

Board of Directors' Report on the Unaudited Financial Results

For the Three Months Ended 31 March 2026

Dear Shareholders,

On behalf of the Board of Directors of Muscat Insurance Company (SAOG), I am pleased to present to you the unaudited financial statements of the Company for the quarterly period ending 31 March 2026.

Overview of the Business Environment

The insurance sector maintained its stability with continued growth driven by motor and health insurance And the market's competitiveness continued during the first quarter through the annual renewal releases. Our operational resilience remained strong, backed by solid reinsurance arrangements and sustained high-quality customer service.

The company demonstrated a commitment to a balanced mix of high-quality business to strengthen ongoing corrective mechanisms aimed at improving results.

Operating Results

According to IFRS 17 standards, insurance revenue declined by 16% to OMR 3.809 million, compared to OMR 4.522 million in the first quarter of 2025. This was mainly due to price corrections and demand elasticity in the motor insurance segment. However, the non-motor segment experienced better growth, supported by direct business with companies and insurance brokers.

As a result of the positive efforts implemented over the past two quarters and our focus on profitable business mix, the portfolio achieved a balance. Growth in non-motor insurance was supported by the marketing and direct acquisition team. Through effective internal controls over motor insurance with appropriate pricing oversight and the reactivation of claims management using qualified staff, the company achieved positive results in the motor insurance portfolio.

Net profit for Q1 2026 increased to OMR 1.503M compared to OMR 218K in the previous year, This is mainly due to maintaining our market share amid competitive challenges, the flexibility of motor insurance pricing, as well as the positive performance of the investment portfolio, and the impact of increase stock prices in our investment portfolios on this quarter's profits.

Corporate Governance

The company continues to implement its Corporate Governance Charter as required by the Financial Service Authority and other regulatory authorities. It maintains a high level of compliance and best practices, in line with the Corporate Governance Law and internal policies.

Human Resources

The company actively encourages and retains national talent across all areas of its operations. The Board is keen to promote local workforce employment. I am honored to inform shareholders that the Omanization rate across all company branches is 100%. This is in addition to the company's commitment to working closely with the Financial Service Authority and the Ministry of Labour .

Internal Control Systems

Through its Audit Committee, the company reviews the adequacy, effectiveness, and alignment of internal control procedures. Additionally, internal and external auditors submit their reports with observations and recommendations to enhance current internal control systems. Management reviews these recommendations and takes all necessary steps for continuous improvement.

Acknowledgement

The Board of Directors extends its gratitude to our clients, reinsurers, bankers, and shareholders for their ongoing and unwavering support. The Board particularly appreciates the continued efforts and dedication of the company’s management and staff.

Finally, I, along with the Board of Directors, express our sincere appreciation, thanks, and humble loyalty to His Majesty Sultan Haitham bin Tariq Al Said – may God protect him – for the economic and social stability that our beloved Oman enjoys under his wise and enlightened leadership. We pray to Almighty God to safeguard His Majesty and grant him continued success in leading our nation toward further pride, prosperity, and growth.

He is the Best Protector and the Best Supporter.

Peace and blessings be upon you.

Mohammed Amer Satour

Chairman of the Board