

The Mediterranean and Gulf Insurance Company - Jordan

Public Shareholding Company

Condensed Interim Financial Statements (Unaudited)

31 March 2026

The Mediterranean and Gulf Insurance Company - Jordan
Public Shareholding Company

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Report on Review of the Interim Financial Statements

To The Board of Directors of
The Mediterranean and Gulf Insurance Company - Jordan
Public Shareholding Company
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim financial statements of **The Mediterranean and Gulf Insurance Company - Jordan PLC**, comprising the condensed interim statement of financial position as at 31 March 2026 and the related interim statement of profit or loss, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard number (34) Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements number (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard number (34) Interim Financial Reporting.

Material Uncertainty Related to Going Concern

As disclosed in the interim statement of financial position, the Company's accumulated losses have exceeded (97%) of its share capital as at 31 March 2026. This raises substantial doubt about the Company's ability to continue as a going concern. The Company's continuity depends on its ability to successfully implement the management's future plan referred to in Note (21) of the condensed interim financial statements.

Other Information

The financial statements for the year ended 31 December 2025 are still under review by the Central Bank of Jordan and have not been approved yet by the Company's general assembly.

Emphasis of Matter

As disclosed in note (17) of condensed interim financial statements, Company's solvency margin as at 31 March 2026 is below the minimum margin determined by the Central Bank of Jordan amounting to (150%).

18 May 2026
Amman - Jordan



Arab Professionals
Ibrahim Hammoudeh
License No. (606)

The Mediterranean and Gulf Insurance Company - Jordan
Public Shareholding Company
Interim statement of financial position as at 31 March 2026
(In Jordanian Dinar)

	Note	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Assets			
Bank deposits	3	963,773	3,474,553
Investment properties	4	4,265,276	4,291,470
Total Investments		5,229,049	7,766,023
Cash on hand and at banks		132,503	62,713
Insurance contracts assets	5	1,415,713	527,767
Reinsurance contracts assets	6	1,825,090	3,058,990
Property and equipment		3,510,775	3,534,416
Intangible assets		92,873	100,564
Right of use assets		50,417	55,453
Other assets		613,529	548,771
Total Assets		12,869,949	15,654,697
Liabilities and Equity			
Liabilities			
Insurance contracts liabilities	5	10,158,643	12,594,872
Accrued expenses		77,600	56,600
Reinsurance contracts liabilities	6	1,777,515	1,798,642
Lease obligation		36,289	57,199
Income tax provision	7	50,926	50,926
Other liabilities		197,856	183,983
Total Liabilities		12,298,829	14,742,222
Equity			
Paid – in capital	8	10,000,000	10,000,000
Statutory reserve	9	315,702	315,702
Accumulated losses	10	(9,744,582)	(9,403,227)
Net Equity		571,120	912,475
Total Liabilities and Equity		12,869,949	15,654,697

“The attached notes from (1) to (21) are an integral part of these condensed interim financial statements”

The Mediterranean and Gulf Insurance Company - Jordan
Public Shareholding Company
Interim statement of profit or loss for the three months ended at 31 March 2026
(In Jordanian Dinar)

	Note	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Revenues			
Insurance contracts revenues	11	4,222,215	5,950,201
Insurance contracts expenses	12	(3,445,049)	(6,643,776)
Insurance contracts service results		777,166	(693,575)
Reinsurance contracts held expenses		(1,900,997)	(1,348,509)
Reinsurance contracts held revenues		871,868	1,277,202
Reinsurance contracts service results		(1,029,129)	(71,307)
Net insurance and reinsurance service results		(251,963)	(764,882)
Finance expenses - insurance contracts		(159,172)	(102,872)
Finance income - reinsurance contracts		28,312	107,829
Net insurance financing results		(130,860)	4,957
Net insurance contracts service results		(382,823)	(759,925)
Interest income		21,487	94,048
Other revenues		131,194	110,098
Total Revenues		(230,142)	(555,779)
Unallocated administrative and employees expenses		(111,213)	(156,827)
Total expenses		(111,213)	(156,827)
Loss for the period		(341,355)	(712,606)
Basic and diluted loss per share for the period	13	(0.034)	(0.071)

“The attached notes from (1) to (21) are an integral part of these condensed interim financial statements”

The Mediterranean and Gulf Insurance Company - Jordan
Public Shareholding Company
Interim statement of comprehensive income for the three months ended at 31 March 2026
(In Jordanian Dinar)

	31 March 2026 <u>(Unaudited)</u>	31 March 2025 <u>(Unaudited)</u>
Loss for the period	(341,355)	(712,606)
Other comprehensive income items:		
Changes in fair value reserve	<u>-</u>	<u>22,091</u>
Total comprehensive loss for the period	<u>(341,355)</u>	<u>(690,515)</u>

“The attached notes from (1) to (21) are an integral part of these condensed interim financial statements”

The Mediterranean and Gulf Insurance Company - Jordan
Public Shareholding Company
Interim statement of changes in equity for the three months ended at 31 March 2026 (Unaudited)

(In Jordanian Dinar)

	<u>Paid - In Capital</u>	<u>Statutory Reserve</u>	<u>Cumulative Change in Fair Value</u>	<u>Accumulated losses</u>	<u>Net Equity</u>
Balance at 1 January 2026	10,000,000	315,702	-	(9,403,227)	912,475
Total comprehensive loss for the period	-	-	-	(341,355)	(341,355)
Balance at 31 March 2026	<u>10,000,000</u>	<u>315,702</u>	<u>-</u>	<u>(9,744,582)</u>	<u>571,120</u>
 Balance at 1 January 2025	 10,000,000	 315,702	 (510,327)	 (6,414,925)	 3,390,450
Total comprehensive loss for the period	-	-	22,091	(712,606)	(690,515)
Balance at 31 March 2025	<u>10,000,000</u>	<u>315,702</u>	<u>(488,236)</u>	<u>(7,127,531)</u>	<u>2,699,935</u>

“The attached notes from (1) to (21) are an integral part of these condensed interim financial statements”

The Mediterranean and Gulf Insurance Company - Jordan
Public Shareholding Company
Interim statement of cash flows for the three months ended at 31 March 2026
(In Jordanian Dinar)

	Note	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Cash flows from operating activities			
Loss for the period		(341,355)	(712,606)
Adjustments:			
Depreciation and amortization		63,541	57,080
Interest expenses on lease obligation		1,090	1,523
Cash flows used in operating activities before changes in working capital items		(276,724)	(654,003)
Insurance contracts liabilities		(3,324,175)	717,561
Reinsurance contracts assets		1,212,773	(976,510)
Other assets		(64,758)	(32,550)
Other liabilities and accrued expenses		34,873	497,996
Net cash flows used in operating activities		(2,418,011)	(447,506)
Cash flows from investing activities			
Deposits maturing for more than three months		2,510,780	1,364,041
Purchase of property and equipment		(979)	(19,006)
Net cash flows from investing activities		2,509,801	1,345,035
Cash flows used in financing activities			
Lease obligation and interest payments		(22,000)	(22,000)
Net Increase in cash and cash equivalents		69,790	875,529
Cash and cash equivalents, beginning of period		62,713	5,275,317
Cash and cash equivalents, end of period	14	132,503	6,150,846

“The attached notes from (1) to (21) are an integral part of these condensed interim financial statements”

The Mediterranean and Gulf Insurance Company - Jordan
Public Shareholding Company
Notes to the condensed interim financial statements
31 March 2026 (Unaudited)

(In Jordanian Dinar)

1 . General

The Mediterranean and Gulf Insurance Company - Jordan was established on 21 November 2006 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (422) with paid up capital of JOD (10,000,000). Divided equally into (10,000,000) shares with par value JOD (1) per share The Company head office is in the Hashemite Kingdom of Jordan. The Company is engaged in insurance business which includes motors, fire, general accidents, marine, medical liability and aviation insurance.

The accompanying condensed interim financial statements have been approved for issue by the Company's Board of Directors on its meeting 12 May 2026.

2 . Summary of Significant Accounting Policies

2/1 Basis of Preparation of Condensed Interim Financial Statements

The condensed interim financial statements of the company have been prepared in accordance with IAS number (34) Interim Financial Reporting.

The condensed interim financial statements have been prepared on a historical cost basis.

The condensed interim financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous period.

The preparation of the financial statements in accordance with International Financial Reporting Standards requires the use of significant and specific accounting estimates, and also requires management to use its own estimates in the process of applying the Company's accounting policies. Items for which significant estimates were used are disclosed.

The condensed interim financial statements don't include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2025.

2/2 Changes in accounting policies

1. The International Accounting Standards Board (IASB) issued a number of amendments to the International Financial Reporting Standards (IFRS). The company applied these amendments, which became effective as of January 1, 2026, as follows:

Standard	Description	Effective Date
Amendments to International Financial Reporting Standard (IFRS) 9 and International Financial Reporting Standard (IFRS) 7 – Classification and Measurement of Financial Instruments.	These amendments include clarifying the requirements related to the timing of recognition and derecognition of certain financial assets and liabilities, including settlement date accounting for certain financial liabilities settled through electronic payment systems; clarifying and providing additional guidance for assessing whether a financial asset meets the “solely payments of principal and interest (SPPI)” criterion; introducing new disclosures for certain financial instruments containing contractual terms that may alter cash flows (such as certain instruments linked to achieving environmental, social, or governance targets); and updating disclosure requirements for equity financial instruments designated at fair value through other comprehensive income.	1 January 2026

The adoption of these amendments has no material impact on the financial statements of the Company for the current and past period

3 . Bank Deposits

This item consists of the following:

Bank	31 March 2026 (Unaudited)			31 December 2025 (Audited)	
	Deposits mature within (1) month	Deposits mature after (1) month to (3) months	Deposits mature after (3) months to (1) year	Total	Total
Blom Bank	-	-	201,191	201,191	708,000
Capital Bank	-	-	652,422	652,422	654,694
Arab Bank	-	-	110,160	110,160	2,111,859
Total deposits inside Jordan	-	-	963,773	963,773	3,474,553

- The annual interest rates on the deposits in Jordanian Dinar ranged between (4.57%) to (5.25%) during the three months ended at 31 March 2026, against (4.5%) to (5.75%) for the three months ended at 31 March 2025.
- Deposits pledged to the favor of the Central Bank of Jordan Governor in addition to his duty JOD (650,000) as at 31 March 2026 against JOD (650,000) as at 31 December 2025.

4 . Investment Properties

	Lands	Buildings	Total
Cost			
Balance as at 1/1/2026	563,769	4,250,478	4,814,247
Balance as at 31/3/2026	563,769	4,250,478	4,814,247
Accumulated depreciation			
Balance as at 1/1/2026	-	522,777	522,777
Depreciation for the period	-	26,194	26,194
Balance as at 31/3/2026	-	548,971	548,971
Net book value as at 31/3/2026	563,769	3,701,507	4,265,276
Cost			
Balance as at 1/1/2025	563,769	4,250,478	4,814,247
Balance as at 31/12/2025	563,769	4,250,478	4,814,247
Accumulated depreciation			
Balance as at 1/1/2025	-	425,196	425,196
Depreciation for the year	-	97,581	97,581
Balance as at 31/12/2025	-	522,777	522,777
Net book value as at 31/12/2025	563,769	3,727,701	4,291,470

The fair value of the investment properties as assessed by real estate appraiser equals to an amount of JOD (5,024,500) as at 31 December 2024 according to instruction issued by Central Bank of Jordan.

5. Insurance Contracts Assets / Liabilities- Premium Allocation Approach

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component contracts	loss component	Present value of future cash flows	Non-financial risk adjustments	
31 March 2026 (Unaudited)					
Insurance contracts assets at beginning of the year	(527,767)	-	-	-	(527,767)
Insurance contracts liabilities at beginning of the year	1,040,274	55,164	10,980,148	519,286	12,594,872
Net insurance contracts liabilities (assets) at the beginning of the year	512,507	55,164	10,980,148	519,286	12,067,105
Insurance contracts revenues	(4,222,215)	-	-	-	(4,222,215)
Insurance contracts expenses					
Incurred claims and other directly attributable expenses	-	-	697,402	-	697,402
Changes related to past service –changes related to LfIC	-	-	1,886,042	-	1,886,042
Employees expenses	-	-	298,903	-	298,903
Administrative expenses	-	-	248,222	-	248,222
Others expenses	-	-	128,339	-	128,339
Amortization of insurance acquisition cost	186,141	-	-	-	186,141
Net insurance contracts expenses	186,141	-	3,258,908	-	3,445,049
Insurance contracts services results	(4,036,074)	-	3,258,908	-	(777,166)
Finance expenses - insurance contracts	-	-	159,172	-	159,172
Net change - comprehensive income	(4,036,074)	-	3,418,080	-	(617,994)
Cash received from underwritten contracts	2,530,565	-	-	-	2,530,565
Paid claims	-	-	(4,384,747)	-	(4,384,747)
Paid administrative, employees and other expenses	-	-	(675,463)	-	(675,463)
Paid acquisition cost	(176,536)	-	-	-	(176,536)
Total cash flows	2,354,029	-	(5,060,210)	-	(2,706,181)
Insurance contracts assets at the end of the year	(1,415,713)	-	-	-	(1,415,713)
Insurance contracts liabilities at the end of the year	246,175	55,164	9,338,018	519,286	10,158,643
Net insurance contracts liabilities (assets) at the end of the year	(1,169,538)	55,164	9,338,018	519,286	8,742,930

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component contracts	loss component	Present value of future cash flows	Non-financial risk adjustments	
31 December 2025 (Audited)					
Insurance contracts assets at beginning of the year	(199,883)	-	(122,256)	(8,791)	(330,930)
Insurance contracts liabilities at beginning of the year	1,322,086	292,374	10,923,934	499,715	13,038,109
Net insurance contracts liabilities (assets) at the beginning of the year	1,122,203	292,374	10,801,678	490,924	12,707,179
Insurance contracts revenues	(23,207,755)	-	-	-	(23,207,755)
Insurance contracts expenses					
Incurred claims and other directly attributable expenses	-	-	16,815,916	-	16,815,916
Changes related to past service –changes related to LfIC	-	-	2,612,616	(168,745)	2,443,871
Change in non-financial risk adjustment	-	-	-	197,107	197,107
Change in the provision for losses unallocated loss adjustment	-	-	1,125	-	1,125
Change in onerous contracts	-	(237,210)	-	-	(237,210)
Employees expenses	-	-	1,544,744	-	1,544,744
Administrative expenses	-	-	1,345,140	-	1,345,140
Others expenses	-	-	739,556	-	739,556
Amortization of insurance acquisition cost	1,101,068	-	-	-	1,101,068
Net insurance contracts expenses	1,101,068	(237,210)	23,059,097	28,362	23,951,317
Insurance contracts services results	(22,106,687)	(237,210)	23,059,097	28,362	743,562
Finance expenses - insurance contracts	-	-	281,872	-	281,872
Net change - comprehensive income	(22,106,687)	(237,210)	23,340,969	28,362	1,025,434
Cash received from underwritten contracts	22,406,674	-	-	-	22,406,674
Paid claims	-	-	(19,533,059)	-	(19,533,059)
Paid administrative, employees and other expenses	-	-	(3,629,440)	-	(3,629,440)
Paid acquisition cost	(909,683)	-	-	-	(909,683)
Total cash flows	21,496,991	-	(23,162,499)	-	(1,665,508)
Insurance contracts assets at the end of the year	(527,767)	-	-	-	(527,767)
Insurance contracts liabilities at the end of the year	1,040,274	55,164	10,980,148	519,286	12,594,872
Net insurance contracts liabilities (assets) at the end of the year	512,507	55,164	10,980,148	519,286	12,067,105

5 / 1 Accounts Receivable Related To Insurance Operation

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Insurance policyholders receivables	5,362,761	3,884,754
Due from related parties (Note 15)	973,108	973,108
Employees' receivables	9,363	13,810
Other receivables	994,099	1,001,453
	<u>7,339,331</u>	<u>5,873,125</u>
Less: Provision for expected credit loss*	<u>(1,526,742)</u>	<u>(1,526,742)</u>
	<u>5,812,589</u>	<u>4,346,383</u>

This item represents account receivables related to insurance operations that considered in the calculation of insurance contract assets and liabilities which is included in footnote (5).

* Movement in the provision for expected credit loss is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the year	1,526,742	1,804,494
Unneeded provision	-	(277,752)
Balance at end of the period / year	<u>1,526,742</u>	<u>1,526,742</u>

The aging of accounts receivables that are not doubtful is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Undue	4,039,279	2,410,626
Past due from 1-90 days	830,134	950,061
Past due from 91-180 days	333,767	519,111
Past due from 181-360 days	541,366	466,585
Past due for more than one year	68,043	-
Total	<u>5,812,589</u>	<u>4,346,383</u>

5/2 Checks under Collection Related to Insurance operation

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Checks under collection	740,473	946,572
Less: Provision for expected credit loss **	(26,789)	(26,789)
	713,684	919,783

This item represents Checks under collection related to insurance operation that considered in the calculation of insurance contract assets and liabilities which is included in footnote (5).

** Movement on the provision for expected credit loss is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the year	26,789	42,077
Unneeded provision	-	(15,288)
Balance at end of the period / year	26,789	26,789

5/3 Accounts Payable Related To Insurance Operations

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Medical network payables	1,842,720	2,907,237
Insurances policyholders' payables and other payables	1,615,724	2,061,785
	3,458,444	4,969,022

This item represents account payables related to insurance operations that considered in the calculation of insurance contract assets and liabilities which is included in footnote (5).

6 . Reinsurance Contract Assets / Liabilities – Premium Allocation Approach

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Non-financial risk adjustments	
31 March 2026 (Unaudited)					
Reinsurance contracts assets at beginning of the year	(1,044,775)	-	(1,916,787)	(97,428)	(3,058,990)
Reinsurance contracts liabilities at beginning of the year	1,798,642	-	-	-	1,798,642
Net reinsurance contracts (assets) liabilities at the beginning of the year	753,867	-	(1,916,787)	(97,428)	(1,260,348)
Reinsurance services expenses	1,900,997	-	-	-	1,900,997
Recovery of incurred claims	-	-	(803,300)	-	(803,300)
Other revenues	-	-	(68,568)	-	(68,568)
Reinsurance service results	1,900,997	-	(871,868)	-	1,029,129
Finance income - reinsurance contracts	-	-	(28,312)	-	(28,312)
Net change - comprehensive income	1,900,997	-	(900,180)	-	1,000,817
Premiums paid net of ceding commissions and other directly attributable expenses	(1,296,305)	-	-	-	(1,296,305)
Received claims recovery from reinsurers	-	-	1,508,261	-	1,508,261
Total cash flows	(1,296,305)	-	1,508,261	-	211,956
Reinsurance contracts assets at the end of the year	(418,956)	-	(1,308,706)	(97,428)	(1,825,090)
Reinsurance contracts liabilities at the end of the year	1,777,515	-	-	-	1,777,515
Net reinsurance contracts (assets) liabilities at the end of the year	1,358,559	-	(1,308,706)	(97,428)	(47,575)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Non-financial risk adjustments	
31 December 2025 (Audited)					
Reinsurance contracts assets at beginning of the year	(1,514,761)	-	(663,011)	(27,021)	(2,204,793)
Reinsurance contracts liabilities at beginning of the year	3,182,549	(54,101)	(1,190,500)	(33,039)	1,904,909
Net reinsurance contracts (assets) liabilities at the beginning of the year	1,667,788	(54,101)	(1,853,511)	(60,060)	(299,884)
Reinsurance services expenses	7,408,132	-	-	-	7,408,132
Recovery of incurred claims	-	-	(5,036,572)	-	(5,036,572)
Changes in non-financial risk adjustment	-	-	-	(84,381)	(84,381)
Changes related to prior services- changes in free cash flow related to the recovery of incurred claims	-	-	179,741	47,013	226,754
Other revenues	-	-	(374,998)	-	(374,998)
Change in onerous contracts	-	54,101	-	-	54,101
Reinsurance service results	7,408,132	54,101	(5,231,829)	(37,368)	2,193,036
Finance income - reinsurance contracts	-	-	(11,558)	-	(11,558)
Net change - comprehensive income	7,408,132	54,101	(5,243,387)	(37,368)	2,181,478
Premiums paid net of ceding commissions and other directly attributable expenses	(8,322,053)	-	-	-	(8,322,053)
Received claims recovery from reinsurers	-	-	5,180,111	-	5,180,111
Total cash flows	(8,322,053)	-	5,180,111	-	(3,141,942)
Reinsurance contracts assets at the end of the year	(1,044,775)	-	(1,916,787)	(97,428)	(3,058,990)
Reinsurance contracts liabilities at the end of the year	1,798,642	-	-	-	1,798,642
Net reinsurance contracts (assets) liabilities at the end of the year	753,867	-	(1,916,787)	(97,428)	(1,260,348)

6 / 1 Accounts Receivables (Reinsurance Contracts Held)

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Reinsurance contracts assets (Local)	887,635	943,197
Reinsurance contracts assets (Foreign) *	204,468	737,830
Total accounts receivable (reinsurance contracts)	1,092,103	1,681,027
Less: Provision for expected credit losses**	(493,252)	(493,252)
Net accounts receivables (reinsurance contracts)	598,851	1,187,775

This item represents accounts receivable related to reinsurance operations that considered in the calculation of reinsurance contract assets and liabilities which is included in footnote (6).

* These amounts include insurance receivables due from related parties amounting to JOD (49,208) as at 31 March 2026, compared to JOD (49,208) as at 31 December 2025.

** Movement on the provision for expected credit loss is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the year	493,252	451,390
Provision for the period / year	-	41,862
Balance at end of the period / year	493,252	493,252

The aging of accounts receivable that are not doubtful (reinsurance contracts) is as follows:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Past due from 1-90 days	278,411	1,001,520
Past due from 91-180 days	234,125	186,255
Past due from 181-360 days	86,315	-
Total	598,851	1,187,775

6 / 2 Accounts Payable (Reinsurance Contracts Held)

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Reinsurance contracts liabilities held (Local)	405,497	329,339
Reinsurance contracts liabilities held (Foreign) *	3,533,012	2,958,380
Total accounts payable (reinsurance contracts held)	3,938,509	3,287,719

This item represents accounts payable related to reinsurance operation that considered in the calculation of reinsurance contract assets and liabilities which is included in footnote (6).

* These amounts include accounts payable due to related parties totaling JOD (81,987) as at 31 March 2026, compared to JOD (81,987) as at 31 December 2025.

7 . Income Tax

A- Income Tax Provision

The movement on Income tax provision is as follow:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the year	50,926	50,926
Balance at end of the period / year	50,926	50,926

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2020.
- The income tax returns for the years 2021, 2022, 2023, 2024 and 2025 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No Income and National Contribution Tax provision has been taken on the Company's results of operations for the three months ended at 31 March 2026 as the Company's expenses exceeded its taxable revenues.
- According to the management and tax advisor of the Company the provision of Income and National Contribution tax is sufficient and there is no need for additional provisions.

8 . Paid-in Capital

The Company's authorized, subscribed and paid-in capital is JOD (10,000,000) divided equally into (10,000,000) shares with a par value of JOD (1) each as at 31 March 2026 and 31 December 2025.

9 . Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

10 . Accumulated Losses

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Balance at beginning of the year	(9,403,227)	(6,414,925)
Loss for the period / year	(341,355)	(2,586,521)
Losses from sale of financial assets at fair value through other comprehensive income	-	(401,781)
Balance at end of the period / year	(9,744,582)	(9,403,227)

11 . Insurance Contracts Revenues

31 March 2026 (Unaudited)	Motors	Fire	Aviation	Engineering	Liability	Marine	Medical	Others	Total
Insurance contracts revenues	1,565,979	219,645	139,660	(14,948)	494,985	67,255	1,599,780	7,012	4,079,368
Insurance contracts issuance fees	41,194	7,010	(4,886)	1,839	20,763	8,524	65,686	2,717	142,847
Total insurance contracts revenues	1,607,173	226,655	134,774	(13,109)	515,748	75,779	1,665,466	9,729	4,222,215

31 March 2025 (Unaudited)	Motors	Fire	Aviation	Engineering	Liability	Marine	Medical	Others	Total
Insurance contracts revenues	3,142,795	451,733	-	(201,555)	48,642	126,046	2,191,746	15,149	5,774,556
Insurance contracts issuance fees	72,213	6,783	-	2,966	3,195	2,965	85,728	1,795	175,645
Total insurance contracts revenues	3,215,008	458,516	-	(198,589)	51,837	129,011	2,277,474	16,944	5,950,201

12 . Insurance Contracts Expenses

31 March 2026 (Unaudited)	Motors	Fire	Aviation	Engineering	Liability	Marine	Medical	Others	Total
Incurring claims	1,375,289	64,247	11,641	(72,467)	(2,686)	9,685	1,194,901	2,834	2,583,444
Amortization of acquisition costs	86,598	13,742	-	6,219	1,539	8,121	68,784	1,138	186,141
Administrative expenses	136,153	17,910	-	7,532	6,984	6,576	70,805	2,262	248,222
Employees expenses	184,155	18,905	-	7,292	8,592	8,720	68,972	2,267	298,903
Other expenses	1,100	-	-	-	-	-	127,239	-	128,339
Total insurance contracts expenses	1,783,295	114,804	11,641	(51,424)	14,429	33,102	1,530,701	8,501	3,445,049

31 March 2025 (Unaudited)	Motors	Fire	Aviation	Engineering	Liability	Marine	Medical	Others	Total
Incurring claims	3,215,513	23,769	-	8,450	6,054	1,034	2,062,846	9,223	5,326,889
Amortization of acquisition costs	156,681	15,961	-	7,834	3,032	12,660	71,969	2,396	270,533
Onerous contracts losses	138,232	-	-	-	-	-	44,214	-	182,446
Non – financial risk adjustments	(40,987)	1,556	-	8	742	18	16,022	2,584	(20,057)
Administrative expenses	143,506	34,612	-	17,806	7,112	15,155	117,309	5,739	341,239
Employees expenses	183,169	31,058	-	16,465	6,822	22,691	78,237	7,134	345,576
Other expenses	70,651	609	-	230	90	378	125,105	87	197,150
Total insurance contracts expenses	3,866,765	107,565	-	50,793	23,852	51,936	2,515,702	27,163	6,643,776

13 . Basic and Diluted Loss Per Share

Loss per share was calculated by dividing the loss for the period by weighted average number of shares during the period as follows:

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Net loss for the period after tax	(341,355)	(712,606)
Weighted average number of shares	10,000,000	10,000,000
Loss per share for the period	<u>(0.034)</u>	<u>(0.071)</u>

14 . Cash and Cash Equivalents

The cash and cash equivalents that appear in the statement of cash flows represent the following:

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Cash on hand and at banks	132,503	411,037
Add : Deposits at banks (Note 3)	963,773	6,389,809
Deduct : Deposits at banks mature after three months	(963,773)	(650,000)
Net cash and cash equivalents at end of the period	<u>132,503</u>	<u>6,150,846</u>

15 . Related Party Transactions

The Company has entered into transactions with major shareholders, members of the Board of Directors, senior management, and companies controlled by them as part of its normal course of business, using standard profit rates and customary commercial commissions.

Below is a summary of the balances with related parties as shown in the statement of financial position:

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Amounts due from related parties.		
The Mediterranean and Gulf Insurance and reinsurance company -Lebanon - Major shareholder	966,190	966,190
Addison Bradley International – Lebanon (Sister company – reinsurance brokerage company)	49,208	49,208
The Mediterranean and Gulf Insurance Company – Bahrain (Sister company)	6,918	6,918
	<u>1,022,316</u>	<u>1,022,316</u>
	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Amounts due to related parties		
Addison Bradley International – Lebanon (sister company)	81,987	81,987
	<u>81,987</u>	<u>81,987</u>

Below is a summary of benefits (salaries, bonuses, and other benefits) for the company's senior executive management

	31 March 2026 (Unaudited)	31 March 2025 (Unaudited)
Salaries and benefits	<u>25,500</u>	<u>52,500</u>

16 . Analysis of Main Sectors

Background information on the Company's business segments

For management purposes, the Company measures its insurance segments in accordance with the reports used by executive manager and the company's primary decision maker to include General insurance sector which comprise fire, engineering, liability, marine, medical, and motor insurance. This sector is the base used by the Company to disclose information related to key sectors, the mentioned sector also includes the Company's investments and cash management. The activities between the business sectors are performed based on market price estimates under the same terms applied in dealing with third parties.

17 . Capital Management

The company's objectives in managing its capital are as follows:

- 1- Compliance with the minimum capital requirements for insurance companies as stipulated by the Insurance Business Regulation Law.
- 2- Ensuring the company's continuity, thereby enabling it to provide shareholders with appropriate returns on capital.
- 3- Providing suitable returns to shareholders by pricing insurance contracts in accordance with the risks associated with those contracts.
- 4- Adhering to the Central Bank of Jordan's regulations concerning solvency margins.
- 5- The Company's solvency margin as at 31 March 2026 is below the minimum margin determined by Central Bank of Jordan which amounts to (150%).

	31 March 2026 (Unaudited)	31 December 2025 (Audited)
Available capital	1,333,402	1,966,591
Capital required		
Required capital against risks, excluding operational risks	4,180,009	3,505,857
Required capital against operational risks	326,984	530,042
Total capital required	4,506,993	4,035,899
Solvency margin	30%	49%

18. Lawsuits Against the Company

The value of lawsuits filed against the company amounted to JOD (256,954) as at 31 March 2026, compared to JOD (1,388,615) as at 31 December 2025. This amount represents legal claims related to the company's activities, technical provisions have been calculated to cover any obligations related to these lawsuits.

In the opinion of the Company's management and its lawyer, the estimated provision considered sufficient and there is no need to take additional provision.

19. Contingent Liabilities

The Company has bank guarantees of JOD (41,860) as at 31 March 2026, compared JOD (41,860) as at 31 March 2025.

20. Subsequent Events

No subsequent events have a material impact on the financial statement as at 31 March 2026.

21. Material uncertainty related to going concern

The Company's Board of Directors has developed a remedial plan to address its financial position and enhance its ability to continue as a going concern. A number of corrective actions were identified, most notably the restructuring of the executive management and the review and update of the operational policies in place, as well as the reassessment of the pricing policy in a manner consistent with market conditions.

The plan also included improving claims management processes in a way that contributes to enhancing operational efficiency and reducing losses. In addition, the plan included amending the credit policy and monitoring its implementation in a manner that serves the best interests of both the Company and its customers. Accordingly, management will conduct a comprehensive assessment of the Company's financial and operational position based on the results achieved by the end of the year 2025.