

Detailed analysis of accumulated losses

This form has been prepared in accordance with the disclosure requirements included in the SCA Board of Directors' Decision No. (32/R.M.) of 2019 concerning procedures for companies whose shares are listed on the market, and whose accumulated losses amount to (20%) or more of their paid up capital. Listed Companies are required to comply with the provision of the decision as soon as their accumulated losses reach (20%) or more of their paid-up capital.

Date:	10 th August 2026
Listed Company Name:	United Fidelity Insurance Company
Define the period of the financial statements:	Q2 2026
Accumulated losses:	AED (97,191,677) (Q4 2025: AED 84,139,015)
Accumulated losses to Capital ratio:	51.2% (Q4 2025: 52.6%)
Year on Year Performance	For the period ended June 30, 2026, Fidelity United delivered improved financial performance compared with the corresponding period in 2025, despite the impact of weather-related events. While the Company reported a net loss for the period, the loss narrowed year on year, reflecting continued progress toward sustainable profitability. Insurance revenue for the period ended June 30, 2026 increased to AED 365.1 million from AED 273.9 million in the corresponding period of 2025, representing growth of 33%. This demonstrates a stronger top-line performance during the quarter. Insurance service expenses for the period were AED 384.1 million compared with AED 233.4 million in the prior-year period. However, this was materially offset by a strong improvement in reinsurance results, with net recovery from reinsurance contracts held amounting to AED 4.6 million compared with a net expense of AED 56.5 million in the same period of 2025. As a result, the loss has narrowed in insurance service result to AED 14.4 million from AED 16.0 million, representing a 10% improvement year on year. Net investment income amounted to AED 8.5 million compared with AED 10.7 million in the corresponding period last year, driven by the geopolitical situation in the region. Overall, the Company reported a net loss before tax of AED 7.5 million for the period, compared with a net loss before tax of AED 9.5 million in the same period of 2025, representing an improvement of 21%. After recognizing an income tax benefit of AED 1.2 million, net loss after tax stood at AED 6.4 million versus AED 8.9 million in the corresponding period last year, an improvement of 29%.
Measures to be taken to address Accumulated losses:	During the first quarter of 2026, the Company also received a capital injection of AED 30 million, which further strengthened its capital base and supported the execution of its strategic priorities.

UNITED FIDELITY INSURANCE COMPANY

In Conformity with the Federal Law No. 6/2007 Reg. No (8) dated 22/12/1984. Authorized paid-up Capital Dh. 190,000,000

Ras Al Khaimah T: +971 7 2351584, F: +971 7 2353213, P.O. Box: 1010 - Sharjah T: +971 6 5682277, F: +971 6 5681586, P.O. Box: 5333

Dubai T: +971 4 2502501, F: +971 4 2502504, P.O. Box: 1888 - Abu Dhabi T: +971 2 6263313, F: +971 2 6263526, P.O. Box: 721

Fujairah T: +971 9 2222302, F: +971 9 2220294, P.O. Box: 4417

info@fidelityunited.ae

	Management is focused on disciplined underwriting, prudent risk selection, optimized reinsurance arrangements, operational efficiency and selective growth in profitable segments. These actions are expected to further strengthen the Company's financial position, reduce accumulated losses over time and support its path toward sustained profitability and long-term value creation for shareholders and stakeholders.
Authorized Signatory:	Ahmed Nasef
Position:	Chief Executive Officer
Signature and Date:	August 10 th 2026 
Company Seal:	

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