فيدلتي المتحدة
Fidelity United
INSURANCE

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:	14th November 2025
Listed Company Name:	United Fidelity Insurance Company
Define the period of the financial statements:	Q3 2025
Accumulated losses:	AED 87,198,355 (Q2 2025: AED 97,821,037)
Accumulated losses to capital ratio:	54.5% (Q2 2025: 61.1%)
The main reasons leading to these accumulated losses and their history:	Fidelity United continued its recovery momentum in Q3 2025, achieving results that exceeded budgetary expectations. Consequently, the accumulated losses position improved by 6.6% during the period, reflecting steady progress toward strengthening the company's capital base. **Revenue Performance**: For the nine months ended 30 September 2025, insurance revenue totaled AED 410 million, representing a 13% decline from AED 473 million in Q3 2024. The drop was mainly driven by lower performance in Commercial (16%) and Employee Benefits (33%) segments, while Consumer Lines recorded a 13% increase. This shift is consistent with the company's strategic focus on enhancing underwriting quality and prioritizing profitability over volume. **Claims & Underwriting Results**: Insurance service expenses stood at AED 332 million, lower than AED 718 million in Q3 2024, when results were adversely impacted by exceptional flood-related claims. After accounting for reinsurance recoveries, the net insurance service result reflected a loss of AED 6.4 million, a significant improvement compared to the AED 30.4 million loss recorded in the same period last year. **Investment & Overall Results:** • Investment income: AED 12.9 million (Q3 2024: AED 16.6 million) • Net Profit before tax: AED 0.96 million (Q3 2024: loss of AED 16.9 million) • Net Profit after tax: AED 0.96 million (Q3 2024: loss of AED 14.7 million) The return to profitability on both quarterly and year to date is driven by better underwriting discipline which has positively impacted on the accumulated losses position. Nevertheless, despite this progress, accumulated losses remain at AED 87.1 million as of 30 September 2025, primarily attributable to prior-year underwriting losses.

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. 160,000,000

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Measures to be taken to address Accumulated losses:	The Company has returned to profitability on both a quarterly and year to date basis during the reporting period. This marks a significant milestone in Fidelity United's ongoing recovery program. The positive performance reflects the effectiveness of the strategic initiatives implemented by the new management team, focusing on profitability, disciplined underwriting, and prudent risk selection. The Company continues to emphasize writing of high-quality accounts and applies stringent underwriting standards across all new business lines. Given the recognition pattern of insurance premiums over the policy term, the impact of these measures is expected to further strengthen financial performance in subsequent reporting periods. The Board of Directors remains confident that, through continued adherence to these strategies, Fidelity United will sustain its profitability momentum, progressively reduce accumulated losses, and reinforce its capital base, ensuring long-term financial stability and resilience.
Authorized Signatory:	**Ahmed Nasef**
Position:	**Chief Executive Officer**
Signature and Date:	**November 14th 2025**
Company Seal:	فيدلتي المتحدة Fidelity United INSURANCE

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