

Oman Qatar Insurance Company SAOG

Condensed Notes to the Financial Statements for 30 September 2025

1. General

Oman Qatar Insurance Company SAOG (the "Company") is registered as a publicly held joint stock company registered and incorporated in the Sultanate of Oman. The Company is engaged in the business of life and general insurance within the Sultanate of Oman. The registered address of the Company is P O Box 3660, Postal Code 112, Sultanate of Oman. The Company started its operations from 21 July 2004. The Company was granted General & Life insurance license by the Financial Service Authority (Oman) valid up to 19 June 2029. The Company is a subsidiary of Qatar Insurance Company S.A.Q., a public joint stock company incorporated in the State of Qatar, whose registered address is at P O Box 666, Doha, State of Qatar.

2. Basis of preparation and changes to the company's accounting policies

2.1. Basis of accounting

The interim condensed financial statements for the period ended 30th September 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and not less than 12 months from the end of the reporting period.

The interim-condensed financial statements should be read in conjunction with the Company's annual financial statements as at 31 December 2024 (last annual financial statements'). They do not include all the information required in the annual financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements. In addition, results for the nine months ended 30th September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

These interim condensed financial statements have been prepared in accordance with IFRS standards and were approved by a resolution of the Board of directors and were signed on its behalf on 30th October 2025.

2.2. New currently effective accounting standard requirements

The points below list the recent changes to the IFRS Accounting Standards that are required to be applied by an entity with an annual reporting period beginning on 1 January 2025:

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- Lack of Exchangeability - Amendments to IAS 21.

Management does not expect that the adoption of the above amended Accounting Standards will have a significant impact on the interim condensed financial statements

2.3 Accounting standards requirements are not yet effective, but available for early adoption

The points below list the recent changes to the Accounting Standards that are required to be applied for annual periods beginning after 1 January 2025 and that are available for early adoption in annual periods beginning on 1 January 2025:

(A) Effective for the year beginning 1 January 2026 - Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

(B) Effective for the year beginning 1 January 2027 - IFRS 18 Presentation and Disclosure in Financial Statements & IFRS 19 Subsidiaries without Public Accountability: Disclosures.

(C) Available for optional adoption / effective date deferred indefinitely - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28.

Management does not expect that the adoption of the above amended Accounting Standards will have a significant impact on the interim-condensed financial statements.

3. Use of Judgements and estimates

The preparation of the interim condensed financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3.1 Going concern

The management has assessed the Company's ability to continue as a going concern and is satisfied that the Company has resources to continue in the business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

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3.2 Estimates of future cash flows

In estimating future cash flows, the Company will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. The assumptions will be based on internal historical claims experience as well as external data (benchmarks) to reflect the current claims and economic environment. These assumptions will also reflect expected future developments such as inflation trends or changes in legislation when these have a material chance of materializing.

Cash flows will also include direct attributable internal expenses in relation to servicing the contracts at the reporting date, whether these costs pertain to the policies such new endorsements and cancellations or whether these costs relate to settling and paying all remaining claims. Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance cash flows and other costs that are incurred in fulfilling contracts. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

3.3 Discount rates

The IFRS17 requirement to measure liabilities for insurance contracts using current discount rates will be a significant change from the Company's current practice.

Insurance contract liabilities are calculated by discounting expected future cash flows using yield curves internally derived reflecting fair value and market-consistent interest rates that two willing parties would accept in a liability transfer transaction.

The starting point for constructing these yield curves is risk-free rates for each major currency. These are subsequently adjusted with illiquidity premiums and credit risks for instance to derive fair value rates.

3.4 Risk adjustments for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects a margin that an insurer is willing to load its reserves with to reduce the uncertainty that future cash flows will exceed the expected value amount. The Company's appetite is to set a risk adjustment no less than the 70th percentile and no greater than the 75th percentile, allowing for diversification benefit between all product lines written and territories. That is, The Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to a point within the 70th to 75th percentiles confidence level less the mean of an estimated probability distribution of the future cash flows. Although the risk adjustment is calculated separately for the Insurance Liabilities and the Reinsurance Assets, it is

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actually on a net of reinsurance basis that the Company reviews it.

3.5 Assets for insurance acquisition cashflow

The Company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about whether insurance contracts are expected to arise from renewals of existing insurance contracts and, where applicable, the amount to be allocated to groups including future renewals and the volume of expected renewals from new contracts issued in the period. In the current and prior years, the Company did not allocate any insurance acquisition cash flows to future groups of insurance contracts, as it did not expect any renewal contracts to arise from new contracts issued in the period. In the current and prior year, the Company did not identify any facts and circumstances indicating that the assets may be impaired.

3.6 Classification of financial assets

Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding.

3.7 Impairment of financial assets measured at amortized cost

The “expected credit loss” (ECL) impairment model requires forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability and magnitude of default to various categories of financial assets measured at amortized cost. The probability of default constitutes a key input in measuring an ECL and entails considerable judgment; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions. The magnitude of the loss in case there is a default is also an estimate of the loss arising on default; it is based on the difference between the contractual cash flows due and those that the Group would expect to receive. The Group uses considerable judgment in making the assumptions used in the ECL calculation.

3.8 Global taxation

On 31 December 2024, The Sultanate of Oman issued Royal Decree No. 70/2024 implementing Pillar Two 15% Domestic Minimum Top-up Tax (DMTT) and an Income Inclusion Rule (IIR) effective from 1 January 2025. Regulations relating to the implementation, compliance and administrative provisions are expected to be issued by the Oman Tax Authority in the near future.

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OQIC is within the scope of Pillar Two legislation and as such subject to the Pillar Two rules from 1 January 2025 onwards. The income tax expense in the interim statement of profit or loss includes a Pillar Two tax expense of OMR 194,082.

The Company has applied the mandatory temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as provided in the amendments to IAS 12.

4. Cash and cash equivalents

Call deposits carry an interest ranging from 0% to 3% (2024 – 0% to 3%) per annum.

The Expected Credit Loss (ECL) on cash and cash equivalents as at 30 September 2025 and 31 December 2024 is not material to the financial statements as a whole and accordingly; no adjustment has been incorporated in the interim condensed financial statement.

5. Bank Deposits

Bank Deposit includes accrued Interest figure of RO 883,209 (2024 - RO 644,151).

The deposits are held with commercial banks in Oman and carry annual interest rates ranging from 3% to 6.50% (2024 – 3% to 6.20%). As at the reporting period, the Company does not hold any bank deposits denominated in foreign currency (2024 – Nil)

6. Share capital

	30 Sep 2025 (Unaudited)	31 Dec 2024 (Audited)
Authorized – 300,000,000 shares of RO 0.100 each	<u>30,000,000</u>	<u>30,000,000</u>
Issued and fully paid - 161,218,570 shares	<u>21,998,840</u>	<u>21,998,840</u>

Shareholders of the Company who own 10% or more of the Company's shares and the number of shares they hold as of 30 September 2025, and 31 December 2024 are as follows:

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	30 Sep 2025 (Unaudited)		31 Dec 2024 (Audited)	
	Number of shares	% of Shares	Number of shares	% of Shares
Qatar Insurance Company S.A.Q.	90,264,754	55.989	90,264,754	55.989
Al Hosn Investment Company SAOC	56,600,011	35.108	56,600,011	35.108
	146,864,765	91.097	146,864,765	91.097

7. Contingent liabilities and commitment

Legal claims

The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Company's interim condensed statement of comprehensive income and interim-condensed statement of financial position.

Contingent liabilities

	30 Sep 2025 (Unaudited)	31 Dec 2024 (Audited)
Bank Guarantee	228,622	134,951

8. Related party transactions

Transactions with related parties

These represent transactions with related parties, i.e. parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Company and companies of which they are key management personnel. Related parties comprise the shareholders, directors, key management personnel and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions. Pricing policies and the terms of these transactions are approved by the Company's board of directors and are on mutually agreed terms. Significant transactions were:

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	Amounts in OMR	
	Shareholders & Other Related Parties	
	30 Sep 2025	30 Sep 2024
	(Unaudited)	(Unaudited)
Insurance Revenue	-	-
Insurance Service Expense	11,614	163,775
Net Income/expense) from Reinsurance Contract	(2,125,076)	(1,255,934)
Insurance finance income / (expense) for insurance contracts issued (Including OCI)	213	(3,737)
Reinsurance finance income / (expense) for reinsurance contracts held (Including OCI)	490,479	448,345
Investment Advisory Fees	(68,912)	(80,299)
Board of Director's Remuneration	(97,500)	(65,000)
Balances due from and due to related parties or holders of 10% or more of the Company's shares, or their family members, are analyzed as follows:		
Insurance Contract Assets/(Liabilities)	(46,923)	517,819
Reinsurance Contract Assets/(Liabilities)	(8,444,413)	(5,654,173)

Compensation of key management personnel

The remuneration of key management (excluding perquisite) during the period was as follows:

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	30 Sep 2025	30 Sep 2024
	(Unaudited)	(Unaudited)
Salaries and other short term benefits	376,749	347,643
End of service benefits	19,007	16,570
	<u>395,756</u>	<u>364,213</u>

9. Segmental information

The Company has three reportable segments, as described below. The strategic business units offer different products and services and are managed separately because they require different marketing strategies. For each of the strategic business units, the CEO reviews internal management reports on at least a monthly basis. The following summary describes the operations in each of the Company's reportable segments:

- (i) Marine and Energy includes marine cargo, marine hull & machinery, aviation and energy insurance.
- (ii) Property & Casualty includes fire, engineering, general accident, third party liability, workmen compensation, motor, travel and home insurance.
- (iii) Medical and Life includes health, group life and credit life insurance.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment net insurance income, as included in the internal management reports that are reviewed by the CEO. Inter-segment pricing is determined on an arm's length basis.

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Segmental statement of profit or loss:

Amounts in OMR

	Marine & Energy		Property & Casualty		Medical and Life		Total	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	(Unaudited)	<i>(Unaudited)</i>	(Unaudited)	<i>(Unaudited)</i>	(Unaudited)	<i>(Unaudited)</i>	(Unaudited)	<i>(Unaudited)</i>
<i>Insurance revenue</i>	9,567,429	9,483,475	18,718,238	22,235,527	20,250,440	19,409,054	48,536,107	51,128,056
<i>Insurance service expense</i>	(470,467)	(1,226,171)	(9,224,848)	(6,478,286)	(21,795,041)	(22,225,748)	(31,490,356)	(29,930,206)
<i>Net expenses from reinsurance contracts held</i>	(9,092,973)	(8,452,622)	(8,558,738)	(14,719,262)	701,901	3,140,175	(16,949,809)	(20,031,709)
Insurance service result	3,989	(195,319)	934,652	1,037,979	(842,699)	323,481	95,942	1,166,141
<i>Insurance finance expenses for insurance contracts issued</i>	(107,734)	(152,682)	(690,655)	(1,119,821)	(677,996)	(222,324)	(1,476,385)	(1,494,827)
<i>Reinsurance finance income for reinsurance contracts held</i>	146,766	218,507	797,635	856,224	962,224	344,413	1,906,625	1,419,144
Net insurance finance result	43,020	(129,494)	1,041,633	774,383	(558,472)	445,570	526,182	1,090,459
<i>Investment income</i>							4,239,182	2,363,726
<i>Advisory Fees</i>							(68,912)	(80,299)
<i>Rental Income</i>							11,250	12,150
<i>Other income</i>							63,605	1,554
<i>Total income</i>							4,771,307	3,387,590
<i>General and administrative expenses</i>							(967,979)	(875,166)
<i>Depreciation</i>							(183,173)	(198,731)
Profit / (loss) before Tax							3,620,155	2,313,693
<i>Income tax for the year</i>							(248,460)	(439,302)
<i>Pillar II tax for the year</i>							(194,082)	-
Total Income tax expense							(442,542)	(439,302)
Profit / (loss) after Tax							3,177,613	1,874,391