دار التأمين
INSURANCE HOUSE
P.J.S.C - قطاع

Detailed analysis of accumulated losses

Date	04/12/2025
Name of the Listed Company	Insurance House PJSC
Define the period of the financial statements	Q3 2025
Accumulated losses	AED 136,545,242
Accumulated losses to capital ratio	114.96%
The main reasons leading to these accumulated losses and their history	1. The IH Motor Book of Business developed in 2022 and H1 2023 has been identified as a key contributor to the company's losses in the last 2 years; this was driven by the aggressive market price competition together with unusually high acquisition costs, poor reporting, and claim management practices. 2. Financial reporting, control issues, and accounting errors related to the period between 2020 and 2022 led to the late realization of losses and a delayed management response.
Measures to be taken to address accumulated losses:	A detailed Recovery plan prepared by the management under guidance from the Board and certified by the Appointed External Actuary M/s Deloitte was submitted to the CBUAE and was approved by them during January 2025. The Recovery Plan contained the following measures: 1. Raising fresh capital of AED 25 million by Rights issuance to and obtain a Shareholder Guarantee from the largest shareholder to the extent of AED 100 million to restore solvency status and improve liquidity to service existing liabilities.

2. Developing a new strategy for Motor and Health insurance businesses to reverse the trend at each of topline and bottom-line levels driven by key initiatives such as regular rate reviews, better risk selection, claims management and efficient reporting capabilities for key performance and early warning indicators.
3. Improving distribution strategy to grow profitably in all lines of businesses - Motor, Health, Personal and Commercial lines.
4. Cost-efficiency programs and customer experience strategies driven by focused transformation projects.
5. Ongoing improvement of internal policies and procedures.
6. Embedding a culture of engagement and high performance.

The management is constantly reviewing progress against the Recovery Plan recommendations to ensure that the agreed actions are being implemented. The following is update based on the Audited Financials as at 30 September 2025:

1. The Company is already in the process of obtaining necessary regulatory approvals for the Rights Issuance in line with the Recovery Plan approved by the CBUAE.

	2. The successful implementation of the above measures has already showing a positive impact on Company's profitability with the Company registering a Net comprehensive profit of AED 4.84 million during the 9 months ended 30 September 2025 and thereby resulting in a reduction in the Accumulated losses from AED 140.4 million at 31 December 2024 to AED 136.5 million as at 30 September 2025. 3. The liquidity position of the company has improved considerably with the Cash and Cash equivalents as at 30 September 2025 accounting for over 30% of total assets as compared to 19% as at the end of December 2024.

The Name of the Authorized Signatory	Mr.Mohammed Alqubaisi
Designation	Chairman
Signature and Date	04-/12/2025
Company's Seal	