

## The Board of Directors' Report – Period ended 31<sup>st</sup> March 2026

On behalf of the Board, I am pleased to present the Directors' Report for the period ended March 31, 2026.

During the first quarter of 2026, Fidelity United delivered an improved financial performance compared with the corresponding period of 2025. While the Company reported a net loss for the quarter, the loss narrowed significantly year on year, reflecting continued progress toward sustainable profitability.

Insurance revenue for the quarter ended March 31, 2026 increased to AED 176.4 million from AED 134.0 million in the corresponding period of 2025, representing growth of 32%. This demonstrates a stronger top-line performance during the quarter.

Insurance service expenses for the quarter were AED 245.6 million compared with AED 140.2 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 64.3 million compared with a net expense of AED 11.4 million in the first quarter of 2025. As a result, the insurance service result improved significantly, with the loss narrowing to AED 4.9 million from AED 17.6 million, representing a 72% improvement year on year.

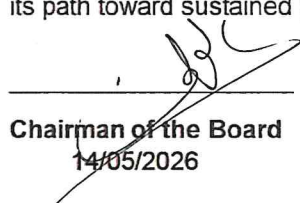
Net investment income amounted to AED 3.7 million compared with AED 5.1 million in the corresponding period last year, driven by the geopolitical situation in the region. Overall, the Company reported a net loss before tax of AED 1.8 million for the quarter, compared with a net loss before tax of AED 12.7 million in the first quarter of 2025, representing an improvement of 86%. After recognizing an income tax benefit of AED 0.6 million, net loss after tax stood at AED 1.3 million versus AED 11.3 million in the corresponding period last year, an improvement of 89%.

During the first quarter of 2026, the Company also received AED 30 million as a capital injection, further strengthening its capital base and supporting the execution of its strategic priorities.

Key Financial Parameters (in '000)	For the period ended on 31 <sup>st</sup> March		Variance
	2026	2025	
Insurance Revenue	176,395	134,009	32%
Insurance Service Expenses	(245,619)	(140,220)	(75%)
Insurance Service Result	(4,905)	(17,618)	72%
Investment Income	3,733	5,133	(27%)
Net Profit/(Loss) before Tax	(1,830)	(12,704)	86%
Income tax	577	1,388	(58%)
Net Profit/(Loss) after tax	(1,252)	(11,316)	89%

### Looking Ahead

The Board is pleased with the significant improvement in the Company's quarterly results. The continued reduction in losses, together with the capital injection received during the quarter, provides a stronger foundation for the business. Management will remain 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 and support its path toward sustained profitability and long-term value creation for shareholders and stakeholders.

  
Chairman of the Board

14/05/2026



### **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

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