

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:	12 th March 2026
Listed Company Name:	United Fidelity Insurance Company
Define the period of the financial statements:	Q4 2025
Accumulated losses:	AED 84,139,015 (Q3 2025: AED 87,198,355)
Accumulated losses to capital ratio:	52.6% (Q3 2025: 54.5%)
The main reasons leading to these accumulated losses and their history:	<p>Fidelity United sustained its recovery momentum in Q4 2025, delivering results that exceeded budgetary expectations. As a result, the accumulated losses position improved by 1.9% during the period, demonstrating continued progress toward strengthening the company's capital base.</p> <p>Revenue Performance:</p> <p>For the year ended 31 December 2025, insurance revenue amounted to AED 563 million, a 7% decrease from AED 607 million in 2024. This decline was primarily driven by reduced exposure in the Commercial (15%) and Employee Benefits (27%) segments, partially offset by a strong 21% increase in Consumer Lines. The shift in portfolio mix aligns with the company's strategic focus on improving underwriting quality and prioritizing sustainable profitability over volume growth.</p> <p>Claims & Underwriting Results:</p> <p>Insurance service expenses totaled AED 449 million, significantly lower than AED 919 million in 2024, when results were affected by exceptional flood-related claims. After reinsurance recoveries, the net insurance service result showed a loss of AED 5.7 million—an improvement of over AED 82 million compared to the AED 88.6 million loss recorded in the prior year.</p> <p>Investment & Overall Results:</p> <ul style="list-style-type: none"> Investment income: AED 16.3 million (YTD 2024: AED 18.4 million) Net Profit before tax: AED 5.3 million (YTD 2024: loss of AED 71.8 million) Net Profit after tax: AED 5.8 million (YTD 2024: loss of AED 64.4 million) <p>The return to profitability, both for the quarter and year-to-date, reflects stronger underwriting discipline and has contributed to the improvement in accumulated losses. Despite this progress, accumulated losses remain at AED 84.1 million as of 31 December 2025, largely due to prior-year underwriting performance.</p>

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

<p>Measures to be taken to address Accumulated losses:</p>	<p>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.</p> <p>The positive results demonstrate the effectiveness of strategic actions taken by the new management team, emphasizing disciplined underwriting, prudent risk selection, and a focus on high-quality business. Given the recognition pattern of insurance premiums over the policy term, these measures are expected to further enhance financial performance in future reporting periods.</p> <p>The Board of Directors remains confident that continued adherence to these strategies will enable Fidelity United to sustain its profitability trajectory, progressively reduce accumulated losses, and further strengthen its capital base, ensuring long-term financial stability and resilience.</p>
<p>Authorized Signatory:</p>	<p>Ahmed Nasef</p>
<p>Position:</p>	<p>Chief Executive Officer</p>
<p>Signature and Date:</p>	<p>March 12th 2026</p> 
<p>Company Seal:</p>	

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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