
Directors' Report

For the six months ended 30 June 2025

Dear Shareholders,

On behalf of the Board of Directors of Liva Group (the “Group” or “Company”), I am pleased to present the consolidated results for the six months ended 30 June 2025. The Group continued to deliver profitable growth throughout the first half of 2025, with Insurance Revenue increasing by 24% year-on-year. This strong performance was driven by accelerated new business activity, strengthened pricing discipline, and the rollout of innovative products. The operating entities delivered solid contributions towards top line growth and Profit After Tax, supported by improved investment income and operational efficiency in line with the Groups strategic direction.

Financial Performance

During the first six months of the year, the Group delivered robust financial performance, demonstrating consistent progress in scaling operations, enhancing profitability, and strengthening overall operational resilience across most business lines. These results reflect the disciplined execution of strategic priorities and sustained momentum toward long-term growth. The key financial highlights for the period are summarised below.

Insurance Revenue

For the six-month period ended 30 June 2025, Liva Group reported Insurance Service Revenue of OMR 194 million, marking a 24% increase year-on-year. This growth was led by the United Arab Emirates business, with positive contributions from other operating markets. Enhanced customer engagement, successful product innovation, and the expanded distribution capabilities across the Group further reinforced this performance.

Insurance Service Results

The Insurance Service Result improved significantly to OMR 10.3 million, marking solid turnaround from the prior year's

loss of OMR 18.2 million, which was impacted by extreme weather events across the region. This 157% year-on-year improvement was supported by continued enhancements in underwriting discipline, with a focus on risk selection, enhanced claims management, and strengthened pricing adequacy. In addition, the Group's net financial result rose by 24%, supported by prudent management of insurance finance expenses and reinsurance management.

Investment Income

Investment income for the period achieved OMR 7.5 million, representing a 9% increase year-on-year. This growth reflects the continued strength of the Group's strategically diversified portfolio. High-quality fixed income and equity securities continue to deliver consistent returns supported by ongoing yield optimisation and active portfolio rebalancing. These results are aligned to the Group's disciplined yet performance-driven investment philosophy.

Profit After Tax

Liva Group delivered a Profit After Tax of OMR 8.8 million for the period, marking a significant 155% increase year-on-year. This strong performance was led by the operations in the United Arab Emirates, where the market has remained buoyant, supported by prudent underwriting practices and a well-balanced and diversified product portfolio. The Group's return to sustained profitability highlights the resilience and effectiveness of its strategic execution.

Other Initiatives

To accelerate business growth and enhance market relevance, the Group continues to forge strategic partnerships that unlock new capabilities and drive innovation.

Corporate Social Responsibility (CSR) - The Group remains committed to delivering a positive social impact across the communities it serves. Key initiatives during the quarter included participation in blood donation drives and road safety education as part of GCC Traffic Week.

In addition, Liva Oman sponsored the Financial Services Authority's radio program, reinforcing Liva's efforts to promote financial literacy and empower individuals and communities with essential financial knowledge.

Salik (UAE) - The Salik collaboration unlocks additional opportunities in customer intelligence and behavioural analytics, enabling data-driven insights that drive more personalised customer centric, innovative protection products with a strong

partnership mindset. This approach supports the Group's focus to provide deep customer understanding as well as driving stronger business outcomes.

RELM - In line with the Group's long-term strategy to strengthen its competitive advantage and portfolio diversification, a strategic collaboration was established with Relm Insurance MENA to deliver innovative insurance solutions across emerging sectors. This partnership enables the Group to proactively address evolving market needs and support future-focused industries including digital assets, Web3, AI, and the space economy.

Consolidation of Borrowing - The Group strategically consolidated its existing borrowings into a new OMR 63 million facility with Sohar International Bank. The new structure reduces borrowing costs, enhances cash flow flexibility, and strengthens the Group's financial foundation to support future growth. It also marks the beginning of a broader strategic partnership with the bank.

Outlook

The Group entered 2025 from a position of strength, delivering strong topline growth and consistent quarter on quarter profitability. Our forward-looking strategy centres on sustainable, value-driven growth through a focus on higher-margin segments, accelerating digital transformation, and enhancing operational agility to meet evolving customer needs and regulatory expectations.

Diversification remains a key strategic pillar, expanding into attractive new geographies and broadening our product mix. Strategic partnerships with regional and international players are central to extending market access and reinforcing relevance across core and emerging markets. The proposed merger between Liva and Malath Cooperative Insurance Company in the Kingdom of Saudi Arabia is progressing through an updated due diligence process, incorporating the audited financials for 2024. This review is expected to provide enhanced visibility into Malath's financial health and operational performance.

Engagements with Malath and the involved regulatory authorities have been constructive and encouraging. Subject to the successful completion of due diligence and final negotiations, both parties aim to sign the Merger Agreement in Q3, following the required approvals from regulators and shareholders.

While we remain vigilant to macroeconomic headwinds including interest rate fluctuations, geopolitical tensions, and trade policy shifts, our direct exposure is limited. We maintain proactive risk management and scenario planning to ensure continued agility.

Our strong capital position enables confident investment in both organic and inorganic growth initiatives, with active evaluation of acquisition opportunities that align with strategic objectives and enhance shareholder value.

Looking ahead, our priorities focus on operational excellence, deepening innovation, and maintaining strong governance. Backed by a focused strategy, disciplined growth agenda, and strong financial platform, we believe the Group is well-positioned to capture emerging opportunities and deliver sustained shareholder value.

Acknowledgements

We are grateful to our inspirational leader His Majesty Sultan Haitham bin Tarik for his vision and initiatives as he continues to lead the country on the path of development, peace, and enduring prosperity.

On behalf of the Board of Directors, I would like to thank the Financial Services Authority of Oman, Muscat Stock Exchange, Central Banks of UAE, and Bahrain, Dubai Health Authority, Department of Health Abu Dhabi, Insurance Authority of Saudi Arabia, Insurance regulatory unit of Kuwait and the Qatar Financial Centre Regulatory Authority for their continued support and guidance. I would also like to thank our dedicated teams at Liva Group and across our Group companies for their commitment and hard work.

Khalid Muhammad Al Zubair

Chairman