are not annualised.

SALAMA operates in accordance with Takaful principles and applicable Shari'ah requirements. References to "contribution" in relation to SALAMA's operations refer to amounts paid by participants under Takaful contracts. Where "premium" is used in broader insurance-market commentary or third-party market data, it reflects the terminology used in the relevant market or source.

Forward-Looking Statements

This letter contains forward-looking statements regarding the Group's strategy, plans, objectives and expectations. These statements reflect management's current expectations and are subject to risks and uncertainties that could cause actual outcomes to differ materially. Forward-looking statements speak only as at the date of this letter. SALAMA undertakes no obligation to update

them except where required by applicable law or regulation.

Nothing in this letter constitutes an offer, invitation, recommendation or solicitation to buy, sell or hold securities, nor does it constitute investment advice.

Public Disclosure Sources

- SALAMA FY2024 audited consolidated financial statements for the year ended 31 December 2024.
- SALAMA H1 2025 reviewed interim condensed consolidated financial statements for the six months ended 30 June 2025.
- SALAMA FY2025 audited consolidated financial statements for the year ended 31 December 2025, and preliminary FY2025 results announcement dated 11 February 2026.
- SALAMA H1 2026 reviewed interim condensed consolidated financial statements for the six months ended 30 June 2026, and H1 results announcement dated 17 August 2026.
- SALAMA capital restructuring announcement dated 24 April 2026 and DFM capital-increase activation notice dated 24 April 2026.
- BADRI Management Consultancy, UAE Listed Insurance Companies – H1 2026 Preliminary Report, August 2026.

